



# SASOL LIMITED

**INTEGRATED REPORT**  
for the year ended 30 June 2022



Delivering with Purpose  
**FUTURE SASOL**

## ABOUT SASOL

Sasol is a global chemicals and energy company. We harness our knowledge and expertise to integrate sophisticated technologies and processes into world-scale operating facilities.

We strive to safely and sustainably source, produce and market a range of high-quality products globally.

### OUR PURPOSE | Innovating for a better world

#### FUTURE SASOL

We are resetting, transitioning and reinventing Sasol to decarbonise and commit to achieving our Net Zero\* ambition by 2050

#### OUR AMBITION

Grow shared value while accelerating our transition to Net Zero

#### OUR SUSTAINABILITY STATEMENT

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

\* Net Zero for Sasol is to significantly reduce emissions to the point where only hard-to-abate emissions remain or are zero. Any residual emissions will be neutralised using carbon dioxide removal offsets.

### Our prioritised Sustainable Development Goals (SDGs)

<p><b>Safe and enduring operations</b></p> 	<p><b>Minimising our environmental footprint</b></p> 	<p><b>Resilience in a low-carbon future</b></p> 	<p><b>Growing shared value</b></p> 	
<p><b>SDG 8: Decent work and economic growth</b></p>	<p><b>SDG 9: Industry, innovation and infrastructure</b></p>	<p><b>SDG 12: Responsible consumption and production</b></p>	<p><b>SDG 13: Climate action</b></p>	<p><b>SDG 17: Partnerships for the goals</b></p>
<p>Enhancing safe and enduring operations is critical to value preservation and creation in order to deliver on our strategy</p>	<p>Building resilient infrastructure, promoting sustainable industries and fostering innovation</p>	<p>Remaining committed to minimising the impact of our operations on the environment</p>	<p>Accelerating our transformational changes through partnerships, technology and innovation</p>	<p>Working to create positive and measurable socio-economic impacts and responding to key societal challenges</p>

### OUR VALUES

Capturing the essence of our 'can do' spirit as we transition to a more resilient, environmentally sustainable business.



#### BE INCLUSIVE

We foster inclusivity in all we do, our employees, our customers and stakeholders



#### BE SAFE

We always place the safety of people first



#### BE CARING

We care deeply for our people, planet, and our communities



#### BE ACCOUNTABLE

We own our results



#### BE RESILIENT

We boldly adapt to change and embrace agility

## Delivering with Purpose FUTURE SASOL

Our Purpose and strategy guide us in our work to reduce our GHG by 30% by 2030, and reach our 2050 Net Zero ambition while growing shared value. Our 2022 suite of annual reports reflects the clear actions taken to deliver progress as well as the plans and prospects ahead.

As we journey to becoming more sustainable, we continue to focus on contributing to the Sustainable Development Goals and fulfilling our commitments to the Ten Principles of the United Nations Global Compact. Ensuring full integration across the Group from an execution and reporting perspective will enable value creation for all our stakeholders.

Our Purpose compels us to deliver against the outcomes of People, Planet and Profit; with the intent to be a force for good.



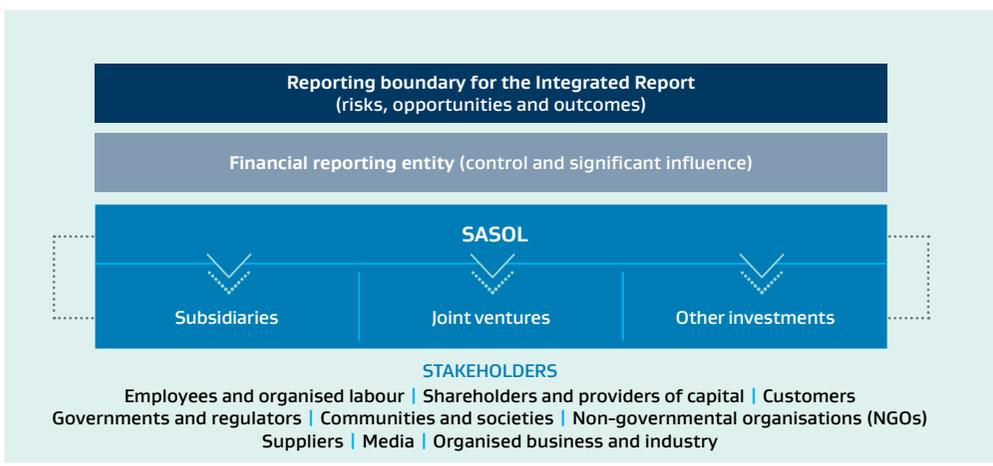
# CONTENTS

# OUR SUITE OF REPORTS

<b>INTRODUCTION   ABOUT SASOL</b>		<b>CREATING VALUE (CONTINUED)</b>	
About Sasol	1	Stakeholder issues informing our material matters	28
Our suite of reports	2	Risk management	30
Integrated thinking and related reporting	3	Managing our material matters	36
Sasol at a glance	4	<b>DELIVERING</b>	
About this report	5	Performance overview   Performance at a glance	40
Our performance in 2022	6	Sasol Chemicals at a glance	46
Our Group structure	7	Sasol Energy at a glance	49
Our brand and operational presence across the world	8	Sasol ecoFT at a glance	53
Our distinctive value chains	9	<b>GOVERNANCE AND REWARDS</b>	
<b>STRATEGIC OVERVIEW</b>		Governance   Governance at a glance	56
Strategic direction	10	Governance	57
Delivering our strategy over horizons	11	Remuneration report   Remuneration at a glance	62
Chairman's statement	12	Remuneration report   Chairman's letter	63
President and Chief Executive Officer's statement	14	Remuneration report	65
Our Group Executive Committee	17	<b>ADMINISTRATION</b>	
Chief Financial Officer's statement	18	Contact details	74
<b>CREATING VALUE</b>		Forward-looking statements	74
Operating context	20	Photography	74
Creating value using the six capitals	23	Abbreviations	74
Trade-offs	25		
Engaging with stakeholders to deliver value	27		



- IR** **Integrated Report**  
Concise communication on Sasol's strategy, governance, performance and outlook and how these lead to the preservation and creation of value over the short, medium and long term.
  - SR** **Sustainability Report**  
Communication on Sasol's environmental, social and governance (ESG) performance.
  - CCR** **Climate Change Report**  
Information on Sasol's climate change risk management process, response strategy and summary of work underway to address our climate change risks and opportunities.
  - AFS** **Annual Financial Statements**  
A complete analysis of the Group's financial results, with detailed financial statements, as well as the Remuneration Report and Report of the Audit Committee.
  - 20-F** **Form 20-F**  
Our annual report filed with the United States Securities and Exchange Commission (SEC), pursuant to our New York Stock Exchange listing.
- These reports are available on our website, [www.sasol.com](http://www.sasol.com), or on request from Investor Relations. Contact details are on page 74 of this report.

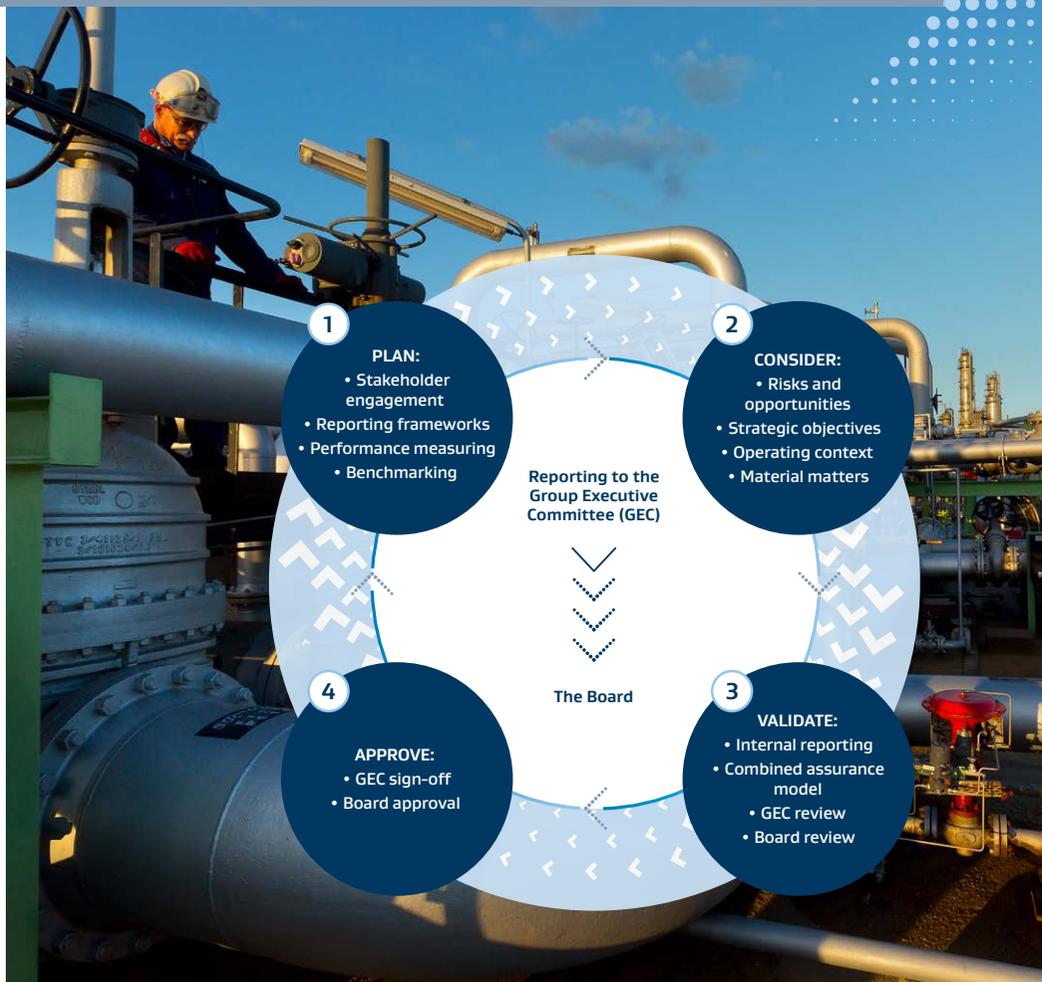


Our suite of reports is informed by the following standards and initiatives. We have sought alignment with key reporting expectations and compliance with all relevant legal requirements.

	REPORTS		
The International Integrated Reporting <IR> Framework	<b>IR</b>	<b>AFS</b>	
South African Companies Act 71 of 2008, as amended	<b>IR</b>	<b>AFS</b>	
Johannesburg Stock Exchange (JSE) Listings Requirements	<b>IR</b>	<b>AFS</b>	
King IV™ Report on Corporate Governance for South Africa, 2016	<b>IR</b>	<b>AFS</b>	
International Financial Reporting Standards (IFRS)	<b>IR</b>	<b>AFS</b>	<b>20-F</b>
Global Reporting Initiative (GRI) Sustainability Reporting Standards	<b>SR</b>	<b>CCR</b>	
Task Force on Climate-related Financial Disclosure (TCFD)	<b>IR</b>	<b>SR</b>	<b>CCR</b>
United Nations Advanced Reporting Criteria and Sustainable Development Goals (SDGs)	<b>SR</b>	<b>CCR</b>	
United States Securities and Exchange Commission rules and regulations			<b>20-F</b>
Sarbanes-Oxley Act of 2002			<b>20-F</b>
JSE Sustainability and Climate Disclosure Guidelines	<b>IR</b>	<b>SR</b>	<b>CCR</b>

# INTEGRATED THINKING AND RELATED REPORTING

Integrated reporting brings together the material information and aspects of our strategy, governance, performance, opportunities, outcomes and future outlook of our activities reflected within the context of People, Planet and Profit. Our Integrated Report aims to articulate our value preservation and creation story and is relevant to all our stakeholders. It supports integrated thinking at Sasol.



## Our integrated reporting process

Our Integrated Report is prepared following a group-wide structured content gathering process led by the Sustainability and Reporting Team.

The robust process is ongoing and is underpinned by engaging with an extensive range of stakeholders to recognise what they consider material. This is complemented with benchmarking and the consideration of applicable reporting standards and frameworks we adhere to (outlined on page 2). Our process is further enhanced by ongoing risk and opportunity assessment, analysis of our operating context and determination of our material matters as outlined on page 36.

The relevant information is compiled and validated through our internal reporting and combined assurance model, reviewed and signed off by the Group Executive Committee with ultimate approval by the Board. This annual process strengthens our internal reporting systems, assists us in our integrated thinking, informs our strategic goals and shapes our value creation and preservation story.

### Our Integrated Report

**PERIOD** Produced and published annually and covers our financial year 1 July to 30 June. Any subsequent material events up to the Board approval date in August every year are also included.

**BOUNDARY** Report on the primary activities of the Group, our subsidiaries, joint ventures and other investments where we have financial control and significant influence.

**REPORTING ON ESG METRICS** Our Integrated Report extends beyond financial reporting and includes key environmental, social and governance (ESG) performance metrics. Detailed sustainability and climate change performance is available in our Sustainability Report and Climate Change Report.

**SR** For more detail refer to our Sustainability Report and Climate Change Report  
**CCR** available on our website, [www.sasol.com](http://www.sasol.com)

**AUDIENCE AND KEY STAKEHOLDERS** Addresses the information requirements of our providers of capital. As we provide information on our opportunities, risk and outcomes attributable to our ability to create, preserve or erode value over the short, medium and long term, this information is also relevant to other key stakeholders such as employees, customers, government and regulators, and the communities in which we operate.

#### KEY STAKEHOLDERS:

Employees and organised labour	Customers	Communities and societies	Business/joint ventures (JVs)	Organised business and industry
Shareholders and providers of capital	Governments and regulators	Non-governmental organisations (NGOs)	Suppliers	Media

**INTEGRITY – THE BOARD**

- Ensures the integrity of our integrated reporting process.
- Gives attention to management’s evaluation of the effectiveness of the disclosure controls and procedures through the combined assurance model and internal control framework and assessment.
- Gives final approval for publication.

# SASOL AT A GLANCE



Sasol is South Africa's leading chemicals and energy organisation with a global presence. We are purpose-driven and resolute in our transition to being a sustainable entity while creating shared value for all our stakeholders.



**Turnover**  
R276 billion

**Total assets**  
R420 billion

**Market capitalisation**  
R234 billion

**Reinvested to grow and sustain operations**  
R50 billion

**Significant contributor to South Africa's GDP**

**Value shared**  
R16,2 billion in direct taxes

**R33 billion in wages and benefits**

**R743,3 million on social investment initiatives**

**R1,2 billion in research and development**

**R1,2 billion on skills development**

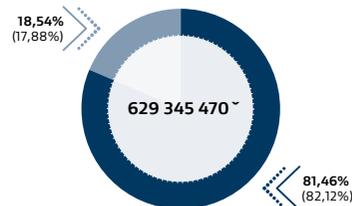
**28 630 employees**

**Located in 22 countries and market products across 118 countries**

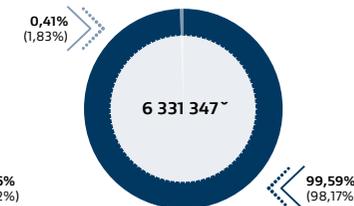
We partner with various organisations to develop and implement innovative solutions

## Shareholders

Sasol ordinary shares



Sasol BEE ordinary shares



■ Public  
■ Non-public  
~ Number of shares

Listed on the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE)

Committed to sustainability, supporting the Paris Agreement and accelerating our transition to Net Zero emissions ambition by 2050

## ABOUT THIS REPORT

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

We aim to preserve, create and deliver sustainable value for all our stakeholders through the six capitals. Our unique processes are key inputs and we produce value-adding outputs by using an integrated approach.

### Our six capitals

**HC 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.

**SC 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.

**NC NATURAL CAPITAL**  
We use natural resources as well as renewable energy in our operations and leverage our Fischer-Tropsch (FT) technology to convert hydrocarbon reserves into value-adding product streams.

**FC 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 maintain and transform our business, reward our shareholders and fund growth.

**MC MANUFACTURED CAPITAL**  
By investing in plant and equipment, we are able to convert hydrocarbon resources into high-value products and operate reliably. These investments also help manage our environmental footprint and assist in complying with regulatory requirements.

**IC 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.

### Our material matters

Our material matters are continuously monitored as they have the potential to help or hinder the execution of our strategy thereby impacting our ability to create and preserve value in the short, medium and long term. This is undertaken through the triple bottom line of People, Planet and Profit.

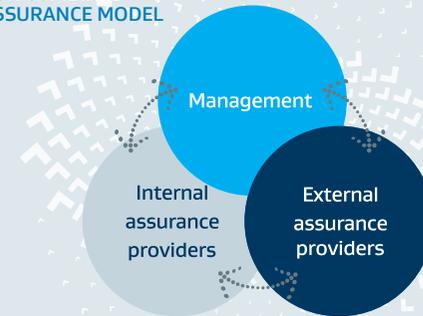
- MM Safety of our people**
- Transforming for resilience**
- Responsibly decarbonising for Future Sasol**

- Environmental stewardship**
- Strengthening relationships with stakeholders**

### Internal control 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 Policy and strategic intent of risk management 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 2022 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 disclosure controls and procedures. Other than the material weaknesses reported in 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 2022 Integrated Report addresses all material issues and matters which affect the Group's ability to preserve and create value and fairly represents the Group's integrated performance. This report and its publication was approved on 26 August 2022.

The Board confirms that Sasol is in compliance with the provisions of the Companies Act, 71 of 2008 relating to its incorporation and is operating in conformity with its Memorandum of Incorporation.

The Board of Directors has reviewed and approved the 2022 Integrated Report:

<b>Sipho Nkosi</b> Chairman of the Board	<b>Fleetwood Grobler</b> President and Chief Executive Officer	<b>Hanré Roussouw</b> Chief Financial Officer
<b>Vuyo Kahla</b> Executive Vice President	<b>Manuel Cuambe</b> Independent non-Executive Director	<b>Muriel Dube</b> Independent non-Executive Director
<b>Martina Flöel</b> Independent non-Executive Director	<b>Katherine Harper</b> Independent non-Executive Director	<b>Beatrix Kennealy</b> Independent non-Executive Director
<b>Nomgando Matyumza</b> Independent non-Executive Director	<b>Mpho Nkeli</b> Independent non-Executive Director	<b>Stephen Westwell</b> Independent non-Executive Director
	<b>Stanley Subramoney</b> Independent non-Executive Director	

## OUR PERFORMANCE IN 2022

Delivering with Purpose  
**FUTURE SASOL** >



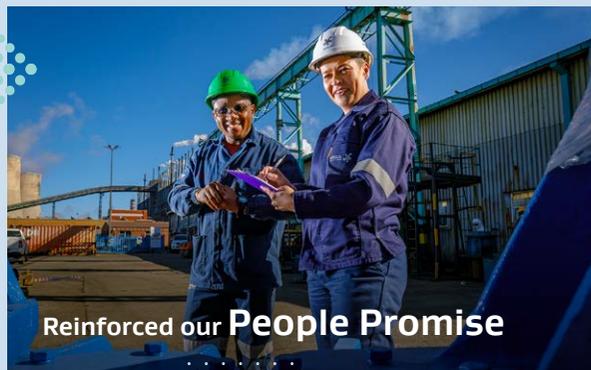
PEOPLE

Safety recordable case rate  
**0,27**

Five tragic fatalities

Invested **R1,2 billion** in skills development

**25 business start-ups** through Ntsika entrepreneur development programme



Reinforced our **People Promise**

**R743,3 million** invested globally in socio-economic development initiatives

Black-owned business spend  
**R33,6 billion** in South Africa



Bolstering our **research** and **technology** capabilities to support new **green technologies**



PLANET

GHG emissions reduced by approximately **7%** off 2017 baseline

For combined Sasol Energy and Sasol Chemicals baseline and largely due to lower production and operational challenges.

Recycled **170 million cubic metres** of water and **131 kilotons** of waste

Group energy efficiency improvement  
**18,4%** cumulative

Energy efficiency off 2005 baseline.

Introduced **296 thousand gigajoules** renewable electricity at Sasol Chemicals

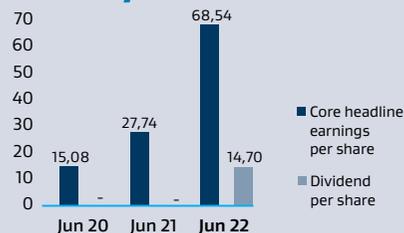


Concluding negotiations on Power Purchase Agreements for over 600 MW of solar and wind renewable power for introduction by 2025



PROFIT

Core HEPS up > 100% to  
**R68,54**



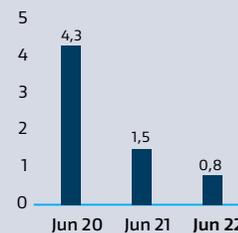
Basic earnings per share up > 100% to  
**R62,34**

Dividend restored  
**R14,70** per share declared

Balance sheet strengthened – net debt\* reduced to  
**US\$3,8bn**

\* Total debt excluding leases less cash and cash equivalents.

Net debt: EBITDA\*\* 0,8 times below covenant threshold level of three times



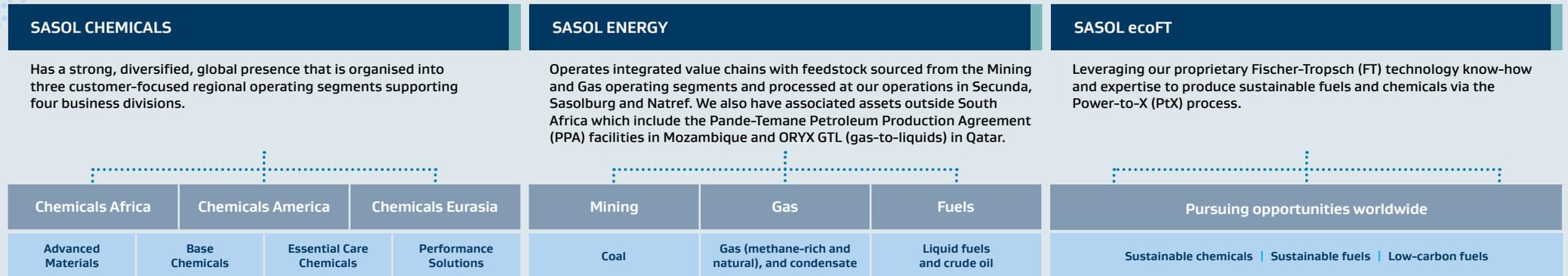
Gearing down from 61,5% to  
**41,8%**

\*\* Per the Revolving Credit Facility and US dollar term loan covenant definition.

# OUR GROUP STRUCTURE

Our Group is organised into three businesses – positioned to drive long-term sustainability and grow shared value

## Customer-centric operating model

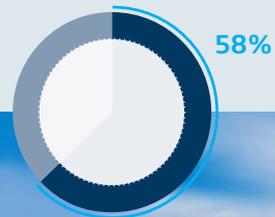


### GROWING WITH OUR UNIQUE CHEMISTRY

### LEADING THE ENERGY TRANSITION IN SOUTHERN AFRICA

### BUILDING SUSTAINABLE BUSINESSES WITH OUR ADVANTAGED FT TECHNOLOGY

Contribution to Group's external turnover %



Contribution to Group's external turnover %



Four partnering studies announced for Fischer-Tropsch (FT) Sustainable Aviation Fuel projects



### ENABLED BY OUR TOP PRIORITIES

**PEOPLE**  
Pursue Zero Harm and improve our culture



**PLANET**  
Advance sustainability



**PROFIT**  
Deliver and maximise value



Supported by a lean and cost-efficient Corporate Centre

## OUR BRAND AND OPERATIONAL PRESENCE ACROSS THE WORLD



Located in **22 countries**

Global pioneer in innovative **Fischer-Tropsch (FT) technology**

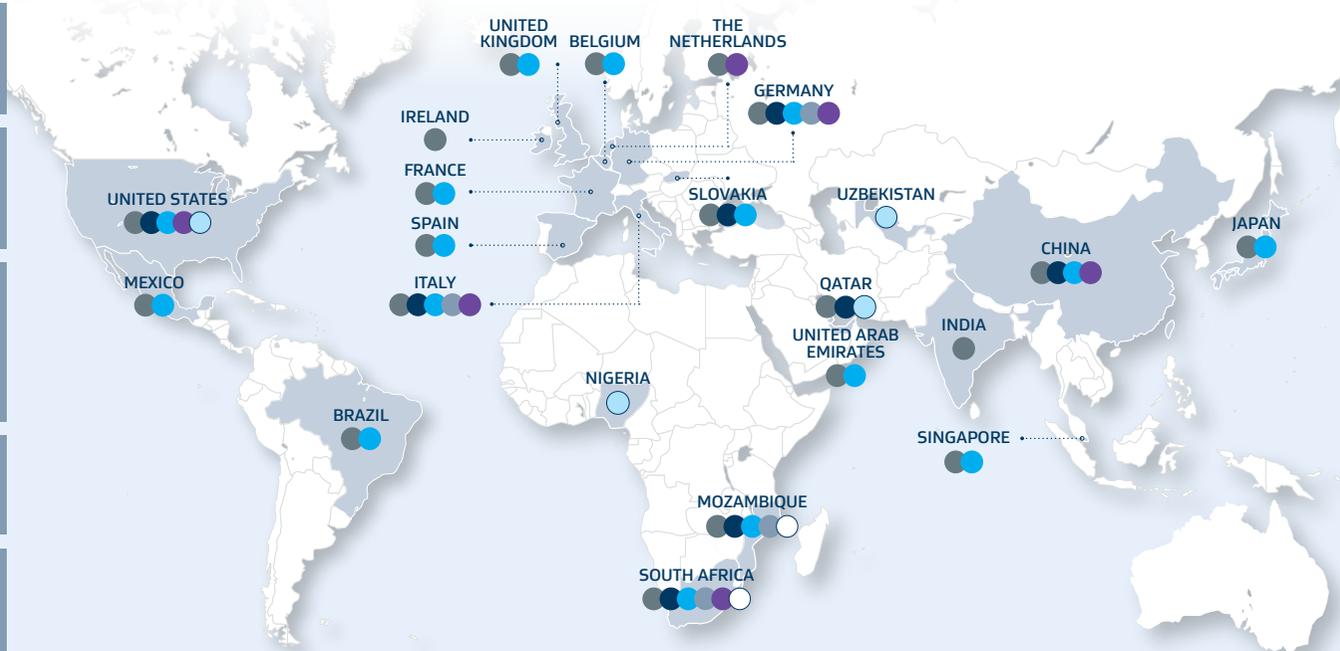
Delivered **55,2 million barrels of liquid fuels** and **60,1 bscf natural and methane-rich gas**

A significant producer of **grey hydrogen\***

Exploring potential of **cleaner Sustainable Aviation Fuel** with world-class partners

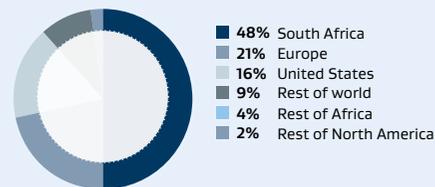
Through leveraging our FT technology and building **new sustainable businesses** to globally produce low-carbon products

\* Grey hydrogen is produced from fossil fuels. Green hydrogen is produced from renewable energy and water electrolysis.



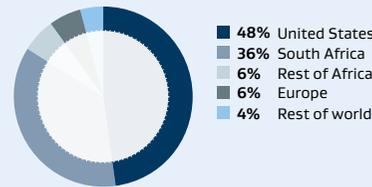
### WHERE WE OPERATE

Turnover 2022



### WHERE WE INVEST

Non-current assets 2022



### LEGEND

- Office
- Operations
- Sales
- Projects at the pre-feasibility, feasibility or implementation phase
- Research activities
- Exploration
- Technology licensing services

More than **70 years'** experience in the production and marketing of fuels and chemicals

One of the world's leading producers of **synthetic fuels**

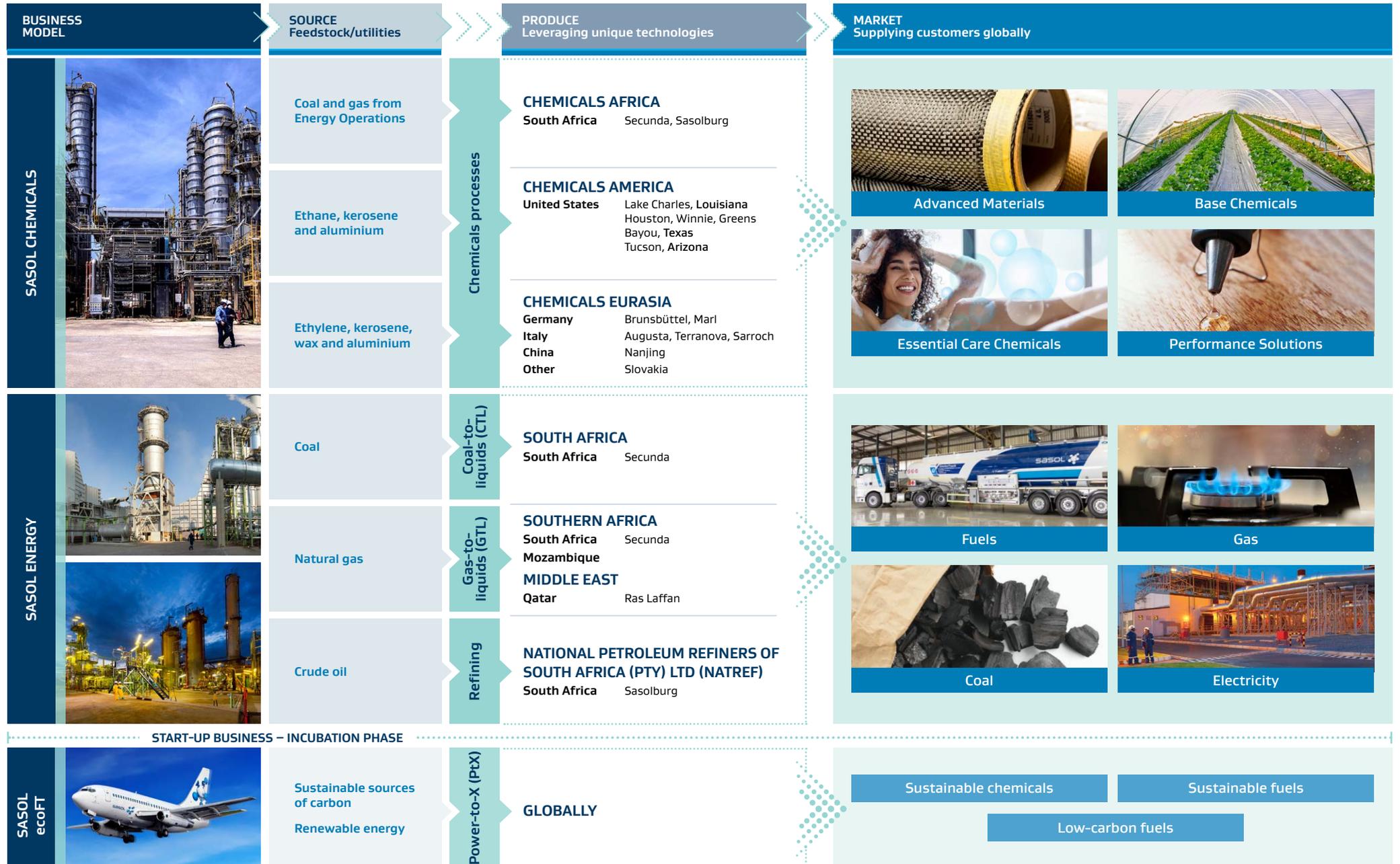
Strong international intellectual property portfolio with **2 590 patents** (granted and pending) and **3 907 trademarks** held worldwide

In excess of **6,3 million tons** of chemical products sold by Sasol Chemicals to more than **6 500 customers** across **118 countries**

In South Africa leading the development of the **green hydrogen\*** economy and accelerating renewable energy deployment

## OUR DISTINCTIVE VALUE CHAINS

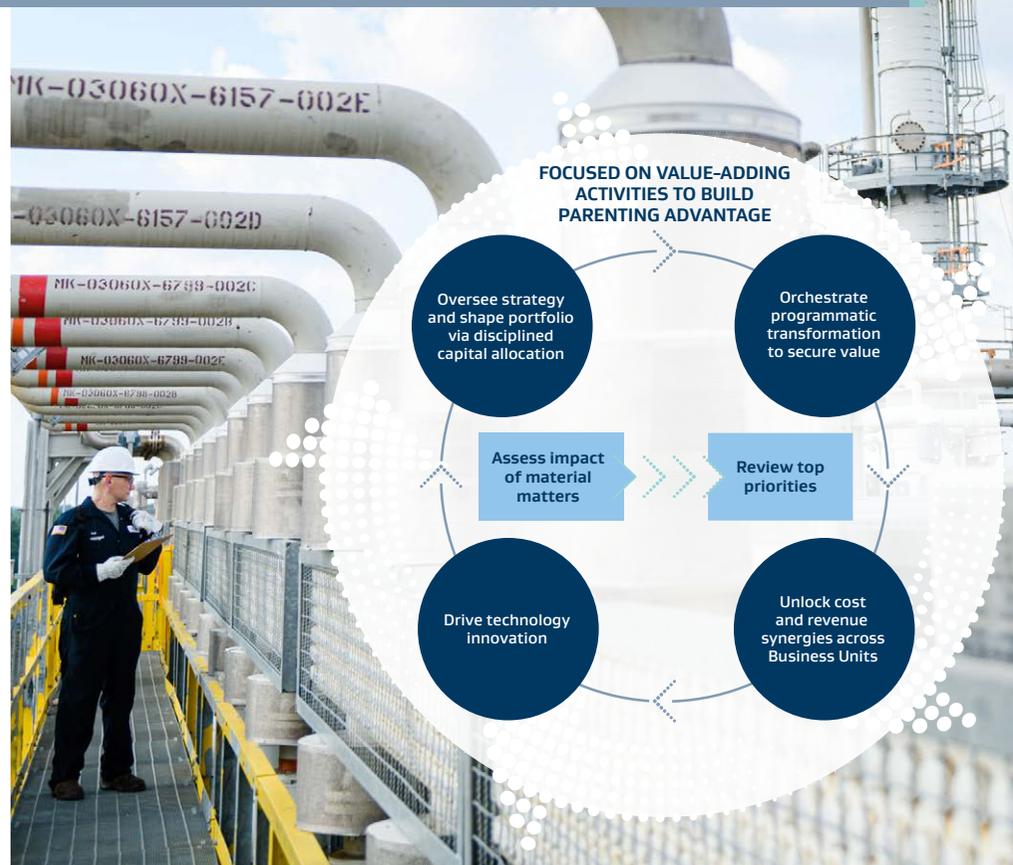
We are a customer-centric organisation, providing chemical and energy solutions based on our unique proprietary technologies



# STRATEGIC DIRECTION

Our ambition, supported by our updated strategy, sets a clear path for us towards Net Zero. We will undertake this by:

- an enhanced focus on innovation to drive sustainability;
- substantially increasing our focus on partnerships to build credibility, momentum and augment competitive advantages;
- leveraging our Fischer-Tropsch (FT) technology for sustainable growth at scale; and
- positioning our businesses as growth engines with an energy transition phase for existing businesses.



## Our ambition

# Grow shared value while we transition to Net Zero by 2050

THROUGH THE STRATEGIES OF PORTFOLIO BUSINESSES

### Sasol Chemicals

Growing with our unique chemistry

### Sasol Energy

Leading the energy transition in Southern Africa

### Sasol ecoFT

Building sustainable businesses with advantaged FT technology

STRATEGIC OBJECTIVES

- Bring Lake Charles Chemicals Complex (LCCC) to full potential
- Innovate with customers for sustainable solutions
- Shift to higher margin specialty solutions

- Decarbonise our operations
- Grow new value pools
- Preserve competitive and sustainable returns

- Leverage advanced and differentiated Sasol FT technology for sustainable products
- Play a key role in Sustainable Aviation Fuel (SAF) commercialisation

SUPPORTED BY A LEAN AND COST-EFFICIENT CORPORATE CENTRE

## OUR STRATEGY IS FLEXIBLE IN AN EVER-CHANGING ENVIRONMENT

### ROBUSTNESS

We continuously test our strategy against a range of future scenarios

### ADAPTABILITY

We have built flexibility in our strategic choices and pathways to adapt to external changes and internal learnings

### FORWARD-LOOKING

We monitor signposts that inform our future choices

# DELIVERING OUR STRATEGY OVER HORIZONS

## Our foundation businesses

Our decarbonisation initiatives are positioning us to deliver sustainable value into the future. We are undertaking renewables at scale while growing new value pools such as green hydrogen, ensuring competitive and sustainable returns.

**IR** For more detail refer to Sasol Energy at a glance page 49 and Sasol Chemicals at a glance page 46.

Through our customer centricity, we adapt to evolving needs that contribute to the energy transition.

**IR** For more detail refer to Sasol Chemicals at a glance page 46.

## Delivering the first horizon

### RESET

Up to 2025

- ▲ Sasol 2.0 transformation programme
- ▲ Lake Charles Chemicals Complex (LCCC) ramp-up
- ▲ Strengthen balance sheet and recommence dividends
- ▲ Create leadership positions in priority energy and chemical segments
- ▲ Incubate and scale Sasol ecoFT businesses
- ▲ Shift chemicals portfolio to higher-margin specialty chemicals

▲ Commenced ▲ Key Performance Indicators (KPIs) in place  
▲ In delivery

### TRANSITION

2025 – 2030

- Develop circular chemicals solutions (customer-led innovation)
- Shift to gas as a transition feedstock and procure renewable energy
- Continue scale-up of FT-based sustainability businesses
- Continue chemicals portfolio shift to higher-margin specialty chemicals

### REINVENT

2030 – 2050

- Continue to decarbonise assets (options across gas, green H<sub>2</sub>, biogenic carbon sources)
- Continue circular chemicals solutions opportunities
- Intensify roll-out of FT-based sustainability businesses
- Intensify chemicals portfolio shift to higher-margin specialty chemicals
- Bring FT-based sustainability businesses to maturity

## Fischer-Tropsch (FT) is our springboard to sustainability

Sasol ecoFT is leading the development of our FT sustainable solutions business. During the last year we have undertaken several collaborations resulting in key partnerships. With our advantaged FT technology, we believe that we are uniquely positioned to thrive in a world contending with global efforts to minimise use of fossil fuels.

**IR** For more detail refer to Sasol ecoFT at a glance page 53.

## TARGETS

Cash fixed cost reduction  
**R8 – R10 billion**



Working capital optimised  
**14%**



Gross margin uplift  
**R6 – R8 billion**



Capital range\*  
**~R20 – R25bn per annum**



\* Maintain and Transform Capital only (no selective or expansionary growth included) in FY20 real terms.

## The role of the Board

During the year, two out of the 13 Board meetings were held to specifically discuss and debate the Group's strategic direction. The Board, having approved the strategy to deliver Future Sasol, will ensure delivery through monitoring relevant Key Performance Indicators for achieving short- medium- and long-term goals.

## Sasol's contribution to the Decade of Action and our prioritised SDGs

In our pursuit to contribute to the Decade of Action and our Purpose, we have additionally prioritised SDG 9. Our five prioritised SDGs are closely linked to our sustainability focus areas.

**SR** For more detail refer to our Sustainability Report available on our website, [www.sasol.com](http://www.sasol.com)



## A HOLISTIC APPROACH TO SUSTAINABILITY AND IMPROVING OUR ESG PERFORMANCE

As we undertake our decarbonisation journey we are cognisant of the potential impact on our communities. We have therefore established our Just Transition Office to ensure that the transition is undertaken in a collaborative and planned manner. Our holistic approach to sustainability allows us to consider:

- environmental aspects that include but are not limited to implementing phased water targets and undertaking a biodiversity footprint assessment;

**SR CCR** For more detail refer to our Sustainability Report and Climate Change Report available on our website, [www.sasol.com](http://www.sasol.com)

- our Sasol Promise to Society in elevating the role we play in our communities; and
- actively tracking our commitments to the United Nations (UN) Global Compact Ten Principles thereby ensuring that we go beyond compliance.

We work to create a positive and measurable socio-economic impact and respond to key societal and environmental challenges in the communities where we operate. Focusing on a holistic approach to sustainability, we believe that it will positively impact on our ESG performance, with the ultimate aim of being included in the Dow Jones Sustainability Index.

# CHAIRMAN'S STATEMENT

The foundation to realise Future Sasol continues to strengthen and we look forward to protecting, creating and growing shared value for all our stakeholders.



## // Restoring stakeholder trust in Sasol. //

Siphon Nkosi  
Chairman

### KEY MESSAGES

- Delivering on promises
- Returning value to shareholders
- Accelerating decarbonisation

Through the perseverance and diligence of Team Sasol, a stronger platform has been shaped to deliver our Future Sasol ambitions.

### Dear stakeholder

The global economy continues to wrestle with significant volatility, geopolitical tension and widespread uncertainty.

While COVID-19 may transition to endemic status, its economic implications and disruptions to supply chains persist, while the Russia/Ukraine conflict, now in its sixth month, has caused enormous upheaval to global energy markets, alongside an escalating humanitarian crisis and devastating loss of life. Inflation is soaring across the globe and with it rising recessionary concerns.

The Board has reflected deeply on the implications of these various macro-level events and worked closely with Sasol's management team to ensure we stay the course by delivering on our targets, while making credible progress on our Future Sasol aspirations.

### Meeting our commitments

Over the past few years, the Board has prioritised restoring stakeholder trust in the organisation by ensuring we deliver on our promises.

Against a backdrop of significant global volatility and uncertainty, compounded by adverse weather events and internal factors related to safety and operational discipline, the Board played an active oversight role in supporting management to:

- Implement solutions to mitigate the impacts of external forces.
- Take decisive remedial measures for matters within our control.

## CHAIRMAN'S STATEMENT (CONTINUED)



A few of the issues that occupied considerable time and attention this year were:

- Addressing lapses in safety.
- Restoring operational excellence across the Southern African value chain.
- Progressing our environmental, social and governance commitments.
- Creating value for our shareholders.

On balance, I believe our performance reflects our progress on delivering on our promises and that we took decisive action to tackle areas of concern.

### Reinstatement of shareholder returns

Previously the Board committed to restore dividend pay-outs once our net debt position fell below US\$5 billion and our net debt to EBITDA cover reached 1,5 times or lower. This past year we delivered a strong financial performance and I am delighted that we met the thresholds to trigger the resumption of dividends.

We express our gratitude to our shareholders for being patient and allowing us the time to adequately deleverage our balance sheet to enable us to reinstate dividend payments. We remain committed to deliver, and increase, sustainable returns to our shareholders.

Due to our resilient performance for the financial year, a dividend of R14,70 per share will be distributed to our shareholders.

### Fulfilling our duty of care

As the Board, safety receives our constant focus and is front and centre of many of our discussions with management. It is both a moral and legal obligation we carry to ensure the safety and wellbeing of our people.

It is with a heavy heart that I report five work-related fatalities, all of which occurred in the first six months of the financial year. On behalf of the Board and all Sasol people, I convey our sincerest condolences to the families, friends and colleagues of those who have lost their lives.

As the Board, we hold management accountable to fulfil our duty of care. In response to these tragedies, efforts were redoubled to drive focused interventions to proactively address fatalities and high-severity injuries.

We closely followed and tracked the implementation of these measures and I am pleased that our efforts bore fruit, as evidenced by the turnaround in our safety performance in the second half of the year. We will persist with our collective efforts to ensure safety at Sasol retains the necessary attention.

### Decarbonising with urgency

Climate change is one of the biggest challenges of our time and the world is in a race against the clock, to reach global net zero by the second half of the century. The COP26 climate summit in Glasgow, Scotland, again reiterated the urgency that the world must transition to a low-carbon energy mix.

Under the Board's guidance, Sasol is rising to this critical challenge and is playing an active role in helping to address climate change.

**Our focus is to continue progressing the shift to incremental natural gas as a transition feedstock for our Southern African value chain, as well as advancing renewable energy, energy efficiency, Sustainable Aviation Fuel and green hydrogen opportunities.**

Our Future Sasol strategy has confirmed medium- and long-term targets, and defined plans to accelerate the decarbonisation of our business. Our focus is to continue progressing the shift to incremental natural gas as a transition feedstock for our Southern African value chain, as well as advancing renewable energy, energy efficiency, sustainable aviation fuel and green hydrogen opportunities.

The pace and urgency with which our people are driving our decarbonisation agenda is most encouraging and, along with our strengthened financial position, bodes well for meeting our 30% greenhouse gas (GHG) reduction target by 2030 and realising our 2050 Net Zero ambition.

### Leadership and governance

Diversity and experience of the Board is vital to support the delivery of our strategy and create shared value for all our stakeholders. We are proud to have a diverse mix of nationalities, skills, and experience represented in the Board.

At the end of financial year 2022, Paul Victor stepped down as Chief Financial Officer (CFO) and Executive Director.

Paul served Sasol with distinction for more than two decades in various roles. On behalf of the Board, I convey our sincerest appreciation to Paul for astutely managing Sasol's financial operations and for his wise counsel. We wish him all the best for the future.

Hanré Rossouw was appointed to succeed Paul and joined Sasol as designate on 4 April 2022. He took up the role of CFO and Executive Director in a full capacity on 1 July this year. Hanré joined us from Royal Bafokeng Platinum, where he was CFO.

We welcome Hanré to Sasol and wish him success in his new position.

### Acknowledgements

Our success and the sustainability of our business depends on your continued support.

In financial year 2022 (FY22) we recorded commendable progress against our ambition to grow shared value, while accelerating our transition. Delivery in a period of profound market forces requires focus, resilience and relentless determination. Sasol people possess these qualities in abundance.

As the Board we express our heartfelt appreciation to Sasol President and CEO, Fleetwood Grobler, his management team and all Sasol employees who have worked incredibly hard these past few years to stabilise the organisation, meet our challenges head on and ensure we continue to deliver on our commitments.

**Sipho Nkosi**  
Chairman

26 August 2022

## PRESIDENT AND CHIEF EXECUTIVE OFFICER'S STATEMENT



// Growing shared value, while accelerating our transition. //

**Fleetwood Grobler**  
President and Chief Executive Officer

## KEY MESSAGES

- Relentless safety focus ■ Catalyst for positive socio-economic change
- GHG reduction plans progressing well ■ Significant step-up in financial performance

**In a period of significant change and uncertainty we delivered on our triple bottom line outcomes.**

## Dear stakeholders

Our Future Sasol strategy, introduced in September 2021, underpins our ambition to grow shared value for all our stakeholders, while we accelerate our transition to a low-carbon world.

Framed within the triple bottom line outcomes of People, Planet and Profit, I am pleased with the progress we recorded in each of these, in a reporting period characterised by significant change and uncertainty.

As in past years, Team Sasol stepped up and delivered in a challenging operating environment and I wish to express my sincere appreciation for our people's continued diligence, commitment and support.

Through our collective efforts and resilience, we have reinforced and strengthened the foundation to deliver our Future Sasol aspirations, underscored

by our ability to innovate, lead in challenging times and bring relevant solutions to the market.

## Committed to Zero Harm

The wellbeing of our people remains our number one priority, as we continue to pursue our Zero Harm ambition.

We are deeply saddened by the five workplace fatalities which occurred during the first half of the financial year. These were from a fall-from-heights incident at our Sasol Midlands site; a process safety incident at our Secunda Operations; and three fatalities from an underground water compartment incident at our Mining operations.

Let me again express our heartfelt condolences to the families of these colleagues we lost while on duty.

Any loss of life is unacceptable.



**Through our collective efforts and resilience, we have reinforced and strengthened the foundation to deliver our Future Sasol aspirations.**

Our pressing concern for the deterioration in our safety performance was the source of significant introspection and further intensified our focused safety interventions. These efforts saw an improvement in our performance in the second half of the year.

As a result, lost workday cases continued on a downward trajectory, ending the year at a rate of 0,10 against a target of 0,13, while our recordable case rate (RCR) was 0,27, marginally above the previous year's 0,26.

## Sasol in society

Our intent to be a force for social good is integral to our business strategy, while our Purpose – Innovating for a better world – inspires our journey to realise measurable, data-driven socio-economic benefits for communities.

This is demonstrated in the many ways we positively impact economies and support our communities in the regions where we operate.

Among a few key examples, in South Africa we spent over R33 billion with businesses that have majority Black-ownership, up R10 billion from the previous year, demonstrating our ongoing commitment to sustainable transformation and Broad-Based Black Economic Empowerment.

The more than R743 million we invested globally in socio-economic development enabled funding for small to large enterprises and the awarding of bursaries, as well as other educational, learnership, health and community service infrastructure investments. We also invested R1,2 billion in skills development.

Sasol remains a significant investor in our communities and I am encouraged by the leading role we play in driving positive socio-economic change.

## 2030 decarbonisation plans on track

The plans for meeting our 30% GHG reduction target by 2030, which forms the foundation to meeting our 2050 Net Zero ambition, are progressing well.

In FY22 we progressed several key milestones to realise our 2030 target, spanning large-scale renewable energy integration, incremental gas and energy efficiency improvements.

Significant progress has been made in procuring renewable energy for both our Energy and Chemicals businesses. In South Africa, we have agreed the key terms with Independent Power Producers (IPPs) to secure approximately 600 megawatts (MW) of solar and wind power to start coming online before end-2025. Regulatory approval processes are ongoing.

## PRESIDENT AND CHIEF EXECUTIVE OFFICER'S STATEMENT (CONTINUED)



### Together with our partner, TotalEnergies, we are implementing a low-cost solution that will produce Clean Fuels II compliant diesel.

We are aiming to procure 1 200 MW of renewable-energy capacity from IPPs by 2030. This will represent one of the largest renewable-energy procurement programmes from the private sector in South Africa.

In Europe, we entered into several Power Purchase Agreements for our German and Italian operations and concluded a supply agreement for the provision of CO<sub>2</sub>-neutral biomass-based steam to our Brunsbüttel site in northern Germany. These agreements are expected to reduce CO<sub>2</sub> equivalent emissions by 72 kilotons per annum when commercial operation is attained.

On gas, we have made significant progress based on our recent drilling activity, where initial results indicate that we can optimise our supply profile from existing Mozambican assets to extend our plateau production until 2028, with sufficient capital allocated. The Production Sharing Agreement (PSA) project is progressing well and within budget. We are also partnering to pursue adjacent exploration acreage to access more gas. This is a huge step forward and ensures that we have flexibility in our gas supply profile as we progress delivering on our 30% GHG reduction pathway.

We are also advancing negotiation of a term sheet for 40 – 60 petajoules of liquified natural gas (LNG) from 2026 onwards to provide supply flexibility.

Looking at other low-carbon enablers, green hydrogen remains a key focus. In Sasolburg, the final investment decision for our green hydrogen project was taken swiftly with the aim of producing the first green hydrogen volumes by end-2023.

I am pleased to report that we are assessing innovative options for repurposing the Natref refinery. We have completed a pre-feasibility study on a green hybrid refinery concept, that includes the introduction of bio-based feedstock as a novel pathway to transition the refinery to meet South Africa's clean fuels compliance standards, while reducing GHG emissions.

Together with our partner, TotalEnergies, we are implementing a low-cost solution that will produce Clean Fuels II compliant diesel at Natref towards the end of 2023. This is a positive step towards domestic energy security.

At Secunda Operations, we are progressing a Sustainable Aviation Fuel (SAF) commercialisation project, known as HyShiFT, in partnership with Linde, Enertrag and Hydregen. The key offtaker for this product will be H2Global, which was set up by the German government to promote the development of sustainable fuels across many regions.

### Our financial position improved significantly from 12 to 18 months ago.

For our South African value chain, one of the key enablers to achieve our 2030 target is a boiler turndown with a fine coal solution – the phased shutdown of our boilers cannot be done without a solution for the fine coal feedstock which we use today to produce steam and electricity for our FT process. A fine coal solution has recently been confirmed as feasible, which enables our integrated GHG and air quality solution in our Secunda Operations.

Our Chemicals business, in a bid to produce more circular and sustainable products, had its first sales of sustainably certified products through lower-carbon intensity renewable feedstocks from our three largest European sites – Marl, Brunsbüttel and Augusta.

We continue to make progress on our Just Transition approach and have defined principles for developing our roadmap. Here we are leveraging existing initiatives and undertaking a collaborative approach with partners in line with our commitment to anticipate and mitigate the impacts of the transition.

#### Net Zero pathways progressing

Regarding our 2050 Net Zero ambition, we continue to progress the techno-economic studies on the pathways being considered.

Our GHG emission reductions will be achieved through transformational pathways that could also include decisions to cut-back production in parts of the business. We could, for instance, see our Secunda Operations' production slate shifting fundamentally, depending on demand profiles for energy products in the longer term.

We are also playing a leading role in coastal green ammonia export through the Boegoebaai study. We have signed a Memorandum of Agreement with the Northern Cape Development Agency, to lead the pre-feasibility study, already underway, to explore the potential of Boegoebaai as an export hub for green hydrogen via an ammonia carrier.

Sasol ecoFT, which aims to provide Sustainable Aviation Fuel (SAF) and related chemicals specialty solutions using our proven Fischer-Tropsch (FT) technology, has seen significant interest recently. SAF remains one of the most promising pathways for the aviation sector to decarbonise in future. We are refining our go-to-market strategy and entered into multiple collaboration agreements with venture partners, feedstock suppliers, aircraft manufacturers and other service providers to firmly position Sasol within the developing SAF market.

The Lake Charles Chemicals Complex (LCCC) ramp-up continues to be a focus in the short term. Beyond that, we believe the site provides multiple attractive future opportunities for enhancing value through co-location and expansion as a sustainability hub with partners.

We are also bolstering our Research and Technology capabilities to support the development of emergent and new green technologies needed towards 2050. Green technologies will not only contribute to our Net Zero plans, but also play a critical role in the broader societal move to net zero through the application of our technologies.

#### Driving profitability through operational improvement

FY22 was characterised by significant challenges stemming from geopolitical tensions, adverse weather events and the lag effects of the COVID-19 pandemic, among others.

Managing these impacts required greater levels of agility, responsiveness, teamwork and collaboration across Sasol, testing the effectiveness of our new operating model introduced in FY21.

Despite this volatility, our financial position improved significantly from 12 to 18 months ago. While some of this improvement was supported by a stronger macroeconomic environment, it also demonstrated our resilience and agility to adapt to a dynamic business landscape, underpinned by robust cost and capital expenditure performance and, focused safety and operational improvement plans.

PRESIDENT AND CHIEF EXECUTIVE OFFICER'S STATEMENT (CONTINUED)

Our Group Top Priorities for 2023

A few key financial metrics to highlight:

- Adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA) increased by 48% to R72 billion.
- Significantly strengthened the balance sheet, ending with net debt\* of US\$3,8 billion at 30 June 2022, well below the target of US\$5 billion.
- Core headline earnings per share increased by more than 100% to R68,54 supporting the reinstatement of dividends of R14,70 per share.
- Generated R56 billion in cash from operations, reflecting a 24% improvement from FY21.

Underlying these metrics, our Energy business benefited from a recovery in fuels demand post the COVID-19 demand impact, including a slight increase in volumes in the last quarter in anticipation of record high fuel prices. This was offset by lower production volumes in our Secunda and Sasolburg downstream value chains following feedstock and operational challenges which impacted the Southern African value chain.

Our Mining operations experienced some setbacks in the first half of the year, and consequently, our productivity was lower compared to the previous year. However, the improvements in the second half of the year, which was supplemented with external purchases, resulted in the coal stockpile being restored to more than 1,5 million tons.

We continue working to improve productivity and maintain healthy stockpile levels at Mining. This includes reaching targeted productivity levels across all mines through focused performance initiatives. Furthermore, we are implementing coal quality improvement opportunities to support optimal Secunda production, including blending, mine deployment and procurement of higher quality coal. We are also making good progress in implementing safety remediation programmes to address the findings of our previous high-severity incidents.

Across our Southern African operations, we are focused on improving the effectiveness of our shutdowns and pursuing technical options to improve gasifier availability to mitigate coal quality issues. The reliability of our operations is supported by disciplined capital allocation.

\* Total debt excluding leases less cash and cash equivalents.

In Mozambique, we delivered a strong performance, exceeding our production plan and market guidance of 100 – 110 billion standard cubic feet (bscf). Despite the challenges associated with COVID-19, the drilling campaign is progressing safely and within cost and schedule. The results from the four infill wells drilled to date in the Petroleum Production Agreement (PPA) area are in line with reservoir quality expectations.

Our Chemicals business delivered a 21% increase in revenue, benefiting from a stronger average sales basket price. Overall volumes were 12% lower than the prior year, largely due to the divestment of the US Base Chemicals assets concluded in December 2020 and lower production from South Africa.

Sales volumes for our specialty chemical business divisions were higher as the LCCC ramp-up continues. Our US team is also maintaining close collaboration with our partner in the Louisiana Integrated Polyethylene JV, to ensure stable operations.

In Europe, we have appointed a task team to respond to potential gas supply constraints, which could impact all producers in the region.

**Maintaining focus**

Looking ahead, there are several key areas where we must maintain our relentless focus to deliver on our ambition to grow shared value, while accelerating our transition.

First and foremost, we must deliver a safety record of Zero Harm. As important, will be progressing our climate change and broader environmental, social and governance goals, which are fundamental to our long-term sustainability. We will build on the excellent progress made in FY22 to drive further execution of our 2030 roadmap.

Additionally, operational stability and focused volume improvement will ensure that we maximise value from our well-invested assets. Delivering on our Sasol 2.0 targets will position us to be sustainably profitable and competitive in a low oil price world.

Delivering on these areas will enable safe and reliable operations, a sustainable business model, enhanced cash flow generation and, ultimately, sustainable shareholder returns.

**Fleetwood Grobler**  
President and Chief Executive Officer  
26 August 2022



PEOPLE

Pursue Zero Harm and continue embedding our culture

Ensure safety, operational discipline and care for our people in our strive for Zero Harm

Continue to strengthen our values, culture and enhance our Employee Value Proposition

Promote diversity, equity and inclusion in the workplace

Accelerate our capability building programme to enable our strategy

Strengthen stakeholder trust through continued delivery on community, regulatory and shareholder promises

Define people and community plans for decarbonisation roadmaps and emerging value pools



PLANET

Advance sustainability

Deliver on 2030 GHG emissions reduction programme and environmental compliance commitments

Define pathways to meet 2050 Net Zero GHG ambition

Progress opportunities to enable sustainable growth by strengthening our technology, partnering and sustainability solutions (including coal value chain)

Deliver optionality relating to flexible sustainable feedstock opportunities



PROFIT

Deliver and maximise value

Deliver Sasol 2.0 in a prioritised, sequenced manner and mature the value creation plan for FY24/25

Maintain balance sheet flexibility through all aspects of cash flow management while maintaining dividends

Advance our future growth value streams and deliver sustainable returns through disciplined capital allocation

Enhance operational discipline, efficiency and effectiveness, and drive reliable feedstock supply and operations across all value chains

Continuously improve our service delivery and customer experience



MATERIAL MATTER

LINK TO MATERIAL MATTER

# OUR GROUP EXECUTIVE COMMITTEE

Over a hundred years' combined Sasol experience



“ Our Group Executive Committee will continue to focus on driving momentum to deliver Future Sasol. ”

**Fleetwood Grobler\***  
President and Chief Executive Officer

**33%** Executive Directors  
**44%** Black members  
**22%** Female members

### SKILLS AND EXPERIENCE

- Safety
- Strategy, risk, and sustainability
- Legal, regulatory and stakeholder relations
- Corporate governance and ethics
- Upstream gas and oil
- Operations – mining, engineering, and manufacturing
- Capital project execution
- Research and development
- Chemicals
- Retail fuels
- Sales and marketing
- Human resources
- Corporate finance, mergers and acquisitions

### WHAT WE DELIVERED DURING THE YEAR

- Instilling and reinforcing our approach to humanising safety
- Concluded final investment decision to produce green hydrogen at our Sasolburg facilities
- Made notable progress in securing substantial renewable energy in our plan to procure 1 200 MW by 2030
- Significantly strengthened our balance sheet and resumed dividend declaration
- Successfully completed asset divestment programme
- Leading the investigation into the pre-feasibility of a green hydrogen hub at Boegoebaai, together with the Northern Cape Economic Development and Trade and Investment Promotion Agency
- Partnered with several entities internationally as part of our aspiration to produce low-carbon fuels and chemicals
- Conducted our Heartbeat Survey with employees to deliver on our People Promise
- Concluded the roll-out of our entrepreneur development programme for impacted employees
- Strengthened African collaboration regarding sustainability



**Hanré Rossouw\***

Group Chief Financial Officer

**Vuyo Kahla\***

Executive Vice President: Strategy, Sustainability and Integrated Services

**Priscillah Mabelane**

Executive Vice President: Energy

**Simon Baloyi**

Executive Vice President: Energy Operations and Technology

**Riaan Rademan**

Executive Vice President: Mining

**Brad Griffith**

Executive Vice President: Chemicals

**Charlotte Mokoena**

Executive Vice President: Human Resources and Stakeholder Relations

**Marius Brand**

Executive Vice President: Sasol 2.0 Transformation

### RESPONSIBLE FOR

Ensuring appropriate capital allocation, financial discipline and information management.

Portfolio strategy and sustainability, the effective management of risks, as well as ensuring appropriate governance disclosures and combined assurance.

Upstream and downstream gas activities as well as distribution, marketing and sales of liquid fuels in Southern Africa.

All downstream operations and related infrastructure as well as technology, projects and engineering and procurement.

Sasol's mining activities including safe operations and marketing of coal.

Sasol Chemicals globally. Maintains safe, reliable and sustainable operations and drives customer-led growth through innovative marketing, product development and sales.

Design of global sustainable Human Resources and stakeholder strategies, policies and frameworks.

The group-wide Sasol 2.0 transformation programme and maturing Sasol ecoFT to develop new opportunities producing sustainable fuels and chemicals leveraging our proprietary FT technology.

**Appointed to GEC: 2022**  
**Joined Sasol: 2022**

**Appointed to GEC: 2011**  
**Joined Sasol: 2011**

**Appointed to GEC: 2020**  
**Joined Sasol: 2020**

**Appointed to GEC: 2022**  
**Joined Sasol: 2002 – 2008**  
**Rejoined: 2009**

**Appointed to GEC: 2022**  
**Joined Sasol: Initially in 1981, retired 2017**  
**Rejoined: 2022**

**Appointed to GEC: 2019**  
**Joined Sasol: 1992**

**Appointed to GEC: 2017**  
**Joined Sasol: 2017**

**Appointed to GEC: 2019**  
**Joined Sasol: 1989**

\* Executive Director

# CHIEF FINANCIAL OFFICER'S STATEMENT



// We believe Sasol can make a significant global contribution to innovating for a better world. //

**Hanré Rossouw**  
Chief Financial Officer

### KEY MESSAGES

- Strategic divestments successfully concluded
- Continued delivery of Sasol 2.0
- Climate change delivery framework
- Disciplined capital allocation

We can look ahead with renewed confidence supported by a strengthened balance sheet and strong liquidity.

<p><b>Improved profitability</b></p> <p><b>R72bn adjusted EBITDA*</b></p>	<p><b>Strengthened balance sheet</b></p> <p><b>US\$3,8bn net debt**</b></p>	<p><b>Dividend restored</b></p> <p><b>1 470 cents per ordinary share</b></p>	<p><b>Self-funded transition</b></p> <p><b>R15 – 25bn capital delivering 2030 target</b></p>
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\* Adjusted EBITDA is calculated by adjusting earnings before interest and tax for depreciation, amortisation, share-based payments, remeasurement items, change in discount rates of environmental provisions, all unrealised translation gains and losses on our derivatives and hedging activities.

\*\* Total debt excluding leases less cash and cash equivalents.



### Dear stakeholders

The past financial year saw significant volatility, with businesses across the world facing uncertainty from the ongoing impact of COVID-19, global supply chain disruption and the Russia/Ukraine conflict. Sasol was also materially impacted by these factors.

Operational challenges, particularly experienced in the first half of the financial year, led to lower volumes, but there was a strong overall outcome with improved financial performance alongside higher Brent crude oil, refining margins and chemical prices. This financial performance was enhanced by realisation of asset divestment proceeds resulting in a stronger balance sheet and proactive management of the headwinds ensuring efficiency and effectiveness of the business. In this context Sasol can look ahead to FY23 with renewed confidence and therefore approved the reinstatement of the dividend.

### Strong financial performance

During the year, the pricing environment for Sasol's key products and increased demand were offset by operational challenges faced at our South African operations where coal quality and supply were constrained and resulted in lower production. Operations in the South African value chain stabilised during the second half of the year and largely achieved their revised operating plans. Adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA) increased by 48% to R71,8 billion.

Cash fixed costs increased by 2% compared to the prior year, to R62,1 billion. The increase in cost is underpinned by higher labour and maintenance cost, as well as increased electricity purchases from

Eskom arising from the diversion of gas from utility generation to production, offset by savings from Sasol 2.0 initiatives. The ongoing recovery and stabilisation of the South African value chain remains a key focus area for FY23, with specific focus on security of quantity and quality of coal supply, as well as gas supply from Mozambique.

Further balance sheet strengthening was achieved through realisation of asset divestments alongside stronger operating cash flows. At 30 June 2022, our total debt was R105,1 billion (US\$6,5 billion) compared to R102,9 billion (US\$7,2 billion) at 30 June 2021, and our liquidity headroom was R100,7 billion (US\$6,2 billion), consistent with our objective to maintain liquidity in excess of US\$1 billion. Our net debt\*\* at period end was US\$3,8 billion excluding leases while the net debt to EBITDA (bank definition) at 30 June 2022 was 0,8 times, significantly below the covenant threshold level of three times.

At the start of the period, protection of downside risk for the balance sheet was a key priority for the company with elevated leverage and a volatile macroeconomic environment. The hedging programme was therefore in place to mitigate the risk of adverse movements in oil price, ethane price and currency. As a result of unexpected pricing strength, the hedging programme resulted in significant losses – R18,3 billion in this period. The hedging programme is updated regularly to address changes in our commodity and currency exposure. The balance sheet has significantly deleveraged and we are reducing the hedge cover ratio as our balance sheet strengthens further.

## CHIEF FINANCIAL OFFICER'S STATEMENT (CONTINUED)

### Embedding the early success of Sasol 2.0

Sasol's transformation programme, Sasol 2.0, commenced in 2021. Significant progress has now been made towards more competitive cost structures, improved cash generation, an optimised operating model and a balance sheet that is better able to navigate a volatile environment.

During FY22 we significantly surpassed both the committed cash fixed cost (up to R3 billion) and gross margin (R1,5 billion) targets. The focus for FY23 is on embedding these gains and continuing to develop the remaining initiatives to meet our FY25 targets.

#### Delivering with Purpose FUTURE SASOL

#### Initiatives delivering value

The implementation of the new operating model is establishing a leaner organisational structure, which is expected to deliver sustainable savings of ~R2,5 billion per annum from FY25 onwards, relative to the FY20 baseline.

A number of initiatives are being implemented to reduce the cash fixed costs including the optimisation of our real estate portfolio. A reduction in professional fees is visible from the FY20 base but requires monitoring to ensure sustainability. Chemicals Europe embarked on a maintenance improvement process that will lead to improved plant reliability and will help keep the maintenance cost at a moderate increase. New business models are explored to manage demand for services and materials in order to optimise spend.

Margin improvements in the Chemicals and Energy businesses are being delivered through external spend optimisation, plant efficiency improvements related to feedstock optimisation, debottlenecking and reduction of processing losses and market driven strategies to maximise value.

In support of Sasol 2.0, we are focusing on creating a smart and connected value chain for speedy data driven decision-making, enabling digital initiatives, safeguarding systems to minimise disruptions and establish capabilities to link into suppliers and customers environments.

#### Dividends restored

We remain committed to delivering sustainable shareholder returns and are pleased to declare a final dividend of R14,70 per ordinary share for the year ended 30 June 2022, the first dividend since the final dividend declared for FY18. This is supported by the achievement of our dividend trigger targets, namely net debt to EBITDA ratio of 1,5 times and a net debt level of sustainably below US\$5 billion.

A step-up to 2,5 times cover or 40% of Core HEPs will follow when absolute net debt levels reduce sustainably to below US\$4 billion.

#### Disciplined capital allocation

We communicated an updated capital allocation framework and governance structure at the Capital Markets Day in 2021 in order to give clarity on our approach to optimising risk-weighted returns for the long term. In order to achieve this, we must continue to stick to our priorities:

- » Maintaining a robust balance sheet with strong liquidity;
- » Safeguarding the integrity and reliability of our existing assets;
- » Meeting our climate change targets;
- » Ensuring shareholders participate directly in our increasing profitability; and
- » Making disciplined investments in value accretive growth opportunities where we are confident that on a risk-weighted basis this represents the best outcome for shareholder value.

We remain on track to keep our capital spending to maintain and transform the business within a R20 to R25 billion annual range in real terms. At these levels we continue to safeguard capital investment to ensure safe and reliable operations and meet our self-funded 2030 GHG reduction targets.

The aggregate capital for our 30% GHG emission reduction is estimated at between R15 to R25 billion of cumulative spend up to FY30 and is included in the R20 to R25 billion per annum annual capital cash flow. The 2022 capital in this category was limited to study cost. R0,5 billion transform capital spend is planned for FY23, with peak transform capital spending forecast for FY25 to FY27. Discretionary cash flow generation will start to build steadily over the next few years as we further deleverage the balance sheet and realise the incremental benefits of Sasol 2.0.

#### In conclusion

Good demand recovery, stronger pricing and improved operating performance in the second half

of FY22, contributed to a strong financial performance. This also resulted in a robust liquidity position and reduced leverage by year end. I am delighted that this has meant that we were in a position to resume dividend payments.

Moving forward, our short-term focus will continue to be on improving our balance sheet by hitting our operating targets and embedding our Sasol 2.0 gains, whilst also making progress on our plans to achieve our sustainability goals.

I thank the Board and GEC for their support and the Finance team for their resilience and dedication. I look forward to my journey ahead with Sasol and I want to reiterate that we remain committed to operating and capital allocation discipline and so delivering a brighter future for all our stakeholders.

Hanré Rossouw  
Chief Financial Officer  
26 August 2022

#### OUTLOOK FOR FINANCIAL YEAR 2023

##### SASOL CHEMICALS

Chemicals Africa sales  
**6 – 12% higher**  
Improved operational performance

Chemicals America sales  
**5 – 10% higher**  
Continued LCCP ramp-up

Chemicals Eurasia sales  
**0 – 5% higher**  
Improved demand  
Geopolitical risk remains

##### SASOL ENERGY

Mining productivity  
**1 000 – 1 100 t/cm/s**  
Improvement through Fulco ramp-up

Mozambique gas production  
**109 – 112 bscf**  
Drilling campaign on track

Liquid fuels sales  
**53 – 56 mm bbl**  
Improved fuels demand

SO production  
**7,0 – 7,2 mt**  
Improved plant utilisation  
Coal stockpile stability

ORYX GTL utilisation  
**83% – 88%**  
Unplanned shutdown in Q1

# OPERATING CONTEXT

Our ability to preserve and create value is linked to key macroeconomic and geopolitical drivers, our response to them as well as their impact on our stakeholders. The environment in which we operate impacts our profitability, business continuity, risk management and the decisions we make on our strategy. It also informs our thinking on material matters.

## Our operating context



### PEOPLE

#### DRIVERS

Safety

COVID-19

Skills

Social  
unrest

Natural  
disasters

Customer-needs  
and expectations

Geopolitical  
tensions

#### THE PAST YEAR

- Recorded serious safety incidents, including five tragic fatalities.
- Logged lower productivity levels in certain areas.
- Living with COVID-19 emerged as a key theme worldwide with recurring waves of the virus. The pandemic disrupted the way people live and work.
- Encountered shortage of specialist skills and impact of digitalisation/Artificial Intelligence (AI) on human resources.
- Encountered elevated pressure from stakeholders to address climate change issues and integrate environmental considerations into our strategic planning.
- Kept abreast of diverse and evolving customer-needs.
- In South Africa, municipal services in many areas were disrupted with employees and communities suffering from intermittent power supply. The effects were worsened by higher fuel costs.
- Social unrest in South Africa highlighted deep social and economic inequality.
- Raised expectations from society of the role corporates can play, especially among our fenceline communities.
- Devastating floods in KwaZulu-Natal (KZN) destroying critical infrastructure in some places, displacing people and impacting our operations.
- The Russia/Ukraine conflict has resulted in loss of lives, displacing people, disrupting supply chains across the globe and effecting significant food and energy cost inflation.

#### HOW WE WERE IMPACTED/RESPONDED

- Focused on humanising safety. Introduced new safety themes, including leadership accountability; risk ownership and management; management of change; and frontline priorities.
- Moved to full 24/7 operations in Mining to improve productivity.
- Our established COVID-19 framework, supported by our response team, guided continuous efforts in prioritising the health and safety of our employees, fenceline communities and customers. Sadly, 94 employees succumbed to the virus.
- Rolled-out a comprehensive government COVID-19 vaccine programme in South Africa.
- Improved and formalised hybrid work arrangements.
- Articulated our People Promise to our employees and society.
- Lifted the moratorium on training and development. Our bursaries, graduate and artisan programmes strengthen the skills pipeline.
- Repaid salary and pension fund sacrifices that many employees made in 2020.
- Curated learning content focusing on customer-centricity training to support and enable employees.
- Stepped up support to restoration programmes after unrest to enable essential goods and services and help rebuild impacted areas.
- Reached out to more SMEs through our 'Built to Last' webinar series. Supported and developed several South African women-owned SMEs in engineering and technology.
- Donated R7,5 million to KZN disaster relief effort and delivered more than 2 200 food packs to those affected.
- Contributed approximately €300 000 to support relief efforts in Ukraine.

**SR** For more detail refer to our Sustainability Report available on our website, [www.sasol.com](http://www.sasol.com)

#### OUTLOOK

- Recover our safety and operational discipline, including safety remediation in Mining.
- Provide a unique employee experience and compelling Employee Value Proposition.
- Promote physical, emotional and mental wellbeing of our workforce.
- Ensure we have the resources and capability to deliver on Sasol 2.0 transformation programme, Future Sasol and our environmental, social and governance (ESG) roadmap.
- Reinforce our commitment to human rights.
- Continue to embed our operating model.
- Remain focused on our strategic objectives, top priorities and placing stakeholder-centricity at the heart of everything we do.
- Learn more about our strength and weaknesses from the recently conducted group-wide employee culture survey (Heartbeat).
- Continue to invest in social impact initiatives in education and health, entrepreneurship, and small business development in pursuit of growing shared value.
- Committed to being a catalyst for change and a force for good.



## OPERATING CONTEXT (CONTINUED)



## PLANET

## DRIVERS

## Decarbonisation and adaptation

## THE PAST YEAR

- Increased efforts globally to decarbonise, with expanded regulatory and reporting requirements.
- Continued to come under pressure to address our emissions profile; adaptation response; and to improve the resilience of our communities, employees and facilities.
- Set up a Just Transition office that will serve to coordinate and drive our Just Transition plans.
- Expedited action toward unlocking green hydrogen opportunities through projects such as Boegoebaai.
- Increased geopolitical complexities and tensions.
- Flash floods rendering Natref's facility in Durban inoperable since all electrical infrastructure was submerged and the control room damaged.

## HOW WE WERE IMPACTED/RESPONDED

- Announced updated strategy, our 2050 ambition to be Net Zero and a tripling of our target to reduce our scope 1 and 2 GHG emissions by 2030. Made clear choices to enable our transition strategy.
- Working to position ourselves to lead the energy transition in South Africa. Progressed pathways to decarbonise our existing operations to enable a just transition, creating shared value through localisation of emerging value chains.
- Started pursuing demonstration opportunities and partnerships as well as exploring repurposing assets to unlock green hydrogen opportunities. This includes work on ecomobility, the HyShiFT Consortium on cleaner aviation fuels and our partnership with the Industrial Development Corporation to develop South Africa's hydrogen economy.
- Established Sasol ecoFT to provide Sustainable Aviation Fuels (SAF) and related sustainable chemicals solutions. Concluded four Memorandums of Understanding to advance feasibility studies relating to SAF production opportunities in Sweden and Germany. Engaging potential ecosystem partners to pursue competitive SAF opportunities using Sasol's FT technology across the globe.
- Signed agreements with Northern Cape Development Agency to lead the pre-feasibility study to explore the potential of Boegoebaai as an export hub for green hydrogen via ammonia as a carrier.
- Signed agreements with Gauteng provincial government to leverage special economic zones to unlock green hydrogen market potential.
- Energy Council of South Africa launched, with Sasol as inaugural Chair, to enable a sustainable energy sector.
- With gas a crucial transitional energy source to lower Sasol's emissions, we prioritised sourcing LNG. Partnered with CEF and Empresa Nacional de Hidrocarbonetos (ENH) to explore, optimise gas supply and pool demand to lower the cost of gas into the region.
- Approved the first commercial-scale green hydrogen project at Sasolburg complex. Facility will produce 3,5 tons of green hydrogen a day from existing electrolyzers by end 2023.
- Progressed studies for repurposing Sasolburg's existing assets to produce low-carbon waxes, methanol, ammonia and SAF.
- Explored further integration possibilities with Natref to accelerate the production of sustainable fuels and chemicals.
- GHG emissions reduced by approximately 7% off a combined Sasol Energy and Sasol Chemicals restated 2017 baseline. Reductions are largely due to lower production and operational issues.
- Committed to procure 1 200 MW of renewable energy for our South African operations by 2030.
- Concluded renewable Power Purchase Agreements for 29 MW for Sasol Chemicals' sites in Brunsbüttel and Augusta.
- Secured 3,7 million offset credits in 2022, resulting in a saving of R258 million in carbon tax liability.
- At Natref Durban site, we restored critical substations and control systems, enabling resumption of crude oil pumping. A combined effort between the Natref team and our service providers was mobilised to repair and restore infrastructure. This intervention was achieved with no occupational safety, process safety or environmental incidents.
- Contributed R7,5 million to support emergency relief and infrastructure rebuilding in KZN.

## OUTLOOK

- Our proprietary Fischer-Tropsch (FT) and catalyst technology are uniquely placed to enable the production of sustainable synthetic fuels and chemicals. In partnership with Topsoe, our commercial FT solution will be a winning technology for Sustainable Aviation Fuel (SAF).
- As part of our plans to reduce GHG and sulphur dioxide (SO<sub>2</sub>) emissions in an integrated manner, we will be turning down some of our boilers at Secunda Operations, with the first boiler turnaround expected by end 2025.
- Significant progress has been made in procuring renewable energy for both our Energy and Chemicals businesses. In South Africa, we have agreed the key terms with Independent Power Producers (IPPs) to secure approximately 600 megawatts (MW) of solar and wind power to start coming online before end 2025. Regulatory approval processes are ongoing.
- Our first SAF production is targeted for 2025 from our Secunda Operations (through HyShiFT Sustainable Aviation Fuel project).
- Deliver incremental gas options into our South African Operations and the market.
- Expect South Africa to enact the Climate Change bill which will regulate the allocation of carbon budgets.
- Increased carbon taxes to support South Africa's transition and achieve the Nationally Determined Contribution target.
- Successful implementation of the US\$8,5 billion JET facility that South Africa was pledged at COP26 to support the shift from coal has the potential to unlock additional funding.
- Complete the significant rebuild and restoration work at Natref Durban site.
- Continue to monitor the resilience of our portfolio through robust risk assessments and scenario analyses.
- To mitigate the impact of uncertainty into the future, we developed several pathways to realise our Net Zero ambition in the event that technology maturity and availability does not progress as we anticipate.
- Implementing artificial intelligence carbon dioxide measurement tool at our Lake Charles Chemicals Complex.

OPERATING CONTEXT (CONTINUED)



PROFIT

DRIVERS

Economic growth and exchange rate

Russia/Ukraine conflict

Oil price

Gas price

THE PAST YEAR

- Global growth rebounded to about 6% in calendar year 2021. The Russia/Ukraine conflict added to inflationary pressures.
- South Africa's economy grew by 4,9% but continued to grapple with high levels of poverty, unreliable electricity supply, infrastructure damage from floods, high unemployment and rising living and input costs.
- The rand averaged R15,21/US\$, about 1,2% stronger than in 2021.
- Amid high geopolitical risk, the Russia/Ukraine conflict and resulting supply challenge, supported commodity prices, notably crude oil, natural gas, coal as well as refining margins. Liquefied natural gas (LNG) prices surged.
- Brent crude averaged US\$92,1/bbl in 2022, from US\$54,2/bbl in 2021.
- The price of thermal coal (~2% of Sasol's external revenue) rose on Russian-supply disruptions and higher gas prices.

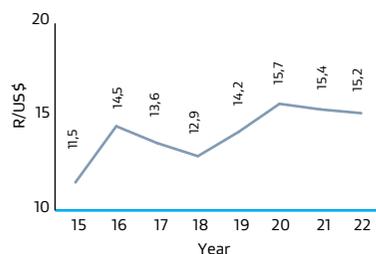
HOW WE WERE IMPACTED/RESPONDED

- Higher prices for refined products and chemicals enabled a healthy topline performance.
- Continued transforming Sasol to be a nimble, competitive and top performing enterprise, delivering on triple bottom line of People, Planet and Profit.
- Protected energy security in South Africa, while embracing the Just Transition and creating new and innovative solutions for stakeholders.
- Focused on becoming sustainably profitable at US\$45/bbl oil price by 2025.
- Maintained our financial risk management efforts to protect our balance sheet: hedged rand-dollar, crude oil, coal and ethane exposure 12 months ahead.
- Hedged 42 mm bbl of oil for 2022 and 29 mm bbl for 2023.
- Concluded divestment transactions.
- Accelerated pursuit of Mozambique gas supply, diversifying LNG sources and related costs to achieve a lower weighted average cost of gas.
- Progressed with Lake Charles Chemicals Complex ramp-up and continued value upliftment.

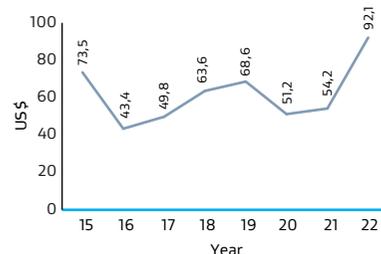
OUTLOOK

- Global growth is decelerating fast, with the chances of a US/global recession over the next two years. To stem inflation, major central banks are likely to continue increasing interest rates.
- The Russia/Ukraine conflict will continue to contribute to volatility in financial markets, commodity prices and global growth.
- Structural constraints (unreliable electricity being key among them) will continue to affect the South African economy. The Reserve Bank is expected to continue hiking interest rates to tame inflation. The South African economy is expected to grow by 1,7 – 2% per annum over the next two calendar years.
- Limited OPEC spare capacity; the European Union (EU) ban on Russian oil; the impact of a potential US/global recession and the impact of China's 'zero-COVID' policies could keep oil prices elevated in the near term, before easing somewhat in 2023 financial year.
- High energy and food prices could lead to higher wage demands and cost pressures.
- South Africa's demand for natural gas is expected to increase materially in the second half of this decade and even more so beyond 2030. Aside from the current latent demand that is not satisfied, increased demand is also anticipated from emission reduction efforts as well as contribution to energy security in South Africa and the region. There are multiple LNG terminal import options being considered for imports into South Africa, which is advantageous as it offers greater competitive tension to the benefit of consumers, which is important as affordability for LNG is a challenge. Among others, import options include the Matola terminal in Mozambique as well as Richards Bay in KwaZulu-Natal, where first imports are expected between 2025 and 2026.
- Supply chain uncertainties could provide opportunities to prove itself as a new source of renewable energy (such as hydrogen or ammonia into the EU). Demand for coal exports may increase, and ammonia prices and refinery margins could rise.
- Ongoing disruptions and inflation pressure could mean higher energy and feedstock costs, particularly for European operations, with the potential to squeeze margins.
- Continue with ramp-up activities of the Lake Charles Chemicals Complex.

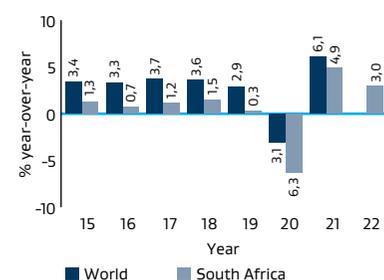
Average exchange rate (R/US\$)



Average Brent crude oil price (US\$/bbl)



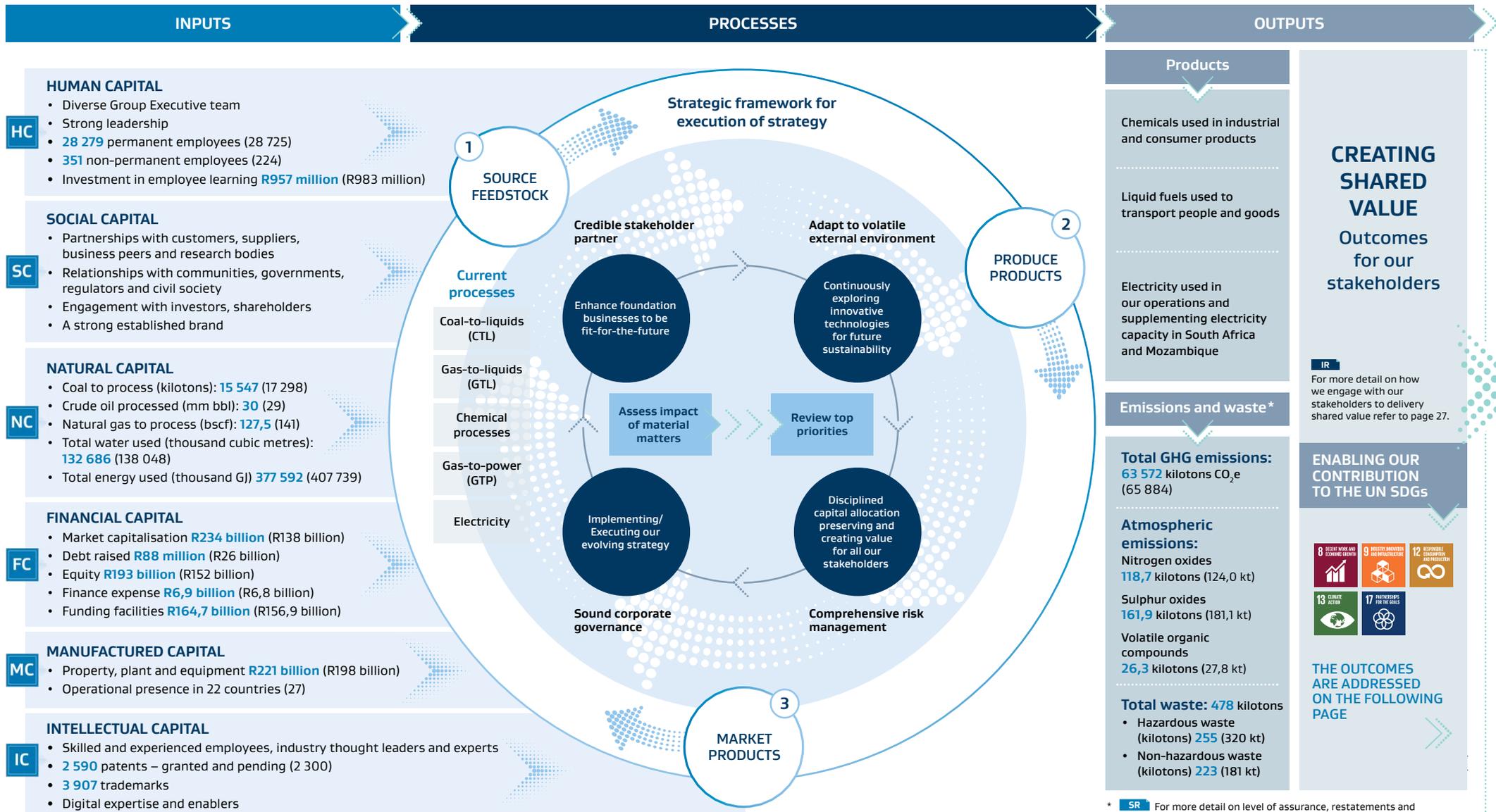
World and South African GDP growth (%)



^ Source: EY

# CREATING VALUE USING THE SIX CAPITALS

We rely on the six capitals to create and preserve value as well as to reduce instances in which value is eroded. By transforming the stocks of capital through our business activities, we are also able to deliver on our strategy and advance the United Nations' Sustainable Development Goals. While building and operating facilities to convert hydrocarbon feedstock into a range of high-value products, we seek to be inclusive, responsible and sustainable. Our intention is to maximise value creation and minimise negative impacts.



Comparative figures for previous years indicated in brackets.

\* **SR** For more detail on level of assurance, restatements and breakdown by Business Unit refer to our Sustainability Report available on our website, www.sasol.com

# CREATING VALUE USING THE SIX CAPITALS (CONTINUED)

## OUTCOMES

■ Value created ■ Value preserved ■ Value eroded

HC	HUMAN CAPITAL	SC	SOCIAL CAPITAL	NC	NATURAL CAPITAL
<ul style="list-style-type: none"> <li>■ Work-related fatalities five (two)</li> <li>■ High severity incident severity rate 16,00 (9,79)</li> <li>■ Wages and benefits R33 billion (R34 billion)</li> <li>■ Statutory reported occupational diseases 38 (32)</li> <li>■ Lives lost due to COVID-19 and COVID-19-related illnesses 94 employees (63 employees)</li> <li>■ Total employees – permanent and non-permanent 28 630 (28 949)</li> <li>■ Bursaries 352 (352)</li> </ul>	<ul style="list-style-type: none"> <li>■ Paid taxes of R52,6 billion in South Africa (R47,3 billion) and R1,6 billion in Mozambique (R1,3 billion)</li> <li>■ Spent R1,2 billion on skills development (R1,2 billion)</li> <li>■ B-BBEE Level 3 (Level 4)</li> <li>■ Black-owned business spend R33,6 billion (R23,8 billion)</li> <li>■ Total social investment spend R743,3 million (R526,2 million)</li> </ul>	<ul style="list-style-type: none"> <li>■ Produced 111,2 bscf of natural gas from Mozambique (114,5 bscf)</li> <li>■ Produced 31,8 mm tons of saleable coal (35,4 mm tons)</li> <li>■ Recycled 169 965 thousand cubic metres of water (159 680 thousand cubic metres)</li> <li>■ Recycled 131 kilotons of total waste (124 kt)</li> </ul>			

### KEY ACTIONS TO SUSTAIN VALUE

- Implementing strategies to track and monitor leading and lagging safety metrics as signposts for early interventions in prioritised areas where trends are pronounced
- Committed to offering a compelling Employee Value Proposition, promoting a diverse and inclusive culture and developing talent and critical skills
- Repurposing the Sasol bursary programme to address the skills needed for Future Sasol
- Concluded Nstika entrepreneur development programme, launched in 2021 for Sasol unplaced employees, which resulted in the creation of 25 business start-ups which led to 60 jobs created
- Supporting learning institutions to improve outcomes from educational initiatives focusing on resources for a better understanding of science, mathematics, engineering and technology
- Investing in programmes that support and improve systems that sustain our communities, including community service infrastructure and healthcare systems
- Supporting local communities through meaningful contributions, including various initiatives relating to COVID-19
- Continue to work with business associations such as the Energy Council, BUSA, and NBI to coordinate efforts and devise workable implementation plans for the Just Transition
- Supporting communities affected by floods in KwaZulu-Natal and the Russia/Ukraine conflict through Sasol for Good initiatives
- Driving localisation and economic transformation around our fenceline communities
- Developed emission reduction roadmaps for 2030 and 2050 to progressively decarbonise our operations focusing on sustainable feedstocks like green hydrogen, renewables and sustainable carbon at scale
- Introduced renewable electricity purchased at Eurasia operations in 2022
- Air quality offsetting programme resulting in the avoidance of emissions of more than 207 tons PM10, 194 tons of PM2,5 and 80 tons of SO<sub>2</sub> in the surrounding community airshed
- Setting short-term water targets for three largest water using sites in Sasol Energy – Secunda Operations, Sasolburg and Ekandustria Operations and Sasol Mining
- Commenced biodiversity footprint assessment process at select facilities

FC	FINANCIAL CAPITAL	MC	MANUFACTURED CAPITAL	IC	INTELLECTUAL CAPITAL
<ul style="list-style-type: none"> <li>■ Earnings before interest and tax (EBIT) R61,4 billion (R16,6 billion)</li> <li>■ Cash generated by operating activities R56,1 billion (R45,1 billion)</li> <li>■ Headline earnings per share (HEPS) R47,58 (HEPS R39,53)</li> <li>■ Attributable earnings R39,0 billion (R9,0 billion)</li> <li>■ Net debt to EBITDA (per bank definition) 0,8 times (1,5 times)</li> <li>■ Gearing 41,8% (61,5%)</li> <li>■ Standard and Poor's and Moody's affirmed Sasol's rating of BB and Ba2 respectively and have revised the outlook from negative to positive</li> </ul>	<ul style="list-style-type: none"> <li>■ Synfuels production 6 881 kilotons (7 610 kt)</li> <li>■ Natrex production 19,3 mm bbl (18,1 mm bbl)</li> <li>■ Liquid fuels white product sales 52,5 mm bbl (52,0 mm bbl)</li> <li>■ Liquid fuels black product sales 2,7 mm bbl (2,2 mm bbl)</li> <li>■ Capital expenditure R22,7 billion (R16,4 billion)</li> <li>■ Depreciation and amortisation R14,1 billion (R17,6 billion)</li> <li>■ Net reversal of impairment of assets R1,4 billion (impairment of R28,7 billion)</li> </ul>	<ul style="list-style-type: none"> <li>■ Total global patents granted 2 590 (2 300)</li> <li>■ Corporate bursaries 352 (352)</li> <li>■ Invested R1,2 billion in research and development (R&amp;D) (R1,2 billion)</li> </ul>			

### KEY ACTIONS TO SUSTAIN VALUE

- Continue on executing on the objectives of Sasol 2.0
- Managed our comprehensive response by focusing on self-help measures, asset disposals and transitioning to Future Sasol
- Successfully completed asset divestment programme
- Resumed dividend payment in 2022: R14,70 per share for year-end
- Improve stability of plant operations
- Ensure continuous availability of coal from mining operations
- Bring Lake Charles Chemicals Complex (LCCC) to full potential
- Leverage advanced and differentiated Sasol FT technology for sustainable products
- Create value through partnerships in key markets across the value chain
- Continue advancing our PtX technology and product offering through in-house research and collaboration with leading companies
- Advance offerings across licensing, catalyst sales, and specialised technical services in the sustainable FT solutions space

# TRADE-OFFS

In addressing the material matters we have identified, as well as in making decisions on how to manage our business and deliver on our Purpose and strategy, we experience and manage trade-offs. Viewed through the materiality lens of 'People, Planet and Profit', we demonstrate the key trade-offs between the capitals in the year. Our aim is always to create and preserve value and to reduce instances in which value is eroded through our activities and decisions.

TRADE-OFF 1

MM  
Safety of our people

Providing a safe working environment and fulfilling our commitment to Zero Harm while maintaining production of high-value products.

While we aim for efficiency in our production processes, this can never be at the expense of our people's health and safety. We need to invest time and money to ensure we humanise safety, making it part of our daily processes. Over the long term, an embedded culture of caring to achieve Zero Harm helps eliminate fatalities and high-severity incidents, reduces our recordable case rate (RCR) and enhances operational efficiency.

### CAPITALS IMPACTED

HC	Decrease in capital	The loss of lives, the injuries sustained and the health issues experienced by our employees and communities over the long term
	Decrease in capital	Reported a deterioration in our recordable case rate
	Increase in capital	Provided psychological and wellbeing support to our employees
SC	Increase in capital	Our health and safety commitments support our social licence to operate and bolster our credibility among stakeholders
	Increase in capital	Improved community health, including through our support of COVID-19 vaccination programmes
FC	Ongoing use of capital	Financial investment in safety training, equipment and infrastructure
	Increase in capital	As the safety culture is embedded and there are fewer safety incidents, operations report fewer stoppages, leading to greater productivity
IC	Increase in capital	Industry-leading safety standards and initiatives in place to safeguard lives

TRADE-OFF 2

MM  
Responsibly decarbonising for Future Sasol

Securing a Just Transition through our decarbonisation journey while continuing to create shared value for all our stakeholders.

We aim to create shared value even while we accelerate our transition away from carbon, in line with the Paris Agreement, the United Nations' Sustainable Development Goals and The Ten Principles of the UN Global Compact. This requires significant investment in technology and a change in the skills we require.

### CAPITALS IMPACTED

SC	Increase in capital	Improved social licence to operate by working to align with global goals and ensure greater resilience in a carbon constrained world
	Increase in capital	Constructive engagement with stakeholders including employees and organised labour; shareholders and providers of capital; customers; governments and regulators; communities and societies; and non-governmental organisations
	Increase in capital	Fostering entrepreneurship and upskilling through our Just Transition initiatives as we move away from reliance on coal
HC	Increase in capital	Attracting and developing new skills
	Decrease in capital	Possible redundancy of some skills and jobs, particularly those in our coal value chain
NC	Increase in capital	Delivering on timelines to achieve our ambition to reach Net Zero by 2050
	Decrease in capital	Continued reliance on non-renewable resources in the short term, with associated emissions from operations
IC	Increase in capital	Nurturing new skills and developing new technologies and products
MC	Increase in capital	Converting facilities for the production of low-carbon products
	Decrease in capital	Some equipment and infrastructure may become redundant in the long term
FC	Decrease in capital	Investing in repurposing facilities and equipment to align with long-term advantage to produce sustainable products

Decrease in capital    
 Increase in capital    
 Ongoing use of capital

TRADE-OFFS (CONTINUED)

TRADE-OFF 3

MM

Transforming for resilience

Choosing either to allocate capital or conserve cash in the short to medium term to enhance Future Sasol's sustainability and position and enable long-term returns to stakeholders.

We work to secure an improved financial and competitive position through prudent financial risk management and deleveraging and strengthening of the balance sheet in the short term to ensure a competitive and sustainable position over the long term.

CAPITALS IMPACTED

FC	↑	Improved cash conservation
	↓	Reduced returns to shareholders, including pension funds, in the short term
SC	↓	Negative impact on the performance of pension funds in the short term
	↓	Reduced tax contribution to revenue authorities
	↑	Improved credibility with our stakeholders
	↑	Greater engagement with our financial partners
HC	↑	Maintained support of bursaries
	↓	Employee benefits suffered in the short term
MC	↓	We divested of certain assets and facilities
NC, MC, IC, HC	↑	Over the long term, an improved financial position enables us to invest in decarbonising and ensuring greater resource efficiency as well as investment in infrastructure, technology and skills

TRADE-OFF 4

MM

Strengthening relationships with stakeholders

Investing in the further development of our Fischer-Tropsch (FT) processes to deliver a sustainable future or closing down the FT facilities that are responsible for the bulk of our emissions profile.

By establishing Sasol ecoFT, we are working to drive innovation which will develop Sustainable Aviation Fuel ecosystems and chemical feedstock option to produce sustainable products and ultimately deliver a more sustainable future. However, this requires significant investment and is not without risk, as success is not guaranteed. The alternative is to meet our climate change commitments by closing down our FT facilities over time.

CAPITALS IMPACTED

FC	↓	Investments required mean that incubating Sasol ecoFT is not profitable for now
	↑	In the long term, there is potential for this business to be cash generative and profitable
IC	↑	By developing our proprietary technology, we grow intellectual capital
	↑	Potential to contribute in a significant way to global decarbonisation pathways in the aviation sector in the long term, and green hydrogen production at Sasol's operations
MC	↑	Repurpose existing Sasol facilities and supporting infrastructure
	↓	Failure to economically decarbonise existing facilities will result in us having to close it down over the longer term
SC	↑	Success would improve Sasol's credibility and make it a more attractive employer and partner
	↑	Positive progress will increase employment opportunities
NC	↑	Potential to contribute to the reduction of carbon emissions in the long term
	↓	If Secunda Operations and Sasolburg Operations were to be mothballed, they would impact negatively on the natural environment
HC	↓	Possible job redundancies in the long term
	↓	A shortage of appropriate and relevant skills amid greater global competition
	↑	Upskilling our people through skills transfer (including through our partnerships) and bursaries
	↑	New employment opportunities

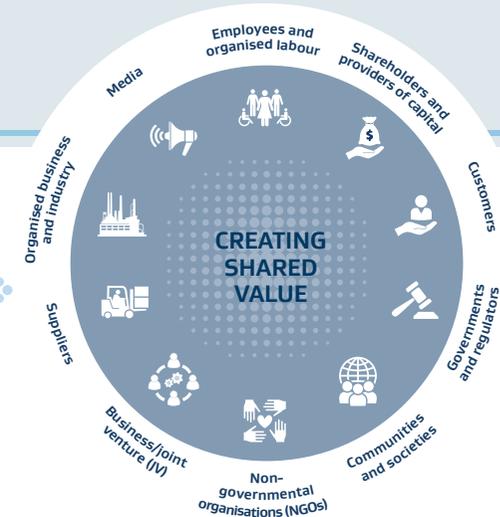
↓ Decrease in capital    ↑ Increase in capital

# ENGAGING WITH STAKEHOLDERS TO DELIVER VALUE

## OUR KEY STAKEHOLDERS

As a result of our contribution to economic activity, value addition to society and our social investments, we have a wide range of stakeholders. We aim to create shared value through the employment of social and human capital by taking into account the issues that our stakeholders identify as most pertinent in helping or hindering us in delivering our strategy. We have done this in finalising our material matters and through robust engagements that provide us the opportunity to listen to our stakeholders while providing feedback on our activities.

**IR** For more detail on how we engage with our stakeholders to delivery shared value refer to page 28.



	EMPLOYEES AND ORGANISED LABOUR	CUSTOMERS	SHAREHOLDERS AND PROVIDERS OF CAPITAL	GOVERNMENTS AND REGULATORY AUTHORITIES	COMMUNITIES, SOCIETIES AND NON-GOVERNMENTAL ORGANISATIONS (NGOs)
WHY WE ENGAGE	A strong and harmonious relationship with our employees and organised labour is critical for our business. We strive to continuously improve our Employee Value Proposition, strengthen engagement and better productivity.	Our customers are core to our business. Being customer-centric means being responsive to their needs and expectations, delivering exceptional service and improving overall customer experience.	Being consistent and clear about our strategy and our investment case enables informed decision-making and helps to manage expectations.	Building and maintaining a relationship of transparency and trust with governments and regulators is the foundation for collaboration. It secures our licence to operate, advances mutually beneficial commercial objectives as well as our ability to contribute to policy formulation.	Business sustainability is dependent on the relationship we build with the communities and societies in which we operate and the contribution we make to societal upliftment.
VALUE SHARED	<p><b>R33 billion</b> in wages and benefits</p> <p>Over <b>4 200</b> employees registered to volunteer causes</p> <p>Continued to entrench our Purpose and values</p>	<p>Delivered <b>55,2 million</b> barrels of liquid fuels</p> <p>Launched rewards programme for our retail customers</p> <p>Sold <b>60,1 bscf</b> natural gas and methane rich gas</p> <p>We delivered <b>6,4 million</b> tons of chemical products</p>	<p><b>R47,58</b> headline earnings per share</p> <p>Resumption of dividend payment</p> <p><b>R193 billion</b> equity</p> <p>Committed to transitioning to <b>Net Zero</b> by 2050</p>	<p><b>R16,2 billion</b> in direct taxes</p> <p>About <b>R50 billion</b> reinvested globally to grow and sustain operations</p> <p>Supporting a <b>Just Transition</b></p> <p><b>Air quality compliance/improvements</b></p>	<p><b>R1,2 billion</b> in invested in skills development</p> <p><b>R55,8 billion</b> in preferential procurement</p> <p><b>R743,3 million</b> invested in corporate social investment</p>
SDGS CONTRIBUTED TO					

SDGS CONTRIBUTED TO

# STAKEHOLDER ISSUES INFORMING OUR MATERIAL MATTERS



## PEOPLE

Main issue	Significant issues of our stakeholders	Group top risk theme	Material Matter	Stakeholders
<b>TALENT</b>	<ul style="list-style-type: none"> <li>Identify, source and build capabilities for Future Sasol (including new value pools)</li> <li>Retain and improve key technical skills in the organisation</li> <li>Uphold employee value proposition</li> <li>Employee turnover</li> <li>Renewables integration – dependency on specialised skills</li> <li>Perceived lack of transparency around employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>People</li> </ul>		<ul style="list-style-type: none"> <li>Employees and organised labour</li> <li>Shareholders and providers of capital</li> <li>Communities and societies</li> </ul>
<b>SAFETY, HEALTH AND WELLBEING</b>	<ul style="list-style-type: none"> <li>Pursuing Zero Harm through humanising safety</li> <li>Reducing the number of high-severity incidents</li> <li>Air Quality matters (health and environmental effects)</li> <li>Managing impact of COVID-19 on our employees and stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Safety and operational</li> </ul>		<ul style="list-style-type: none"> <li>Employees and organised labour</li> <li>Communities and societies</li> <li>NGOs</li> </ul>
<b>JUST TRANSITION</b>	<ul style="list-style-type: none"> <li>Detailed and tangible actions regarding our Just Transition</li> <li>Supporting 'Just Transition' initiatives</li> <li>Advocacy plan to lead the energy transition in Southern Africa</li> <li>The role of localisation in supporting South Africa's Just Transition imperatives</li> <li>Energy security</li> <li>Alignment needed on pace and nature of the transition</li> <li>Transition funding – for hard-to-abate sectors (petrochemical sector) to enable the Just Transition and to grow new opportunities, such as hydrogen</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and transition</li> </ul>		<ul style="list-style-type: none"> <li>Employees and organised labour</li> <li>Government and regulators</li> <li>NGOs</li> <li>Communities and societies</li> <li>Organised business and industry</li> </ul>
<b>ECONOMIC TRANSFORMATION</b>	<ul style="list-style-type: none"> <li>Investment, job creation and Sasol meeting its climate change obligations</li> <li>Failure to deliver and meet the objectives and targets for Enterprise and Supplier Development in South Africa</li> <li>Job retention</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder</li> </ul>		<ul style="list-style-type: none"> <li>Employees and organised labour</li> <li>Government and regulators</li> <li>NGOs</li> <li>Suppliers</li> <li>Communities and societies</li> </ul>
<b>CUSTOMER FOCUS</b>	<ul style="list-style-type: none"> <li>Improving customer experience from realigned internal structure and improvement in systems and processes</li> <li>Enhancing partnering opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Market</li> <li>Safety and operational</li> </ul>		<ul style="list-style-type: none"> <li>Customers</li> </ul>
<b>CULTURE</b>	<ul style="list-style-type: none"> <li>Fear of speaking up</li> <li>Improving communication – specifically active listening</li> <li>Caring for our employees</li> <li>Entrenching our aspired corporate culture</li> </ul>	<ul style="list-style-type: none"> <li>People</li> <li>Legal, regulatory and governance</li> </ul>		<ul style="list-style-type: none"> <li>Employees and organised labour</li> <li>Suppliers</li> <li>Customers</li> </ul>

## STAKEHOLDER ISSUES INFORMING OUR MATERIAL MATTERS (CONTINUED)



### PLANET

Main issue	Significant issues of our stakeholders	Group top risk theme	Material Matter	Stakeholders
DECARBONISATION	<ul style="list-style-type: none"> <li>Air quality compliance and Sasol meeting its climate change obligations</li> <li>Urgent air quality improvement and rapid decarbonisation strategy and programmes – tangible actions to deliver on emission reductions</li> <li>Delivering on our decarbonisation targets for 2030 and 2050</li> <li>Progressing national incentives</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and transition</li> </ul>		<ul style="list-style-type: none"> <li>Employees and organised labour</li> <li>Government and regulators</li> <li>Shareholder and providers of capital</li> <li>NGOs</li> <li>Customers</li> </ul>
RENEWABLES	<ul style="list-style-type: none"> <li>Delivering on our renewables procurement commitment to reduce our scope 2 emissions</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and transition</li> </ul>		<ul style="list-style-type: none"> <li>Communities and societies</li> <li>Suppliers</li> <li>Business/joint ventures</li> <li>NGOs</li> </ul>



### PROFIT

Main issue	Significant issues of our stakeholders	Group top risk theme	Material Matter	Stakeholders
CAPITAL ALLOCATION/ BALANCE SHEET/ INVESTMENT ATTRACTIVENESS	<ul style="list-style-type: none"> <li>Access grant funding and incentives to support the development of green hydrogen</li> <li>Ramp-up cash flow generation in Americas post Lake Charles Chemicals Project start-up</li> <li>Implementing Future Sasol to achieve long-term gearing and net debt to earnings before interest, tax, depreciation and amortisation targets</li> <li>Following through on our self-help measures and managing our balance sheet</li> <li>Optimising our portfolio and positioning for transition to Future Sasol</li> <li>Positioning for long-term value creation</li> </ul>	<ul style="list-style-type: none"> <li>Financial</li> <li>Capital investment</li> <li>Market</li> </ul>		<ul style="list-style-type: none"> <li>Shareholder and providers of capital</li> <li>Government and regulators</li> <li>Employees and organised labour</li> </ul>
GAS SUPPLY	<ul style="list-style-type: none"> <li>Advancing efforts to source additional gas supply</li> <li>Piped gas pricing – maximum gas price implementation</li> <li>Affordability of feedstock (eg liquified natural gas) and impact on value chain</li> </ul>	<ul style="list-style-type: none"> <li>Market</li> <li>Financial</li> <li>Legal, regulatory and governance</li> </ul>		<ul style="list-style-type: none"> <li>Shareholder and providers of capital</li> <li>Customers</li> <li>Government and regulators</li> <li>NGOs</li> </ul>
GROWTH AND INNOVATION	<ul style="list-style-type: none"> <li>Develop and grow partnerships and collaboration to promote a sustainable economy in the Southern African region</li> <li>New growth opportunities (Sustainable Aviation Fuel/green H<sub>2</sub>) – perceived as attractive with no value attributed at this stage</li> <li>Expand on green hydrogen opportunities in Southern Africa to grow the low-carbon portfolio</li> <li>Establishing mindset of continuous improvement and innovation to position Future Sasol – including internal and external product innovation</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability and transition</li> <li>Capital investment</li> <li>Market</li> </ul>		<ul style="list-style-type: none"> <li>Employees and organised labour</li> <li>Shareholder and providers of capital</li> <li>Government and regulators</li> <li>Customers</li> </ul>
REGULATORY	<ul style="list-style-type: none"> <li>Supplier non-compliance to legal and regulatory requirements, including but not limited to Anti-Bribery and corruption sanctions and Broad-Based Black Economic Empowerment legislation, may exclude suppliers</li> <li>Bolstering corporate governance</li> <li>Setting clear targets to unlock value</li> </ul>	<ul style="list-style-type: none"> <li>Legal, regulatory and governance</li> </ul>		<ul style="list-style-type: none"> <li>Suppliers</li> <li>Governments and regulators</li> <li>NGOs</li> </ul>
OPERATIONS	<ul style="list-style-type: none"> <li>Initiating agile line-led delivery</li> <li>Delivering Sasol 2.0 targets to drive resilience and return on invested capital improvement</li> <li>Global operational stability and frequency of unplanned incidents</li> </ul>	<ul style="list-style-type: none"> <li>Safety and operational</li> <li>Financial</li> <li>Capital investment</li> <li>Sustainability and transition</li> </ul>		<ul style="list-style-type: none"> <li>Employees and organised labour</li> <li>Shareholder and providers of capital</li> <li>Customers</li> </ul>

# RISK MANAGEMENT

## Managing our Group top risks

In pursuing our Purpose, and ambition to grow shared value while accelerating our transition, we proactively manage risk to enable the achievement of business objectives.

Our risk management approach is inextricably linked to our corporate strategy and is an essential part of good corporate governance as well as effective leadership. It is fundamental to how the company is managed at all levels and is embedded into our key decision-making processes and day-to-day activities. Effective risk management is key to facilitating benefits from opportunities.

### Our Enterprise Risk Management process

Our Enterprise Risk Management (ERM) Framework directs our approach to identify, understand and respond to significant risks associated with our business. In executing our ERM process, we follow a Plan, Do, Review and Improve (PDRI) model where we identify, understand, execute, monitor, govern, assure and report on our top risks and respond to significant risks being faced in the short, medium and long term. In improving our ERM Framework, we have enhanced our Risk Policy (the Policy) to ensure alignment with the direction of our business, our annual top priorities, Purpose and values.

The following 10 statements summarise the key message in our revised Risk Policy:

- |   |  |
|---|--|
| <p><b>1</b> Our Purpose and strategic ambitions are core to everything we do in Sasol.</p>  | <p><b>2</b> Managing risk is fundamental to how the company is managed at all levels.</p>  |
| <p><b>3</b> We drive towards embedding risk management into key decision-making processes and day-to-day activities.</p>  | <p><b>4</b> We understand that risk management is a dynamic process considering the ever-changing context within which we operate.</p>                         |
| <p><b>5</b> We proactively manage risk in order to minimise downside potential, and capitalise on upside potential.</p>   | <p><b>6</b> We promote a culture of risk awareness, where all significant risks are assessed and managed in accordance with our ERM Framework.</p>             |
| <p><b>7</b> We understand that the Policy also caters for management of significant risks that have the potential for business continuity impacts.</p>          | <p><b>8</b> We obtain and provide adequate assurance on the efficacy of the risk management process and key responses.</p>                                     |
| <p><b>9</b> We clearly understand our accountabilities for risk management in Sasol, with oversight and management of risk roles articulated in the Policy.</p> | <p><b>10</b> Risk management is governed at different levels in the company and we also communicate and report on relevant risks to external stakeholders.</p> |

Another key enhancement to our ERM Framework was the inclusion of a Business Continuity Management Programme and Group Crisis process as an integral part of the overall ERM Framework. To this effect, the Group Crisis Management Protocol and Group Crisis Communication Guideline documents, which direct and govern how Sasol deals with a highly disruptive unexpected operability and reputation or liability issues have been updated and aligned with the current operating model structure.

The responsibility for our ERM Framework and supporting processes resides with the Chief Risk Officer, who is responsible for enabling enterprise risk management across the organisation, aligned with changes in our operating model and approved delegation of authority levels.

### Managing our Group risk appetite and tolerance

We understand the risks associated with our business, and we manage them proactively and effectively, within our risk appetite, in order to optimise business returns.

#### Risk appetite

Extent and type of risk we are willing to take in order to meet our strategic and capital deployment objectives.

#### Risk tolerance

Level of uncertainty we are prepared to accept. It identifies the maximum boundary, beyond which we are unwilling to operate.

We continue to operate within the Group's approved risk appetite and tolerance levels and are still actively managing exposures related to debt covenants and gearing, strengthening the balance sheet.

#### PROCESS IN MANAGING GROUP RISK APPETITE AND TOLERANCE

- Define risk appetite and tolerance
- Embed principles for managing risk appetite and tolerance
- Monitor application of risk appetite and tolerance
- Review risk appetite and tolerance metrics

#### Our risk appetite and tolerance metrics

- Net debt-to-EBITDA
- Gearing

#### Review of risk metrics considers changes in:

- Internal business and operational environment
- External environment (eg economic and geopolitical environment)
- Environmental, social and governance requirements
- Strategic priorities (including material matters) and portfolio
- Credible risk scenarios
- Competitive conditions

# RISK MANAGEMENT (CONTINUED)

## Managing our Group top risks (continued)

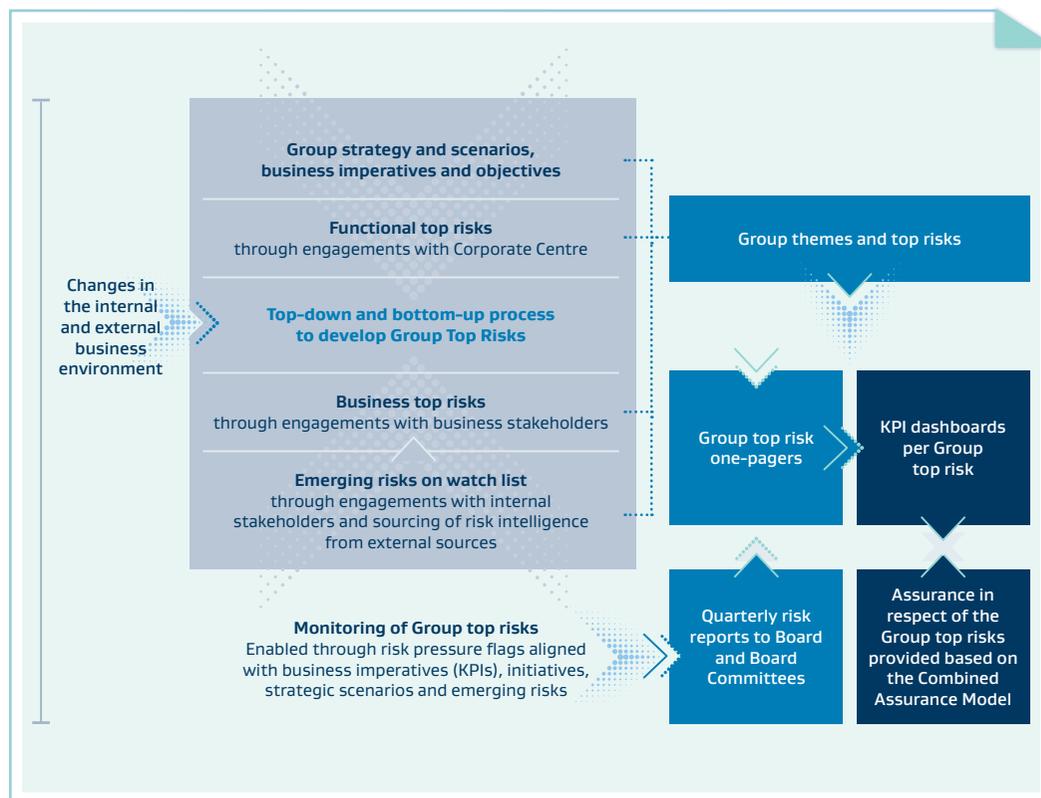
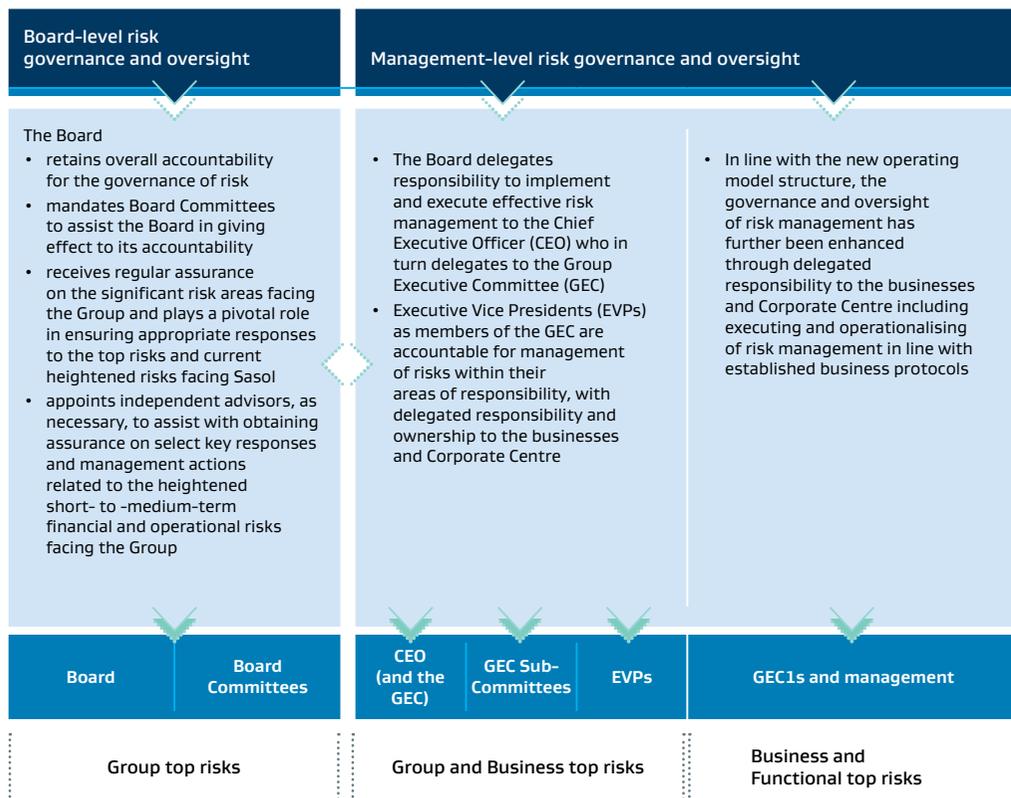


### Governance and oversight of risk management

Our governance and oversight of risk management is conducted in alignment with our governance framework and Board Management Committees' terms of reference which also guide risk management reporting into these committees.

### Strategically managing our Group top risks

The Sasol Group top risks are continuously managed, monitored and reviewed in line with the Group's business imperatives considering our materiality lens, our material matters, top priorities, sustainability focus areas and the six capitals. The review of our Group top risks is further tested against major internal and external developments reported through our emerging risks (watch list) process, plausible business scenarios and appropriate risk flags. Business scenarios are customised and stress tested against progressive international, regional and national scenario parameters as well as key driving forces.



## RISK MANAGEMENT (CONTINUED)

### Managing our Group top risks (continued)

#### Our Group top risk themes

Our Group top risk themes, in the table below, include the identified Group top risks with their associated key business drivers and key responses. The Group top risk themes have also been linked with key business imperatives supporting our sustainability intent and triple-bottom-line outcomes. These are connected to our material matters and how we use the six capitals to preserve and create shared value.

In our assessment of the existing Sasol Group Top Risk (GTR) profile in the context of our reset corporate strategy, a new Group top risk named: "Inability to effectively transition to Future Sasol in time" under the

Group Top Risk Theme "Sustainability and Transition" was identified. This risk considers how Sasol is positioned in charting the course towards delivering on its future strategy plans, while focusing on recovering our safety and operational discipline, delivering on the Sasol 2.0 baseline in a prioritised and sequenced manner as well as ensuring that our ESG roadmaps are progressed. The new risk is also fully interconnected with the other existing Sasol Group top risks, particularly in aspects such as air quality issues covered under the climate change risk, capital availability, carbon tax, affordable gas feedstock, stakeholder commitments and legal and regulatory issues.

#### KEY BUSINESS IMPERATIVE

##### Business sustainability and earnings growth

Group top risk theme	Group top risks	Key responses	Group top risk theme	Group top risks	Key responses
<b>FINANCIAL</b>   <b>Transforming for resilience</b>	Includes risks associated with macroeconomic factors (key business drivers): <ul style="list-style-type: none"> <li>– volatile commodity prices and exchange rates</li> <li>– short-term cost increases</li> <li>– credit rating downgrades</li> <li>– liquidity</li> <li>– solvency</li> <li>– gearing</li> <li>– going concern</li> <li>– debt covenant breaches</li> <li>– tax liability and exposure (includes carbon and windfall taxes)</li> </ul>	<ul style="list-style-type: none"> <li>• Group financial market risk management policy, processes and frameworks (includes hedging)</li> <li>• ESG-linked financing framework developed</li> <li>• Sales and operations planning processes</li> <li>• Group assumptions, budgeting, forecasting and scenario analysis processes</li> <li>• Sasol 2.0 full potential initiatives</li> <li>• Global tax strategy and management</li> <li>• Management of relationships with lenders, credit rating agencies and tax authorities</li> </ul>	<b>LEGAL, REGULATORY AND GOVERNANCE</b>   <b>Environmental stewardship</b>   <b>Strengthening relationships with stakeholders</b>	Includes risks associated with: <ul style="list-style-type: none"> <li>– legal compliance in multiple jurisdictions</li> <li>– adherence to corporate governance requirements</li> <li>– changing policy and regulatory requirements in multiple jurisdictions; and</li> <li>– challenges with regards to delivery on environmental commitments</li> </ul>	<ul style="list-style-type: none"> <li>• Multi-disciplinary compliance programmes</li> <li>• Sasol's Code of Conduct</li> <li>• Annual compliance certification</li> <li>• Annual compliance and governance training and awareness</li> <li>• Due diligence processes and screening tools</li> <li>• Governance policy, standards and procedures, including disclosure controls</li> <li>• Adherence to listing requirements</li> <li>• Monitor and inform developments in policy, legislative and regulatory landscape for current and future business</li> <li>• Proactive stakeholder engagement</li> <li>• Deliver on committed environmental roadmaps and offset programmes</li> </ul>
<b>SAFETY AND OPERATIONAL</b>   <b>Safety of our people</b>	Includes risks associated with: <ul style="list-style-type: none"> <li>– process safety</li> <li>– occupational safety</li> <li>– occupational health and product safety incidents</li> <li>– utility interruption (electricity and water)</li> <li>– failure of critical assets</li> <li>– extreme weather events; and</li> <li>– feedstock and supply chain disruptions (inbound and outbound logistics)</li> </ul>	<ul style="list-style-type: none"> <li>• Zero Harm approach</li> <li>• HSI management and fatality elimination programme</li> <li>• Process safety, occupational safety, occupational health, environmental and product stewardship management systems and security management</li> <li>• SHE risk management and incident management</li> <li>• One Sasol SHE Excellence Approach: each business to evolve its own SHE governance</li> <li>• Sasol Operations Management System including asset management</li> <li>• Critical assets, extreme weather, natural disaster, feedstock, supply chain and utility interruption set of key responses and processes</li> <li>• Insurance as a risk transfer mechanism</li> <li>• Group crisis management, emergency response and contingency planning</li> </ul>	<b>INFORMATION MANAGEMENT</b>   <b>Transforming for resilience</b>	Includes risks associated with: <ul style="list-style-type: none"> <li>– information and cyber security threats including business operations outages as well as a <i>force majeure</i></li> </ul>	<ul style="list-style-type: none"> <li>• Information security controls, maturity roadmap, training and awareness</li> <li>• Monitor global cyber landscape to identify, detect, protect and respond to and recover from cyber breaches</li> <li>• Global information security management process</li> <li>• Information technology (IT) security continuity plans</li> <li>• Execution and monitoring of critical Operations Technology (OT) security controls and remediation of weaknesses identified</li> <li>• Simulation exercises that are aligned with global threat landscape</li> <li>• Cyber security due diligence to assess Sasol cyber security posture/readiness</li> </ul>

## RISK MANAGEMENT (CONTINUED)

### Managing our Group top risks (continued)

#### Our Group top risk themes (continued)

##### KEY BUSINESS IMPERATIVE

###### Long-term business viability

Group top risk theme	Group top risks	Key responses	Group top risk theme	Group top risks	Key responses
<p><b>CAPITAL INVESTMENT</b></p> <p>MM</p>  <p>Transforming for resilience</p>	<p>Includes risks associated with:</p> <ul style="list-style-type: none"> <li>– project performance (cost, schedule and quality) driven by both internal delivery risks and risks arising from unexpected changes in the external environment</li> <li>– capital project portfolio; capital allocation; and</li> <li>– capital availability (internal/external funding) and capital structuring</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Project Excellence programme</li> <li>• Milestone driven de-risking and assurance of opportunities through the decision enablement stage gate methodology</li> <li>• Capital challenge process to ensure parity in informing the Rolling Capital Plan</li> <li>• Projects, engineering and business standards</li> <li>• Update and track delivery on key investment parameters</li> <li>• Regular status review of capital projects</li> <li>• Continuous learning practices</li> <li>• Disciplined Capital Allocation Framework and investment guidelines</li> <li>• Asset review and classification processes</li> <li>• Sasol Energy, Sasol Mining, Sasol Chemicals and Sasol ecoFT responsible for keeping the capital project funnel full with quality opportunities and improving optionality to grow portfolios</li> </ul>	<p><b>MARKET</b></p> <p>MM</p>  <p>Transforming for resilience</p>	<p>Includes risks associated with:</p> <ul style="list-style-type: none"> <li>– our ability to remain competitive</li> <li>– changing global marketplace dynamics (COVID-19 and the Russia/Ukraine conflict with ensuing global inflation) impacting supply and demand for products (including short- to medium-term demand collapses and longer-term market structural changes) and continued supply chain challenges</li> <li>– technologies becoming uncompetitive; and</li> <li>– access to feedstocks and markets</li> </ul>	<ul style="list-style-type: none"> <li>• Geographically diversified asset base, with a focus on growth in high-value and differentiated markets</li> <li>• Competitor cost curve analysis and peer group benchmarking</li> <li>• Customer service, sales and marketing excellence programmes</li> <li>• Monitoring of developments in major markets including new competitor entrants, increased global capacity builds, consumer behaviour, supply and demand patterns</li> <li>• Innovation and technological advances</li> <li>• Managing research and development portfolio and incrementally improving existing technology offerings</li> <li>• Southern Africa Upstream Gas Strategy and the Alternative Gas and Energy Supply programme (includes LNG and green hydrogen)</li> <li>• Mozambique upstream gas project and the alternative gas supply programme</li> <li>• Long-term ethane supply contracts</li> <li>• Developing stakeholder and partnering approach</li> <li>• Brand management to explore business opportunities</li> </ul>
<p><b>GEOPOLITICAL</b></p> <p>MM</p>  <p>Transforming for resilience</p>	<p>Includes risks associated with:</p> <ul style="list-style-type: none"> <li>– operating in a range of countries and regions, with varying geopolitical, socio-economic and developmental landscapes, as well as war and civil unrest</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor socio-economic developments and geopolitical events in host countries</li> <li>• Regular engagements with host governments, local authorities, communities, non-governmental organisations (NGOs), customers and suppliers</li> <li>• Group crisis management, emergency response and contingency planning</li> <li>• Country risk analysis</li> <li>• Scenario risk analysis of impact of the Russia/Ukraine conflict on Sasol supply and value chain</li> </ul>			

## RISK MANAGEMENT (CONTINUED)

### Managing our Group top risks (continued)

#### Our Group top risk themes (continued)

##### KEY BUSINESS IMPERATIVE

Long-term business viability		
Group top risk theme	Group top risks	Key responses
<p><b>SUSTAINABILITY AND TRANSITION</b></p> <p>MM</p>  <p><b>Responsibly decarbonising for Future Sasol</b></p> <p>MM</p>  <p><b>Environmental stewardship</b></p>	<p>Includes risks associated with:</p> <ul style="list-style-type: none"> <li>our ability to develop and implement an appropriate climate change mitigation response</li> <li>increasing societal pressures</li> <li>access to low- and lower-carbon energies; and</li> <li>our ability to meet new and future policy and regulatory requirements, particularly in South Africa</li> </ul>	<ul style="list-style-type: none"> <li>Undertaking robust scenario analysis</li> <li>Enhancing transparency and disclosure</li> <li>Implementation of the Just Transition approach, framed by our three-pillar-emission reduction framework</li> <li>Set long-term emission reduction Net Zero ambition by 2050, with optionality in the decarbonisation pathway</li> <li>Set interim targets including a 30% scope 1 and 2 emission-reduction target by 2030</li> <li>Reduce by 20% absolute scope 3 emissions by 2030 for Category II</li> <li>Enhancing and implementing our adaptation response strategy in a phased approach, focusing on risk at operational sites</li> <li>Proactive stakeholder engagement, policy advocacy and tracking of the climate change landscape</li> <li>Environmental compliance programmes</li> </ul>
New Group top risk	Key responses	
<p><b>INABILITY TO EFFECTIVELY TRANSITION TO FUTURE SASOL IN TIME</b></p> <p>This includes risks associated with:</p> <ul style="list-style-type: none"> <li>Not achieving the Sasol 2.0 targets</li> <li>Sasol Energy and Sasol Chemicals not delivering on decarbonisation plans</li> <li>Policy and regulatory changes imposing further requirements to comply</li> <li>Not delivering on stakeholder commitments</li> <li>Transition from coal to gas eroding value of our current businesses</li> <li>Inability to secure sufficient and affordable gas volumes timeously; and</li> <li>Inability to find flexible alternatives to realise sustainable business opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Continued balance sheet and capital allocation discipline</li> <li>Reducing scope 1 to 3 GHG emissions based on the decarbonisation targets set out in our roadmaps</li> <li>Maintain a healthy project funnel to play a lead integrator role in the Southern Africa green hydrogen ecosystems</li> <li>Renewable energy procurement into our facilities</li> <li>Realise benefits from circular economy opportunities</li> <li>Monitoring and responding to the shifting macros including carbon tax requirements</li> <li>Sign-posts monitoring of policy and regulatory landscape with a fast response rate to action on developments</li> <li>Proactive stakeholder engagements to align on key requirements and taking a leading role through proactive and visible engagements in delivering to the Just Transition imperative in South Africa</li> <li>Exploring affordable alternatives and optimising options to minimise eroding value of current business while driving initiatives to meet our sustainability transformation requirements</li> <li>Maximise affordable gas supply from current Mozambique assets to extend plateau production (through Petroleum Production Agreement (PPA) and Production Sharing Agreement (PSA) programmes)</li> <li>Develop go-to-market and technology strategy roadmaps for a prioritised regional approach with reference to the pathways</li> </ul>	

**CCR** For more detail specifically on Climate Change risks, refer to the Climate Change Report available on our website, [www.sasol.com](http://www.sasol.com)

Employee Value Proposition		
Group top risk theme	Group top risks	Key responses
<p><b>PEOPLE</b></p> <p>MM</p>  <p><b>Responsibly decarbonising for Future Sasol</b></p> <p>MM</p>  <p><b>Environmental stewardship</b></p>	<p>Includes risks associated with:</p> <ul style="list-style-type: none"> <li>our ability to ensure an enticing Employee Value Proposition</li> <li>retaining and attracting required skills to enable delivery of strategy and strategic objectives</li> <li>maintaining a high-performance culture anchored in our values and ethics, with high levels of engagement and productivity</li> <li>ensuring diversity globally</li> <li>managing organisational change</li> <li>ensuring good labour relations (includes labour actions or disruptions)</li> <li>changing workplace dynamics post COVID-19; and</li> <li>new normal/future workforce</li> </ul>	<ul style="list-style-type: none"> <li>Culture of inclusion and care is driven across all regions, with tailored communication to address employee concerns as new issues arise</li> <li>Our Purpose and values forming the basis of our Employee Value Proposition and our People Promise</li> <li>Integrated talent management strategies, framework, principles and standards</li> <li>Developed a list of future critical skills required to deliver on Future Sasol's strategy</li> <li>Competitive remuneration, employee value proposition, rewards and benefit frameworks and policies</li> <li>Employee attraction, retention, development and succession processes and programmes</li> <li>Culture transformation journey</li> <li>Code of Conduct and value system</li> <li>Employee wellbeing programmes</li> <li>Employee engagement surveys and benchmarking</li> <li>Proactive engagement with organised labour</li> <li>Develop a workplace of the future strategy – working from home and hybrid model</li> <li>Develop a digital platform to remotely manage employees' working hours, productivity, wellbeing, performance management and remuneration</li> </ul>

## RISK MANAGEMENT (CONTINUED)

### Managing our Group top risks (continued)

#### Our Group top risk themes (continued)

##### KEY BUSINESS IMPERATIVE

Stakeholder impact		
Group top risk theme	New Group top risk	Key responses
<b>STAKEHOLDER</b>  <b>MM</b>  <b>Safety of our people</b>	Includes risks associated with: <ul style="list-style-type: none"> <li>– being a credible stakeholder partner with a good reputation</li> <li>– managing stakeholder relations across a broad spectrum of key stakeholders</li> <li>– upholding human rights</li> <li>– delivering on commitments; and</li> <li>– meeting transformation and local content objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Regular engagement with key stakeholders</li> <li>• Tracking delivery on stakeholder commitments</li> <li>• Reputation management programme</li> <li>• Social investment programmes</li> <li>• Customer and supplier relationship management</li> <li>• B-BBEE ownership targets and meeting industry-specific charters</li> <li>• Enterprise and supplier development and preferential procurement</li> <li>• Diversity, employment equity, skills development and social development plans</li> <li>• Local content strategies and plans in all our regions</li> <li>• Human Rights Policy and framework directives covering aspects relating to our employees, supply chain, communities, mergers and acquisitions (including joint ventures) and environmental footprint</li> </ul>

##### COVID-19 is considered to be a systemic risk and impacts all key business imperatives

Group top risk theme	Group top risks	Key responses
<b>COVID-19</b>  <b>MM</b>  <b>Safety of our people</b>  <b>MM</b>  <b>Strengthening relationships with stakeholders</b>	Include risks associated with: <ul style="list-style-type: none"> <li>– 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</li> </ul>	<ul style="list-style-type: none"> <li>• People-centric responses including social distancing; health and hygiene practices; personal protective equipment; testing and screening</li> <li>• Compliance programmes</li> <li>• Scenario analysis</li> <li>• Business continuity and risk assessments</li> <li>• Sasol for Good initiatives</li> <li>• Dedicated COVID-19 response task team and a vaccination task team</li> </ul>

### Tracking and monitoring emerging risks on our watch list

These refer mainly to unknown aspects around these risks which are identified as part of key developments emerging in our business environment.

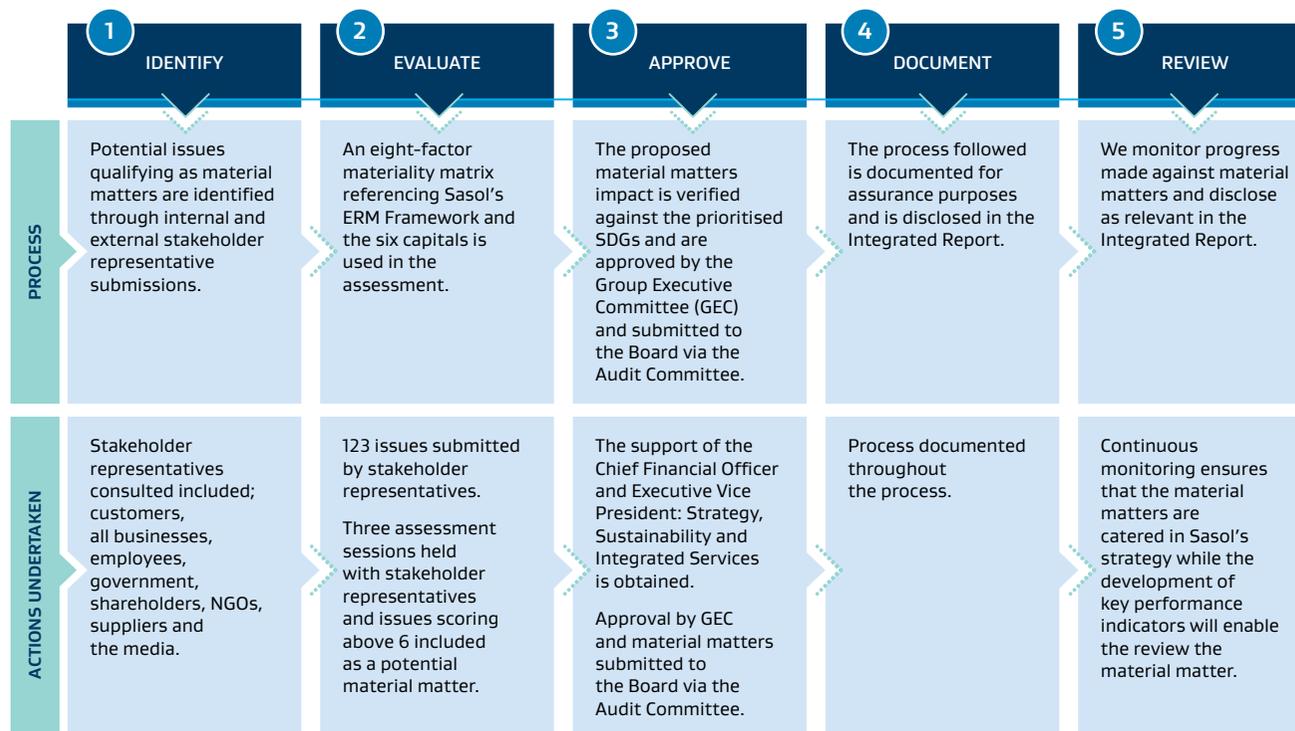
Theme	Potential areas impacted	Business response
<b>GEOPOLITICAL THREATS</b>	<ul style="list-style-type: none"> <li>• The Russia/Ukraine conflict escalating with global socio-economic fallout and high price and cost impact</li> <li>• Potential unrest in South Africa (exacerbated by socio-economic pressures) which may potentially cause major business interruption</li> <li>• Economic and policy/regulatory uncertainty, as well as changing market dynamics with increasing costs of doing business in South Africa</li> <li>• Ongoing insurgence activity in Mozambique which may potentially cause major business interruption</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing multi-stakeholder engagements to monitor developments and provide supporting intelligence to business (eg plausible future scenarios developed by Sasol's Strategic Scenario Modelling team)</li> </ul>
<b>GLOBAL SECURITY INCIDENTS (eg cyber threats)</b>	<ul style="list-style-type: none"> <li>• The rise in cyber attacks posing cyber security threats and increased costs</li> </ul>	<ul style="list-style-type: none"> <li>• Our cyber security structures providing integrated Information Technology (IT)/ Operations Technology (OT) end-to-end monitoring support</li> <li>• Cyber security due diligence to assess Sasol cyber security posture/readiness</li> </ul>
<b>ENERGY TRANSITION ACCELERATION</b>	<ul style="list-style-type: none"> <li>• Increased urgency to transition the energy landscape to deliver on the Net Zero ambition with failure thereof potentially eroding shareholder value and delivery on ESG aspirations</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring and responding to the changes in the energy landscape which include applicable regulatory and policy frameworks</li> </ul>
<b>SAFETY AND OPERATIONAL DISRUPTIONS (including supply chain and utilities)</b>	<ul style="list-style-type: none"> <li>• Constrained global supply chains – inbound and outbound key concerns</li> <li>• Electricity and water supply constraints exacerbated by ongoing power outages and loadshedding in South Africa</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing multi-stakeholder engagements to monitor developments and provide supporting intelligence to business</li> </ul>
<b>STAKEHOLDER ACTIVISM (eg shareholders, activists and NGOs)</b>	<ul style="list-style-type: none"> <li>• Increasing pressure from NGOs, activists and shareholders to consider their resolutions on Board composition, accountability in delivering ESG requirements and financial performance</li> </ul>	<ul style="list-style-type: none"> <li>• Proactive and constructive engagement</li> <li>• Various initiatives to address stakeholders' concerns and monitoring of ongoing developments</li> </ul>

# MANAGING OUR MATERIAL MATTERS



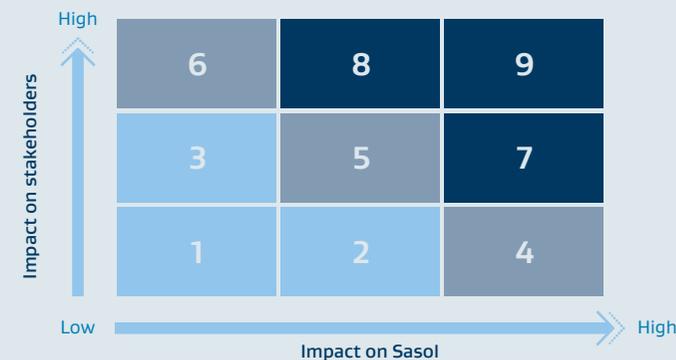
Our material matters have the potential to help or hinder the delivery of our strategy and substantively affect our ability to create value over time. We follow a double materiality process that references both our internal and external environment, our stakeholders' concerns and risks. These are determined by assessing each issue against a materiality assessment matrix and by referencing the six capitals.

## Our five-step double materiality approach



## Assessing the impact of issues on Sasol and our stakeholders

- Each issue is first assessed against 9 impact factors guided by the ERM Framework's materiality assessment matrix and by reference to the six capitals, providing a weighted average score, placing each issue on the impact grid below.
- Matters ranked at 6 and above are included as proposed material matters.



Impact factors	Financial	Operational	Strategic	Market	Reputational	People	Timeframe	Risk impact	Raw value	Weighted value
	FC	MC NC	IC	SC	SC	HC	MC	IC		
Issue eg Production	3	3	3	3	2	1	2	3	23	7,7

FC = Financial Capital      NC = Natural Capital      SC = Social Capital  
 MC = Manufacturing Capital      IC = Intellectual Capital      HC = Human Capital

# MANAGING OUR MATERIAL MATTERS (CONTINUED)



## Safety of our people

HELP	HINDER	SDG
<ul style="list-style-type: none"> <li>Humanising safety</li> <li>Caring for our people</li> <li>Making sure our people return home safely</li> </ul>	<ul style="list-style-type: none"> <li>Occurrence of high-severity incidents</li> <li>Effect of COVID-19</li> <li>Perception of air quality impact on health</li> </ul>	

<b>Why this is a material matter</b>	Ensuring that our employees, contractors and service providers can safely return to their families is not only a non-negotiable but the bedrock of a sustainable business. The loss of one life is one too many. We want to ensure that all our employees and service providers return to their loved ones every day.
<b>Top priority</b>	Pursuing Zero Harm
<b>The type of impact the material matter has on the business</b>	<p>Risk Management</p> <p>Safety risk impacting sustainability and earnings</p> <p>Opportunity: Authentically and genuinely advance 'caring' in the character of organisation. Enhance our reputation.</p>
<b>Actions to mitigate</b>	<ul style="list-style-type: none"> <li>Reiterating our value 'Be Safe', not just for oneself but also for others</li> <li>Reinforcing our value 'Be Caring' and humanising safety</li> <li>Including Zero Harm as a strategic ambition</li> <li>Implementing and continuously reviewing programmes that support our Zero Harm ambition</li> <li>Including the achievement of Zero Harm as part of our executive and employee incentive schemes</li> </ul>
<b>Targets and metrics</b>	<p>Zero Harm</p> <p>These metrics are ongoing and will remain for the short, medium and long term as the risks remain inherent in our business. The target is set every year to improve our year-on-year performance</p> <ul style="list-style-type: none"> <li>High Severity Injury Rate: We strive to achieve Zero Harm by focusing relentlessly on preventing high-severity injuries and eliminating fatalities</li> <li>Recordable Case Rate</li> <li>Process Safety fires, explosions and releases (FERs): The decrease in the number of FERs is important as it ensures safe and reliable operations and improved energy efficiency</li> <li>Transport Indicator of safety performance</li> </ul>



## Transforming for resilience

HELP	HINDER	SDG
<ul style="list-style-type: none"> <li>Driving resilience and cash flow improvement through delivery of Sasol 2.0 targets</li> <li>Secure cyber, platforms safeguard operational and business activities</li> <li>Restoring trust and credibility</li> </ul>	<ul style="list-style-type: none"> <li>Operational under performance and delivery</li> <li>Failing embedding our culture and upholding our values</li> <li>Market volatility, geopolitical uncertainty and disruption</li> </ul>	

<b>Why this is a material matter</b>	In order to deliver on Future Sasol, we need a robust foundation. This means we need to get the basics right. We fully appreciate the new world in which we operate but also know how our business needs to respond, thereby ensuring that as we transform, we will make sure we will be resilient into the future.
<b>Top priority</b>	Recovering the business to the Sasol 2.0 baseline
<b>The type of impact the material matter has on the business</b>	<p>Foundational trust and credibility</p> <p>Impacting our Employee Value Proposition, sustainability and earnings growth</p> <p>Opportunity: Attract the best talent. Innovate. Enhance our reputation</p>
<b>Actions to mitigate</b>	<ul style="list-style-type: none"> <li>The Sasol 2.0 transformation programme that is positioning us to transition, setting the path to reinvent ourselves as Future Sasol</li> <li>Including delivering on Sasol 2.0 as a key priority</li> <li>A Heartbeat survey ensuring we understand any issues associated with our culture and values</li> <li>Capital allocation principles to balance maintaining the integrity and reliability of our existing assets, delivering on our climate change ambitions, and protecting and growing shareholder returns</li> <li>Its inclusion across all the Group Top Risk ensuring focus with information management identified as Group Top Risk Theme;</li> <li>Monitoring and responding to the shifting macros</li> <li>Our company values Be Accountable and Be Resilient supporting our commitment in transforming</li> </ul>
<b>Targets and metrics</b>	<ul style="list-style-type: none"> <li>Cash fixed cost targets</li> <li>Gross margin uplift targets</li> <li>Heartbeat survey</li> </ul>

# MANAGING OUR MATERIAL MATTERS (CONTINUED)



## Responsibly decarbonising for Future Sasol

HELP	HINDER	SDG
<ul style="list-style-type: none"> <li>Leading the energy transition</li> <li>Delivering on our emission reduction targets</li> <li>Aligning a visible and integrated Just Transition programme and incorporating localisation and economic empowerment</li> <li>Implementing and expanding growth opportunities (green H<sub>2</sub>/SAF) through collaborative partnerships and innovation</li> </ul>	<ul style="list-style-type: none"> <li>Sourcing affordable feedstock</li> <li>Unsuccessfully addressing the perception that green H<sub>2</sub> is not attractive</li> <li>Capital availability to invest in new technology</li> <li>Inability to attract suitable talent</li> <li>Enabling and accessing incentives for development of green H<sub>2</sub> and transitioning initiatives</li> </ul>	 

<b>Why this is a material matter</b>	For us to transition to Future Sasol we must act collectively and decisively as our coal value chain is unsustainable. We will decarbonise embracing suitable low-carbon alternatives as well as energy and process efficiencies.
<b>Top priority</b>	Progressing our environmental, social and governance (ESG) roadmaps
<b>The type of impact the material matter has on the business</b>	<p>Advancing sustainability</p> <p>Risk: Sustainability risk impacting our sustainability and earnings growth, and long-term viability</p> <p>Opportunity: Beneficiating our technology will open up new growth avenues and expand the use of our products</p>
<b>Actions to mitigate</b>	<ul style="list-style-type: none"> <li>Developing a skills and capability plan</li> <li>Taking the lead in the energy transition and ensuring a Just Transition plan is visibly in place and being actioned</li> <li>Sustainable Aviation Fuel partnerships being established and others vigorously being pursued</li> <li>Maintaining a healthy project pipeline to play a lead integrator role in the Southern Africa green hydrogen ecosystems with realistic green H<sub>2</sub> projects</li> <li>Sourcing renewable energy and low-carbon feedstock as transition fuels</li> <li>The transition risk identified as a new Group Top Risk and made visible to the organisation</li> <li>Reducing scope 1 to 3 GHG emissions based on the decarbonisation targets set out in our roadmaps</li> </ul>
<b>Targets and metrics</b> Short term Medium term Long term	<ul style="list-style-type: none"> <li>Decarbonisation targets</li> <li>2030 GHG Emission Reduction Roadmap</li> <li>Renewable energy targets</li> <li>Energy efficiency improvement</li> <li>Setting up new sustainable businesses</li> </ul>



## Environmental stewardship

HELP	HINDER	SDG
<ul style="list-style-type: none"> <li>Meeting our air quality compliance obligations</li> <li>Procuring renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Inability to introduce bio-based feedstocks to meet South Africa's Clean Fuels II compliance standards</li> <li>Regulatory timelines at risk</li> </ul>	

<b>Why this is a material matter</b>	In our pursuit of Future Sasol, our current business must operate within the regulatory and policy frameworks maintaining our licence to operate. This will increase our investment attractiveness and our ability to pursue emerging opportunities.
<b>Top priority</b>	Progressing our ESG roadmaps
<b>The type of impact the material matter has on the business</b>	<p>Advancing sustainability</p> <p>Risk: Sustainability risk impacting our sustainability and earnings growth, and long-term viability</p>
<b>Actions to mitigate</b>	<p>The bulk of our Southern African operations remain dependent on coal as primary feedstocks and this makes up the greatest portion of our contribution to the relevant airsheds. In addressing this we have implemented initiatives and taken actions to reduce our coal dependence and its impact. This includes but is not limited to:</p> <ul style="list-style-type: none"> <li>Gas being sourced alleviating the impact on the airshed Technical solutions being pursued</li> <li>Application for a load-based emission limit for sulphur dioxide (SO<sub>2</sub>) in terms of Clause 12A of the minimum emission standards</li> <li>1,2 GW by 2030, with &gt; 600 MW progressed during 2022; and renewable energy procurement identified as a key intervention initiative</li> </ul>
<b>Targets and metrics</b> Short term Medium term Long term	<ul style="list-style-type: none"> <li>Renewable energy targets</li> </ul>

# MANAGING OUR MATERIAL MATTERS (CONTINUED)



## Strengthening relationships with stakeholders

HELP	HINDER	SDG
<ul style="list-style-type: none"> <li>• Enhancing partnering opportunities</li> <li>• Improving customer experience from realigned internal structure and improvement in systems and processes</li> <li>• Strengthening partnerships for economic transformation and localisation</li> <li>• Maintaining regular and transparent communication and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Unsuccessfully addressing the negative perception of Sasol</li> <li>• Perceived lack of transparency around employment opportunities</li> </ul>	 
<b>Why this is a material matter</b>	Strengthening the relationships with all our stakeholders is an indispensable requirement to build credibility and trust. It is an imperative that we say what we do and do what we say.	
<b>Top priority</b>	Building credibility and trust	
<b>The type of impact the material matter has on the business</b>	Long-term business viability Improved customer focus Stakeholder commitment	
<b>Actions to mitigate</b>	<ul style="list-style-type: none"> <li>• Be transparent in our engagements and delivering on our promises</li> <li>• Co-developing sustainable solutions with partnerships and other stakeholders</li> <li>• Increase the role we play in the regions in which we operate</li> <li>• Tracking the delivery of our commitments to stakeholders</li> <li>• Meeting B-BBEE ownership targets and industry-specific charters</li> <li>• Putting in place local content strategies</li> </ul>	
<b>Targets and metrics</b> Short term Medium term Long term	<ul style="list-style-type: none"> <li>• Setting up new sustainable business ventures</li> <li>• Establishing of PtX partnerships</li> <li>• Feasibility studies to be approved for emerging new value pools developments</li> </ul>	

## PERFORMANCE OVERVIEW | PERFORMANCE AT A GLANCE

## Embracing triple bottom line reporting and supporting interconnectivity between People, Planet and Profit

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. They encompass both financial and non-financial indicators as well as quantitative and qualitative factors.



## SASOL CHEMICALS BUSINESS PERFORMANCE SUMMARY

The Chemicals business delivered a strong financial performance with Earnings before Interest and Tax (EBIT) increasing by 65% compared to the prior year. The business benefited from a stronger average sales basket price (US\$/t), which was 39% higher than the prior year. Sales volumes were however 12% lower than the prior year largely due to the divestment of the US Base Chemicals assets concluded in December 2020 and lower Secunda and Sasolburg production from Chemicals Africa.

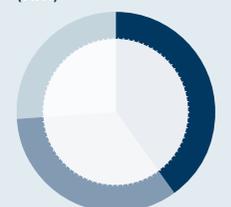
## SASOL ENERGY BUSINESS PERFORMANCE SUMMARY

The Energy business further benefited from a recovery in fuels demand post the COVID-19 impact, including a slight decrease in retail sales in the last quarter due to record high fuel prices. This was offset by lower volumes in Mining, Secunda and Sasolburg downstream value chains following the feedstock and operational challenges which impacted the South African value chain. EBIT for the Energy business increased by more than 100% to R46,0 billion compared to the prior year.

## Performance summary | Business units

## SASOL CHEMICALS BUSINESS

Turnover (Rm)

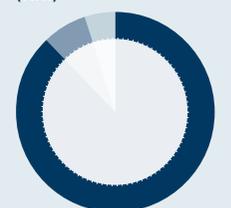


■ 40% Chemicals Africa  
■ 34% Chemicals Eurasia  
■ 26% Chemicals America

	2022	2021
<b>Chemicals Africa</b>		
Turnover (Rm)	64 054	58 260
Earnings before Interest and Tax (EBIT) (Rm)	24 072	6 957
Total assets (Rm)	60 901	49 761
Number of employees	6 396	7 414
<b>Chemicals Eurasia</b>		
Turnover (Rm)	55 011	45 539
Earnings before Interest and Tax (EBIT) (Rm)	7 552	4 680
Total assets (Rm)	36 402	32 704
Number of employees	2 808	3 095
<b>Chemicals America</b>		
Turnover (Rm)	41 496	29 358
Earnings before Interest and Tax (EBIT) (Rm)	981	8 116
Total assets (Rm)	139 685	125 541
Number of employees	1 271	1 259

## SASOL ENERGY BUSINESS

Turnover (Rm)



■ 88% Fuels  
■ 7% Gas  
■ 5% Mining

	2022	2021
<b>Fuels</b>		
Turnover (Rm)	100 988	59 393
Earnings/(loss) before Interest and Tax (EBIT/LBIT) (Rm)	27 959	(18 170)
Total assets (Rm)	56 418	36 159
Number of employees	4 610	4 688
<b>Gas</b>		
Turnover (Rm)	7 789	7 321
Earnings before Interest and Tax (EBIT) (Rm)	14 622	6 656
Total assets (Rm)	18 330	23 376
Number of employees	513	598
<b>Mining</b>		
Turnover (Rm)	6 370	2 025
Earnings before Interest and Tax (EBIT) (Rm)	3 456	3 227
Total assets (Rm)	29 893	29 470
Number of employees	8 520	7 811

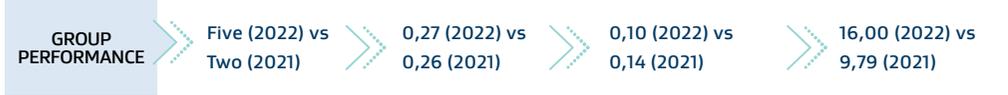
## CORPORATE CENTRE

	2022	2021
Turnover (Rm)	30	14
(Loss)/earnings before Interest and Tax (LBIT/EBIT) (Rm)	(17 225)	5 153
Total assets (Rm)	45 356	34 517
Number of employees	4 512	4 084

LBIT for the year mainly as a result of losses on the valuation of financial instruments and derivative contracts.

PERFORMANCE OVERVIEW (CONTINUED)

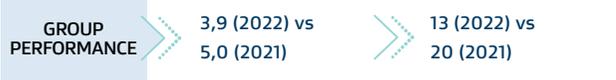
Performance summary | People



The HSI programme remains a key initiative in preventing fatalities, high-severity injuries and process safety incidents.

In 2022, the number of reportable occupational diseases increased. The most commonly reported occupational disease was the result of exposure to workplace noise.

	2022	2021
Statutory reported occupational diseases	38	32
Occupational disease incident rate	0,057	0,049
Incidents of work-related noise-induced hearing loss	23	22
Mining occupational diseases	28	21
Irreversible lung disease	8	10



Process safety is important to ensure that we maintain reliable, safe and sustainable operations.

LIVING BY OUR VALUES

Sound ethical values are a cornerstone of our business and our Code of Conduct underpins the manner in which we manage our business and how we behave.



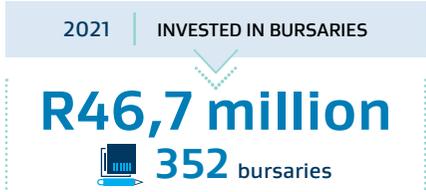
	2022	2021
Employees permanent	28 279	28 725
Employee turnover	2 867	3 869

Skills development (R million)	2022	2021
Total skills development expenditure	1 216	1 182
Investment in employee learning	957	983
Investment in Black <sup>1</sup> employees skills development	698	884

1. Black employees refers to African, Coloured and Indian people – for the purposes of South African employment equity considerations.

We continued awarding bursaries to top performing undergraduate and postgraduate students globally to secure and develop a critical talent pipeline of the future. During 2022, we invested R47,3 million and our bursary pool remained the same.

Excludes Sasol Foundation bursaries



Broad-Based Black Economic Empowerment (B-BBEE)	2022	2021
B-BBEE verification certificate (Sasol South Africa)	Level 3	Level 4
Preferential procurement (score out of 27)	26,48	23,86
Preferential procurement (Rands billion) from suppliers	55,8	43,2

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

BROAD-BASED BLACK ECONOMIC EMPOWERMENT STATUS



SR For more detail on our People refer to our Sustainability Report available on our website, www.sasol.com

PERFORMANCE OVERVIEW (CONTINUED)

Performance summary | Planet



Scope 1 and 2 emission reductions **~7% off 2017 baseline**  
For combined Sasol Energy and Chemicals baseline and largely due to lower production and operational issues

Electricity from renewable sources **296 000 GJ**

Energy efficiency improvement **18,4% for Sasol Group off 2005 baseline**



**96% for Sasolburg Operations**

In Sasolburg and Secunda **about 10 000 spekboom trees planted**

	2022	2021	Level of Assurance
<b>Planet</b>			
Total GHG CO <sub>2</sub> equivalents (kilotons)*	<b>63 572</b>	65 884	Reasonable
Direct CO <sub>2</sub> scope 1 (CO <sub>2</sub> equivalents) (kilotons)	<b>57 204</b>	60 388	
Indirect CO <sub>2</sub> scope 2 (kilotons)	<b>6 367</b>	5 495	Reasonable
GHG CO <sub>2</sub> scope 3 (kilotons)*	<b>37 557</b>	38 816	
GHG intensity (CO <sub>2</sub> equivalents/ton product meant for external sale)	<b>3,84</b>	3,63	Reasonable
Total energy use (thousand gigajoules)†	<b>377 592</b>	407 739	Reasonable
Total material use (kilotons)	<b>26 948</b>	39 379	Reasonable
Nitrogen oxides (NO <sub>x</sub> ) (kilotons)	<b>118,7</b>	124,0	Reasonable
Sulphur oxides (SO <sub>x</sub> ) (kilotons)	<b>161,87</b>	181,10	Reasonable
Total water use (thousand cubic metres)	<b>132 686</b>	138 048	Limited
Water recycled (thousand cubic metres)	<b>169 965</b>	159 680	Limited
Total hazardous waste (kilotons)	<b>255</b>	320	Limited
Total non-hazardous waste (kilotons)	<b>223</b>	181	Limited
Recycled waste (kilotons)	<b>131</b>	124	Limited

\* Limited assurance on four of the scope 3 categories.  
 # The lower emissions profile relative to 2021 is largely attributable to reduced production rates and operational challenges.  
 † Baseline for energy efficiency is 2005.

Commentary

OUR CLIMATE CHANGE POSITION

- Support the goals of the Paris Agreement.
- Accept mainstream climate science assessed by the IPCC for Net Zero CO<sub>2</sub> emissions to be reached by 2050.
- Acknowledge that business has a role to play in managing the risks of climate change as well as realising the opportunities in the transition to unlock societal value.
- Recognise the importance of adaptation and resilience to a changing climate.

Accordingly, we are reducing our GHG emissions and have pledged an accelerated path to take action and progressively improve our performance.

AIR QUALITY ABATEMENT

Our commitment and intent remains to achieve compliance to prescribed minimum emissions standards by 1 April 2025 as reflected in our atmospheric emission licences for all point sources except SO<sub>x</sub> emissions from the boilers at the steam plants at Secunda Operations. The application was submitted, which included a comprehensive public participation report to the National Air Quality Officer on 29 June, in accordance with the provisions of a condonation granted in January 2022 by the Minister of the Department of Fisheries, Forestry and the Environment. We await the outcome of the application. This commitment stands alongside Sasol's long-term ambition to transform its operations to low-carbon options, meet its GHG reduction target in 2030 towards its Net Zero ambition by 2050 and to reduce its overall environmental footprint. Secunda Operations identified a feasible compliance approach, exploiting synergies through an integrated GHG and boiler SO<sub>2</sub> reduction roadmap, referred to as the integrated reduction roadmap.

WATER TARGETS FOR SASOL ENERGY BUSINESS

Sasol Energy has approved the methodology to develop short-term (Phase 1) and long-term (Phase 2) water targets. The Phase 1 targets for the three largest water-using facilities: Secunda Operations; Sasolburg and Ekandustria Operations; and Sasol Mining have been developed and approved.

WASTE MANAGEMENT

Sasol's approach to waste management has undergone significant changes over the years in response to changing legislation and industry practices. We continue to work to find alternatives to landfill for our waste streams. By collaborating with waste management service providers, we have established a number of opportunities, some of which we have already implemented.



**For the past few years Sasol has implemented several initiatives targeted at minimising the impact of our operations on the environment. We partner with relevant government departments, communities and civil society groups to ensure sustainable environmental protection.**

Through our education programmes, we are creating community awareness of the impact of human activities on the environment. By implementing waste management programmes in our fenceline communities, we are supporting our shared value management programmes.

Sasol's involvement in various waste management projects such as Envirowaste and Packa-Ching are gaining momentum and our fenceline communities are reaping the rewards of participating in these projects.

Our land and biodiversity management activities

Consistent with our SHE Policy, we recognise that we have a custodial responsibility to respect and care for the environment, which includes addressing land and biodiversity matters. Our activities have the potential to result in various biodiversity impacts.

As part of our custodial biodiversity responsibility, we know that we need to understand our impact. We will therefore be undertaking biodiversity footprint assessments at select facilities in South Africa.



**SR** For more detail on our Planet refer to our Sustainability Report and Climate Change Report  
**CCR** available on our website, www.sasol.com

## PERFORMANCE OVERVIEW (CONTINUED)

## Performance summary | Profit | Statement of financial position at 30 June



Non-current assets

R287 billion

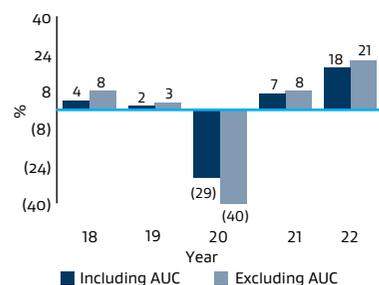
Current assets

R132 billion

Total assets

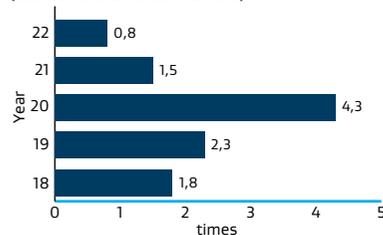
R420 billion

## Return on invested capital (ROIC)



The Group's ROIC for 2022 improved from 2021 as a result of higher earnings mainly due to higher EBITDA generation, higher remeasurement items net gains (mainly due to prior year impairment and current year asset divestments), lower depreciation resulting from 2021 impairments, partly offset by movement in derivative and hedging losses.

## Net debt to EBITDA (RCF covenant definition)



Net debt to EBITDA at 30 June 2022 reduced to 0,8 times from 1,5 in the prior year, well below the covenant of 3,0 times. The improvement was due to stronger EBITDA generation and continued repayment of debt from divestiture proceeds offset by the weaker closing exchange rate.

	2022 Rm	2021 Rm
<b>Assets</b>		
Property, plant and equipment	221 308	198 021
Right-of-use assets	12 629	12 903
Goodwill and other intangible assets	3 051	2 482
Equity accounted investments	12 684	10 142
Other long-term investments	2 024	1 896
Post-retirement benefit assets	633	591
Long-term receivables and prepaid expenses	3 210	4 224
Long-term financial assets	555	809
Deferred tax assets	31 198	24 511
<b>Non-current assets</b>	<b>287 292</b>	<b>255 579</b>
Inventories	41 110	29 742
Tax receivable	732	1 113
Trade and other receivables	46 671	30 933
Short-term financial assets	313	1 514
Cash and cash equivalents	43 140	31 231
<b>Current assets</b>	<b>131 966</b>	<b>94 533</b>
Assets in disposal groups held for sale	290	10 631
<b>Total assets</b>	<b>419 548</b>	<b>360 743</b>
<b>Equity and liabilities</b>		
Shareholders' equity	188 623	146 489
Non-controlling interests	4 574	5 982
<b>Total equity</b>	<b>193 197</b>	<b>152 471</b>
Long-term debt	82 500	97 137
Lease liabilities	14 266	13 906
Long-term provisions	16 550	16 164
Post-retirement benefit obligations	10 063	13 297
Long-term deferred income	372	400
Long-term financial liabilities	276	2 011
Deferred tax liabilities	10 549	7 793
<b>Non-current liabilities</b>	<b>134 576</b>	<b>150 708</b>
Short-term debt	24 184	7 337
Short-term provisions	3 144	5 064
Tax payable	3 142	806
Trade and other payables	53 555	36 670
Short-term deferred income	724	576
Short-term financial liabilities	6 851	3 162
Bank overdraft	173	243
<b>Current liabilities</b>	<b>91 773</b>	<b>53 858</b>
Liabilities in disposal groups held for sale	2	3 706
<b>Total equity and liabilities</b>	<b>419 548</b>	<b>360 743</b>

## Commentary

## PROPERTY, PLANT AND EQUIPMENT

Additions to property, plant and equipment amounted to R22,6 billion and current year depreciation amounted to R11,5 billion. Reversal of asset impairments in 2022 of R1,4 billion related to the Chemical Work-up and Heavy Alcohols cash generating unit. This was mainly due to a higher price outlook on the back of a sustained increase in demand for alcohols into the personal hygiene market during and post the COVID-19 pandemic.

## DEFERRED TAX ASSETS

Deferred tax assets increased by R4,9 billion compared to the prior year mainly due to timing differences on hedging losses in Sasol Financing International Limited and was further impacted by the weakening of the Rand compared to 30 June 2021.

## INVENTORIES

Inventories increased compared to 30 June 2021, mainly as a result of increases in raw material and energy costs.

## TRADE AND OTHER RECEIVABLES

The year-on-year increase in Trade and other receivables is mainly as a result of higher sales prices and the weaker Rand/US dollar closing exchange rate.

## ASSETS IN DISPOSAL GROUP HELD FOR SALE

Assets divested in 2022 included:

- 30% of our shareholding in Republic of Mozambique Pipeline Investments Company;
- Our shareholding in Central Térmica de Ressano Garcia S.A. (CTRG); and
- Our Canadian shale gas assets.

## DEBT

Our total debt was R105,1 billion compared to R102,9 billion at 30 June 2021, with approximately R101,6 billion (US\$6,2 billion) denominated in US dollar. The weaker closing rand/US dollar exchange rate had a R13 billion impact on the debt balance. At 30 June 2022, the balance sheet saw a significant improvement in the gearing at 41,8% (30 June 2021: 61,5%) and Net debt: EBITDA of 0,8 times (30 June 2021: 1,5 times) (based on the RCF and US dollar term loan covenant definition).

## TRADE AND OTHER PAYABLES

Trade and other payables increased compared to the prior year due to increases in the cost of raw material and the accrual for settlement of crude oil derivatives.

## PERFORMANCE OVERVIEW (CONTINUED)

## Performance summary | Profit | Income statement for the year ended at 30 June

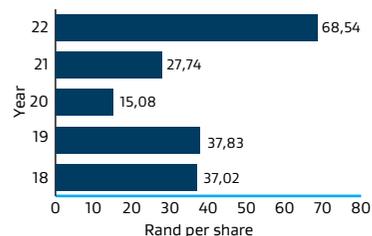


Turnover | **R276 billion**

Earnings for the year | **R41,7 billion**

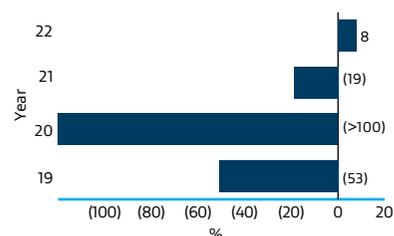
Remeasurement items of | **R9,9 billion**

## Core headline earnings per share



Core headline earnings per share (CHEPS) increased by more than 100% mainly due to a stronger macroeconomic environment, partly offset by a challenging operational performance in the SA value chain.

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



EBIT of R61,4 billion increased compared to the prior year of R16,6 billion largely due to the stronger macroeconomic environment, net gains on divestments and prior year impairment, partly offset by a challenging operational performance in the SA value chain and derivative and hedging losses due to the higher Brent crude oil price.

	2022 Rm	2021 Rm	2020 Rm
<b>Turnover</b>	<b>275 738</b>	201 910	190 367
Materials, energy and consumables used	(126 991)	(85 370)	(90 109)
Selling and distribution costs	(8 677)	(8 026)	(8 388)
Maintenance expenditure	(13 322)	(12 115)	(10 493)
Employee-related expenditure	(32 455)	(32 848)	(30 667)
Exploration expenditure and feasibility costs	(366)	(295)	(608)
Depreciation and amortisation	(14 073)	(17 644)	(22 327)
Other expenses and income	(31 468)	(6 589)	(27 376)
Translation gains/(losses)	693	5 510	(6 542)
Other operating expenses and income	(32 161)	(12 099)	(20 834)
Equity accounted profits/(losses), net of tax	3 128	814	(347)
<b>Operating profit before remeasurement items</b>	<b>51 514</b>	39 837	52
Remeasurement items affecting operating profit	9 903	(23 218)	(111 978)
<b>Earnings/(loss) before interest and tax (EBIT/(LBIT))</b>	<b>61 417</b>	16 619	(111 926)
Finance income	1 020	856	922
Finance costs	(6 896)	(6 758)	(7 303)
<b>Earnings/(loss) before tax</b>	<b>55 541</b>	10 717	(118 307)
Taxation	(13 869)	(185)	26 390
<b>Earnings/(loss) for the year</b>	<b>41 672</b>	10 532	(91 917)
Attributable to			
Owners of Sasol Limited	38 956	9 032	(91 754)
Non-controlling interests in subsidiaries	2 716	1 500	(163)
	41 672	10 532	(91 917)
	<b>Rand</b>	Rand	Rand
<b>Per share information</b>			
Basic earnings/(loss) per share	62,34	14,57	(148,49)
Diluted earnings/(loss) per share	61,36	14,39	(148,49)

## Commentary

## TURNOVER

Turnover increased by 37% mainly due to higher energy prices impacted by the Russia/Ukraine conflict and increased demand following ease of COVID-19 regulations, and higher chemicals prices due to higher Brent crude oil and feedstock prices. This was offset by lower volume performance mainly due to the operational challenges experienced in the first half of the financial year.

## MATERIALS, ENERGY AND CONSUMABLES USED

Increase of 49% relates to increase in feedstock, electricity and gas prices.

## DEPRECIATION AND AMORTISATION

20% decrease in depreciation relates to asset disposals and the impact of prior year impairments in the South Africa value chain on the current year depreciation charge.

## OTHER OPERATING EXPENSES AND INCOME

Other expenses and income increased compared to the prior year mainly due to losses on the valuation of derivative contracts of R18,3 billion compared to a gain of R2,3 billion in 2021, as well as the translation of monetary assets and liabilities due to a 14% weakening of the closing rand/US dollar exchange rate compared to 30 June 2021.

Derivative instruments relate to our foreign currency exposure, crude oil hedging instruments, ethane swaps and the embedded derivatives in the long-term oxygen supply contracts with Air Liquide.

## REMEASUREMENT ITEMS

Remeasurement items affecting operating profit include:

- A gain on realisation of foreign currency translation gains (FCTR) of R4,9 billion relating to the divestment of all our interests in Canada and R2,9 billion relating to the divestment of the European Wax business;
- A reversal of impairment of R1,4 billion related to the Chemical Work-Up and Heavy Alcohols cash-generating unit;
- A loss on scrapping of property, plant and equipment of R2,5 billion following an asset transfer between Sasol and LIP JV as part of the finalisation of the US Base Chemicals divestment at Lake Charles; and
- A profit of R3,7 billion on the divestment of 30% of our equity interest in the Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO).

## EARNINGS BEFORE INTEREST AND TAX

Earnings before interest and tax (EBIT) of R61,4 billion increased by more than 100% compared to the prior year, driven by higher crude oil prices, refining margins and chemical prices.

## TAXATION

Our effective corporate tax rate increased from 1,7% to 25,0%. The low rate in 2021 was mainly as a result of tax losses utilised. The effective corporate tax rate is 3,0% lower than the South African corporate income tax rate of 28%, mainly due to the realisation of FCTR on the disposal of our Canadian shale gas assets and European Wax business, through the income statement.

## PERFORMANCE OVERVIEW (CONTINUED)

## Performance summary | Profit | Statement of cash flows for the year ended at 30 June



Cash generated by operating activities

**R56,1 billion**

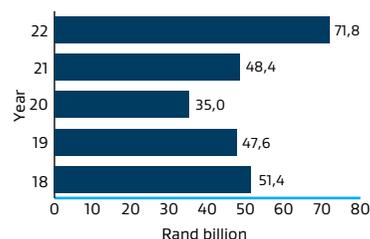
Proceeds on asset disposals

**R8,5 billion**

Repayment of debt

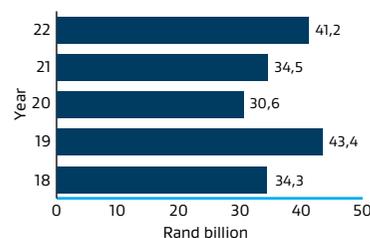
**R12,1 billion**

## Adjusted EBITDA



Adjusted EBITDA improvement was attributable to higher gross margin supported by a strong macroeconomic environment, partly offset by a challenging operational performance in the SA value chain, losses realised on derivative instruments and increase in cash fixed costs which includes Sasol 2.0 benefits offset by a make-good of salary increases and return to normal maintenance activities post 2021 comprehensive response plan initiatives, with a further ramp-up in Fulco labour.

## Cash available from operating activities



Cash available from operating activities increased from R34,5 billion in 2021 to R41,2 billion in 2022 due to higher EBITDA generation driven by higher prices, and dividends received from equity accounted investments (mainly ORYX GTL), offset by cash outflow on derivative and hedging losses.

	2022 Rm	2021 Rm	2020 Rm
Cash receipts from customers	266 324	194 712	196 798
Cash paid to suppliers and employees	(210 186)	(149 598)	(154 414)
<b>Cash generated by operating activities</b>	<b>56 138</b>	45 114	42 384
Dividends received from equity accounted investments	3 043	37	208
Finance income received	986	837	792
Finance costs paid	(5 478)	(6 173)	(7 154)
Tax paid	(13 531)	(5 280)	(5 659)
<b>Cash available from operating activities</b>	<b>41 158</b>	34 535	30 571
Dividends paid	(49)	(46)	(31)
Dividends paid to non-controlling shareholders in subsidiaries	(859)	(446)	(810)
<b>Cash retained from operating activities</b>	<b>40 250</b>	34 043	29 730
Additions to non-current assets	(23 269)	(18 214)	(41 935)
additions to property, plant and equipment	(22 593)	(15 945)	(35 145)
additions to other intangible assets	(120)	(3)	(19)
decrease in capital project related payables	(556)	(2 266)	(6 771)
Cash movements in equity accounted investments	(67)	-	(284)
Proceeds on disposals and scrappings	8 484	43 214	4 285
Movement in assets held for sale	(549)	(427)	-
Acquisition of interest in equity accounted investments	(56)	-	(512)
Purchase of investments	(95)	(124)	(121)
Proceeds from sale of investments	26	168	483
Decrease/(increase) in long-term receivables	449	476	(466)
<b>Cash (used in)/received from investing activities</b>	<b>(15 077)</b>	25 093	(38 550)
Proceeds from long-term debt	88	26 057	36 487
Repayment of long-term debt	(12 086)	(61 454)	(28 335)
Payment of lease liabilities	(2 264)	(2 180)	(2 061)
Repayment of debt held for sale	(704)	(980)	-
Proceeds from short-term debt	28	9	19 998
Repayment of short-term debt	(15)	(19 717)	(977)
<b>Cash (used in)/generated by financing activities</b>	<b>(14 953)</b>	(58 265)	25 112
Translation effects on cash and cash equivalents	1 759	(2 916)	3 607
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>11 979</b>	(2 045)	19 899
Cash and cash equivalents at the beginning of year	30 988	34 094	15 819
Reclassification to disposal groups held for sale and other long-term investments	-	(1 061)	(1 624)
<b>Cash and cash equivalents at the end of the year</b>	<b>42 967</b>	30 988	34 094

## Commentary

## CASH GENERATED BY OPERATING ACTIVITIES

Cash generated by operating activities increased by 24% to R56,1 billion compared to the prior year mainly due to an increase in EBIT driven by higher crude oil prices, refining margins and chemical prices.

## ADDITIONS TO NON-CURRENT ASSETS

The higher capital expenditure is largely due to the absence of a phased shutdown at Secunda Operations in the prior period and increased sustenance capital expenditure in the current year following the easing of cash constraints.

## PROCEEDS ON DISPOSALS AND SCRAPPINGS

Includes proceeds received from the disposal of our investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO) (R4,1 billion), divestment of our full shareholding in Central Térmica de Ressano Garcia S.A (CTRG) (R2,6 billion), our interest in Canadian shale gas assets and our European wax business based in Germany.

## REPAYMENT OF LONG-TERM DEBT

2021 includes the repayment of the revolving credit facility (RCF) and term loans with proceeds from asset disposals under the amended covenant agreements.

## CASH AND CASH EQUIVALENTS

Our net cash on hand position increased from R31 billion as at 30 June 2021 to R43 billion mainly due to cash generated from operations.

## SASOL CHEMICALS AT A GLANCE

### Growing with our unique chemistry



**“ Our Chemicals Business delivered strong results in the midst of a difficult external environment and laid a solid foundation upon which we can deliver sustained growth. We also made good progress on our ambitious sustainability goals in the way we run our operations and through the innovative solutions we provide our customers. ”**

**Brad Griffith**  
Executive Vice President: Chemicals



**INNOVATION**

Sasol Chemicals fulfils Sasol Group’s Purpose of “Innovating for a better world” by offering a broad, state-of-the-art portfolio of specialty and commodity chemicals for a wide range of applications and industries. As a global solutions provider, we make it possible for our customers to create products that add value, security and comfort to the daily lives of people around the world.

### Strategic positioning enabling Future Sasol

Sasol Chemicals is a key pathway for Sasol’s future growth with a focus on sustainability. With a well-invested global asset base, a unique portfolio and technology leadership, Sasol Chemicals is strongly positioned to deliver competitive and sustainable returns.

#### Overview

Sasol Chemicals has advantaged portfolios and leading positions in markets that align with powerful socioeconomic megatrends. These include a growing, urbanising middle class interested in personal care and health and wellness; increased customer and end-user demand for more sustainable and circular solutions; and the need for innovation to support renewable energy technologies and the energy transition.

#### Operating context

Performance was impacted by continued supply chain challenges and the Russia/Ukraine conflict, which contributed to higher oil and feedstock prices and resulted in higher average sales prices for our products. This was offset by lower sales volumes caused by reduced production in our South African operations and delayed exports of some products due to the flooding in KwaZulu-Natal, South Africa, as well as COVID-19-related market restrictions including lockdowns in China. Year-over-year volume comparisons also reflect the divestments of our US base chemicals assets in FY21 and our European wax business in March 2022.

#### Strategic focus areas

During FY20 – FY22, Sasol Chemicals delivered on its short-term imperatives of aligning our unique chemistry to sustainable and growing markets, reducing costs and largely completing our asset

#### Key features

**US\$10,5 billion annual turnover**

Approximately **4 500 employees** embracing **51 nationalities** (excluding Chemicals SA Ops)

Presence in **17 countries**

**6 500 customers** in **118 countries**

**STRONGLY POSITIONED TO DELIVER COMPETITIVE AND SUSTAINABLE RETURNS**



divestiture programme. We recently completed the sale of the European Wax business and still plan to sell our sodium cyanide business pending approval from the South African Competition Commission.

With this critical phase completed, we are in the “Launching Growth” phase of our strategic roadmap. We have continued to assess how to execute it in a way that leverages our strengths in a changing, competitive market.

We plan to execute our strategy by extending our leadership through organic growth, strategic acquisitions and partnerships. Growth will be focused on products, solutions and markets

#### SASOL CHEMICALS STRATEGIC ROADMAP



## SASOL CHEMICALS AT A GLANCE (CONTINUED)

### Growing with our unique chemistry (continued)

where we have a unique competitive advantage, differentiating chemistry, and/or market leadership.

Simultaneously, we will unlock additional value and cost leadership in the parts of our portfolio where we can lead by creating a competitive cost base by focusing on operational, supply chain and commercial excellence and in so doing lay the foundation for green transition pathways.

#### Safety

As always, our commitment to working safely and operating reliably remains a top priority. Our FY22 safety results were mixed.

We began the year on a tragic note with the passing of a service provider in Sasolburg. While our recordable case rate and injury severity score both regrettably increased, we saw improvements in two other safety metrics: lost work day case rate; and fires, explosions and releases severity rate.

We continue to focus on being accountable and engaging each other in safe work practices. These practices are supplemented by technology and training and emphasise understanding and preventing risks at the job site. We will continue to learn from our experiences and apply those lessons across the organisation in our pursuit of Zero Harm.

#### Delivering on transformation imperatives

During our Capital Markets Day in September 2021, we highlighted three transformation imperatives to advance our Future Sasol ambition. In FY22, we made significant progress towards delivering them.

#### HIGHLIGHTS

- Continued unlocking LCCP value, with adjusted EBITDA from Chemicals America greater than US\$0,5 billion and 70% higher than previous year
- Received ISCC-PLUS certification at three largest European manufacturing facilities
- Delivered on Sasol 2.0 transformation targets
- Introduced 143 new products and cultivated 459 new customers
- Substantially completed asset divestment programme

The first imperative related to positioning our Lake Charles site as a sustainability hub. With development-ready land, advantaged feedstock access, prime transport infrastructure and our reputation as a reliable partner, Lake Charles is uniquely positioned to lead the way to a more sustainable chemicals industry. As an example, in June 2022, we announced a pre-feasibility study with Lotte to evaluate a facility to produce electrolyte solvents for electric vehicle batteries.

Our second imperative relates to leveraging renewable feedstocks for low-carbon solutions. Our manufacturing facilities in Marl and Brunsbüttel, Germany, and Augusta, Italy, earned ISCC-PLUS certification for the use of mass balanced bio-based and recycled feedstocks in the production of alcohols, ethoxylates, linear alkylbenzenes and derivatives, positioning us to increase our low-carbon product portfolio. We also delivered our first sustainable surfactant made from renewable raw materials to the European market – a major step forward in creating more sustainable liquid laundry detergents and other common household products. And we partnered with Holifer Limited to jointly develop biosurfactants made through fermentation, using yeast to convert vegetable oils and glucose into final product.

Our third transformation imperative was to continue the Lake Charles Chemicals Project (LCCP) ramp-up and unlock value from Sasol 2.0. To that end, Adjusted EBITDA from Chemicals America increased by > 70% and above US\$0,5 billion for the first time. We are proud of that progress but are not finished yet and are continuing to focus on LCCP value uplift.

#### Delivering sustainable operations

Chemicals is also answering the sustainability call by reducing the impact of our operations. We have set a goal to reduce our scope 1 and scope 2 greenhouse gas emissions by 30% by 2030, with the use of renewable energy being a key lever. In FY22, we made noteworthy progress and concluded multiple renewable PPAs and a CO<sub>2</sub> neutral steam supply agreement amounting to 72 ktpa CO<sub>2</sub>e reduction for our operations in Europe.

We have secured a combination of physical and virtual power purchase agreements that, when fully in place, will deliver 57,6 ktpa of CO<sub>2</sub> reduction annually at our Eurasian manufacturing sites.

In addition, our facility in Brunsbüttel began obtaining 100% of its external electricity from renewable sources. We also announced plans to double our use of “green steam” at Brunsbüttel from a first-of-its-kind biomass cogeneration facility to be built adjacent to our site and operating by 2025.

#### Looking ahead

Total Chemicals sales volumes for FY23 after adjusting for the Q3 FY22 disposal of the European Wax Business, are expected to be 5% – 10% higher than FY22. The increase is largely due to better operational performance and supply chain issues easing. We expect further pricing and demand

volatility from continued geopolitical instability, excess inventories from China, supply chain disruptions, and the uncertainty surrounding Russian energy supply to Europe. Higher inflation and interest rates will continue to impact consumers, leading to potential demand contraction.

We will focus on the factors within our control, pursuing our priorities of safety, building our culture, customer experience, sustainability, and delivery and growth.

With our LCCP fully operational, and a streamlined, customer-centric organisational structure in place, we are building on the strength of our global assets to deliver value and drive results. Chemicals now has a solid foundation for growth, especially in end markets being reshaped by marketplace megatrends.

Our performance in FY22 gives us confidence that we can meet whatever challenges FY23 presents.

#### 2023 PRIORITIES



## SASOL CHEMICALS AT A GLANCE (CONTINUED)

Delivering with Purpose  
**FUTURE SASOL****Innovative solutions for our customers****A changing environment provides unique opportunities for Sasol Chemicals to connect our unique chemistry with our customers to help them adapt and evolve.****Making solar panels more affordable**

Sasol Chemicals' new specially formulated lubricant MARLOWET SC 4000 is helping customers improve the efficiency of silicon wafer cutting – a key component in the manufacture of solar panels. MARLOWET SC 4000 demonstrates excellent lubricity during the cutting process, enabling manufacturers to improve yield and minimise waste during the manufacture of silicon panels. With MARLOWET SC 4000, manufacturers can easily cut larger, thinner wafers with minimal scratching – reducing costs and making solar panels more affordable.

**Delivering on customer experience**

We continually focus on improving our customer experience. There are multiple components to that experience, and our ability to deliver innovative solutions is a key one.

We continued building a strong innovation pipeline with our customers, despite the challenges of high feedstock costs and limited product availability.

In FY22, Sasol Chemicals launched 143 new products, increasing our portfolio by more than 5%. These new products were largely driven by customer desires regarding sustainability, health and performance.

We also cultivated 459 new customers, an increase of more than 7%.

**Helping make Sustainable Aviation Fuels**

An innovative catalyst developed by Sasol is a key component in the rapidly growing market for carbon-neutral aviation fuel.

One of the first commercial facilities for producing the fuel began operations in Germany during 2022, using Sasol's highly active latest-generation CoFT catalyst in combination with Ineratec's FT technology to produce synthetic kerosene from green hydrogen – produced by using renewable electricity and CO<sub>2</sub>. The product is called an "e-fuel." When used to power jet engines, e-fuel releases only as much CO<sub>2</sub> as was previously extracted to produce it – making it a carbon-neutral fuel.

**Key customers recognise our commitment to innovation and sustainability**



Multi-national German consumer-products company, Henkel, honoured Sasol with its Beauty Care Sustainability Award for the development of PARAFOL, a high purity oleochemical-based paraffin that is used as an alternative to silicon oils in Henkel's Fa deodorant brand. Unilever also recognised Sasol, awarding the company a Unilever Brilliance Award for its ability to unlock critical material capacity during supply shortages and its long-term commitments to a focused sustainability roadmap.

**Enabling batteries for electric vehicles**

Sasol Chemicals produce an important component used to manufacture cathodes for lithium-ion batteries for electric vehicles. Using the company's proprietary NOVEL catalyst, Sasol researchers achieved ultra-low metal ion levels in LIPOXOL NR, a polyethylene glycol that serves as a carbon source in cathode manufacturing. Ultra-low metal ion LIPOXOL offers significant advantages to manufacturers – it is cost-competitive; can be produced more sustainably; and supports the delivery of superior battery capacity and longer lifetimes.

**Developing sustainable surfactants**

Sasol Chemicals is committed to developing sustainable solutions which will reduce dependence on petrochemicals as key ingredients in detergents, cleaning products and personal care products.

In FY22, Sasol delivered its first sustainable surfactant made from renewable raw materials to the European market.

Sasol Chemicals has also partnered with British firm Holiferm Limited to jointly develop biosurfactants, specifically sophorolipids, which are made through fermentation, using yeast to convert vegetable oils and glucose into final product. The Holiferm process offers an extensive reduction in carbon footprint compared with conventional surfactants.



## SASOL ENERGY AT A GLANCE

### Leading the energy transition in Southern Africa

“ Sasol Energy is driving the transformation of the South African energy economy. We see a clear path to support the country by reducing our greenhouse gas emissions, accelerating the transition to low-carbon feedstocks and shaping the green hydrogen economy while securing energy supply. ”



**Simon Baloyi**  
Executive Vice President:  
Energy Operations and  
Technology



**Priscillah Mabelane**  
Executive Vice President:  
Energy Business



#### INNOVATION

In leading the energy transition, we give life to Sasol’s Purpose by growing a broad range of low-carbon and sustainable energy solutions to our customers and unlocking new value chains to decarbonise and grow the South African economy.

#### Strategic positioning enabling Future Sasol

Sasol Energy enables Sasol to capitalise on the global energy transition, and lead the transition in South Africa. Through our talented people, proprietary technology, digitalisation, integrated value chain and strategic partnerships, we are strongly positioned to deliver competitive, sustainable returns and solutions to our customers.

#### Overview

We are uniquely positioned to convert a wide range of feedstocks into diverse product pools enabling us to deliver on the changing integrated energy needs of our customers, leveraging our positions in mining and gas as well as our facilities in Secunda, Sasolburg and Natref. Combined with South Africa’s world-leading endowment of renewable resources, this enables us to offer all South Africans a vision of a just, low-carbon, more sustainable energy future while putting South Africa on a competitive footing in taking its rightful place in the global energy transition.

#### Operating context

Energy markets are fundamentally shifting towards low-carbon and are impacted by ongoing supply chain challenges and geopolitical tensions. The crude oil price and refining margins increased as a direct result of the Russia/Ukraine conflict and its impact on Russian product exports (primarily diesel).

In South Africa this has been exacerbated by profound shifts in liquid fuels supply capability with the shutdown of SAPREF and Engen’s refinery, as well as consumers overwhelmed by frequent loadshedding. Sasol Energy played a pivotal role when the country was in dire need of energy. Through our Natref facility we supplied jet fuel to OR Tambo International Airport avoiding a stock out, and continue to generate our own electricity for use in our operations and to supply Eskom. We continue with exploration and drilling activities in Mozambique to ensure a sustainable gas supply to external customers and our own operations, particularly as we transition to low-carbon operations.

#### Key features

Significant contributor to GDP and leading corporate taxpayer in South Africa

**R52,6 billion** direct and indirect taxes paid in South Africa

~ **R55,8 billion** preferential procurement

Total turnover ~ **R115 billion**

~ **20 000 employees** (including Chemicals SA Ops and Mining)

**POSITIONED TO DELIVER SUSTAINABLE RETURNS AND LOW-CARBON SOLUTIONS TO OUR CUSTOMERS**



#### STRATEGIC FOCUS AREAS

From 2020 to 2022, several steps were taken to reset and position the Energy Business for long-term success including resizing the portfolio through divestment of non-core assets, delivering on Sasol 2.0, growing the mobility and commercial businesses which will position us to extend our market leadership to 10% by 2030, and building of key capabilities.

We have made significant progress on execution of our 2030 GHG roadmap most notably, signing of key terms to procure renewables exceeding 600 MW for delivery in 2025 or earlier, approving of capital and advancing of term sheets to secure LNG.

We are shaping the development of South Africa’s green hydrogen ecosystem, which includes applications in fuel cell hydrogen mobility, reigniting the steel industry and creating a global sustainable aviation hub at OR Tambo International Airport. The re-purposing of existing assets presents opportunities to fulfil the growing demand for sustainable products.

We are also leading pre-feasibility studies on greenfield hydrogen mega projects including Boegoebaai.

# SASOL ENERGY AT A GLANCE (CONTINUED)

## Leading the energy transition in Southern Africa (continued)

### STRATEGIC FOCUS AREAS (continued)

Sasol Energy's ambition is to lead the energy transition in Southern Africa through three strategic pillars:

	Ambition	2022 delivery	Key milestones to 2030
STRATEGIC PILLAR	<b>Decarbonise our existing operations</b> Significantly reduce our GHG emissions through: <ul style="list-style-type: none"> <li>Integrating renewables into our operations</li> <li>Energy efficiency</li> <li>Transition to low-carbon feedstocks</li> </ul>	Advanced procurement of renewable energy Extended the gas supply plateau from existing reserves in Mozambique Progressed term sheets to secure LNG** Developed a fine coal briquetting technology ** Liquefied natural gas	Secure additional gas as transitional feedstock Procure 1 200 MW of renewable energy for our South African operations by 2030
	<b>Preserve value</b> <ul style="list-style-type: none"> <li>Ensure safe and reliable operations</li> <li>Maximise value delivery from our strong asset base and technology advantage through Sasol 2.0</li> <li>Unlock full potential of mobility and commercial sectors by building capabilities and partnerships, and maintain our customer-centric approach</li> </ul>	RCR 0,27 – five fatalities Launched Sasol Rewards loyalty programme Grew market share in mobility and commercial sales channels	Zero Harm EBITDA uplift > R7 billion by 2025 Grew mobility and commercial market share by 5 – 10 % by 2030
	<b>Grow new value pools</b> <ul style="list-style-type: none"> <li>Play a leading role in shaping and orchestrating the green hydrogen economy for South Africa</li> <li>Produce first green hydrogen from existing assets</li> <li>Strategic partnering to progress in mega-scale green hydrogen projects</li> </ul>	Signed an agreement for a pre-feasibility study of a mega-scale green hydrogen project Concluded FID* on a green hydrogen production project in Sasolburg * Final investment decision	Yield green hydrogen and related application by 2023 Produce aviation fuels with production partners by 2026 Deliver green hydrogen for export by 2030

### HIGHLIGHTS

- Increased EBITDA above 100% compared to the prior year
- Various partnerships to deliver new value pools
- Exceeded Sasol 2.0 targets for 2022
- Completed asset divestment programme
- Launched Sasol Rewards programme
- Donated food and medical supplies to fenceline communities after KwaZulu-Natal floods

### Safety

We remain relentless in our continued commitment to pursuing Zero Harm as an operational reality.

Our concerted efforts are predominantly anchored in our HSI programme and embedding and maturing on critical SHE and operational processes. Regrettably, we lost four colleagues in this reporting period in work-related incidents – three at Sasol Mining, one at Secunda Operations. Our recordable case rate increased to 0,27 from 0,26 in 2021. The fires, explosions and releases severity rate improved by 24% to 2,9 compared to 3,8.

### Delivering on our asset divestment programme

In line with our strategic objectives, we completed the divestment of our interest in the Central Térmica de Ressano Garcia gas-fired power station in April 2022 and 30% of our interest in Republic of Mozambique Pipeline Investments Company in June 2022. In July 2021 we closed the divestment transaction of all our shale gas interests in Canada.

### Advancing our gas production in Mozambique

We made significant progress at our operations in Mozambique where gas production is planned to come off plateau in 2028. The PPA drilling campaign was executed safely amid COVID-19, within cost and schedule. The team completed four wells with very positive results. The drilling campaign continues in 2023 to extend drilling in other areas adjacent to the existing fields, to ensure security of supply to South Africa.



### 2023 PRIORITIES



#### SAFETY

- Strive for Zero Harm
- Verify critical control effectiveness through leadership assurance
- Embed the HSI programme with focus on process safety

#### BUILD A HIGH PERFORMING TEAM

- Entrench a values-driven culture
- Build skills and capabilities to improve competitiveness
- Grow diversity and inclusion

#### CUSTOMER FOCUSED

- Preferred energy brand in Southern Africa
- Develop compelling customer value proposition through convenience partnerships
- Play a leading role in South Africa's Just Transition
- Enhance Social Investment and sponsorship programmes



#### SUSTAINABILITY

- Establish and advance 2030 roadmap to reduce GHG scope 1 and 2 emissions by 30%
- Deliver on commitments to stakeholders and communities
- Advance the low-carbon energy portfolio of projects



#### DELIVERY

- Deliver Sasol 2.0
- Stable and reliable operations to deliver budgeted volumes
- Secure incremental sustainable gas
- Produce green hydrogen in calendar 2023
- Finalise pre-feasibility study deliverables on Boegoebaai
- Finalise procurement contracts for renewable energy



SASOL ENERGY AT A GLANCE (CONTINUED)

Delivering with Purpose **FUTURE SASOL** >> Transforming our operations and progressing on our strategy

**Developing a fine coal briquetting technology**

Reducing reliance on coal as a primary feedstock in our South African operations is a key lever to lower our GHG emissions. As a first step, we need to start decommissioning coal-fired boilers at Secunda Operations (SO). A novel fine coal agglomeration technology developed by Sasol and a technology partner is enabling this. By developing briquettes, we are able to make better use of fine coal: the briquette can be gasified for conversion into products rather than burnt as a fuel, reducing the amount of coal used at SO and thus CO<sub>2</sub> emissions.



**Securing renewable energy at scale**

In our pursuit in our ambition to be Net Zero by 2050 we need to secure substantial amounts of renewable energy. By 2030, we plan to procure 1 200 MW. As a start, we are procuring 600 MW jointly with Air Liquide. The projects to supply the first 150-300 MW of wind and solar energy are on track to deliver electrons for 2025 or earlier. Renewable energy is also being procured for green hydrogen production at our Sasolburg site. We expect to conclude negotiations for these renewable energy power purchase agreements soon.

**Processing bio-sludge to reduce emissions**

Among the sustainable carbon feedstocks we are assessing to use at our Secunda and Sasolburg sites are biomass (for gasification), biogas and unavoidable process CO<sub>2</sub>. By re-routing bio-sludge from our biological water treatment plants to gasification, a portion of the carbon is reconverted into usable products. This solution, developed and trialled by Sasol, means we can shut down bio-sludge incinerators with associated positive GHG and air emission impacts.



**Producing green hydrogen in Sasolburg**

As green hydrogen is a key enabler to repurposing our assets in Sasolburg and Secunda, developing green hydrogen innovations is the focus of our renewable energy plans. Our Fischer-Tropsch (FT) technology is agnostic to the source of carbon and hydrogen feedstock so we can easily substitute grey hydrogen and fossil-based carbon with green hydrogen and sustainable carbon. This will allow us to use existing facilities to produce the sustainable fuel and chemical products the world needs.

At our Sasolburg site, we plan to produce green hydrogen towards end 2023 using our 60 MW electrolyser. Initially, the green hydrogen produced will be for heavy-duty mobility in commercial transportation and mining, city buses, green steel and back-up power.

Green hydrogen allows for the decarbonisation of hard-to-abate industries such as aviation, steel and heavy-duty mobility. However, the main component in its production is the electrolyser, which still requires technology maturation and a significant cost reduction to achieve the large-scale roll-out of green hydrogen production.

**Rewarding our retail customers**

Our Sasol Rewards loyalty programme allows customers to earn points from their fuel purchases. These points can be redeemed against fuel and in-store purchases at all participating Sasol Retail Convenience Centres (RCCs).

We are now working to deliver modernised stores, improved in-store offerings and more RCCs in high-growth areas. Sasol is an iconic South African brand and we are dedicated to providing the best customer experience and ensuring our forecourts are a destination, not just a pitstop.



By the end of July, more than 640 000 motorists had registered, representing 5 million transactions and 100 million litres of loyalty fuel sold.



## SASOL ENERGY AT A GLANCE (CONTINUED)

Delivering with Purpose  
**FUTURE SASOL**

### Transforming our operations and progressing on our strategy

#### Planning for Sustainable Aviation Fuel (SAF) production

The airline industry accounts for around 2,5% of global GHG emissions. We can help decarbonise the sector by producing SAF using sustainable feedstocks and our FT process, leveraging our assets at Secunda Operations (SO).

The first step in plans to produce SAF at Secunda Operations is the HyShiFT project. This is being developed in partnership with Enertrag, Linde and Hydregen and is targeting participation in the German government's H2 Global auction platform.

Beyond the HyShiFT project, with minor changes to the existing SO plant configuration, we can expand SAF production to around 8 000 bbl/day. With major refinery modifications, SO's SAF production potential is around 20 000 bbl/day.

The rate at which we can accelerate SAF production depends on how quickly the cost of green hydrogen and renewable energy technology declines. It also relies on the sourcing of sufficient sustainable carbon feedstock such as biomass, unavoidable industrial CO<sub>2</sub> and ultimately carbon captured directly from the air.

#### Elevating forecourt convenience at The Pantry

Our partnership with the Marble Group's 'The Pantry' in Rosebank, Johannesburg offers a bespoke retail experience that has taken forecourt convenience to a new level with an ultra-modern retail outlet, hybrid supermarket-deli and Sasol fuel station.

The Pantry offers forecourt customers Sasol Turbo™ Unleaded 95 and 93 and Sasol Turbodiesel™ ULS 10 and 50ppm while they enjoy a high-end retail shopping experience.



#### Considering Natref hybrid refinery concept

The recent postponement to July 2027 of the planned promulgation of South Africa's Clean Fuels II regulations as well as the publication of the country's biofuels regulations provide an opportunity to position the Natref crude oil refinery as a valuable and cleaner inland asset.

Our studies into co-processing crude oil and bio-feedstock indicate that we could transition Natref to meet the Clean Fuels II requirement using this hybrid approach at a significant lower cost. Pre-feasibility estimates show an overall reduction in Natref's scope 1 and scope 2 emissions. In relation to scope 3 emissions, we anticipate reductions from Natref petrol through the supply of bio-blended fuel into the market by the end of the decade. We have taken the first step by investing to produce Clean Fuels II compliant diesel by November 2023.



#### Investigating the feasibility of a green hydrogen hub

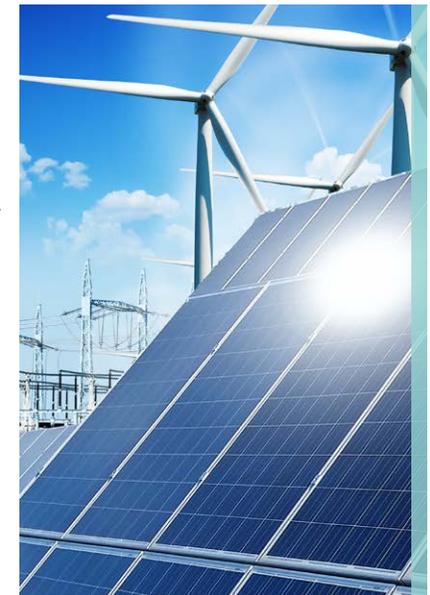
Across the world, countries are recognising the role green hydrogen can play in decarbonisation. As renewable energy is the most significant component of the cost of this hydrogen, South Africa's wind, solar and land resources present a production advantage.

In October 2021, Sasol signed an agreement with the Northern Cape Economic Development, Trade and Investment Promotion Agency for a pre-feasibility study into the potential of Boegoebaai as an export hub for green hydrogen and its derivatives, such as green ammonia, green methanol and SAF.

Initially, we are assessing the development of a 5 GW electrolyser, a green hydrogen hub and a regional integration masterplan. The project concept entails the construction of a facility to produce green hydrogen and the downstream processing of derivatives. Given the Northern Cape's potential for renewable energy, the regional and national impact of establishing the enabling manufacturing, support industry, logistics and social infrastructure could be transformational.

The pre-feasibility study is scheduled to be completed in calendar year 2023.

To ensure sustainable benefits for local communities and the country, an infrastructure project of this scale requires a partnership approach anchored on localisation. As the lead project integrator, Sasol is working with government to bring strategic partners and other role players together to drive the industrialisation of the Northern Cape. These include potential customers, funders, investors, technology suppliers as well as South African green energy providers.



## SASOL ecoFT AT A GLANCE

### Building sustainable businesses with our advantaged Fischer-Tropsch (FT) technology



“ Sasol ecoFT spearheads our vision to produce low-carbon fuels and chemicals globally, by building new sustainable businesses and leveraging our advantaged Fischer-Tropsch (FT) technology. We believe that FT is uniquely positioned to thrive in a fossil fuel-free world. Sasol ecoFT’s key focus is to produce and market Sustainable Aviation Fuel. ”

**Marius Brand**  
Executive Vice President: Sasol 2.0 Transformation



#### INNOVATION

Climate change is a global challenge that affects us all. Sasol ecoFT is pioneering sustainable fuels and green chemicals to transition to a Net Zero world.

#### Strategic positioning enabling Future Sasol

Sasol ecoFT is pioneering sustainable fuels and chemicals through Sasol’s proprietary FT technology that converts green hydrogen and sustainable carbon sources into sustainable products. As a global leader in synthetic fuels and chemicals, Sasol has more than 70 years’ experience in providing sustainable FT solutions. We seek to contribute to a thriving planet, society, enterprise and innovate for a better world.

#### Overview

Sasol is committed to accelerate our transition to a low-carbon world in support of the objectives of the Paris Agreement and our ambition to achieve Net Zero emissions by 2050. Sasol ecoFT’s intent is to steer our aspiration to globally produce low-carbon fuels and chemicals. Our key focus is to produce and market Sustainable Aviation Fuel (SAF).

We are distinctly placed to enable the production of sustainable synthetic fuels and chemicals (PtX), which is expected to benefit from declining renewable electricity and green hydrogen production costs. This opportunity is being realised by collaboratively creating a commercial model that will benefit all parties.

#### Operating context

The aviation sector is a material contributor to GHG emissions globally and is under significant pressure to decarbonise. Our FT technology can provide SAF and associated solutions that have exceptional abatement characteristics and can be produced from nearly unlimited green feedstocks. Sasol’s FT process is particularly well-suited to produce SAF.

#### STRATEGIC FOCUS AREAS

Sasol ecoFT is following a phased approach to growing the new sustainable business from a set-up phase (2021 to 2025), moving through to start-up (2025 to 2030), then ramp-up (2030 to 2040) and progressing to mature phase by 2040+. Our objective during the initial phases is to take a small equity position in potential demo or pilot

#### Key features

Create value through partnerships in key markets across the value chain

Continue advancing our PtX technology and product offering through in-house research and collaboration with leading companies

Advance offerings across licensing, catalyst sales, and specialised technical services in the sustainable FT solutions space



Includes equity investments in PtX facilities, licensing of FT technology, catalyst supplies, technical services, as well as the production and marketing of sustainable low-carbon synthetic fuels, such as SAF, and chemicals.

#### WHAT IS SUSTAINABLE AVIATION FUEL (SAF)?

SAF is a drop-in sustainable alternative to fossil jet fuel, requiring very minor changes to existing aircraft or supporting infrastructure. According to IATA, SAF will be the only energy solution to mitigate the emissions growth of the aviation industry in the medium term. It has repeatedly called on governments to provide regulatory support for SAF production.

plants to mitigate technology integration and business risk while the regulatory frameworks are matured and physical capacity built to manage the potential growth in quantity of plants from initially one to two plants per annum to an ambition of multiple new plants per annum during the mature phase.

## SASOL ecoFT AT A GLANCE (CONTINUED)

### Building sustainable businesses with our advantaged Fischer-Tropsch (FT) technology (continued)

#### STRATEGIC FOCUS AREAS (continued)

Over the past two decades CO<sub>2</sub> emissions have risen rapidly with almost 2,5% of total global carbon emissions coming from aviation industry. Significant research and development is going into exploring and pursuing technologies to help reduce emissions. Sasol's proprietary FT technology has been proven at scale and can advance decarbonisation. Sasol ecoFT aims to leverage this technology and focus on producing SAF.

#### Sustainable Aviation Fuel solution

SAF is seen as one of the viable large-scale carbon reduction solutions for the aviation sector and is positioned to play a critical role in the decarbonisation of the industry. While only a marginal part of demand today, SAF could represent up to 50% of aviation fuels by 2050. SAF consists of a basket of fuel technologies, one of which is Power-to-Liquids. PtL fuels offer emissions reductions of up to 99% compared to fossil jet fuel when using renewable electricity throughout the production regardless of the CO<sub>2</sub> alternative used. At the same time, this means that the PtL-route is superior to other technology pathways in terms of GHG reduction as hydro-processed esters and fatty acids (HEFA) and alcohol-to-jet achieve a reduction of only 73 – 94%.

We are nurturing an entrepreneurial culture and mindset to learn outside of the constraints of our existing businesses.

We are broadening and securing key partnerships with a focus on closing any capability or value chain gaps.

Building an attractive venture pipeline with long-term partners is a key priority as we position the integrated technology offering to produce SAF in selected global geographies. Our immediate focus is to advance some of the pre-feasibility opportunities into demonstration units where we can test the integrated ecosystem.

#### Potential value pools

We are also further articulating our go-to-market and product monetisation offering, where we believe we could derive significant value pools post-2030 from our equity positions, catalyst sales, technology licensing and technical services.

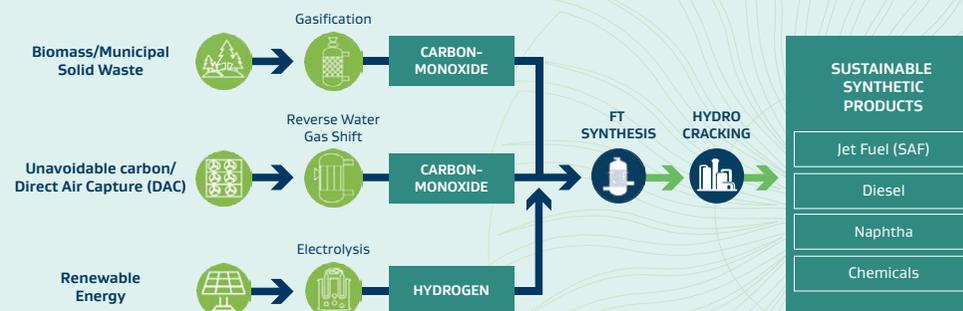
Our proven FT processes, having served well for more than 70 years, are fully compatible with green feedstocks and can produce sustainable products. As this is very much sought after in a low-carbon world our FT technology has great potential. The potential of green hydrogen is a very exciting area as it could enable Sasol to achieve significant decarbonisation in the future. Our inherent capabilities and strengths translate into numerous potential roles that Sasol can play in *inter alia* the green hydrogen economy. The feedstock flexibility means it can use green hydrogen and bio-based carbon or unavoidable captured carbon or direct air captured CO<sub>2</sub> to produce sustainable synthetic fuels and chemicals. Sasol's deep experience in producing synthetic fuels from coal and natural gas in large-scale plants is key in this regard.

The global PtX technology solution is a combination of Power-to-Liquids (PtL) and Power-to-Chemicals (PtC). PtL is rapidly developing through increasing demand for SAF and presents a global growth opportunity for Sasol ecoFT as it is likely to be one of the first and most attractive applications of FT. Sasol is a leader in FT technology applications, and therefore we are well positioned to win in the SAF market, building on our history of providing differentiated solutions across the globe at economy scale operations backed by an extensive technology and research capability.

#### Power-to-X (PtX) process

The PtX process relies on the supply of a sustainable carbon feedstock (biomass or other unavoidable industrial carbon dioxide sources, or carbon directly captured from air) and the production of green hydrogen through electrolysis using renewable energy.

Carbon and hydrogen are converted to synthesis gas, a mixture of carbon monoxide and hydrogen, which in turn is converted to longer-chain hydrocarbons for the production of SAF or other fuels and chemicals via the FT process.



#### HIGHLIGHTS

- Resourced the business appropriately with the right skills and experience, by appointing a Sasol ecoFT leadership and supporting team to focus on business development with an agile governance framework.
- We fundamentally believe that partnerships will be increasingly important to address global climate change issues. As we seek to enhance our competitive position and accelerate our transition, we will collaborate with both public and private sectors.
- During the year we made various partnership announcements linking to specific feasibility studies towards potential SAF PtL projects within the European Union.
- Announced the CARE-O-SENE research project, whereby Sasol will collaborate with German and South African research institutes to commercialise FT catalyst to achieve industry-leading kerosene and SAF yields.

#### Looking ahead

Our focus is to progress the various feasibility and pre-feasibility studies with our partners and submit the necessary funding applications to the relevant funding bodies to ensure effective execution of the studies and to mature the opportunities to a potential investment decision.

In addition, we are investigating opportunities within low renewable energy cost and carbon-rich environments to develop large-scale opportunities with strategic partners. Focused partnering efforts will continue with industry leaders and investors as we expand our partnering construct to strengthen our technology and project/business growth investment strength.

We are exploring global opportunities to produce low-carbon aviation fuel from lower-carbon-content fossil fuels as we transition.

SASOL ecoFT AT A GLANCE (CONTINUED)

Delivering with Purpose  
**FUTURE SASOL**

Leveraging our extensive Fischer-Tropsch experience

Expanding our G2L™ collaboration with Topsoe

Building on our successful partnership, Sasol ecoFT and Topsoe are working to jointly license and develop technologies for the production of sustainable liquid fuels and chemicals using FT technology.

We offer customers integrated solutions across the value chain as a single point licence to produce sustainable synthetic fuels and chemicals – specifically PtL or e-Fuels – using sustainable carbon sources, green hydrogen and renewable energy. In addition, we offer basic engineering, catalyst, hardware and specialised technical support.

Together, we are also developing new technologies, such as Topsoe’s electrified reforming platform, solid oxide electrolysis and Sasol’s next generation FT catalyst to maximise product yields and enhance carbon- and hydrogen-conversion efficiency. Ultimately, this will help reduce fuel and chemical greenhouse gas emissions.

Investigating Sustainable Aviation Fuel production in Sweden

Sasol ecoFT and energy group Uniper formed the SkyFuelH<sub>2</sub> joint venture to investigate the possibility of establishing a facility in Sollefteå, Sweden to produce SAF based on green hydrogen and carbon from biomass using the FT process. As part of the agreement, Sasol will supply the FT catalyst and technical services and market our share of the product on behalf of the joint venture.



Exploring the production of Sustainable Aviation Fuel in Hamburg

Under the name ‘Green Fuels Hamburg’, energy supplier Uniper, energy technology group Siemens Energy, aircraft manufacturer Airbus and Sasol ecoFT are investigating the feasibility of producing CO<sub>2</sub>-neutral kerosene, or PtL kerosene, in Germany.

Supported by the Technical University of Hamburg, the Hamburg Senate and Hamburg Airport, Green Fuels Hamburg aims to make a significant contribution to decarbonising aviation. If feasible, the production capacity would be at least 10 000 tons of green kerosene annually from 2026, representing 20% of the blending quota of PtL kerosene specified by the German government in its PtL roadmap. The potential facility would use the FT process to produce SAF from green hydrogen and processed biogenic carbon dioxide.



Accelerating power-to-liquids (PtL) for near-carbon-neutral flights

German aircraft manufacturer Deutsche Aircraft and Sasol are working on a joint research project for H<sub>2</sub>-SAF (PtL) applications, with plans to collaborate on the certification of sustainable ‘drop-in’ jet fuels and the ramp-up of PtL use in aviation.



With its D328 eco, Deutsche Aircraft is developing a plane that will achieve near-carbon neutrality. It will be able to use any certified SAF and regular kerosene, as well as PtL-based fuels.

The H<sub>2</sub>-SAF (PtL) application is a scalable, long-term solution to minimise the CO<sub>2</sub> footprint of aviation. The process uses CO<sub>2</sub> recycled from regular air and hydrogen, produced with green energy, to form a synthetic fuel. Fuels like this have the same performance characteristics as regular kerosene: high energy density at low volume, proven safety and full compatibility with established infrastructure. They also contain fewer aromatics and sulphur, less CO<sub>2</sub> emissions and non-CO<sub>2</sub> or contrail effects.

As a first step in the research partnership, we will explore the compatibility of materials and system components with blended synthetic fuels produced through Sasol’s FT technology in our existing coal-to-liquids (CTL) process.

Paving the way to clean cement

Concrete Chemicals – a consortium of Sasol ecoFT, global cement producer CEMEX and renewable energy company ENERTRAG – is studying the feasibility of clean cement production by converting emitted CO<sub>2</sub> into renewable chemical products and clean, synthetic fuels.

The partners will combine their technical know-how in a feasibility study in Rüdersdorf, Germany. Sasol will contribute FT technology to produce synthetic and Sustainable Aviation Fuel; ENERTRAG will produce green hydrogen with energy from wind and solar plants; and CEMEX will capture CO<sub>2</sub> generated during the production of cement.



The CARE-O-SENE catalyst research project, supported by Federal German Government grant funding, was announced. Sasol, Helmholtz-Zentrum Berlin, and other German and South African research consortium members aim to commercialise next generation high kerosene yield catalyst used in the Sasol FT technology process, with the objective of an industry-leading >80% kerosene yield in the production of SAF.



## GOVERNANCE | GOVERNANCE AT A GLANCE

### Maintaining sound governance

Sound corporate governance is essential at Sasol. It is the cornerstone of our business and the foundation of our strategy which supports the delivery of Future Sasol.

Our governance structure forms an integral part of how we do business.

The focus of the Board is to ensure that strategy, sustainability, risk and performance considerations are appropriately balanced and effectively integrated in all we do.



#### WE REMAIN COMMITTED TO:

- The safety of our people – our top priority. We promote a caring safety culture and are focused on Zero Harm.
- Ensuring an ethical culture.
- Promoting environmental, social and governance (ESG) considerations. This is reflected in our Purpose – ‘Innovating for a better world’ – as well as our strategic direction.

### Human Rights

We align our practices with the United Nations Guiding Principles on Business and Human Rights. Our compliance efforts are governed by various policies and practices which include, among others, the following:

- Code of Conduct | Human Rights Policy | Human Resources Policy
- Safety, Health and Environmental Policy | Supplier Code of Conduct
- Supply Chain Policy | Supplier Industrial Relations Procedure | Security Policy

We updated the Sasol Code of Conduct (the Code) to reflect a world where there is a collective responsibility on business to address ethical issues in decision-making. Together with our values, Purpose and strategy, the updated Code serves as a foundation of how we behave and manage our businesses. We do business in an ethical way.

Our Whistle-blower Policy sets out our commitment to protecting all stakeholders who, in good faith, report contraventions of the Code, values, Sasol Policies or regulatory requirements.



### Sustainability

Advanced progress on incorporating the Ten Principles of the UN Global Compact in growing a sustainable business

Aim to be improve our overall ESG performance ratings

ESG Rating Agency	Our rating
S&P Global CSA (DJSI)	54%
MSCI	BB
Sustainalytics	39,1 (high risk exposure)
FTSE Russell (FTSE4Good)	Included
CDP Climate Change	A-
CDP Water	A-

➤ We are committed to implementing measures to improve our ESG performance and have set our Net Zero emissions ambition for 2050 and a target for a 30% reduction in greenhouse gas emissions by 2030.

- Over a decade of ‘Excellent’ rating in *EY Excellence in Integrated Reporting Awards* for our Integrated Report.
- Rated top in our sector – Energy, Natural Resources and Chemicals, in *Integrated Reporting Assurance Services (IRAS) 2021 annual review* for our Sustainability Report.

### Stakeholder communication

We continue to consider issues around stakeholder perceptions and the Board takes the legitimate interests and expectations of stakeholders into account when making decisions. A systematic and integrated approach to stakeholder engagement is in place across the Group.

Extensive engagement across the spectrum of Sasol’s numerous and diverse stakeholders informs our holistic climate change management approach. Sasol is committed to maintaining this level of engagement and transparency as it is an effective mechanism to help us understand shareholder concerns and expectations in order to make informed decisions regarding Sasol’s climate change governance, reporting and disclosures and other matters of import to stakeholders.

# GOVERNANCE



## Governance at Sasol

We are a values-based organisation and are committed to the highest standards of business integrity and ethics in all our activities. The Board ensures that Sasol is governed effectively in accordance with good corporate governance practice, appropriate and relevant non-binding industry rules, codes and standards and internal control systems. The Board is satisfied that it fulfilled all its duties and obligations in the 2022 financial year.

## Compliance

As a company listed on the Johannesburg Stock Exchange (JSE) and on the New York Stock Exchange (NYSE) for purposes of our American Depositary Receipt programme, Sasol is subject to, and has implemented controls to provide reasonable assurance of its compliance with all relevant requirements in respect of its listings. The Board confirms that Sasol complies in most significant respects with the governance standards imposed on domestic United States' companies listed on the NYSE and that we apply all the principles of the King IV™ Report on Corporate Governance for South Africa 2016 (King IV™).

The Board further confirms that the Company is in compliance with the provisions of the Companies Act 71 of 2008 (the Companies Act) specifically relating to its incorporation and is operating in conformity with its Memorandum of Incorporation. Specific areas of law have been identified as key Group legal compliance risk areas (safety, health and environmental laws, anti-bribery and anti-corruption laws and

competition law) and risk mitigation controls have been implemented for each of these areas, aiming to achieve a balanced approach on compliance taking into consideration Sasol's obligations and also the Company's rights. The Board and its Committees continue to closely monitor the implementation of the Company's legal compliance policy and processes and improve thereon to mitigate the risk of non-compliance with the laws in the various jurisdictions in which Sasol does business.

In the year under review, there were no material violations of any laws or regulations, nor were any material penalties or fines imposed on the Company or its directors for contraventions of any laws or regulations.

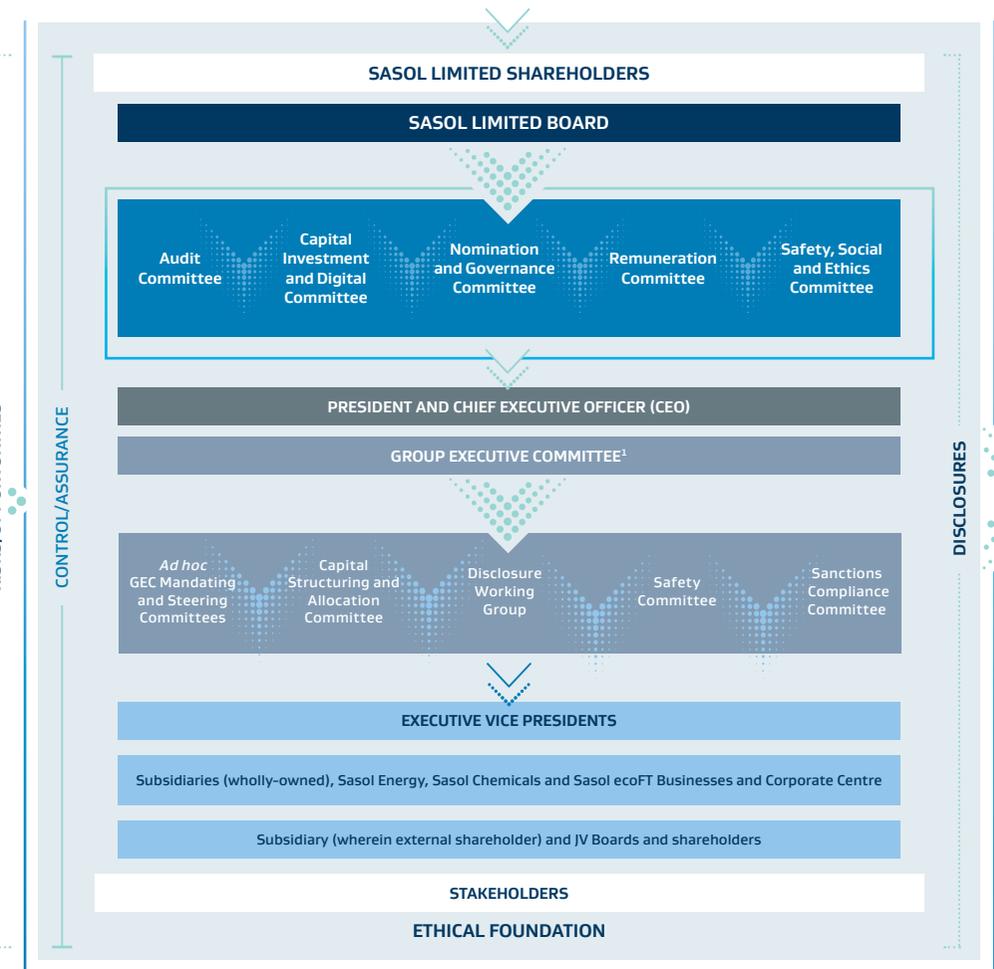
## The Company Secretary

The effective functioning of the Board is facilitated and supported by the Company Secretary, Ms Michelle du Toit, who was appointed as the Group Company Secretary of Sasol Limited on 1 January 2021. She is not a Director of Sasol Limited.

Having considered the competence, qualifications and experience of Ms du Toit, the Board is satisfied that she is competent and has the appropriate qualifications and experience to serve as the Company Secretary. The Company Secretary provides a central source of guidance and support to the Board on matters of good governance and changes in legislation while maintaining an arm's length relationship with the Board and the Directors.

## Our governance structure

The Group's governance structures are regularly reviewed and provide for the assignment of authority while enabling the Board to retain effective control. The structures support effective and ethical leadership, good corporate citizenship and sustainability and are applied in the best interests of Sasol and our stakeholders. The necessary policies and processes are in place to ensure all entities in the Group adhere to essential Group requirements and minimum governance standards.



<sup>1</sup> The Board appoints Group Executive Committee members on the recommendation of the CEO and the Nomination and Governance Committee.



A statement on Sasol's application of the principles of King IV™ is available on [www.sasol.com](http://www.sasol.com).

For more details on the responsibilities, powers, policies, practices and processes of the Board, its Directors and the Company's executives and other officials, refer to the Board Charter, together with the Company's Memorandum of Incorporation on our website, [www.sasol.com](http://www.sasol.com).

## GOVERNANCE (CONTINUED)

### Our Board of Directors

Our Board of Directors is responsible for the strategic direction and control of the Company and brings independent, informed and effective judgement to bear on material decisions reserved for the Board. Its sets the tone for ethical and effective leadership.

The Board's diversity and skills ensure that Sasol is guided 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.



**Siphon Nkosi**

Independent non-Executive Director and Chairman (appointed: 2019)

**Date of birth:** 1954 (68)

**Nationality:** South African

**Qualifications:** BCom, BCom (Economics) (Hons), MBA

**Committee:**  
 • Chairman of the Nomination and Governance Committee

**Member:**  
 • Remuneration Committee

**Manuel Cuambe**

Independent non-Executive Director (appointed: 2016)

**Date of birth:** 1962 (60)

**Nationality:** Mozambican

**Qualifications:** BEng (Electrical), Post-graduate Certificate in Management Studies

**Committee:**  
 • Capital Investment and Digital Committee  
 • Safety, Social and Ethics Committee  
 • Remuneration Committee

**Muriel Dube**

Independent non-Executive Director (appointed: 2018)

**Date of birth:** 1972 (50)

**Nationality:** South African

**Qualifications:** BA (Human Sciences), BA (Hons) (Politics), MSc (Environmental Change and Management), Executive Certificate: Climate Change and Development, HIID

**Committee:**  
 • Chairman of the Safety, Social and Ethics Committee  
**Member:**  
 • Capital Investment and Digital Committee  
 • Nomination and Governance Committee

**Martina Flöel**

Independent non-Executive Director (appointed: 2018)

**Date of birth:** 1960 (62)

**Nationality:** German

**Qualifications:** MSc (Chemistry) PhD (Chemistry)

**Committee:**  
**Member:**  
 • Capital Investment and Digital Committee  
 • Remuneration Committee  
 • Safety, Social and Ethics Committee

**Fleetwood Grobler**

Executive Director and President and Chief Executive Officer (appointed: 2019)

**Date of birth:** 1961 (61)

**Nationality:** South African

**Qualifications:** BEng (Mech)

**Committee:**  
**Member:**  
 • Safety, Social and Ethics Committee  
 • Capital Investment and Digital Committee

**Kathy Harper**

Independent non-Executive Director (appointed: 2020)

**Date of birth:** 1963 (59)

**Nationality:** American

**Qualifications:** BSc (Industrial Management), MBA

**Committee:**  
**Member:**  
 • Audit Committee

**Vuyo Kahla**

Executive Director (appointed: 2019)

**Date of birth:** 1970 (52)

**Nationality:** South African

**Qualifications:** BA, LLB

**Committee:**  
**Member:**  
 • Safety, Social and Ethics Committee  
 • Capital Investment and Digital Committee



**Trix Kennealy**

Independent non-Executive Director (appointed: 2017)

**Date of birth:** 1958 (64)

**Nationality:** South African

**Qualifications:** BCom (Accountancy) (Hons)

**Committee:**  
 • Chairman of the Audit Committee

**Member:**  
 • Capital Investment and Digital Committee  
 • Nomination and Governance Committee

**Nomgando Matyumza**

Independent non-Executive Director (appointed: 2014)

**Date of birth:** 1963 (59)

**Nationality:** South African

**Qualifications:** BCom, BCompt (Hons), CA(SA) LLB

**Committee:**  
**Member:**  
 • Remuneration Committee  
 • Audit Committee

**Mpho Nkeli**

Independent non-Executive Director (appointed: 2017)

**Date of birth:** 1964 (58)

**Nationality:** South African

**Qualifications:** BSc (Environmental Science), MBA

**Committee:**  
 • Chairman of the Remuneration Committee

**Member:**  
 • Safety, Social and Ethics Committee  
 • Nomination and Governance Committee

**Hanré Rossouw**

Executive Director and Chief Financial Officer (appointed: 2022)

**Date of birth:** 1975 (47)

**Nationality:** South African British

**Qualifications:** BEng (Chem), BCom (Hons), MBA

**Committee:**  
**Member:**  
 • Capital Investment and Digital Committee

**Stanley Subramoney**

Independent non-Executive Director (appointed: 2021)

**Date of birth:** 1958 (63)

**Nationality:** South African

**Qualifications:** BCompt (Hons) (Accounting Science), CA(SA)

**Committee:**  
**Member:**  
 • Audit Committee  
 • Remuneration Committee

**Stephen Westwell**

Independent non-Executive Director and Lead Independent Director (appointed: 2012)

**Date of birth:** 1958 (64)

**Nationality:** British

**Qualifications:** BSc (Mech Eng) MSc (Management), MBA

**Committee:**  
 Chairman of the Capital Investment and Digital Committee  
**Member:**  
 • Safety, Social and Ethics Committee  
 • Nomination and Governance Committee  
 • Audit Committee

In terms of our Memorandum of Incorporation, the Board shall consist of a maximum of 16 Directors. Up to five may be Executive Directors. One-third of Directors must retire at every Annual General Meeting and are eligible for re-election. The Board determined that it will comprise a maximum of 14 Directors.

The roles and functions of the Chairman, Lead Independent Director and President and CEO are described in the Board Charter available on our website at [www.sasol.com](http://www.sasol.com).

For the skills and experience of each Director refer to the Form 20-F available on our website at [www.sasol.com](http://www.sasol.com).

Mr C Beggs retired as Independent non-Executive Director of Sasol Limited on 31 August 2021. Messrs ZM Mkhize and PJ Robertson retired as Independent non-Executive Directors of Sasol Limited at the conclusion of Sasol Limited's Annual General Meeting on 19 November 2021. Mr P Victor resigned as Executive Director and Chief Financial Officer on 30 June 2022.

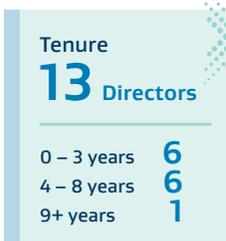
GOVERNANCE (CONTINUED)

Sasol recognises the benefits of having a diverse Board. Directors are chosen for their corporate leadership skills, experience and expertise. A combination of different business, geographic and academic backgrounds as well as diversity in age, gender and race allow for robust debate and more considered decision-making, supporting the sustainable growth of the business.



Policy on diversity

It is the Board’s policy that broader diversity at Board level will be promoted, all facets of diversity will be considered in determining the optimal composition of the Board and, where possible, be balanced appropriately. All Board appointments are made on merit, having due regard for the benefits of diversity which the Board as a whole requires to be effective.



For the skills and experience of each Director refer to the Form 20-F.

Tenure, independence and succession

All non-Executive Directors are considered to be independent and 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. 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 term of our Lead Independent Director, Stephen Westwell, following a review and confirmation of his independence. His experience, knowledge and independent judgement continue to benefit the Company.

The Nomination and Governance Committee considers 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. Should the Nomination and Governance Committee be of the view that a Director is over-committed or has an unmanageable conflict, the Chairman will meet with that Director to discuss the resolution of the matter to the satisfaction of the Committee.

The Nomination and Governance Committee is of the view that no Director is over-committed.

Focus areas of the Board and its Committees

The Board Charter and Board Committees’ terms of reference are reviewed as and when required but at least every second year to ensure they remain relevant and aligned with the Companies Act and other relevant regulatory requirements, King IV™ and governance best practices.

The Board uses its meetings to discharge its governance and regulatory responsibilities. Its work plan and those of its Committees outline the matters which should be dealt with at meetings and are aligned with the responsibilities and requirements set out in the Board Charter and the Committees’ terms of reference. Matters considered include operational and financial performance, matters of strategy, risk and opportunity, ESG and compliance, and matters reserved for Board decision-making.

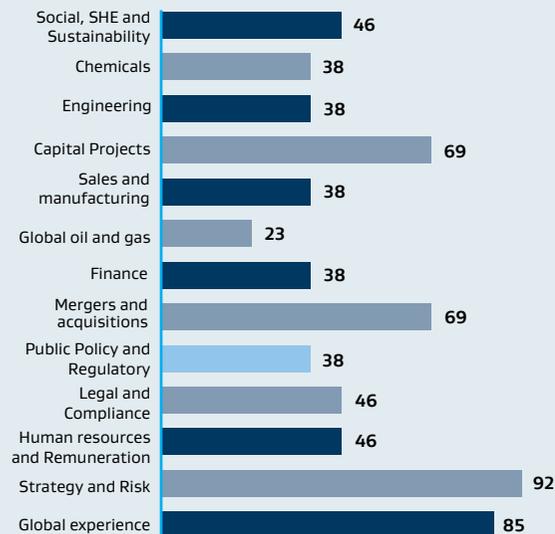
There are seven Board meetings a year. The Board also meets twice a year to discuss strategy. For the reporting period, the Board held its seven meetings, two strategy meetings and four additional special meetings.



\* Attendance record: Due to prior commitments, Ms MEK Nkeli and Mr FR Grobler could not attend a special meeting that had not been scheduled in advance.

Skills and experience of our Board

Our Board has the following skills and expertise (% of Directors):



Creating an ethical culture and collective perspective is essential.

- Our Directors must:
- have strong values, ethics and integrity;
  - foster unity and commitment;
  - follow a risk-based approach;
  - facilitate open frank communication with management;
  - have meaningful discussions/ask critical questions; and
  - not dominate discussions.

Effective and ethical leaders complement and reinforce each other. By setting an example of doing business responsibly, Directors demonstrate their continued commitment to Sasol’s values.

GOVERNANCE (CONTINUED)

Key issues the Board focused on in 2022 and remains invested in going forward:

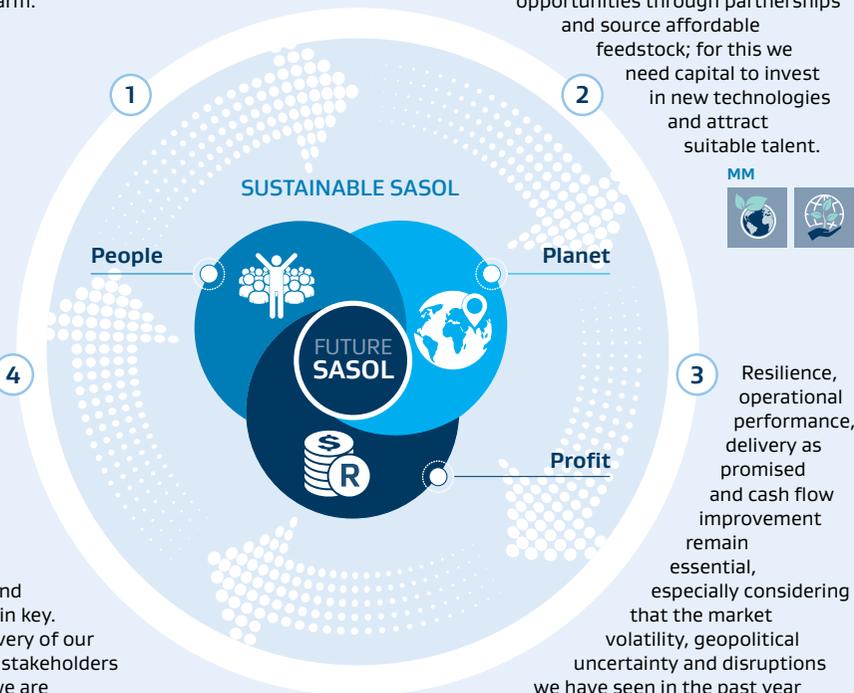
Making sure our people return home safely is a priority of the Board. Fatalities are unacceptable. Significant time has been devoted to monitor processes implemented to ensure Zero Harm.

MM



To transition to Future Sasol, we need to lead in the energy transition, deliver on our emission-reduction targets and meet our air quality compliance obligations. We have invested significant time in plotting our journey. It is essential that we align with an integrated Just Transition programme and incorporate localisation and economic empowerment in our journey. We need to expand our growth opportunities through partnerships and source affordable feedstock; for this we need capital to invest in new technologies and attract suitable talent.

MM



Strengthening our partnerships and co-developing sustainable solutions with our stakeholders for economic transformation and localisation remain key. Tracking and delivery of our commitments to stakeholders is essential and we are committed to maintain regular and transparent communication and disclosure to ensure we continue building credibility and trust.

MM



Resilience, operational performance, delivery as promised and cash flow improvement remain essential, especially considering that the market volatility, geopolitical uncertainty and disruptions we have seen in the past year will probably remain factors impacting performance going forward. We need to be resilient in our response.

MM



Board effectiveness

Newly appointed Directors are apprised of Sasol's business, their duties and responsibilities as Directors and are given the opportunity to visit Sasol's plants and operations. The development of industry and Group knowledge is a continuous process and Directors are briefed on legal developments and changes in the risk and general business environment on an ongoing basis.

The Board, its Committees and Directors 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.

The Board formally evaluates its performance and effectiveness, and that of its Committees, Directors and the Chairman, every second year. A formal evaluation was conducted by a global management and leadership advisory firm in 2021, whereafter each Committee formally evaluated its own performance during 2022.

Board evaluation process

BOARD EVALUATION FRAMEWORK AND DATA COLLECTION

Questionnaires focusing on the performance of the Board, its Committees, the Directors and the Chairman are developed and completed by all the Directors. Interviews on potential enhancements going forward are also conducted as appropriate.

DISCUSSION OF RESULTS

The data collected is analysed and the Nomination and Governance Committee reviews feedback whereafter the salient features thereof are discussed with the full Board. Each Committee also reviews its own performance feedback.

ENHANCEMENT

The Board develops plans to take action based on the results, as appropriate. The implementation of these plans is monitored and progress is shared, as appropriate.

Subsequent to the formal evaluation conducted in 2021, the Board concluded that it is effective and the Directors are satisfied that the evaluation process is contributing to the improvement of the Board's performance and effectiveness. The Board further agreed during the review of its performance in 2022 that it is satisfied with the following progress made on the key considerations identified to be addressed during the evaluation:

- Key skills and competencies have been identified that would be required for Future Sasol. The succession plan has been developed taking into consideration these required skills and competencies.
- The Board determined that the maximum number of Directors would be 14 for the time being. The ideal size of the Board is an ongoing matter for consideration, especially given the key skillsets and competencies identified, and taking into account Sasol's international footprint and complexity, among other factors.
- The number of Board meetings has been increased to ensure that Directors are kept abreast of developments. Team dynamics and culture remain key focus areas for the Board. A number of engagements took place during the year to strengthen cohesion among Directors.
- The quantity and focus of material being provided to the Board and its Committees have been revised to ensure constructive dialogue is supported during meetings.

GOVERNANCE (CONTINUED)

Our Board Committees

The Committees established by the Board play an important role in enhancing standards of governance and effectiveness within the Group.

	Audit Committee	Capital Investment and Digital Committee	Nomination and Governance Committee	Remuneration Committee	Safety, Social and Ethics Committee
<b>MEMBERS</b>	<p><b>Chairman: GMB Kennealy*</b></p> <p>KC Harper NNA Matyumza S Subramoney S Westwell</p> <p>* Appointed as Chairman 1 September 2021 subsequent to the retirement of C Beggs on 31 August 2021.</p>	<p><b>Chairman: S Westwell</b></p> <p>MJ Cuambe M Flöel VD Kahla HA Rossouw***</p> <p>PJ Roberson resigned as non-Executive Director and member of the Committee at the conclusion of Sasol Limited's Annual General Meeting on 19 November 2021. * Mr P Victor resigned as Executive Director and member of the Committee on 30 June 2022. *** Appointed as Executive Director and member on 1 July 2022.</p>	<p><b>Chairman: SA Nkosi</b></p> <p>MBN Dube* GMB Kennealy* MEK Nkeli S Westwell</p> <p>* Appointed as member 1 October 2021. ** M Flöel rotated as member on 1 October 2021. *** PJ Roberson retired as non-Executive Director and member of the Committee at the conclusion of Sasol Limited's Annual General Meeting on 19 November 2021.</p>	<p><b>Chairman: MEK Nkeli</b></p> <p>MJ Cuambe* M Flöel SA Nkosi NNA Matyumza S Subramoney**</p> <p>* Appointed on 19 November 2022. ** Appointed 1 October 2021. *** PJ Roberson retired as non-Executive Director and member of the Committee at the conclusion of Sasol Limited's Annual General Meeting on 19 November 2021.</p>	<p><b>Chairman: MBN Dube</b></p> <p>MJ Cuambe FR Grobler MEK Nkeli</p> <p>M Flöel* VD Kahla S Westwell</p> <p>* Appointed 1 October 2021. ** C Beggs retired as non-Executive Director and member of the Committee on 31 August 2021. *** ZM Mkhize retired as non-Executive Director and member of the Committee at the conclusion of Sasol Limited's Annual General Meeting on 19 November 2021.</p>
<b>MANDATE</b>	<p><b>5 Meetings &gt; 100% Attendance</b></p> <ul style="list-style-type: none"> <li>To oversee the quality and integrity of Sasol's integrated and financial reporting</li> <li>To oversee the qualification, independence and effectiveness of the internal and external audit functions</li> <li>To oversee compliance with legal and regulatory requirements to the extent that it might have an impact on financial statements</li> <li>To oversee financial market risk management and hedging matters</li> </ul>	<p><b>4 Meetings &gt; 100% Attendance</b></p> <ul style="list-style-type: none"> <li>To evaluate mergers, acquisitions, investments, divestments and disposals prior to approval by the Board</li> <li>To monitor these mergers, acquisitions and Board-approved investments, divestments and disposals, as well as the Company's capital allocation and asset review programmes</li> <li>To lead the strategic direction of digital and IM development in a manner that supports the Group in achieving its strategic objectives and ensures the optimal return on digital and IM investment</li> <li>To oversee that the control environment of information and technology is appropriately managed and that any risks posed by pursuing or not advancing certain digital strategies are addressed</li> </ul>	<p><b>6 Meetings &gt; 100% Attendance</b></p> <ul style="list-style-type: none"> <li>To ensure effective corporate governance</li> <li>To assist with the composition of the Board and its Committees, succession planning and the appointment of Directors</li> <li>To manage the performance of the Board, its Committees and Directors</li> <li>To monitor compliance and provide reasonable assurance regarding the quality, integrity and reliability of compliance risk management</li> <li>To assist with ensuring all stakeholders' needs and interests are taken into account and are balanced</li> </ul>	<p><b>6 Meetings &gt; 100% Attendance</b></p> <ul style="list-style-type: none"> <li>To ensure the Group remunerates its employees fairly, responsibly and transparently by, <i>inter alia</i>, implementing affordable, competitive and fair reward practices so as to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term</li> <li>To provide a channel of communication between the Board and management on remuneration matters</li> </ul>	<p><b>9 Meetings &gt; 97%<sup>^</sup> Attendance</b></p> <ul style="list-style-type: none"> <li>To perform the role of a Social and Ethics Committee as required in terms of the Companies Act</li> <li>To ensure that the manner in which Sasol governs social and ethics performance promotes an ethical culture and that Sasol conducts itself as a responsible corporate citizen</li> <li>To monitor the Group's policies and standing in relation to ethical and optimal labour and employment practices and care for our people</li> <li>To monitor Sasol's strategies, policies, performance and the progressive implementation of its sustainability, SHE, social and ethics practices</li> </ul>
<b>KEY MATTERS DEALT WITH IN 2022 AND FOCUS AREAS FOR 2023</b>	<ul style="list-style-type: none"> <li>Ensuring the integrity and effectiveness of reporting</li> <li>Financial management, key audit matters and significant areas of judgement. The Committee will continue to ensure financial systems, processes and controls operate effectively and respond to changes in the operating and regulatory environment</li> <li>Financial performance, specifically considering the impact of the COVID-19 pandemic, market volatility, geopolitical uncertainty and disruption</li> <li>Balance sheet and liquidity management. It is key to drive resilience and cash flow improvement through the delivery of Sasol 2.0 targets, and essential that capital allocation principles prioritise and strengthen our balance sheet, reducing net debt to EBITDA to below 1,5 times and reintroducing the dividend</li> <li>Ensuring effective combined assurance, internal control and risk management</li> </ul> <p><b>AFS</b> For more detail refer to the Report of the Audit Committee in our Annual Financial Statements available on our website <a href="http://www.sasol.com">www.sasol.com</a></p>	<ul style="list-style-type: none"> <li>Overseeing the further development of Sasol's digital strategies and technology solutions and monitoring cyber security and information and operating technology issues</li> <li>Overseeing investments and divestments and monitoring updates on the Group's asset review. The successful divestment of a 30% equity interest in ROMPCO marked the completion of the major transactions in Sasol's accelerated, strategy-aligned, asset divestment programme announced in March 2020. We are now focused on implementing and expanding growth opportunities (green H<sub>2</sub>/SAF) through collaborative partnerships and innovation</li> <li>Monitoring progress of Mozambique projects and strategic approaches to developing large-scale natural gas import opportunities of South Africa. Sasol remains fully committed to its integrated natural gas business in Southern Africa, which is integral to our long-term strategy</li> <li>Monitoring the Group's capital performance</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring general corporate governance mechanisms and the framework are appropriate and effective in view of developments in the Group and its business environment</li> <li>Re-evaluating the composition of the Board and its Committees and succession planning</li> <li>Ensuring optimal performance by the Board and its Committees, the Directors and addressing areas identified for improvement during the evaluation process</li> <li>Strengthening our stakeholder relationships to ensure – among others – economic transformation, localisation and a Just Transition and balancing our stakeholders' needs and interests while also maintaining regular and transparent communication and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring effective reward practices and remuneration policy, continuing to engage with our shareholders on our Remuneration Policy and Implementation Report and ensuring the appropriateness of our reward practices</li> <li>Reviewing short-term and long-term incentive plan targets and design principles to ensure ongoing relevance</li> <li>Reviewing the status of healthcare and retirement plans in the Group</li> <li>Reviewing people retention risks and approved mitigation plans</li> </ul> <p><b>IR</b> For more detail refer to the Remuneration Report on page 62.</p>	<ul style="list-style-type: none"> <li>Ensuring processes are in place to promote an ethical culture which encourages safety</li> <li>Humanising safety and ensuring the safety of our employees, suppliers, customers and communities – the Committee continues to closely monitor the processes being put in place to avoid the occurrence of high-severity incidents</li> <li>Driving transformation and an ethical work environment</li> <li>Monitoring the Group's activities relating to good corporate citizenship</li> <li>Ensuring Sasol's sustainability, specifically focusing on climate change and Sasol's impact on the environment as well as air quality. Delivering on our emission-reduction targets and meeting our air quality compliance obligations is of utmost importance</li> <li>Continuing with identifying, assessing and monitoring stakeholders' expectations and ensuring meaningful engagement</li> <li>Reviewing existing business risk profiles with the intention to integrate human rights into our business processes with follow up monitoring and reporting on human rights</li> </ul> <p><b>SR</b> For more detail refer to the Report of the Chairman of the Safety, Social and Ethics Committee in our Sustainability Report available on our website, <a href="http://www.sasol.com">www.sasol.com</a></p>

The President and CEO is not a member of the Audit Committee, Remuneration Committee nor the Nomination and Governance Committee but attends meetings by invitation. He is requested to leave the meeting, when appropriate, before any decisions are made that relate to him personally.

The complete terms of reference of the Committees are available on our website [www.sasol.com](http://www.sasol.com)

<sup>^</sup> Due to prior commitments, Ms MEK Nkeli and Mr ZM Mkhize could not attend a special meeting that had not been scheduled in advance.

# REMUNERATION REPORT | REMUNERATION AT A GLANCE

## Our Remuneration Philosophy

Our Remuneration Philosophy is to use internally equitable and externally competitive, affordable salary, benefits and incentive structures to attract, retain and motivate qualified, skilled and engaged employees to work towards achieving the Group's strategic objectives in a values-driven manner and to create stakeholder value responsibly and sustainably.

## Our Remuneration Policy

Minimal policy changes were made during 2022.



## Shareholder feedback

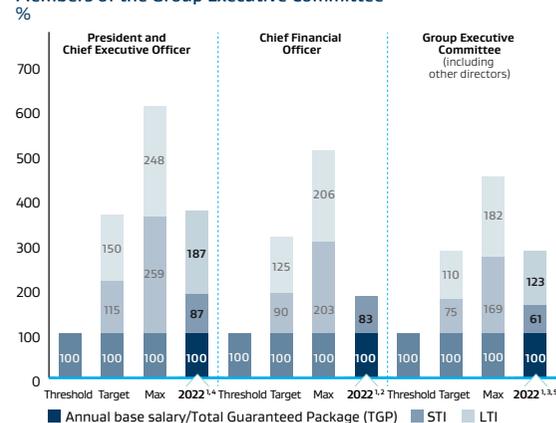
Non-binding advisory votes on the Remuneration Policy and Implementation Report

NOVEMBER 2021



## 2022 remuneration outcomes: actual vs policy (as at 30 June 2022)

Members of the Group Executive Committee



1. The percentages achieved for 2022 are reflected as a percentage of salary/TGP.  
 2. Mr Victor only received an STI for 2022. All unvested LTIs lapsed on his final day of service.  
 3. Value for non-SA GEC member was converted to rand using June 2022 average daily exchange rates.  
 4. Mr Grobler's LTIs represent 54,31% of the award made to him at the time of his appointment to President and CEO, valued at period end.  
 5. For Messrs Griffith and Brand, LTIs include 54,31% of the awards made to them at the time of their appointment to the GEC, valued at period end.

The Committee reviewed and approved the following policy changes for 2022:

- Weighted short-term incentive targets: Short-term incentive calculation based on a weighted score in respect of the Group and Business Unit performance goals with individual performance being a multiplier. In 2021 only a group scorecard was used
- Final reduction in target LTI award for CEO and CFO was implemented
- LTI Plan changes to become effective from 2023, subject to shareholders' approval

	Fixed Pay	Short-Term Incentives	Long-Term Incentives
<b>STRATEGIC INTENT</b>	<ul style="list-style-type: none"> <li>• Attraction and retention of key employees</li> <li>• Internal equity and external competitiveness</li> <li>• Recognition of individual performance</li> <li>• Benchmarked to location market median</li> </ul>	<ul style="list-style-type: none"> <li>• Promote value creation including safe and sustainable performance</li> <li>• Alignment with Group and Business Unit financial and non-financial performance goals</li> <li>• Personal performance used as a multiplier in the final calculation</li> <li>• Additional penalty for fatalities</li> </ul>	<ul style="list-style-type: none"> <li>• Attraction and retention of senior employees and scarce and critical skills</li> <li>• Alignment with shareholders' long-term interests</li> <li>• Three to five year vesting periods</li> <li>• Minimum shareholding requirements for Prescribed Officers and Executive Directors</li> </ul>
<b>ELIGIBILITY</b>	<ul style="list-style-type: none"> <li>• All permanent employees</li> <li>• Monthly/bi-weekly (USA only)</li> </ul>	<ul style="list-style-type: none"> <li>• All permanent employees</li> <li>• Annually in September</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Management and above</li> <li>• Subject to achievement of performance and time targets:                             <ul style="list-style-type: none"> <li>• Senior Management and Leadership: three years</li> <li>• Senior Leadership and Group Executive: 50% after three years; 50% after additional two years (performance shares)</li> <li>• Group Executive: Five years for restricted shares (no performance targets)</li> </ul> </li> </ul>
<b>FREQUENCY OF PAYMENT/ SETTLEMENT</b>			
<b>EMOLUMENTS</b>	<ul style="list-style-type: none"> <li>• Cash/basic salary and benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Cash</li> </ul>	<ul style="list-style-type: none"> <li>• Cash or Equity Settled (region dependent)</li> </ul>

## REMUNERATION REPORT | CHAIRMAN'S LETTER



**“ The Committee’s key task is to ensure that executive remuneration is aligned with stakeholder value creation in the context of the short- medium- and long-term strategy. On the back of a satisfactory set of business results, we believe that this alignment has been achieved. ”**

**Mpho Nkeli**  
Chairman of Remuneration Committee

### KEY MESSAGES

- Reward outcomes align with Company performance ■ Bolstering Executive Leadership
- Benchmarking of Executive and non-Executive Director Remuneration
- Increased emphasis on environmental, social and governance (ESG) measures aligning with Sasol’s long-term strategic priorities

**We continue to provide various forms of support to employees, including access to emotional wellbeing.**

### Dear stakeholders

In the first half of 2022, Sasol benefited from a more favourable macroeconomic environment and increased demand for our products.

The second half of 2022 presented new challenges, including the devastating floods in KwaZulu-Natal (KZN) and the impact of the Russia/Ukraine conflict. Challenges at some of our South African operations resulted in lower fuel and chemical production as well as a reduced ability to export products due to the extreme weather events which impacted the KZN province of South Africa.

Sasol cares deeply for our people, planet and communities. As such, and in addition to providing support to our own employees impacted by this

tragedy, we rallied behind non-profit organisations and community development agencies to provide support to communities affected by the KZN floods. Sasol also joined organisations and people from all over the world in support of humanitarian relief efforts in Ukraine.

Tragically, we continued to lose employees who succumbed to complications related to the COVID-19 pandemic and were also deeply saddened by six workplace fatalities in 2022. The Committee wishes to express its condolences to all who have lost loved ones in this period.

Through both financial and non-financial means, including wellness programmes, Sasol supported the families of employees who passed on in the year.

### Shareholder feedback

At our Annual General Meeting (AGM) in November 2021, support for the Remuneration Policy increased to 86,90% from 71,46% in 2020.

We were also pleased that there was an increase in shareholder support in respect of the Implementation Report, with 86,11% of votes represented at the AGM in support of the non-binding advisory resolution compared to 43,21% in 2020.

Sasol continued to engage with investors to understand their concerns and ensure that reasonable requests which the Committee believes would improve the Remuneration Policy and the way it is implemented are addressed as best as possible and in the best interests of the Company.

Although there was no requirement to meet with investors, we continued to do so and appreciate the candid and constructive feedback.

The following table lists the three main concerns raised by shareholders during 2022 and Sasol’s response:

Shareholder concerns	Sasol’s responses
<ul style="list-style-type: none"> <li>• <b>Adjusted EBITDA</b> measure in the Long-Term Incentive Plan is not considered to be appropriate as it is subject to too many uncontrollable factors with discretion in the application of adjustments.</li> </ul>	<p>This measure will be removed for 2023.</p>
<ul style="list-style-type: none"> <li>• Peer group for relative Total Shareholder Return (rTSR) (LTI) measure excludes larger comparator companies.</li> </ul>	<p>The peer group for purposes of determining rTSR was adjusted to include larger comparator companies and was split from the peer group used for executive and non-executive benchmarking purposes where the inclusion of large comparator companies is not considered appropriate.</p>
<ul style="list-style-type: none"> <li>• <b>ROIC (LTI)</b> measure should be reconsidered given the low level of capital spend on large-scale projects.</li> </ul>	<p>Sasol is entering a phase where capital investments will again be made ensuring ongoing growth of the business and capitalising on new opportunities, especially through developing new low-carbon value pools in Energy. As a result, Sasol is retaining this measure.</p>

### The year under review

#### COVID-19 AND ITS IMPACTS

Sadly, by 30 June 2022, 94 Sasol employees had succumbed to COVID-19. We mourn their loss and extend our heartfelt condolences to their families, friends and colleagues. Despite the easing of COVID-19 regulations, Sasol continues to conduct risk assessments and observe COVID-19 protocols. We also continue to provide various forms of support to employees, including access to emotional wellbeing programmes. All employees are offered membership of health insurance, retirement, death

and disability plans as part of their employment contracts. Membership of funeral plans is optional.

In the latter part of 2022 those office-based employees who had previously worked from home returned to the workplace on hybrid workplace arrangements. Employees exposed to COVID-19 or who fell ill from the virus were granted paid leave for the period of absence. No employees had to claim from the South African government’s COVID-19 relief fund to replace salaries lost as a result of suspended operations, nor did they have to take unpaid leave.

## REMUNERATION REPORT | CHAIRMAN'S LETTER (CONTINUED)

### CHANGES TO THE GROUP EXECUTIVE COMMITTEE

Mr Riaan Rademan, a former Sasol Group executive who retired in 2017, was appointed as the Executive Vice President of Mining effective 9 March 2022. He will assist in stabilising our mining business and advancing our recovery plans. His appointment is for a period of 16 months, with an option to extend the term. Mr Rademan does not participate in the Group's LTI plan.

On 30 June 2022, Sasol bid farewell to Chief Financial Officer (CFO) Mr Paul Victor. We welcomed Mr Hanré Rossouw who was appointed CFO designate effective 4 April 2022. Mr Rossouw officially assumed the role of Executive Director and CFO on 1 July 2022.

We announced the retirement of Mr Bernard Klingenberg, from August 2022, and the appointment of Mr Simon Baloyi as the Executive Vice President: Energy Operations and Technology effective 1 April 2022.

### KEY COMMITTEE DECISIONS

Performance against the Group STI targets was mostly below or on-target, with a total score of 64,35% of the 150% maximum on the Group STI scorecard. Consistent with previous years, and in line with our Policy, normalisation for factors outside of management's control was applied. The two areas where minimal discretion was applied are detailed in the Implementation Report.

**IR** Refer to page 69 for Implementation Report.

The sales volumes target was missed due to feedstock supply and operational issues. The Committee was comfortable with Cash Fixed Cost and Capital expense management and pleased with the progress made on Sasol ecoFT. For incentive purposes, an 18% penalty was applied due to the tragic loss of six of our employees and the disappointing high-severity injury (HSI) rate in the year. The business is reporting five fatalities, as the one HSI happened in 2021. The Board requested the implementation of a safety remediation plan.

Excluding the President and CEO, members of the GEC also participated in the Chemicals and/or Energy BU STI plan. The final approved score for Chemicals was 108,09% and for Energy was 100,95%. More detail on the calculations is provided in the Implementation Report.

The Committee believes that this outcome is a fair representation of the results which were achieved across all financial and non-financial metrics in 2022.

For members of the GEC, subject to further service criteria being met, LTIs issued in 2020 will vest at 54,31%. These were subject to performance targets over the period 1 July 2019 – 30 June 2022. The Committee is concerned about the continuous low level of vestings on the LTI plan but believes that it is reflective of both the Group's absolute performance and performance relative to the market over the past three years and hence agreed to not amend the final vesting percentage.

Severe cash cost pressures in recent years meant that members of management at Sasol had not received salary increases for a number of years from 2016. In 2022, the Committee requested an extensive benchmarking exercise and, as a result, awarded members of the GEC higher-than-inflation increases in October 2021. We also approved location-specific inflation-related percentage increases for the October 2022 salary increase cycle for employees outside of collective bargaining units, including members of the GEC.

As previously reported, the vesting of long-term incentives awarded as part of the annual LTI award on 4 December 2020 are subject, *inter alia*, to the achievement of a set of performance targets. Among them is the ESG target of implementing 150 MW of renewable energy capacity by 30 June 2023. Subsequent to December 2020, Sasol's ability to achieve this target has been affected by unforeseen delays, including the sale of air separation units to Air Liquide, the inclusion of Air Liquide as a partner in our Renewable Energies programme in Secunda and constrained supply in South Africa. Considering these factors as well as the macro impacts on the acquisition of renewable energy, the final implementation date will only be known in 2023. The Committee will consider this matter during 2023 in view of the uncontrollable events external to the organisation.

Shareholders will be requested to approve the new LTI plan at the 2022 AGM. The main changes from the 2016 LTI plan are specifically related to the introduction of a post-termination shareholding

**We are driven to ensure that ESG issues receive the necessary attention and to this end the incentive targets for 2023 focus on Sasol's drive to decarbonise.**

requirement for members of the GEC, and the removal of the accelerated vesting regime for all participants whose services are terminated under good leaver provisions, thus ensuring awards vest at their normal vesting date.

Following concerns raised by shareholders, an extensive review of the structure and quantum of the non-Executive Directors' fees was conducted which included a review of the peer group and a detailed benchmarking exercise. This led to a significant reduction in Board fees, and – where necessary – Committee fees were also reduced to ensure alignment. The new fee structure received support from our shareholders at the previous AGM.

### INDEPENDENT ADVISORS

Mr David Tuch, Managing Director at Alvarez & Marsal Taxand UK LLP (A&M) continued to act as an Independent External Advisor to the Committee in 2022. A&M provided information on global reward trends as well as market insights into discussions on executive reward matters. A&M did not provide any other services to Sasol and the Committee was satisfied with the advisor's independence.

### Looking forward 2023

We are driven to ensure that ESG issues receive the necessary attention at Sasol, and to this end the incentive targets for 2023 focus on Sasol's drive to decarbonise. Incentive plans include a holistic approach to overall ESG matters balanced with the requirement to deliver financial returns to our shareholders. Several partnerships have been concluded to realise our ESG ambitions. In the year ahead, our high-severity incident programme will receive additional leadership focus.

The Group is still intent on sustainably reducing our levels of debt and as such will continue to focus on cash fixed cost management and prudent capital allocation. Free cash flow as a percentage of turnover will also, for the first time, be introduced into our Group STI Scorecard as we phase out the Sasol 2.0 specific targets. The Business Unit scorecards that

were introduced in 2022 will again be a feature of the STI calculation for 2023 to ensure that there is dedicated focus not only on Group priorities, but also on the Business Unit priorities in Chemicals, Energy and Mining. The final STI calculation will be weighted between the Group and BU STI scorecards, depending on line of sight and level of accountability.

### In closing

The Committee remains dedicated to ensuring that Sasol's Remuneration Policy and the implementation thereof is fair and responsible, enabling the achievement of the Group's strategic priorities including value preservation and creation for our shareholders, customers, communities and employees. The Committee is satisfied that the Policy meets the agreed objectives. It is also satisfied that the remuneration outcomes for 2022 reflect alignment between performance and rewards and are appropriate and fair considering what was achieved in the year. Ultimately, our success will be reflected in the Sasol share price which significantly contributes to the reward outcomes of our executive team.

The Committee appreciates the support of all Sasol people and their resilience, dedication and generosity displayed over this past year. I would like to express appreciation to shareholders for their continued commitment to engaging with me and look forward to their endorsement of the advisory votes on our Remuneration Policy and Implementation Report at the 2022 AGM. I would also like to extend my personal thanks to the Committee members for their support, input and guidance in 2022.

**Mpho Nkeli**  
Chairman of Remuneration Committee  
11 August 2022

# REMUNERATION REPORT

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

Role category	President and Chief Executive Officer <sup>1</sup> (CEO)	Group Executive Committee <sup>1</sup> (GEC)	Senior Vice Presidents (SVP) – Group Leadership <sup>1</sup>	Vice Presidents (VP) – Leadership	Senior Management
<b>Description</b>	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, approved by the Board.	SVPs have global or end-to-end responsibility for an Operating Model Entity (OME)/large Business Segment/ Regional Business Platforms/ Group function, to ensure that their area of accountability aligns strategically with the Business Unit (BU) or Group’s direction. Develop and set strategic BU or OME guidelines, policy and frameworks.	VPs have regional, sector or function-specific responsibility for a portion of a BU or Group function. VPs contribute to strategy formulation and translate this into tactical plans, policies and processes.	Experienced professionals, specialists and adept tactical leaders who drive performance through specific areas of specialisation or the management of resources.
<b>Number in 2022 (2021)</b>	1 (1)	8 <sup>2</sup> (7)	26 (26)	153 (149)	949 (1 023)

1. Top Management includes the President and CEO, members of the GEC and Group Leadership.  
 2. Excluding incoming CFO H A Rossouw and outgoing EVP: Energy Operations, B E Klingenberg.

The Remuneration Report is a summary of the full Remuneration Policy and the Implementation Report published in the Annual Financial Statements.

**AFS** For more detail refer to our Annual Financial Statements available on our website, [www.sasol.com](http://www.sasol.com)

## Remuneration Policy

Our Remuneration Policy (the policy) is a crucial enabler of Sasol’s strategy. A sustainable, high-performance and values-driven culture remains a key objective. The policy’s design strives to provide competitive, market-aligned rewards while balancing the need for cost containment, risk management and value creation for stakeholders.

## Remuneration Philosophy

Our Remuneration Philosophy is to use internally equitable and externally competitive, affordable salary, benefits and incentive structures to attract, retain and motivate qualified, skilled and engaged employees to work towards achieving the Group’s strategic objectives in a values-driven manner and to create stakeholder value responsibly and sustainably.

## Remuneration Policy principles

- Reward offered is a cornerstone of our Employee Value Proposition and is well integrated with the total employment offering.
- We strive to offer a balanced mix of remuneration programmes to all employees benchmarked on average against the market median with actual distribution around the median based on performance.
- The remuneration mix depends on the position in the organisational structure as well as geographical market practices.
- Entry-level salaries are either determined by the Company, negotiated through collective bargaining or determined by national legislation. Our minimum wage is higher than what is considered a living wage for each jurisdiction and is enhanced by benefits offered under our Employee Value Proposition.
- Executive remuneration has a strong link to shareholder interests, particularly through the design of variable pay structures.
- In setting incentive metrics, we consider value drivers which are mostly within management’s control while ensuring financial performance meets predetermined targets and results in sufficient cash flow to afford incentive pay-outs.
- No form of unfair discrimination will be tolerated and salary differentials are substantiated through defensible principles included in our Remuneration Policy.
- Appropriate approval processes are in place to prevent conflicts of interest and to mitigate risks that may unintentionally result from our remuneration programmes.
- The Remuneration Committee (the Committee) is empowered to intervene in circumstances when formulaic outcomes appear to be inappropriate, not aligned with business performance, or unduly influenced by factors outside of management’s control.

## Remuneration Committee governance

Sasol complies with applicable remuneration governance codes and statutes that apply in the various jurisdictions within which it operates.

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. The Committee’s Terms of Reference and the Group Remuneration Policy are available at [www.sasol.com](http://www.sasol.com).

All incentive pay-outs and the vesting of performance LTIs are approved after due consideration of performance against the pre-approved targets that were set for the performance period.

The President and CEO, EVP: Human Resources and Stakeholder Relations, and VP: Group Reward and Human Resources Information System (HRIS) attend Committee meetings by invitation. Members of management are recused from meetings when matters impacting their own remuneration is discussed. In all meetings, the Committee discusses and confirms all decisions taken, without management present. A&M Managing Director Mr D Tuch acts as an independent advisor for the Committee. The Committee is comfortable with Mr Tuch’s independence.

At the end of each financial year, the President and CEO tables the performance of all Prescribed Officers to inform the decisions on annual increases and incentive pay-outs. External market benchmark data is also provided to the Committee to ensure competitive reward practices. The Chairman of the Board tables the performance outcomes and proposed rewards for the Executive Directors and the Company Secretary and the Committee then recommends it for approval to the Board.

## Regulatory compliance

Our reporting complies with:

- South African Companies Act requirements;
- Principles and recommended practices of King IV™;
- Requirements of the Securities and Exchange Commission (SEC) for secondary issuers; and
- The Johannesburg Stock Exchange (JSE) Listings Requirements.

## REMUNERATION REPORT (CONTINUED)

### Overview of remuneration elements, strategic intent of each component and decisions taken in 2022

Fixed pay – Policy and strategic intent	Fixed pay – application	Outcomes 2022	Benefits and allowances – Policy and strategic intent	Benefits and allowances – application	Outcomes 2022
<p>Base salary or Total Guaranteed Package (TGP) depending on location.</p> <p>Broad pay bands set with reference to location and sector median benchmarks that reflect the complexity, scope and scale of our business to ensure that we attract and retain the employees required to drive the Group's key objectives.</p> <p>The Committee approves the cost of annual increases after considering market and economic data as well as affordability.</p> <p>Mandates are provided for salary increase negotiations with recognised trade unions and works councils.</p> <p><b>STRATEGIC INTENT:</b></p> <ul style="list-style-type: none"> <li>• Attraction and retention of key employees.</li> <li>• Internal equity and external competitiveness.</li> <li>• Affordability.</li> <li>• Recognition of competence and/or individual performance.</li> </ul>	<p>Employees in countries other than South Africa and employees in the South African bargaining sectors are paid a base salary rather than a TGP.</p> <p>In South Africa, the minimum wage we pay is compared with the living wage for a family as provided by Trading Economics.</p> <p>The total employment cost of salaries, benefits, allowances and incentives for the lowest level mining employee with three dependants on the medical scheme is R304 814,00 per annum.</p> <p>Salaries are paid monthly to all employees except for those in the United States (US) who receive bi-weekly payments.</p> <p>Employees who are promoted are considered for salary adjustments as justified.</p> <p>For employees outside the collective bargaining sectors, annual increases are processed with effect from 1 October.</p> <p>Employees in collective bargaining structures receive across-the-board increases with effect from 1 July or 1 October.</p> <p>Outside South Africa, annual salary increases are also negotiated with trade unions and/or works councils in the US, Germany, Italy and Mozambique.</p>	<p>Following two years of no increases, for Senior Management and above, market adjustments were approved effective 1 October 2021. We carried out an executive remuneration benchmarking exercise and implemented market adjustments where appropriate and will continue in 2023 as necessary.</p> <p>In South Africa the cost of increases, which include market adjustments, for staff outside of collective bargaining units was 4,31% of the South African salary bill.</p> <p>Employees in collective bargaining structures received increases of between 4% – 4,5% as well as adjustments to allowances.</p> <p>International increase costs were in line with forecast inflation and applicable market progression practices.</p> <p>Due to the sharp increase in global inflation, salary increases in 2023, will be higher than in previous years.</p>	<p>Benefits include, but are not limited to, membership of a retirement plan, healthcare and risk cover to which contributions are made by both Sasol and the employee.</p> <p>Allowances are paid in terms of statutory compliance or as are applicable in a sector/ jurisdiction.</p> <p>A number of special allowances including housing, cost of living, home-leave and child education are included in the Group's Expatriate Policy.</p> <p><b>STRATEGIC INTENT:</b></p> <ul style="list-style-type: none"> <li>• Compliance with legislation or co-determination agreements.</li> <li>• Strengthening of the Employee Value Proposition where benefits are offered as a general market practice.</li> <li>• To protect cost of living for employees on expatriate assignments.</li> </ul>	<p>Benefits are offered for retirement, for reasons of sickness, disability or death. Beneficiaries of employees who pass away while in service receive an additional insurance pay-out. The quantum depends on which retirement plan they belonged to.</p> <p>Allowances are linked to roles within specific locations and are paid together with salaries.</p> <p>Expatriate benefits and allowances are offered in terms of country and assignment policies.</p> <p>Employee wellbeing is the crux of labour stability. Sasol continues to roll out psychosocial, physical and safety culture interventions especially during COVID-19 on stress and related issues such as online meeting fatigue and dealing with the bereavement of loved ones. Any stress experienced due to returning to the workplace also received the required empathy and employees are referred to the Employee Assistance Programme (EAP) as appropriate.</p>	<p>Sasol uses 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 as appropriate.</p> <p>All employees have healthcare cover in the event they are infected with COVID-19.</p> <p>Sasol continues to use special leave categories to accommodate lockdown periods in various jurisdictions. No employees were asked to take unpaid leave because of lockdowns or the shutdown of operations due to COVID-19.</p> <p>The Committee confirmed that in all countries where employees participate in private retirement funds, the governance of these funds meets fiduciary requirements, and all defined benefit fund liabilities are appropriately detailed in Sasol's Statement of Financial Position.</p> <p><b>AFS</b> For more detail refer to our Annual Financial Statements available on our website, <a href="http://www.sasol.com">www.sasol.com</a></p> <p>With the exception of Group Executives, employees who agreed to a salary sacrifice as well as to have their employer contribution to retirement funds suspended in 2021, received a refund related to the sacrifice in 2022.</p>

# REMUNERATION REPORT (CONTINUED)

## Overview of remuneration elements, strategic intent of each component and decisions taken in 2022 (continued)

STI – Policy and strategic intent	STI – application	Outcomes 2022	LTI plan – Policy and strategic intent	LTI plan – application	Outcomes 2022
<p>For the majority of our permanent employees across the world, we apply a single STI structure.</p> <p>The exception is the Non-Managerial mining employees who earn a production bonus which is processed bi-weekly, subject to safe production volumes against mining targets.</p> <p>Target incentives align with the market median.</p> <p>The STI structure consists of Group and BU STI scorecards. Individual performance is a multiplier in the range of 0% – 150% applied to the final STI score. All targets are approved at the start of the new financial year.</p> <p>The Committee can exercise discretion to vary incentive outcomes as deemed appropriate and based on affordability.</p> <p>Approved pay-outs are processed with the September salary.</p>	<p>Every quarter, the Committee reviews year-to-date performance against the Group STI scorecard to ensure ongoing focus and commitment.</p> <p>Individual performance is assessed informally on a regular basis and formally at least twice in the financial year.</p> <p>To ensure appropriate line of sight, people metrics are included in BU and individual scorecards.</p> <p>The Committee approves the final Group and BU STI outcomes in the August meeting after the end of the financial year.</p> <p>All exceptions are disclosed in this report.</p>	<p>The Committee approved a Group STI scorecard focused on achieving the Future Sasol priorities. In addition to the Group factor, BU scorecards were approved as applicable. 100% of the STI weighting for the President and CEO was based on the Group scorecard. For other members of the GEC, the split was 60% Group and 40% BU factor. For GEC members who do not head up a BU, the average score in respect of the Chemicals and Energy BU's STI outcomes was used.</p> <p>In line with our commitment to actively reduce carbon emissions, relevant incentive targets have been included in the Group and BU scorecards to ensure that milestones achieved on the journey are appropriately incentivised.</p> <p>In addition to people, leadership, safety and sustainability metrics, as appropriate, the following metrics are also included in the individual performance scorecards:</p> <ul style="list-style-type: none"> <li>• safe transportation of hazardous chemicals;</li> <li>• occupational health measures; and</li> <li>• leaks or spills of hazardous materials.</li> </ul> <p>These metrics balance safety, environmental sustainability, financial and operational performance criteria.</p> <p>Each fatality reduces the final Group incentive score by three percentage points for the GEC and lower levels in the BU where the fatality occurred.</p> <p><b>IR</b> STI performance outcomes for 2022 are set out on page 70.</p>	<p>Equity- or cash-settled awards are granted annually, on appointment or upon promotion to an eligible level, where the underlying value is tied to the market value of a Sasol ordinary share (or American Depository Receipts (ADR) for international participants), subject to vesting conditions.</p> <p>Annual awards are made with reference to a percentage of base salary or TGP, which is level dependent, the eligible employee's performance over the preceding year and the organisation's requirement for skills retention.</p> <p>Vesting of awards is subject to the achievement of Corporate Performance Targets (CPTs) and/or service criteria.</p> <p>A split vesting period of three to five years applies to performance shares awarded to Top Management.</p> <p>For members of the GEC, 35% of the annual award is granted in the form of restricted shares with a cliff vesting period of five years. The introduction of restricted shares supports minimum shareholding requirements as well as improved alignment with shareholders' interests over the long term.</p> <p><b>Strategic intent:</b></p> <ul style="list-style-type: none"> <li>• Attraction and retention of senior employees and scarce and critical skills.</li> <li>• Alignment with shareholders' long-term interests with reference to the Sasol share price and the underlying performance metrics.</li> </ul>	<p>LTIs form an important part of our reward mix and target awards are reviewed annually to ensure ongoing market competitiveness.</p> <p>Participants may sell or retain the vested shares once vesting conditions and minimum shareholding requirements have been met.</p> <p>Minimum shareholding requirements are in place for Executive Directors and Prescribed Officers.</p> <p>The Committee reviews the LTI targets every year to ensure continued alignment with key priorities.</p>	<p>100% of the LTIs awarded to members of the GEC in 2020 are subject to the achievement of performance metrics over the period 1 July 2019 – 30 June 2022.</p> <p>The overall performance of the 2020 LTI awards to the GEC was 54,31%, 50% of the vested award, granted in 2020, will vest on the third anniversary and the balance on the fifth anniversary, subject to continued employment.</p> <p>Participants who leave the Group for reasons other than retirement, retrenchment, death, disability or ill-health, or for any other reason approved by the Committee, will forfeit unvested awards.</p> <p>The introduction of restricted shares in FY21 also supports the requirement for minimum shareholding requirements which were introduced for all Prescribed Officers from 2021. This requirement was previously only in place for Executive Directors.</p> <p>Assuming the 2022 LTI plan is approved, it will apply to the awards to be made in September 2022.</p> <p><b>AFS</b> For detailed metrics, refer to our Annual Financial Statements available on our website, <a href="http://www.sasol.com">www.sasol.com</a></p>

# REMUNERATION REPORT (CONTINUED)

The following table illustrates the alignment between the Group’s key priorities and the targets set for 2022 and 2023 STI and LTI awards. The combination of financial and non-financial metrics allows for value to be created for our shareholders, clients, employees and communities in a sustainable manner.

	2022 Group strategic priorities	2022 Group incentive key performance indicators	2023 Group incentive key performance indicators	2023 Group strategic priorities
<b>PEOPLE</b>	<ul style="list-style-type: none"> <li>Promote diversity and inclusion.</li> <li>Pursue Zero Harm through relentless focus on preventing high-severity injuries and eliminating fatalities.</li> <li>Rebuild trust and create shared value.</li> </ul>	<b>STI:</b> <ul style="list-style-type: none"> <li>Health and safety of our employees and communities</li> <li>Process Safety</li> <li>Operational Safety</li> </ul>	<b>STI:</b> <ul style="list-style-type: none"> <li>Health and safety of our employees and communities</li> <li>Process safety</li> <li>Occupational safety</li> <li>Just Transition roadmap</li> </ul>	<ul style="list-style-type: none"> <li>Strive to achieve a people-centred culture of safety by leading safety with both care and compliance.</li> <li>Intensify our focus on operational discipline and preventing high severity injuries and eliminating fatalities.</li> <li>Strengthen stakeholder trust through continued delivery on community, regulatory and shareholder promises.</li> <li>Embrace diversity and inclusion to augment our culture and Employee Value Proposition.</li> <li>Aligning a visible and integrated Just Transition programme and incorporating localisation and economic empowerment.</li> </ul>
<b>PLANET</b>	<ul style="list-style-type: none"> <li>Advance sustainability through the delivery of our roadmaps and the identification of opportunities to grow and participate in sustainable products and gain access to emerging future value pools.</li> <li>Decarbonise our operations as committed to in the Climate Change Roadmap.</li> </ul>	<b>STI:</b> <ul style="list-style-type: none"> <li>Reduced environmental footprint</li> <li>Shifting to lower carbon products</li> <li>Building our Sasol ecoFT business</li> </ul> <b>LTI:</b> <ul style="list-style-type: none"> <li>Holistic focus on Environmental, Social and Governance matters</li> <li>Delivery of renewable energy sources to global operations</li> <li>Reduction in scope 1 and 2 emissions</li> </ul>	<b>STI:</b> <ul style="list-style-type: none"> <li>Energy efficiency improvement</li> <li>Sourcing of carbon credits</li> <li>Shifting to lower carbon products and Green Hydrogen</li> <li>Renewable Energy sourcing strategy</li> </ul> <b>LTI:</b> <ul style="list-style-type: none"> <li>Reduction in scope 1 and 2 emissions</li> </ul>	<ul style="list-style-type: none"> <li>Progress opportunities to enable sustainable growth by strengthening our technology, partnering and sustainability solutions.</li> <li>Deliver optionality relating to flexible, sustainable feedstock opportunities.</li> </ul>
<b>PROFIT</b>	<ul style="list-style-type: none"> <li>Provide sustainable returns to our shareholders in respect of capital investments, capital allocation, timely project completion and well managed operations.</li> </ul>	<b>STI:</b> <ul style="list-style-type: none"> <li>Management of cash fixed costs, sustenance capital and net working capital to meet the Sasol 2.0 targets</li> <li>Achievement of sales volume targets</li> </ul> <b>LTI:</b> <ul style="list-style-type: none"> <li>Return on invested capital (excluding AUC) split as follows:                             <ul style="list-style-type: none"> <li>Rest of Sasol: ROIC of 14,5%</li> <li>US business: ROIC of 8,5%</li> </ul> </li> <li>rTSR vs the peer group</li> <li>Growth on Adjusted EBITDA &gt;CPI+2%</li> </ul>	<b>STI:</b> <ul style="list-style-type: none"> <li>Sales volumes</li> <li>Cash fixed costs</li> <li>Free cash flow/turnover</li> <li>Sustainable net working capital</li> <li>Capital expenditure</li> </ul> <b>LTI:</b> <ul style="list-style-type: none"> <li>Return on Invested Capital &gt; WACC +1% for SA and the USA respectively</li> <li>Relative total shareholders’ return to exceed peer group median</li> </ul>	<ul style="list-style-type: none"> <li>Commitment to our Sasol 2.0 transformation program to enable the business to be competitive, highly cash generative and able to deliver attractive returns as well as accelerating a return to dividends.</li> <li>Enhance operational discipline, efficiency and effectiveness, and drive reliable feedstock supply and operations across all value chains.</li> </ul>

## Pay gaps

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 the CEO pay ratio obligatory. However, these are not yet obligatory in South Africa (SA). In 2020, the Committee approved a methodology to track internal pay equity on a group, level, race and gender basis by country where we employ more than 250 employees on a permanent basis and where the data is available considering personal data privacy laws.

The Sasol Group pay gap methodology compares the median Total Target Remuneration (TTR) of 10% of the highest Sasol earners per country with the median TTR of the lowest 10% Sasol earners per country. This is similar to the methodology used in Form EEA4 which has to be submitted annually to the South African Department of Employment

and Labour. Target remuneration rather than actual remuneration is used for year-on-year comparisons as the impact of macroeconomic factors on the LTI in particular is excluded.

During 2022, the Committee reviewed the detailed level pay gap ratios, which showed a downward trend in South Africa, Germany and Italy. In the US the pay gap ratio increased. This was attributed to Sasol’s divestiture of a number of businesses which resulted in a transfer of a number of employees from Sasol.

The Committee also commissioned a gender pay equity analysis, and no systemic gender pay gaps were identified.

The Committee understands the importance of ensuring that the wages of our lowest paid employees are sufficient to accommodate a decent standard of living. We will continue to track the pay gap from this perspective.

## REMUNERATION REPORT (CONTINUED)

### Risk management

The Committee ensures effective risk management oversight in relation to material remuneration risks within its scope and will exercise its discretion within the Group's overall risk framework. The following processes mitigate against unintended outcomes:

- The Remuneration Policy is transparent and made available to all stakeholders.
- All executive reward policy exceptions are approved by the Committee, or the Board, as appropriate.
- Incentive plan design principles and targets as well as the reward mix are reviewed annually.
- The vesting of LTI plans is subject to performance and/or time-based criteria and awards are never backdated.
- Executives do not approve their own benefits or remuneration and are recused from all discussions relating to their own remuneration.
- The maximum incentive awards, on the basis of performance outcomes, are capped by a pre-approved formula.
- The Committee retains discretion to alter any reward outcome.
- Minimum Shareholding Requirements (MSRs) are implemented for Executive Directors and Prescribed Officers.
- A comprehensive Clawback and Malus Policy is in place.
- Except in the case of death, there is no accelerated vesting of LTIs for Executives at retirement, and the vesting periods of three and five years continue post the date of retirement allowing for continued exposure to the share price performance, as well as the application of the Clawback and Malus Policy if required.
- From 2023, under the 2022 LTI Plan, post-termination shareholding requirements will be introduced for Executive Directors and Prescribed Officers.

The Committee considers reward-related risks on a quarterly basis.

### Non-Executive Directors' (NEDs) fees

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 long-term strategy, providing independent oversight in respect of performance against key priorities and holding executives accountable to deliver business results over the short, medium and long term. Consequently, fees are set at levels to attract and retain the calibre of directors necessary to contribute to a highly effective board of a complex, multi-dimensional and multi-national organisation. NEDs do not receive STIs, nor do they participate in LTI 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 and supplementary fees for Committee membership or Chairmanship. The annual fee is divided by four and a quarterly fee is paid at the end of every Board cycle regardless of the number of meetings held in that quarter.

Board fees tabled at the 2021 AGM were approved effective 1 January 2022. The approved fees will be effective until the 2021 resolution is replaced, but no longer than two years from the date that the resolution was passed (ie November 2023).

The approved NED fees include a cost-of-living factor which is applied to the fees payable to NEDs who live outside of Europe, United Kingdom and North America. Furthermore, a fixed exchange rate is used to convert the US\$ fees to the denomination used for payment in order to eliminate significant exchange rate variances. At the 2021 AGM, shareholders approved an adjustment equal to an average consumer price index percentage effective 1 January 2023.

	A. Fees (excluding NEDs referred to in column B) <sup>1,3,4</sup>	B. Fees for NEDs residing permanently in Europe, the United Kingdom and North America <sup>1,2,3</sup>
Chairman of the Sasol Limited Board (all inclusive)	US\$285 000	US\$345 000
Non-Executive Director ("NED")	US\$100 000	US\$120 000
Lead Independent Director (additional fee)	US\$40 000	US\$48 000
Audit Committee Chairman	US\$30 000	US\$35 000
Audit Committee member	US\$20 000	US\$24 000
Remuneration Committee Chairman	US\$20 000	US\$24 000
Remuneration Committee member	US\$12 000	US\$14 500
Other Committee Chairman	US\$20 000	US\$24 000
Other Committee member	US\$12 000	US\$14 500

1. Fees are exclusive of value added tax (VAT) which will be added for directors who are registered for VAT.
2. Paid in US dollar or home country currency as appropriate.
3. Fees are stated as an annual amount but will be paid in quarterly instalments.
4. Fees adjusted for differences in cost of living. Exchange rate between US dollar fee and home country currency will be fixed for a period of twelve months, using the average exchange rate from June to October, to prevent exchange rate fluctuations in the actual fees paid for the ensuing twelve-month period.

### Implementation Report

This section provides a summarised overview of the implementation of the Remuneration Policy. The detailed report is available in the AFS. It also sets out the relationship between company performance and Executive Directors' and Prescribed Officers' remuneration outcomes as well as progress against the minimum shareholding requirement.

**AFS** For more detail refer to our Annual Financial Statements available on our website, [www.sasol.com](http://www.sasol.com)

The tables in this section provide information on all amounts received or receivable by members of the GEC for 2022 (including the President and CEO, Executive Directors and Prescribed Officers).

The structure of the Implementation Report, is as follows:

<b>Incentive outcomes</b>	<ul style="list-style-type: none"> <li>• Group performance targets for STI awards made in 2022 and performance results.</li> <li>• Performance vs Corporate Performance Targets in respect of LTIs that are due to vest in 2023, as at the end of the performance period 30 June 2022.</li> </ul>
<b>Executive Directors and Prescribed Officers (tabulated separately)</b>	<ul style="list-style-type: none"> <li>• Remuneration and benefits paid disclosed in terms of the single total figure methodology including the STI amounts awarded for 2022 and an estimated value relating to the vesting of LTIs in March 2023, in respect of the performance period ended 30 June 2022.</li> <li>• Outstanding LTI holdings.</li> <li>• Progress against Minimum Shareholding Requirements.</li> </ul>
<b>NEDs</b>	<ul style="list-style-type: none"> <li>• Fees paid during 2022.</li> </ul>

## REMUNERATION REPORT (CONTINUED)

### Short-term Incentive Plan outcomes

The following table provides the outcomes against the 2022 performance targets that were set for the Group STI plan.

	KPI – Key Performance Indicator	Weightings	Threshold (Rating = 0%)	Target (Rating = 100%)	Stretch (Rating = 150%)	Achievement	Weighted Achievement
ESG (People) (10%)	Process Safety	5%	FERs ≥ 21	FERs = 19	FERs ≤ 17	FERs = 13	7,5%
	Occupational Safety	5%	HSI Rate ≥ 14	HSI Rate = 12	HSI Rate ≤ 9	17,58	0%
ESG (Planet) (20%)	Advancing sustainability: Climate Change	15%	Energy Efficiency Improvement using 30 June 2021 as the basis for assessment of FY22 ≥ 0% 200 MW secured for Energy	Energy Efficiency Improvement using 30 June 2021 as the basis for assessment of FY22 = 1% PPAs/VPPAs signed to achieve 0.65MtCO <sub>2</sub> e by end FY2024	Energy Efficiency Improvement using 30 June 2021 as the basis for assessment of FY22 >= 1,5% PPAs/VPPAs signed to achieve 0.66MtCO <sub>2</sub> e by end FY2024	1,15% <sup>1</sup> Energy Efficiency Improvement  200 MW key terms signed, 0,275MtCO <sub>2</sub> e in Energy and 57ktCO <sub>2</sub> e in Chemicals <sup>2</sup>	8,59%  5,3%
		5%	Setting up the new sustainable Business Venture	Two global PtX partnerships established and one feasibility study announced	Two feasibility studies completed and submitted for approval to PtX partner approval authorities/boards	Full ecoFT governance structure established and populated (2,5%) Two global PtX partnerships established and feasibility study announced	5%
	Group Financials (Profit) (70%)	Sales volumes	25%	FY22 sales volumes = 17mt	FY22 sales volumes = 18mt	FY22 sales volumes = 19mt	16,7mt
	Cash cost optimisation	20%	FY22 target CFC + R2bn	FY22 CFC = R58,3bn	R2bn below FY22 budget CFC	Cash fixed costs were 0,3% above target <sup>3</sup>	18,46%
	Working capital	10%	NWC% = 17%	NWC% = 15%	NWC% = 13%	NWC% = 12,6% <sup>4</sup>	15%
	Sustenance Capital	15%	Capital expenditure = R28bn	Capital expenditure = R26bn	Capital expenditure = R24bn	R21,8bn <sup>5</sup>	22,5%
100%	<b>Safety Adjustment – Penalty for Fatalities</b>						(18%) <sup>6</sup>
	<b>Final Score</b>						<b>64,35%<sup>7</sup></b>

### Notes

The Remuneration Policy allows for the normalisation of performance outcomes for macro economic factors (Brent crude oil price, ZAR/\$ exchange rate), factors impacting performance outside of management's control (eg Eskom outages, extreme weather events, force majeure) and alignment of baselines or budgets with the impact of divestitures or acquisitions. All other decisions where Committee discretion is applied, are disclosed:

- Energy efficiency baseline adjusted for asset divestments and Eskom trips.
- Threshold achieved (2,5%), Chemicals achieved their target (1%) and Energy partially achieved their target (1,8%).
- As per Policy, budget restated with exclusion of costs related to divestitures (restated budget is R55bn). Committee approved the normalisation of CFC in respect of R923 million of additional electricity cost due to rerouting of the gas pipeline to ensure ongoing production of products to customers and positive impact on EBITDA – neither of which were incentivised in this group scorecard. After normalisation, Cash Fixed Cost was 0,3% above budget; total impact of discretion applied: +1,7%.
- Measured over the period April – June 2022 to exclude the impact of product prices on inventory. NWC % at period end was 14,6%.
- For 2023, over- and under-expenditure of capex will be penalised and accurate forecasting and management of capex will be incentivised.
- 3% per fatality = 18% deduction. The Group reported one of the fatalities in 2021.
- 64,35% final Group STI score out of 150% maximum achievement. (2021: 117%)

### Long-term Incentive Plan outcomes

The following table provides the outcomes against the corporate performance targets (CPTs) which were linked to the 2020 LTI awards, which are due to vest in 2023 in respect of the performance period 1 July 2019 – 30 June 2022.

Measure	Weighting	Threshold <sup>3</sup>	Target <sup>3</sup> (100%)	Stretch Target <sup>3</sup> (200%)	Achievement	Weighted Achievement
Increase in tons produced/headcount	30%	1% Compound improvement on base	2% Compound improvement on base	3% Compound improvement on base	2,36% compound growth achieved <sup>4</sup>	40,91%
ROIC <sup>2</sup> Rest of Sasol	20%	Rest of Sasol ROIC (excl AUC) at SA WACC of 13,5% per annum	Rest of Sasol ROIC (excl AUC) at SA WACC 13,5% + 1% = 14,5% per annum	Rest of Sasol ROIC (excl AUC) at SA WACC 13,5% + 2% = 15,5% per annum	Below threshold of 13,5% for the first two years. Achieved ROIC of 24,9% (SA) in 2022 <sup>3</sup>	13,4%
ROIC <sup>2</sup> USA	10%	US ROIC (excl AUC) at US WACC of 8% per annum	US ROIC (excl AUC) at US WACC 8% + 0,5% = 8,5% per annum	US ROIC (excl AUC) at US WACC 8% + 1% = 9% per annum		
TSR MSCI World Energy Index	20%	Below the 50 <sup>th</sup> percentile of the index	60 <sup>th</sup> percentile of the index	75 <sup>th</sup> percentile of the index	Below threshold of 50 <sup>th</sup> percentile	0%
TSR MSCI Chemicals Index	20%	Below the 50 <sup>th</sup> percentile of the index	60 <sup>th</sup> percentile of the index	75 <sup>th</sup> percentile of the index	Below threshold of 50 <sup>th</sup> percentile	0%
<b>Achievement</b>						<b>0 – 200% range<sup>1</sup> = 54,31%</b>

- In respect of LTIs issued to members of the Group Executive Committee including the Executive Directors, 100% of the award was subject to the achievement of CPTs. Of the vested portion, 50% will be released in 2023 and the balance in 2025 subject to continued employment.

- ROIC was measured annually.
- Straight line vesting is applied between threshold, target and stretch target.
- Reduction in headcount over the period, compensated for lower production in 2022.

## REMUNERATION REPORT (CONTINUED)

The following section illustrates how these performance outcomes informed the reward decisions for Executive Directors:

### Executive Directors

#### EXECUTIVE DIRECTORS' REMUNERATION AND BENEFITS

Executive Directors	FR Grobler <sup>5</sup>		VD Kahla		P Victor <sup>3,4</sup>	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Salary	11 328	10 032	7 301	6 708	8 351	7 481
Risk and Retirement funding	–	373	373	345	391	360
Vehicle benefit	–	–	–	–	100	100
Healthcare	117	95	108	101	56	77
Vehicle insurance fringe benefit	6	6	6	6	6	6
Security benefits	30	133	515	534	–	–
Other benefits	5	1 923	1	2	1 998	1
<b>Total salary and benefits</b>	<b>11 486</b>	<b>12 562</b>	<b>8 304</b>	<b>7 696</b>	<b>10 902</b>	<b>8 025</b>
Annual short-term incentive <sup>1</sup>	10 008	18 366	5 272	7 670	7 411	11 174
Long-term incentive gains <sup>2</sup>	21 451	1 255	9 399	1 326	–	2 243
<b>Total annual remuneration</b>	<b>42 945</b>	<b>32 183</b>	<b>22 975</b>	<b>16 692</b>	<b>18 313</b>	<b>21 442</b>

- Short-term incentives approved based on the Group results for 2022 and payable in the 2023 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2022 x Group STI achievement x Individual Performance Achievement.
- Long-term incentives for 2022 represent the award made on 3 March 2020. The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved (GEC: 54,31%; SVP: 77,15%) x June 2022 average share price. The actual vesting date for the annual awards is 3 March 2023 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 3 March 2023 and the balance in March 2025, 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.
- Other benefits for Mr Victor include leave pay-out (R1 960 374), and a farewell gift of appreciation (R37 275).
- Mr Victor resigned from the position of CFO and Executive Director effective 30 June 2022. All unvested LTIs were forfeited. This includes the second tranche of LTIs previously disclosed, but subject to continued employment.
- Partial vesting of the LTI award made to Mr Grobler at the time of his appointment as CEO.

#### UNVESTED LTI HOLDINGS (INTRINSIC VALUE)

Executive Directors	Intrinsic cumulative value at beginning of year <sup>1</sup> R'000	Intrinsic value of awards made during the year <sup>2</sup> R'000	Change in intrinsic value for the year <sup>3</sup> R'000	Effect of corporate performance targets R'000	Dividend equivalents R'000	LTIs settled <sup>4</sup> R'000	Effect of changes in Executive Directors <sup>5</sup> R'000	Intrinsic cumulative value at end of year <sup>1</sup> R'000
FR Grobler	R57 425	R16 616	R46 139	(R1 940)	R87	(R1 863)	–	R116 464
VD Kahla	R36 155	R8 452	R27 722	(R2 050)	R92	(R1 906)	–	R68 465
P Victor <sup>5</sup>	R40 636	R10 764	R30 589	(R3 467)	R155	(R4 117)	(R74 560)	–

- Intrinsic values at the beginning and end of the year have been determined using the closing price of:  
30 June 2022 R371,68  
30 June 2021 R218,01
- LTIs granted on 27 September 2021.
- Change in intrinsic value for the year results from changes in share price.
- Long-term incentives settled represent long-term incentives that vested with reference to the group results for 2021 that was settled in the 2022 financial year. The difference between the long-term incentive gains disclosed in 2021 and the amount settled in 2022 is due to the difference in actual share price at vesting date and the share price at date of disclosure.
- Mr Victor resigned effective 30 June 2022 and forfeited all unvested awards.

#### PROGRESS AGAINST MINIMUM SHAREHOLDING REQUIREMENT (MSR):

Beneficial Shareholding	Minimum Shareholding Requirement (MSR) (R'000)	MSR Achievement period (CY)	Units	Beneficial shareholding – 30 June 2022 (R'000)	Post tax vestings – September 2022 <sup>7</sup> (R'000)	Beneficial shareholding value (including September 2022 post tax vesting) (R'000)	% MSR Achieved – CY2022	Number of shares in CY2023 <sup>2,3</sup>	Number of shares to vest CY2024 – 2026 <sup>4,5,6</sup>	Total number of vested shares subject only to continued employment	Pre-tax value of vested shares subject only to continued employment (up to CY2026) <sup>8</sup> (R'000)	Outstanding shares subject to continued employment only until 2026 (excluding accrued dividend equivalents, including RLTI)
FR Grobler	R22 050	2024	27 524	R9 189	R457	R9 646	44%	29 643	100 214	129 857	<b>R51 512</b>	
VD Kahla	R5 099	2025	8 348	R3 081	R498	R3 578	70%	14 601	33 488	48 089	<b>R19 076</b>	
P Victor <sup>7</sup>	R8 680	2024	–	–	–	–	–	–	–	–	–	

- Includes the 2nd tranche of the award made in September 2017. The CPT applied to this award was 26%.
- Includes the 1st tranche of the award made in March 2020. The CPT applied to this award is 54,31%. (The annual September award of 2019 was delayed to March 2020 for EVPs who were subject to a closed trading period).
- Includes the 2nd tranche of the award made in September 2018. The CPT applied to this award was 44,7%.
- Includes the 2nd tranche of the award made in March 2020. The CPT applied to this award is 54,31%.
- Includes the Restricted award made in December 2020. This award is only subject to a 5 year vesting period, no CPTs.
- Includes the Restricted award made in September 2021. This award is only subject to a 5 year vesting period, no CPTs.
- Mr Victor resigned from Sasol effective 30 June 2022 and sold his beneficial shares before the start of the statutory closed trading period. Awards which have not reached vesting date lapsed on resignation date.
- Average June 2022 share price used (R396,68).



## REMUNERATION REPORT (CONTINUED)

### Prescribed Officers

#### PRESCRIBED OFFICERS' REMUNERATION AND BENEFITS

Prescribed Officers (SA)	S Baloyi <sup>3,4</sup>		HC Brand		BE Klingenberg <sup>12</sup>		BP Mabelane <sup>5</sup>		CK Mokoena		M Radebe <sup>11</sup>		CF Rademan <sup>6,7</sup>		HA Rossouw <sup>8,9</sup>	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Salary	956	–	4 704	4 200	6 647	6 046	7 317	5 606	5 927	5 459	–	1 192	2 027	–	1 737	–
Risk and Retirement funding	215	–	1 487	1 472	2 074	1 966	372	392	350	324	–	166	–	–	196	–
Vehicle benefit	75	–	234	234	212	212	–	–	–	–	–	66	–	–	–	–
Healthcare	29	–	92	86	136	114	56	44	115	93	–	25	–	–	–	–
Vehicle insurance fringe benefit	2	–	6	6	6	6	–	–	–	–	–	2	–	–	–	–
Security benefits	–	–	6	20	200	391	–	–	9	12	–	22	–	–	–	–
Other benefits	332	–	4	–	7	10	5 004	5 001	2	5	–	784	1 500	–	8 001	–
<b>Total salary and benefits</b>	<b>1 609</b>	<b>–</b>	<b>6 533</b>	<b>6 018</b>	<b>9 282</b>	<b>8 745</b>	<b>12 749</b>	<b>11 043</b>	<b>6 403</b>	<b>5 893</b>	<b>–</b>	<b>2 257</b>	<b>3 527</b>	<b>–</b>	<b>9 934</b>	<b>–</b>
Annual short-term incentive <sup>1</sup>	2 494	–	4 415	6 852	4 390	8 940	5 389	7 698	3 740	6 300	–	–	1 503	–	–	–
Long-term incentive gains <sup>2</sup>	3 687	–	13 169	940	9 912	1 583	–	–	6 985	1 212	4 819	980	–	–	–	–
<b>Total annual remuneration</b>	<b>7 790</b>	<b>–</b>	<b>24 117</b>	<b>13 810</b>	<b>23 584</b>	<b>19 268</b>	<b>18 138</b>	<b>18 741</b>	<b>17 128</b>	<b>13 405</b>	<b>4 819</b>	<b>3 237</b>	<b>5 030</b>	<b>–</b>	<b>9 934</b>	<b>–</b>

Prescribed Officers (International)	BV Griffith <sup>10</sup>		JR Harris <sup>13</sup>	
	2022 R'000	2021 R'000	2022 R'000	2021 R'000
Salary	8 745	7 425	–	5 612
Risk and Retirement funding	618	441	–	325
Vehicle benefit	–	–	–	27
Healthcare	314	305	–	141
Vehicle insurance fringe benefit	–	–	–	–
Security benefit	–	–	–	1
Other benefits	409	349	–	1 762
Redundancy payment	–	–	–	1 019
<b>Total salary and benefits</b>	<b>10 086</b>	<b>8 520</b>	<b>–</b>	<b>8 887</b>
Annual short-term incentive <sup>1</sup>	6 418	8 022	–	3 642
Long-term incentive gains <sup>2</sup>	11 940	885	–	1 135
<b>Total annual remuneration</b>	<b>28 444</b>	<b>17 427</b>	<b>–</b>	<b>13 664</b>

- Short-term incentives approved based on the Group results for 2022 and payable in the 2023 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2022 x Group STI achievement x BU achievement x Individual performance achievement.
- Long-term incentives for 2022 represent the award made on 3 March 2020 or 31 October 2019 (Mr Baloyi). The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved (GEC: 54.31%; SVP: 77.15%) x June 2022 average share price. The actual vesting date for the annual awards is 3 March 2023 or October 2022 (Mr Baloyi), 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 3 March 2023 and the balance in March 2025, 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.
- Mr Baloyi was appointed from 1 April 2022. STI is calculated *pro rata* in respect of his SVP and EVP roles. Salary and benefits only disclosed from 1 April 2022.
- Other benefits for Mr Baloyi include a relocation allowance of R306 000 and a settling-in allowance of R25 000.
- Other benefits for Ms Mabelane include her subsidised business transport (R2 150), sign-on/buy-out award partially compensating for the loss of incentives and shares when she resigned from her previous employer (R5 000 000). This amount is made up of the second and third tranche of her staggered sign-on/ buy-out award of R11 000 000. The balance will be paid out in the next twelve months subject to continued service and further retention periods.
- Mr Rademan was appointed from 9 March 2022.
- Other benefits for Mr Rademan include a sign-on payment of R1 500 000 compensating for the incentive which he would have received from his previous employer if he did not resign.
- Mr Rossouw was appointed as CFO designate from 4 April 2022 and became CFO and Executive Director on 1 July 2022.
- Other benefits for Mr Rossouw include a buy-out payment of R8 000 000, tied to a retention period of twenty-four months from date of payment, as compensation for incentives forfeited upon resigning from his previous employer. Mr Rossouw was CFO designate until 30 June 2022. He was not eligible for a 2022 STI award.
- Mr Griffith is appointed in the USA. Dollar denominated salary and benefits have been converted to ZAR using the monthly average of daily closing exchange rates. ZAR/USD depreciation contributes to increase in year-on-year totals.
- Mr Radebe retired in 2021. These awards were granted during his employment and were treated in terms of the "good leaver" rules.
- Mr Klingenberg handed over all executive responsibilities to Mr Baloyi by 1 April 2022 when he ceased to be a Prescribed Officer. Full year's remuneration is disclosed in the interest of transparency. Mr Klingenberg will retire on 31 August 2022.
- Mr Harris's position was declared redundant effective 18 January 2021.

## REMUNERATION REPORT (CONTINUED)

## Prescribed Officers (continued)

## PROGRESS AGAINST MINIMUM SHAREHOLDING REQUIREMENT (MSR):

Beneficial Shareholding	Minimum Shareholding Requirement (MSR) (R'000)	MSR Achievement period (CY)	Beneficial shareholding – 30 June 2022		Post tax vesting – September/October 2022 <sup>1,2,3</sup>		% MSR Achieved – CY2022 (R'000)	Number of shares to vest in CY2023 <sup>4-5,7</sup>	Number of shares to vest in CY2024 – 2026 <sup>8,9</sup>	Total number of vested shares subject only to continued employment	Pre-tax value of vested shares subject only to continued employment (up to CY2026) <sup>12</sup> (R'000)
			Units (R'000)	R2	R1	R2					
S Baloyi <sup>6</sup>	R3 570	2028	8	R2	R1 313	R1 315	37%	5 969	12 539	18 508	R7 342
HC Brand	R4 270	2026	14 091	R3 391	R1 686	R5 077	119%	15 712	31 882	47 594	R18 880
BV Griffith	\$465	2026	4 268	\$70	\$199	\$269	58%	8 443	32 783	41 225	\$1 027
BE Klingenberg	R5 943	2026	–	–	R594	R594	10%	15 782	37 719	53 501	R21 223
BP Mabelane	R5 075	2026	–	–	–	–	–	–	–	–	–
CK Mokoena	R4 188	2026	6 662	R1 774	R225	R1 999	48%	11 320	26 581	37 900	R15 034
HA Rossouw <sup>10</sup>	R11 200	2027	–	–	–	–	–	–	–	–	–
CF Rademan <sup>11</sup>											

Vested shares subject to continued employment only until 2026 (excluding accrued dividend equivalents, including RLTI)

- Includes the 2nd tranche of the award made in September 2017. The CPT applied to this award was 26% (EVP-Mr Klingenberg) and 56% (Messrs Brand & Griffith in their previous SVP roles).
- Includes the 1st tranche of the award made in October 2019 to Messrs Baloyi and Griffith (in their previous roles as SVPs). The CPT applied to this award is 54,31%.
- Includes the award made in October 2019 to Messrs Baloyi, Brand and Griffith in their previous roles as SVPs. This award was not subject to CPTs.
- Includes the 1st tranche of the award made in March 2020 to EVPs. The CPT applied to this award is 54,31%. (The annual September award of 2019 was delayed to March 2020 for EVPs who were subject to a closed trading period).
- Includes the 2nd tranche of the award made in September 2018. The CPT applied to this award was 44,7% for EVPs Mr Klingenberg and Ms Mokoena and 66,8% for Messrs Brand and Griffith in respect of their previous roles as SVPs.
- Includes the 1st tranche of the 70% portion not subject to CPT of the December 2020 award, made to Mr Baloyi in his previous role as SVP.
- Includes the 2nd tranche of the award made in October 2019. The CPT applied to this award is 54,31%.
- Includes the 2nd tranche of the award made in March 2020. The CPT applied to this award is 54,31%.
- Includes the 1st tranche of the 70% portion not subject to CPT of the September 2021 award, made to Mr Baloyi in his previous role as SVP.
- Mr Rossouw, as CFO from 1 July 2022, is subject to an MSR calculated at 2 x annual pensionable remuneration to be achieved within 5 years of appointment.
- Mr Rademan is excluded from the MSR requirement as he does not participate in the LTI plan.
- Average June 2022 share price used (R396,68; \$24,90).

## NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-Executive directors	Board Meeting Fees <sup>1,2,3,4</sup> R'000	Lead Independent Director Fees <sup>1,3,4</sup> R'000	Committee fees <sup>1,3,4</sup> R'000	Ad Hoc or special purpose board committee R'000	VAT R'000	Other R'000	Total 2022 R'000	Total 2021 R'000
SA Nkosi (Chairman)	4 458				669		5 127	5 326
S Westwell (Lead Independent Director)	1 808	758	1 347	–	–		3 913	3 960
C Beggs <sup>5</sup>	245		79	–	48		372	2 469
MJ Cuambe <sup>6</sup>	1 663		578	–	336		2 577	2 698
MBN Dube <sup>7</sup>	1 808		893	–	–		2 701	2 611
M Flöel <sup>8</sup>	1 808		765	–	–	(79)	2 494	2 762
K Harper	1 686		310	–	–		1 996	1 855
GMB Kennealy <sup>9</sup>	1 486		664	–	323		2 473	2 067
NNA Matyumza	1 486		450	–	290		2 226	2 294
ZM Mkhize <sup>10</sup>	629		62	–	104		795	1 853
MEK Nkeli	1 486		605	–	314		2 405	2 296
PJ Robertson <sup>10</sup>	775		371	–	–		1 146	2 733
S Subramoney <sup>11</sup>	1 486		410	–	285		2 181	616
<b>Total</b>	<b>20 824</b>	<b>758</b>	<b>6 534</b>	<b>–</b>	<b>2 369</b>	<b>(79)</b>	<b>30 406</b>	<b>33 540</b>

## Total for reporting

30 406 33 540

- Fees for Q1 and Q2 of FY22 are based on previous fee structure. Fees for Q3 and Q4 are based on the new fee structure effective 1 January 2022.
- Members of the Board agreed to a voluntary reduction of Board fees effective 01 November 2020 of 20% (still applicable for Q1 and Q2).
- Fees exclude VAT.
- Board and Committee fees are based in USD, thus impacted by USD/ZAR foreign exchange rates at date of payment for resident non-executive directors. For Non-Executive Directors permanently residing outside of the UK, Europe and North America, a spot rate on 25 August 2021 and 30 November 2021 was used for September 2021 and December 2021 payments respectively. Effective 1 January 2022, the exchange rate will be fixed for a 12 month period, using the average exchange rate over the preceding June to October period.
- Mr Beggs retired from the Board and its Committees effective 31 August 2021, hence only two thirds of the quarterly Board and Committee fees were paid for the first quarter.
- Mr Cuambe was appointed as a member of Remuneration Committee effective 19 November 2021 and received one third of the Remuneration Committee fee.
- Ms Dube was appointed to the Nomination and Governance Committee effective 1 October 2021.
- Dr Flöel resigned as a member of the Nomination and Governance Committee and was appointed to the Safety, Social and Ethics Committee effective 1 October 2021.
- Ms Kennealy was appointed as Chairman of the Audit Committee, effective 1 September 2021 and received one third of the Audit Chair and two thirds of the Audit member fees. Ms Kennealy was appointed as member of the Nomination and Governance Committee effective 1 October 2021.
- Messrs Mkhize and Robertson retired from the Sasol Limited Board and its Committees effective 19 November 2021. The payment for Q2 was for two thirds of the quarterly Board and Committee fees.
- Mr Subramoney was appointed as a member of Remuneration Committee effective 1 October 2021.

## UNVESTED LTI HOLDINGS (INTRINSIC VALUE)

Prescribed Officers	Cumulative intrinsic value at beginning of year <sup>2</sup> \$'000 and R'000	Intrinsic value of awards made during the year <sup>3</sup> \$'000 and R'000	Change in intrinsic value for the year <sup>4</sup> \$'000 and R'000	Effect of corporate performance targets \$'000 and R'000	Dividend equivalents \$'000 and R'000	LTIs settled <sup>5</sup> \$'000 and R'000	Effect of change in Prescribed Officers \$'000 and R'000	Cumulative intrinsic value at end of year <sup>2</sup> \$'000 and R'000
S Baloyi <sup>1</sup>	–	R8 091	R1 072	–	–	–	R10 179	R19 342
HC Brand	R25 740	R7 079	R20 515	(R584)	R65	(R1 128)	–	R51 687
BV Griffith	\$1 770	\$623	\$1 051	(\$36)	\$3	(\$81)	–	\$3 330
BE Klingenberg <sup>1</sup>	R30 669	R9 852	R21 483	(R2 447)	R110	(R2 306)	(R57 361)	–
BP Mabelane	R19 271	R8 413	R17 067	–	–	–	–	R44 751
CK Mokoena	R21 588	R6 943	R17 279	(R1 873)	R84	(R1 955)	–	R42 066
HA Rossouw <sup>1</sup>	–	R13 378	(R1 211)	–	–	–	–	R12 167

- Mr Klingenberg resigned from office on 31 March 2022 as Prescribed Officer. He remains in service until 31 August 2022 when he retires. Messrs Baloyi and Rossouw were appointed to the GEC on 1 April and 4 April 2022 respectively. Mr Rossouw was appointed as an Executive Director effective 1 July 2022. He was CFO designate in 2022.
- Intrinsic values at the beginning and end of the year have been determined using the closing price of:
  - 30 June 2022 R371,68 (\$23,06)
  - 30 June 2021 R218,01 (\$15,33)
- LTIs granted on 27 September 2021 and 25 May 2022.
- Change in intrinsic value for the year results from changes in share price.
- Long-term incentives settled represent long-term incentives that vested with reference to the group results for 2021 that was settled in the 2022 financial year. The difference between the long-term incentive gains disclosed in 2021 and the amount settled in 2022 is due to the difference in actual share price at vesting date and the share price at date of disclosure.

## ADMINISTRATION

### Contact details

#### Shareholder helpline

Information helpline: 0800 800 010  
Email: [sasol@seinvestorservices.co.za](mailto:sasol@seinvestorservices.co.za)

#### Assistance with Annual General Meeting (AGM) queries and proxy forms

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Email: [sasol@seinvestorservices.co.za](mailto:sasol@seinvestorservices.co.za)

#### Depository bank

J.P. Morgan Depository Receipts  
383 Madison Avenue, Floor 11  
New York, NY 10179  
United States of America

#### Direct purchase plan

J.P. Morgan offers a convenient way for you to buy ADRs through the Global Invest Direct Program ("GID Program"). If you wish to participate or review the Program brochure, please visit [adr.com/shareholder](http://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; and
- own and transfer your ADSs without holding or delivering paper certificates.

#### Questions or correspondence about Global Invest Direct

Please call Global Invest Direct  
+1 800 428 4267

Mail:

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Overnight mail:

Shareowner Services  
1110 Centre Pointe Curve, Suite 101  
Mendota Heights MN 55120-4100  
United States of America

#### Website

[www.sasol.com](http://www.sasol.com)



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#### Shareholders' diary

##### DIVIDEND

##### Ordinary shares and Sasol BEE ordinary shares:

Declaration date	Tuesday, 23 August 2022
Last day of trading to qualify for and participate in the dividend (cum dividend)	Tuesday, 6 September 2022
Trading ex dividend commences	Wednesday, 7 September 2022
Record date	Friday, 9 September 2022
Dividend payment date (electronic and certificated register)	Monday, 12 September 2022

##### American Depository Receipts<sup>1</sup>:

Ex dividend on New York Stock Exchange (NYSE)	Thursday, 8 September 2022
Record date	Friday, 9 September 2022
Approximate date for currency conversion	Tuesday, 13 September 2022
Approximate dividend payment date	Friday, 23 September 2022
<b>ANNUAL GENERAL MEETING</b>	Friday, 18 November 2022

<sup>1</sup> All dates approximate as the NYSE sets the record date after receipt of the dividend declaration.

#### Share registrars

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#### Business address and registered office

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Republic of South Africa

#### Company registration number

1979/003231/06

#### Investor Relations

Sasol's contacts with the security analyst and investor community are through the Investor Relations office:

Email: [Investor.Relations@sasol.com](mailto:Investor.Relations@sasol.com) Telephone: +27 (0) 10 344 9280

### Forward-looking statements

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, and measures taken in response, on Sasol's business, results of operations, markets, employees, financial condition and liquidity; the effectiveness of any actions taken by Sasol to address or limit any impact of COVID-19 on its business; the capital cost of our projects and the timing of project milestones; our ability to obtain financing to meet the funding requirements of our capital investment programme, as well as to fund our ongoing business activities and to pay dividends; statements regarding our future results of operations and financial condition, and regarding future economic performance including cost containment, cash conservation programmes and business optimisation initiatives; recent and proposed accounting pronouncements and their impact on our future results of operations and financial condition; our business strategy, performance outlook, plans, objectives or goals; statements regarding future competition, volume growth and changes in market share in the industries and markets for our products; our existing or anticipated investments, acquisitions of new businesses or the disposal of existing businesses, including estimates or projection of internal rates of return and future profitability; our estimated oil, gas and coal reserves; the probable future outcome of litigation, legislative, regulatory and fiscal developments, including statements regarding our ability to comply with future laws and regulations; future fluctuations in refining margins and crude oil, natural gas and petroleum and chemical product prices; the demand, pricing and cyclicity of oil, gas and petrochemical product prices; changes in the fuel and gas pricing mechanisms in South Africa and their effects on prices, our operating results and profitability; statements regarding future fluctuations in exchange and interest rates and changes in credit ratings; total shareholder return; our current or future products and anticipated customer demand for these products; assumptions relating to macroeconomics; climate change impacts and our climate change strategies, our development of sustainability within our Energy and Chemicals Businesses, our energy efficiency improvement, carbon and GHG emission reduction targets, our Net Zero carbon emissions ambition and future low-carbon initiatives, including relating to green hydrogen and sustainable aviation fuel; our estimated carbon tax liability; cyber security; and statements of assumptions underlying such statements. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour", "target", "forecast" and "project" and similar expressions are intended to identify 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 31 August 2022 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 foregoing factors and other uncertainties and events, and you should not place undue reliance on forward-looking statements. 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.

**Comprehensive additional information is available on our website: [www.sasol.com](http://www.sasol.com)**

#### Photography

Photographs used in this report have been sourced from our photographic library and many were taken before the COVID-19 outbreak. Some of these photographs do not reflect the social distancing and protocols approved by the World Health Organization (WHO) such as wearing of masks in public place and social distancing. All initiatives and related photographs done during the pandemic were carried out in line with country-specific requirements. Photographs used from stock libraries have been sourced with relevant licences.

#### Abbreviations

AUC – assets under construction	GTL – gas-to-liquids	Net debt: EBITDA – EBITA as defined in the loan agreements
B-BBEE – Broad-Based Black Economic Empowerment	H <sub>2</sub> – hydrogen	NG – natural gas
bbl – barrels	HEPS – Headline Earnings per Share	oil – references Brent crude
BC – Base Chemicals business	IFRS – International Financial Reporting Standards	one billion – one thousand million
boe – barrels of oil equivalent	ISCC – International Sustainability and Carbon Certification	one – one thousand million
b/d – barrels per day	JSE – Johannesburg Stock Exchange Limited	p.a. – per annum
bscf – billion standard cubic feet	kt – thousand tons	PPA – Power Purchase Agreement
capex – capital expenditure	ktpa – thousand tons per annum	PSA – Production Sharing Agreement
CFC – cash fixed cost	KZN – KwaZulu-Natal	PtX – renewable power and sustainable CO <sub>2</sub> to low-carbon fuels and chemicals
CHEPS – core headline earnings per share	LC – Lake Charles	RCR – recordable case rate
CO <sub>2</sub> – carbon dioxide	LCCC – Lake Charles Chemicals Complex	RE – renewable energy
CPTs – corporate performance targets	LCCP – Lake Charles Chemicals Project	Rm – rand millions
CTL – coal-to-liquids	LBIT – loss before interest and tax	ROIC – return on invested capital
CTRG – Central Termica De Ressane Garcia S.A.	LTIs – long-term incentives	RÖMPCO – Republic of Mozambique Pipeline Investment Company (Pty) Ltd
CY – calendar year	LIP JV – Louisiana Integrated Polyethylene Joint venture	SAF – Sustainable Aviation Fuel
DEPS – diluted earnings per share	LNG – liquefied natural gas	SARs – Share Appreciation Rights scheme
EBIT – earnings before interest and tax	LWDC – lost work day cases	SARS – South African Revenue Services
EBITDA – earnings before interest, tax, depreciation and amortisation	m <sup>3</sup> /h – cubic metre per hour	Sasol 2.0 – group-wide transformation programme
EPS – earnings per share	m bbl – thousand barrels	SO – Secunda Operations
eq – equivalent	mm bbl – million barrels	STIs – short-term incentive
ESG – environmental, social and governance	m mboe – million barrels oil equivalent	\$/ton – US dollar per ton
FER-SR – fires explosions and releases-severity rate	mm <sup>3</sup> – million cubic metres	t/cm/s – tons per continuous miner per shift
FT – Fischer-Tropsch	mmscf – million standard cubic feet	US – United States of America
Fulco – Sasol Mining full calendar operation	mm tons – million tons	WACC – weighted average cost of capital
FY – Financial year	Moz – Mozambique	
GHG – greenhouse gas	MW – megawatt	
GM – gross margin		

#### Please note

One billion is defined as one thousand million, bbl – barrel, bscf – billion standard cubic feet, mmscf – million standard cubic feet, oil references Brent crude, m mboe – million barrels oil equivalent. All references to years refer to the financial year ended 30 June. Any reference to a calendar year is prefaced by the word "calendar".

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