



SASOL LIMITED

CLIMATE CHANGE REPORT

for the year ended 30 June 2022



Delivering with Purpose
FUTURE SASOL



CONTENTS

INTRODUCTION

Sasol at a glance	2
Our climate change journey	3
Snapshot of our approach	4
Year in review	5
Progressing efforts to achieve our targets	6
Messages from the Chairperson of the SSEC and Sasol's President and Chief Executive Officer	7
Sasol's commitment to climate action	8
Responding to stakeholders issues	9
Improving our emissions reporting	11

RISKS AND OPPORTUNITIES

Risk management	13
Resilience of our portfolio	16

OUR FUTURE SASOL STRATEGY

Implementing the Future Sasol strategy	20
Decarbonising our operations	23

OUR FUTURE SASOL STRATEGY (CONTINUED)

Decarbonising our value chains	31
Capital allocation and green funding	36
Effecting a just transition	38
Adapting to climate change	42

GOVERNANCE

Governing climate change	45
Executive remuneration	47
Climate advocacy and policy	48

DATA AND ASSURANCE

Performance data	56
TCFD index	57
Independent assurance report to the Directors of Sasol Limited (Scope 3) Year ended 30 June 2022	58
CA 100+ assessment of Sasol's climate change response	59
Additional information	60
Appendix: Sasol's scope 3 emission categories	61

Director's approval

The Safety, Social and Ethics Committee (SSEC) of the Sasol Limited Board (the Board) is responsible for ensuring the integrity of our sustainability and climate change reporting. We confirm that the 2022 Climate Change Report addresses all material matters relating to climate change from a double materiality perspective (see **IR** page 36) and fairly represents the Group's climate change performance. The SSEC, authorised by the Board, approved this report and its publication on 26 August 2022.

Signed on behalf of the SSEC:

Muriel Dube
Chairperson of the SSEC

Our three-pillar emission-reduction framework

- REDUCE EMISSIONS**
- TRANSFORM OPERATIONS**
- SHIFT THE PORTFOLIO**

Our prioritised SDGs are indicated; this report focuses on SDG 13 and 17.



African Business Leadership Coalition (ABLC)

In pursuing collaboration and strengthening partnerships, Sasol accepted the invitation to join the Founding Group of the ABLC.

Applying the United Nations (UN) Global Compact Ten Principles, TCFD and prioritising five Sustainable Development Goals (SDGs).



OUR SUITE OF REPORTS



- 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 climate change risks and opportunities.
- CAPS Climate Advocacy and Policy Supplement**
Information on Sasol's advocacy efforts and participation in policy advocacy bodies.
- 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, or on request from Investor Relations. Contact details available on website.

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

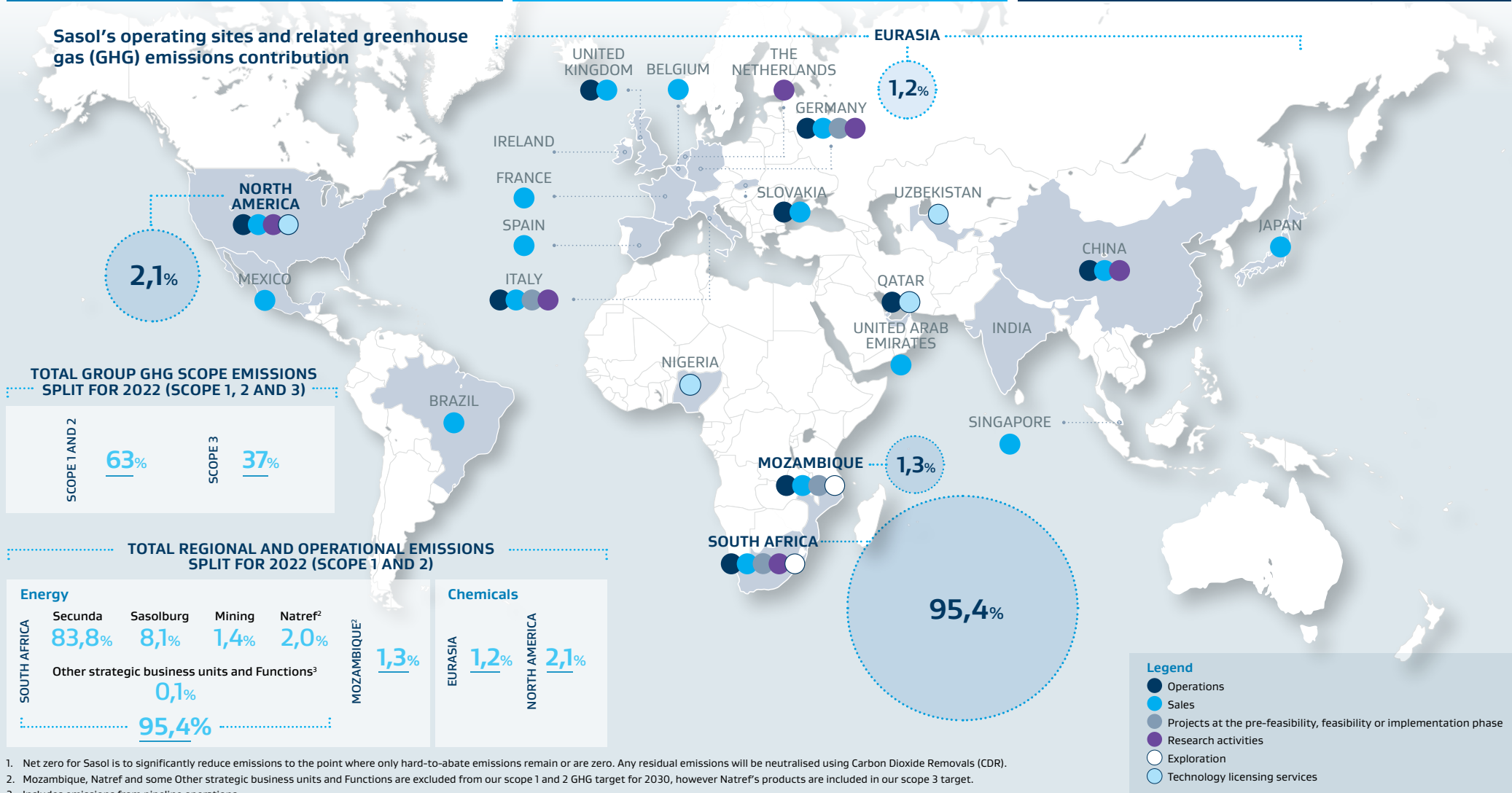
	REPORTS		
The International Integrated Reporting <IR> Framework	IR	AFS	
South African Companies Act 71 of 2008, as amended	IR	AFS	
Johannesburg Stock Exchange (JSE) listings requirements	IR	AFS	
King IV™ Report on Corporate Governance for South Africa, 2016	IR	AFS	
International Financial Reporting Standards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

SASOL AT A GLANCE

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. We are committed to sustainability and accelerating our transition to a net zero¹ ambition by 2050.

PEOPLE Pursue zero harm, undertake a just transition and improve our culture	PLANET Advance sustainability	PROFIT Deliver and maximise value
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Sasol's operating sites and related greenhouse gas (GHG) emissions contribution



1. 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 Removals (CDR).
 2. Mozambique, Natref and some Other strategic business units and Functions are excluded from our scope 1 and 2 GHG target for 2030, however Natref's products are included in our scope 3 target.
 3. Includes emissions from pipeline operations.

OUR CLIMATE CHANGE JOURNEY

SCOPE 1 AND 2 MILESTONES

5% reduction by 2026 for Sasol Energy

20% reduction by 2026 for Sasol Chemicals



TARGETS

Reduce absolute scope 1 and 2 emissions by **30%** by 2030¹

1. For the Sasol Energy and Sasol Chemicals Businesses (excluding Natref and Mozambique)
2. For Category 11; applicable to Sasol Energy

Reduce absolute scope 3 emissions by **20%** by 2030²

3. For scope 1, 2 and 3; Category 11; applicable to Sasol Energy and Chemical Businesses (excluding Natref and Mozambique)



100% purchased renewable electricity for Sasol Chemicals by 2030 (excluding Nanjing and self-generation)

1 200 MW⁴ renewable energy for Sasol Energy by 2030 (excluding load-factor, applies to Southern African operations including Mining)

4. Megawatts (MW)

~7% GHG reduction⁵ from 2017 baseline

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

25% pay weighting linked to ESG targets



REDUCE



Concluding agreements for **>600 MW⁶** renewable energy for Southern African operations before end-2025

6. Initial 600 MW procured in partnership with Air Liquide of which 200 MW is Sasol's portion



Introduced **296 000 GJ⁷** renewable electricity at Sasol Chemicals

7. Gigajoules (GJ)

Achieved **100%** external renewable electricity for Brunsbüttel, Germany



R15 – 25 billion committed cumulative capital expenditure to 2030 for the emission-reduction roadmap



TRANSFORM



Achieved **ISCC⁸ PLUS certification** of sustainable feedstocks for major European operations at Marl, Brunsbüttel and Augusta

8. International Sustainability and Carbon Certification (ISCC)

First volumes of **Sustainable products sold** from Sasol Chemicals



Negotiating term sheets **40 – 60 PJ/a⁹** Liquefied Natural Gas (LNG) as transitional feedstock

9. Petajoules (PJ) per annum



SHIFT



Final Investment Decision (FID) for first green hydrogen project initial volumes expected from Sasolburg towards the end-2023



Sustainable Aviation Fuel (SAF) four Memorandums of Understanding (MoUs) signed by Sasol ecoFT with European partners



Next generation Fischer-Tropsch (FT) catalyst launched CARE-O-SENE research partnership between Germany and South Africa for enhancement of the fourth generation (G4) catalyst optimised for SAF production



A – score for CDP Climate
TCFD reporting
Just transition roadmap in development



SNAPSHOT OF OUR APPROACH

NET ZERO 2050

SASOL'S DECARBONISATION APPROACH FOR A JUST TRANSITION¹

THREE-PILLAR EMISSION-REDUCTION FRAMEWORK



REDUCE OUR EMISSIONS

- Short- to medium-term reductions, including switching to low-carbon energy sources and additional process and energy efficiency improvements.



TRANSFORM OUR OPERATIONS

- Integrating cleaner alternative feedstocks, such as gas and green hydrogen.
- Employing optimised processes and sustainable carbon feedstocks to reduce our emissions profile, where viable.
- Collaboratively finding opportunities to benefit our concentrated carbon dioxide (CO₂) sources to unlock broader societal value.



SHIFT OUR PORTFOLIO

- Creating sustainable products for new value pools using our FT technology.
- Actively reviewing equity in assets not aligned with our long-term strategy.
- Enabling the creation of a new green hydrogen production and market footprint.

ADAPTATION RESPONSE



RESILIENCE TO PHYSICAL WEATHER IMPACTS¹¹

- Proactively responding to the physical risks associated with climate change, including extreme weather events.
- Continuing to take steps to understand and respond to current and projected future weather and climate risk for our business, employees and surrounding communities.

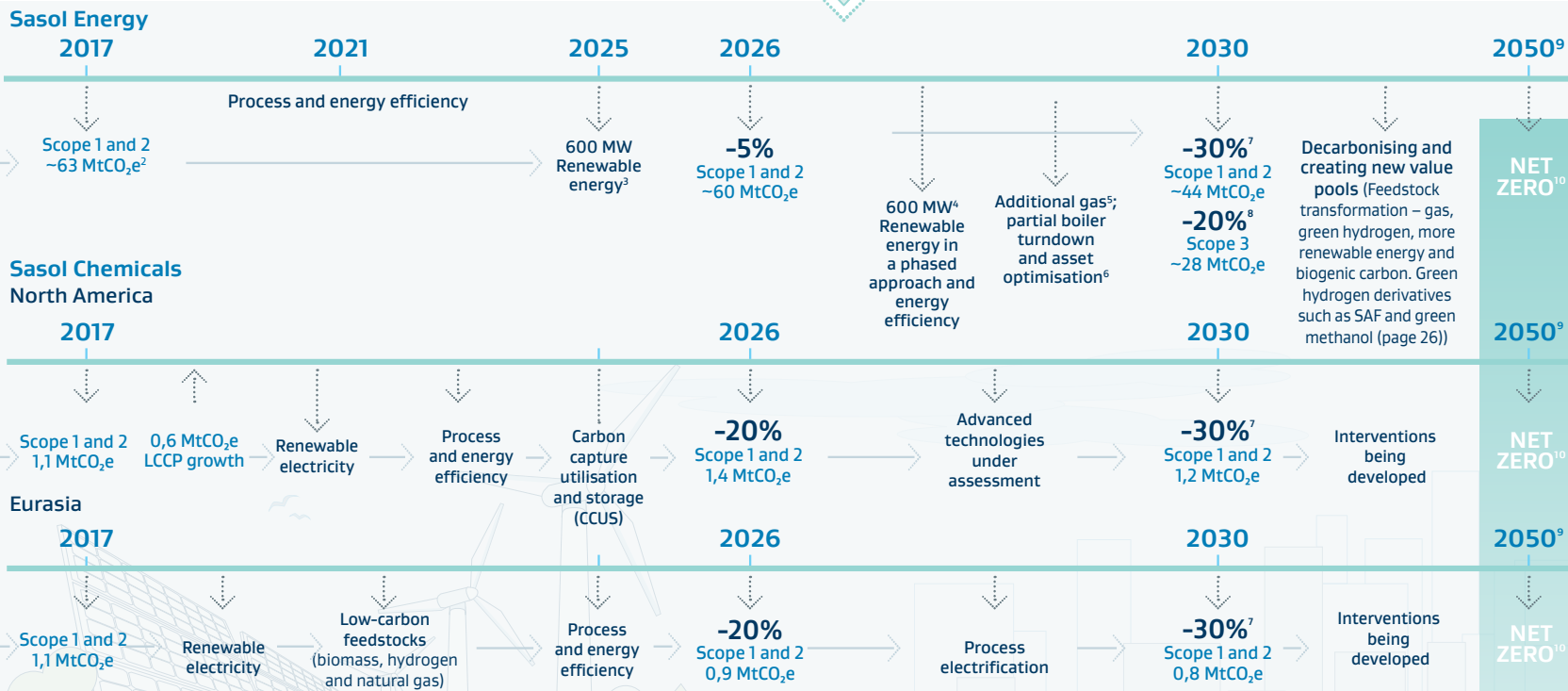


ENABLING INITIATIVES AND PARTNERSHIPS

- Using quality carbon offsets as a last resort measure to complement our three-pillar emission-reduction framework.
- Developing a just transition roadmap with prioritised interventions focusing on affected workers and communities.
- Developing a global network of research, partnership and community initiatives to accelerate the change.
- Communicating with our stakeholders through transparent climate change disclosures.

2030 AND 2050 SCOPE 1 AND 2 GHG EMISSION-REDUCTION ROADMAPS

- Assess and define interventions to reduce emissions in the short (up to 2025) to medium term (2026 to 2035) and transform our operations in the medium to long term (2036 to 2050).



1. See section on decarbonising our operations and risk and opportunities, pages 23 – 28 and 13 – 15.
 2. Re-baselined our 2017 target base year, removing divestments and including methodological changes; also includes South African Chemicals value chain.
 3. 200 MW is Sasol's portion of the initial procured 600 MW in partnership with Air Liquide.
 4. Having sold part of the Air Separation Units (ASUs) to Air Liquide, 800 MW represents Sasol's consumption of the total 1 200 MW target for the Secunda site.
 5. An additional ~40 – 60 PJ/a gas.
 6. Reduces scope 1, 2 and 3 emissions.

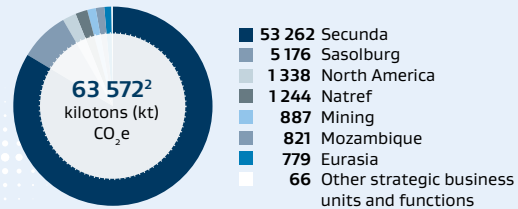
7. Targets include CO₂, methane (CH₄) and nitrous oxide (N₂O), representing 95% of total emissions.
 8. Baseline 2019, Category 11 emissions, sales from Sasol and Natref's products included, representing >80% of total scope 3 emissions.
 9. Net zero ambition follows a strict mitigation hierarchy prioritising on-site reduction before offsets.
 10. In the best case scenario the fossil-fuel-free vision materialises, with no need for CDRs, while the worst case net zero scenario leaves ~<35% hard-to-abate residual scope 1, 2 and 3 (Category 11) emissions, which will require CDRs to neutralise.
 11. See pages 42 – 44 for adaptation approach.

YEAR IN REVIEW



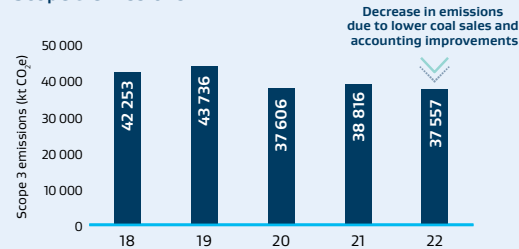
GROUP GHG PERFORMANCE FOR 2022

Group scope 1 and 2 emissions¹



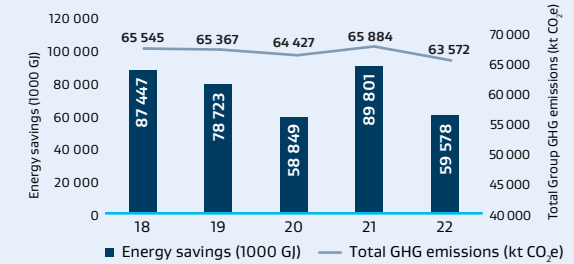
- GHG emissions have been calculated and reported in accordance with the GHG Protocol (www.ghgprotocol.org) and the Intergovernmental Panel on Climate Change (IPCC) 2006 Guidelines, data breakdown provided on page 56.
- See text in insert "Emission reductions since 2017". Group emissions do not equal target baseline.

Scope 3 emissions³



- See page 32 for detail on our calculated scope 3 categories. Scope 3 Category 11 includes sales of Natref's products.

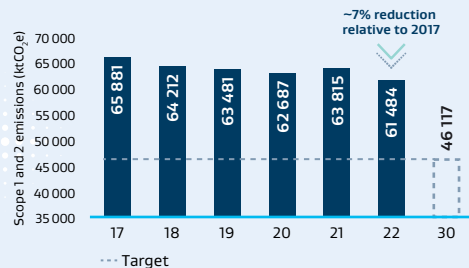
Group energy savings⁴



- Overall decrease in energy savings for 2022 due to operational challenges.

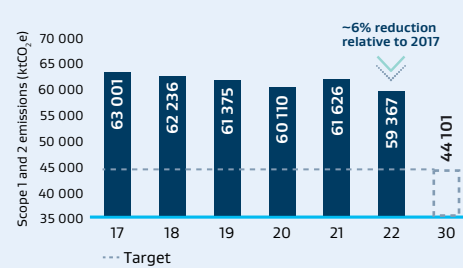
PERFORMANCE AGAINST OUR 2030 TARGETS FOR 2022

Sasol Energy and Chemicals combined target tracking^{5, 6, 7}



- Represents 95% of total Group emissions. This excludes Mozambique, Natref and some strategic business units.
- Represents a combined Sasol Energy and Chemicals restated 2017 baseline due to divestments and methodology improvements (see page 11).
- Reviewing the Sasol Chemicals baseline for 2017 as actual operating efficiencies at LCCP units are better than design specifications used to determine base year emissions.

Sasol Energy scope 1 and 2 target tracking, excluding Natref⁸



- Natref, Mozambique and some strategic business units are excluded from our 2030 GHG target. Target setting for Natref will be undertaken in consultation with our Joint Venture (JV) partners.

Emission reductions since 2017

Achieved a ~7% reduction off the combined Sasol Energy and Chemicals restated 2017 scope 1 and 2 baseline, equating to a 4,4 MtCO₂e reduction:

- The lower emissions profile relative to 2021 is largely attributable to reduced production rates at Sasol Energy, which also results in a higher GHG intensity;
- In 2021, Sasol provided guidance to the market that Secunda's production would be between 7,4 and 7,5 Mt; however due to lower than targeted production in 2022 our GHG emissions are lower than anticipated;
- We expect production to normalise to levels of 7,2 to 7,5 Mt in the coming year which will likely result in a higher emissions profile for Secunda in 2023;
- Our scope 2 emissions at Sasol Energy are higher because of an increase in purchased electricity to allow for the diversion of internal gas from power production (gas engines and turbines) to the process, as well as an increased grid emission factor; and
- For Sasol Chemicals, we are seeing benefits from shifts to renewable energy and implementation of process and energy efficiency improvements. Implementing artificial intelligence carbon dioxide measurement tool at our Lake Charles Chemicals Complex. Further information to be disclosed in future reports.

Overall, we remain on track with our commitment to achieve a 30% reduction by 2030.



PROGRESSING EFFORTS TO ACHIEVE OUR TARGETS

NET
ZERO
2050

2030 TARGET AND NET ZERO AMBITION BY 2050

SASOL ENERGY AND CHEMICALS COMBINED BASELINE 2017

Total scope 1 and 2 emissions
65,9 MtCO₂e¹

2022 performance
~7% reductions from 2017²

Progress towards
2030 target



On track with milestones



1 Reduce by 30% absolute scope 1 and 2 GHG emissions by 2030 for the Sasol Energy and Chemicals businesses

2 Reduce by 20% absolute scope 3 emissions by 2030 for Category 11: use of our sold energy products

3 Reduce absolute scope 1, 2 and 3: Category 11 GHG emissions to achieve a net zero emissions ambition by 2050 for the Sasol Energy and Chemicals businesses

WHY

Sasol supports the Paris Agreement. We are committed to playing our part in the global effort to meet the Paris Agreement goals and have used a science-based approach to set our targets.

Sasol is a significant emitter of GHGs, particularly in South Africa. Although we have made valuable reductions in GHG emissions since 2004, we are responding to the need to do much more to meet the Paris Agreement goals.

Sasol's scope 3 emissions account for ~38% over the period 2019 – 2022 and in 2022 accounted for 37% of our total GHG emissions. Our most significant scope 3 emissions arise from Category 11.

HOW

We have set a 30% emission-reduction target, which supports South Africa in potentially achieving the lower end of its Nationally Determined Contribution (NDC)³ target of 350 MtCO₂ by 2030. Our medium-term target is a foundation to support achievement of our 2050 ambition. We are transforming our business towards an absolute scope 1, 2 and 3 (Category 11) net zero ambition by 2050. In addition, we are aiming for a 20% reduction on scope 3 emissions for Category 11 by 2030.

Sasol has defined roadmaps for our relevant operations, detailing mitigation technology levers we intend deploying. We have developed several pathways to achieve net zero so that we have optionality.

As part of a scope 3 programme focusing on all 15 categories of emissions, we are developing a scope 3 Category 11 emission-reduction roadmap to support our target. We are also working collaboratively with customers and suppliers to reduce scope 3 emissions across our value chains (see page 32).

ACHIEVEMENTS

SASOL ENERGY

Concluding negotiations on Power Purchase Agreements (PPAs) for over **600 MW** of solar and wind renewable power for introduction before end-2025 – one of the largest private sector renewable energy procurement initiatives in Southern Africa

Advancing negotiation of a term sheet for **40 – 60 PJ/a** of liquefied natural gas (LNG) as additional gas over and above our current requirements of 160 PJ/a to replace 10 Mtpa of coal by 2030 (representing a **25% reduction** in coal usage)

Achieved final investment decision for the Sasolburg green hydrogen project and fast-tracked the associated procurement of renewable energy

Developed a commercially usable fine coal briquette solution as an option to support Secunda's boiler turnaround for the first step change in emissions by end 2025

Confirmed the full-scale viability to recycle biosludge to our coal gasifiers

SASOL CHEMICALS

Concluded multiple renewable PPAs and a CO₂ neutral steam supply agreement amounting to 72 ktpa CO₂e reduction for our operations in Europe

Achieved 100% renewable energy supply for imported electricity for the Brunsbüttel site in January 2022

Obtained ISCC Plus certification for sustainable feedstocks for Marl, Brunsbüttel and Augusta

Undertook first sales of certified renewable ethylene derivatives to customers

SASOL ecoFT

Progressing Sasol ecoFT's mandate through conclusion of several partnership agreements to grow sustainable FT solutions for the production of SAF, including development of a G4 catalyst optimised for SAF production

CHALLENGES IN THE SHORT TO MEDIUM TERM

- Delay in the German H2Global auction potentially impacting timelines for production of SAF at Secunda, using green hydrogen
- Lack of recognition for co-processing of bio-derived and fossil fuel feedstocks from FT processes in the Draft European Union (EU) Delegated Act 28 to allow for a phased transition to net zero, particularly in developing countries where alternatives are limited
- Lack of recognition for recycled fossil CO₂ as a feedstock for SAF production beyond 2035 in the Draft EU Delegated Act 28
- Delays and price increases in United States Virtual Power Purchase Agreements (VPPAs) due to anti-dumping sanctions and higher energy prices in Europe as a result of the Russia/Ukraine conflict
- Delays in disclosure of the scope 3: Category 12 emissions baseline because of the complexity of methodology
- Escalating carbon tax rates out of sync with mitigation, potentially increasing the cost of decarbonisation
- Methane focus potentially limiting the use of gas in the short to medium term and identifying interventions to address methane leaks at Pande-4 in Mozambique
- Affordability and lack of incentives for sustainable products in markets
- Inability to secure skills and capabilities to support the transition
- Constrained electricity grid infrastructure and renewable energy supply chains

CHALLENGES IN THE LONG TERM

- The lack of certainty on how the technology landscape will evolve
- Incentives not being in place to assist with the transition and rapidly falling away before technology costs come down
- Ability to access affordable sustainable carbon feedstocks
- Lack of CCS, DAC and electrolyzers moving down the cost curve fast enough
- Cost of capital remains high

1. Re-baselined our 2017 target base year, removing divestments and including methodological changes for Sasol Energy.
2. For combined Sasol Energy and Chemicals baseline and largely due to lower production and operational issues.

3. Dependent on the electricity sector also decarbonising.

MESSAGES FROM THE CHAIRPERSON OF THE SSEC AND SASOL'S PRESIDENT AND CHIEF EXECUTIVE OFFICER



“ Sasol remains resolute in its commitment to decarbonise and enable a just transition so that it is sustainable and contributes to a thriving society. ”

Muriel Dube
Chairperson of the SSEC



“ Sasol is acting on our commitment to reduce our GHG emissions by 30% by 2030 which lays a foundation for achieving a net zero ambition by 2050. ”

Fleetwood Grobler
President and Chief Executive Officer

Dear stakeholders

Since redefining our Future Sasol strategy, we have seen continued global volatility and uncertainty with significant shifts in geopolitical dynamics. Most notably, profound changes in aspects of global energy, which highlights the critical importance of energy security. In addition, the world has been adjusting to and coming to terms with the impact of the COVID-19 pandemic, while grappling with climate change risks.

Sasol is advancing its commitment to decarbonise and enable a just transition so that it is sustainable and contributes to a thriving society. Last year, we announced ambitious climate change targets in support of the Paris Agreement goals. The Company committed to pursue a net zero ambition by 2050, and in the medium term, to significantly reduce GHG emissions by 30% by 2030. With these goals as our north star, we have the flexibility to course correct while executing against the Future Sasol strategy.

The SSEC retains accountability for the climate change Group top risk. This risk remains ever present amid catastrophic weather events being experienced globally. Most recently, South Africa experienced devastating floods in KwaZulu-Natal that displaced communities, destroyed essential infrastructure and significantly disrupted economic activity. We assisted communities and local government during the event and in the aftermath. Sasol is still dealing with the supply chain challenges emanating from this event and will likely do so for the foreseeable future. These events underscore the urgent need to bolster resilience as part of an effective climate change response that addresses both adaptation and mitigation.

I am encouraged by the partnerships and collaboration pursued by Team Sasol over the last year which underpins our just transition approach that seeks to balance the vital need

for economic development, job creation, energy security and GHG emission-reduction.

As countries around the world transform their energy systems, it is essential that business, government and societies partner for the just transition. It is critical that exporting countries, particularly emerging markets such as South Africa, are able to access destination markets through enabling policy and regulation that will not prejudice or impede its ability to transition. In this regard, regulatory challenges need to be addressed within the remit of a just transition to enable South Africa to continue to trade with Europe as a key partner.

At COP26, I was heartened to see the financing pledge of US\$8,5 billion from key developed countries to assist South Africa in its just transition. While work is underway to formulate a strategic allocation framework for these funds, it exemplifies the multilateral partnerships needed to combat climate change and act collectively.

We continue to engage our stakeholders for their perspectives and we welcome this ongoing engagement. Noting the trend of global volatility and uncertainty, Sasol is committed to realising its ambition to be future-fit.

Muriel Dube
Chairperson of the SSEC
26 August 2022

Dear stakeholders

As I reflect on the past year, what stands out is team Sasol's dedication to our decarbonisation goals as endorsed at the 2021 Annual General Meeting (AGM).

We remain confident in our decarbonisation strategy, supported by positive strides taken in the past year. Our approach retains a degree of agility and responsiveness as we navigate a complex and evolving landscape that is supported by our pragmatic approach to capital allocation. In this report more detail is provided on our roadmaps, the use of gas as a transition lower-carbon energy source and the viability of green and emerging technologies to develop sustainable business solutions. Notwithstanding the many unknowns and challenges, we remain steadfast that these will be navigated as we and the global industry accelerate research and development efforts into low-carbon solutions.

The urgency with which we must respond to climate change requires a deliberate approach and collective will, which extends beyond a single entity. We are creating partnerships to catalyse innovation and help provide answers to some of our own and the world's most difficult climate change challenges. In complementing our strategy, our goal is to create an ecosystem of partners to close identified gaps in skills, technology, experience and expertise. We are learning from our partners, tapping into their thought leadership, as well as offering internal resources and talent to innovate and generate sustainable solutions, while together securing economies of scale.

Sasol is one of the world's largest producers of grey hydrogen. We are leveraging this

expertise to contribute to developing the green hydrogen economy in Southern Africa. During 2023, our first volumes of green hydrogen will be produced from existing electrolyzers in Sasolburg. This will be the largest volume of green hydrogen produced in Southern Africa and is a key milestone to stimulate the local green hydrogen economy. We are also advancing the pre-feasibility study for the Boegoebaai green hydrogen project in the Northern Cape and are evaluating other mega-projects. Sasol is concluding PPAs with suppliers for greater than 600 MW of a pioneering volume of renewable energy that will be supplied to our operations before end-2025.

Sasol eCOFT, our newest business, is making progress and has committed to several partnerships to determine the feasibility of producing SAF from green hydrogen and sustainable carbon sources. These catalytic projects are currently mainly focused in Europe and are leveraging our proven FT technology to produce e-kerosene and sustainable naphtha products.

Moreover, Sasol Chemicals are leveraging our unique chemistry to produce sustainable chemicals that are essential for modern society. We are also moving ahead with integrating renewable energy into our facilities, potentially pursuing CCS in the United States and establishing a customer-centric low-carbon portfolio.

Achieving the Future Sasol strategy is not without challenges. In the past year, the EU

issued directives that could limit the placement of transition green hydrogen products in the EU market, for example SAF produced from repurposed South African assets. In addition, the South African government recently proposed challenging future carbon taxes, with allowances remaining uncertain. We also faced operational instabilities and witnessed delays in the licensing of renewable energy.

Although these issues are concerning, we are addressing them head-on. We have accelerated our proactive advocacy campaigns, increased consultations with key stakeholders and are advancing decarbonisation projects (where possible), while we continue to innovate to deliver reductions within the context of a just transition. Together with our South African and German partners, we are also actively changing the Power-to-Liquids (PtL) research landscape, with a focus on developing higher yielding FT catalysts to optimise SAF production.

In closing, as we forge ahead in shaping a future Sasol that is more competitive and sustainable, we are advancing our collective learning and enhancing our ability to respond effectively to an ever-changing environment that we are confident will deliver increasing value into the future.

Fleetwood Grobler
President and CEO
26 August 2022

SASOL'S COMMITMENT TO CLIMATE ACTION

OUR CLIMATE CHANGE POSITION:

- support the Paris Agreement;
- accept mainstream climate science assessed by the IPCC for net zero CO₂ 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; and
- recognise the importance of adaptation and resilience to a changing climate.

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

SUPPORTING THE PARIS AGREEMENT MEANS:

- aligned with the goal of limiting global warming to well below 2°C and pursuing efforts to limit the temperature increase to 1,5°C;
- undertaking measures based on mitigation potential and our fair share responsibility;
- incorporating national circumstances and the just transition;
- setting science-based targets; and
- progressing towards a net zero ambition by 2050¹.

NET
ZERO
2050

Applying a science-based approach

Taking our large emissions profile into account and the need to give comfort to our stakeholders, we assessed the Science Based Target initiative (SBTi)², which is increasingly becoming a standard against which corporate GHG targets are being assessed. Sasol operates a relatively unique business that does not fall within the available methodologies of the SBTi toolkit. For the Oil and Gas and Chemical sectors³ methodologies have not yet been finalised and previous assessments for companies specifically in the Oil and Gas sector, where applied, have been paused. Once appropriate methodologies are available, we will assess their applicability for Sasol (see below for our view on SBTi). In the absence of this, and similar to other Oil and Gas and Chemical companies, an SBTi-based independent assessment of our alignment with the Paris Agreement is unable to be undertaken. We therefore applied a Sasol developed methodology for this purpose.

Our target setting and roadmap development was informed by three broad elements: benchmarking, top-down modelling and a bottom-up analysis. Top-down modelling was undertaken using science-based approaches, including absolute contraction, International Energy Agency's (IEA) pathways and fair share models to determine ambition levels for input into the bottom-up techno-economic analyses. Two Fair Share science-based models were assessed, Climate Action Tracker (CAT) and Climate Equity Reference Calculator (CERC). These models provided national indicative trajectories based on factors, such as responsibility for historical emissions, economic development, per capita emissions and financial, technological and other capacity to reduce emissions.

Leveraging global approaches

Using an absolute contraction approach from the IEA and a flat rate of 2,5% reduction per year, Sasol's expected reduction by 2030 is ~30%. On this basis, our interim 2030 target of a 30% reduction is considered to be well below 2°C aligned with the Paris Agreement. If Sasol were to adopt a fully 1,5°C aligned target by 2030, using a flat rate of 4,2% reduction per year, our target would need to be ~43%. However, to achieve a 43% reduction by 2030 we would need mitigation to be available, which it is not and would therefore mean a turndown of significant portions of the operations to achieve the target. This would have serious implications for the country from a socio-economic perspective and hinder our just transition.

Our absolute contraction work was supplemented by taking additional views on the country's latest NDC expectations. This aided in benchmarking given the significance of Sasol South Africa's emissions (~12% of national emissions). In October 2021, South Africa adopted an ambitious NDC range of 420 – 350 MtCO₂e, with the lower bound of 350 MtCO₂e being close to 1,5°C aligned⁴. This new updated NDC makes South Africa one of the few countries with a close to 1,5°C aligned target. Subsequently, the updated NDC target was welcomed by many developed country partners and was the main reason for the country receiving a first of its kind Just Energy Transition Partnership (JETP) facility announced at COP26. Taking a proportional allocation approach, the lower bound (350 MtCO₂e) would imply an ~27% reduction for Sasol to support achievement of the NDC.

Based on all assessments undertaken, including Fair Share modelling, NDC comparison and absolute contraction, we see our 2030 interim target of a 30% reduction as being aligned with global commitments "to limit global warming to well below 2°C". Given that most of our emissions are generated in South Africa, a developing country, this target is considered within this context.

Aligning with the temperature goal of the Paris Agreement

Articles 2 and 4 of the Paris Agreement, together with the preamble, recognise the need for different sectors and actors to move at different speeds, reflecting their unique opportunities and constraints. Developing country actors may require more flexibility on their pathway to net zero as countries need to balance increasing access to energy while reducing emissions. This may impair the ability of developing countries to halve their emissions by 2030. Race to Zero⁵ recognises regional and sectoral disparities and expects targets to account for such factors. Within the context of a just transition, this is an absolute imperative.

Our 2050 net zero ambition supports the 1,5°C temperature goal. This is aligned with the findings of the IPCC 1,5°C Special Report¹, which states that society must stop adding to the total global GHG emissions by 2050. For net zero, we have developed several pathways to achieve this ambition. Our preferred pathway is the fossil-fuel-free vision, which aims for zero scope 1 and 2 emissions for the Secunda and Sasolburg facilities and supports the SBTi Net Zero methodology⁶. On the other hand, the worst emission case scenario for net zero by 2050 will result in ~37 MtCO₂e, which will need to be neutralised with CDR solutions.

Our bottom-up analysis focused on mitigation potential (plotted as marginal abatement cost curves (MACC)). The MACC highlighted abatement size, cost and associated implementation time frames. Through this, we determined the gap between science-based target reductions, mitigation potential and technology availability. The overall analysis confirmed our assertion that year-on-year reductions are not possible for Sasol, with reductions needing to be executed in a step-wise fashion as large capital projects come online. The consequence of this is that we are not able to follow a smooth GHG emission-reduction trajectory to 2030 and 2050, which typically underpins global climate models. Nonetheless, with the planned execution of large-scale projects to reduce emissions significantly, we aim to transform Secunda and Sasolburg to sustainable value-generating businesses for a low-carbon future.

1. Our net zero ambition incorporates the latest available science and the findings from the IPCC 1,5°C Special Report.
2. The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi's call to action is one of the We Mean Business Coalition commitments. <https://sciencebasedtargets.org/about-us>
3. <https://sciencebasedtargets.org/sectors/oil-and-gas#company-commitments-removed-from-the-sbti-website-under-the-policy-update>
4. <https://climateactiontracker.org/blog/south-africas-presidential-climate-commission-recommends-stronger-mitigation-target-range-for-updated-ndc-close-to-15c-compatible/>
5. <https://racetozero.unfccc.int/wp-content/uploads/2021/04/Race-to-Zero-EPRG-Criteria-Interpretation-Guide.pdf>
6. <https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>

SASOL'S POSITION ON SBTi

➤ SBTi takes a sectoral approach to decarbonisation, which assumes that all companies within a specific sector can follow the same reduction trajectory irrespective of their national context.

➤ We believe that target setting should take into account national circumstances. We continue to engage SBTi on this matter.

➤ At this stage, Sasol is not able to assess the applicability of adopting an SBTi standard as the Oil and Gas and Chemicals sector methodologies have not been finalised.

➤ Sasol uses FT-based technologies, which do not operate in the same way as a conventional oil refinery. Therefore, we should not be categorised within the oil and gas sector. We continue to engage SBTi on this matter.

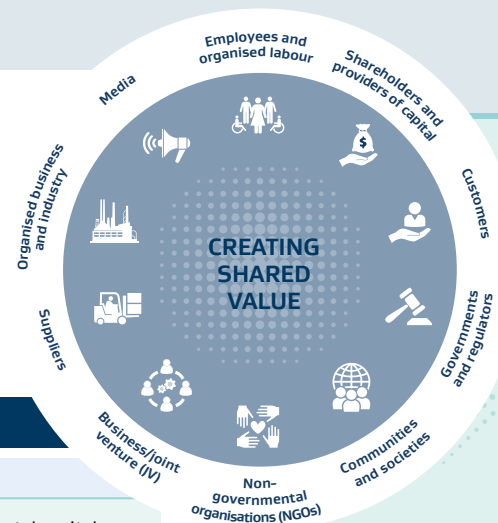
RESPONDING TO STAKEHOLDERS ISSUES

Climate change management is an inherently complex issue, with multiple interdependencies. Every potential solution we pursue is likely to have an impact on other social, environmental and economic challenges.

Each solution inevitably involves trade-offs, some more significant and difficult to resolve than others, often with competing stakeholder interests needing to be balanced. Additionally, there are also significant uncertainties relating to the nature and timing of key developments in technology, policy, carbon pricing and macro-economics, all of which have an impact on climate risk and response measures.

Consequently, there will always be diverging views on the nature, scale and timing of our climate-related risks. For stakeholders to make an informed assessment of our climate risks and responses, it is critical that information is disclosed. We are committed to promoting transparency and accountability and encourage stakeholders to continue sharing their views on both our disclosure and performance.

This year, we have endeavoured to respond to issues that have been raised by key stakeholders (shown alongside).



Our stakeholders

We take into account issues raised by our stakeholders to identify areas pertinent to delivering our strategy. For further detail refer to [IR](#) pages 28 – 29 for stakeholder issues.



ADDITIONAL DETAIL ON OUR 2030 AND 2050 EMISSION REDUCTION ROADMAP

Issue	Response
<p>Further information has been requested on:</p> <ul style="list-style-type: none"> our roadmaps, how mitigation levers will be executed, their feasibility and implementation progress; specific accountability mechanisms, including short- and medium-term decarbonisation milestones; our climate-related capital expenditure plans; our policy advocacy activities; methane emissions from Mozambique; and processes for consulting communities and workers on the emission-reduction roadmap. 	<p>This year, we are providing further clarity, within the constraints of continued uncertainties on technology developments and global and local policy changes.</p> <ul style="list-style-type: none"> 2030 and 2050 emission-reduction roadmap: an update on our progress in developing and accelerating various projects in each of our major reduction levers, including renewable energy, gas, green hydrogen and CCUS is provided on pages 23 – 28 and a further review of the resilience of our portfolio is on pages 16 – 19. Given the highly dynamic policy and technology landscape, we have intentionally not yet committed ourselves to a specific 2050 pathway to avoid potential regret capital spend, infrastructure lock-in and stranded assets. We believe a more agile approach is the most prudent. This provides an ability to swiftly integrate emerging technologies as they become cost-effective. Sasol’s preferred pathway is to be fossil-fuel-free, producing zero scope 1 and 2 emissions. This might not be possible by 2050 and in this case we have developed other pathways, including the least preferred route of turnaround to achieve a net zero emissions ambition by 2050. Short- and medium-term milestones: key milestones are presented in the 2030 and 2050 roadmaps (see page 4). As we progress our journey, further clarity on technology choices will be presented, at which point we will be in a position to make firmer commitments on the milestones we intend meeting for the period 2030 to 2050. Importantly, year-on-year reductions are not possible for Sasol, with reductions anticipated in a step-wise fashion as large capital projects come online. Climate-related capital expenditure: Sasol has committed R15 – 25 billion cumulative capital expenditure to be spent by 2030 on our 30% reduction target. We plan to sequence this expenditure over time and still remain within the Sasol 2.0 transformation programme R20 – 25 billion/a capital expenditure target by 2025 for Maintain and Transform capital. Total sustainability capital expenditure (10 – 15%)
<p>is projected at ~ R25 – R35 billion cumulative total capital up to 2030, inclusive of maintaining current gas feedstock and roadmap costs, which is also dependent on the type of gas partnership construct implemented. Further disclosure on our capital allocation approach is provided on page 36.</p> <ul style="list-style-type: none"> Climate policy advocacy activities: an updated review of our climate policy advocacy activities is provided on pages 49 – 51. A detailed annual inventory of our membership to climate-related industry bodies, including an assessment of their alignment with our responsible climate-related advocacy principles, is available in our Climate Advocacy and Policy Supplement CAPS, with a summary provided on pages 49 – 55. We believe over the years we have had a positive impact when engaging with associations in supporting climate-related policy and regulatory developments, including advocating in South Africa for an aligned carbon budget/tax system and a climate change act, lifting the renewable energy licence threshold, developing a green hydrogen strategy and related incentives and introducing mandatory reporting of GHG emissions. Methane emissions from Mozambique: we undertook a review and identified additional sources of methane. A baseline measurement approach has been developed and emissions have been added to our inventory. Details of these emissions, representing ~1% of total GHG emissions, are presented on page 11. Effecting a just transition: Sasol is committed to decarbonisation in a just and equitable manner; our shared value proposition comprises an inclusive transformation of our business, people and society. The manner in which we will be approaching consultation with affected workers and communities will be people-centred. Work on our just transition activities, roadmap development and recently established Just Transition Office (JTO) is provided on pages 38 – 40. 	



IMPLICATIONS OF THE SOUTH AFRICAN CARBON TAX

Issue	Response
<p>Sasol’s high GHG emissions make us sensitive to increasing carbon prices, especially if out of sync with our ability to mitigate. Further information has been requested on the viability of our business under increasing carbon tax scenarios.</p>	<p>In South Africa, the recently proposed US\$20 carbon tax rate by 2026 and the US\$30 by 2030, if implemented, will have an adverse financial impact on Sasol. This suggested increase is still subject to public input. In a conservative scenario, assuming all allowances fall away and the increase in price is applied, Sasol would need to consider trade-offs to balance the people, planet and profit agenda. At this stage, there is still uncertainty on what rate, trajectory and allowance phase-out will be applied. We are awaiting further clarity from the ongoing government consultation process. For this reason, the full analysis has not been incorporated into our decision-making process as yet (see page 19).</p>



RESPONDING TO STAKEHOLDERS ISSUES (CONTINUED)



ROLE AND AVAILABILITY OF GAS AS A TRANSITION FEEDSTOCK

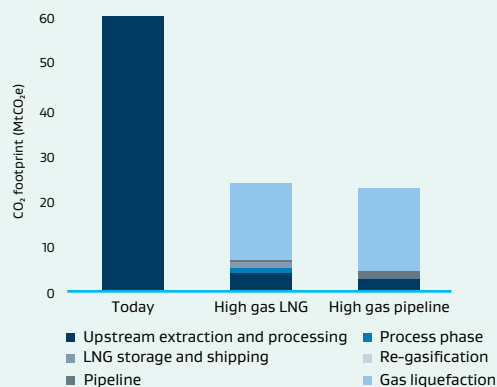
Issue

Suitability of natural gas as part of a credible decarbonisation pathway remains a contested area, with issues expressed relating to methane leakage causing higher warming in the short term and that building new gas infrastructure risks locking-in emissions. Information was requested on our assessment of gas and its affordability.

Response

Sasol recognises that the phasing out of gas production forms an important part of global commitments to net zero. However, gas has a significantly lower-carbon footprint relative to coal. Although coal has a significant role in our business today, we see an essential role for gas in the transition while green hydrogen and carbon capture technologies are being advanced. In Sasol's 2021 [CCR](#), we undertook an analysis that showed the significant GHG benefit we could realise through the use of gas, which is better than coal, taking a lifecycle view as shown below.

Lifecycle CO₂e footprint of coal versus gas



We anticipate introducing LNG in incremental amounts (~40 – 60 PJ/a) in a manner that allows us to avoid potential infrastructure lock-in from pipeline infrastructure, while maintaining plant production at similar levels and a reduced GHG emissions profile. We are also implementing a gas sourcing strategy, aimed at diversifying sources of gas to enable reliable and affordable supply and a quick pivot to green hydrogen, once cost-effective (see page 25). In parallel, we are undertaking a number of proof-of-concept green hydrogen projects to play an active role in bringing down technology cost curves sooner, which provides optionality into the future (see page 25 – 27). We also recognise that for the power sector a renewables-dominated energy mix with gas as a peaking fuel has been assessed to be the least cost pathway for South Africa. In the coal-to-liquid (CTL) sector, gas is a key substitute feedstock to reduce process emissions in the short-to- medium-term. Post 2030, our preferred option is to pursue a fossil-fuel-free pathway (see Sasol's 2021 [CCR](#), page 13).



CLIMATE CHANGE GOVERNANCE DISCLOSURE

Issue

Questions were raised on our short- and long-term climate-related remuneration incentives and assessments of Board competencies relating to managing climate risks.

Response

In updating our disclosure on how climate-related issues have been integrated into our governance and management activities, we have sought to provide information in support of the latest guidance in the TCFD recommendations, IFRS Exposure Draft on Climate-related Disclosures and the JSE's Climate Disclosure Guidance (pages 45 – 47 and [IR](#), page 58). Sasol has also linked its ESG targets to pay, inclusive of climate change, with a higher weighting of 25% relative to last year. Additional detail on Board oversight and our executive remuneration metrics is provided in this report in the governing climate change (pages 45 – 47) and remuneration (page 48) sections.



UNCERTAINTIES REGARDING THE FEASIBILITY OF GREEN HYDROGEN AND ROLL-OUT OF NEW TECHNOLOGIES

Issue

Additional disclosure requested on the risks and response measures related to the growth of a green hydrogen economy, roll-out of large-scale renewable energy, the development of Direct Air Capture (DAC) and CCS technologies.

Response

Progress is being made on the development of green hydrogen, generation and storage of large-scale renewable energy and on emerging technologies, such as DAC and CCS. We are also driving these developments through proof-of-concept projects and investments in technology. Sasol is choosing not to be a bystander and is playing an active role in bringing down technology cost curves. Additionally, we have established a Corporate Venture Capital Fund to gain a competitive advantage and access new innovative companies with cutting edge technologies (see page 36). In addition, we support the development of low-carbon and zero-carbon technologies by establishing and working with the Energy Council of South Africa and other advocacy forums. While some emerging technologies are untested at scale and not yet commercially viable, we remain optimistic about the opportunities in each of our highlighted areas, given global investment and innovation. There does however remain uncertainty on the nature, timing and costs of these technologies. As a result, we have built in optionality for our post 2030 roadmap. For an update on our research and development, investments into renewable energy, green hydrogen, CCS and other technologies refer to pages 24 – 28.

IMPROVING OUR EMISSIONS REPORTING



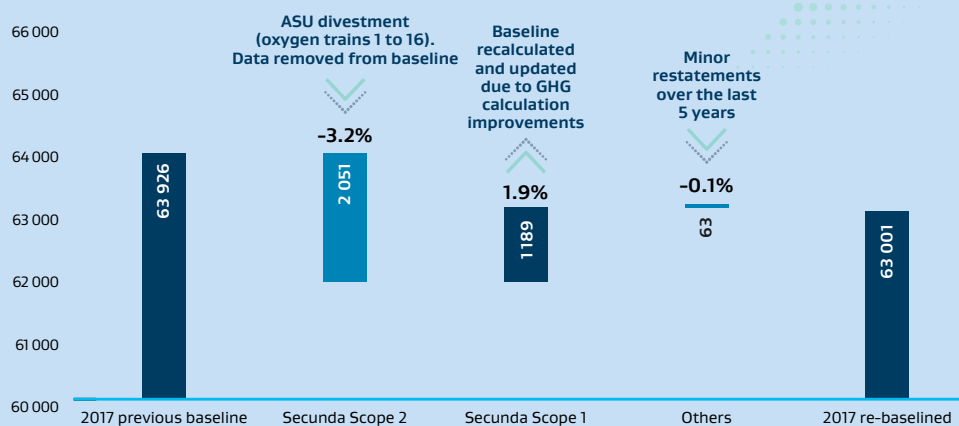
As part of our commitment to continuous improvement, we undertake periodic reviews and updates to our GHG inventory, its methodologies and emission factors. We do this to enable a well-designed and maintained corporate GHG inventory and to continuously align with the IPCC and GHG Protocol.

Restatements

Recent divestments and improvements to our GHG inventory calculations necessitated a review of our 2017 baseline for Sasol Energy, including removal of specific sources of emissions. A high-level summary of these updates are indicated in the graph and points below:

- Secunda Operations removed scope 2 emissions relating to the sale of the ASUs to Air Liquide for the years 2017 to 2021;
- Secunda Operations reviewed scope 1 emissions from 2017 to 2019 based on independent technical audit findings, with improvements made to the calculation methodologies; and
- Sasol Mozambique reviewed scope 1 emissions to include methane sources not reported from 2017.

Sasol Energy 2017 re-baselining



Methane emissions from Mozambique Operations

Since 2004, Sasol has been calculating and reporting CO₂ emissions from flaring activities and fuel gas combustion at our main operating site in Mozambique, the Central Processing Facility (CPF). At COP26, the decisions taken relating to methane emissions, coupled with stakeholder issues (see page 9 - 10), prompted us to focus on these emissions and undertake a review of our emissions inventory, particularly in Mozambique. As a result, we identified additional methane-emitting activities and added these emissions to our inventory.

The scope of the review included detailed mapping of all potential sources, development of a baseline measurement approach for additional emitting activities and collection of emissions data. International and South African GHG quantification methodologies were used to calculate emissions. Where physical measurement methods or country specific guidelines did not exist, methodologies aligned to international best practice, such as those developed by the IPCC, were leveraged.

Two main methane sources were identified:

- Mozambique Operations (inclusive of the operating wells, pipelines to the CPF and the CPF); and
- Pande-4 a non-operational well that Sasol inherited when we took over the achorage as part of our Petroleum Production Agreement (PPA) Concession. This well had experienced a catastrophic blow-out in 1965, resulting in the operator at the time implementing multiple interventions over 400 days to control the well. Further interventions took place over the years and the well appeared stable. However, today water and small quantities of gas are being emitted in the surface area surrounding the well.

Assessments indicate that ~819 ktCO₂e were emitted for our Mozambique Operations in 2022 (see table below), of which methane was ~16kt (~368 ktCO₂e), excluding the Pande-4 well. These calculations have been assured by an independent third-party specialising in technical verification of GHG inventories. These emissions represent ~1% of Sasol's total GHG emissions.

Sasol Mozambique's emissions for 2022

	tCO ₂	tCH ₄	tN ₂ O	tCO ₂ e
Operational				
Fugitive emissions	1 853	15 740	0	363 880
Flaring emissions	34 070	0,6	0,06	34 102
Fuel gas	420 833	7,5	0,75	421 227
Total operational emissions	456 756	15 748	0,81	819 209

IMPROVING OUR EMISSIONS REPORTING (CONTINUED)

Studies on Pande-4 well



The well is under close observation through the Pande-4 remediation project with the Sasol Mozambican team conducting regular monitoring and implementing controls to manage the issue. Today, water and small quantities of methane continue being reported in the surface area surrounding the well. As part of our PPA Concession, we have an obligation to keep the Mozambican regulator informed of any substantial changes or events relating to the Pande-4 site. We have been doing so for a number of years and have an agreement with our partners and government to continue monitoring and reporting on the well until a feasible solution to manage the release of methane is found. The situation remains under control.

Evaluations and assessments are underway to determine an accurate emissions baseline and develop interventions to mitigate the release of these emissions. Due to subsurface and geographic complexities associated with the well, there are limited available methodologies to accurately quantify these emissions. Challenges also exist as a result of trying to measure a small quantity of emissions that diffuse over a large area around the well. Satellite monitoring data through GHGSat was employed to determine a preliminary baseline with an inherent methodological error margin of 45%. Initial estimates show that emissions could be between ~150 – 400 ktCO₂e. We are supplementing this approach with additional activities such as on-site weather monitoring to create more accurate data models and reduce the error margin.

Sasol continues to engage with specialist companies, individuals and academic institutions to develop a better understanding of this emission source and the mechanics of methane emissions from the well. A specialist company has been appointed to evaluate the viability of a surface capture and containment solution, collect additional data (including satellite monitoring of methane emission locations and rates, as well as InSAR monitoring of surface deformation) and to build a 3D model using high resolution 2D seismic lines. In parallel, using other expertise, plausible scenarios will be generated detailing possible reasons for the ongoing methane release. A subsurface model is likely to be available in 2023, at which point effective and efficient management interventions will be assessed. We will continue reporting on progress as information becomes available.



Methane measurement and reporting at our South African Operations



Methane emissions from our Secunda and Sasolburg Operations are determined by measurement and mass balance calculations. These emissions have been fully accounted for in our disclosed inventory and are being managed through our 2030, 30% GHG reduction target and the emission-reduction roadmap. Methane emissions comprise a significantly smaller portion of our GHG profile, which is dominated by CO₂.

To calculate methane emissions, we measure and analyse the composition of our vents to determine the percentage volume of methane. Flow rates are measured and converted to a mass flow and reported accordingly for each entity that emits methane.

Sasol follows the mandatory South African government's GHG reporting regulations, which require the use of the 100-year methane global warming potential (GWP) from the IPCC's Third Assessment Report. Recent studies are highlighting the use of the 20-year methane GWP because the gas is short-lived and has a higher potency in a shorter-space of time as compared to CO₂. We are monitoring developments on this emerging issue.

Management of our methane emissions is included in our scope 1 and 2 absolute reduction target of 30% by 2030, as well as our scope 3 emissions reduction target negating the need for an explicit methane target, however we continue to monitor the landscape. In this reporting year, methane emissions comprised 4,9% of our total scope 1 and 2 emissions on a CO₂e basis.



RISK MANAGEMENT

The process we follow

Sasol's Enterprise Risk Management (ERM) process assists us to identify, understand and respond to the risks associated with our business. Addressing climate change is a strategic imperative, Group top risk and a material matter.

Our top risks are continuously managed, monitored and reviewed:

- in alignment with the Group's business imperatives;
- considering our materiality lens, material matters, top priorities and sustainability focus areas, including the six capitals (IR refer to pages 23 – 24); and
- our ambitions for People, Profit and Planet.

The review of our top risks (as depicted below) 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.

Changes in the internal and external business environment



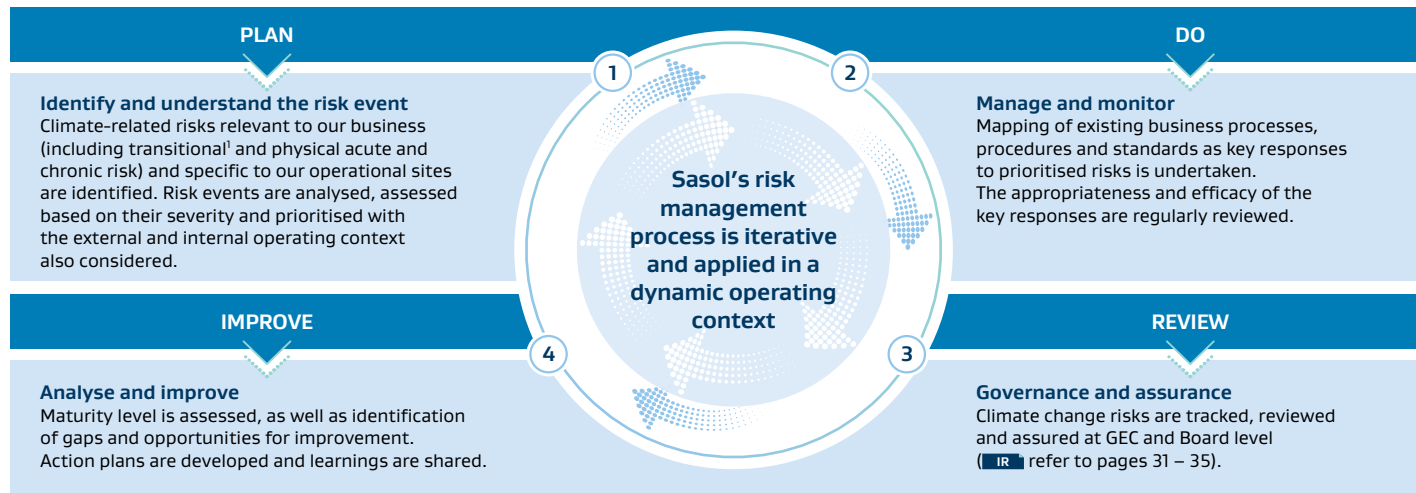
Group themes and top risks

Group top risk one-pagers

KPI dashboards per Group top risk

Quarterly risk reports to Board and Board Committees

Assurance in respect of the Group top risks provided based on the Combined Assurance Model



The Board provides governance oversight over the identified top risks, including climate change. The Board receives regular assurance on the risks, based on the combined assurance model and plays a pivotal role in enabling appropriate responses to the top risks.

Our ERM approach fully integrates with the top risk review process and business and operational risk level assessments, where climate change responses and adaptation measures are implemented.

Climate change risks form part of long-term business viability imperatives, which relate to sustainable execution of our strategy, opportunity management and ensuring a balanced approach between growth, investment and delivering shareholder value. In executing our ERM process, we consistently follow a well-embedded Plan, Do, Review and Improve (PDRI) model as indicated alongside. 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.

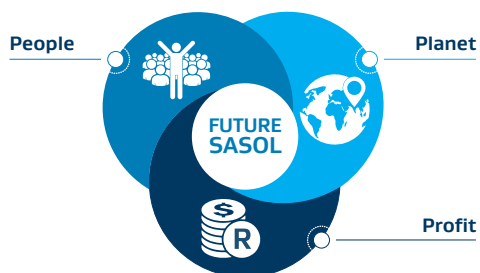
1. Arise as a result of global and governmental shifts towards a low-carbon future.

RISK MANAGEMENT (CONTINUED)

Our risks

Sasol's climate change risk analysis is informed by key risk drivers and responses:

Key risk drivers	Key risk responses
<p>CLIMATE CHANGE GROUP TOP RISKS</p> <ul style="list-style-type: none"> Our ability to develop and implement an appropriate climate change mitigation response Our ability to implement adaptation responses to ensure the long-term resilience of business operations Increasing societal pressures impacting market access and product competitiveness 	<ul style="list-style-type: none"> Undertaking robust scenario analysis Undertaking assessments to understand emissions and monitoring landscape to understand policy developments and target setting Enhancing transparency and disclosure Implementation of our decarbonisation approach, framed by our three-pillar emission-reduction framework Set a long-term emission-reduction net zero ambition by 2050, with optionality in the decarbonisation pathway Set interim targets including a 30% scope 1 and 2 emission-reduction target by 2030 Enhancing and implementing our adaptation response strategy in a phased approach, focusing on at-risk operational sites Proactive stakeholder engagement, policy advocacy and tracking of the climate change landscape
<p>PHYSICAL RISKS</p> <ul style="list-style-type: none"> Tropical storms (hurricanes and cyclones) High rainfall Severe lightning Heatwaves Tornadoes High winds 	<ul style="list-style-type: none"> Proactive adaptation responses based on downscaled modelling Business continuity plans Project designs that account for operating in extreme temperatures Engineering Design Standards catering for future projected weather extremes Regional weather forecasts and warnings Existing facility-specific emergency and evacuation protocols



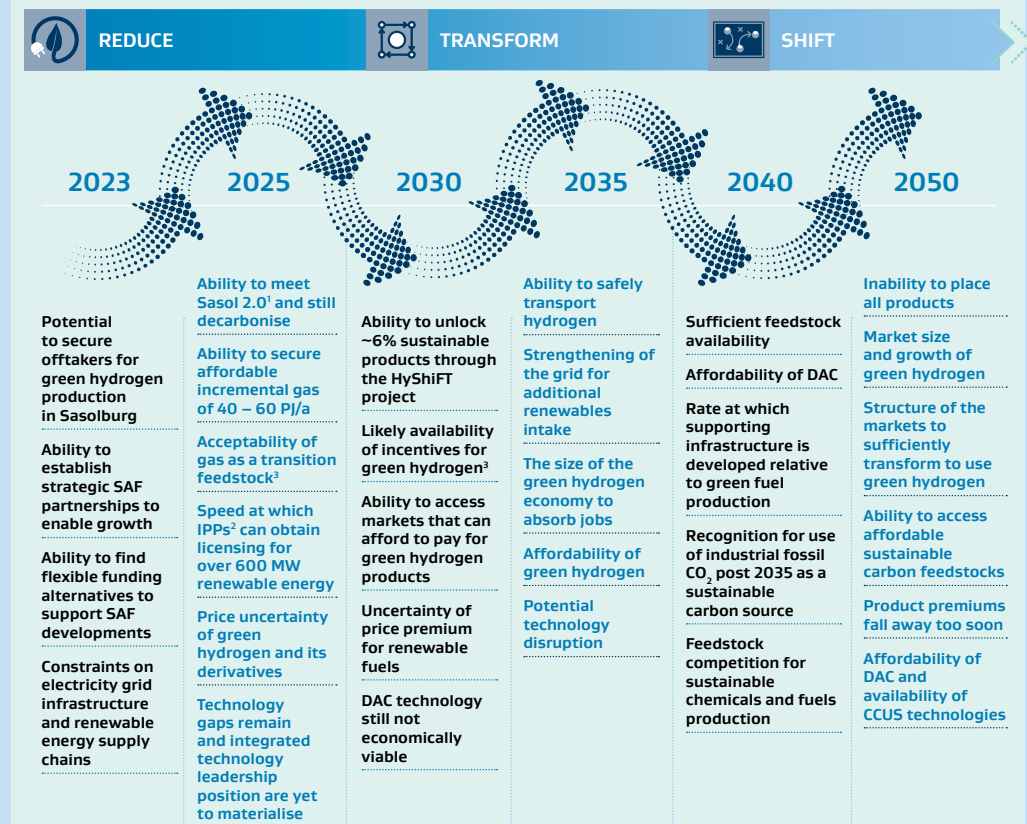
Our response aims to reduce our risk exposure and maximise opportunities created in alignment with our strategy, targets and roadmaps as we transition towards net zero. Decision-making is underpinned by our People, Planet and Profit considerations and in this way, we enable the proactive identification of risks and management thereof. We see opportunities in transitioning to a low-carbon economy and are progressing our response as a top priority to enhance shared value.

Progressing our risk management efforts

Climate change mitigation and adaptation pressures present both risks and opportunities for our business. Even though net zero and the need to achieve this goal is gaining momentum, considerable uncertainty remains regarding the availability and maturity of technology and feedstocks to reduce emissions, as well as the sequencing and timing of their implementation. This is the reality that we are dealing with particularly for the post 2030 period.

Given these uncertainties, it is unlikely that our decarbonisation and transformation to a Future Sasol will follow a linear path. Managing complex short-term risks will continuously be balanced with our assessment of long-term risks. The Future Sasol strategy creates three interrelated, but distinct phases linked to the three-pillar emission-reduction framework (as shown below). These three phases have risks that we know of today that are being considered.

RISKS ASSOCIATED WITH OUR POTENTIAL TRANSITION PATHWAY TO A FOSSIL-FUEL-FREE VISION



1. The Sasol 2.0 transformation programme was introduced to enable the business to become resilient, highly cash generative and able to deliver attractive returns even in a low oil price environment.
 2. Independent Power Producers.
 3. Also applicable from 2025 through to 2040.

RISK MANAGEMENT (CONTINUED)

Our risks (continued)

BUSINESS AS USUAL (BAU) RISKS MANAGED UNDER 'REDUCE'

These risks relate to the current business operations, their resilience to exogenous variables and how they affect our ability to execute the Future Sasol strategy. These risks are broadly covered by the climate change risk drivers and events and includes issues such as the Russia/Ukraine conflict, which is causing energy price increases across Europe and further disrupting global supply chains on the back of COVID-19 induced disruptions. Importantly for Sasol, these issues are impacting timelines for renewable energy supply, as well as gas and oil pricing. In managing BAU risks, we face competing priorities to maintain and deliver on our current production targets and priorities, while pursuing our transition commitments.



TRANSITION RISKS MANAGED UNDER 'TRANSFORM'

As part of the Sasol top risk landscape review and update process, a new top risk under the theme of Sustainability and Transition was approved by the Board and added to the top risk profile. This risk focuses on how Sasol is positioning as we traverse the decision-making landscape in pursuit of our Future Sasol strategy. For example, our plans to transition with gas will have an impact on profitability, depending on price and therefore decisions relating to these issues must be assessed holistically.



RE-INVENT RISKS MANAGED UNDER 'SHIFT'

Our ability to concretise the full range of options to deliver on our transformation agenda remains a focus. As we take decisions to transform, the degree of uncertainty regarding the timing and competitiveness of technologies can over time undermine the value of investments. In some cases, the impact of external trends or events (such as feedstock prices) could change from a threat to an opportunity or vice versa as the business evolves.



KEY DRIVERS AND RESPONSES RELATING TO OUR TRANSITION JOURNEY

Key risk drivers	Key risk responses
Not achieving the Sasol 2.0 targets ¹	<ul style="list-style-type: none"> Continue applying a disciplined capital allocation approach GEC led Sasol 2.0 programme (cash management) with annual targets linked to remuneration of top leadership
Sasol Energy and Chemicals not delivering on their decarbonisation plans and targets	<ul style="list-style-type: none"> Tracking progress against the emission-reduction roadmaps through set milestones. For example: <ul style="list-style-type: none"> Maintaining a healthy project pipeline to play a lead integrator role in the Southern Africa green hydrogen ecosystems; Renewable energy procurement for our facilities; and Undertaking research and development into new technologies.
Policy and regulatory changes imposing more onerous compliance requirements	<ul style="list-style-type: none"> Monitoring and responding to the shifting macroeconomic trends, including carbon tax requirements Signpost monitoring of the policy and regulatory landscape and responding accordingly Assessing our market positioning against emerging trends, setting targets, transforming our product portfolio, maintaining product supply and collaborating with our customers to meet their requirements
Not meeting stakeholder expectations and commitments	<ul style="list-style-type: none"> Proactive stakeholder engagements to align on key requirements and demonstrating leadership through proactive and visible engagements to deliver on the just transition imperative in South Africa
Eroding value because of feedstock switching from coal to gas	<ul style="list-style-type: none"> Exploring affordable alternatives and optimising options to minimise operating costs and preventing value erosion from the current businesses, while driving initiatives to meet our GHG targets
Inability to secure sufficient volumes of gas timeously	<ul style="list-style-type: none"> Maximising affordable gas supply from current Mozambique assets to extend plateau production Developing a go-to-market and technology strategy roadmap for a prioritised regional approach, in alignment with our targets
Inability to find flexible alternatives to realise sustainable business opportunities	<ul style="list-style-type: none"> Exploring opportunities across the green hydrogen value chain through partnerships, pilots and proof-of-concept projects in a number of jurisdictions across the world Pursuing circular economy opportunities in support of Future Sasol

Percentage of our operations affected by climate change²



2. Sasol internal assessment which has not been subject to independent verification or auditing.
 3. Numbers of operational assets or activities vulnerable to transition or physical risks based on down-scale modelling and internal risk assessments. Risks include the global shift from coal and production interruption from weather events.
 4. Numbers of operational assets or businesses aligned with climate-related opportunities based on internal risk assessments and scenario analysis.
 5. Number of assets with advancing sustainability-linked incentives.

1. For further information on Sasol 2.0 targets refer to IR page 37.

RESILIENCE OF OUR PORTFOLIO

Sasol's climate scenarios

Annually, we undertake detailed analyses to develop a bottom-up view of the global energy landscape, taking into account the global value chain.

Our analysis considers upstream chemical feedstock production, investments in new production and refining capacity, market demand, customer preferences, buying patterns, industry plant utilisation, technology development and legislation, as well as country and company targets. From this, we determine price sets for all applicable commodities including coal, oil, refined products (including petrol, diesel and jet fuel), gas, chemicals and electricity.

In 2022, we revised our existing scenarios in line with accelerating megatrends and a global operating context that is far more disruptive and volatile. The 2021 scenarios of 'Current Pathway', 'Cooperative World' and 'Net Zero' were revised and a fourth scenario, 'The Fragmented World', was added. These scenarios are more challenging and are therefore not comparable to the previous set of scenarios. For example, the Fragmented World takes into account deteriorating relationships, the increased need for energy security, the challenging economic circumstances in some countries, changing relationships between countries, changing supply chains, availability of raw materials and the impact of this on costs and economics. Changes include:

- revised oil prices;
- revised market demand for products;
- adjusted gas demand and price;
- transformed and new industry structures, such as electric vehicles with related infrastructure;
- new solar and wind power, as well as hydrogen economy technology and cost developments; and
- new refineries with higher chemical yield and alternate chemical feedstocks.

We still consider sources such as the IEA Sustainable Development Scenario (SDS) and the Net Zero scenario, supplemented by other net zero and 1,5°C-type scenarios. The future is uncertain and there are still many unknowns in terms of technology availability and accessibility, adoption rates, affordability and government and company priorities. Our scenarios are therefore regularly reviewed and updated.

The updated scenarios stretched the range of potential outcomes from 'favourable' to 'unfavourable' for Sasol, with potential futures ranging from a world wrestling to recover economically, building new relationships and supply chains, to one strongly and even more focused on curbing climate change. Key characteristics of each scenario are detailed alongside.

Given the vulnerabilities of the Sasol Energy business to shifts in local dynamics, we also updated local scenario views focusing on how industry sectors could be impacted and what new sectors could emerge. The Net Zero scenario is aspirational and was developed taking a -1,5°C temperature goal as the endpoint and working it back to today.

Net Zero

- The target temperature of -1,5°C is globally reached.
- All countries are completely aligned on the ambition of net zero and that the required technologies, affordability, behaviours, legislative enablers and cooperation activities, as well as funding activities are in place to enable the transition. Moreover, we assume that the required skills and re-skilling actions are available and sufficient employment opportunities will be in place.
- Strong penalties, legislation and policy are in place to direct the desired behaviour and consumption pattern changes.
- There are large investments in the energy transition, with developed countries supporting developing countries financially, technologically and with capacity building.
- There is a significant reduction in fossil fuel demand and a commensurate growth in green electricity through the roll-out of solar and wind energy, as well as storage capabilities. Cost curves of renewable energy and green hydrogen have dropped significantly on the back of technology advancements, regulatory transformation and sourcing expansion.
- Global liquids demand for transport peaks in the early 2020s and this is further entrenched by a high penetration of electric, hybrid and fuel-cell vehicles, with the associated roll-out of charging infrastructure globally as the years go by. Fossil jet fuel demand is reduced by consumption and operational efficiency improvements, behaviour change and modal transport shifts, supported by strong penetration of SAF, including PtL.
- Global natural gas demand peaks in the early 2020s, with major reductions in gas demand in the power sector. Despite this, industry still remains reliant on gas due to substitution difficulties.
- Demand for petrochemicals is dampened by strong recycling and circular economy options. Feedstocks other than fossil-based inputs need to be implemented at the same time to not influence costs for the consumer.
- All countries are investing extensively in mitigation efforts, resulting in fewer adaptation requirements.



Cooperative World

- Strong global cooperation allows for more global climate change mitigation. Activities are however not sufficient, with temperatures increasing in a range of 1,5°C to 2°C.
- There are rapid technology advances in solar, wind and batteries, as well as technology transfer to less developed regions. This allows costs to fall rapidly over time resulting in implementation.
- Energy efficiency gains, lifestyle changes, legislation, policy and political commitments result in reduced energy consumption.
- Increased reliance on electricity networks for energy distribution is accompanied by significant investment in grid infrastructure and interconnectivity between countries. Electricity transmission networks and energy distribution costs have reduced significantly as global cooperation is accelerated.
- Many countries cooperate on technology development, commercialisation, availability and accessibility. Funding is also forthcoming to assist in reducing dependence on fossil-based energy and advancing the energy transition.
- Global coal consumption comes under increased pressure. Global liquids demand for transport peaks in the mid-2020s, driven by increased penetration of new technology vehicles, charging infrastructure, engine efficiency, modal shifts and behaviour changes, where affordability is spurred by technology sharing and subsidies. Oil-derived jet fuel demand growth is flatter and starts to decline in the mid-2030s due to changing behaviour, consumption efficiency, operational improvements and penetration of SAF.
- Global natural gas demand peaks in the early 2030s and is largely used as a peaking fuel in the power sector, with efficiency improvements lowering demand.
- Demand for petrochemicals is dampened by behaviour and lifestyle changes, recycling and circular economy developments. Strong cooperation among nations is required to close the gap left by lower fossil-based feedstocks due to declines in oil and liquids availability.
- Many countries are investing extensively in mitigation efforts, however some adaptation efforts are required.

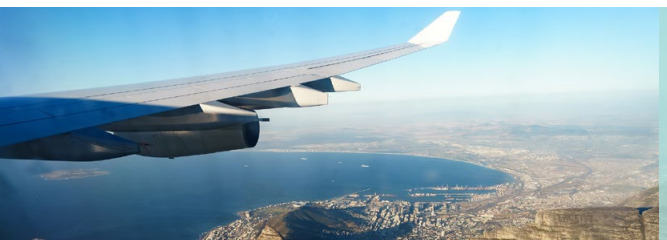


RESILIENCE OF OUR PORTFOLIO (CONTINUED)

Sasol's climate scenarios (continued)

Current Pathway

- The world is on track to overshoot the 1,5°C temperature goal reaching 2 – 3°C. More effort is focused on dealing with adaptation issues resulting from a changing climate. There is continued uneven regional economic recovery post the COVID-19 pandemic, with economic challenges disproportionately distributed across the globe.
- Climate change mitigation continues to progress in more developed countries like Germany and the United States. Many other countries lag behind and make intermittent progress, favouring economic recovery over climate change goals. Since the COVID-19 pandemic and the Russia/Ukraine conflict, the supply chain and energy security have become key concerns, with some countries developing new relationships based on the supply and demand of energy, other commodities and components. Many developing countries are also facing food shortages, which need to be addressed in the short term.
- Technology development continues to progress and assist in the energy transition in certain regions. Certain countries are progressing with electric vehicle roll-out and related infrastructure. Affordability continues to hamper progress in other economically challenged regions.
- Favourable financing and funding opportunities are available to some countries and regions for energy transition activities
- Petrochemical demand increases due to a rising population and growing middle class, softened to some extent by recycling and reuse.
- Global transport fuel demand peaks only in the early 2030s. Oil-derived jet fuel recovers slightly after the pandemic relative to pre-COVID-19 levels. By 2030 however, oil-derived jet fuel demand starts to decline due to efficiency improvements and new aviation fuel options.
- Natural gas starts to replace coal demand in the power sector in developing countries, with renewables generally showing improved price competitiveness over gas. Affordability and access to infrastructure remains key, with global gas demand peaking in the late 2030s.
- Greater investments are required in adaptation efforts, which are projected to increase over time.



SASOL-DERIVED DATA POINTS FOR ROBUSTNESS TESTING¹

		History	Current Pathway	Fragmented World	Cooperative World	Net Zero
		2021	2050	2050	2050	2050
Macroeconomic	Global GDP growth (% pa) ²	3,9%	3,2%	3,2%	3,2%	3,2%
	Global population growth (% pa) ³	1%	0,8%	0,8%	0,8%	0,8%
Oil	Global oil demand (MMbpd) ²	100	90	105	59	29
Natural gas	Global gas demand (bcm) ²	4084	3968	4285	3383	1553
Green hydrogen	Global hydrogen demand (MMtoe) ⁴	6	280	6	555	728
South African power market	SA power demand growth (average % pa 2000-2021 then average % pa 2022-2050% pa) ²	0,6%	1%	2%	3%	1%
	Renewables share of electricity generation (%) ²	3%	65%	63%	75%	94%
	Coal share of electricity generation (%) ²	83%	20%	0%	0%	0%

1. Leveraging external data sets such as IEA SDS and net zero scenarios
 2. Internal Sasol calculations

3. Population: UN population data
 4. Green hydrogen: S&P Global

Fragmented World

- Reaching the 1,5°C temperature goal remains aspirational, with geopolitical divisions and economic challenges preventing requisite technology transfer and funding availability.
- Many countries are concerned with energy security and ensuring that supply chains are sufficiently robust. Self-sufficiency increases in importance.
- New geographic trade partnerships are set up to increase security of supply for energy and other commodities and components. This increases the cost of minerals and metals that are key to the energy transition, which further increases affordability challenges for certain countries. Trade partnerships disadvantage progress in some countries.
- Many countries focus on local economic challenges, which delays progress towards climate change targets. Technology cost increases also create barriers to progress and local and regional tensions further contribute to slowing climate action.
- Global liquids demand peaks in the late 2030s, with jet fuel showing some growth to 2040, after which it starts to decline.
- Electricity demand increases and transitions to greener generation options. There are, however, challenges in accessing technology improvements at the required price, as well as the necessary metals and minerals to manufacture key components.
- Natural gas replaces coal in power generation but challenges exist with availability and costs of materials required for renewables, further increasing gas demand.
- Petrochemical demand continues to rise, with some recycling and reuse. Technology development is, however, slower and developing regions still struggle with implementing systems to reduce demand.
- Some financing is available for transition activities, but access is challenged by changing requirements.
- Adaptation requirements and costs are significant related to more frequent and severe extreme weather events for both developed and developing countries. Developed countries will continue ensuring their own resilience at the expense of providing support to developing countries.

SASOL UNDERTAKES ROBUSTNESS TESTING OF THE BUSINESSES WITHIN OUR PORTFOLIO

Our approach focuses on:

- market demand;
- consumer preferences;
- stakeholder acceptance; and
- affordability and ability to mitigate;

- feedstock acceptability;
- executability of the strategy; and
- just transition implications.

This approach ties back to risk management detailed on page 13, with robustness testing results reflected on the next page.

RESILIENCE OF OUR PORTFOLIO (CONTINUED)

Robustness testing against our scenarios to 2030

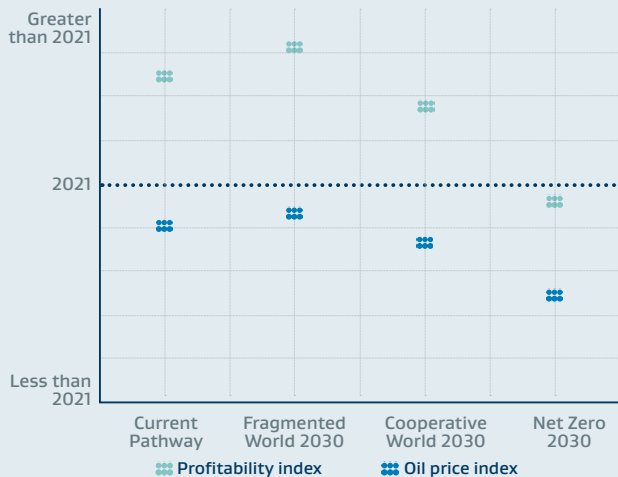
Our annual stress test aims to provide steer on the robustness of each business and our overall portfolio. Our decarbonisation targets, the physical impacts of a changing climate on our business and opportunities in a low-carbon future are included in the resilience assessment.

The results of our quantitative and qualitative robustness testing is reflected below and on the next page and indicates the following that directly shaped the Future Sasol strategy:

- 1 Fossil fuel feedstock acceptability is increasingly constrained as you move from the Current Pathway to the Net Zero scenario. In response, we are gradually reducing our exposure to coal, contributing to a lower emissions profile for our existing operations in South Africa. We are also focusing on a diversified feedstock mix that incorporates incremental gas and an ability to pivot to green hydrogen, when affordable.
- 2 Local market demand for liquid fuels, while slowly declining in the Net Zero scenario compared to the Current Pathway and the Fragmented World, remains relevant to 2030. As a result, Sasol's strategic imperative to be a partner of choice for mobility and commercial customers so as to preserve returns remains valid. Moreover, we are taking market positions in advanced mobility aligned to our strengths.
- 3 Over time, through our proof-of-concept and pilot projects, we are aiming to grow the local green hydrogen economy and be a leading solution provider for the global economy. Our areas of interest are green hydrogen for long-distance freight transport and own use and green hydrogen derivatives, both locally and for export.
- 4 Sasol ecoFT currently relies on legislated blending mandates and grant funding. There is positive pressure from emission-reduction commitments and developing regulatory frameworks. Sasol actively monitors the landscape taking strategic bets through pilot and proof-of-concept projects in areas of green hydrogen and sustainable feedstocks while CCUS and DAC technology come down the cost curve.
- 5 Continued growth in the chemicals value chain globally is beneficial. Products in the Sasol portfolio enable product 'lightweighting', as well as improved food packaging, personal care and hygiene.
- 6 In the Net Zero scenario, there are fewer physical impacts from a changing climate on Sasol than there are in the Current Pathway (see 2022 CDP, www.sasol.com); including loss of production, damage to infrastructure and supply chain interruptions. Because we are more resilient in the Net Zero scenario, required sustenance capital expenditure declines. On this basis, we continue to invest to reduce emissions and build resilience to changing weather patterns through updating design specifications, maintenance programmes and emergency preparedness plans.

Using the Sasol scenarios, we undertook a quantitative evaluation to assess the financial impact of the various outcomes on Sasol's business. The central line indicates the 2021 indexed values for profitability and oil price, which can be compared to the index values for each scenario in 2030.

Quantitative robustness testing of Sasol's 2030 earnings relative to 2021 (with mitigation)



Quantitative robustness testing of Sasol's 2030 earnings relative to 2021 (with mitigation) was assessed. Profitability in 2030 compared to 2021 is greater in all pathways, except net zero. However, technology learning rates and their availability are projected to change and this will likely change the evaluation annually. Several areas were highlighted that we are tracking and monitoring to reduce vulnerabilities in our strategy. These areas or signposts are indicated below (for additional risk information, see page 14):

- pace of technology development, commercialisation and implementation, access to new technologies and an enabling environment;
- partnering and relationship requirements;
- carbon tax design, especially in the South African context;
- regulatory and policy changes impacting products and market demand;
- varying stakeholder expectations;
- funding requirements;
- multiple sustainability obligations and associated costs or investments required; and
- macroeconomic drivers, such as oil and rand/dollar exchange rate.

1. Lightweighting refers to replacing heavier components with light weighted plastic materials.

Physical risk modelling



Two GHG emission scenarios were modelled to understand physical impacts on our operations: the IPCC's high emission scenarios (referred to as "Representative Concentration Pathway (RCP)" 8,5) and an intermediate emission scenario (RCP 4,5). RCP 4,5 and 8,5 were chosen based on the wide range of changes in GHG emissions. These pathways informed the development of downscaled climate models developed by the Council for Scientific and Industrial Research (CSIR), providing an 8 km spatial resolution for Southern Africa and 50 km for the United States. Our prioritised sites for understanding physical weather impacts were the CPF (Mozambique), Secunda and Sasolburg (South Africa) and Lake Charles (United States).

We supplemented and bias-corrected the modelling, with site-specific historical weather data. Our modelling simulations spanned 1960 to 2099, which encompasses the time frame for Future Sasol's strategy. In general, the modelling indicated that surface temperatures could increase by 1 – 4°C by 2050, with an increasing number of extreme hot days. Projected rainfall patterns differ between the sites. For Sasol Energy in Mozambique, rainfall is projected to increase, while for sites in South Africa, no change in average rainfall is projected, but rather an increase in the intensity and frequency of extreme rainfall events. For Sasol Chemicals in the United States, a similar rainfall trend to South Africa is likely to be experienced. In Mozambique and the United States, cyclones and hurricanes are expected to become more intense.

These results have informed the development of proactive climate change responses. In addition, the downscaled modelling results have been incorporated into our scenarios:

NET ZERO

The weather-related impacts on Sasol's people, communities and assets are reduced, with fewer production losses and lower costs for adaptation measures.

COOPERATIVE WORLD

Sasol's people, communities and assets are exposed to some physical impacts of climate change, requiring more investment into adaptation measures.

CURRENT PATHWAY

To build the resilience of our people, communities and assets, Sasol's investment costs in adaptation are higher than in the Cooperative World. Hurricanes in the United States and flooding and heavy rainfall in South Africa lead to some production downtime, however this is somewhat cushioned by investment in adaptation measures.

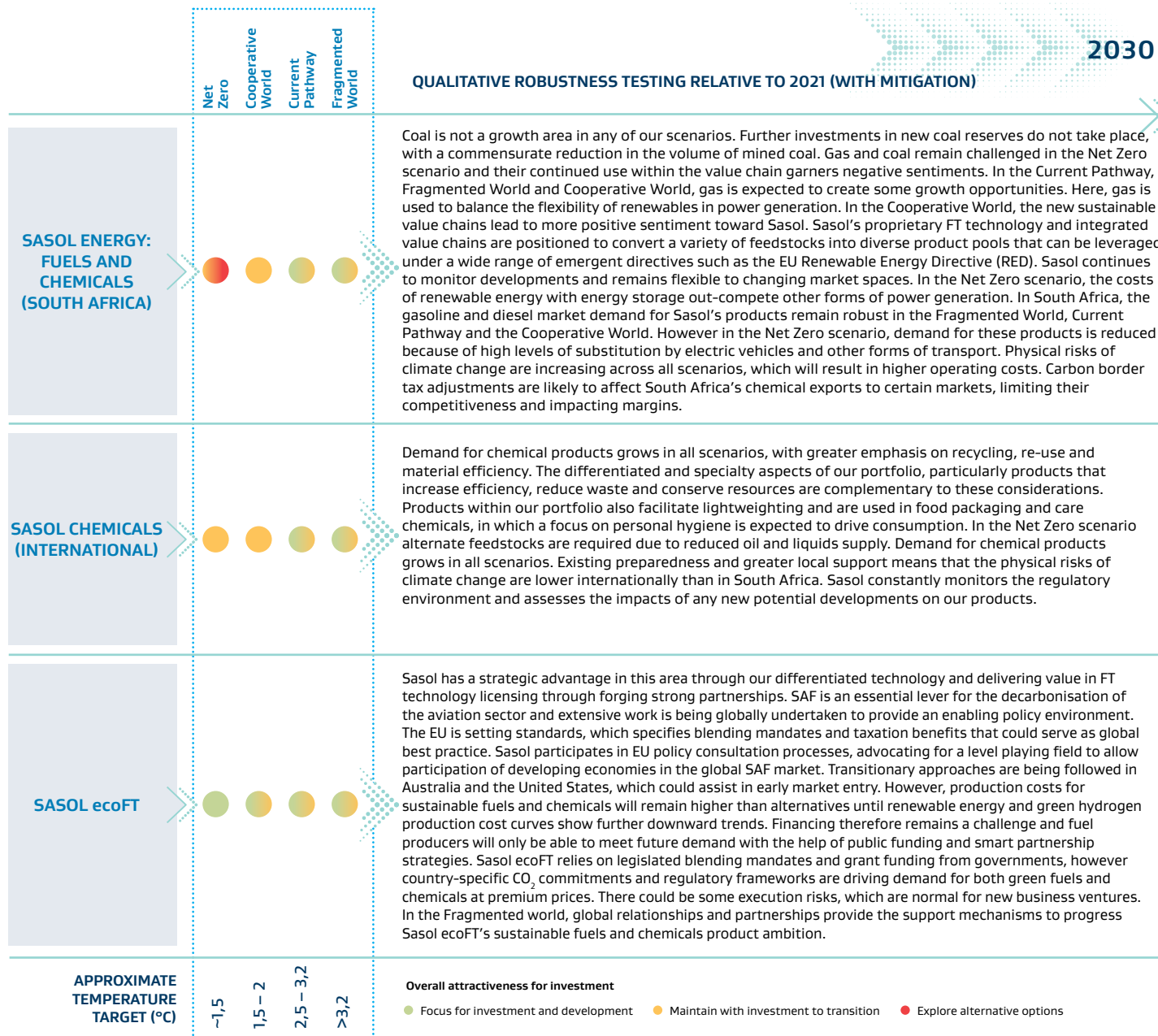
FRAGMENTED WORLD

Sasol's adaptation investment would need to be significantly higher to build the resilience of our people, communities and assets. Weather-related impacts would result in more production downtime.

Sasol Energy incorporates adaptation response measures, such as emergency preparedness, updating design specifications and tailored maintenance schedules. These measures come with more costs than those required for our United States assets. This is because of the age of Sasol Energy's assets and the fact that they were built without having a rapidly changing climate in mind (for further information on our risks see Risk management page 13).

RESILIENCE OF OUR PORTFOLIO (CONTINUED)

Robustness testing against our scenarios to 2030 (continued)



Carbon pricing at Sasol

Sasol believes that carbon pricing is a critical part of the policy interventions for decarbonisation. For a just transition, an effectively designed, nationally determined and efficiently implemented carbon pricing signal is needed as part of a suite of policies and measures. Even though a global carbon price has been mooted, our analysis indicates that regional or country carbon pricing are more likely to persist, which takes into account local energy requirements, alternative energy availability and affordability, socio-economic challenges, skills and capability transition commitments. Carbon pricing also needs to take into account sector-specific issues that dictate different pricing signals needed to transition different sectors. We constantly review our decarbonisation journey, taking into consideration technology developments, emerging processes and applications to increase the pace of the transition. Despite this, Sasol has a high sensitivity to carbon taxes, particularly due to our high GHG emissions profile, limited availability of mitigation technology to reduce emissions in this timeframe and the pace of implementation.

In South Africa, the recently proposed US\$20 carbon tax rate by 2026 and the US\$30 by 2030, with an aggressive removal of allowances, if implemented, will have an adverse financial impact on Sasol. National Treasury has indicated that the proposal is still subject to public input. In a conservative scenario, assuming all allowances fall away and the increase in price is applied, we would need to consider trade-offs to balance the people, planet and profit agenda. At this stage, there is still uncertainty on what rate, trajectory and allowance phase-out will be applied. We are awaiting further clarity from the ongoing government consultation process.

For the South African segment of our assessment, we factored in the lack of pricing certainty. We used a price of R144/tCO₂e in 2022, increasing to ~US\$30/tCO₂e by 2030 in real terms before allowances. We assumed that the allowances as per the prevailing Carbon Tax Act, reducing marginally over time, still applies. Detailed analysis will only be undertaken once more clarity on the allowance phase-down, rates and trajectory is provided by government.

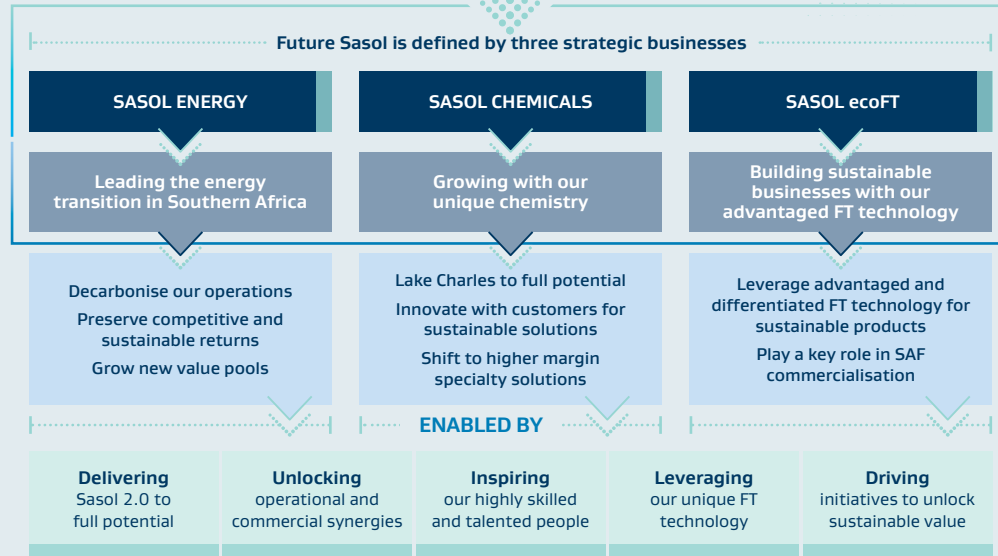
In addition, carbon price forecasts are used in our Decision-Making Framework to inform project evaluation and strategic choices, as well as investment decisions and asset valuations.

IMPLEMENTING THE FUTURE SASOL STRATEGY

Future Sasol strategy

Our operating model and strategy makes us more agile to respond and adapt to changes in our external environment.

We are positioned to be closer to the customer.



DEFINITION OF VICTORY

- > Delivering sustainable returns over the long-term to stakeholders
- > Achieve net zero ambition while preserving and creating value and investing in people

A living strategy approach

Our industry is undergoing a significant change, at a pace not seen in many decades. The short-term crises of the COVID-19 pandemic, geopolitical challenges and megatrends in sustainability and digitalisation reflect a world where disruption is the norm and opportunities in new and emerging areas are opening up faster than ever. In responding, we have found that a fixed, conventional process to develop strategy was not allowing us to respond fast enough. As a result, we adopted a dynamic or 'living strategy' approach as a barometer to constantly assess data and evaluate what the data means for us. In this way, we are able to remain on track to wards achieving the Future Sasol strategy.

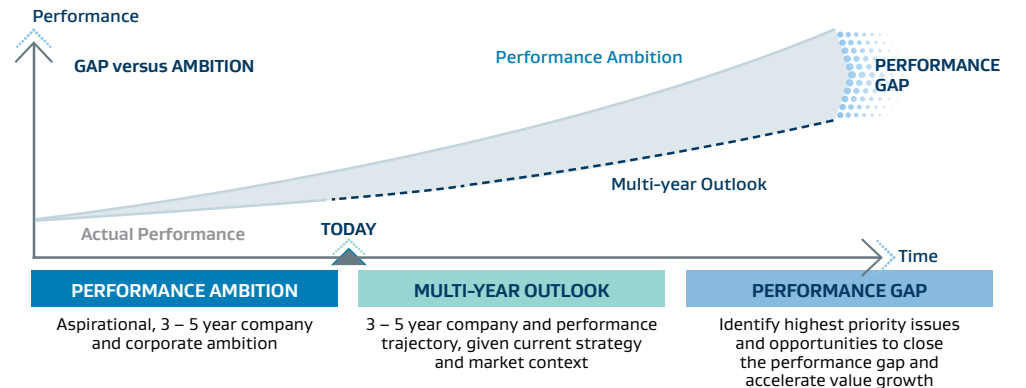
The living strategy approach helps leadership teams continuously sharpen their strategy and accelerate performance to stay ahead.

PERFORMANCE AMBITION, VALUE CREATION LEVERS AND MULTI-YEAR OUTLOOK



We use scenarios to test the robustness of our strategy. By modelling extreme scenarios, we identify proactive strategic moves through a better understanding of our potential exposure (see resilience of our portfolio pages 17 – 19). Our scenario modelling capabilities have been refined, which improves our ability to understand the environment in which we operate.

Identifying and framing opportunities is key to bridging the performance gap



We frame our strategic risks and opportunities, prioritise and then address them. This allows us to close the gap, if any, between actual growth performance and our aspirational ambition.

IMPLEMENTING THE FUTURE SASOL STRATEGY (CONTINUED)



REDUCE, TRANSFORM and SHIFT

Our planet metrics

Metrics were established through a series of external benchmarks and internal work to derive targets that are challenging, achievable and define Future Sasol.

Metric	Business	Point of departure	2026 Milestone	2030 Target	2050 Ambition
Sustainability capex ¹	Energy and Chemicals	-	-	10 – 15% ²	Majority
Scope 1 and 2 emissions	Energy ³	63,0 MtCO ₂ e (2017) ⁴	-5%	-30%	Net zero
	Chemicals	1,1 MtCO ₂ e (2017 Eurasia) 1,7 MtCO ₂ e (2017 North America) ⁵	-20%	-30%	Net zero
Scope 3 emissions	Energy ⁶	35,6 MtCO ₂ e (2019)	-	-20%	Net zero
	Chemicals	To be confirmed (TBC)	Scope 3 baseline development underway		
% renewable electricity ⁷	Energy	-	40% ⁹	80% ⁹	100%
	Chemicals ⁸	-	100%		

- Sustainability capex refers to capital associated with sustaining production through lower-carbon feedstocks, transforming the existing portfolio and investments in new sustainable businesses.
- Projected at – R25 – R35 billion (bn) cumulative total capital up to 2030, inclusive of maintaining current gas feedstock and roadmap costs (Transform capital), which is also dependent on the type of gas partnership construct implemented.
- Excludes Natref which will be addressed together with our JV partner TotalEnergies.
- Re-baselined our 2017 target base year, removing divestments and including methodological changes.
- 1,1 MtCO₂e baseline + 0,6 MtCO₂e for Lake Charles Chemical Project (LCCP) growth.
- Scope 3 emissions relates to sold energy products only (Category 11), including Natref's products.
- Targets for Sasol Energy and Chemicals cover >70% total electricity demand for the Sasol Group.
- Renewable electricity relates to purchased external power and excludes our operations in Nanjing and self-generation.
- Excluding load factor and metric relates to the 1 200 MW renewable electricity roadmap requirement.
- Investments in new and emerging technologies and businesses, with a strong potential to support Sasol's long-term decarbonisation ambitions and growth strategy.



We are accelerating investment in new value pools to strengthen our competitive advantage where we have an established market leadership position. This allows us to maintain a diversified portfolio that is resilient. Growth and the establishment of sustainable businesses through Sasol ecoFT and the Corporate Venture Capital Fund¹⁰ is progressing, with several key partnerships established to develop SAF production facilities. To reduce our capital outlays and balance risk exposure, we intend partnering through co-ownership models.

We have prioritised the areas that have the most material impact on the delivery of our strategy and that affect our business performance. Our material matters (see [IR](#) pages 36 – 39) are linked to KPIs, against which we monitor our performance. This helps us to easily identify problem areas, as well as opportunities. Our strategy also enables us to nurture and grow new sustainable opportunities, potentially upscaling these over time. We continuously refine and prioritise these opportunities so that we accelerate those options with the greatest potential.

Since 2021, we have been focusing on enhancing our capabilities to deliver on our ambitions. We have identified priority capabilities that enable the Future Sasol strategy. We are developing a plan to address skills, business systems and technology choices, as well as a process that delivers capabilities within specific functions or businesses.

We have committed to deliver the Future Sasol strategy over three distinct time horizons and phases: reset, transition and reinvent (see [IR](#) page 11 and below). Our reset phase is well underway with some of the deliverables close to being fulfilled ahead of schedule. Ramp up of LCCP and delivery of Sasol 2.0 is progressing well. Our strengthened balance sheet is a testament to our commitment to achieve our financial goals. A profitable business enables us to fund strategic initiatives and create leadership positions in priority areas within the businesses' customer segments.



IMPLEMENTING THE FUTURE SASOL STRATEGY (CONTINUED)

Sasol Energy

Sasol Energy aspires to be a leader in the energy transition in Southern Africa. Our strategy addresses the following broad themes:

- customer centricity;
- changing energy landscape to low-carbon alternatives;
- Sasol's competitive advantage and core strengths;
- strategic areas for focus; and
- capabilities, skills and resources needed to successfully execute on our strategy.

We anticipate that the energy transition will affect Sasol's current value pools, but recognise that it also presents new growth opportunities in areas where we believe we have the right skills, technology, capabilities and assets to be competitive, particularly in the growth of green hydrogen. Globally, green hydrogen demand is expected to be at least 660 Mtpa by 2050.¹ The projected export opportunity from South Africa is about three to five million tons per annum.² South Africa is well positioned to be a green hydrogen player, well-endowed with resources to establish an export market and geographically well-positioned as a hedge market, with solid global trading partnerships. After careful evaluation, we made several strategic choices. To grow value and decarbonise our South African operations, we prioritised opportunities and partnerships for FT green hydrogen and related low-carbon opportunities (see pages 29 – 30). Green hydrogen, large-scale renewables and sustainable carbon sources are central to our fossil-fuel-free vision and eliminating scope 1 and 2 emissions for the Secunda site.

We are transitioning to low carbon feedstocks and accelerating and diversifying gas supply from Mozambique and other potential sources of gas, including LNG. While green hydrogen is still prohibitively expensive, gas remains a key transition fuel to achieve significant emission reductions in the decade of climate action to 2030.

True to our purpose, we are advancing mobility solutions for our customers and offering sustainable fuels to support customer needs. We are co-creating and developing hydrogen mobility ecosystems and hubs in Southern Africa.

1. Hydrogen Council, Nov 2021.
2. Sasol and BCG Analysis.

Sasol Chemicals

Our global Sasol Chemicals business is organised into three customer-focused regional operating segments – Africa, North America and Eurasia – supporting four business divisions:

- Advanced Materials;
- Base Chemicals;
- Essential Care Chemicals; and
- Performance Solutions.

Our unique chemistry and technologies, market leading positions and integrated value chains are the foundation for future growth. These include our high purity aluminas and the broadest portfolio of integrated alcohols and surfactants in the world, which are used in cleaning, personal care, cosmetics, pharmaceuticals and a range of industrial applications.

As we approach the conclusion of the Sasol 2.0 transformation programme and full commercial ramp-up of LCCP, we have set our sights on transforming the business into a solutions provider. This is aimed at building our competitive advantage, differentiated chemistry and market leadership positions, with a distinct focus on sustainability, circularity and specialties. In 2022, we focused on implementing the 2030 emission-reduction roadmaps for Eurasia and North America, as well as the development of lower-carbon solutions with our customers. Renewable energy is critical to attaining our GHG targets. Accordingly, we entered into several PPAs for our German and Italian sites, as well as a supply agreement for the provision of CO₂-neutral biomass-based steam for the Brunsbüttel site in Germany. We anticipate achieving full commercial implementation of purchased renewable power for North America and Europe in 2026. We are also making progress on the first sales of certified bio-ethylene through our partnership with Holiform. The partnership aims to develop and market lower-carbon intensity biosurfactants.

Our commitment to support the end of plastic waste and develop circular solutions has advanced through our funding – in partnership with the Alliance to End Plastic Waste (AEPW) – of a plastics recycling demonstration project in South Africa. We are also exploring options for chemical recycling of plastic waste to create circular feedstocks for our facilities. Through delivery and scale-up of these actions and others, we expect to sustainably grow and transform this business.

Sasol ecoFT

Sasol ecoFT has been applying an entrepreneurial culture and mindset to:

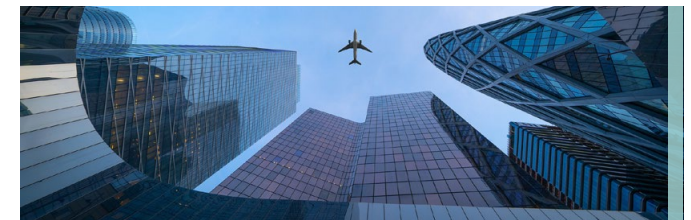
- appropriately resource the business with the right skills and experience supported by leadership and other teams;
- develop collaborative partnerships with both public and private sectors to enhance our competitive position and accelerate the transition;
- broaden and secure key partnerships to close identified capability and value chain gaps; and
- build an attractive venture pipeline, with long-term partners to position our SAF technology offering in selected geographies.

We aim to advance some of our pre-feasibility opportunities to demonstration scale. By doing this, we can test the full Power-to-X (PtX) integrated ecosystem. We are also developing a go-to-market and product monetisation offering. We believe that after 2030 we would be able to derive significant value from our equity positions, catalyst sales, technology licensing and technical services.

Sasol ecoFT is growing in phases:

- setup (2021 to 2025);
- start-up (2025 to 2030);
- ramp up (2030 to 2040); and
- progressing to a mature phase beyond 2040.

During the initial phases we plan to take only small equity positions in demonstration or pilot plants to mitigate technology integration and business risk. As the regulatory landscape matures and the capacity to build these plants increases, we anticipate that the number of plants we will be involved in will grow from an initial two to three per year to more than five.



DECARBONISING OUR OPERATIONS

Progressing our emission-reduction roadmaps

Since we first published our GHG emissions inventory in 1996, we have been implementing various initiatives to reduce our atmospheric emissions, increase energy efficiency and lower our overall environmental footprint. Following the recent announcement of our revised GHG targets and milestones in 2021, Sasol has been executing against our roadmaps to deliver on these targets (see page 4). Our roadmaps are underpinned by a series of critical enablers aimed at delivering a just transition and ultimately a net zero ambition by 2050.

Sasol Energy

In 2021, we put forward concrete plans to deliver an ~25% reduction of our 30% target through known and available technologies. We indicated that technology solutions were being evaluated and developed to close the remaining gap to achieve our committed 30% reduction by 2030. Since then, we have refined our 2030 roadmap, with better definition of our mitigation levers and have a higher confidence in our ability to achieve the target.

For our South African operations, reductions will be achieved by first decreasing the amount of coal we feed to Secunda’s gasifiers. This, coupled with a suite of energy efficiency projects, allows for turndown of approximately six boilers. To turndown Secunda’s boilers, which were built to utilise fine coal, a co-product from mining coarse coal needed for gasification, we are developing innovative solutions that utilise the fine coal as a feedstock. The combination of turning down boilers and reducing coal to gasification reduces coal demand by ~25% (equating to 10 million tons) to meet both our air quality objectives and reduce GHG emissions.

We are considering the introduction of additional volumes of natural gas into the process to be a substitute for coal. This is enabled by adding more reforming capacity. Natural gas can be used more efficiently in the CTL process and can be converted to product without increasing GHG emissions. We are exploring all available opportunities to source additional gas from our own fields and exploration activities, as well as LNG.

Sasol Chemicals

The Chemicals Business reaffirms its commitment to an absolute reduction of GHG emissions of 30% by 2030 off a 2017 baseline and an ambition to achieve net zero emissions by 2050.

This year, Sasol Chemicals focused on the implementation of the 2030 emissions-reduction roadmaps for Eurasia and North America and the development of lower-carbon solutions with our customers. We continue to evaluate and explore interventions that can be used to accelerate our decarbonisation and integrate into our roadmaps. Refinement of the Sasol Chemicals roadmaps is a continuous improvement process with further developments expected in response to any legislation changes or opportunities that materialise in this very dynamic space.



Since the roadmap was approved in August 2021

Our long-term ambition is to decarbonise our operations, with an intermediate goal of achieving a 30% reduction in absolute scope 1 and 2 emissions by 2030 (off a 2017 baseline). We are guided by our three-pillar emission-reduction framework: to **REDUCE** our emissions, **TRANSFORM** our operations and **SHIFT** our portfolio in a stepwise manner.



CRITICAL ENABLERS IN OUR 2030 EMISSION-REDUCTION ROADMAPS

We are developing and accelerating various projects in the following areas:

<p>RENEWABLE ENERGY</p>	<ul style="list-style-type: none"> Through Sasol Energy’s Renewable Energy Implementation Programme (REIP) – one of the largest private renewable energy procurement initiatives in South Africa – we have committed to procure 1 200 MW¹ by 2030 and are in advanced stages of wind and solar energy procurement in excess of 600 MW before end-2025. We recently concluded PPAs of 29 MW for our sites in Germany and Italy and are identifying other opportunities across our operations globally.
<p>NATURAL GAS AS A TRANSITION FEEDSTOCK</p>	<ul style="list-style-type: none"> The procurement of affordable gas and evaluation of alternative supply options are continuing at pace. We have committed US\$1bn to be spent over the next three years to secure additional gas from our own reserves and have extended the gas plateau to 2028. We are also working with partners to evaluate other adjacencies in Mozambique. We are advancing on the finalisation of a term sheet to secure 40 – 60 PJ/a of gas via Matola for delivery in 2026. In parallel, we are evaluating other options to secure LNG including Richards Bay.
<p>GREEN HYDROGEN</p>	<ul style="list-style-type: none"> Progressed to final investment decision for Sasol’s first green hydrogen project in Sasolburg, with green hydrogen production commencing towards the end of 2023. Advancing work on the green hydrogen road mobility pilot, with first runs planned for 2023. The pre-feasibility study for the strategic and catalytic Boegoebaai green hydrogen hub in the Northern Cape is progressing well. This project will support significant socio-economic development in this region. Concluded a policy advocacy roadshow both locally and globally to enable acceptance of low-carbon products produced from fossil-fuel-reliant countries, such as South Africa, in developed markets like the EU. Further clarity on affordability of green hydrogen is expected closer to 2030.
<p>BOILER TURNDOWN AND A FINE COAL SOLUTION</p>	<ul style="list-style-type: none"> As part of our plans to reduce GHG and sulphur dioxide (SO₂) emissions in an integrated manner, we intend turning down some of Secunda’s boilers. The first boiler is expected to be turned down by 2025. Boiler turndown is anticipated to deliver a 30% load reduction in SO₂, in addition to reducing GHG emissions, as well as improving water intensity, ambient air quality and waste volumes. We submitted our boiler SO₂ application for an alternative load-based limit to the Department of Forestry, Fisheries and Environment on 29 June 2022. We have identified four technology solutions to manage fine coal waste. One technology option, a solution to briquette the fine coal for use in gasification has been deemed ready for implementation.² (see page 27).
<p>CCS</p>	<ul style="list-style-type: none"> CCS technologies are being incentivised by the United States federal government. A Request for information (RFI) process is underway to identify technologies suitable for CCS deployment at Lake Charles. A pre-feasibility study is also underway. We are exploring a partnership with Globeleq to sequester CO₂ from gas-fired power plants in Mozambique and have partnered with the Council for Geosciences (CGS) to demonstrate at pilot scale CO₂ sequestration in Mpumalanga.

1. Joint procurement with Air Liquide.
 2. Final technology selection for use in Secunda is underway.

DECARBONISING OUR OPERATIONS (CONTINUED)

Progressing our emission-reduction roadmaps (continued)



REDUCE, TRANSFORM and SHIFT

Renewable energy

Sasol recognises the need to invest in large-scale renewable energy initiatives to deliver on our GHG targets. This is particularly significant in South Africa where electricity generation is both unreliable and carbon intensive, and where we have our highly energy-intensive operations. Secunda, requires roughly 600 MW of grid-procured electricity annually.

Although it is not yet feasible for Sasol to fully replace our own generation and grid-based electricity with renewable energy sources – due to the intermittency of renewable power and the need to ensure stability of our plant – we expect this situation to change once battery storage becomes cost-effective at scale. In the interim, we have committed to an ambitious REIP for Sasol Energy that will significantly ramp up our portfolio of wind and solar projects in South Africa. This will reduce our scope 2 emissions by replacing electricity imports and mitigating our scope 1 emissions by reducing our self-generation of electricity from coal.

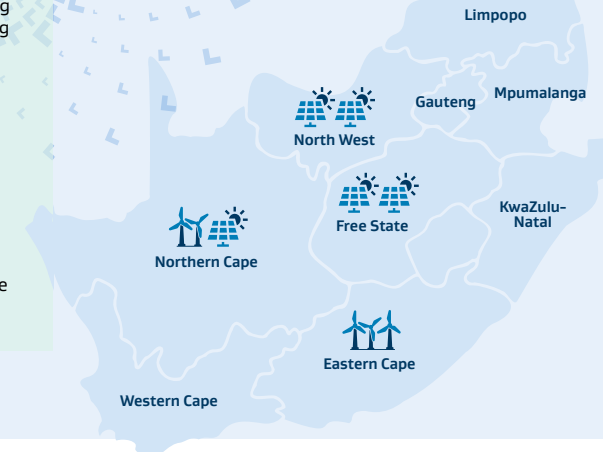
We recently partnered with Air Liquide to jointly decarbonise specific units on our Secunda site and are pursuing various projects with three short-listed IPPs. There has been strong interest in the programme, with projects in excess of our 600 MW target in 'preferred bidder' status. Most of the projects are in the process of obtaining their final licences and permits and commercial negotiations are currently underway with the IPPs, their advisors and lenders. We are concluding agreements to procure greater than 600 MW before end-2025.

Renewable energy is a key enabler for our green hydrogen project in Sasolburg (page 25). We have made valuable progress in our negotiations with IPPs for long-term renewable offtake for the required amount of wind and solar. A pre-feasibility study is also underway for the renewable energy component of the wider Boegoebaai green hydrogen hub (page 30).

Sasol's procurement process aims to secure projects that are advanced in their development and mainly require final financial close to be concluded, including the negotiations of the PPAs.



WIND AND SOLAR PROJECT LOCATIONS IN SASOL ENERGY'S PROCUREMENT PIPELINE

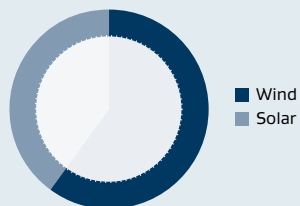


For Sasol Chemicals in Eurasia and the United States, we continue to identify opportunities to increase the use of renewable energy as a key lever to attain our emission-reduction targets. We have concluded multiple PPAs and a CO₂-neutral-steam supply agreement amounting to 72 ktpa CO₂e reduction in Europe. Since January 2022, all externally purchased electricity for the Brunsbüttel site is renewable. The impact of the Russia/Ukraine conflict and the increase in natural gas and electricity prices are affecting the availability and pricing of renewable energy. This in turn could affect conclusion of further PPAs for our European sites.

In the United States, we are pursuing a VPPA with a project developer to install a renewable energy project in return for renewable energy certificates (RECs) to offset scope 2 emissions. Unfortunately, our negotiations with the project developers have been impacted by unrelated regulatory investigations of potential anti-dumping claims relating to solar panels produced in southeast Asia. This has resulted in solar panel imports to the United States being suspended. Project costs and execution timelines have also been negatively affected by inflation and commodity price increases. Securing VPPAs for North America was temporarily placed on hold early in 2022 due these changes. In the meantime, the United States Department of Justice clarified its position on solar panel imports and subsequently, we have resumed activities to secure VPPAs.



To ensure a high capacity factor, an optimal mix of wind and solar energy is required which is indicatively shown below



DECARBONISING OUR OPERATIONS (CONTINUED)



Progressing our emission-reduction roadmaps (continued)

REDUCE, TRANSFORM and SHIFT

Transforming our operations with gas

Natural gas is a critical transition energy source to decarbonise the Southern African region and meet net zero commitments. Even though it is a fossil fuel, gas is a bridge for coal economies. We see gas and renewable energy, together with sustainable carbon sources, as springboards to green hydrogen, which can be used to fully decarbonise our operations.

Last year, we adopted a gas sourcing strategy aimed at meeting future gas demand and ensuring the sourcing of low-GHG LNG. This strategy also seeks to enable us to pivot quickly once green hydrogen is economically viable, such that we do not make long-term balance sheet commitments that could expose us to redundant infrastructure.

This year, we completed a study that found that while gas supplied via pipeline from Rovuma (northern Mozambique) is likely to be the most cost-effective and the lowest GHG emissions from a lifecycle perspective, the project is not deemed feasible over the medium-term due to geopolitical, execution and infrastructure lock-in risks. To ensure optionality, we are nevertheless continuing to engage with potential investors.

Sasol has a large industrial customer base that is dependent on gas into the future for hard-to-abate industries. We have commenced an analysis to expand our existing exploration and development opportunities to reduce the blended cost of gas to South Africa, while also diversifying the sources of gas supply. Securing additional sources of gas, including LNG, as a transition feedstock remains a strategically optimal pathway due to the inherent flexibility it offers to ramp down supply post 2040 and to minimise the risk of stranded assets and gas infrastructure lock-in. We have developed a multi-hub approach with floating storage and regasification units (FSRUs) being assessed in Matola (Mozambique) and Richards Bay (South Africa). These have been prioritised over developments in Coega and Saldanha to meet our predominantly inland and South Africa east coast demand needs. In addition, it is critically important that a reliable gas feedstock be sourced for peaking requirements in the power sector.

We are continuing to work with relevant parties to explore near-field developments adjacent to our current gas fields, aimed at sharing risks and rewards in development and marketing. Given the higher price of LNG relative to current gas in the market, we are engaging with customers to understand their appetite to transition to re-gasified LNG in the future. At the same time, we are exploring various opportunities to develop and grow the market. Sasol supports the proposed development of a Richards Bay LNG terminal, as we believe that this will play an important role in sustaining and growing the gas market thereby ensuring energy security for key industries.

Unlocking the potential of green hydrogen

The Southern African energy transition and Sasol's decarbonisation strategy are interwoven. We are taking a strategic long-term investment view of green hydrogen. We are also playing a leading role in shaping and enabling this economy, supported by green hydrogen production and enabling infrastructure, skills, industry development and end-user application markets.

Green hydrogen is acknowledged as a critical enabler to achieving global net zero commitments and is seen as an important source of potential competitive energy differentiation for Southern Africa. The region has valuable endowments of renewable energy, as well as some of the world's largest deposits of platinum group metals (PGMs). Green hydrogen can potentially be produced here on a cost-competitive basis and support PGM beneficiation through supporting industries, such as

fuel cell manufacture. Given its well-developed industries, financial markets and infrastructure, the region also offers geopolitical benefits as a supplier of green hydrogen to Atlantic and Pacific markets.

Sasol is uniquely positioned to lead the transition to green hydrogen in Southern Africa, leveraging our existing assets, technical and project expertise and downstream technologies, as well as our FT technology which is agnostic to the source of carbon or hydrogen. While the initial supply infrastructure will be anchored on global offtake, servicing local demand will be essential for Southern Africa's energy security and to improve the competitiveness of industry to enable a just transition. The green hydrogen economy holds exciting potential to create high quality jobs, further benefit natural resources and create new value pools for the region, Sasol and our host communities. In addition green hydrogen can significantly decarbonise our operations and help us achieve our net zero ambition. Given our green hydrogen demand, we are able to be an anchor for market development in South Africa.

PROGRESS ON OUR AMBITION TO REPURPOSE OUR FACILITIES USING GREEN HYDROGEN AND SUSTAINABLE CARBON

REPURPOSING SECUNDA TO PRODUCE SUSTAINABLE PRODUCTS

Demonstrate SAF capability and firm-up demand for air transport

The HyShiFT SAF project, developed in partnership with Linde, Enertrag and Hydrogen, is progressing well, **targeting first SAF production in 2025**. The project involves transitioning our Secunda asset from predominantly using coal to progressively integrating sustainable feedstocks, over time, to produce SAF for Germany.

Transitioning this facility to only using sustainable feedstocks will require more than 20 GW of electrolysis capacity, which will take time. This project is the first step toward a fossil fuel-free vision and will use **200 MW of electrolysis capacity and 400 MW of renewables to produce ~50 000 tons of SAF per annum**, depending on sustainable carbon feedstock. A simultaneous co-feed of fossil fuel and sustainable feedstocks will need to be undertaken as the transition takes place. However, the proposed EU regulations under RED II limit market access (see page 48 for more details); we are actively engaging to advocate for a level playing field.

REPURPOSING SASOLBURG TO PRODUCE GREEN HYDROGEN

Stimulate and anchor local demand and demonstrate capabilities

FID approved in March 2022 to produce green hydrogen from existing chlor-alkali electrolyzers in Sasolburg towards the end of 2023.

Studies to produce lower-carbon waxes, SAF, methanol and ammonia are progressing well. There are also further integration possibilities with Natref that are being explored to accelerate the production of both sustainable fuels and chemicals.

We have identified specific focus areas within the SAF value chain to become a global low-cost producer of SAF

DECARBONISING OUR OPERATIONS (CONTINUED)



Progressing our emission-reduction roadmaps (continued)

REDUCE, TRANSFORM and SHIFT

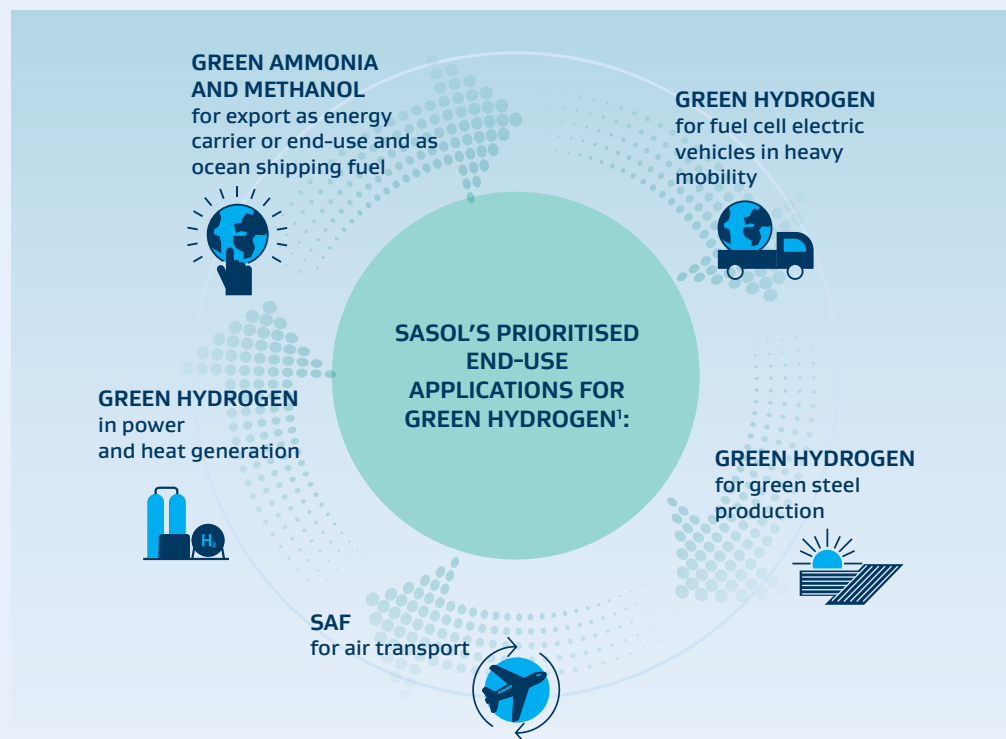
By 2050, we anticipate that between three to five million tons per annum of green hydrogen will be exported from Southern Africa. Green ammonia is likely to be the first derivative to lead the export demand due to ease of transportation. Local demand for green hydrogen, SAF and sustainable chemicals is anticipated to be around three million tons per annum.

Green ammonia and methanol

- We are investigating a diversified portfolio of green hydrogen products – including green ammonia and green methanol – initially targeting export markets but ultimately seeking integration with local supply. The outlook for the green hydrogen market is uncertain with some studies suggesting it could reach over 660 Mtpa by 2050, with green ammonia expected to comprise ~20% of this demand, for use in chemicals production, shipping fuel, power generation and as a hydrogen energy carrier.
- Sasol signed an MoU with the Port of Rotterdam (Netherlands) to jointly investigate the opportunity to establish a corridor for green hydrogen and its carriers, produced in Southern Africa (see Boegoebaai page 30). We are currently undertaking techno-economic investigations into ammonia cracking, bunkering and other market-related initiatives in partnership with third parties.
- Green methanol can be used to decarbonise oil-based feedstocks in the chemicals industry and as fuel for long-haul ocean shipping. We expect green methanol to penetrate the shipping industry first, with green ammonia demand, as shipping fuel, ramping up over time. Sasol is in discussions with shipping lines, ports and traders to jointly unlock the shipping fuels market for green ammonia and green methanol.

Green hydrogen in power and heat generation

- Sasol entered into an MoA with the Gauteng Department of Economic Development (GDED) in South Africa to scope several catalytic green hydrogen projects, including hydrogen mobility, green steel, SAF, large scale embedded generation and the setup of micro-grids within the Gauteng province.
- This involves conceptual design of smart mini-grids, including development and demonstration for mixed-use energy solutions at industrial, commercial and residential buildings in Gauteng. Sasol will be supporting GDED with hydrogen assumptions (volumes, location and price) for techno-economic evaluation.



SAF

- The use-case for SAF is accelerating following recent regulatory changes in blending mandates and net zero commitments. The EU and the International Air Transport Association (IATA) have committed to net zero for the airline sector by 2050, with blending mandates introduced as early as 2025.
- Sasol is aiming to be a best-in-class low-cost scale producer of SAF using our existing assets (page 25). Through the HyShiFT project, we want to progressively integrate sustainable feedstocks into Secunda and produce ~50 000 tons per annum of SAF for the EU market, potentially avoiding up to half a million tons of CO₂ per annum.
- Sasol ecoFT is expanding their partnership portfolio with several projects agreed (see page 29).

1. We are initially targeting the production of green hydrogen products and derivatives that adhere to different standards to certify a product green or sustainable including the South African market (South African Green Taxonomy), EU (EU REDII and associated Delegated Acts) and voluntary product and taxonomy (Roundtable on Sustainable Biomaterials (RSB) and ISCC) standards.

Fuel cell electric vehicles

- Sasol is playing a leading role in co-creating and developing the hydrogen mobility ecosystem and hubs in Southern Africa, with targeted customers including fleet owners, mines, the heavy-duty transport sector, municipalities and local governments. Our initial focus is on providing green hydrogen refuelling infrastructure.
- We have progressed green hydrogen for heavy mobility projects, supported by repurposing our existing chlor-alkali unit in Sasolburg to produce green hydrogen. We have finalised a joint co-operation agreement with the South African Industrial Development Corporation (IDC) and took FID in March 2022.
- Sasol entered into a strategic partnership with a large vehicle manufacturer, who is aiming to deliver its first fuel cell electric passenger vehicle to South Africa in the first quarter of 2023.

Green steel

- Sasol is working with the steel industry to investigate the production of green steel. The decarbonisation of the this industry, using Sasol's bulk green hydrogen, also has the potential to unlock an opportunity to capture and utilise CO₂ from steel production in our FT process as a sustainable carbon source.

DECARBONISING OUR OPERATIONS (CONTINUED)



REDUCE, TRANSFORM and SHIFT

Progressing our emission-reduction roadmaps (continued)

Sasol is intensifying its research and technology efforts to support our climate change response. In using our proprietary technology to transition the business, a strong focus on research and technology best-practice application is required.

RESEARCH AND TECHNOLOGY (R&T)

In May 2022, Sasol developed an updated technology strategy and R&T structure. This was supported by an increase in research funding of ~15%, with a dedicated focus on developing and deploying future sustainable technologies. Our R&T function is researching and delivering various innovative solutions, such as boiler turndown and the development of a fine coal solution.

COAL BRIQUETTING TECHNOLOGY

In support of boiler turndown and addressing excess fine coal, an innovative fine coal briquetting technology is the most promising. This technology has been co-developed by Sasol's R&T function and a third-party technology provider. The briquetting process allows for better utilisation of fine coal by gasifying the briquettes for conversion into higher-value products rather than using it as a fuel source.

BIOSLUDGE AS A CARBON SOURCE

Sasol is also assessing other sustainable feedstocks for utilisation in Secunda and Sasolburg. An example includes the re-routing of biosludge from Sasol's biological water treatment plants to gasification, where a portion of the carbon is reconverted into usable products. This novel solution was developed and trialled on a single gasifier and has the potential to enable the shutdown of existing biosludge incinerators, with associated positive GHG and air emission benefits. Research has also been initiated with local universities to explore the use of other by-products and plastics for use as a circular feedstock for gasification. Combined with our technological expertise in gasification and carbon conversion, we are positioning for greater input into South Africa's shift towards circular products.

PRODUCING SUSTAINABLE FUELS AND CHEMICALS

Sasol's low-temperature FT technology is primed to produce SAF and other sustainable chemicals. Innovative catalysts and reactor design and risk-managed capital allocation enables us to transition our existing plants from coal or natural gas feedstocks, to green hydrogen and CO₂, to produce sustainable fuels and chemical products. Ongoing development of our FT technology and proprietary G4 catalyst will allow Sasol to be an industry leader in the deployment of this technology. Our Care-O-Sene research partnership is testament to the importance of advancing this research (see page 29). Partnerships with other global technology providers will enable us through Sasol ecoFT to offer a complete PtX technology solution to prospective licensees and JV projects.

RESEARCH COLLABORATIONS

Sasol is actively pursuing various research collaborations with local and international organisations and academia to develop technologies to support our targets. Together with the National Research Foundation (NRF) in South Africa, we have recently awarded research grants (totalling R54 million over four years) on sustainability-related research, including in the field of green hydrogen, renewable energy, energy storage and CO₂ utilisation. Through the NRF, we will also be supporting two research chairs on Green Hydrogen and Energy and Power Systems Integration. In addition, R&T has established a partnership with South Africa's Department of Science and Innovation (DSI) to develop and progress projects and infrastructure that support future technology areas and the Future Sasol strategy.



1. Commercial unit-prepared briquettes.
2. Loading coal and briquettes in the pipe reactor test. Briquettes visibly stood out from coarse coal.
3. Briquettes retained shape after gasification test.
4. Chars remained intact after thermal tests.

DECARBONISING OUR OPERATIONS (CONTINUED)



REDUCE, TRANSFORM and SHIFT

Progressing our emission-reduction roadmaps (continued)

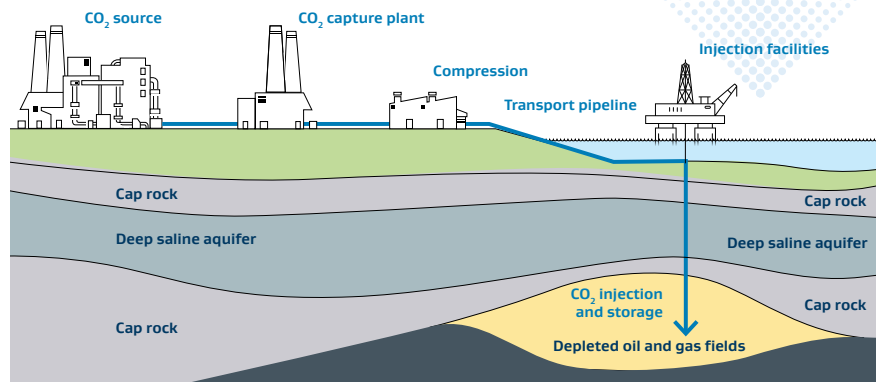
Carbon Capture Utilisation and Storage (CCUS) technologies

Sasol is actively investigating CCUS technology. Although CCUS has not been built into our 2030 Sasol Energy roadmap, foundational work is underway for our 2050 net zero ambition.

We are exploring partnerships with Globeleq for sequestration of CO₂ from gas-fired power plants in Mozambique. The CGS is continuing with preparation for a pilot plant demonstration of CO₂ sequestration in Mpumalanga, with contract planning for site construction, management, injection and monitoring underway. Sasol R&T have been assisting CGS with wind and ground water data and plan to supply existing geological subsurface mapping and baseline air dispersion information. The first injection is planned for late 2025.

In 2022, we concluded an RFI to identify CCS opportunity developments for Lake Charles, for advancement over the course of 2023. Also, our MoU with LOTTE Chemical, is looking to use our CO₂ from this facility as a primary raw material for production of battery-grade electrolyte solvents for lithium-ion batteries in electric vehicles. Future captured CO₂ from current operations will also be used as a feedstock, resulting in reduced GHG emissions for the site and products suitable for the energy transition. The development of both CCS and CCU projects is guided by the principle of maximising value creation in concert with changes in the external environment to inform timing of investment decisions, such as the United States government incentivising CCUS.

Carbon capture and storage flow scheme



Process and energy efficiency

Sasol's energy efficiency performance is reported monthly, providing insights on our long-standing commitment to improve energy efficiency as a key business driver and contributor to our emission-reduction roadmap. A number of operational challenges were experienced during 2022 as a result of poor coal quality and gas availability at our Secunda and Sasolburg sites. This was further influenced by a series of external power disruptions which resulted in an overall energy efficiency regression against the previous year. Our energy efficiency improvement from a 2005 baseline stands at 18,4% for the Group and 15,7% for Sasol Energy against a 2022 target of 22%. We are however still on track to meet our Energy Productivity 100 (EP100) 30% energy improvement target by 2030.

Sustainable carbon feedstocks

Securing sustainable carbon feedstocks is essential to fully unlocking the FT PtL opportunity for Sasol. By progressively incorporating sustainable carbon sources into our operations, we will be able to gradually decrease our reliance on coal and transition gas. Sources of sustainable carbon include biogenic, recycled process CO₂ from industrial sources and captured atmospheric CO₂. As the cost of DAC is currently not sufficiently competitive for large-scale implementation, we are prioritising biomass-derived carbon. Small quantities of biomass can already be accommodated in our existing gasifiers, but we will need a new set of gasifiers to utilise higher percentages.

Effectively sourcing biomass will require further collaboration to achieve optimal land and water use, as well as address logistical concerns. We are pursuing various opportunities for partnerships and enterprise supplier development in this area. We are also in discussions with potential partners to explore the use of emissions from industrial sources that can be classified as unavoidable carbon for our process to reduce emissions, produce sustainable fuels and chemicals and pilot CCUS.

Natref greening opportunity



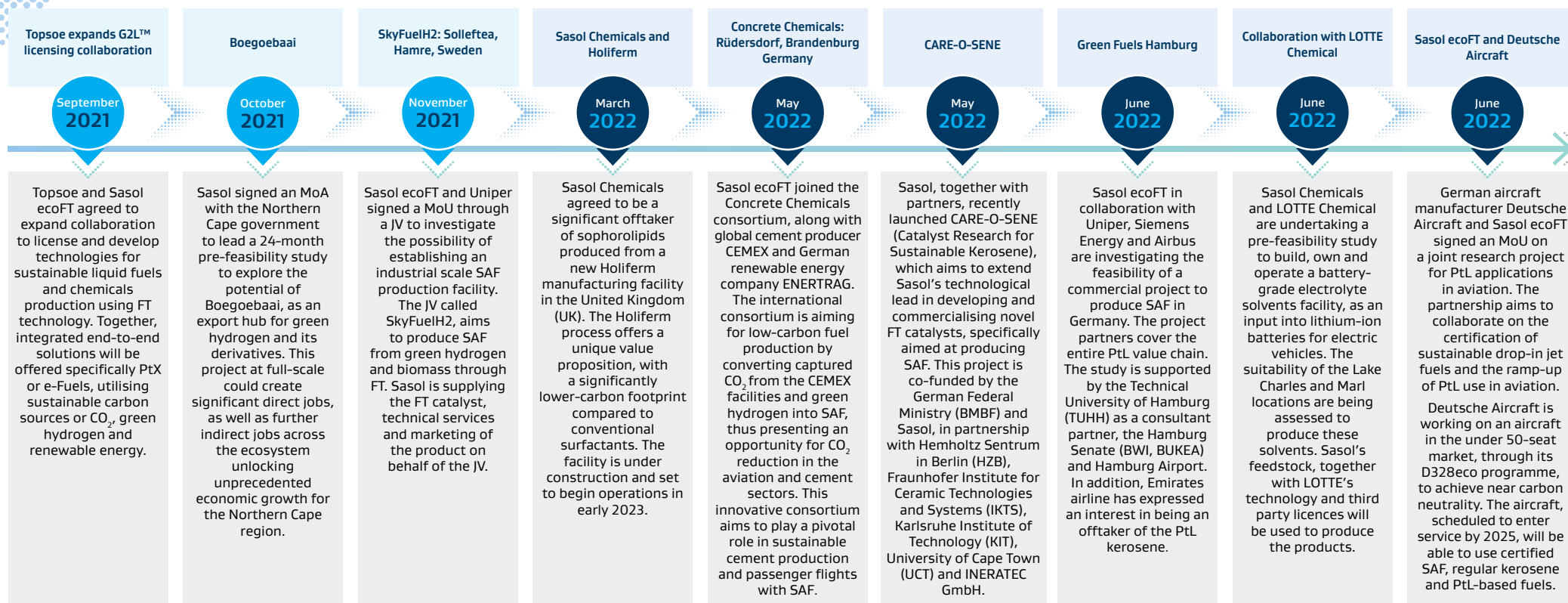
Through our partnership with TotalEnergies, we are exploring innovative pathways to potentially transition the Natref refinery and meet Clean Fuels II compliance by co-processing crude oil with sustainable feedstocks to reduce the refinery's scope 1 and 2 GHG emissions. We could also reduce scope 3 emissions through bio-ethanol fuel blending for the market. Deeper decarbonisation opportunities are also being explored, such as biodiesel, SAF production and renewable electricity integration. This offers potential for critically important benefits through unlocking a stagnant bio-ethanol manufacturing segment. Further information on these opportunities will be provided in future disclosures.



DECARBONISING OUR OPERATIONS (CONTINUED)

Growing and shifting value

Sasol is moving with speed to harness opportunities for green hydrogen utilisation and the production of sustainable chemicals globally. Governments and corporates alike are investing significantly into green hydrogen and sustainable chemicals, piloting and proof-of-concept projects ranging from research and development to application. Over the past nine months, several partnerships and project development opportunities have been agreed.



CHALLENGES

SAF is one of the most promising routes to decarbonise the aviation sector. However, due to the nascent nature of the industry, policies that could speed up the development of SAF have been slow to develop. In order to be able to decisively shape the market ramp-up of SAF, a stable regulatory environment is of crucial importance.

Both at the global level, such as the International Civil Aviation Organisation (ICAO) and in individual countries or continents, such as the EU, intensive work is underway on the regulatory framework. ICAO has recently announced a long-term global aspirational goal (LTAG) for international aviation; the next step is reform of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA). This is critical to support the EU's ambitious decarbonisation plans, which will also incentivise additional SAF use beyond blending mandates.

In the United States, the administration's renewed focus on climate change is leading to initiatives and legislation across a broad spectrum of government agencies, including additional reporting requirements which we are preparing for; increased enforcement of environmental violations; and implementing a comprehensive environmental justice enforcement strategy. The United States is moving swiftly on enacting new policies that will likely have an impact on us (see page 48). The EU through its RED II is setting standards, which other regions will be required to follow to access the market. Apart from tax and market regulations, restrictive accounting rules and certification requirements for producing SAF is limiting opportunities in the short- to- medium-term. For example, eligibility of feedstocks and prescriptive rules that inadvertently limit the volume of certifiable SAF, constrains our ability to undertake a just transition.

Over and above the very high capital investment costs for SAF production today, these other challenges compound and contribute to the financing burden. Public funding and a smart partnership strategy can assist but much more needs to be done to overcome the market access hurdle. Sasol continues to engage and leverage policy advocacy bodies to bring these issues to the fore.



DECARBONISING OUR OPERATIONS (CONTINUED)

Growing and shifting value (continued)



The Boegoebaai Green Hydrogen Hub Pre-feasibility Study

The global green hydrogen industry shows strong momentum, with several countries breaking ground on mega-scale projects and various markets launching tenders and entering partnerships to secure supply. Renewable energy is the most significant cost component in hydrogen generation and South Africa, particularly the Northern Cape, is advantaged to produce green hydrogen, given its wind, solar and land resources.

In October 2021, Sasol signed an MoA with the Northern Cape Economic Development, Trade and Investment Promotion Agency, to lead a pre-feasibility study that explores the potential for Boegoebaai to be an export hub for green hydrogen and its derivatives. Sasol is playing a key integrator role across the value chain to right-size the project and develop a Master Plan to enable long-term resilience and socio-economic success.

The Boegoebaai pre-feasibility study is being conducted in line with the MoA, where Sasol is responsible for the inside battery limit (IBL) scope. The Northern Cape government is taking the lead, coordinating with other government entities on the delivery of the outside battery limit (OBL) enabling infrastructure, such as the port (led by Transnet National Ports Authority) and the electricity infrastructure (led by Eskom). A joint steering committee, as well as integrated working groups with fortnightly engagements, was formed to ensure alignment on the OBL timelines and scope.

The project entails an assessment of the potential to construct a greenfield facility to produce green hydrogen first and thereafter downstream green hydrogen processing units for green ammonia, green methanol and SAF. Due to the fast-evolving nature of the green hydrogen market and technology landscape, a phased implementation approach is envisaged to scale the development. We have significantly progressed our understanding of a robust set of project alternatives (including technical, implementation, operations and business structuring variants) and viable techno-economic solutions are actively driving mitigation activities for our identified key risks. Mega-projects are inherently risky and its size and complexity create unique challenges. The Boegoebaai project aims to incorporate learnings from other large-scale projects and global best practices in capital project development. The nascent market for low-carbon hydrogen is also both highly complex and fast evolving and we are monitoring key strategic signposts to further inform our potential designs and scale-up.



Funding Boegoebaai

We are in discussions with potential partners to accelerate the green hydrogen economy in South Africa through collaboration.

Grant funding is a key component to being able to accelerate and de-risk the early phases of the project. Several potential partners have indicated a willingness to collaborate and fund parts of the project. These discussions are ongoing as we advance our pre-feasibility studies.



DECARBONISING OUR VALUE CHAINS

Product labelling

Sasol aims to progressively shift our product portfolio from coal and more gas-based products to sustainable low-carbon products through the introduction of sustainable inputs such as renewable energy, green hydrogen, biomass, CO₂ from recycled industrial processes and/or DAC.

To ensure that we can produce sustainable products, a rigorous certification process will need to be in place, verified by an accredited body. This sustainable certification process is termed ‘product labelling’. Such a process will allow us to validate our product claims, meet market or customer requirements and make credible emission-reduction claims (refer to figure alongside).

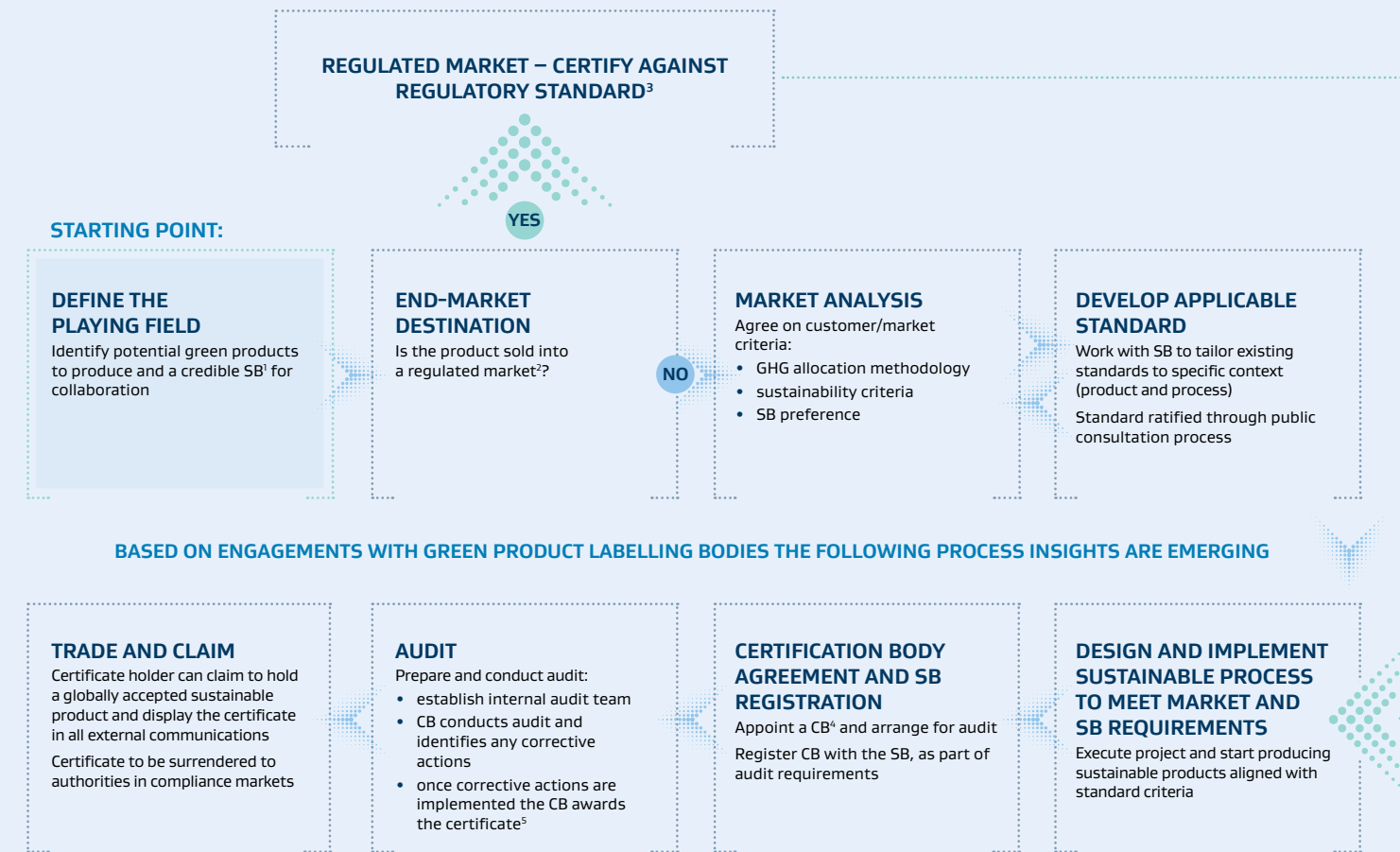
Product labelling requirements can differ according to market and customer needs. Some markets, like the EU, have stringent certification requirements to ensure compliance with mandated performance or environmental targets such as renewable energy targets stipulated in the EU RED. Other markets or customers use certified products to make credible voluntary claims. Underpinning product labelling is an assessment of the lifecycle impact of a product, with a focus on the product’s overall GHG impact or carbon intensity. This is a key market entry requirement in the renewable fuels sector and impacts the production of green hydrogen, biogenic and PtX-derived SAF.

We are working with globally recognised sustainability certification bodies, including the RSB and the ISCC. To this end, the RSB is conducting sustainability assessments for some of our green hydrogen projects, specifically to understand market access requirements under recognised standards. Through our certification of bio-ethylene, our ambition of integrating larger quantities of bio-based and circular raw materials is being realised.

We joined RSB to expand our knowledge base and contribute to the development of related policy.

So far, we have defined the required certification criteria for Sasol’s products and have undertaken a gap analysis between where we are today and where we have to be to certify our sustainable products.

Sustainable certification process



GLOSSARY OF TERMS

- Standards Body (SB)** – develops the ‘rules of the game’ using technical experts
- Regulated market** – a market in which product does not meet the prescribed national standard it can still be traded, but it will not be recognised towards meeting national targets
- Standard** – documented agreement containing technical specifications or other precise criteria that must be adhered to claim attributes of a product or process
- Certification Body (CB)** – an independent third party that conducts the audit and issues the certificate
- Certificate/label** – an electronic document declaring compliance to a specific standards



Product labelling against accepted standards is a key enabler for market access and to be eligible for sustainable financing. Sasol’s first green certified bio-ethylene derivatives was produced in 2022, with additional products advancing through our sustainable certification process.

DECARBONISING OUR VALUE CHAINS (CONTINUED)

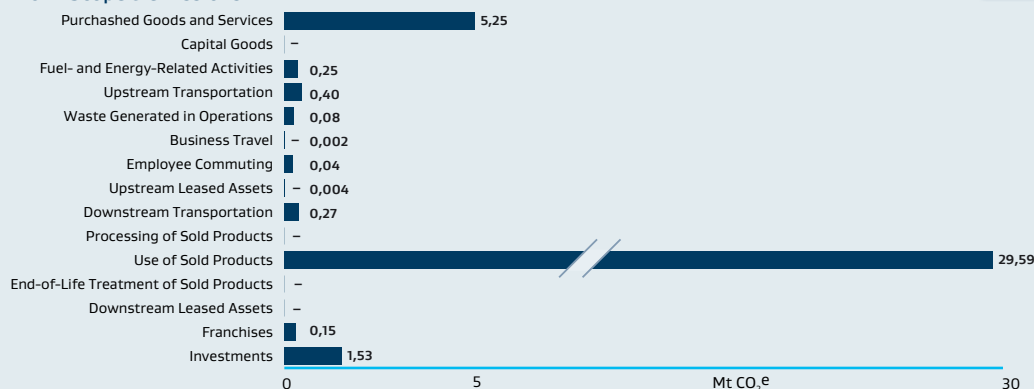
Scope 3

Our scope 3 emissions and accounting maturity

Sasol's scope 3 reduction approach balances the need to improve baseline accounting and identify reduction opportunities, with the implementation of longer-term portfolio changes and other measures aimed at reducing emissions across our value chain.

We have made good progress on refining our baseline, developing a deeper understanding of these emissions and identifying and delivering opportunities for scope 3 reductions. Our largest volume of scope 3 emissions originates from Sasol Energy's sold products (Category 11), predominantly in South Africa. Reducing these emissions requires fundamental changes to our business model, which we are assessing in line with our net zero ambition by 2050. Our most significant portfolio and product changes will be undertaken after 2030, when our hydrogen aspirations start to deliver.

2022 Scope 3 emissions



Category ¹	2022 (tCO ₂)	2021 (tCO ₂)	2020 (tCO ₂)	2019 (tCO ₂)	Accounting accuracy
1. Purchased Goods and Services	5 247 445	5 432 140	5 978 086	5 732 504	●
2. Capital Goods		N/A			●
3. Fuel- and Energy-Related Activities ²	249 435	240 993	285 641	156 747	●
4. Upstream Transportation	402 850	478 974	449 465	533 494	●
5. Waste Generated in Operations ²	77 345	70 159	78 608	87 390	●
6. Business Travel ²	2 007	600	4 105	10 371	●
7. Employee Commuting	36 237	32 584	50 471	36 096	●
8. Upstream Leased Assets	3 725	4 785	4 906	Not measured	●
9. Downstream Transportation	273 038	253 280	211 901	201 756	●
10. Processing of Sold Products		N/A			●
11. Use of Sold Products ²	29 585 273	30 831 235	29 661 747	35 618 580	●
12. End-of-Life Treatment of Sold Products		Baseline under development			●
13. Downstream Leased Assets		N/A		148 402	●
14. Franchises	148 389	141 412	144 131	3 244	●
15. Investments ³	1 531 284	1 330 133	737 234	1 207 542	●
Total	37 557 028	38 816 295	37 606 295	43 736 126	

● Highly Certain ● Moderate Certainty ● Low Certainty ● Unknown ● Not applicable

1. Explanation of data changes and further details on our calculation methodology are indicated in the Appendix pages 61 – 63. 2. Subjected to external assurance.

3. 2021 Category 15 data restated upwards due to accounting improvements, refer to page 63.

Strengthening our scope 3 accounting

Several measures have been undertaken this year to strengthen the robustness of our scope 3 accounting.

CATEGORY 1: CRUDE OIL EMISSIONS REPORTING METHODOLOGY

- In 2021, we reviewed opportunities to enhance reporting and reduce Category 1 emissions (Purchased Goods and Services) associated with crude oil sourcing.
- Oil fields differ in their carbon intensity and offer potential optimisation opportunities depending on the crude oil source. This year, we disaggregated the carbon intensities of the crude oil we purchased according to the specific oil field sources and marketable crude oil names (MCONs). This has enabled us to update our current methodologies and establish a more accurate baseline for reporting Category 1 emissions, which we intend reviewing annually. We have also used the opportunity to identify interventions to reduce emissions from crude oil shipping (page 33).

- We are developing a methodology to determine the emissions associated with EOL combustion and will accordingly develop a baseline for future reporting. Although this is not expected to materially change our Category 11 emissions footprint, this approach is aligned with our drive for transparency and the need to strengthen the accuracy of baseline reporting.

CATEGORIES 1 AND 12: BASELINE ASSESSMENT RELEVANT TO OUR CHEMICALS BUSINESS

- We have been working with cradle-to-gate emission factors taken from commercial and publicly available databases such as GaBi (Sphera). In an effort to move from industry averages to Sasol-specific emission factors, we are engaging with our suppliers to obtain emission factors to improve our accounting accuracy.
- In January 2022, Sasol Chemicals launched a lifecycle assessment (LCA) project to improve our understanding of GHG emissions linked to the sourcing of aluminium (scope 3, category 1) and the production of alumina (scope 2). Preliminary results indicate that these emissions had previously been overestimated.
- Category 12 emissions relate to emissions at the EOL of sold products, which is of relevance to Sasol Chemicals. We are working to develop a sound baseline for these emissions, which is currently under review.

- The complexity of accurately determining the fate of thousands of products sold into an even greater number of applications and countries has been challenging. Through peer benchmarking, we identified the World Business Council for Sustainable Development methodology as being the most appropriate for undertaking these calculations. The calculation utilises the product's carbon content and region-specific disposal data to estimate emissions.
- Information was also brought to light leading to the updating of two key assumptions, namely (1) the need for the allocation of sold products to destination countries to be based on actual sales data and (2) the need for product durability to be in accordance with the United States Environmental Protection Agency (EPA).

CATEGORY 11: EMISSION FACTORS FOR ENERGY PRODUCTS

- Our Category 11 emissions (Use of Sold Products) have traditionally been calculated based on default emission factors from the UK Department of Environment, Food and Rural Affairs (DEFRA). As part of our scope 3 programme, we determined Sasol-specific emission factors for a selection of representative energy products based on the measured carbon content of the product. We used these Sasol-specific factors to update our Category 11 emissions for the relevant energy products in the current reporting cycle.

CATEGORY 11: DEVELOPING A REPORTING METHODOLOGY FOR LUBRICANT PRODUCTS

- Emissions from Sasol Energy's lubricant products have historically not been included in Category 11, as these are predominantly used in non-energy applications. This year, we undertook an internal study to assess the end-of-life (EOL) uses of used lubricants in South Africa. Preliminary results show that a significant portion of these used lubricants are collected by the Recycling Oil Saves the Environment (ROSE) Foundation for re-use in combustion applications.

DECARBONISING OUR VALUE CHAINS (CONTINUED)

Scope 3 (continued)

Driving emission reductions within our sphere of influence



USING EURO 6 VEHICLES TO CONVEY TRANSPORT FUELS TO RETAIL FORECOURTS

- As part of a pilot programme initiated in 2018, Sasol Energy purchased nine road tankers that comply with Euro 6 emission standards to convey transport fuels to our retail forecourts. These vehicles have accumulated a total of 2,5 million kilometres. This has resulted in more than a 5% saving in average fuel consumption of other vehicles in the fleet contributing to a similar reduction in Category 4 emissions (Upstream Transportation and Distribution) and substantial reductions in nitrogen oxides (NO_x) and particulate matter emissions. The programme has also generated significant learnings related to the operation and maintenance of these vehicles under domestic conditions. The use of vehicles with advanced emission control technologies is envisaged to form part of Sasol's fleet recapitalisation strategy, but is dependent on the use of an enabling ultra-low sulphur diesel, such as Sasol's Turbodiesel™ ULS 10 parts per million.

ADVANCED TOOLS TO OPTIMISE FUEL DELIVERY PLANNING AND SCHEDULING

- Sasol Energy is implementing an advanced planning and scheduling tool to streamline our order-to-delivery process to customers. It is anticipated that this technology enablement, supported by other business improvement initiatives, will reduce Category 4 emissions by optimising payloads, streamlining logistical processes and minimising the frequency of product deliveries via road.

CIRCULAR ECONOMY INITIATIVES AT SASOL CHEMICALS

- To reduce Category 1 emissions (Purchased Goods and Services), we are identifying alternative feedstocks for our strategic raw materials and working with some of our customers to ensure viable integration into our value chain.
- Reducing Category 12 emissions (End-of-Life Treatment of Sold Products) remains challenging because carbon is inherently contained in many chemical products. Therefore, product design is a critical reduction lever and is part of our plastics sustainability programme. In addition, we are working with government and various industry bodies to develop circular solutions to reduce plastic waste and associated scope 3 emissions. Through our chemical recycling project, we are also aiming to reduce plastic waste leakage in South Africa, in collaboration with partners across the value chain.
- In terms of bio-based and circular feedstocks, we have successfully secured ISCC Plus certifications in Marl, Brunsbüttel (Germany) and Augusta (Italy), allowing us to achieve our first sale of ISCC Plus certified product. Primary emissions data for the certified material has also been obtained to enable product carbon footprint calculations for the affected products.

Carbon-neutral business travel

Sasol has placed emphasis on virtual meetings to reduce Category 6: Business travel emissions. Our remaining business travel emissions from air travel, car-hire and hotel accommodation are annually estimated and externally assured by independent third parties. For 2021, we have completely offset the impact of these emissions through the purchase of verified high-quality carbon offset credits by Sasol ecoFT on behalf of the Sasol Group.

We are in the process of offsetting 2022's emissions and will report on this next year.



INSTALLING SOLAR PANELS AT SASOL'S RETAIL FORECOURTS

- Sasol Energy is piloting the installation of solar panels at Sasol retail forecourts in South Africa as a supplementary energy source to reduce reliance on the national electricity grid and enable our franchisees to contribute towards GHG emission reductions. The pilot project is in the execution phase, targeting ten retail sites to understand integration aspects and gain operational experience. Roll-out to additional forecourts is being planned.

IDENTIFYING OPPORTUNITIES TO REDUCE EMISSIONS FROM CRUDE OIL SHIPPING

- Shipping represents ~3% of the world's total annual GHG emissions. The International Maritime Organisation's (IMO) climate change strategy includes targets to reduce the carbon intensity of shipping by ~40% and ~70% by 2030 and 2050, respectively, with short-, medium- and long-term measures identified to achieve these targets. We are engaging with crude oil suppliers and transporters to identify potential emission-reduction interventions for investigation and potential implementation.

DECARBONISING OUR VALUE CHAINS (CONTINUED)

Using offsets

We are identifying real, verifiable and permanent offsets to reduce our carbon tax liability and, in the future, address residual emissions.

Sasol believes that carbon offsets – if properly designed and delivered – can play an important enabling role in delivering our Future Sasol strategy, addressing emissions that are either prohibitively expensive to reduce or technologically challenging to abate, while at the same time realising other environmental and social benefits. Offsets will only be used to supplement our existing emission-reduction activities and are not intended to replace them.

SASOL IS PURSUING TWO TYPES OF OFFSETTING

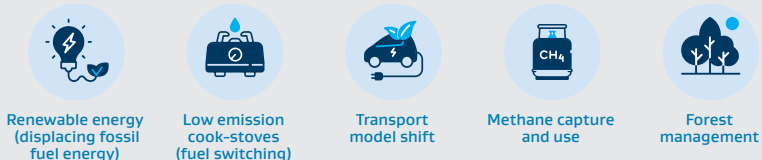
- Avoidance/Reduction (A/R) offsets – keeping GHGs out of the atmosphere
- Carbon Dioxide Removal (CDR) offsets – removing residual GHGs in the atmosphere

We have been developing a portfolio of verifiable, credible and high-quality offset credits aligned with our carbon offsetting principles. We prioritise credits from projects that realise additional social and environmental benefits, which are supportive of a just transition, while simultaneously meeting our compliance obligations and future needs.

Our recent focus has been on procuring credits for our carbon offset allowance under the South African Carbon Tax Act. This year, we secured ~3,7 million credits from one in-house and nine local offset projects, mitigating the release of 3,7 MtCO₂e, avoiding more than R258 million in carbon tax payments and realising additional environmental and social benefits for communities in South Africa. We have also voluntarily offset our business travel emissions for 2021.

1 A/R Projects – “CO₂ kept out of the air”

Reducing emissions from fossil sources using lower-carbon technologies without storage.



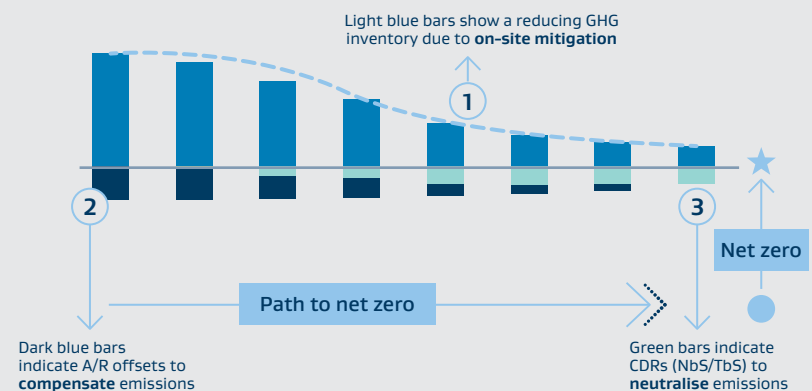
Newer technology carbon offsets could include green hydrogen and SAF (still to be proven).

2 CDR Projects – “CO₂ removed from the air”

Taking CO₂ out of the atmosphere using Nature-based Solutions (NbS) or Technology-based Solutions (TbS) with storage.



Net zero emissions is achieved if an equal amount of removal offsets are generated compared to operational emissions.



Sasol has proactively been securing credits as a response to the proposed extension of Phase 1 of the South African carbon tax regime and the increased offset allowance for Phase 2. We have entered into strategic and cost-effective long-term agreements with reputable suppliers for credible high-quality offset credits that are eligible under the Carbon Tax Act. In addition, we have options to purchase our first CDR credits through forward-looking contracts, with credit delivery scheduled for 2024. To the best of our knowledge, these are the first CDR offset projects eligible under the South African carbon tax regime. This marks the start of our journey to progressively shift our credit portfolio from A/R to CDR offsets.

Sasol is also strategically engaging with experienced brokers and independent carbon offset rating agencies to be able to secure cost-effective, high-quality and independently assured carbon offset credits for the future. Experienced South African offset project developers, international standards organisations and the Department of Mineral Resources and Energy (DMRE) are being engaged to understand the potential implications of Article 6¹ of the Paris Agreement on South Africa’s carbon offset regime. Sasol continues to monitor and shape international best practices in carbon offsetting through our membership on the Taskforce for Scaling Voluntary Carbon Markets (TSVCM) and its successor the Integrity Council for the Voluntary Carbon Market (ICVCM).

SASOL’S CARBON OFFSET PRINCIPLES

Offsets can uplift communities and contribute positively towards national imperatives of alleviating poverty, unemployment and inequality. Without rigorous governance, however, offset projects can have unintended negative consequences. Sasol’s offset approach focuses investment only on credible offset credits that are subject to a high degree of verification and assurance.

The following set of offset principles embed our thinking:

- offsets must be used according to Sasol’s mitigation hierarchy, prioritising on-site mitigation and only using offsets as a last resort to meet targets;
- offsets must be ‘real’ (supported by robust methodologies and independently verified), ‘additional’ (reductions would not have occurred in the absence of the offset market) and ‘permanent’ (reductions are on-going and will not be reversed in the future, or for which risk mitigation has been established);
- offsets procured and developed must adhere to regulatory eligibility criteria; and
- retired offsets must be transparently disclosed to ensure no double counting of emissions.

1. Article 6 refers to cooperative mechanisms under the Paris Agreement that enables parties to cooperate in implementing their NDCs to get emission-reductions.

DECARBONISING OUR VALUE CHAINS (CONTINUED)

Using offsets (continued)

PROJECTS WE ARE SUPPORTING

Grassland Restoration and Stewardship in South Africa (GRASS)

PROJECT OBJECTIVE

To restore communal grasslands in South Africa through improved grazing management practices that increase soil carbon sequestration and reduce enteric methane emissions. Three catchments in the Drakensberg escarpment in KwaZulu-Natal and Eastern Cape are targeted.

South Africa's rangelands are being devastated by poor grazing management and disruption of the predator-prey balance, which results in soil degradation and erosion, poor quality forage, increased wild-fire risks, reduced biodiversity and poor

livestock health. From an economic perspective, communal farmers lack market accessibility, supplying only 5% of the meat market, while owning roughly 65% of the national livestock. This project recognises that ecological restoration and rural economic development can be promoted in a mutually beneficial manner. Carbon credits are being generated because of increased soil organic carbon and reduced enteric methane emissions from improved livestock health and forage quality.

By working with local NGOs, not for profit organisations (NPOs) and various technical and implementation partners, rural farmers are enabled to implement a collaborative grazing management plan, prevent and halt wildfires, improve their livestock health with veterinary services and sell their animals at a competitive price. The methodologies used to generate carbon credits are verified under the Verified Carbon Standard (VCS) and Climate, Community and Biodiversity Standard (CCBS).

PROJECT IMPACTS

Hectares under grazing management agreement:
71 500

Training and employment:
80 eco-rangers trained on a Culture, Arts, Tourism, Hospitality, Sports, Sector Education Training Authority (CATHSSETA) certified land management training course

Emissions reduced:
~480 000 tCO₂e per annum

SDGs¹



1. Aligned with prioritised SDGs and our commitment to contribute where possible to all SDGs.

Fuel-efficient cooking in South Africa

PROJECT OBJECTIVE

To distribute 400,000 fuel-efficient cookstoves to rural communities dependent on open fires for cooking in Limpopo and Mpumalanga provinces.

Biomass emissions from domestic cooking account for a large portion of global energy emissions. Gathering firewood for cooking and heating significantly impacts deforestation and destruction of natural habitat. It disproportionately affects females and youth, keeping them out of school, away from more lucrative economic activities and exposing them to gender-based violence. Indoor air pollution impacts respiratory health, compounded by the fact that rural dwellers have limited or no access to health care. These methods also produce more GHGs and particulate emissions.

Addressing the triple challenge of energy poverty, environmental degradation and GHG emissions, this project aims to distribute 400 000 cookstoves. Each carbon credit generated realises an equivalent of R2 400 of localised social impact. The project is registered with VCS, a globally recognised certification body approved by the South African government for use within the Carbon Tax Act.



PROJECT IMPACTS

Emissions reduced:
103 847 tCO₂e per annum

Cookstoves distributed to date:
251 963

Combustion efficiency:
96%

Time and fuel efficiency: boils five litres of water in fifteen minutes using 250g of wood or twigs

SDGs¹



Sasol ecoFT launches Project Spekboom

Project Spekboom was launched with a tree planting ceremony at the Sasol headquarters in Johannesburg.

Ten Spekboom were planted as a symbol of Sasol's commitment to reducing emissions and scaling interventions, such as Spekboom in the Eastern Cape region and, where possible, at scale for the areas where we operate.

One hectare of Spekboom can sequester between four and ten tons of carbon per year, which makes it a potential mitigation lever in the fight against climate change and the move towards net zero.

Project Spekboom, as part of a wider nature-based-solutions offering, forms part of Sasol ecoFT's sustainability commitment.



CAPITAL ALLOCATION AND GREEN FUNDING



Since the lows of 2020 and a heavily geared balance sheet at the onset of the COVID-19 pandemic, Sasol’s financial position has significantly improved.

We are now in a position to restore and build attractive shareholder returns, as well as fund our transition. Our Net Debt: EBITDA ratio is now 0,8x, which is well below our debt covenant of 3,0x. A deleveraged balance sheet, further portfolio optimisation and progressively achieving our financial targets communicated at our 2021 Capital Markets Day, will increase our discretionary capital and enable us to also fund second order capital opportunities (see below).

A disciplined capital allocation approach

Sasol employs a disciplined capital allocation approach to optimise our financial resources including cash, debt and taxes to maximise shareholder value over the long-term. We aim to transform the business while protecting and growing value. Last year, we communicated our amended capital allocation priorities in line with our emission-reduction roadmaps. When we set our target, we carefully ensured that affordability, impacts on employment and emission-reductions were all positively considered to ensure that we continue to advance shared value.

We disclosed an allocated R15 – 25 billion cumulative capital expenditure to be spent by 2030 on our 30% reduction target. We plan to sequence this expenditure over time and still remain within the Sasol 2.0 transformation programme R20 – 25 billion/a (in 2020, real terms) capital expenditure target by 2025 for Maintain and Transform capital. We aim to also leverage inherent synergies between Maintain and Transform, which should lead to cost reductions.

Sasol continues to invest in new value pools to maintain a diversified portfolio and strengthen our competitiveness in areas where we have established a market leadership position. Expansionary growth and establishment of new sustainable businesses and a Corporate Venture Capital Fund, both part of second order allocation, are assigned on a competitive basis. If these growth initiatives are unable to meet our return requirements, which is above WACC¹ returns, with near-term payback, the available funds will be allocated to additional shareholder returns. To reduce our own capital outlays and balance risk exposure, we are partnering with like-minded organisations to establish new sustainability businesses.

1. Weighted Average Cost of Capital.
 2. Earnings before interest, taxes, depreciation and amortisation.
 3. Net debt excluding lease liabilities.
 4. Core headline earnings per share.

CAPITAL ALLOCATION PRIORITIES



CAPITAL ALLOCATION AND GREEN FUNDING (CONTINUED)

Our coal exposure

Sasol's major revenue streams emanate from a combination of coal, natural gas and oil-based derivatives. Over the past five years, the percentage of revenue from coal-derived products was on average between 38 – 40%. The Secunda Operations are directly linked to coal and limited to the products within the affected value chains. This translates to more than 90% of liquid fuels and chemicals produced in Secunda and all export coal. Note that some chemicals produced in South Africa are from natural gas feedstock. None of the chemicals or fuels produced outside of South Africa is coal-derived.

This calculation is sensitive to oil price, currency exchange rate, production volumes and international chemical prices. As we progress our Future Sasol strategy and integrate larger volumes of sustainable fuels and chemicals, our coal exposure will accordingly reduce.

Sustainability linked, transitional and green financing

The landscape of funding mechanisms has evolved significantly over the last few years. Our targets and strategy are supported by a capital allocation framework aimed at decarbonisation and shareholder value creation. This in turn supports access not only to sustainability-linked and transitional financing, but also to green financing opportunities as we decarbonise. Sasol is exploring options in this regard and will provide further detail in future reports.

Stranded assets and resources

Fossil fuel industry assets are at risk of being stranded and losing economic viability due to the move away from conventional resources prompted by climate policy and targets, as well as unanticipated technological breakthroughs, changes in consumer preferences and physical climate change impacts. To avoid stranded assets, research studies indicate that accelerated decarbonisation should be pursued and no further investments in fossil fuel infrastructure.

The thresholds for stranded assets are highly context-dependent and economic valuations are different for sub-sectors of the fossil fuel industry. Sasol undertook an assessment of the value-creating benefits of our existing asset base considering our Future Sasol strategy and net zero pathways and believe that we can transition our at-risk assets for

a low-carbon future anchored on green hydrogen and sustainable carbon feedstock use. In the short- to medium-term our transition is based on using gas to replace coal feedstock. Furthermore, to avoid coal resources getting stranded, we have committed to no investments in new coal reserves.

In our 2021 CCR, we undertook an assessment that showed pipeline gas as having a lower lifecycle carbon footprint relative to LNG; however pipeline gas infrastructure can have a higher probability of becoming stranded and/or causing infrastructure lock-in in the long term.

This is largely due to the fact that methane emissions from gas usage are also contributing to climate change. As a result, we are aiming to incrementally introduce 40 – 60 PJ/a of LNG, sourced from reservoirs low in CO₂ and where methane leakage is effectively monitored and minimised, rather than focusing only on pipeline gas. In the short-term, managing coal quality combined with preventative maintenance of our assets is of critical importance to enhance operational and carbon efficiencies.

Technologically, we are in an advantageous position, as we can re-purpose both our Sasolburg and Secunda assets to process green hydrogen and sustainable carbon feedstocks using a large portion of our existing asset base. Our FT technology is agnostic to the sources of hydrogen or carbon feedstock utilised and enables us to produce sustainable fuels and chemicals, very much needed in a low-carbon future.

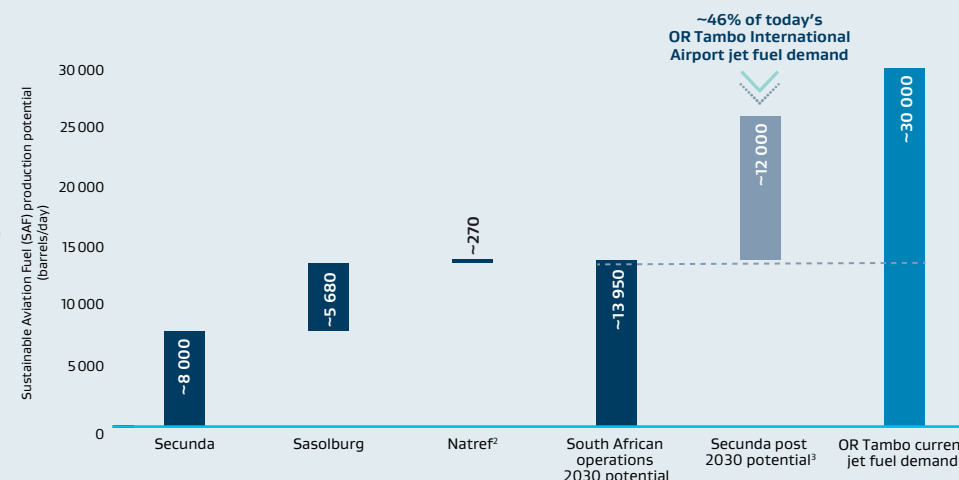
In 2021, IHS Markit's (now part of S&P Global) hydrogen study¹ independently verified that the economic value proposition of utilising existing brownfields facilities at Secunda to produce green hydrogen was more favourable than greenfields FT facilities. The study findings also indicated that our facilities have an inherent cost advantage, of ~US\$200/ton, in the production of SAF and other derivatives. Progressively transitioning to green hydrogen will enable us to decarbonise and reduce our scope 1 and 2 emissions, but also open up opportunities for producing sustainable products that will lead to scope 3 emission reductions.

Climate-related physical risks could also result in our assets becoming stranded. We have conducted detailed assessments and modelling work to determine and ascertain the potential of more frequent and

severe physical risks materialising in the regions where our operations are located (see pages 43 – 44). These physical risks are assessed as part of long-term business viability and, through our risk management process, we implemented key adaptation response actions and we are continually and proactively building on these. As a result, the probability of our existing assets becoming stranded due to physical climate risk is being lowered given the proactive adaptation and emergency preparedness approaches we are adopting.

We recognise that climate policy could also lead to stranded assets depending on the stance a government takes on particular areas, for example, gas, carbon pricing and strategic considerations for growing and limiting certain sectors. We monitor climate change legislation in the areas where we operate (see page 48) and participate in the process underpinning further legislative or policy developments. For example, the carbon tax in South Africa is yet to be confirmed, however proposals are penalising and the Climate Change Bill is yet to be finalised for enactment. These legislative mechanisms will provide the guardrails for the country's just transition and could have implications for our operations.

Sasol Energy's SAF supply potential



Sasol can leverage existing assets in our Southern African operations to produce SAF for the hard-to-abate aviation sector. By utilising existing assets, we could be a lower-cost producer of PtL kerosene. With our existing assets, by 2030, we could produce up to 46% of today's OR Tambo International Airport jet fuel demand, making the airport a potential SAF hub for international and domestic airlines.

Secunda has the potential to increase SAF production up to ~20 000 barrels per day by reconfiguring the refinery processing units.

The pace of transition will depend on several factors, such as the cost of green hydrogen, sustainable carbon and renewable energy inputs, enabling regulatory frameworks and access to low-cost financing solutions.

2. Preliminary estimates based on co-processing of used cooking oil at Natref, with potential to produce up to ~3900 bbl/day depending on feedstock availability.
3. Requires significant modifications to Secunda's refinery for additional SAF production.

1. IHS Markit, Super H2igh Road Scenario for South Africa Report, 2021

EFFECTING A JUST TRANSITION

CREATING SHARED VALUE THROUGH A JUST TRANSITION

Sasol's just transition vision is a shared value proposition comprising an inclusive transformation of our business, people and society, as we decarbonise and transition to a thriving Future Sasol.

We recognise that our decarbonisation pathways to deliver on our 2050 net zero ambition will have an impact on jobs, on the type of employment opportunities and livelihoods within South Africa, in particular.

As we implement our decarbonisation programmes, the transition to sustainable carbon sources and green hydrogen will have a direct impact on our workforce, communities and supply chains associated with our coal value chain. Careful consideration and planning formed part of the emission-reduction roadmap development work to limit negative social and economic impacts in the period to 2030. However, as we accelerate the introduction of gas and green hydrogen, job opportunities in our coal value chain will be impacted post-2030. This will also introduce the need for low-carbon skills and competencies. Based on our current roadmaps and net zero pathways, the onset of job impacts are anticipated to begin to emerge towards the end of this decade.

Our just transition focus is biased towards our South African operations, where the impacts of the energy transition from fossil fuels are expected to be most pronounced. In this regard, we are taking a deliberate approach to avoid, where possible, deterioration of the social and economic environment in the areas in which we operate.

SDG 8 aims to promote sustained, inclusive and sustainable economic growth, full and productive

employment and decent work for all. As a signatory to the Global Compact, it is critical that we work to build the resilience of our communities, including our employees to support that those who rely on our value chain are capacitated to not only sustain livelihoods but also thrive as the transition unfolds.

To enable a just transition, fact-based decisions need to inform our approach to co-create sustainable response initiatives. Based on research conducted by CSIR it is anticipated that the manufacturing, wholesale and finance sectors would be amongst those sectors likely to be most affected by Sasol's transition to low-carbon feedstocks. The impact is expected to extend beyond Sasol's business to other supplier services across our value chain. To this end, we are leveraging existing plans and programmes, as a start, to identify no-regret opportunities, achieve economies of scale and create greater value than the individual just transition programmes alone could deliver.

As one of the major contributors to South Africa's GDP, Sasol remains committed to supporting government to bring about change in the economy that would unlock growth and enable development. We are transitioning in a responsible manner and are focusing on emerging opportunities, developing skills of the future, as well as identifying and mitigating adverse impacts in the areas in which we operate.

Our guiding principles

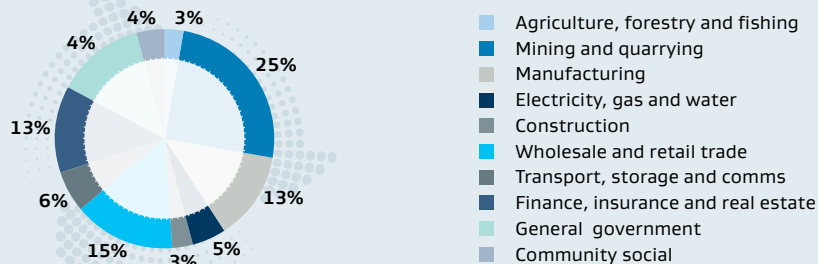
There are different best practice principles being proposed by various organisations, such as the International Labour Organisation, World Benchmark Alliance and locally the Trade and Industrial Policy Strategies (TIPS). Recently, TIPS formulated the three justices' concept; namely distributive¹, restorative² and procedural justice³. The TIPS justice concept is the underlying basis of the National Just Transition Framework developed by South Africa's Presidential Climate Commission.

Regardless of the best practice standard that we align ourselves with, there are common principles across the various standards. We found that the principles should, at the very least, encompass developing just transition plans that incorporate stakeholder views, enable the creation of new job opportunities and address social impacts. The figure below provides an emerging view of our guiding principles that is informing our just transition approach.



1. Distributive justice: Equitable distribution of risks and responsibilities addressing direct impacts of transition.
2. Restorative justice: Redress of historical damages in order to rectify or ameliorate situations.
3. Procedural justice: Empowering workers, communities and small businesses so that they can define their own development and shape how decision makers respond.
4. Key performance indicators (KPIs) will be developed to monitor progress.
5. Including upskilling, reskilling and redeployment.

Contributions from Mpumalanga Economic Sectors



(Source: Just Energy Transition Parliament Webinar, CSIR, 2021)

EFFECTING A JUST TRANSITION (CONTINUED)

Sasol's Just Transition Office

We established a Just Transition Office (JTO) to oversee Sasol's socio-economic activities pertaining to the just transition, in line with the Future Sasol strategy and our commitment to a transition that is just.

The JTO serves to integrate, enable and coordinate the various just transition initiatives already underway within the organisation, as well as align and cooperate with external stakeholders through established platforms to maximise resources and outcomes. In this way, existing Sasol social impact investments and plans and programmes are being reviewed, adjusted and re-aligned and managed to maximise economies of scale aiming to create greater impact than the individual programmes. The JTO provides guidance to our businesses to ensure an agile implementation approach as the transition unfolds. The JTO will also coordinate Sasol's partnerships with stakeholders, including but not limited to Impact Catalyst and other industry associations (see next page for more details).

We have identified the focus and integration areas that the JTO will coordinate for us to deliver on a transition that is just and equitable.

Strategy and risk management



Policy development and alignment



Opportunity development



Stakeholder management and communication



Partnership management and funding



Programme management and reporting



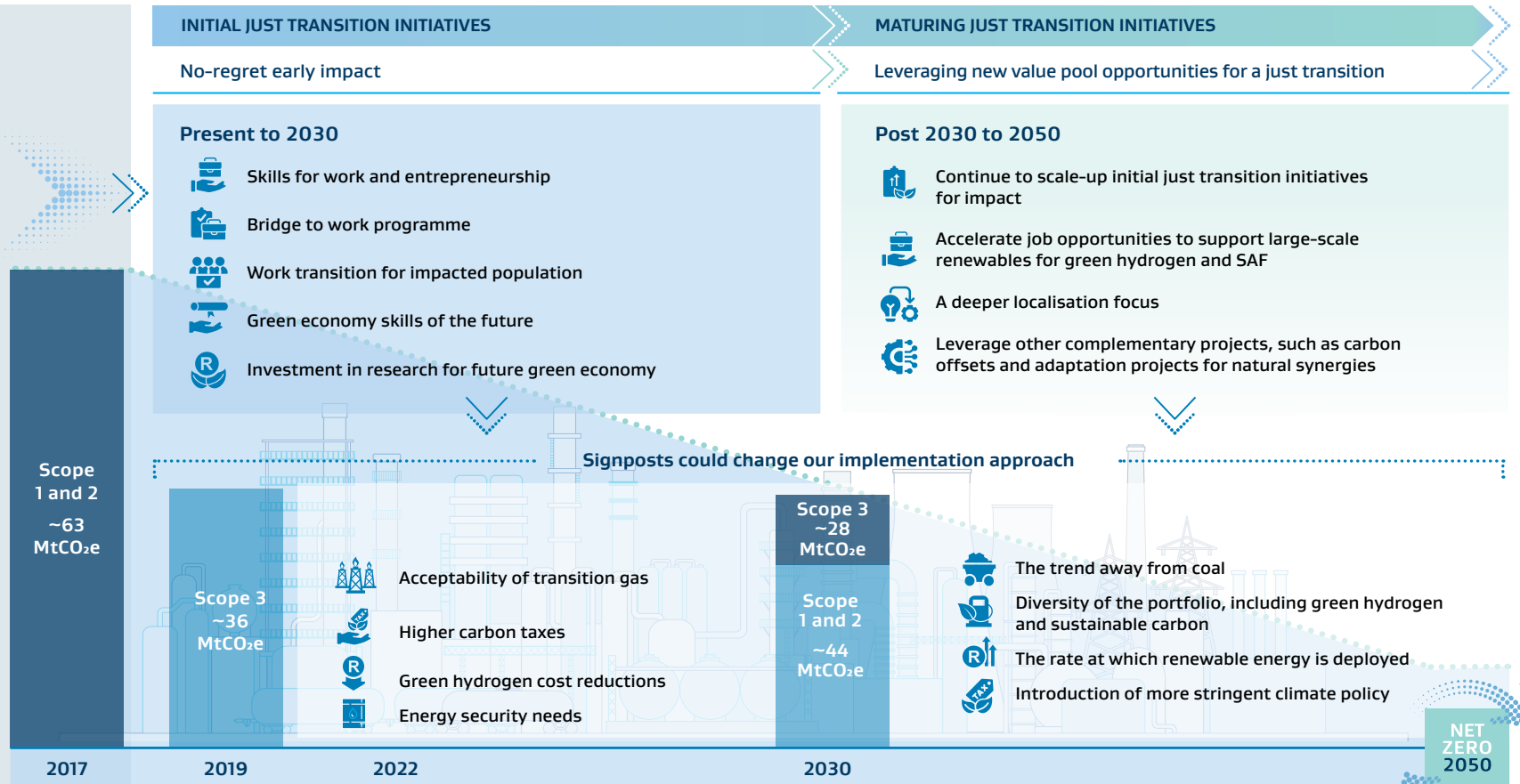
Developing a Just Transition Roadmap for Sasol Energy

Sasol has brought together a multi-disciplinary team from across the organisation to drive the development of a just transition roadmap. A roadmap is being designed to not only focus on long-term impacts but also address short-term effects and opportunities that could materialise.

The roadmap will lay the foundation for programmes and plans we embark upon, either independently or in partnership. Partnerships will be critical in leveraging expertise and technology opportunities, enhancing localisation, as well as securing funding. We will seek opportunities that leverage economic diversification to extend the reach and impact of our transition plans.

We aim to outline the performance measures to track given the materiality of the transition.

Our approach will adopt a people-centred and inclusive mindset in developing our roadmap, consulting key stakeholders. Work has begun to define our stakeholder engagement plan, which includes roadshows with key stakeholders.



EFFECTING A JUST TRANSITION (CONTINUED)

The building blocks to deliver on a just transition are available and being harnessed in an integrated manner. Our just transition roadmap leverages existing programmes/initiatives and further enhance the plans either in progress or being developed. Some of our ongoing initiatives include:

Just transition initiatives

Skills for work and entrepreneurship
 Focused initiatives designed to alleviate unemployment through vocational skills training to create more resilient communities.

Green economy skills of the future
 Our bursary programmes have been reconfigured to include disciplines to enable Future Sasol. We will be collaborating closely with TVET colleges on their curricula to develop a workforce equipped with skills compatible with a green economy. Further focus is given to reskilling and upskilling, based on skills profile changes into the future.

Capability building for technical skills and community development
 Programme focused on tackling issues of unemployment and food security via the development of small-scale farmers, with a view to growing them into successful entrepreneurs.

Bridge to Work programme
 A skills development, community and entrepreneurship programme, which provides opportunities for community members, unemployed youth and vocational graduates to enable them to secure gainful employment and establish small businesses.

Investment in research for a future green economy
 In 2021, Sasol and the NRF signed a collaboration agreement with the intent to partner with academic and research institutions, as well as other national stakeholders, to co-create sustainable solutions for the green economy. Through this partnership, we awarded research grants which over four years will total over R54 million for science and engineering projects.

Work transition for impacted population
 Transition programme to support affected employees in pursuing entrepreneurship opportunities. The Ntsika entrepreneur development programme supports South African-based employees impacted by Sasol 2.0 and has resulted in 25 business start-ups, which in turn has led to the creation of 60 jobs (permanent and temporary).

Stakeholder relations
 Sasol values ongoing collaboration with stakeholders and has seen great benefit from this in the decarbonisation space. A multi-stakeholder approach – involving communities, labour, NGOs, industry and government – is required to address some of the country’s deep-rooted socio-economic challenges. We will continue to engage closely with government and other stakeholders – at both national and provincial levels – aiming to collectively create a more resilient and inclusive society.

Sector, national and global alignment
 Sasol continues to work with business associations, such as the Energy Council of South Africa, BUSA and NBI to coordinate efforts and devise workable implementation plans for a just transition, in addition to leveraging funding for just transition programmes. We also collaborate with the PCC and DMRE to help shape and establish the final Just Transition Framework and national implementation plans. Business and government have successfully collaborated for a number of years on the United Nations Conference of the Parties (COP) country pavilion and we will be doing so again at COP 27 to showcase South Africa’s climate change initiatives ranging from green hydrogen development to the just energy transition. Sasol is a co-sponsor of the country pavilion.

Partnerships for impact
 We intend to leverage partnerships to accelerate just transition initiatives aimed at reaching a broader societal impact. In this regard, we have established a partnership with Impact Catalyst, a transparent, efficient and effective platform, to enable collaboration on just transition initiatives.

Localisation and industrialisation
 We recognise that localisation is integral to South Africa’s economic growth and energy transition. We have developed our localisation commitments to maximise economic transformation and recovery, import substitution and societal value creation.

Partnerships and collaboration

Sasol continues to work with entities to develop just transition implementation plans and foster opportunities in the green economy. Collaborations with other businesses and associations brings effectiveness in JTO work and minimises duplication of efforts.

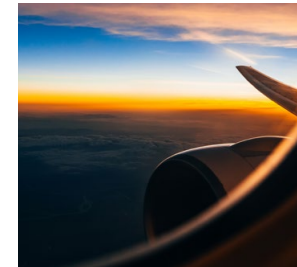
To date, we have established partnerships and participate in a number of collaborative efforts:



Collaboration on the just transition for collective impact



Development of a national green hydrogen ecosystem



Net zero pathway developments



Stakeholder and policy alignment on major energy sector issues, including the just transition



EFFECTING A JUST TRANSITION (CONTINUED)

Our community resilience projects

Cyclone relief in Mozambique

As part of our response to assist populations affected by Cyclone Eloise, we repaired school and hospital infrastructure in Inhassoro and Govuro districts, in Inhambane Province. This intervention focused on infrastructure affected by natural disasters.



Sasol managers, government and health centre representative



Rehabilitated classrooms – Inhassoro

Our operations in Mozambique reside in a cyclone zone. As a result, Sasol sets aside an annual cyclone emergency relief fund for immediate care and reconstruction for the community should it be affected by natural disasters. In Govuro, Sasol built a water system for the Matasse Community and repaired and delivered the mortuary of the Mambone Health Centre. In addition, interventions were made in the Chimunda and Nhapele Health Centres and Mananisse Primary School.

In Mozambique, being a country prone to these types of natural disasters, the government, through INGD (National Disaster Management Institute) and the Ministry of Public Works and Construction, has developed reconstruction specifications, which all relevant actors are required to follow to mitigate the impact of any future extreme weather events. These specifications were applied for these projects.



District Administrator helps water system beneficiary at handover ceremony

Bridge to Work Iphepe Farmer Development Programme

Sasol is working together with partners in Secunda to empower over 300 emerging farmers through mentorship, skills transfer and awareness on relevant adaptation projects.



Secunda Farmer Development Programme

To respond to the need for skills that address issues of employability in our fenceline communities, we implemented a Community Agriculture Empowerment Project known as “Iphepe”, which means “provide for yourself”. We are of the view that by providing the right training and support mechanisms we can develop a community of thriving self-sustaining farmers. The project is being implemented in partnership with the Department of Agriculture, Rural Development, Land Reform and Environmental Affairs (DARDLEA) in Mpumalanga, Buhle Farmers’ Academy, AFASA and Mpumalanga Small Enterprise Development Agency (SEDA).

To date, thirty seven emerging farmers recently completed training in various agricultural disciplines at Buhle Academy (Delmas) and we plan to train even more emerging farmers from our fenceline communities in Gert Sibande, Mpumalanga in the next year. Thirty farmers from the first and second intake of this programme have been on a mentorship programme for the past six months with the Mpumalanga SEDA and AFASA to strengthen their financial management skills and create opportunities for market access.

Sasol will also donate 289 hectares of agricultural land to DARDLEA to provide access to land, increase production and access to markets.



Rehabilitating community areas in Lake Charles

Hurricane Laura severely damaged the park grounds of Sam Houston Jones State Park in Lake Charles in 2020.

After which the community began steps to restore the damaged cabins, pavilions and water and sewer systems. An essential element for the rehabilitation of park rebirth are the trees. In response, Sasol partnered with Louisiana State Parks and the Nature Conservancy to donate funding, materials and resources to enable the rehabilitation of the park. Donations from Sasol amounted to US\$10 000 to purchase magnolia trees to line the entrance of the park.



The Spekboom initiative

A total of 10 342 Spekboom trees have been planted in Secunda and Sasolburg since July 2021.

In the Secunda communities of eMbalenhle and Leandra, 6 842 Spekboom trees were planted in 15 schools and several communal households. In addition, 3 500 Spekboom trees were planted in communal homes in Zamdela and Amelia in Sasolburg. Spekbooms are low maintenance succulent plants that contribute to the reduction of atmospheric CO₂ emissions and have an ~85% survival rate each time we plant them. Waste ambassadors within the communities undertake the plantings and follow up on a weekly basis to ensure they are doing well.



ADAPTING TO CLIMATE CHANGE

Responding to climate change



A proactive, phased approach in response to severe weather events

Sasol has a structured response to ensure that we adapt appropriately to the physical impacts of climate change, which is posing an increasingly material risk to our operating assets, fenceline communities, retail sites and supply chain. Impacts are being experienced because of the growing prevalence and severity of extreme weather events, particularly hurricanes, flooding and drought. Our operations and employees in Mozambique and Lake Charles in the United States have both been impacted by severe hurricane or cyclone events, while recent flooding in KwaZulu-Natal have also affected our supply chain, employees and operations. We continue to take measures to protect our operations, employees and supply chain from these events and provide support for communities to build their resilience.

Responding to extreme weather and climate change is not a new initiative and is a risk we have been engaging and responding to for many years. We have been progressing our climate adaptation work in phases, with material progress made on building our resilience since 2010.

PHASE 1: DEVELOPING OUR ADAPTATION RESPONSE TO EXTREME WEATHER EVENTS (2010-2017)

- Identified and implemented controls in response to extreme weather events. The assessment confirmed that future climate change risks will be amplified over time.
- Developed and implemented a weather ready guideline.
- Embedded weather-related impacts into our risk management process and emergency preparedness plans and procedures.

PHASE 2: DEVELOPED OUR CLIMATE CHANGE ADAPTATION RESPONSE STRATEGY (2018 – 2019)

Our strategy was informed by a detailed downscaled climate change assessment at four operating sites, namely Secunda, Sasolburg, Mozambique and Lake Charles. We are experiencing highly variable climate impacts in all of the regions where we operate and more pronounced effects at these operations.

Our modelling work for the prioritised sites predicted the following, which informs our adaptation risk profiles:

- a future increase in average temperatures of 1°C – 4°C;
- a five-fold increase in extreme hot days, from five to twenty-five days;
- that rainfall patterns are projected to change; and
- that storm events are projected to increase in terms of variability and severity.

PHASE 3: UPDATING OUR ADAPTATION RISK PROFILES (2020-2022)

Through a risk-facilitated process, our site-specific climate change adaptation risk profiles were reviewed and updated, with responses confirmed and ownership clarified. Adaptation risk profiles are reviewed periodically to ensure its suitability for a changing climate.

Phase 4 of our response is being planned to verify the effectiveness of Sasol's critical controls in response to climate change.

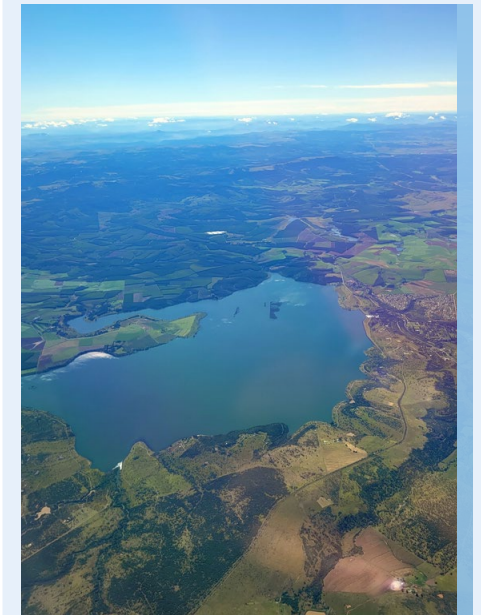
Flooding at Natref's Durban operations

During April 2022 in KwaZulu Natal, South Africa, extremely high rainfall was experienced in a short period, resulting in flooding of major parts of the province, including Natref's crude oil storage facility.

This facility was submerged below more than 1,5 metres of water rendering the site inoperable and affecting major roads, transportation, communication and electrical systems. The damage greatly hampered recovery and relief efforts.

Flash flooding resulted in our night shift employees being stranded for 18 hours before being rescued by boat the following day.

Our response teams were able to successfully service and restore critical infrastructure, as well as recommence pumping of crude oil to the inland Natref refinery. In doing so, we prevented the complete shutdown of the refinery. The interventions we undertook did not result in any occupational safety, process safety or environmental incidents.



ADAPTING TO CLIMATE CHANGE (CONTINUED)

Responding to climate change (continued)

Our site-specific risk profiles

Our risk exposure resides at site level and hence the risk profiles for Secunda, Sasolburg, Mining, Mozambique and North American operations were reviewed.

The risk assessment process involved identifying and assessing the top risk events associated with the physical risks of climate change against which we developed adaptation responses. Our detailed risk assessment methodology is on page 13. Our risk events were broadly grouped into two themes, a rise in temperature and an increase in the intensity and frequency of extreme weather events. Interlinkages between the risk themes were identified. Anticipated weather events include excess rainfall, thunderstorms, wind speeds, lightning and hurricanes. The risk profile process we followed included:

1. IDENTIFYING AND ASSESSING THE TOP RISK EVENTS:

- The top risks were assessed for potential impact on the business and the adequacy of the response measures;
- The risk owner for each identified risk was confirmed; and
- A residual risk rating was determined through facilitated and participatory risk workshops.

2. GROUPING RISK EVENTS INTO THEMES OF:

- Increasing temperature;
- Excess rainfall;
- Droughts; and
- Wind and lightning.

3. IDENTIFYING RESULTANT IMPACTS AND INTERLINKAGES BETWEEN RISK THEMES:

Increase in temperatures leading to:

- changes in process cooling envelopes and a risk of veld fires occurring;
- an increase in the prevalence of extreme hot days (heat stress); and
- changes in the risk profile of product storage practices.

Excess rainfall leading to:

- flooding and wastewater storage dams being operated above the freeboard resulting in a greater risk of uncontrolled overflow or release as an operations risk.

Droughts leading to:

- constraints on our water supply.

Development of Sasol’s adaptation materiality assessment

Adaptation materiality assessments were undertaken for the Secunda and Lake Charles Operations because of their strategic and financial importance to the Sasol Group. A materiality assessment matrix was developed to identify risk levels, prioritise and manage the risks. Risks were rated on a three-tier scale of high, medium and low.

The risk review confirmed the risk themes that were already captured and that our approach is appropriate. For all identified adaptation risks, mitigation controls were in place. For example, under the theme of weather readiness, an early warning system, protocols for operating during extreme weather events, regional weather forecasts and warnings and business continuity were common response themes. The table below summarises Secunda Operations broad focus areas and key controls.

Summarised view of Sasol Energy: Secunda Operation’s adaptation risks and controls

	Risk theme	Risk consequence	Controls (in addition to the weather readiness procedure)
CHRONIC AND ACUTE RISKS	INCREASE IN TEMPERATURE	Reduced cooling capacity during periods of extreme heat	Optimise efficiency of cooling systems
		Workers experiencing heat stress	Apply applicable protocols when working outside during extreme hot days
	INCREASE IN TEMPERATURE/ CHANGING RAINFALL PATTERNS	Uncontrolled veld fires during dry seasons	Implemented early warning and emergency response preparedness for managing uncontrolled fires
		Flooding resulting in overflow of wastewater storage dams	Managing water balances to prevent uncontrolled releases
	INCREASE IN THE FREQUENCY AND SEVERITY OF EXTREME WEATHER EVENTS	Wind damage and working in extreme wind	Apply applicable protocols when working outside during extreme wind
		Lightning, damage and safety concerns	Early warning system in place and operational
		Flooding of operational sites	Introduced flood preventative control measures



ADAPTING TO CLIMATE CHANGE (CONTINUED)

Responding to climate change (continued)

Summarised view of Sasol Chemicals: Lake Charles Operation adaptation risks and controls

	Risk theme (acute and chronic)	Risk consequence	Controls (in addition to the weather readiness procedure)
CHRONIC RISKS	HEAT WAVES (Existing and certain)	Reduced cooling capacity during periods of extreme heat resulting in production interruptions/lost production (restricted throughput)	<ul style="list-style-type: none"> Implemented new project designs to account for operating within a more extreme (hotter) temperature envelope Maintenance of cooling systems to perform under optimal conditions
	FREEZE EVENTS (Existing but infrequent)	Production interruptions/lost production due to forced shutdowns or equipment damage	<ul style="list-style-type: none"> Apply inclement weather, winterisation, and freeze protection procedures Assessed and upgraded freeze protection equipment on existing processes, where necessary
	TORNADOES AND HIGH WIND (Existing but infrequent)	Major equipment damage and subsequent production interruption	<ul style="list-style-type: none"> Implemented regional weather forecasts and warning systems Apply existing facility-specific shelter in place procedures
ACUTE RISKS	HIGH RAINFALL (Existing and certain)	Localised flooding resulting in disruptions in inbound and outbound road and rail logistics, as well as production interruptions	<ul style="list-style-type: none"> Proactively identified at-risk facilities/units/equipment/infrastructure and identified and developed appropriate action plans to mitigate risk (flash-flood study) Implemented Business Continuity Plans
	SEVERE LIGHTNING (Existing and certain)	Disruption of work activities (mainly construction and maintenance)	<ul style="list-style-type: none"> Implemented regional weather forecasts and warning systems Apply existing facility-specific lightning procedures
	INCREASE IN TROPICAL WEATHER EVENTS (HURRICANES) (Existing and certain)	Major equipment and infrastructure damage and subsequent production interruption	<ul style="list-style-type: none"> Implemented process equipment to be wind-rated for 110 miles/hour Confirmed wind rating of all buildings Updated Engineering Design Standards to reflect the most current wind rating standards
	CHANGING SEASONAL RAINFALL PATTERNS (Future condition)	Shortage of raw water supply	<ul style="list-style-type: none"> Working with local authorities, industry associations and Sabine River Authority to develop additional water sources should it be needed
	INCREASE IN DISEASES ASSOCIATED WITH TROPICAL CLIMATES (Malaria and Dengue fever – developing risk)	Increased employee absenteeism	<ul style="list-style-type: none"> Expanding medical programmes and awareness campaigns



CONTINUOUS IMPROVEMENT IN OUR ADAPTATION RESPONSE

The site-specific adaptation risk profile review confirmed that there are no new unknown risks for our at-risk sites. While these operations have a good understanding of the potential physical climate change risk events, more work is being undertaken to align the potential business impact with the risk events. This risk review process will be used to inform and prioritise the undertaking of detailed risk assessments in high priority identified areas, where such detail is warranted.

There is no doubt that extreme weather events are having an impact on our operations and supply chains. Response measures are in place and range from improved operational controls, changing design parameters to adopting new technologies and ways of working. Adaptation includes both responding to slow-onset and sudden/rapid climate-related events in a prepared and proactive, risk informed way.

URBANISATION AND CHANGING FACTORS

We recognise that climate change is not the only contributor to extreme weather events. Urbanisation and changing land-use are two examples of factors which can exacerbate the impacts of weather events which fall within historical extremes.

CLIMATE ADAPTATION THROUGH AN INSURANCE LENS

Sasol has a comprehensive programme for protecting the business against significant material losses. Insurance cover has historically focused on providing protection against fires and explosions. However, it is

noticeable that protection against extreme weather events is growing in prominence. We have also implemented insurance cover for our at-risk operations from extreme weather events. Recently, we claimed for the disruption caused by the KwaZulu Natal flood event for both our crude oil transfer operations and product shipping from the port of Durban.

Notwithstanding the severity of these weather-related events, we continue to receive a positive and above average ratings from our insurers on the management of our insurable risk profile. These positive ratings take into account our response to extreme weather risks. Despite the prevalence of extreme weather events, other facilities like Mozambique, Secunda and Sasolburg, have not had severe damage and loss to trigger insurance claims. This confirms the efficacy of the design and operating practices implemented at these facilities and may well be reflective of the already built in resilience the business has undertaken to manage this risk.

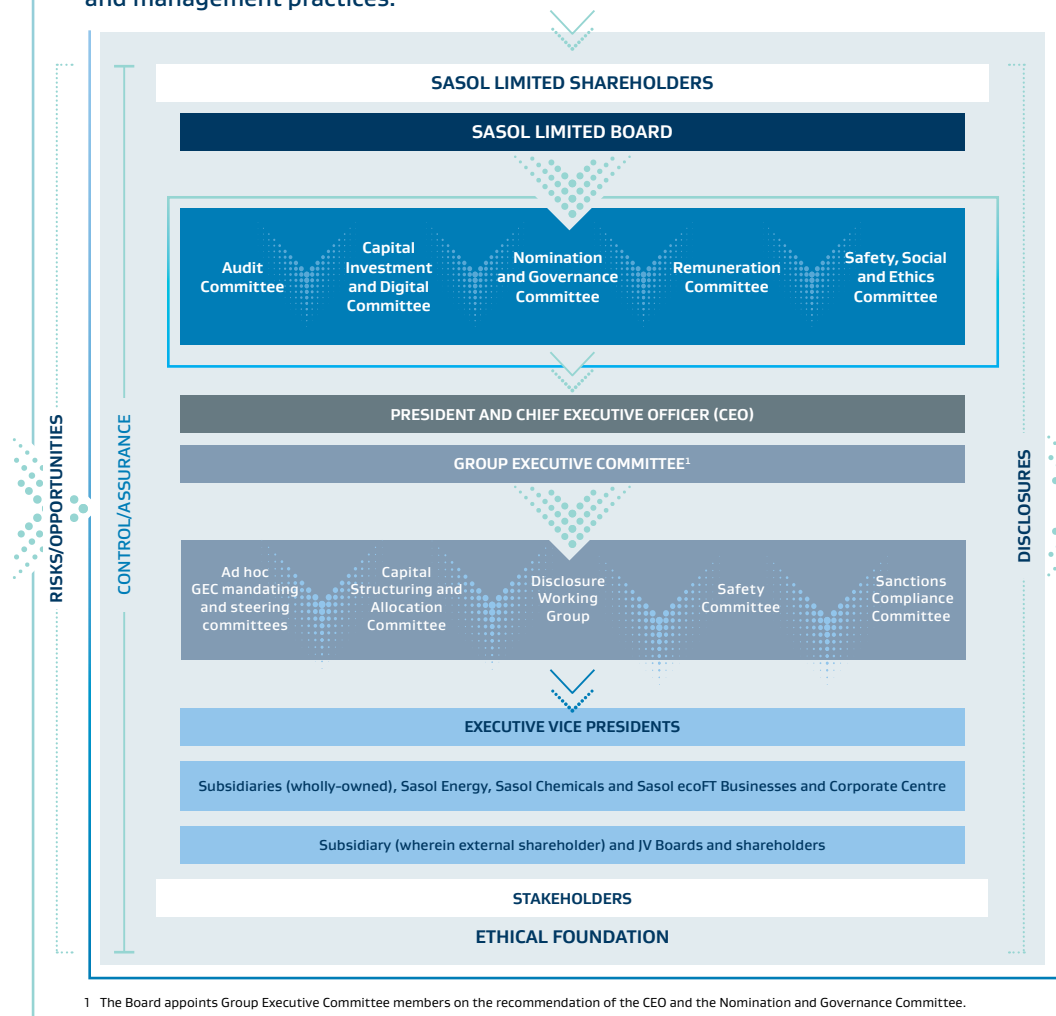
Our insurance providers undertook a review of our management approach to addressing the risk of tailings dams failures. Tailings dams continue to receive scrutiny due to the risk of failure often exacerbated during extreme weather events. This review confirmed that we remain an insurable company. Regardless, we continue to rigorously review and refine our design and operating practices to deal with inevitable global climate change and projected changes to weather patterns for impacted operations.

GOVERNING CLIMATE CHANGE

Our Board

The Board informs and approves Sasol’s strategy. It is within this context that climate change is considered and managed as a material matter and a Group top risk with ultimate accountability residing at Board level.

Through Sasol’s various committees that support the Board, we ensure that risk, performance and sustainable development considerations, including on climate change, are effectively integrated and appropriately managed within our strategy and management practices.



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

Skills diversity on the Board

The Board comprises mostly Independent non-Executive Directors and recognises and embraces the benefits of having a diverse set of skills amongst its members. When appointing Directors to the Board, the specific skills, expertise and competencies of each member are carefully considered in relation to Sasol’s purpose, long-term strategic direction and key risks to the organisation. This is enabled through an approved succession plan supported by selection criteria, which specifically includes capabilities to manage climate-related risks and opportunities. The Board and its committees can also obtain external and independent professional advice as is necessary to carry out their duties. This is over and above advice received from internal climate change specialists and experts. Qualifications for each of our Board members and their specialised skill sets are contained in our [IR](#) page 58.

Effectiveness and performance of the Board, its committees and individual directors is evaluated every two years. In alternate years, or as is necessary, provision is made for reflection by the Board of its performance, including that of its committees, chair and members. Benchmarking against an international peer group on the skills and competencies of individual directors was conducted by a global firm in 2021.

The competencies required for Future Sasol were discussed at length and the identified short-term experience and skills were prioritised to enhance the Board’s mix of international and local capabilities and competencies in the fields of extraction, energy (including hydrogen), natural resources, renewables, engineering, innovation (research and development) and technology.

Currently on our Board we have specifically retained the expertise of an independent non-executive director, with niche experience on sustainability and climate change matters. Ms Muriel Dube was appointed to be Chair of the SSEC based on her skills-set. She has a Master of Science in Environmental Change and Management from Oxford University and is a former South African government chief negotiator to the United Nations Framework on Convention on Climate

Change (UNFCCC) and served as the African representative for technology transfer on the UNFCCC Expert Group on Technology Transfer (EGTT). She actively participates at various COP meetings and was part of the Sasol delegation at COP25 and 26 in 2019 and 2021.

Board training and awareness

The Board undergoes regular training, including on climate change and wider sustainability matters as and when required. This has been reinforced since 2017 in line with a rapidly changing national and international climate change policy and regulatory landscape. Extensive feedback on global climate change management developments is provided to the Board following various COP meetings and releases of the latest IPCC reports and other related developments.

Newly appointed directors attend a structured induction programme, which includes a detailed module on our sustainability and climate change management approach. This programme was revised during 2022 to include strategic direction provided by the Future Sasol strategy and associated ESG matters. The programme for further professional development is augmented by regular briefings on legal and corporate governance developments, as well as risks and changes in our external operating environment.

Our governance structures and processes are reviewed regularly to more deeply embed climate change management into mainstream business activities.

Governance

The Board’s SSEC has a specific mandate on climate change management under the umbrella of sustainability. The Board provides oversight on the company’s climate change response as a Group top risk.

The workplan of the SSEC is informed accordingly by the risks and opportunities we face, as the transition and decarbonisation of our operations unfolds. See risk management section pages 13 – 15 for further information on our risks and opportunities.

GOVERNING CLIMATE CHANGE (CONTINUED)

Our Board (continued)

The SSEC provides integrated strategic direction and independent oversight, which includes recommendations to the Board for final approval on climate-related matters, primarily encompassing:

- the net zero ambition (2050), interim targets (2030) and associated roadmaps to achieve scope 1, 2 and 3 (Category 11) reductions and undertaking a just transition;
- performance, reporting and disclosure against our targets and roadmaps;
- progressive advancement of our disclosures to align with the TCFD recommendations;
- monitoring continued resilience of our portfolio through robust risk assessments and scenario analyses; and
- addressing stakeholder concerns on our decarbonisation approach, including providing for direct stakeholder engagement by Board members, as and when required.

Shareholder input into our climate change response

Sasol recognises that shareholders are concerned about climate change and that they expect us to report on our risks, opportunities and approach to reduce our GHG emissions. In 2021, the Board sought to obtain shareholders' perspectives on Sasol's climate change response through a mechanism consistent with South African corporate law and determinations by the United States Securities and Exchange Commission and other instruments on sound governance. We accordingly tabled at the 2021 AGM, on a non-binding advisory basis, the Future Sasol strategy and our related targets, as contained in the 2021 Climate Change Report.

Shareholders overwhelmingly supported the strategy and targets. The resolution focuses on Sasol's:

- support for the goals of Articles 2.1 and 4.1 of the Paris Agreement, as set out in its 2030 and 2050 emission-reduction roadmap in particular its just transition plans towards a low carbon future "holding the increase in global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1,5°C above pre-industrial levels";
- short-, medium- and long-term quantitative GHG targets (scope 1 and 2) in support of the goals of Articles 2.1(a) and 4.14 of the Paris Agreement for operations in Eurasia, the North America and South Africa; and
- medium- and long-term quantitative GHG emission-reduction targets (scope 3: Category 11) and commitment to continue work to set out its scope 3 GHG emissions' baseline and other targets.

We continue to disclose our progress in various engagements and through our annual publications.

Executive management

Sasol's President and CEO is the highest executive decision-making authority on climate change matters.

Our President and CEO has, in turn, delegated authority to the GEC, the highest collective executive decision-making structure at Sasol.

The GEC is consequently accountable for recommending approval on the company's strategy and long-term plans, including climate change management, to the Board. Our 2030 targets and 2050 ambition, as well as our roadmaps are also part of the GEC's mandate. The GEC is supported by the corporate Portfolio Strategy and Sustainability Function, which includes its climate change management team and the various business sustainability managers. Additionally, support is provided by the other business specialists and experts in areas such as green hydrogen and renewables.

CLIMATE CHANGE DISCUSSIONS AT THE BOARD

In 2022, the following matters were discussed, considered and where required, approved:

August 2021

- Revised GHG targets approved
- Future Sasol strategy approved
- Special Audit/SSEC joint sitting to approve the 2021 CCR

November 2021

- Progress against GHG targets and milestones discussed (procurement of renewables, gas sourcing and green hydrogen)
- COP 26 conclusions and implications for Sasol considered
- Deep-dive into the scope 3 work programme discussed

February 2022

- IPCC analysis considered
- Progress against GHG targets and milestones discussed (procurement of renewables, gas sourcing and green hydrogen)

May 2022

- Progress against GHG targets and milestones discussed (procurement of renewables, gas sourcing and green hydrogen)

August 2022

- Progress on updated offsets strategy considered
- Progress against GHG targets and milestones discussed (procurement of renewables, gas sourcing and green hydrogen)
- Air quality and GHG reductions at Sasol Energy discussed
- Special Audit/SSEC joint sitting to approve the 2022 CCR

EXECUTIVE REMUNERATION

Incentivising climate management

Sasol is committed to deliver on Future Sasol and our key priorities, which are reflected in the incentive structures applied at President and CEO, Executive and Senior Vice President and Prescribed Officer level, as well as for the rest of the Group. Non-Executive Directors do not participate in the variable pay plans. All employees have a variable remuneration tied to the organisation's performance relating to our sustainability agenda, harnessing opportunities in a low-carbon future and reducing direct and indirect GHG emissions. This is included in our Corporate and Business short-term incentive (STI) scorecards, as well as the long-term incentive (LTI) targets for senior personnel.

The Board, through its Remuneration Committee, applies Sasol's Remuneration Policy to approve applicable incentive performance targets and weightings. The aim is to deliver a balanced incentivisation across financial and non-financial metrics. The Remuneration Committee takes into account expectations of stakeholders when assessing which metrics to include in the STI and LTI plans. The LTI's performance period is measured over three years, while the STI is annual.

Specifically, for senior management employees in the company (senior manager level to CEO), LTI awards are tied to performance that includes a significant weighting of 25% on sustainability metrics, including GHG emissions. The portion of the LTI award that carries corporate performance targets for the Businesses is reviewed annually to ensure that we are driving the right outcomes.

In addition to the collective scorecards, individual strategic accountability for sustainability issues are driven through performance agreements, the outcome of which is a multiplier in the STI formula.

IR Further information on our incentive awards can be found in our Remuneration Report, pages 62 – 64.

Performance from last year

Sasol's STI and LTI plans are being used to mainstream sustainability commitments into operations and businesses. Sasol incentivises key emission-reduction technologies and enablers. Incentivising in this way is used when complexity and age of the operations do not lend themselves to year-on-year percentage reductions. Sasol's emission-reduction roadmaps, with the exclusion of energy and process efficiency, are dependent on capital intensive interventions. Particularly in South Africa, some of our assets are more than 70 years old, which requires detailed process understanding,

		STI Targets			LTI Targets		
Group targets	2021 (completed)	2022 (completed in most recent year)	2023 (looking forward)	2021 (completed)	2022 (completed in most recent year)	2023 (looking forward)	
THRESHOLD	Deliver 2030 GHG emission reduction Roadmap	<ul style="list-style-type: none"> Energy efficiency improvement of 0 – 0,9% 200MW of renewable energy secured for Sasol Energy Setting up sustainable Sasol ecoFT business venture 	<ul style="list-style-type: none"> Energy efficiency Improvement of 0 – 0,9% 	Deliver 150MW of renewables	<ul style="list-style-type: none"> Achieve a 3% reduction in scope 1 and 2 emissions – Sasol Energy 40% renewable power – Sasol Chemicals Achieve a 70 score on DJSI 	<ul style="list-style-type: none"> Achieve a sustainable 3,55% reduction (equating to 2.3 Mtpa CO₂e in scope 1 and 2 emissions) off a 2017 baseline by end 2025 <ul style="list-style-type: none"> a. Sasol Energy: 3,5% b. Sasol Chemicals: 5% 	
TARGET	Energy Efficiency Improvement 1%	<ul style="list-style-type: none"> Energy efficiency improvement 1% PPAs/VPPAs signed to achieve 0,65 MtCO₂e by end 2024 	<ul style="list-style-type: none"> Energy efficiency Improvement of 1% Obtain Board approval for medium-term just transition roadmap Achieve at least two PtX projects FEED milestones Realise external (grant) funding on one of the PtX projects Sign further agreements to purchase carbon credits in support of the climate change roadmap 	Deliver 200MW of renewables	<ul style="list-style-type: none"> Achieve a 3,8% reduction in scope 1 and 2 emissions at Sasol Energy 60% renewable energy at Sasol Chemicals Achieve a 71 score on Dow Jones Sustainability Index (DJSI) 	<ul style="list-style-type: none"> Achieve sustainable 4,18% reduction (equating to 2,7 Mtpa CO₂e in scope 1 and 2 emissions) off a 2017 baseline by end 2025 <ul style="list-style-type: none"> a. Sasol Energy: 4,0% b. Sasol Chemicals: 8% 	
STRETCH	<ul style="list-style-type: none"> Deliver 2050 LT ambition and roadmap Deliver the 600MW business construct through appointment of bidders and contract negotiations following the RFP process 	<ul style="list-style-type: none"> Energy efficiency 1,1% – 1,5% PPAs/VPPAs signed to achieve 0.66 MtCO₂e by end 2024 	<ul style="list-style-type: none"> Energy efficiency improvement of 1,1% – 1,5% Approved renewable sourcing strategy for Sasol Energy Achieve at least one large-scale project feasibility study external announcement by 2023, as an equity joint venture partner in the production of low-carbon aviation fuel or SAF opportunity 	Deliver 300MW of renewables	<ul style="list-style-type: none"> Achieve a 4,5% reduction in scope 1 and 2 emissions at Sasol Energy 80% renewable power at Sasol Chemicals Achieve a 74 score on DJSI 	<ul style="list-style-type: none"> Achieve sustainable 4,9% reduction (equating to 3,2 Mtpa CO₂e in scope 1 and 2 emissions) off a 2017 baseline by end 2025 <ul style="list-style-type: none"> a. Sasol Energy: 4,5% b. Sasol Chemicals: 15% 	

1. Front-End Engineering Design

time and floor space to implement renewables, hydrogen and gas-enabling technologies. Interventions that result in step-change emission-reductions, while creating value for stakeholders, are being prioritised for capital allocation. Our STI scorecards included a combination of output and input targets. Our LTI targets, which are on a longer time horizon, focus on a percentage reduction in GHG emissions. The Group's 2022 STI performance against these targets was 18,89% out of the target award of 20%. The Sasol Chemicals and Energy businesses also performed well against their individual climate change targets, scoring 25% out of a potential 30% and 30,45% out of a potential 37,5%, respectively.

Measures for the new period and what has changed

For the 2023 STI, energy efficiency was retained as a metric given its importance for the 2030 GHG target. We have introduced additional STI measures that support the overall transition, focusing on the sourcing of high quality carbon credits and the development of a just transition roadmap. Through Sasol ecoFT, we are well-placed to advance our PtX programmes and in this regard, our STI targets include, amongst others, securing funding for related partnerships.

CLIMATE ADVOCACY AND POLICY

Regulatory developments

Our international operations are less carbon-intensive and have been operating for some time in advanced GHG regulatory regimes. Globally, we are seeing an increasing regulatory focus on issues relating to the environment, human rights, environmental justice and climate change. As a result, we are operating in a complex and potentially more punitive policy and regulatory environment.

Global

Sasol attended the United Nations Framework Convention on Climate Change (UNFCCC) COP26 in Glasgow in 2021. Many stakeholders expressed a view that the conference did not achieve all its intended goals, nevertheless the resulting outcomes presents significant opportunities and risks for Sasol.

These include:

- The **US\$8.5 billion JETP facility**, which is in the process of being operationalised focusing on funding decarbonisation of the grid, increasing electric vehicle usage and stimulating the green hydrogen sector. It is critically important that priority be given to decarbonising and transforming the grid and the focus on green hydrogen is welcomed.
- The **EU-Catalyst partnership** between the European Commission, the European Investment Bank and the Bill Gates Breakthrough Energy initiative seeks to mobilise US\$1 billion in public and private investments between 2022–2026. The partnership aims to accelerate deployment and rapid commercialisation of innovative technologies to assist in delivering the EU Green Deal and its associated climate targets. Focus is placed on high potential products and technologies, such as SAF, clean hydrogen, DAC and long duration energy storage. This offers a promising opportunity for Sasol to leverage SAF projects in Europe where investigations are underway.
- **Paris Agreement, Article 6:** The long-awaited rules for a global carbon trading system between countries and entities are being finalised. A robust international trading system encourages greater ambition through the trading of credits especially from regions where mitigation is limited but reductions are required.
- **Global methane pledge:** Over 100 countries signed the United States and EU-led pledge to reduce methane emissions by 30% by 2030 from 2020 levels. Methane is a short-lived GHG with a high GWP requiring mitigation interventions to address its impact in the short-term. This reinforces the need to ensure responsible sourcing of gas and to implement best-in-class technologies and approaches to minimise methane leakages. The development of an audited methane emissions baseline for existing operations was prioritised and concluded this year, with a view to identify further opportunities for methane reductions.
- **Coal phase-down and phasing-out fossil fuel subsidies:** This decision solidifies the need to reduce our consumption of coal. The global pressure to reduce coal usage will continue to increase, highlighting the importance of continued execution against our emission-reduction targets and roadmaps to reduce risk exposure over time.



United States

In the United States, the administration's renewed focus on combating climate change on both a global and local level has led to initiatives and legislation across a broad spectrum of government agencies, including: a proposed rule on the disclosure of climate change-related information for both United States public companies and foreign private issuers; increased enforcement of environmental violations; and implementing a comprehensive environmental justice enforcement strategy. The United States is moving swiftly on enacting new policies, regulations and enforcement strategies related to climate change.

Proposed amendments to the SEC disclosure rules to enhance and standardise requirements for ESG disclosures will make these disclosures mandatory, with the new reporting standards needing to be implemented on a short timeline. We are actively preparing for mandatory reporting and will do so once implemented.

The recently passed Inflation Reduction Act (IRA) of 2022 will invest US\$369 billion in energy security and climate change programmes over the next ten years. The bill provides a range of incentives to relieve the high costs of energy, support energy reliability and cleaner energy production, reduce emissions in every sector of the economy, while driving investments into disadvantaged communities ensuring that rural communities are at the forefront of climate solutions. We are monitoring the IRA outcomes to assess impacts (risks and opportunities) for Sasol. One potential impact we are assessing is that the IRA amended the Clean Air Act to define several GHGs as air pollutants. The increased scope of the Clean Air Act and the expansion of the EPA powers could have an impact on Sasol. Where possible, mitigation opportunities are being accelerated to achieve reductions sooner and provide more sustainable products to the market.



South Africa

Draft Climate Change Bill: In March 2022, Parliament tabled the draft Climate Change Bill for public comment. Once enacted, the Climate Change Act will be the country's framework to support an effective climate change response and enable a long-term just transition to a more climate resilient, low-carbon economy. Sasol has been publicly supporting a dedicated climate change act that puts forward a common climate change vision and offers harmonisation of policies in support of the vision. In our submission to Parliament in May 2022, Sasol advocated for:

- recognition of mitigation potential and feasibility as criteria to be used when allocating a carbon budget;
- clarification on how the existing authorisation process will incorporate carbon budget allocations;
- adequate inclusion of incentives and other similar measures to drive desired GHG outcomes;
- further clarity on the operationalisation of the integrated carbon budget and tax system and its alignment with an enabling policy and regulatory framework;
- carbon budget deviations to be penalised through a carbon tax as opposed to being criminalised; and
- enabling provisions to ensure entities that are subject to carbon budgets will not be further penalised through sector emission targets applied at government level.

Carbon tax: Phase 1 has been extended to 31 December 2025, with the following elements of relevance to Sasol:

- Extending the 12L energy efficiency incentive is welcomed as it encourages investment into cleaner technologies that improve energy usage. Sasol continues to participate in this scheme and since its inception, we have received ~R16 billion¹ in rebates from this incentive.
- Extending the electricity price neutrality commitment assists in reducing pass through costs of the carbon tax to consumers. Sasol's purchased electricity price will continue to be neutral for this source of emissions in the interim until renewable energy is sourced.
- Adjusting the trade exposure allowance threshold upwards results in a lower rebate for our products that are trade exposed.
- A US\$20 carbon tax by 2025 and US\$30 by 2030 will have an adverse financial impact on Sasol. This suggested increase is still subject to public input. In a conservative scenario, assuming all allowances fall away and the increase in price is applied, Sasol would need to consider trade-offs to balance the people, planet and profit agenda. At this stage, there is still uncertainty on what rate, trajectory and allowance phase-out will be applied. We are engaging National Treasury for further clarity. Sasol's net carbon tax payment for 2022 on calendar year 2021's GHG emissions, after offsets and electricity levies, is R758 million².



EU

The Fit for 55 package of the EU Green Deal is being tracked to assess opportunities for accessing this market. The package includes a revision of the EU trading system, a Carbon Border Tax Adjustment Mechanism (CBAM) to prevent carbon leakage and revision of the Energy Efficiency and Renewable Energy Directives. Work on the impact of CBAM is underway for disclosure next year as climate-related export control laws are likely to become more prominent into the future.

Early in 2022, the EU proposed two Delegated Acts to the RED II that are intended to accelerate green hydrogen investments in the region and globally but in practice are not delivering on the EU's stated intention. These draft Acts have been analysed and show significantly negative implications for Sasol's ability to access the EU market and in turn could hinder South Africa's just transition.

South Africa's envisaged approach for a much-needed gradual transition from coal to a green economy is likely to be impaired in the absence of EU policy and regulatory changes.

Of importance is the need for the proposed Delegated Acts to recognise:

- co-processing of fossil fuel and sustainable feedstocks in FT facilities through a flexible LCA approach, allowing allocation of GHG benefits to specific products in the transition. This would allow SAF producers to maximise product volumes and access markets that can afford to pay a premium to counter high production costs, while green hydrogen is still prohibitively expensive; and
- fossil CO₂ feedstocks as sustainable carbon sources beyond 2035. As it currently stands, this transition period is not sufficient for developing countries such as South Africa nor does it align with projected green hydrogen cost curves.



1. Shareholder value of ~R4.5 billion. 2. Sasol's full carbon tax liability was ~R1,5 billion.

CLIMATE ADVOCACY AND POLICY (CONTINUED)

Advocacy

Our climate change advocacy position

Sasol engages with policymakers and collaborates with trade associations to advocate our position on matters that are critical to managing climate change and our business operations. We advocate and engage in public policy discussions, with a view to maintain a balanced approach and endeavour to not compromise the interests of our shareholders, employees, customers and communities. There may be times when our views diverge from those of our trade association partners, in which instance we aim to ensure our views are noted and recorded. We engage in support of the Paris Agreement, development of low and lower-carbon sectors such as green hydrogen, renewables and gas, as well as the development of a conducive policy and regulatory environment to encourage climate action within the confines of our national circumstances and need for a just transition.

We are committed to having an honest conversation. This means sharing our perspective, listening to others, respecting differences and working collaboratively to find solutions. In all our climate advocacy activities, we are committed to compliance, transparency and accountability.

We rarely agree 100% with all trade associations mandates, however we believe our annual trade association review findings demonstrate our approach to managing these divergences.

Sasol is a member of various industry associations that enables us to improve our insight into a broad range of issues and facilitates the exchange of knowledge and expertise. Governance requirements are in place within the relevant industry associations to safeguard against individual business positions dominating or advancing over others.

Managing relationships with industry associations are firmly embedded in our governance and risk management processes, including within the competition/anti-trust law compliance remit. We subscribe to key national and international industry associations relevant to our business. In these associations, we constructively and collectively pursue technical outcomes and advocate for policy that relates to our respective businesses. Sasol participates at different levels within an industry association, including holding general memberships, chairing specific committees and sitting on board committees. These associations provide a platform for the collective voice of business and creates momentum to effect positive change.

Approach to managing our memberships

In instances where there is misalignment between an industry association's position and our climate change position, we voice our views clearly and reserve the right to publicly communicate this position. We may even consider termination should continued membership no longer be in Sasol's best interests. In light of our 2030 target and 2050 net zero ambition, we have enhanced monitoring, assessment and disclosures on our alignment with industry associations, by annually taking into account amongst others, credible and publicly available third-party assessments on such associations.

Recognising that an industry association's view will not always accord with ours, we also review the value-add of these memberships prior to joining, during active membership and when renewal is due.

Other engagements with government

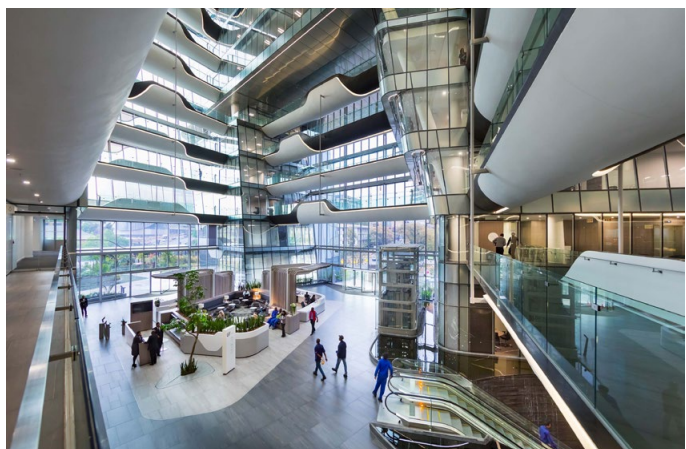
We believe over the years we have had a positive impact when engaging with associations in supporting climate-related policy and regulatory developments, including advocating in South Africa for an aligned carbon budget/tax system and a climate change act, lifting renewable energy limits, developing a green hydrogen strategy and related incentives and supporting mandatory reporting of GHG emissions.

Sasol is an active attendee at the UNFCCC COP annual meetings. Since 2018, we continue to co-sponsor the country pavilion for the annual COP meetings and we will do so again this year for COP27. South Africa's aim in hosting a pavilion is to showcase the country's climate change activities.

Establishing the Energy Council of South Africa

The South African energy sector is still heavily reliant on fossil fuels. To enable a thriving and sustainable energy sector in South Africa, Sasol played an instrumental role in the formulation of the Energy Council of South Africa, with other like-minded organisations that recognise the challenge and opportunities the energy transition brings given the country's national context.

The Energy Council of South Africa has set itself a mandate to play a leadership role in South Africa's energy sector, driving stakeholder and policy alignment and assisting in addressing major issues in the energy landscape for inclusive economic growth. The Council aims to advocate for accelerated policy, regulatory reform and certainty across the energy sector as the country transitions to a low-carbon economy. For further details, access www.energycouncil.org.za.



CLIMATE ADVOCACY AND POLICY (CONTINUED)

Advocacy (continued)

The Energy Council of South Africa has established multiple workstreams which includes gas, electricity, hydrogen, storage, just transition, funding and sustainable and liquid fuels. At this stage, not all associated climate-related positions have been formulated, approved by their Board and communicated externally. Nonetheless, we undertook a review to check initial alignment with our relevant climate advocacy principles. The Council is also taking a collaborative approach with other industry associations to advocate for policy conducive to a low-carbon economy; this advocacy approach is still being shaped.

Other memberships

To complement our participation in formalised industry associations, we continue to subscribe to and are members of voluntary benchmarking platforms to enhance our insights, governance expectations and reporting and disclosure of climate-related information. These bodies are not categorised as industry associations and therefore are not part of the self-assessment review. Nonetheless, these associations play a critical role in enriching our climate change management approach, including achieving our targets and net zero ambition.

These memberships extend to bodies, such as the CDP and Energy Productivity 100 (EPI100) that seek to aggregate and provide useful mechanisms for sharing and disclosing climate-relevant information. Sasol has joined EPI100 as a means to demonstrate our commitment to improving energy productivity to reduce GHG emissions.

Sasol's participation in these bodies is not driven by a policy advocacy need but rather to enhance our disclosure and offer an independent measure of assurance, which can be relied upon by our stakeholders. We also actively leverage national and international industry associations, such as National Business Initiative (NBI), who recently conducted an independent study and assessment of plausible net zero pathways for South Africa. The application of independently validated outcomes enables us to focus on key technical and policy levers that could unlock and accelerate our transition to a low-carbon economy dominated by green hydrogen and renewables.

SASOL'S PRINCIPLES FOR RESPONSIBLE CLIMATE-RELATED ADVOCACY

Acknowledgement and support for climate science

The IPCC provides a view of how global warming is likely to affect us, if unmitigated. The scientific evidence for warming of the global climate system is unequivocal, particularly in light of the 2021 IPCC science findings. Sasol acknowledges the scientific basis relating to anthropogenic climate change. We recognise the role of industry and our responsibility in playing a part in holding global average temperature increase below targeted levels.

Support for the Paris Agreement goal

The Paris Agreement articulates the need for society to act with greater urgency to limit global warming to well below 2°C above pre-industrial levels and to pursue further efforts to limit this increase to 1.5°C. Sasol recognises that much more than current global effort is required to support the aims of the Paris Agreement. We are therefore pursuing transformational changes to our business, cognisant of the principle of common but differentiated responsibilities and respective capabilities as it relates to developing countries.

Support for carbon pricing that provides greater incentives for innovation and low-carbon choices

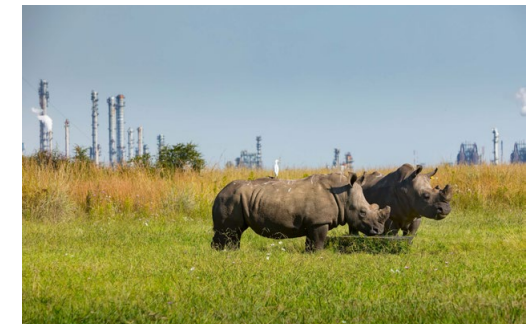
Carbon pricing provides an incentive to accelerate the low-carbon transition through emission trading schemes, budgets or taxes. Setting a price on carbon requires an integrated, well-designed, nationally determined and holistic policy response to the challenge of climate change. Sasol supports carbon pricing to enable a transition to a low-carbon economy. In our view, appropriately designed fiscal instruments and supporting mitigation action is critical, including the use of market mechanisms, such as carbon offsets and NbS/TbS CDRs. To ensure the viability of our projects and long-term strategy, we developed and implemented internal South African carbon prices to assist us in evaluating business decisions.

Development of low- and lower-carbon energy solutions in the form of renewable energy, green hydrogen, natural gas (as a transition feedstock and fuel) and energy efficiency

Through ambitious energy targets, the global industry is driving innovation, increasing competitiveness and reducing GHG emissions. Significant emission reductions can be achieved through energy efficiency. Renewable energy is a critical enabler for a low-carbon future and deployment at scale must take place urgently. Sasol has been a proponent of energy efficiency since as early as 2005 and committed to the EPI100 initiative. Our 2030 roadmap is focused on renewable energy to reduce our emissions. Natural gas is a key enabler for an effective and efficient energy transition in developing economies. Even though it is a fossil fuel, it is a bridge for coal-based economies and can be more easily integrated with renewable energy. Sasol views transition gas and renewable energy as a springboard into green hydrogen to fully decarbonise our operations.

Transparency and disclosure

Increased transparency is critically important to enable informed decision-making and instils confidence with our stakeholders that Group top risks, including climate change, are being addressed. We support and advocate for disclosure aligned with best practice standards, such as the TCFD, GRI, UN SDGs and their reporting criteria.



CLIMATE ADVOCACY AND POLICY (CONTINUED)

Advocacy activities

Inventory of our influences and how it links to our activities

Overview of policy advocacy activities

Climate change policy areas of engagement

COULD INCLUDE:

South African Carbon tax

South African Climate Change Bill

Just transition

EU Delegated Acts

Adaptation strategy technical working groups

DIRECT POLICY ADVOCACY

CARBON TAX ENGAGEMENTS IN SOUTH AFRICA:

Executives and technical teams participated in three meetings with National Treasury on the proposed 2022 Budget Review relating to the carbon tax rates and its implications for our business, which, based on the current proposal and assuming minimal allowances, could significantly impact our economic viability of the business and hinder the transition. Sasol reiterated support for carbon pricing and emphasised that rapid hikes in the carbon tax rate without allowances and incentives, and which is out of sync with mitigation potential, will hinder our transition rather than accelerate it. In addition, Sasol is participating in the Tax Law Amendment Bill consultation process.

CLIMATE CHANGE BILL IN SOUTH AFRICA:

Technical teams and climate change specialists attended three Parliamentary briefings by the Minister of Forestry, Fisheries and the Environment on the tabling of the Climate Change Bill to establish a legal framework for climate change management for South Africa.

- Carbon budgets: We undertook various engagements during the course of the year on allocating Sasol's next carbon budget, including engagements with DFFE and their consultants on the development of the mandatory petrochemical sector carbon budget methodology to regulate GHG emissions.

JUST TRANSITION IN SOUTH AFRICA:

Technical teams and climate change specialists attended the Just Transition PCC's dialogues on the development of a Just Transition Framework and various stakeholder consultations across the country.

- Technical teams engaged the DMRE on the Just Energy Transition Framework and its alignment with the PCC's Just Transition Framework.

EU DELEGATED ACTS:

Formal submissions were made to the European Commission. This was undertaken as part of the public consultation process in support of EU recognition for FT-produced sustainable products to allow for a phased decarbonisation of Secunda towards our fossil-fuel-free vision.

Sasol's executives and technical teams engaged various German government departments and the European Commission in Brussels to indicate the importance of recognising a flexible GHG allocation methodology for co-processing fossil fuel and sustainable feedstocks in an existing facility and to extend the use of industrial fossil CO₂ feedstocks as sustainable carbon sources beyond 2035.

OTHER:

Participated in a South African National Treasury multi-stakeholder consultation on the Oil and Gas Draft Discussion Document which sought to obtain views on the most appropriate tax regime for the Oil and Gas sector. In addition, support for transitioning South Africa to a net zero economy was indicated through the use of gas as a lower-carbon transition fuel.

INDIRECT POLICY ADVOCACY

CARBON TAX ENGAGEMENTS IN SOUTH AFRICA:

Participated with other BUSA members on three engagements with National Treasury on the proposed 2022 Budget Review of the carbon tax rates and implications for business in support of a just transition. Sasol reiterated support for carbon pricing and emphasised that rapid hikes in the carbon tax rate without allowances and incentives, and which is out of sync with mitigation potential, will hinder our transition rather than accelerate it.

BROAD CLIMATE CHANGE POLICY IN SOUTH AFRICA:

- Participated with other BUSA members in two meetings of the Parliamentary Committee on Environment, Forestry and Fisheries.
- Participated with other CAIA members and the DFFE on the chemical sector's carbon budget methodology.

MEMBERSHIPS:

- Roundtable on Sustainable Biomaterials (RSB): Participating in the Power-to-X policy and SAF working groups to encourage the use of green hydrogen to produce sustainable chemicals and fuels.
- Global Alliance Powerfuels (GAP): Contributed to a policy position advocating for recognition of unavoidable CO₂ from industrial facilities as eligible feedstocks for the production of Renewable Fuels of Non-Biological Origin (RFNBOs), such as SAF.
- Hydrogen Council: No policy engagements have taken place thus far.
- Energy Council of South Africa: No policy engagements have taken place thus far.
- NBI: Participating in the Climate Pathways Study through various steering and technical committees that are proposing pathways for achieving net zero in support of the Paris Agreement.
- EP100: Participating in the initiative which encourages greater energy efficiency uptake within business. Sasol has committed to a 30% energy efficiency improvement by 2030, off a 2005 baseline.

CLIMATE ADVOCACY AND POLICY (CONTINUED)

Methodology for annual review of our trade associations

Assessing alignment with industry associations

In 2022, Sasol assessed additional key associations and reviewed previously disclosed associations against our responsible climate-related advocacy principles (see page 50 for our five principles). Only relevant associations that undertake climate change advocacy were assessed by reviewing publicly available documents and engaging with their offices, where possible. Importantly, the majority of these industry associations cite climate change as one of their focus areas and for the Industry Task Team on Climate Change (ITTCC) and the Energy Council of South Africa it is a key driver.



METHODOLOGY

For the past years, Sasol has worked to align the advocacy positions of trade associations with our climate-related advocacy principles.

We applied our key principles for responsible advocacy consistently against the industry association positions. This year our methodology was enhanced for greater clarity, alignment to best practice, inclusion of third-party assessments and to address expectations on enhanced transparency.

ASSESSMENT CRITERIA

- In the event that the assessment revealed inconsistencies in terms of at least one/two of our principles, 'partially aligned' was indicated. In this instance, further engagements are held to better understand positions and seek alignment.
- Where more than two principles were not aligned and if the association was not in support of the Paris Agreement, then 'not aligned' was indicated.
- Associations are considered 'aligned' with our principles when their support for the Paris Agreement is clearly articulated and the internal assessment shows congruence to all principles.
- Our review was then augmented with available third-party external assessments. This year we used Influence Map. We decided that if we agreed with the external view, we would revise our assessment and where we did not, it would remain unchanged. In most instances our assessment did not change as we were able to obtain additional information that might not have been available for the external third-party.
- The practice of assessing company activities related to influencing climate change policies is still in its infancy. Typically, external assessments are based on publicly available data and do not require or consider additional disclosures or cooperation from the covered entities. A blind spot in these external assessments is the lack of insight or knowledge of the confidential work being developed by both industry and their related associations. In this regard, through the information at our disposal and our work with them in developing climate policy, we were able to accept and discount differences in our assessments of industry associations versus a third-party external assessment.

OUR ASSESSMENT RESULTS

Over the past three years, including 2022, Sasol reviewed a total of 26 associations, of which two were found to be 'not aligned' with our assessment criteria. The two associations not aligned were the American Fuel & Petrochemical Manufacturers and the International Association of Oil & Gas Producers. These are not listed in the summary tables (pages 53 – 55) or in the supplement [CAPS](#) as we had already exited these two associations previously.

In 2022, we reviewed the relevant associations; none were found to be not aligned with our responsible climate-related advocacy principles. Partial alignment was indicated across some of the relevant associations and, where applicable, changing from our initial assessment in 2020. This was by and large influenced by the lack of a clear position on transparency and disclosure and carbon pricing. The alignment results are presented in the sections that follow, with an overall self-assessment indicating either aligned, partially aligned or not aligned for the past three years.

This year, to support our climate change reporting, we compiled a Climate Advocacy and Policy Supplement [CAPS](#) to provide detailed information on our alignment with trade associations, membership fees and other relevant information (see www.sasol.com).

MEMBERSHIP FEES

Sasol pays annual membership fees to industry associations, where required. The fees payable are calculated according to the constitution of the respective association (see [CAPS](#) for membership fees).

2021 TO 2022 TRADE ASSOCIATION MEMBERSHIP

As part of our evaluation of whether trade association memberships provide value, we consider the advocacy activities of key trade associations, including advocacy related to climate change. While very important, climate change is but one of the many issues that Sasol works on with the listed trade associations and therefore one of many issues that Sasol considers when it evaluates how trade associations provide value.

CLIMATE ADVOCACY AND POLICY (CONTINUED)

Self-assessment of relevant industry associations

	1	2	3	4	5	6	7
	Acknowledgement and support for climate science	Support for the Paris Agreement goal	Support for carbon pricing that provides greater incentives for innovation and low-carbon choices	Development of low and lower-carbon energy solutions in the form of renewable energy, green hydrogen, natural gas (as a transition feedstock and fuel) and energy efficiency	Transparency and disclosure	Influence Map's assessment of Paris Alignment ¹	Overall self-assessment of alignment ²
American Chemistry Council (ACC)	<ul style="list-style-type: none"> Acknowledges and supports the science on climate change 	<ul style="list-style-type: none"> Supports the Paris Agreement and is aligned with the corresponding target 	<ul style="list-style-type: none"> Supports the US based carbon pricing system and an ETS or carbon tax depending on member jurisdiction 	<ul style="list-style-type: none"> Supportive of GHG emissions being regulated and the development of low and lower-carbon energy solutions however does not support regulation of gas 	<ul style="list-style-type: none"> Supports transparency through regular disclosures 	<p>C interpreted as partially aligned. Mixed lobbying positions against US climate policy. Sasol assessed ACC as partially aligned</p>	<p>2022: ● 2021: ● 2020: ● Sasol will continue to engage to encourage alignment</p>
American Cleaning Institute (ACI)	<ul style="list-style-type: none"> Acknowledges and supports the science on climate change 	<ul style="list-style-type: none"> Supports the Paris Agreement and is aligned with the corresponding target 	<ul style="list-style-type: none"> Supports policy to minimise emissions from cleaning product use, however no direct statement on carbon pricing support 	<ul style="list-style-type: none"> Supports renewable energy, low-carbon solutions and CCUS 	<ul style="list-style-type: none"> Supports transparency through regular disclosures 	<p>Not assessed</p>	<p>2022: ● 2021: ● 2020: ● Sasol will continue to engage to encourage alignment</p>
Associazione Industriale Cagliari (Confindustria Cagliari)	<ul style="list-style-type: none"> Aligned on the commitment towards a more sustainable industry in accordance with the Paris Agreement to limit the impact and risk of climate change 		<ul style="list-style-type: none"> Certain positions do not accord with our principle 	<ul style="list-style-type: none"> Aims at orienting associates towards clean energy opportunities and considers natural gas a key transition fuel source 	<ul style="list-style-type: none"> Supports transparency through annual disclosures 	<p>D interpreted as not aligned. Deemed to have some negative positions on climate change policy. Sasol assessed Confindustria Cagliari as partially aligned</p>	<p>2022: ● 2021: not assessed 2020: not assessed Sasol will continue to engage to encourage alignment</p>
Associazione Industriale Siracusa (Confindustria Siracusa)	<ul style="list-style-type: none"> Aligned on the commitment towards a more sustainable industry in accordance with the Paris Agreement to limit the impact and risk of climate change 		<ul style="list-style-type: none"> Certain positions do not accord with our principle 	<ul style="list-style-type: none"> Considers natural gas as a key transition fuel source and supports replacement of natural gas with hydrogen or greener sources 	<ul style="list-style-type: none"> Supports transparency through bi-annual disclosures 	<p>D interpreted as not aligned. Deemed to have some negative positions on climate change policy. Sasol assessed Confindustria Siracusa as partially aligned</p>	<p>2022: ● 2021: not assessed 2020: not assessed Sasol will continue to engage to encourage alignment</p>
Aviation Initiative for Renewable Energy in Germany (AIREG)	<ul style="list-style-type: none"> Acknowledges and supports the science on climate change 	<ul style="list-style-type: none"> Supports the Paris Agreement and is aligned with the corresponding target 	<ul style="list-style-type: none"> No specific position found, however statements indicate support for the EU ETS and no misalignment is envisaged 	<ul style="list-style-type: none"> Supports the development of low-carbon sustainable aviation fuels, bio- and PtL-based fuels 	<ul style="list-style-type: none"> Supports transparency through regular disclosures 	<p>Not assessed</p>	<p>2022: ● 2021: not assessed 2020: not assessed</p>
Business Unity South Africa (BUSA)	<ul style="list-style-type: none"> Aligned with net zero and a 1,5°C trajectory by 2050 	<ul style="list-style-type: none"> Advocacy for an ambitious NDC aligned to the Paris Agreement 	<ul style="list-style-type: none"> Supports carbon tax as an element of a suite of policy instruments 	<ul style="list-style-type: none"> Advocates for supportive policy in all areas 	<ul style="list-style-type: none"> Supports TCFD 	<p>C+ indicating partial alignment. Sasol's review remained unchanged</p>	<p>2022: ● 2021: ● 2020: ●</p>
ChemCoast Laatzen	<ul style="list-style-type: none"> Acknowledges and supports the science on climate change 	<ul style="list-style-type: none"> Supports the Paris Agreement and is aligned with the corresponding target 	<ul style="list-style-type: none"> No detailed information found, however the EU ETS is mandatory by law in Europe and no misalignment is envisaged 	<ul style="list-style-type: none"> Supports transition through gas 	<ul style="list-style-type: none"> Supports transparency through regular disclosures 	<p>Not assessed</p>	<p>2022: ● 2021: not assessed 2020: not assessed Sasol will continue to engage to encourage alignment</p>
Chemical and Allied Industries' Association (CAIA)	<ul style="list-style-type: none"> Advocates for climate policy based on science 	<ul style="list-style-type: none"> Advocates for an ambitious NDC 	<ul style="list-style-type: none"> Supports carbon pricing within a holistic policy framework 	<ul style="list-style-type: none"> Supports renewables and gas as a bridge 	<ul style="list-style-type: none"> Supports transparency, but no clear position 	<p>Not assessed</p>	<p>2022: ● 2021: ● 2020: ● Sasol will continue to engage to encourage alignment</p>

CLIMATE ADVOCACY AND POLICY (CONTINUED)

Self-assessment of relevant industry associations (continued)

	1	2	3	4	5	6	7
	Acknowledgement and support for climate science	Support for the Paris Agreement goal	Support for carbon pricing that provides greater incentives for innovation and low-carbon choices	Development of low and lower-carbon energy solutions in the form of renewable energy, green hydrogen, natural gas (as a transition feedstock and fuel) and energy efficiency	Transparency and disclosure	Influence Map's assessment of Paris Alignment ¹	Overall self-assessment of alignment ²
China Cleaning Industry Association (CCIA)	● Acknowledges and supports the science on climate change	● Supports the Paris Agreement and is aligned with the corresponding target	● Supports carbon pricing and emission trading to foster low carbon innovation	● Supports renewable energy developments and energy efficiency initiatives	● Supports transparency through regular disclosures	Not assessed	2022: ● 2021: not assessed 2020: not assessed
China Petroleum and Chemical Industry Federation (CPCIF)	● Acknowledges and supports the science on climate change	● Supports the Paris Agreement and is aligned with the corresponding target	● Supports the China ETS	● Supports the development of renewable energy, energy efficiency initiatives, low-carbon product development and CCS	● Supports transparency and disclosure to encourage and expedite progress on climate action	Not assessed	2022: ● 2021: not assessed 2020: not assessed
Energy Council of South Africa	Position being drafted	Position being drafted	Position being drafted	● Supportive of low-carbon energy solutions	● Supports transparency through regular disclosures	Not assessed	2022: Unable to fully assess 2021: Not applicable 2020: Not applicable
Energy Intensive User Group's (ITTCC)	● Advocates for policy based on climate science	● Supports South African climate commitments taking a developing economy context	● Acknowledges the merits of carbon price, advocates for an alternative design	● Supports low-carbon technology to achieve the transition	● Supports TCFD	C- interpreted as partial alignment Sasol acknowledges ITTCC's position on carbon tax and we assessed the organisation as partially aligned	2022: ● 2021: ● 2020: ● Sasol will continue to engage to encourage alignment
Entwicklungsgesellschaft Westholstein (egw)	● Supports climate science	● Supports the Paris Agreement and climate neutrality by 2050	● No detailed information found, however the EU ETS is mandatory by law in Europe and no misalignment is envisaged	● Supports renewable technologies and energy efficiency initiatives	● Supports transparency, but no clear position	Not assessed	2022: ● 2021: not assessed 2020: not assessed Sasol will continue to engage to encourage alignment
European Chemical Industry Council (CEFIC)	● Supports strong action on climate change in line with the IPCC advice	● Supports the Paris Agreement and strong action on climate change	● Supports carbon pricing under the EU ETS and revenue recycling for further reductions	● Supportive of all relevant mitigation technologies within the context of the EU's transition to carbon neutrality	● Supports TCFD	C- interpreted as partial aligned. Deemed to provide mixed approaches to climate change policy. Sasol's review remained unchanged	2022: ● 2021: ● 2020: ●
Federchimica (Italian Federation of the chemical industry)	● Aligned on the commitment towards a more sustainable industry in accordance with the Paris Agreement to limit the impact and risk of climate change	● Supports carbon pricing under the EU ETS	● Supports natural gas as a feedstock, renewable energy and green hydrogen for developing the Italian chemicals industry	● Supports transparency and publishes a Responsible Care annual report	● Supports transparency and disclosure	An affiliate of CEFIC. CEFIC assessment applies	2022: ● 2021: not assessed 2020: not assessed
International Chamber of Commerce (ICC)	● Acknowledges and supports the science on climate change	● Supports the Paris Agreement and is aligned with the corresponding target	● Supports carbon pricing and calls on industry peers and governments to adopt strong carbon pricing policies	● Supports renewable energy policies and advocates for energy efficiency	● No position found on transparency and disclosure	C+ interpreted as partially aligned. Deemed to have mixed positions on climate policy. Sasol assessed ICC as partially aligned	2022: ● 2021: ● 2020: ● Sasol will continue to engage to encourage alignment

CLIMATE ADVOCACY AND POLICY (CONTINUED)

Self-assessment of relevant industry associations (continued)

	1	2	3	4	5	6	7
	Acknowledgement and support for climate science	Support for the Paris Agreement goal	Support for carbon pricing that provides greater incentives for innovation and low-carbon choices	Development of low and lower-carbon energy solutions in the form of renewable energy, green hydrogen, natural gas (as a transition feedstock and fuel) and energy efficiency	Transparency and disclosure	Influence Map's assessment of Paris Alignment ¹	Overall self-assessment of alignment ²
International Council of Chemical Associations (ICCA)	<ul style="list-style-type: none"> Supports climate science 	<ul style="list-style-type: none"> Committed to achieving climate goals as contained within the Paris Agreement 	<ul style="list-style-type: none"> ICCA believes that a combination of technology, market-based and policy solutions are necessary to achieve climate neutrality 	<ul style="list-style-type: none"> Supports renewable energy sources, innovative electric and battery materials and emission reductions up and down the supply chain. 	<ul style="list-style-type: none"> Supports transparency through regular disclosures 	Not assessed	2022: ● 2021: ● 2020: ●
Japan Chemical Industry Association (JCIA)	<ul style="list-style-type: none"> Recognises climate science in publication: "Chemical Industry's VISION on Global Warming Countermeasures" in 2017 	<ul style="list-style-type: none"> Aligns with the Japanese government on climate change, a signatory to the Paris Agreement 	<ul style="list-style-type: none"> Supports carbon pricing 	<ul style="list-style-type: none"> Promotes CCU, biomass, natural gas as a feedstock 	<ul style="list-style-type: none"> Supports transparency through annual disclosures 	C- interpreted as partially aligned. Deemed to undertake mixed messaging and because JCIA has asked for a review of mitigation tax. Sasol assessed JCIA as aligned as we see need for gas as a transition fuel and see JCIA as Paris aligned.	2022: ● 2021: not assessed 2020: not assessed
Louisiana Chemical Association (LCA)	<ul style="list-style-type: none"> Acknowledges and supports the science on climate change 	<ul style="list-style-type: none"> Supports the objectives of the Paris Agreement 	<ul style="list-style-type: none"> Supports carbon pricing and transparent and predictable price signals 	<ul style="list-style-type: none"> Supports low-carbon energy solutions 	<ul style="list-style-type: none"> Position being drafted in support of transparency and disclosure 	Not assessed	2022: ● 2021: ● 2020: not assessed Sasol will continue to engage to encourage alignment
Minerals Council of South Africa (MINCOSA)	<ul style="list-style-type: none"> Aligned with members acceptance of climate change science 	<ul style="list-style-type: none"> Advocates for conducive climate change and just energy policies to support the NDC 	<ul style="list-style-type: none"> Focus is on an integrated climate change mitigation instrument and not a singular tax 	<ul style="list-style-type: none"> Advocates for renewables and green hydrogen as priority for the mining sector 	<ul style="list-style-type: none"> Supports transparency, reporting and disclosure on ESG performance and climate change 	D+ interpreted as not aligned. Deemed to be actively lobbying against climate policy. Sasol's review remained unchanged	2022: ● 2021: ● 2020: ● Sasol will continue to engage to encourage alignment
South African Petroleum Industry Association (SAPIA)	<ul style="list-style-type: none"> Subscribes to a scientific approach to understanding climate change 	<ul style="list-style-type: none"> Supports the Paris Agreement goal, with many members promoting net zero ambitions 	<ul style="list-style-type: none"> Supports carbon pricing for a just transition 	<ul style="list-style-type: none"> Advocates for conducive policies, finance and technical innovation that leads to less carbon emitting energy alternatives for use 	<ul style="list-style-type: none"> Supports transparency to outline goals 	D- interpreted as not aligned. SAPIA supports carbon pricing but not the South African carbon tax design. Sasol's review remained unchanged	2022: ● 2021: ● 2020: ●
Unternehmensverband Untereibe Westküste/Heide e.V. (UVUW)	<ul style="list-style-type: none"> Acknowledges and supports the science on climate change 	<ul style="list-style-type: none"> Supports the Paris Agreement and is aligned with the corresponding target 	<ul style="list-style-type: none"> No detailed information found, however the EU ETS is mandatory by law in Europe and no misalignment is envisaged 	<ul style="list-style-type: none"> Supports low-carbon technology to achieve the transition 	<ul style="list-style-type: none"> Supports transparency, but no clear position 	Not assessed	2022: ● 2021: not assessed 2020: not assessed Sasol will continue to engage to encourage alignment
Verband der Chemischen Industrie e.V. (VCI)	<ul style="list-style-type: none"> Supports climate science related to climate neutral products 	<ul style="list-style-type: none"> Supports the Paris Agreement and product climate neutrality by 2050 	<ul style="list-style-type: none"> Supports carbon pricing through a global ETS 	<ul style="list-style-type: none"> Supports renewable energy, energy efficient products and technologies and natural gas alongside renewable feedstocks 	<ul style="list-style-type: none"> Supports transparent monitoring, reporting and verification systems (MRV) 	D- interpreted as not aligned. Assessed as actively lobbying against EU climate policies. Sasol's review remained unchanged	2022: ● 2021: ● 2020: ●

1. Influence Map: Assesses over 150 industry associations globally on their climate policy engagement activities. Performance band is between A to F. An "A" score indicates an association that is supportive of climate policy that is Paris-aligned and "F" means not supportive.
 2. The purpose of the table is to communicate information related to Sasol's review and self assessment of relevant industry associations' climate change positions against our responsible climate-related advocacy principles. The industry specific information contained herein are extract summaries from more comprehensive reference/source documents that are publicly available/accessible including reports, website information, public statements and/or information received through associated member engagements. We therefore direct the reader to the cited sources for a comprehensive overview and do not warrant the completeness or correctness of such source information. Sasol assumes no liability and responsibility for any errors or omissions in the source information.

PERFORMANCE DATA

Natural Capital – Our environment	Footnote	2022	2021	2020	2019	2022 Level of assurance
Production performance	1					
Product meant for external sale (kilotons)		16 550	18 166	16 879	18 446	Reasonable SR page 75
Energy		14 399	15 571	13 909	16 481	
Secunda		6 326	6 923	6 505	6 736	
Sasolburg		1 366	1 586	1 440	1 467	
Mining		2 176	2 724	1 945	3 209	
Natref		3 712	3 514	3 294	4 271	
Mozambique		39	42	46	53	
Other strategic business units and Functions		781	782	679	745	
Chemicals		2 151	2 595	2 970	1 965	
Eurasia		1 261	1 370	1 275	1 277	
North America		890	1 225	1 695	688	
Africa		–	–	–	–	
Greenhouse gases (GHG) (kilotons)	2					
Direct methane (CH₄)		130	132	121	121	Reasonable SR page 75
Energy		130	132	121	121	
Secunda		103	104	95	96	
Sasolburg		7,53	4,98	6,98	5,34	
Mining		4,02	6,57	3,51	3,49	
Natref		0,06	0,06	0,05	–	
Mozambique		16	16	16	16	Restated 2019 – 2021
Other strategic business units and Functions		–	–	0,01	0,01	
Chemicals		0,03	0,04	0,07	0,04	
Eurasia		–	–	–	–	
North America		0,03	0,04	0,07	0,04	
Africa		–	–	–	–	
Nitrous Oxide (N₂O)		0,34	1,25	1,48	1,64	Reasonable SR page 75
Energy		0,33	1,24	1,47	1,63	
Secunda		0,21	1,12	0,83	0,90	
Sasolburg		0,12	0,12	0,64	0,73	
Mining		–	–	–	–	
Natref		–	–	–	–	
Mozambique		–	–	–	–	
Other strategic business units and Functions		–	–	–	–	
Chemicals		0,01	0,01	0,01	0,01	
Eurasia		–	–	–	–	
North America		0,01	0,01	0,01	0,01	
Africa		–	–	–	–	
Direct carbon dioxide (CO₂) Scope 1		54 111	56 977	55 996	57 242	Reasonable SR page 75
Energy		52 414	55 164	53 837	55 464	
Secunda		46 753	49 461	48 340	49 654	Restated 2020
Sasolburg		4 183	4 233	4 324	4 557	
Mining		18	17	17	16	
Natref		961	1 023	853	932	
Mozambique		458	388	263	263	Restated 2019 – 2021
Other strategic business units and Functions		41	42	40	42	
Chemicals		1 697	1 813	2 159	1 778	
Eurasia		624	674	631	610	
North America		1 072	1 139	1 523	1 163	
Africa		–	–	5,00	5,00	
Direct carbon dioxide (CO₂) Scope 1 (CO₂ equivalent)		57 204	60 388	59 228	60 511	
Energy		55 504	58 570	57 064	58 729	
Secunda		49 178	52 196	50 773	52 132	
Sasolburg		4 392	4 382	4 674	4 896	
Mining		110	168	98	96	
Natref		962	1 024	854	932	
Mozambique		821	758	625	630	
Other strategic business units and Functions	4	41	42	40	42	
Direct carbon dioxide (CO₂) Scope 1 (CO₂ equivalent)		1 701	1 818	2 164	1 782	
Chemicals		624	674	631	610	
Eurasia		1 076	1 144	1 528	1 167	
North America		–	–	5,00	5,00	
Africa		–	–	–	–	
Indirect carbon dioxide (CO₂) Scope 2	5	6 367	5 495	5 197	4 857	Reasonable SR page 75
Energy	6, 9	5 950	5 124	4 780	4 526	
Secunda		4 084	3 573	3 310	3 075	Restated 2019 – 2021
Sasolburg		784	536	502	400	
Mining		776	721	706	726	
Natref		281	269	235	289	
Mozambique		–	–	–	–	
Other strategic business units and Functions		25	25	27	36	
Chemicals		417	371	417	331	
Eurasia		155	107	104	108	
North America		263	264	313	223	
Africa		–	–	–	–	
Total greenhouse gas (CO₂ equivalent)	3, 7	63 572	65 884	64 427	65 367	Reasonable SR page 75
Energy	5	61 455	63 695	61 845	63 255	
Secunda		53 262	55 769	54 083	55 207	Restated 2019 – 2021
Sasolburg		5 176	4 918	5 176	5 297	
Mining		887	890	804	822	
Natref		1 244	1 293	1 090	1 221	
Mozambique		821	758	625	630	Restated 2019 – 2021
Other strategic business units and Functions		66	67	67	78	
Chemicals		2 117	2 189	2 582	2 112	
Eurasia		779	781	735	717	
North America		1 338	1 408	1 842	1 389	
Africa		–	–	5,00	6,00	
GHG intensity (CO₂ equivalent/ton product meant for external sale)	7	3,84	3,63	3,82	3,54	Reasonable SR page 75
GHG Intensity per facility (Using total Production)	8					
Secunda		7,77	7,31	7,34	7,25	Restated 2019 – 2021
Sasolburg		2,18	1,82	1,96	1,88	
Mining		0,01	0,01	0,01	0,01	
Natref		0,34	0,37	0,33	0,29	
Mozambique		0,24	0,22	0,18	0,18	
Other strategic business units and Functions		0,02	0,02	0,03	0,03	
Eurasia		0,38	0,36	0,36	0,35	
North America		0,72	0,80	0,59	1,09	
Chemicals Africa		–	–	–	–	
Indirect carbon dioxide (CO₂) Scope 3		–	–	–	–	Methodology improvement
CCR Refer to page 32						Limited
Sasol's equity emissions (scope 3 Category 15: Investments)¹⁰						2022 ktCO₂e
Energy products						948
Chemicals						501
Explosives						1
Pension fund holdings						81

PERFORMANCE DATA (CONTINUED)

FOOTNOTES

- Product – external sales – boundaries include product destined for sale to Sasol’s customers and do not include products utilised or sold between the Sasol Group of companies. A decrease in production was noted for 2022 due to significant coal supply shortages as a result of adverse weather conditions and operational challenges.
- GHG emissions have been calculated and reported in accordance with the GHG Protocol (www.ghgprotocol.org) and the IPCC 2006 Guidelines. In our GHG measurements, we have included 100% of the emissions for the following JVs: Natref in South Africa and Gas Sourcing and Operations in Mozambique. Data for those JVs where we do not have a significant influence or operational control is not included. An external assurance provider has once again independently verified our direct and indirect emissions.
- The sum of GHG emissions from CH₄, N₂O and CO₂ (scope 1 only) are expressed as CO₂e emitted and reported as direct scope 1 CO₂e. Our 2022 direct scope 1 CO₂e emissions for Sasol Energy are significantly lower than 2021, attributed to lower production rates.
- The increase in direct scope 1 carbon dioxide equivalent emissions from Mozambique is attributed to the inclusion of methane reporting in 2022. The 2019, 2020 and 2021, Scope 1 Emissions for Mozambique have been restated to include additional data in 2022.
- Secunda emissions are presented in a regional view which includes the Secunda Operations site as well as smaller operations located in Secunda. Scope 2 emissions for Secunda Operations have been re-baselined due to the Air Separation Unit (ASU) divestment in 2021.
- Sasol Energy’s scope 2 emissions over the past year were higher relative to 2021 due to increased purchased electricity use and a higher grid emission factor for Eskom.
- The sum of GHG emissions from CH₄, N₂O and CO₂ (scope 1 and 2) are expressed as CO₂e emitted and reported as total GHG (CO₂e). Although Sasol Energy’s scope 2 emissions increased in 2022 (see note 6), total scope 1 and 2 GHG emissions decreased in 2022, attributed to reduced production rates.
- The definition of GHG intensity underwent extensive internal review in 2022 and “total production” was decided on as a replacement for product meant for external sale. This revised intensity provides insight into the total emissions per ton of product produced irrespective of the final destination of these products. This provides a more representative view of site intensity, irrespective of the nature of the operation. Total production values utilised for this calculation are based on operational management control and is in line with our SD data reporting philosophy, which excludes subsidiaries and JVs, where Sasol has no management control. Prior to 2022, Sasol reported GHG intensity based on total GHG (CO₂e) per ton of production meant for external sale. Using production meant for external sale provides insight into the amount of emissions per ton of saleable product, which is not representative of upstream OMEs, such as Sasol Mining and Gas, Sourcing and Operations (Mozambique), which primarily provide feedstock to other Sasol operating entities.
- Data from operating entities impacted by divestments during the reporting year are excluded with effect from the date of divestment, except when GHG target setting is impacted. As per the GHG Protocol, determination of GHG emissions have been restated from 2017, our baseline target year, to account for the divested units. While GHG data has been corrected for divestments from 2017, as per National Energy Efficiency Strategy 2030 and ISO 50001 measuring principles, data for electricity purchased from non-renewable sources does not exclude the divested units for 2019, 2020 and 2021. For scope 2 emission correlation with electricity purchased from non-renewable sources, data excluding the ASU’s are 12 368 thousand GJ (2021); 11 242 thousand GJ (2020) and 11 411 thousand GJ (2019).
- Based on Sasol’s equity share in investments and aggregated by product type or sector.



TCFD INDEX

Location of our aligned disclosures

TCFD recommendation	Place of disclosure	Page
GOVERNANCE – Disclose the organisation’s governance on climate-related risks and opportunities		
a) Describe the Board’s oversight of climate-related risks and opportunities.	Governing Climate Change: Our Board Governance at a glance	45 IR 56 – 61
b) Describe management’s role in assessing and managing climate-related risks and opportunities.	Governing Climate Change: Our Board Managing Material Matters	46 IR 36 – 39
STRATEGY – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s business, strategy and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Risk management: the process we follow Managing our Group top risks	13 – 15 IR 30 – 35
b) Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy and financial planning.	Risk management: the process we follow Resilience of our portfolio Capital allocation and green funding Implementing the Future Sasol strategy Incentivising climate management Responding to climate change	13 – 15 16 36 20 – 22 47 42 – 44
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Resilience of our portfolio Sasol’s climate change scenarios Robustness testing against our scenarios to 2030	16 16 – 17 18 – 19
RISK MANAGEMENT – Disclose how the organisation identifies, assesses and manages climate-related risks		
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	Risk management: the process we follow Managing our Group top risks	13 IR 30 – 34
b) Describe the organisation’s processes for managing climate-related risks.	Risk management: the process we follow Managing our Group top risks	13 IR 31
c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management.	Risk management: the process we follow Managing our Group top risks	13 IR 30 – 35
METRICS AND TARGETS – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Robustness testing against our scenarios to 2030 Our planet metrics Performance Data: Natural Capital The year in review	18 – 19 21 SR 68 – 69 5
b) Disclose scope 1, scope 2 and, if appropriate, scope 3 GHG emission and the related risks.	Performance Data: Natural Capital The year in review Decarbonising our value chains: Scope 3	SR 68 – 69 5 32
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Sasol at a glance Our climate change journey Snapshot of our approach The year in review Sasol’s commitment to climate change Incentivising climate management	2 3 4 5 8 47

INDEPENDENT LIMITED ASSURANCE REPORT TO THE DIRECTORS OF SASOL LIMITED (SCOPE 3) YEAR ENDED 30 JUNE 2022

We have performed our limited assurance engagement in respect of the sustainability key performance indicators for the year ended 30 June 2022.

The subject matter comprises the sustainability key performance indicators conducted in accordance with management's basis of preparation, as prepared by the responsible party, during the year ended 30 June 2022.

The terms of management's basis of preparation comprise the criteria by which the company's compliance is to be evaluated for purposes of our limited assurance engagement. The sustainability key performance indicator is as follows:

LIMITED ASSURANCE

Selected sustainability information	Unit of measure	Boundary
Greenhouse gases: Carbon dioxide (CO ₂) – indirect (Scope 3) – Fuel and energy related activities	Tons	Group
Greenhouse gases: Carbon dioxide (CO ₂) – indirect (Scope 3) – Waste-generated in operations	Tons	Group
Greenhouse gases: Carbon dioxide (CO ₂) – indirect (Scope 3) – Business travel	Tons	Group
Greenhouse gases: Carbon dioxide (CO ₂) – indirect (Scope 3) – Use of sold products	Tons	Group

Directors' responsibility

The directors being the responsible party, and where appropriate, those charged with governance are responsible for the sustainability key performance indicator information, in accordance with management's basis of preparation.

The responsible party is responsible for:

- Ensuring that the key performance indicator information is properly prepared and presented in accordance with management's basis of preparation;
- Confirming the measurement or evaluation of the underlying key performance indicators against the applicable criteria, including that all relevant matters are reflected in the key performance indicator information and;
- Designing, establishing and maintaining internal controls to ensure that the key performance indicator information is properly prepared and presented in accordance with management's basis of preparation.

Assurance Practitioner's responsibility

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historic Financial Information*. This standard requires us to comply with ethical requirements and to plan and perform our limited assurance engagement with the aim of obtaining limited assurance regarding the subject matter of the engagement.

We shall not be responsible for reporting on any sustainability key performance indicators events and transactions beyond the period covered by our limited assurance engagement.

Independence and other ethical requirements

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) and Parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively.

Deloitte and Tholisiwe apply the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

We have performed our procedures on the sustainability key performance indicator transactions of the Company, as prepared by management in accordance with management's basis of preparation for the year ended 30 June 2022.

Our evaluation included performing such procedures as we considered necessary which included:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process for the selected key performance indicators;
- Obtained an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Inspected supporting documentation and performing analytical review procedures; and

- Evaluated whether the selected key sustainability performance indicator disclosures are consistent with our overall knowledge and experience of sustainability processes.

Our assurance engagement does not constitute an audit or review of any of the underlying information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit opinion or review conclusion.

We believe that our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

In a limited assurance engagement, the procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the key performance indicator information has been properly prepared and presented, in all material respects, in accordance with management's basis of preparation.

Conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that the sustainability key performance indicators are not prepared, in all material respects, in accordance with management's basis of preparation.

Deloitte.

Deloitte & Touche

Deloitte & Touche
Registered Auditors

Per Mark Victor
Partner
29 August 2022

5 Magwa Crescent
Waterfall City, Waterfall

Private Bag X6, Gallo Manor, 2052
South Africa

THOLISIWE
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AUDIT ADVISORY TAX

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Registered Auditors

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CA 100+ ASSESSMENT OF SASOL'S CLIMATE CHANGE RESPONSE

CA 100+ assessment				Page
Indicators and sub-indicators	2021	2022	Sasol's response	
1 Net zero GHG emissions by 2050 (or sooner) ambition				
Sub-indicator 1.1 The company has set an ambition to achieve net-zero GHG emissions by 2050 or sooner.	●	●	We have set a 2050 net zero ambition for Sasol Energy and Chemicals businesses. Our net zero ambition includes scope 3 Category 11 which accounts for ~80% of total scope 3 emissions	4, 6, 21
2 Long term (2036-2050) GHG reduction target(s)				
Sub-indicator 2.1 The company has set a target for reducing its GHG emissions by between 2036 and 2050 on a clearly defined scope of emissions.	●	●	Our ambition is to achieve net zero by 2050 for Sasol Energy and Chemicals.	4, 6, 21
Sub-indicator 2.2 The long-term (2036 to 2050) GHG reduction target covers at least 95% of scope 1 and 2 emissions and the most relevant scope 3 emissions (where applicable).	●	●	Scope 1 and 2 emission represents 95% of our emission reduction target. Scope 3 Category 11 is the most relevant category for Sasol representing more than 80% of scope 3 emissions and including Natref's product slate.	3 – 4, 6
Sub-indicator 2.3 The target (or, in the absence of a target, the company's latest disclosed GHG emissions intensity) is aligned with the goal of limiting global warming to 1,5°C.	●	●	Our ambition for net zero emissions by 2050 is aligned with the goal of limiting global warming to 1,5°C.	6, 8
3 Medium term (2026 to 2035) GHG reduction target(s)				
Sub-indicator 3.1 The company has set a target for reducing its GHG emissions by between 2026 and 2035 on a clearly defined scope of emissions.	●	●	We have set emission reduction targets to reduce our absolute scope 1 and 2 emissions by 30% by 2030 for the Sasol Energy and Chemicals Businesses. By 2030 we have a scope 3 target to reduce Category 11 emissions by 20%.	3 – 4, 6, 21
Sub-indicator 3.2 The medium-term (2026 to 2035) GHG reduction target covers at least 95% of scope 1 & 2 emissions and the most relevant scope 3 emissions (where applicable).	●	●	Targets cover material emissions representing 95% of scope 1 and 2 emissions. Scope 3: Category 11 emissions is the most relevant of our emissions and covered by a separate absolute 20% reduction target by 2030 off a 2019 baseline.	4, 6, 21
Sub-indicator 3.3 The target (or, in the absence of a target, the company's latest disclosed GHG emissions intensity) is aligned with the goal of limiting global warming to 1,5°C.	●	●	Our 30% target by 2030 is a higher level of ambition, based on available mitigation and science. Post 2030, we are aiming for net zero. We are not fully aligned to 1,5°C in 2030 but are for the long term.	6, 8
4 Short term (up to 2025) GHG reduction target(s)				
Sub-indicator 4.1 The company has set a target for reducing its GHG emissions up to 2025 on a clearly defined scope of emissions.	●	●	For the short term, we are aiming for a 5% emission reduction in the financial year June 2025 to July 2026 for the Sasol Energy Business and 20% reduction by the same time for the Chemicals Business.	4, 6, 21
Sub-indicator 4.2 The short-term (up to 2025) GHG reduction target covers at least 95% of scope 1 and 2 emissions and the most relevant scope 3 emissions (where applicable).	●	●	Targets cover material emissions representing 95% of scope 1 and 2 emissions. We do not have a short-term scope 3 target, only a 2030 target.	4, 6
Sub-indicator 4.3 The target (or, in the absence of a target, the company's latest disclosed GHG emissions intensity) is aligned with the goal of limiting global warming to 1,5°C.	●	●	Short term milestone targets are aligned with our medium term target and long term Net Zero ambition. We are not fully aligned to 1,5°C in 2030 but are for the long term.	6, 8, 21
5 Decarbonisation strategy				
Sub-indicator 5.1 The company has a decarbonisation strategy to meet its long and medium-term GHG reduction targets.	●	●	Emission reductions (scope 1, 2 and 3) and roadmaps for 2030 and 2050 for our Sasol Energy and Chemicals businesses. While the percentage contribution of each lever is not explicitly indicated, GHG emissions covered, technology choices and timing is clearly indicated to 2030. Post 2030 for Sasol Energy, a flexible roadmap has been developed, which is dependent on signposts materialising.	4, 6, 21, 23
Sub-indicator 5.2 The company's decarbonisation (target delivery) strategy specifies the role of 'green revenues' from low carbon products and services.	Not Assessed	Not Assessed	Our portfolio is shifting to growth of FT sustainable solutions focusing on sustainable fuels and chemicals. We had our first sales of sustainable product from Sasol Chemicals during 2022. We have set targets for % renewable energy usage and have set a sustainability capex target but no metrics have as yet been set for green revenues.	21, 36

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6 Capital allocation alignment				
Sub-indicator 6.1 The company is working to decarbonise its future capital expenditures.	●	●	We have allocated R15 – 25 billion cumulative capital expenditure to be spent by 2030 on decarbonisation. In addition, to our sustainability capital allocation, Sasol has made a clear commitment to no investments in new coal reserves.	21, 36
Sub-indicator 6.2 The company discloses the methodology used to determine the Paris alignment of its future capital expenditures.	●	●	Our capital allocation framework is provided with key guiding principles to progressively grow available capital for transforming the businesses.	36
7 Climate policy engagement				
Sub-indicator 7.1 The company has a Paris-Agreement-aligned climate lobbying position and all of its direct lobbying activities are aligned with this.	●	●	Our climate advocacy position is outlined in this report, with our main guiding principles. Our climate advocacy position and policy is included which supports the Paris Agreement.	49 – 51, 55
Sub-indicator 7.2 The company has Paris-Agreement-aligned lobbying expectations for its trade associations, and it discloses its trade association memberships.	●	●	Sasol has a climate advocacy policy position with key principles outlined. Our advocacy is aligned to our roadmaps and targets also cognisant of national circumstances where we operate.	51 – 54
Sub-indicator 7.3 The company has a process to ensure its trade associations lobby in accordance with the Paris Agreement.	●	●	Sasol has climate-related advocacy positions in support of the Paris Agreement, underpinned by responsible climate-related principles. We use these to annually assess our associations for alignment and this year we included third party assessments.	49 – 51
8 Climate Governance				
Sub-indicator 8.1 The company's board has clear oversight of climate change.	●	●	The Board has ultimate accountability for climate change. Ms Muriel Dube is our climate champion on the Board with delegated responsibility. The Board's SSEC has a delegated mandate to address climate change matters for the company.	45 – 46
Sub-indicator 8.2 The company's executive remuneration scheme incorporates climate change performance elements.	●	●	Our climate change targets are included in executive remuneration schemes. They are linked to our STI and LTI scorecards.	4, 47
Sub-indicator 8.3 The Board has sufficient capabilities/competencies to assess and manage climate related risks and opportunities.	Not Assessed	Not Assessed	We appointed a climate champion to the Board in 2018. She chairs the SSEC which has a delegated mandate on climate change matters. Our Board members undergo regular training on climate change and wider sustainability matters regularly.	45
9 Just transition				
Sub indicator 9.1 The company has made a formal statement recognising the social impacts of their climate change strategy – the Just Transition – as a relevant issue for its business	Not Assessed	Not Assessed	We recognise the need for just transition on our decarbonisation pathway. Our Just Transition response and approach is explained on the pages indicated.	38
Sub indicator 9.2 The company has committed to Just Transition principles.	Not Assessed	Not Assessed	We have developed just transition principles and a framework to guide our approach and initiatives.	38 – 39
Sub indicator 9.3 The company engages with its stakeholders on Just Transition.	Not Assessed	Not Assessed	Sasol has provided guidance that our roadmap development will incorporate stakeholder engagement.	39
Sub indicator 9.4 The company implements its decarbonisation strategy in line with Just Transition principles.	Not Assessed	Not Assessed	We are leveraging our existing programmes and initiatives to drive implementation of our just transition response. A just transition roadmap will be configured to align with our decarbonisation pathways.	39
10 TCFD alignment				
Sub-indicator 10.1 The company has committed to implement the recommendations of the TCFD.	●	●	Sasol has progressively been implementing TCFD recommendations since 2018.	1, 57
Sub-indicator 10.2 The company employs climate-scenario planning to test its strategic and operational resilience.	●	●	Our scenario analysis has been revised and includes a net zero pathway, aligned with a 1,5°C target. We updated our scenarios to provide for more challenging parameters, to establish the robustness of our businesses.	16 – 19

ADDITIONAL INFORMATION

Our commitment to the Paris Agreement and SDG 13: Climate Action is an immediate priority and the work that we do is subject to independent review. Recognitions, participation in indexes, initiatives and commitments are included below.

Support to global and national initiatives



Forward-looking statements disclaimer

Sasol may, in this document, make certain statements that relate to analyses and other information which are based on forecasts of future results (related to the future rather than past events and facts) and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments, analysis of potentially applicable regulations (national and regional) and business strategies specifically related to climate change, sustainability, ESG matters and GHGs. Examples of such forward-looking statements include, but are not limited to, statements regarding our climate change strategy generally, "Future Sasol", our energy efficiency improvement target, our three-pillar emission-reduction framework, our absolute GHG emission-reduction target, our development of sustainability within our Sasol Energy and Sasol Chemicals Businesses and our estimated carbon tax liability. Words such as "aim", "estimate", "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour", "target", "forecast", "committed", "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific and there are risks that the predictions, calculations, forecasts, projections and other forward-looking statements will not be achieved. Therefore, you should not place undue reliance on any forward-looking statements. 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. Important factors that could cause actual results to differ materially from those in the forward-looking statements specifically related to this Climate Change Report include, but are not limited to, changing regulatory requirements, technology advances, interpretations and definitions of renewable energy and/or renewable energy sources, economic and political environments relating to climate change, sustainability, severe weather, ESG and/or GHGs in the countries in which Sasol operates; potential liability of the Sasol's operations under existing or future environmental regulations, including international climate change related agreements regarding GHGs calculations, reduction methods, and/or offsets and the nascent and continued development of Sasol's Climate Change Report, including the metrics and assumptions used by management in the preparation of this report. These factors and others are discussed more fully under the heading "Risk Factors" in our most recent annual report on Form 20-F filed on or about 31 August 2022 and in other filings we make with the SEC. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Photography disclaimer

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.

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APPENDIX



Sasol's scope 3 emission categories

<p>1 Purchased goods and services</p> <p>Upstream emissions from the production of products purchased or acquired.</p>	<p>Activity data Volume of purchased goods and services obtained from internal business data management systems.</p> <p>Emission factors Cradle-to-gate emission factors obtained from data sources, such as GaBi, DEFRA and Sasol's Lifecycle Inventory Database, based mainly on primary data.</p> <p>Methodology and assumptions¹ Cradle-to-gate emissions, including transport and indirect emissions were used together with appropriate emission factors. A weighted product carbon footprint was calculated where country specific emission factors were available.</p> <p>Value-chain engagement Continued supplier engagement programme to improve accuracy of emission factors.</p> <p>Changes to data 2022 Emissions reduced overall, primarily due to the use of more accurate emission factors for crude oil sourcing.</p>
<p>2 Capital goods</p> <p>Upstream emissions from the production of capital goods purchased or acquired.</p>	<p>Although this category is not yet actively reported, we worked to identify a relevant reporting mechanism for inclusion of these emissions in the future.</p> <p>All segments of Sasol's global procurement related to the sourcing of capital equipment, such as turnkey projects, machinery and fabricated equipment would be analysed based on the monetary purchasing volume in the reporting year.</p>
<p>3 Fuel-and-energy-related activities</p> <p>Emissions from the production of fuels and energy purchased and consumed that are not included in scope 1 or 2.</p>	<p>Activity data Quantities of fuel and energy purchased, obtained from internal business data management systems.</p> <p>Emission factors Cradle-to-gate emission factors were obtained from the GaBi database and conversion factors from DEFRA. Transmission and distribution loss factors were sourced from literature sources, if not already embedded in sourced data.</p> <p>Methodology and assumptions Cradle-to-gate emission factors were used together with emissions from extraction, production and transportation of fossil fuels for power and steam generation.</p> <p>Value-chain engagement Continued supplier engagement programme to improve accuracy of emission factors.</p> <p>Changes to data 2022 Overall increase in emissions from 2021 due to higher steam demand for Sasol Energy and higher gas purchases at our European operations.</p>
<p>4 Upstream transportation and distribution</p> <p>Emissions from transportation and distribution activities through the value chain, where Sasol appoints transporters.</p>	<p>Activity data Quantities and types of goods procured, obtained from internal business data management systems.</p> <p>Emission factors Derived from various sources, depending on transportation mode, including DEFRA, GaBi and the European Chemical Industry Council's studies, to name a few.</p> <p>Methodology and assumptions Analysis focused on road, rail, pipeline and marine shipping. GHG emissions were used together with the appropriate emission factors and quantities of products used per mode of transport.</p> <p>Value-chain engagement Focused on road operators in South Africa and marine operators in Europe and North America.</p> <p>Changes to data 2022 Decrease in emissions due to more accurate activity data sourcing as a result of continuous improvements.</p>
<p>5 Waste generated in operations</p> <p>Emissions from third-party disposal and treatment of waste generated for owned or controlled operations.</p>	<p>Activity data Quantities of hazardous and non-hazardous waste generated by Sasol obtained from internal business data management systems.</p> <p>Emission factors Default emission factors were obtained from the GaBi database and DEFRA.</p> <p>Methodology and assumptions Hazardous and non-hazardous waste emissions were used together with the applicable average emission factor.</p> <p>Value-chain engagement Continued supplier engagement programme on waste registers.</p> <p>Changes to data 2022 Increase in emissions from higher volumes of non-hazardous waste.</p>

1. GWP values refer to the time horizon of 100 years, sourced from IPCC, AR5, 2013.

Most material categories are those with emissions of more than 1 Mt CO₂e

APPENDIX (CONTINUED)



Sasol's scope 3 emission categories

<p>6 Business travel</p> <p>Emissions from the transportation of employees for business-related activities in vehicles owned or operated by third-parties.</p>	<p>Activity data Miles and kilometres per means of transportation, travelled by Sasol employees, collected by third-party travel agencies.</p> <p>Emission factors Derived from the United States EPA's Climate Leaders programme and DEFRA.</p> <p>Methodology and assumptions Miles and kilometres travelled together with appropriate conversion and emission factors were used per mode of transport for business-related activities.</p> <p>Value-chain engagement Further engagements with the appointed consultant to improve accuracy.</p> <p>Changes to data 2022 Increased emissions due to lifting of COVID-19 measures and increased business travel for face-to-face meetings.</p>
<p>7 Employee commuting</p> <p>Emissions from transportation of employees between homes and work sites.</p>	<p>Activity data Number of employees per region delineated by employee type obtained from internal business data management systems.</p> <p>Emission factors Obtained from EPA's Emission Factor database for North America, Europe and South Africa.</p> <p>Methodology and assumptions Distance travelled together with the appropriate emission and conversion factors were used.</p> <p>Value-chain engagement Not undertaken.</p> <p>Changes to data 2022 Increase in emissions due to increased employee head count.</p>
<p>8 Upstream leased assets</p> <p>Emissions from the operation of leased assets by Sasol and not included in scope 1 and 2 emissions.</p>	<p>Activity data Leased office and storage space obtained from internal business data management systems.</p> <p>Emission factors Emission factors obtained from the GaBi database and IEA.</p> <p>Methodology and assumptions Leased space and the annual energy consumption per square meter were used.</p> <p>Value-chain engagement Not undertaken.</p> <p>Changes to data 2022 Decrease in emissions due to updated grid emission factors for global assets and lower electricity consumption for leased assets.</p>
<p>9 Downstream transportation and distribution</p> <p>Emissions from transportation and distribution activities through the value-chain where suppliers (upstream) or customers (downstream) arrange transporters.</p>	<p>Activity data Quantities and types of products sold, as well as their means of transportation obtained from internal business data management systems.</p> <p>Emission factors Derived from various sources, including internal calculations.</p> <p>Methodology and assumptions Distance travelled together with appropriate emission and conversion factors and quantity of product carried were used per mode of transport.</p> <p>Value-chain engagement Continued supplier engagement programme as part of continuous improvement initiatives.</p> <p>Changes to data 2022 Increase due to changes in transportation and distribution routes.</p>
<p>10 Processing of sold products</p> <p>Emissions from processing of sold products by customers subsequent to sale.</p>	<p>Covers almost all chemical products. This category is complex to estimate since many chemicals have multiple applications with details of chemicals processing and conversion by customers not always known. Efforts are focused on active engagement with our customers to understand their target setting for these emissions. Where customers request focused engagements, we collaborate and innovate on process improvements.</p>

Most material categories are those with emissions of more than 1 Mt CO₂e

APPENDIX (CONTINUED)



Sasol's scope 3 emission categories

<p>11 Use of sold products</p> <p>Emissions from the use of goods and services sold.</p>	<p>Activity data Complete combustion of all products sold to our customers to generate energy in their operations.</p> <p>Emission factors Derived from internal analysis and also sourced from DEFRA and the GaBi database.</p> <p>Methodology and assumptions The direct use phase emissions of sold products over their expected lifetime was considered from combustion of natural gas, diesel, petrol and exported coal.</p> <p>Value-chain engagement Not applicable</p> <p>Changes to data 2022 Decrease in emissions primarily due to lower coal sales.</p>
<p>12 End of life treatment of sold products</p> <p>Emissions from waste disposal and treatment of products sold at the end of their life.</p>	<p>Not yet calculated – baseline being developed for future reporting.</p>
<p>13 Downstream leased assets</p> <p>Emissions from the operation of owned assets but leased to other entities and not included in scope 1 emissions.</p>	<p>This category is no longer applicable as emissions have been re-categorised under Category 15.</p>
<p>14 Franchises</p> <p>Emissions from the operation of franchises not included in scope 1 or 2.</p>	<p>Activity data Number of franchisees and area occupied, obtained from internal business data management systems.</p> <p>Emission factors Obtained from the South African National Standards (SANS) 204 Building Energy Efficiency requirements and Eskom.</p> <p>Methodology and assumptions Total area and annual energy consumption per square meter of franchises were assessed.</p> <p>Value-chain engagement Monthly engagements with the Sasol Franchisee Regional Development Network.</p> <p>Changes to data 2022 Slight increase in emissions due to higher South African grid factor.</p>
<p>15 Investments</p> <p>Emissions associated with investments not already included in scope 1 or 2.</p>	<p>Activity data Scope 1 and 2 emissions of Sasol's equity-accounted JVs and associated companies obtained from the respective companies.</p> <p>Emission factors Not applicable</p> <p>Methodology and assumptions Emissions data for equity-accounted JVs and equity-accounted associated companies were used, in which Sasol holds at least a 10% shareholding.</p> <p>Value-chain engagement Engagements with respective JV companies.</p> <p>Changes to data 2022 Increase in emissions due to the inclusion of additional investments not previously reported. Data from 2021 data also restated upwards as a result of this improvement.</p>

Most material categories are those with emissions of more than 1 Mt CO₂e    

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