

**sasol**



*Purpose*  
Innovating for a  
better world

**SASOL LIMITED**  
**INTEGRATED REPORT**

for the year ended 30 June 2021

IR

# Purpose

Innovating for a better world

**Our Purpose** will guide us in our journey as we transform to a more resilient, environmentally sustainable business. We will become pioneers again. This path will be undertaken in three stages of RESET, TRANSITION and REINVENT:

**2019 – 2025**

**RESET** Sasol by stepping-up our performance creating financial headroom to be resilient

**2025 – 2030**

**TRANSITION** our business by decarbonising our assets, investing in energy efficiency and renewables

**2030 – 2050**

**REINVENT** ourselves by incubating, scaling and bringing to maturity new sustainable businesses to shift our portfolio over time

## OUR SUITE OF REPORTS

 These reports are available on our website, [www.sasol.com](http://www.sasol.com), or on request from Investor Relations. Contact details are on page 52.



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



**SR**  
**Sustainability Report**  
Communication about Sasol's environmental, social and governance (ESG) performance.



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



**AFS**  
**Annual Financial Statements**  
Contain 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.

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 safely and sustainably source, produce and market a range of high-quality products in 27 countries, creating value for stakeholders. Our Purpose 'Innovating for a better world' compels us to deliver on the triple bottom line outcomes of People, Planet and Profit, responsibly and always with the intent to be a force for good.

We have prioritised four Sustainable Development Goals to ensure our business is environmentally, socially and economically sustainable.

*Values*



## Sustainable Development Goals (SDGs)



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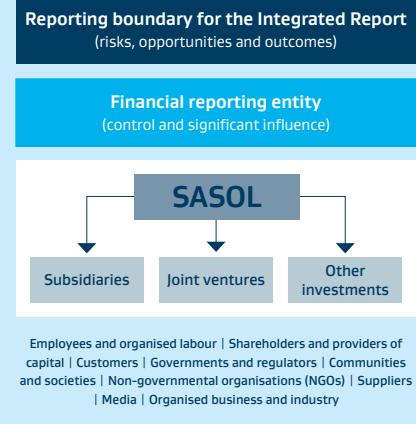
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## FORWARD-LOOKING STATEMENTS DISCLAIMER

Sasol may, in this Integrated Report, make certain statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies taking into account the impact of COVID-19 on Sasol. Refer to page 52 for our full disclaimer on forward-looking statements.

## ABOUT THIS REPORT

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



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

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

### Reports

IR	SR	CCR	AFS	20-F
●	●	○	●	○

We aim to preserve, create and deliver sustainable value for all our stakeholders through the six capitals. Our unique processes are key inputs and we produce value-adding outputs by using an integrated approach. Our material matters are continuously monitored as they have the potential to substantially affect – both positively and negatively – our ability to create and preserve value. This is undertaken through the triple bottom line of People, Planet and Profit.

### MM Our material matters



#### Safety

Pursuing zero harm



#### People

Attracting and retaining talent



#### Decarbonising

Decarbonising for sustainability



#### Trust

Rebuilding credibility and trust



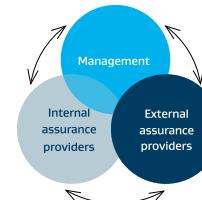
#### Sasol 2.0

Delivering Sasol 2.0

### Internal control framework and assessment

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

### Our combined assurance model



The process is monitored and evaluated under the direction of internal audit, while external audit teams covers key controls and accounting matters in the course of its audits. Other levels of external assurance are obtained as and when required. The Board and Audit Committee assessed the effectiveness of controls for the year ended 30 June 2021 as satisfactory, primarily through a process of management self-assessment, including formal confirmation from executive management and also considered reports from internal audit, external audit and other assurance providers. The consolidated financial statements present fairly, in all material respects, our financial position, results of operations and cash flows as of and for the period.

### Directors' approval

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

Notwithstanding the material weaknesses, we confirm that the 2021 Integrated Report addresses all material issues and matters which affect the Group's ability to preserve and create value and fairly represents the Group's integrated performance. The Board approved this report and its publication on 20 September 2021.

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

Signed by the Directors:

Sipho Nkosi  
Chairman of the Board

Fleetwood Grobler  
President and Chief Executive Officer

Paul Victor  
Chief Financial Officer

Vuyo Kahla  
Executive Vice President

Colin Beggs

Manuel Cuambe

Muriel Dube

Martina Föhl

Katherine Harper

Beatrix Kennealy

Nomgando Matyuma

Moses Mkhize

Mpho Nkeli

Peter Robertson

Stanley Subramoney

Stephen Westwell

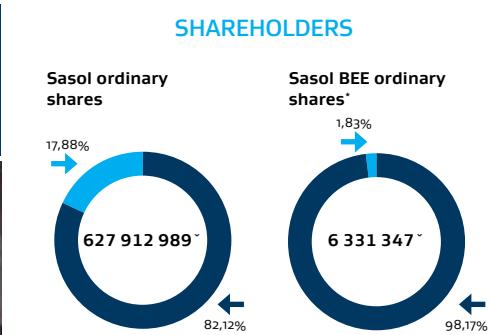
## Sasol at a glance

Sasol is South Africa's leading energy and chemicals organisation with a global presence. We are Purpose-driven and resolute about addressing sustainability as well as creating shared value.



**Employees 28 949**  
**Presence in 27 countries**

<b>TURNOVER</b> <b>R202 billion</b>
<b>TOTAL ASSETS</b> <b>R361 billion</b>
<b>MARKET CAPITALISATION</b> <b>R138 billion</b>
<b>REINVESTED TO GROW AND SUSTAIN OPERATIONS</b> <b>R16,4 billion</b>



<sup>1</sup> The Sasol Foundation Trust forms part of Public.  
<sup>\*</sup> The Sasol BEE Ordinary shares were listed on the JSE with effect from 7 February 2011.  
<sup>2</sup> Number of shares.



**COMMITTED TO SUSTAINABILITY AND ALIGNED WITH PARIS AGREEMENT**

### OUR SUSTAINABILITY STATEMENT

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

#### VALUE SHARED

- R9,5 billion** in direct taxes
- R34 billion** in wages and benefits
- R526,2 million** on social investment initiatives
- R1,2 billion** in research and development
- R1,2 billion** on skills development

#### BUSINESS UNITS

ENERGY BUSINESS	CHEMICALS BUSINESS
Fuels 54,2 million barrels of liquid fuels	Gas 58,3 bscf natural and methane rich gas in South Africa

#### TRIPLE BOTTOM LINE

PEOPLE
We are committed to ensuring we provide a safe work environment and our pursuit of zero harm remains a top priority
PLANET
Decarbonising is essential to our sustainability and core to transitioning to Future Sasol
PROFIT
Our aim is to maximise value creation through a balanced capital allocation approach, supported by clearly defined financial targets

## Our Purpose, strategy and values



**"**We are committed to creating value for all our stakeholders and sustainably decarbonising our operations to reach our Net Zero emission ambition\* by 2050. **"**

Sipho Nkosi  
Chairman

Fleetwood Grobler  
President and Chief Executive Officer



The past two years have seen Sasol face unprecedented challenges in our history. In the true “can do” spirit of our people, Team Sasol has managed to successfully steer out of troubled waters. It’s by no means over, but we have achieved so much in a relatively short period of time. Not only have we embraced our new Purpose, we have also updated our strategy to ensure our sustainability. Our strategy will be executed by the manifestation of our values through our behaviour, guided by our Purpose. It requires us to be pioneering once more. We have done new things in the past and we will successfully do new things in the future.

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



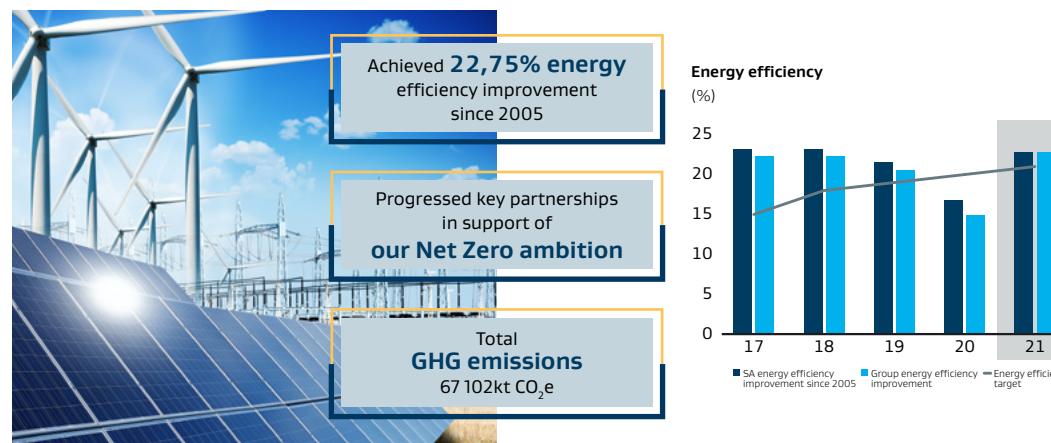
## Our performance in 2021



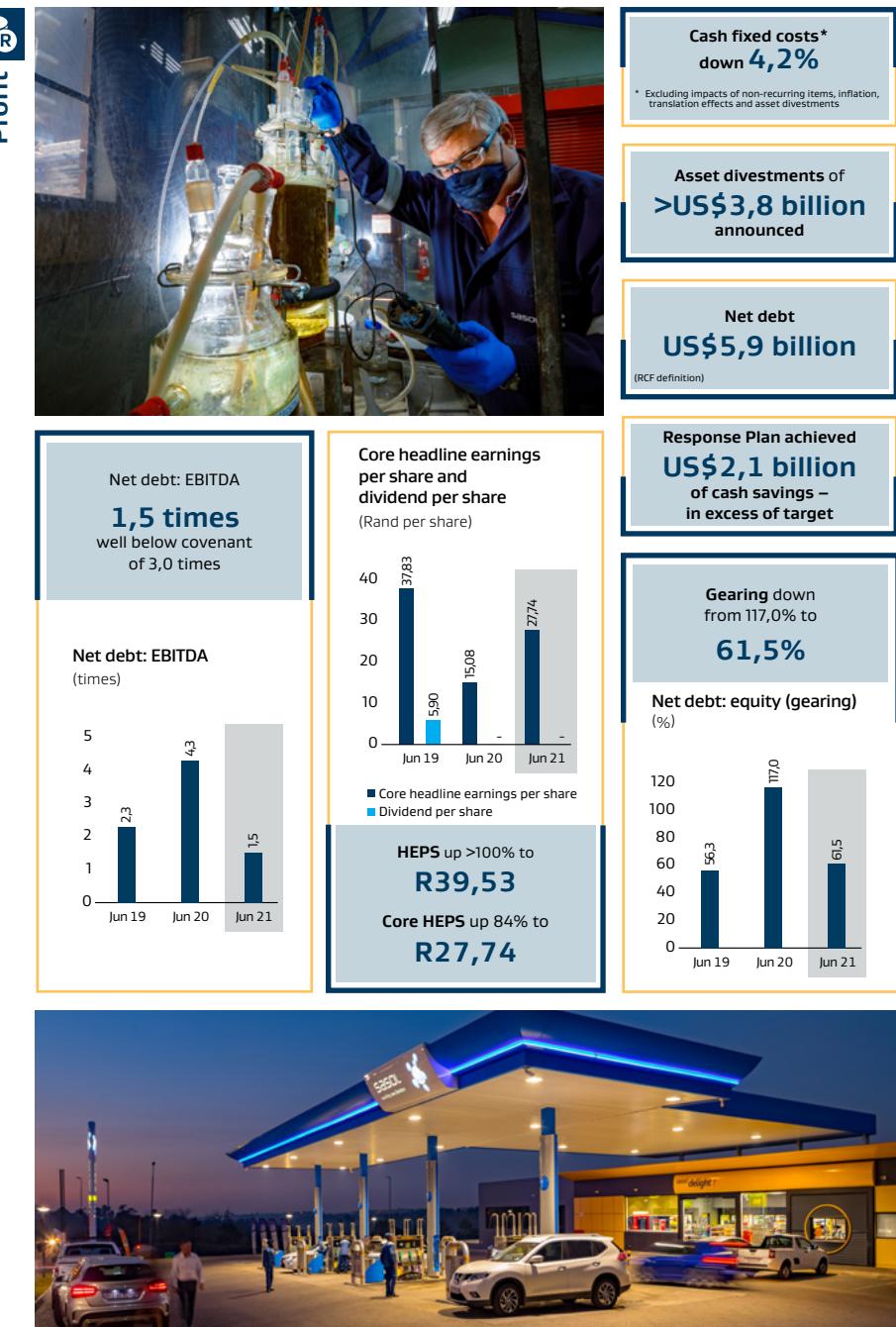
### People



### Planet

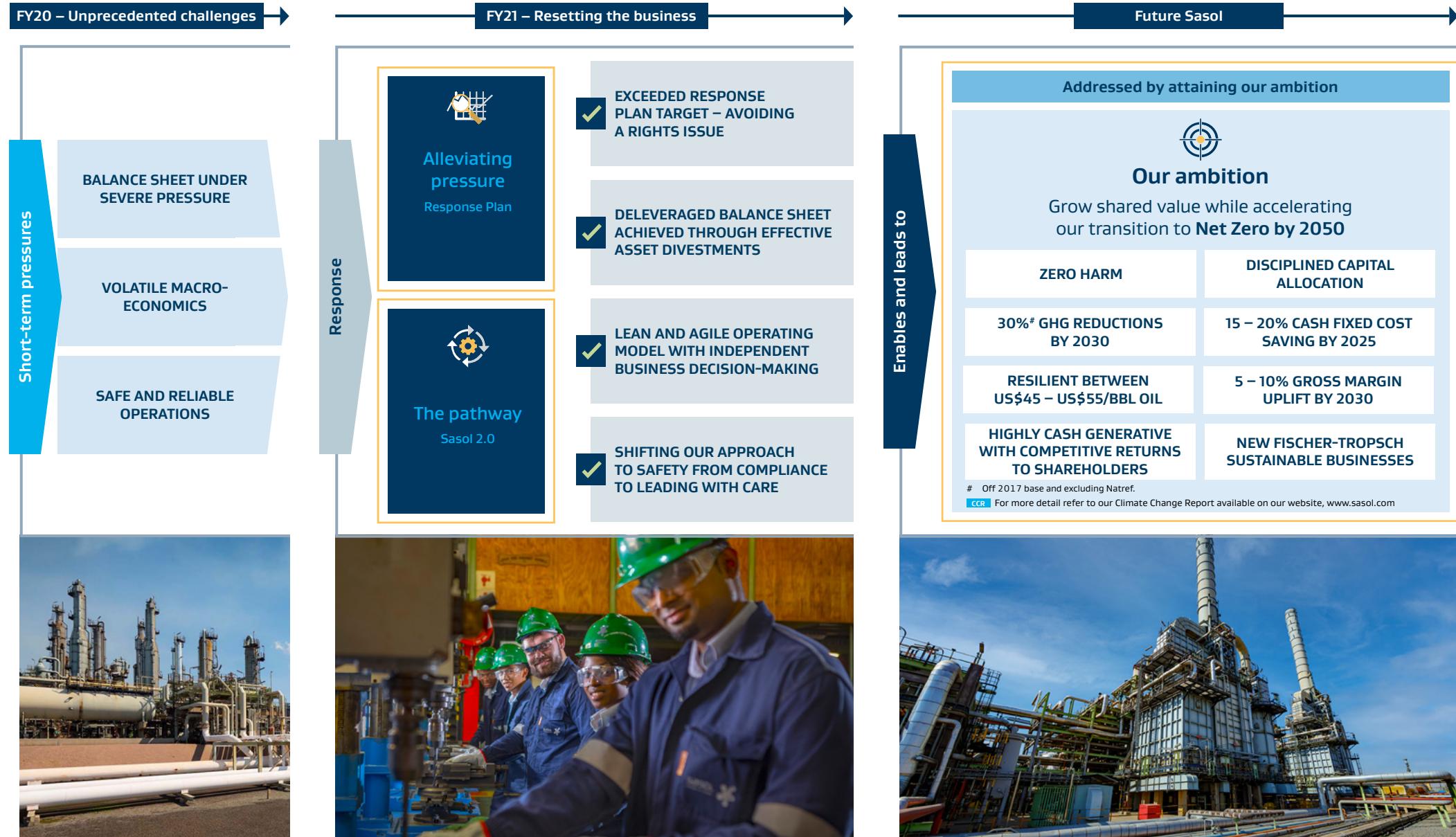


### Profit



## Contextualising Future Sasol

We faced unprecedented short-term challenges in the past two years, prompting us to implement a crisis response plan. We have significantly exceeded the targets of the Response Plan and our reset is underway. The Sasol 2.0 transformation programme is positioning us to transition, setting the path to reinvent ourselves as Future Sasol.



## Our brand and operational presence across the world

Global pioneer in inventive Fischer-Tropsch (FT) technology

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

Business activities in 27 countries

One of the world's leading producers of synthetic fuels

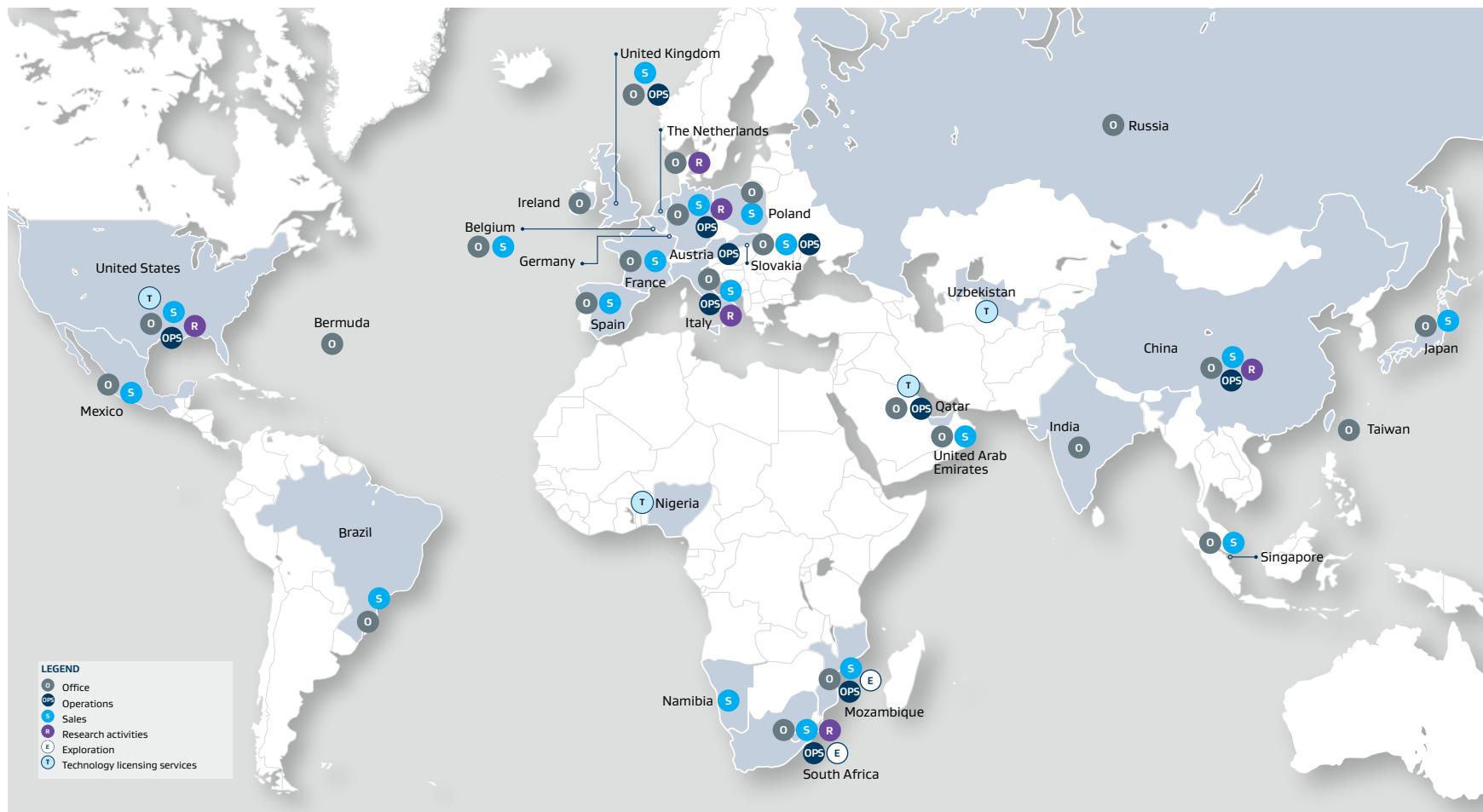
World's largest producer of grey hydrogen

Strong international intellectual property portfolio with 2 300 patents and 4 000 trademarks held worldwide

Leader in specialty aluminas tailored for specific customer needs

In excess of 7,2 million tons of chemical products sold per annum to more than 7 500 customers across 120 countries

Providing a critical chemical building block for the new COVID-19 vaccines that are being used around the world



## Preserving and maximising value creation – our integrated value chains

We are a customer-focused organisation, providing energy and chemicals solutions based on our unique proprietary technology. We source, produce and market a range of high-value products around the world, creating value for our shareholders, customers and other stakeholders. Our integrated value chains, centered on our coal-to-liquids (CTL), gas-to-liquids (GTL) and chemical processes, are at the heart of our differentiated value proposition. As we transition and reinvent our business in order to become more sustainable, we will continue to embrace the benefits of our integrated value chains as well as improve our processes in ways that ensure safe, reliable and efficient operations with reduced environmental impact.



## Chairman's statement



**“** The can-do spirit of Team Sasol is ensuring that we will continue to overcome challenges in front of us. As a pioneering business, we will become pioneers once more, ensuring a sustainable Future Sasol. **”**

**Sipho Nkosi**  
Chairman



### Dear stakeholders

The world continues to find itself in an unprecedented time, with roughly 18 months having passed since the World Health Organization declared COVID-19 a pandemic. With well over four million lives lost, the worst pandemic in a century continues to inflict significant economic, social and health disruptions the world over, notwithstanding increased momentum in vaccine rollouts.

A landmark report from the UN Intergovernmental Panel on Climate Change, released in August 2021, confirmed the need for deep GHG emission reductions to stabilise the climate.

These two critical macro-level events present significant uncertainty for the global economy and are factors we have deliberated on at length to inform both short- and long-term decisions, as well as our strategic plans.

### Meeting shareholder promises

To regain lost credibility resulting from our past performance, particularly in relation to delivery of the Lake Charles Chemicals Project (LCCP), the Board kept a watchful eye on the promises we committed to deliver on this year.

I am pleased that under Fleetwood's leadership, Team Sasol met all the short-term targets for financial year 2021 (FY21), and exceeded expectations on several. This has resulted in a deleveraged balance sheet and avoiding the need for a rights issue. This has allowed us to place the organisation on a much stronger footing to tackle our future opportunities and challenges. With a fundamentally reset balance sheet, new operating model and focused portfolio of assets to drive value creation, we have a robust foundation in place to deliver Future Sasol.

Notwithstanding our much-improved financial position, we must continue to act prudently to ensure we can withstand any potential fallout from the global uncertainty. For this reason, the Board has again decided to pass on paying a dividend. We will restore dividend payouts once our net debt position is below US\$5 billion and our net debt to EBITDA cover is 1,5 times.

### Credible investment proposition

Looking longer term, with the Board's oversight, Sasol's management team has updated the strategy for the organisation. Our commitment to shareholders is to ensure value creation well into the future and we believe we now have a credible pathway to realise Future Sasol – a competitive, relevant and, above all, greener company.

We have proven our resilience and commitment to deliver on our promises this past year, and I believe this bodes well for what we can achieve going forward. I have full confidence in the management team's ability to deliver on our strategy. Furthermore, by fostering inclusivity and supporting transformation as well as leading by example we will benefit from the collective contribution from all at Team Sasol.

### Accelerating decarbonisation

Central to Future Sasol are our plans to accelerate the decarbonisation of our business.

In 2021, we sharply increased our 2030 emission reduction target for our Energy Business from the previous at least 10% commitment to a 30%<sup>#</sup> reduction and also set an additional 30% reduction target for our International Chemicals Business<sup>##</sup>. This is underpinned by concrete plans to transform our operations, putting us on a path to achieve our Net Zero emission ambition by 2050. Our targets also demonstrate our firm commitment to transition to a lower-carbon world and that we accept climate science, hence the strong alignment with the Paris Agreement.

Of course there remains a view that we must transition quicker. We acknowledge and, in fact, appreciate these perspectives. We have reflected deeply on what is achievable, taking into consideration constraints that range from capital and technology, to human capital skills and capabilities, and believe our plans will progress at the appropriate pace to ensure a just energy transition.

<sup>#</sup> Off 2017 base and excluding Natref.

<sup>##</sup> Excluding the South African Chemicals Operations.

Furthermore, and in response to feedback from certain shareholders, we will table a resolution on climate change that will be put to a vote at our 2021 Annual General Meeting (AGM). Additionally, we have linked the GHG emission-reduction targets with executive remuneration. This ensures management is appropriately incentivised to meet the targets set to decarbonise our operations.

### Commitment to zero harm

In this past financial year we experienced one tragic workplace fatality, Mr Samuel Molomo, and post year end Mr Fraser Norris succumbed to his injuries from a separate work-related incident. We extend our heartfelt condolences to their families, friends and colleagues.

In fulfilling our safety covenant, the Board holds management accountable for providing a safe working environment to all our people. Management's interventions, in particular through the prevention of high-severity incidents programme, have provided demonstrable evidence that we are on the right trajectory with notable decreases in key indices, including lost workday cases, the recordable case rate and fatalities.

Any loss of life is unacceptable, and we will continue to set appropriate parameters to ensure management meet zero harm.

### Leadership and governance

Diversity and experience of the Board is vital to support the delivery of our strategy and creation of value. Ensuring the Board has an optimal mix of skills and experience is key to fulfilling our fiduciary duties in the best interests of all stakeholders.

This past year we welcomed Stanley Subramoney as Independent Non-Executive Director and member of the Audit Committee with effect from 1 March 2021. Stanley, a Chartered Accountant and highly experienced director and business executive, brings significant audit experience to the Board and we are already benefitting from his knowledge and skills.

Upon the retirement of Colin Beggs as Independent Non-Executive Director and Chairman of the Audit Committee, Trix Kennealy, also an Independent Non-Executive Director, assumed Chairmanship of the Audit Committee on

1 September 2021. Trix is a highly respected Director who qualified as a Chartered Accountant in 1982 and is a seasoned finance professional, a worthy successor to Colin.

On behalf of the Board, I convey our sincerest appreciation to Colin for his outstanding contribution of more than 12 years. He served the Board and our shareholders with distinction and we wish him all the best for the future.

At the end of financial year 2022, Paul Victor will step down as Chief Financial Officer (CFO) and Executive Director. Hanré Rossouw has been appointed as CFO designate and Executive Director designate to succeed Paul. Hanré will join Sasol on 4 April 2022 and will assume Executive Director and CFO positions on 1 July 2022.

We will commemorate Paul's time at Sasol closer to his departure and we look forward to welcoming Hanré.

### Acknowledgements

FY21 was a watershed year for our organisation and delivery against our targets was critical to set the right foundation for us to realise Future Sasol. With a clear pathway defined for our strategy, I have every confidence that Sasol will deliver.

I thank my fellow Directors for their commitment and excellent contributions to the Company over the past year. I also thank Fleetwood and his management team for leading the organisation through one of the most challenging periods in our 71-year history.

I extend my sincere appreciation to Team Sasol, this great Company's diverse and committed employees who have proven their resilience and ability to rise above any challenge, time and time again.

I would also like to express my appreciation to Sasol's many stakeholders for entrusting us with the leadership of this iconic Company and for your continued support.

**Sipho Nkosi**

Chairman

20 September 2021

## President and Chief Executive Officer's statement



**“ Sasol 2.0 is our pathway to Future Sasol. Together with our people and Fischer-Tropsch technology, we are positioned to win. ”**

**Fleetwood Grobler**  
President and Chief Executive Officer



### Dear stakeholders

Over the year we have made significant progress in alleviating our immediate challenges. Our short-term Response Plan has allowed us to successfully navigate through this trying period with the Sasol 2.0 transformation programme already unlocking value. We are on track to deliver on our FY25 targets.

FY21 marked our 70th anniversary, a significant milestone in Sasol's history. Reflecting on our journey and appreciating the road ahead, we themed the anniversary campaign, 'Our Journey, because of you'. This pays homage to our investors, customers, suppliers, business partners, employees, communities and other stakeholders.

The impact of COVID-19 across the globe has been devastating with many countries experiencing additional waves of the mutating virus. Some countries have been harder hit than others and the difficult task of rebuilding has commenced while people everywhere accept the need to remain vigilant. Businesses had to change their ways of conducting business and Sasol was no exception.

As the pandemic spread, it led to the tragic loss of life and I convey sincere sympathies to those who have lost family, friends, colleagues and loved ones to this highly infectious disease. In addition, we express our deepest condolences to the family and friends of two colleagues who tragically passed away in work-related incidents – one before financial year end, the other after.

We have defined our Purpose, 'Innovating for a better world' which is indicative of Future Sasol and the role we see for ourselves globally. We also refreshed our values to: be Safe, be Caring, be Inclusive, be Accountable and be Resilient.

We see a future for our Fischer-Tropsch (FT) technology which we believe will play an important role in delivering a sustainable future. We recognise that partnerships will be increasingly important, as we seek to enhance our competitive position and accelerate our transition through collaboration with both the public and private sectors.

In addition, Sasol seeks to unlock more value from our Chemicals Business as we grow our specialty chemicals and ramp-up the Lake Charles Chemicals Project (LCCP) to reach its full potential.

### Success of our Response Plan and Sasol 2.0 transformation programme

The Response Plan was initiated to address our immediate challenges, whereas Sasol 2.0 is a complete end-to-end transformation programme. The latter was designed to drive the broad change required to reach a new and sustainable Future Sasol. As part of this, it was critical that we deliver the financial targets to strengthen our balance sheet to enable a successful Future Sasol.

Due to the focused efforts of our teams, excellent progress was made in meeting our short-term financial targets:

- we exceeded our cash conservation target for FY21;
- we significantly surpassed our net asset value target of US\$2,5 billion. We have now contracted for total divestments of US\$3,8 billion subject to normal closing conditions; and
- the good progress we made overall enabled us to avert a rights issue, as announced in February this year.

Similarly, Sasol 2.0 is already unlocking value and we have successfully transitioned to a more customer-facing operating model, making each of our Business Units more independent and agile. In exceeding our financial targets, we have significantly improved our cost-competitive position, laying the foundation for Future Sasol. We are well on our way to building a sustainable business based on our FT technology. This business will be highly cash generative, yielding value to all our shareholders.

**We were once pioneers and with a successful Sasol 2.0 implementation we can once again occupy this position.**

### Our advantaged Fischer-Tropsch technology unlocking the future

Our proven FT processes have served us well for more than 70 years. The processes are fully compatible with green feedstocks and can produce sustainable products; very much sought after in a low-carbon world.

Along with our catalyst technologies, FT is uniquely placed to enable the production of sustainable synthetic fuels and chemicals.

The potential of green hydrogen is a very exciting area as it could enable Sasol to achieve significant decarbonisation in the future. Our inherent capabilities and strengths translate into numerous potential roles that Sasol can play in a green hydrogen economy, which include:

- being a producer of hydrogen;
- an anchor customer in order to decarbonise our operations; and
- fulfilling a market-maker role, to bridge the supply and demand gap both domestically and through exports.

For us, the potential is clear. To unlock green hydrogen opportunities, we are pursuing various demonstration projects and partnerships with the intent of enabling and taking advantage of technology developments and breakthroughs. We have partnered with the LEN<sup>\*\*</sup> consortium on cleaner aviation fuels, the Industrial Development Corporation (IDC) to collaborate in developing South Africa's hydrogen economy and a local partner on eco mobility.

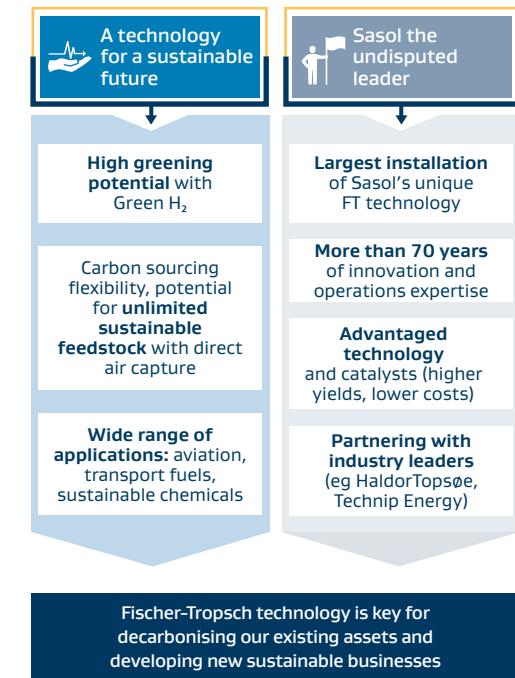
Against this backdrop, we are exploring the possible repurposing of assets to produce green hydrogen, partnering to co-create hydrogen ecosystems and launching projects to catalyse developments. Sasol is uniquely positioned to play a leading role in the country's hydrogen economy.

The aviation sector is a material contributor to GHG emissions globally and is under significant pressure to decarbonise. Sustainable Aviation Fuel (SAF) is seen as one of the viable large-scale carbon reduction solutions for the sector. While only a marginal part of demand today, SAF could represent up to 50% of aviation fuels by 2050.

SAF consists of a basket of fuel technologies, one of which is sustainable synthetic fuels (PtX). We are distinctly placed to enable the production of PtX, which is expected to benefit from declining renewable electricity and green hydrogen production costs.

We believe that this opportunity can be realised: key will be collaboratively creating a commercial model that will make it work for all parties. We are therefore setting up a separate Business Unit, Sasol ecoFT, to lead this work independently from our current businesses – and with enough latitude to be entrepreneurial and grow with the market.

### Fischer-Tropsch technology remains at the core



<sup>\*\*</sup> Linde PLC, ENERTRAG AG and Navitas Holdings (Pty) Ltd.

## President and Chief Executive Officer's statement (CONTINUED)

### Future Sasol

Our future ambition is to be at Net Zero emissions by 2050 and we are committed to accelerating our transition to a low-carbon world in support of the objectives of the Paris Agreement.

In aligning with this 2050 ambition, we are stepping-up our 2030, scope 1 and 2 GHG emission reduction target, from an initial 10% for our South African operations, announced last year, to 30% for our Energy and Chemicals Businesses, off a 2017 baseline. We are also introducing a scope 3 reduction target, for our Energy Business, off a 2019 baseline. This is consistent with what our peers have committed to.

We will leverage our expertise in FT technology to participate in new value pools. Our FT process is well suited to delivering low-carbon fuels playing an important role in decarbonising hard-to-abate sectors.

By 2050 and beyond, we envision Future Sasol to be:

- leading the green hydrogen economy in Southern Africa by being the main producer and distributor locally as well as a key exporter of green ammonia for international markets;
- the global reference for FT-based PtX technologies; and
- winning in sustainable fuels in South Africa (retrofitting Secunda) and internationally (setting up new FT-PtX assets) as well as with chemicals where we will have a unique portfolio of decarbonised products (FT-PtC assets) and other sustainable solutions (eg leveraging Ziegler alcohols, Alumina and Guerbet alcohols).

We benefit from advantaged assets and a strong culture of innovation, co-developing customised products and solutions that meet the needs of our customers – which we will reinforce to win in the future.

**Future Sasol must not only look different, it must feel different. With our Purpose to guide us, our values must reflect our culture and new ways of working.**

### The can-do spirit of Team Sasol

I pay tribute to every member of Team Sasol. Their extraordinary commitment and hard work have helped our organisation navigate its most challenging period in recent history.

The past two years have been particularly tough. Not only have our people been dealing with the impacts of COVID-19, they have also faced the uncertainty of a workforce transition. Although this has brought great anxiety, our people have demonstrated resilience. Many also contributed through a salary and pension contribution sacrifice and by not receiving any annual increments last year, as well as working extraordinarily long hours. This has not gone unnoticed.

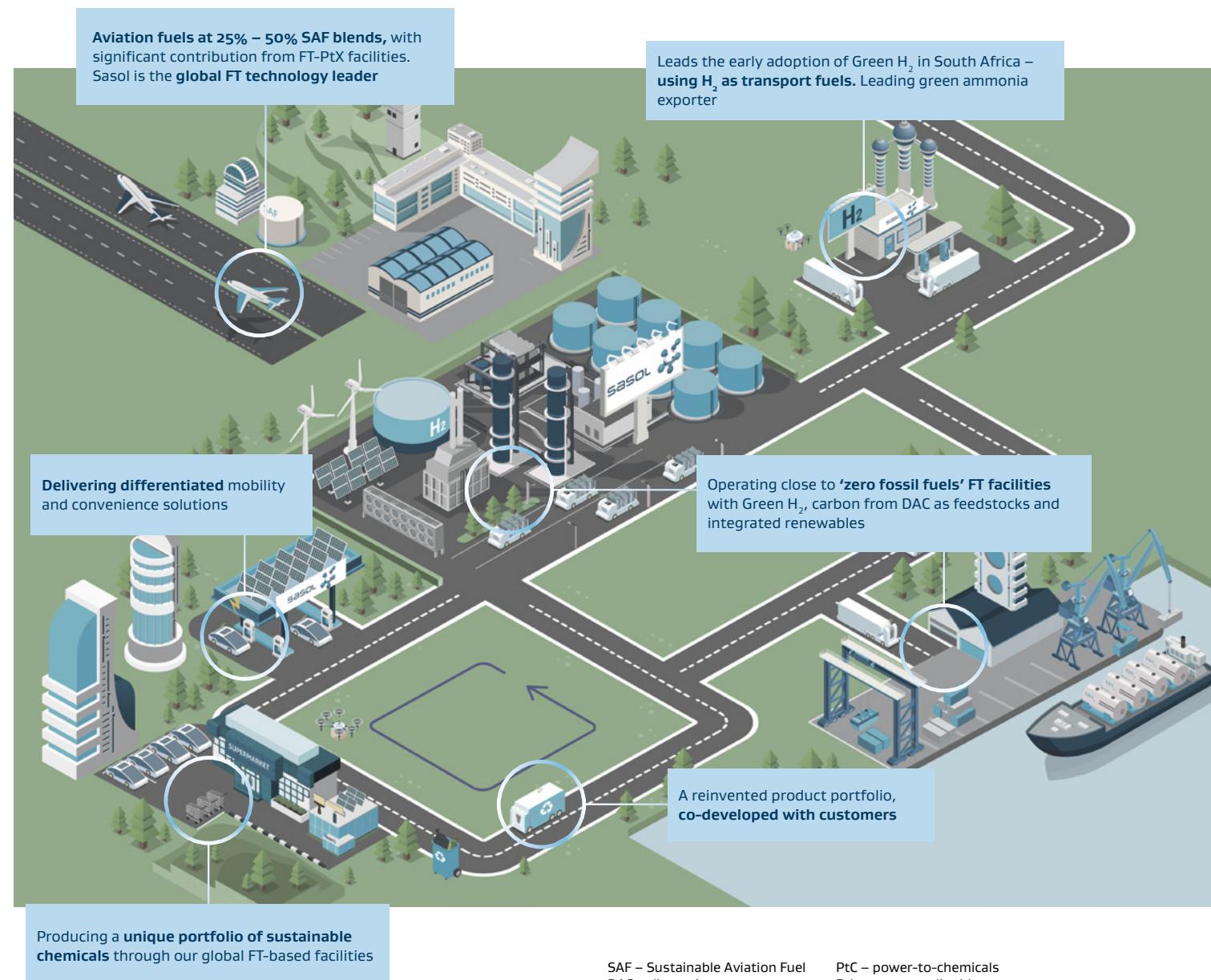
In South Africa, we recently launched an employee entrepreneur development programme, called Ntsika\*. This programme, which forms part of our employee value proposition, extends our care offerings by assisting unplaced South African-based employees, including those who have recently left Sasol, to pursue potential entrepreneurship opportunities. I am most heartened, that even in these challenging times, we could offer relief measures, such as Ntsika which, in time, will deliver shared value.

As a demonstration of care for our people, and recognition of ongoing sterling efforts to deliver against all Sasol 2.0 targets, in the latter half of FY21 we implemented a special salary adjustment. This was for all employees below Vice President level.

Future Sasol now lies ahead of us and it requires us to continue building trust and creating shared value with our stakeholders.

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

## Future Sasol 2050



## President and Chief Executive Officer's statement (CONTINUED)

**"**Our Group top priorities are determined annually having regard to our material matters, operating environment and evolving strategy. They therefore emphasise those factors that impact value preservation, creation and erosion. They anchor us in successfully positioning ourselves to transition to Future Sasol.**"**



### Reflecting on our 2021 results

#### Financial and operational performance

For FY21, our business results met and surpassed expectations. They were underpinned by a strong overall business and operational performance. We exceeded our balance sheet targets, thereby averting the need for a rights issue. We managed liquidity well above target and delivered value through our strategy-led asset divestment programme.

Our balance sheet improved substantially compared to a year ago and, with Sasol 2.0 now ramping-up, we are on course to restore our investment grade metrics. This is a significant achievement. FY21 was the positive shift we needed for all our stakeholders and we now have a strong foundation for Future Sasol, supported by a deleveraged balance sheet and a new operating model that allows for greater agility, faster decision-making and enhanced customer-centricity.

#### Safety

The safety of our people is paramount and while there was an improvement, we tragically lost Mr Samuel Molomo during the financial year and Mr Fraser Norris, after year end, from work-related incidents. We remain steadfast in our commitment to zero harm and we will continue embedding a culture that humanises safety. We have made significant progress through key interventions and programmes that have transformed the SHE dialogue. Our high-severity incidents (HSI) programme has contributed to a significant reduction in the severity of the hospitalised incidents experienced.

#### COVID-19

COVID-19 continues to wreak havoc around the world, upending livelihoods and potentially permanently disrupting the way business is conducted. Through an agile approach to managing production, supported by fit-for-purpose practices, our objective is to ensure sustainable performance and world-class operations. COVID-19 requires companies to step-up and contribute meaningfully to alleviating its impacts. We have significantly contributed to frontline efforts in managing the spread of the disease, while implementing measures to support community and public health, most notably through supporting the Department of Health's vaccination strategy.

#### Looking ahead

Over the past year we have overcome significant obstacles because we had clarity of the task ahead and confidence in our abilities. We head into the future with a clear Purpose and an updated strategy which is supported by our values. Through our diverse, driven and dedicated employees across the world we will build a sustainable Future Sasol that will create value for all our stakeholders.

Fleetwood Grobler

President and Chief Executive Officer  
20 September 2021

	Our top priorities for 2022	Outcomes linked to our incentive plan	Link to material matter
PEOPLE	<ul style="list-style-type: none"> <li>Strive for zero harm through relentless focus on preventing high-severity injuries and eliminating fatalities</li> <li>Continue focus on embedding our values to strengthen our espoused culture</li> <li>Stakeholder value proposition: Rebuild trust and create shared value</li> <li>Refine employee value proposition to drive capability building and promote employee engagement</li> <li>Promote diversity, equity and inclusion in the workplace</li> </ul>	<ul style="list-style-type: none"> <li><b>Zero harm</b></li> <li><b>Earn trust of stakeholders</b></li> </ul>	 <b>ZERO</b> <b>Safety</b>
PLANET	<h4>Advance sustainability</h4> <ul style="list-style-type: none"> <li>Deliver our roadmap and targets for 2030 and our Net Zero ambition for 2050</li> <li>Further refine environmental compliance roadmaps to FY25</li> <li>Deliver 600 MW Power Purchase Agreements (PPA) in support of 1 200 MW renewable energy ambition by 2030</li> <li>Develop a roadmap to leverage our competitive advantage (eg FT) to gain access to emerging future value pools</li> <li>Identify opportunities to grow and participate in sustainable products and chemistries</li> <li>Secure optionality relating to securing flexible sustainable feedstock opportunities</li> </ul>	<ul style="list-style-type: none"> <li><b>Deliver our 2030 roadmap</b></li> <li><b>Grow and participate in sustainable businesses</b></li> </ul>	 <b>Trust</b>
PROFIT	<h4>Deliver and maximise value</h4> <ul style="list-style-type: none"> <li>Deliver Sasol 2.0 commitments for FY22 and mature prudent financial risk management, debt maturity and liquidity management, working capital management and effective cost control</li> <li>Drive reliable and predictable, feedstock supply and operations producing market-led downstream products</li> <li>Ramp-up cash flow generation in United States post LCCP start-up</li> <li>Continue transformation of chemicals to a solutions orientated specialty portfolio</li> <li>Continuously improve our service delivery and customer experience enabled through omni-channel customer feedback and metrics</li> </ul>	<ul style="list-style-type: none"> <li><b>Further strengthen the balance sheet</b></li> <li><b>Reliable and predictable feedstock supply and operations</b></li> </ul>	 <b>Decarbonising</b>
			 <b>Sasol 2.0</b>

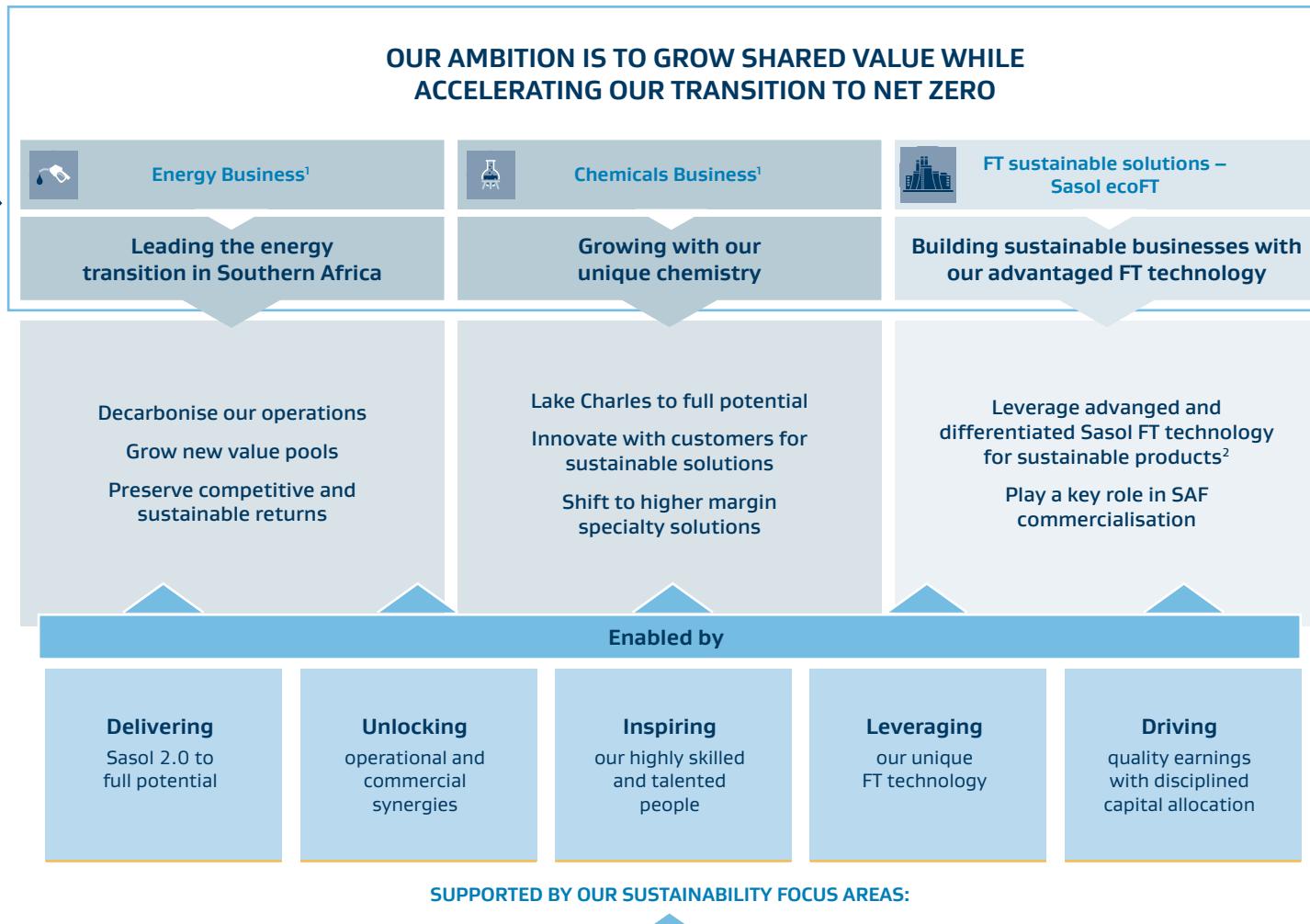
## Defining our strategy to get to Future Sasol

At Sasol we aim to lower our carbon footprint through the transformation of our customer-facing businesses and diversification into sustainable value pools linked to our Fischer-Tropsch (FT) technology. Thanks to our culture of innovation and unique technology we are able to help our operations reach Net Zero, while creating value for all our stakeholders. We are innovating for a better world.

**Future Sasol**

We have optimised our operating model and updated our strategy making us more agile to respond and adapt to changes in our external environment. We are positioned to be closer to the customer and intend to:

- lead the energy transition in South Africa;
- grow with our unique chemistry; and
- build sustainable businesses with our proprietary technology.



1. [CCR](#) [20-F](#) For more detail on our risks and assumptions relating to our targets and transition refer to our Climate Change Report and Form 20-F available on our website [www.sasol.com](http://www.sasol.com)  
2. Product measured as sustainable according to product labelling and global certification standards.

**Definition of Victory**

Deliver sustainable returns over the long term to all stakeholders. We will embrace net zero emissions while preserving and creating value, and investing in people.



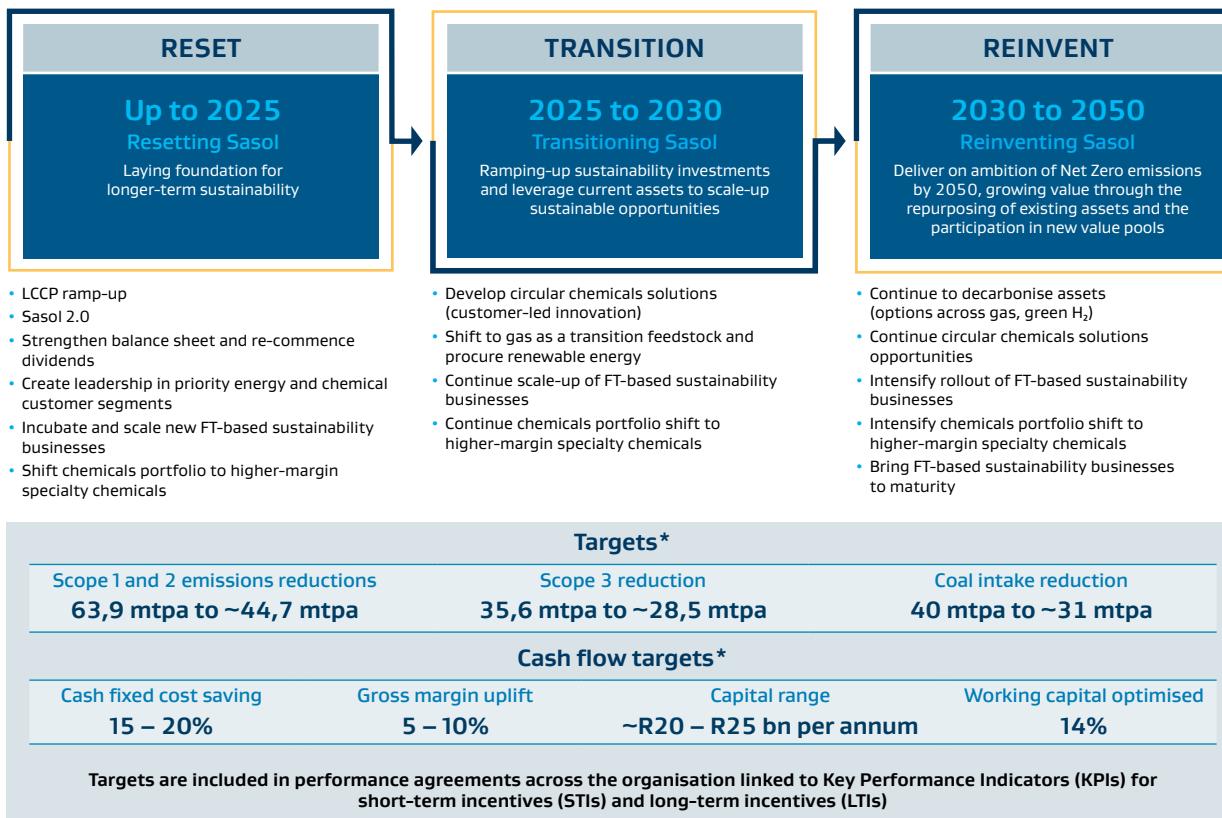
## Delivering our strategy over horizons

### We know where we are going and how to get there

For more than 70 years we have built the capabilities and competencies to deliver sustainable value in our businesses. Our new operating model, led by an investor-facing Corporate Centre together with our Energy and Chemicals customer-facing Business Units, enhances customer-centricity, providing each business with significant autonomy to deliver on its strategy. This provides us with agility, enabling us to be adaptable to our customers' rapidly evolving needs, while contributing to the energy transition and expanding the circular economy.

We will be establishing our third Business Unit that will lead the development of our FT sustainable solutions business. To succeed in this new venture, we are nurturing an entrepreneurial culture and mindset to experiment and learn outside of the constraints of our existing businesses.

**IR** For more detail refer to pages 4 and 10 – 12.



\* Decarbonisation targets for 2030. Financial targets for 2025.

### We are embedding sustainability with a clear path to Net Zero

We will achieve Net Zero emissions while preserving and creating value for our employees, our local communities and other stakeholders. Reducing our emissions contribute and sets our path to sustainability.

It is a path that is not without risk and uncertainty and effectively managing these will be critical. This includes but is not limited to:

- effectively managing transitional risk and ensuring a just transition;\*
- ensuring access to low-carbon feedstock;
- technologies becoming uncompetitive; and
- access to markets.

We will have to proactively manage all risks and ensure that we track and monitor emerging ones.

**IR** For more detail refer to pages 4 and 10 – 12.

**CCR** For more detail refer to our Climate Change Report, and specifically page 2 and 26 on just transition, available on our website, [www.sasol.com](http://www.sasol.com)

\* A framework that has been developed by the trade union movement to encompass a range of social interventions needed to secure workers' jobs and livelihoods when economies are shifting to sustainable production, including management of climate change, protecting biodiversity and ending war, among other challenges.

### We know what it will take

By delivering our Sasol 2.0 transformation programme by 2025 and ramping-up LCCP it will enable the deleveraging of the balance sheet which allows for the resumption of dividends, decarbonisation of our assets and to establish new sustainable businesses of green hydrogen, SAF and FT solutions and to grow our chemicals portfolio.

Our capital allocation principles are to firstly, prioritise the strengthening of our balance sheet, reducing net debt to EBITDA to below 1,5 times and reintroducing the dividend, while decarbonising our assets. Our second phase of strategy execution, capital will be allocated to smaller value-accretive organic and merger and acquisition

growth opportunities. In the third phase capital will be allocated for larger growth opportunities competing with special dividends or share buy backs.

**IR** For more detail refer to page 44 for capital allocation principles.

### The role of the Board

In refining our strategy, the Sasol Board played the key guiding role. During the year, in addition to its four quarterly meetings, the Board held six special meetings and, one dedicated session to guide and robustly debate Sasol's strategic direction within a highly volatile macroeconomic environment operating context.

Our Directors reconsidered the Group's 2030 emission reductions targets as well as our ambition for Net Zero emissions by 2050. In doing so, we updated our 2030 roadmap to achieving the target taking into account the impact on society and business continuity. In August 2021, the Board endorsed our updated strategy which is aligned with the energy transition.

Our strategy aims to deliver Future Sasol, growing shared value, sustainable returns to all stakeholders while accelerating our transition to Net Zero. The delivery of our strategy will be measured through the inclusion of relevant KPIs for achieving STIs and LTIs.

**IR** For more detail refer to pages 31 – 35.

### Contributing to the UN SDGs and the Decade of Action

Our updated absolute medium-term GHG emission reduction target to 2030, the associated roadmap and our ambition to be Net Zero by 2050 supports our contribution to our prioritised SDGs. We are confident about our energy transition which is further detailed in the Climate Change Report. Furthermore we are tracking our delivery to all SDGs, aspiring to improve our ESG ratings on a year-on-year basis with the ultimate aim of being included in the Dow Jones Sustainability Index. Delivering on our targets and commitments up to 2030 will be critical to resetting and transitioning Sasol. In so doing we will not only make Sasol more robust but this will also contribute to the Decade of Action.

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



## Our Group Executive Committee



**“** By leveraging the combined skills and experience of the members of our Group Executive Committee (GEC), each with clearly defined and focused portfolios, we are driving momentum to deliver Future Sasol. **”**

**Fleetwood Grobler**  
President and Chief Executive Officer

Paul Victor	Vuyo Kahla	Priscillah Mabelane	Bernard Klingenberg	Brad Griffith	Charlotte Mokoena	Marius Brand
Group Chief Financial Officer	Executive Vice President: Strategy, Sustainability and Integrated Services	Executive Vice President: Energy	Executive Vice President: Energy Operations	Executive Vice President: Chemicals	Executive Vice President: Human Resources and Stakeholder Relations	Executive Vice President: Sasol 2.0 Transformation*
<b>Responsible for:</b>						
Ensuring appropriate capital allocation, financial discipline and Information Management.						
Paul is accountable for effective capital allocation and financial discipline. He provides thought leadership and proactively supports the GEC in implementing a cash conservation response plan. Mergers and Acquisitions and Information Management portfolios and related activities are also included in his area of responsibility.	Portfolio strategy and sustainability, the effective management of risks, as well as ensuring appropriate disclosures and combined assurance.	Upstream and downstream gas activities as well as distribution, marketing and sales of liquid fuels in Southern Africa.	Sasol's Energy Operations portfolio. This comprises all downstream operations and related infrastructure. The portfolio includes South African-based operating facilities including mining, Secunda Operations, Regional Operations and Asset Services based in Secunda, Sasolburg and Ekandustria Operations, Natref – as well as Research and Technology, Projects and Engineering.	Sasol's Chemicals Business globally. Brad is accountable for maintaining safe, reliable and sustainable operations across multiple geographies, driving customer-led growth through innovative marketing and product development and extending sales.	Design of global Human Resources strategies, policies and frameworks. Charlotte focuses on enabling the organisation to attract, develop and retain key talent as well as safeguarding and building strong national stakeholder relations. In doing so, she designs plans to protect and manage Sasol's brand and reputation.	The Sasol 2.0 transformation programme. Marius leads the group-wide transformation programme positioned to achieve Future Sasol and is also co-accountable for Sasol's 2050 GHG emission reduction target setting and roadmap definition. He is leading the Power to X market commercialisation of Sasol's Fischer-Tropsch technology solutions.
Appointed to GEC: 2013 Joined Sasol: 2000	Appointed to GEC: 2011 Joined Sasol: 2011	Appointed to GEC: 2020 Joined Sasol: 2020	Appointed to GEC: 2009 Joined Sasol: 1986	Appointed to GEC: 2019 Joined Sasol: 1992	Appointed to GEC: 2017 Joined Sasol: 2017	Appointed to GEC: 2019 Joined Sasol: 1989

\* Role in place for up to 24 months.

### What we achieved during the year

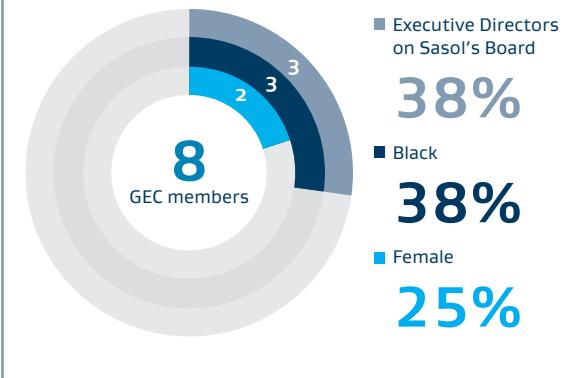
- Supported the health and wellbeing of all our people by promoting a caring safety culture. Remain committed to zero harm.
- Throughout the workforce transition process, the principle of 'no regression' safeguarded the under-represented diversity groups, with a determination to drive our diversity and inclusion aspirations.
- Successfully completed the Lake Charles Chemicals Project. Will reap the benefits of our LyondellBasell joint venture partnership in time.
- Set our Net Zero emissions ambition for 2050 and a target for a 30%<sup>#</sup> reduction in GHG emissions by 2030, with an associated roadmap.
- Strengthened our liquidity through Response Plan and averted a rights issue.
- Closely monitored the impact of COVID-19 on our employees and key stakeholders. We will continue to evaluate repercussions of the pandemic.
- Implemented the Sasol 2.0 transformation programme commencing the reset with the new operating model in place together with short-term financial targets achieved, paving the way to Future Sasol.
- Continually reviewed our top risks.
- Delivered proceeds of up to US\$3.1 billion.

<sup>#</sup> Off 2017 base and excluding Natref.

### SKILLS AND EXPERIENCE

#### One hundred years' combined Sasol-experience

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



## Chief Financial Officer's statement



**“ Team Sasol delivered an excellent performance in 2021, leading to a strong balance sheet and solid cash flow generation. As we continue with our business transformation programme, we are excited about Future Sasol’s prospects as a greener, more sustainable business that protects and grows shareholder value in a lower-carbon world. ”**

**Paul Victor**  
Chief Financial Officer

### KEY MESSAGES

- Successful execution of Response Plan to deliver accelerated balance sheet deleveraging
- More resilient business through strategic divestments and Sasol 2.0 transformation
- Clear framework to meet ambitious new climate change targets and generate sustainable, attractive shareholder returns

#### Dear stakeholders

FY21 reflects the significant turnaround of our business since the collapse of the oil price in early 2020 coupled with the unprecedented COVID-19 pandemic. The comprehensive Response Plan that we designed to mitigate the impact of these developments has been extremely effective. The balance sheet was substantially deleveraged through a combination of cash conservation, capital and operating discipline and strategic asset divestments. More recently there has been support from an improving macro environment and, despite a negative impact from adverse weather events, the business has continued to show good momentum.

The Response Plan has achieved much more than deleveraging the balance sheet. The asset divestment programme has focused the portfolio in areas where we can drive attractive long-term returns; the new operating model takes our business closer to the customer on a more agile basis; and the Sasol 2.0 transformation programme is already demonstrating progress in making the business more efficient and effective. There is more to come over the next few years.

From these strong foundations Sasol is now laying out a pathway to achieve a new climate change approach with a significant step-up in our goals. The intention is to reduce scope 1 and 2 emissions by 30% by 2030 and then reach Net Zero by 2050. This will make Future Sasol a truly sustainable business. There are now numerous initiatives underway across the Company to deliver this. Sasol’s differentiated capabilities, technologies, team and market positions provide the firm platform required. Capital and operating discipline enhanced by the Sasol 2.0 transformation programme create the prospect of highly attractive long-term returns. We have an exciting future ahead of us.

#### Five-year accelerated balance sheet deleveraging

2021 represents an important year of delivery for Sasol. Deleveraging the balance sheet was a particular priority in the face of the substantial macro headwinds faced from early 2020. Our ambitious plan has been delivered in full without funding from our shareholders. Gearing has decreased from 117% in the 2020 financial year to around 61% at 30 June 2021, and net debt to EBITDA is now down to around 1.5 times with net debt of US\$5.9 billion.

All of this was achieved through successful execution of our comprehensive US\$6 billion Response Plan. This had a combination of self-help measures and asset divestments to reduce our net debt to an acceptable level. In FY21 we again significantly exceeded our savings target, by delivering over US\$1 billion of savings. Asset divestments were a further significant component and by 30 June 2021 we had announced divestments of around US\$3.8 billion, with around US\$3.1 billion of proceeds already banked.

The strengthening of the balance sheet also went beyond the reduction of net debt levels with US\$1.5 billion of new bonds issued at very competitive rates. This provided cost effective funding and balanced our maturity profile, ensuring that we maintained the robust liquidity position that was so important in allowing us to trade securely through recent uncertainty.

As a result of these efforts we believe that our balance sheet can provide firm support to execute our Future Sasol strategy without being distracted by further short-term deleveraging imperatives.

#### A more resilient business

The Response Plan was intended to go beyond near-term balance sheet deleveraging and deliver a business that was more efficient and effective. The past financial year demonstrated significant progress towards this objective with a remarkable turnaround of our financial position, despite the headwinds we faced.

Our adjusted EBITDA increased by 38% year-on-year to R48.4 billion compared with a 4% increase in the rand per barrel oil price. Free cash flow before growth capital improved by 75% to R19.4 billion, building on the free cash flow inflection point that we reached earlier this year.

There are a number of important elements to building a more resilient business including delivery against the operating and capital cost discipline targets. This has progressed well and in FY21 we achieved R2.4 billion in cash fixed cost savings or a normalised real improvement of 4.2% year-on-year.

Besides cost savings we have now introduced a new operating model. This has placed decision-making closer to our customers and should enable more agile and customer-focused decisions

going forward. This change has already been implemented as have the early stages of the Sasol 2.0 transformation programme. This is a ground-up reassessment of how the business functions with systems in place to identify and leverage best practice right across the Company.

Some of the most challenging elements of the programme have already been implemented with the workforce transition completed and the benefits of that leaner cost structure will flow through in the 2022 financial year. Given the Sasol 2.0 work we also have confidence that we will be able to keep sustenance capital expenditure within a R20 – R25 billion per annum range through to the 2025 financial year without compromising asset integrity.

The implementation of the asset divestment programme has also been designed around our strategy, increasing focus on the areas where Sasol has differentiated ability to add value over time and releasing value from other areas of the portfolio.

These elements all come together to enable us to deliver competitive returns going forward even in volatile markets. Difficult decisions are, however, still required. The Board sees the restoration of dividends as a priority, but at the moment the dividend remains suspended while we go through the final deleveraging phase.

As we work towards resuming the dividend as soon as possible, we hope that we will get support from normalising demand levels as the impact of COVID-19 eases. This should see improved volumes in the South African Energy Business as well as the Eurasian Chemicals Business. Alongside this we anticipate the benefits from the Fulco transition in mining and the ramp-up of the derivatives units at the Lake Charles Chemicals Project (LCCP). There are, however, also some factors that will slow some of this expected recovery, notably coal quality and lower gas supply, which will impact Secunda and maintenance across the Chemicals Business.

#### Delivering ambitious climate change targets and attractive shareholder returns

Building on the firm platform that we have created, Sasol has set ambitious new climate change targets. We have set a target to reduce scope 1 and 2 emissions by 30% by 2030 and an ambition to move to Net Zero by 2050.

In order to achieve this, we will look to build on our unique chemistry and core energy segments and shift to increasing

use of renewable energy as well as additional gas feedstock by 2030. By that stage we also intend to reduce our scope 3 emissions by 20% through a reduction of commercialisation of fossil fuels.

Our clear objective is to deliver a more sustainable business, but also a business that generates attractive and resilient shareholder returns. In order to do that we will maintain a disciplined and shareholder-focused capital allocation framework alongside our financial targets.

The next phase of our strategic and financial plan runs to FY25, by which time Sasol 2.0 should be fully in place. During this period the most immediate priority remains to finish our journey of deleveraging the balance sheet and resume dividends as we increase free cash flow and fund our sustainability initiatives.

By FY25 the intention is to have an ROIC of 12 – 15% (assuming a US\$55/bbl oil price), with net debt to EBITDA of 1.0 – 1.5 times. Restoring dividends is a key priority and we intend to restore the dividend and step-up payout level.

Business resilience remains critical through this phase and we are confident that we can operate our assets optimally and effectively within the planned capital allowance and maintain Secunda’s breakeven level at US\$30 – 35/bbl.

The transform capital required to deliver the GHG reduction targets will only step-up at the latter part of the next phase and will likely be in the order of R15 – R22 billion in aggregate for the period up to 2030 and will form part of the R20 – R25 billion per annum capital guidance.

In the following phase through to financial year 2030 we will look to offer enhanced shareholder returns, while implementing the changes across the business to deliver GHG reduction and generating incremental cash flow to support high returning growth initiatives across the portfolio. We are confident that the ROIC for the portfolio will be competitive compared to our peers.

During this period the intention will be to keep net debt/EBITDA levels at 1.0 – 1.5 times levels but bring absolute net debt levels below US\$4 billion.

As free cash flow increases through the period we will maintain discipline for the allocation of discretionary capital according to the best risk-adjusted return, including the potential for special dividends and share buy-backs.

Our disciplined approach will limit exposure to any single project for adequate risk diversification; optimise funding sources including partnering options where appropriate; and regularly review the portfolio to ensure we keep our capital focused in the assets that offer our shareholders the risk-adjusted, long-term returns.

After a critical period of delivery we are confident that Sasol has a very bright future. We have set clear goals across our People, Planet and Profit priorities and we have a strategy to deliver them. There remains much uncertainty in the world around us and we may need to adjust course as circumstances evolve, but over the past few years we have proved that Sasol can adapt quickly and we have the resilient team and portfolio we need to head into the future with confidence.

**Paul Victor**  
Chief Financial Officer  
20 September 2021

## Our operating context

Our ability to preserve and create value is closely connected to the macroeconomic environments of the countries in which we operate and depends on a number of key economic drivers, our response to them as well as their impact on our stakeholders. We generate almost half of our turnover in South Africa, followed by Europe and then North America from our asset base that is largely distributed across these countries. The external operating context impacts our profitability, business continuity, risk management and the decisions we make regarding our strategy. It also informs our thinking on material matters.

**Economic growth and exchange rate**

**THE PAST YEAR**

The global economy contracted by about 3,3% year-on-year as COVID-19-related impacts battered economies. South Africa's economy contracted by 7%, the worst contraction since Reserve Bank records began in 1946. Real per capita GDP essentially recorded its sixth year of decline. As the South African economy reopened following strict lockdowns, growth prospects improved. However, despite three consecutive quarters of growth, economic activity in the first quarter was still 3,2% below pre-pandemic levels.

The rand/US\$ averaged R15,40/US\$, about 2% stronger than the R15,69/US\$ recorded the prior year. COVID-19 and vaccine rollout related considerations, global risk sentiment and commodity price trends were the main drivers of rand trends and volatility.

**HOW WE RESPONDED/WERE IMPACTED**

We were able to mitigate the negative macroeconomic effects using the levers of our Response Plan and Sasol 2.0 transformation programme ie containing costs, prioritisation of capital, improvement of profit, redesigning our operating model and workforce transitioning, coupled with strategy-led asset disposals and the close management of liquidity as well as covenant and financial market risk management. We hedged US\$2,80 billion of exchange rate exposure for financial year 2022 (FY22) at a weighted average collar of rand/US\$14,54 to 17,52. We continue to execute our mandated FY22 exchange rate programme.

**Oil price**

**THE PAST YEAR**

In anticipation of a recovery in demand and limited supply growth, oil prices continued to strengthen during the year, up from US\$43/bbl in July 2020 to US\$73/bbl by June 2021. The average FY21 oil price was US\$54,20/bbl, 5,8% higher than financial year 2020 (FY20). Demand improved due to the economic recovery and stimulus programmes, widespread vaccination campaigns and the easing of mobility restrictions. OPEC+\* has gradually increased production as the demand recovery became more evident, while United States' oil production growth was limited as oil majors pursued financial discipline and prioritised investor returns.

**HOW WE RESPONDED/WERE IMPACTED**

Our integrated value chain continued to deliver a strong financial performance, benefitting from the higher oil price, cost discipline and recovery in demand due to easing of mobility restrictions. Following the recent material rise in the oil price, we have been able to restructure put options to zero cost collars lifting the floor from US\$43,11 to US\$60,09, thereby enhancing our FY22 hedging programme, ensuring cash flow robustness and protection against future oil price volatility. The oil hedge cover ratio for FY22 was increased by hedging an additional 18 million barrels (4,5 million barrels per quarter) using swaps.

The FY22 hedging programme has been fully executed at a gross weighted average level of US\$63,16/bbl using a combination of zero cost collars (at a collar range of US\$60,09/bbl to US\$71,97/bbl) and swaps (at an average strike level of US\$67,24/bbl).

The updated hedging levels enhances the strengthening of the balance sheet and the reduction of the Company's absolute debt levels. The restructuring was focused on FY22 only.

**Where we operate**

**Turnover**

Region	Percentage
South Africa	42%
Rest of Africa	4%
United States	16%
Rest of North America	2%
Europe	24%
Rest of World	12%

**Where we invest**

**Non-current assets**

Region	Percentage
South Africa	33%
Rest of Africa	6%
United States	49%
Europe	7%
Rest of World	5%

**OUTLOOK**

The global outlook has improved, but further COVID-19-waves and variants, and the pace of vaccine rollouts still threaten the global recovery. It is expected that monetary and fiscal stimulus, rising consumer and business confidence, and better employment prospects are likely to support the global growth recovery in the latter half of calendar year 2021 (CY21) and into calendar year 2022 (CY22). World GDP was expected to have reached pre-COVID-19 levels by mid CY21 but recovery remains uneven across regions and countries. For example, China has already more than fully recovered, while the United States is close to pre-COVID-19 levels. In contrast, the Euro area, the United Kingdom and South Africa are expected to lag in recovery.

Vaccine rollout challenges, pre-existing structural constraints, policy inconsistencies, corruption, low confidence levels, risk of civil disobedience and strained government finances are likely to inhibit the pace of South Africa's economic recovery. Our current expectation is for the economic activity to recover gradually from the impact of COVID-19, reaching pre-COVID-19 levels by late CY22/early calendar year 2023. Employment levels and per capita GDP are likely to take much longer to recover to pre-pandemic levels.

The rand/US\$ is likely to find near-term support from favourable global risk sentiment, positive current account trends, favourable interest rate differentials and the limited rollout of some structural economic reforms. Sentiment swings are likely to contribute to ongoing high levels of volatility.

**World and South Africa GDP growth (%)**

Year	World (%)	South Africa (%)
15	3,5	1,2
16	3,4	0,4
17	3,9	1,4
18	3,6	0,8
19	2,9	0,2
20	(3,3)	(7,0)
21 (Q1)	(3,2)	(3,2)

Source: IMF, StatsSA, SARB

**Average exchange rate (US\$/Rand)**

Year	Avg. Exchange Rate (US\$/Rand)
15	11,45
16	14,52
17	13,61
18	12,85
19	14,20
20	15,69
21	15,40

Source: Reuters

**OUTLOOK**

We expect global demand to exceed the 2019 level in Q2 CY22 as COVID-19 restrictions have largely been removed in the United States and are easing in much of Europe. Compared with global demand, we expect a supply shortfall for 1H FY22. However, the stock draw is expected to be small, and for this reason, we do not see further sharp oil price increases unless OPEC+\* keeps output at July 2021 levels for the rest of the year.

COVID-19 strains and weaker vaccine efficacy, a slower vaccine uptake and a faster return of OPEC+\* and Iranian volumes pose a downside price risk. Conversely, a continued demand surge as the vaccine programmes unfold, outpacing the return of production volumes, may lead to a tight market and higher prices.

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

Year	Avg. Oil Price (US\$/bbl)
15	73,46
16	43,37
17	49,77
18	63,62
19	68,63
20	51,22
21	54,20

Source: Reuters

\* Organisation of the Petroleum Exporting Countries, OPEC+ includes Russia.

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## Our operating context (CONTINUED)



### THE PAST YEAR

Excess capacity and high inventories kept refinery margins under pressure. For individual products, petrol margins started to recover during the year as global stocks returned to normal levels on improved mobility as vaccine rollouts in the United States, the United Kingdom and Europe progressed. Despite coming down, distillate stocks remained higher than usual as refinery runs to support increasing petrol demand exacerbated diesel oversupply, while air travel remains restricted.

Driving patterns shifted from conventional peak traffic hours to a flatter distribution across the day due to work from home policies. The South African refinery landscape continues to evolve with the announcement by Engen that it would convert its refinery into an import terminal. This puts South Africa into a bigger net importer environment. New entrants into the market are beginning to experiment with mobile fuel delivery and sales to tap into customer needs for convenience. In all channels digitalisation continues to play a key role to improve the customer value proposition.

On 31 August 2021, the Clean Fuels II Regulations were gazetted with an implementation date of 1 September 2023. In terms of the new Regulations, fuels that do not comply with the Clean Fuels II (CF II) prescribed specifications may not be sold or produced for domestic consumption. Sasol, together with industry bodies, have been engaging with the Department of Mineral Resources and Energy (DMRE) as we firmly believe that the country will require five years to be fully compliant with the CF II specifications. Our implementation of the Clean Fuels II solution in Secunda is progressing and well on track to deliver on-specification product in calendar year 2025. A decision on the future of the Natref refinery is still pending.

### HOW WE RESPONDED/WERE IMPACTED

Our integrated value chain benefitted from higher oil prices in the last quarter of the financial year, strict cost control and disciplined capital expenditure. This performance was however masked by the COVID-19 impact on demand, coal quality and minor plant instabilities. At Secunda Synfuels Operations we benefitted from the postponement of the September 2020 phase shutdown which was replaced with a 'pitstop' shutdown in May 2020. However, the increase in volumes was partly offset by some operational challenges. At Natref, together with our partner, we reduced our run rates to respond to lower market demand.

Liquid fuel sales volumes were 3% higher than the prior year due to a strong recovery in demand and the easing of lockdown restrictions. We continue to strategically target margin maximisation by placing our products in the highest yielding channels and opened 10 new retail convenience centres. The outlook on sales volumes is expected to be slightly depressed as a result of the third COVID-19 wave and unrests in certain parts of South Africa.

In the past year Sasol refreshed its mobility strategy in order to respond to customer needs and strengthen value propositions. At the same time, Sasol's wholesale value proposition was strengthened to improve reliability of supply. Additional import infrastructure could accelerate a market conversion to cleaner fuels, potentially resulting in unsaleable Sasol product as there is limited market demand.

### THE PAST YEAR

Chemical prices continued to strengthen into 2021 due to a combination of improved demand, higher oil prices, reduced market supply due to the weather-related events in the United States and global supply chain challenges due to the COVID-19 pandemic.

Our chemical market customers are setting more ambitious commitments and accelerating efforts to address climate change and other key sustainability imperatives within the chemicals industry. COVID-19 has led to changes in consumer cleaning habits as well as increased the demand for health and wellness related products. Increased packaging demand driven by both health concerns and higher levels of e-commerce were also notable. Global momentum behind the energy transition is growing and is expected to lead to changing needs in the automotive sector and many other chemical markets.

### HOW WE RESPONDED/WERE IMPACTED

The total chemicals external sales revenue was 11% higher compared to the prior year with the average sales basket price increasing by 17% compared to the prior year. The higher prices were due to a combination of factors. Despite adverse weather events in both the United States and South Africa impacting production, the previously reported divesture of US Base Chemical assets in Q2 FY21 and the continued impact of the COVID-19 pandemic, the total chemical sales volumes were only 3% lower compared to the prior year.

We hedged four million barrels of our ethane exposure for FY22 at an average swap level of US\$23.18/gal. We continue to execute on the balance of the ethane hedging programme as ethane prices fall within mandated levels.

We rose to the challenge to meet the significant demand for Sasol solvents in sanitisers to support efforts to combat the spread of COVID-19. The utilisation of appropriate biomass, circular feedstocks and carbon dioxide utilisation chemistry are all being explored to support net reductions in GHG emissions and growing concerns regarding resource scarcity.

### OUTLOOK

Refinery margins will track global liquid fuels demand recovery, which face risks as the persistence of the COVID-19 pandemic is met with an uneven return to personal mobility. Demand recovery remains under threat from the rise of COVID-19 variants, particularly in countries where vaccinations have lagged or stalled. Ample product stocks and more refining capacity than needed to cover demand will limit margin improvement during FY22 as new capacity additions outpace refinery rationalisation.



### OUTLOOK

Chemical demand remains strongly linked to improvements in the global economy and aligned with evolving mega-trends including changes to the way we work and live in a post COVID-19 world. With the expectation of rising oil prices in FY22 and financial year 2023, chemical prices are expected to follow, albeit with a lag. Commodity chemicals prices will also be impacted by changes in supply and demand with the expectation of over-supply in the next 18 to 24 months as new capacity come online, particularly in China. This supply is expected to be balanced with demand in the next three to five years.



### THE PAST YEAR

Sasol continues to come under pressure to address our emissions profile. We have also been responding to a need to enhance our adaptation response, and increase the physical resilience of our communities, employees and facilities to the impact of a changing climate. This has been amid numerous severe weather events globally as well, as the release of the latest science relating to climate change.

With our largest emissions originating in a developing country, it is essential that we transition in a just manner. Stakeholder expectations are factored into our response from our diverse stakeholder grouping. As a result, we aim to balance these requirements and contribute positively to them.

This past year, we saw the South African government approve the establishment of a Presidential Climate Commission to coordinate the country's just transition. It also increased the national target for higher emission reductions by 2030.

### HOW WE RESPONDED/WERE IMPACTED

We tripled our original scope 1 and 2 emissions reduction target to 30% (off a 2017 base and excluding Natref) across our Energy and International Chemicals Business\*, and committed to an ambition of Net Zero by 2050, supported by roadmaps that have built-in flexibility and optionality. We also included a target to achieve a 20% reduction in scope 3: Category 11 emissions for our Energy Business by 2030.

We are positioning ourselves to lead the energy transition in South Africa and have developed pathways to decarbonise our existing operations in a just transition way by creating shared value. We have partnered with the IDC to commercialise hydrogen and contribute positively to jobs and economic growth.

For the Energy Business, we are on the pathway to procure 1 200 MW of renewable electricity by 2030 of which 900 MW is with Air Liquide. Further, we have partnered with the LEN\*\* consortium to bid in concept for the production of SAF. We are also looking at opportunities to incubate new low-carbon businesses using our FT technology in our quest to transform our Company into a sustainable enterprise.

We committed to 100% purchased renewable electricity by 2026 for the International Chemicals Business\*.

### OUTLOOK

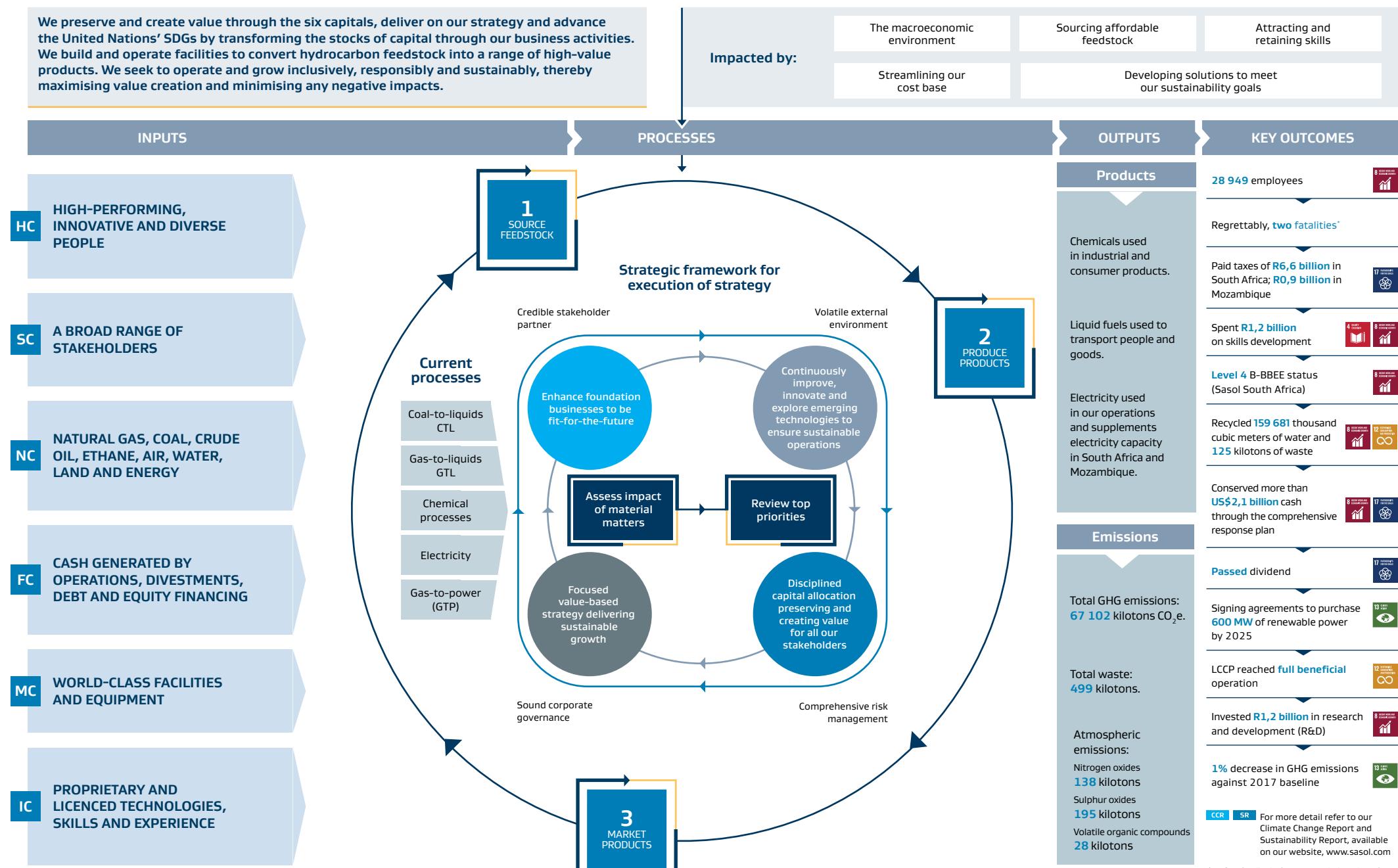
This decade is critical year for tackling climate change. Countries are committing to higher carbon reductions. It is estimated by the United Nations that 110 countries have set a net zero target by 2050. Together, they represent more than 65% of global emissions and 70% of the world economy.

COP 26 will take place in November 2021 and is aiming for a deal on higher ambition, supported by financing. Through national policy, businesses have a responsibility to support the global effort and demonstrate how their activities and investments are taking the necessary steps to reduce emissions.

\* Excluding South African Chemicals Operations.  
\*\* Linde PLC, ENERTRAG AG and Navitas Holdings (Pty) Ltd.

# Creating value using the six capitals

We preserve and create value through the six capitals, deliver on our strategy and advance the United Nations' SDGs by transforming the stocks of capital through our business activities. We build and operate facilities to convert hydrocarbon feedstock into a range of high-value products. We seek to operate and grow inclusively, responsibly and sustainably, thereby maximising value creation and minimising any negative impacts.



**IR** By assessing our operating context (pages 17 – 18) and considering our material matters (pages 21 – 22) we work to improve our agility and secure our competitive advantage.

## Sustaining value and our trade-offs

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

Key inputs*	Key outcomes and outputs*	Key actions	Trade-offs
<b>HC</b> <ul style="list-style-type: none"> <li>Diverse Board.</li> <li>Strong leadership team.</li> <li>28 725 permanent employees (30 670).</li> <li>224 non-permanent employees (331).</li> <li>Investment in employee learning R983 million (R967 million).</li> </ul>	<b>Key outcomes and outputs*</b> <ul style="list-style-type: none"> <li>Two work-related fatalities – one before year end, the other after (six).</li> <li>RCR of 0,26 (0,27).</li> <li>Wages and benefits R34 billion (R32 billion).</li> <li>New cases of occupational disease 32 (77).</li> <li>During the period July 2020 to 30 June 2021, 63 employees lost their lives due to COVID-19 and COVID-19-related illnesses.</li> <li>1 355 employees unplaced.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening our employee value proposition as part of our Sasol 2.0 transformation programme and in response to COVID-19.</li> <li>Improved the Board's gender diversity.</li> <li>Introduced a hybrid approach to flexible working practices.</li> <li>Established entrepreneurship initiative – Ntsika programme.</li> </ul>	<ul style="list-style-type: none"> <li>The loss of lives at Sasol impacted negatively on all capitals.</li> <li>Employee morale and social capital were negatively impacted by cash conservation measures, and various phases of workforce transition.</li> <li>Compromised benefits of physical employee collaboration.</li> <li>Limited salary increments positively impacted human and social capital although negatively impacting financial capital.</li> <li>Loss of employee skills from workforce transition has negatively impacted human and intellectual capital.</li> </ul>
<b>SC</b> <ul style="list-style-type: none"> <li>Partnerships with customers, suppliers, business peers, research bodies.</li> <li>Relationships with communities, governments, regulators, civil society.</li> <li>Engagements with investors, shareholders.</li> <li>A strong established brand.</li> </ul>	<ul style="list-style-type: none"> <li>Paid taxes of R6,6 billion (R39,1 billion) in South Africa and R0,9 billion (R1,8 billion) in Mozambique.</li> <li>Spent R1,2 billion (R1,2 billion) on skills development.</li> <li>B-BBEE Level 4 (Level 3).</li> <li>Block-owned expenditure R23,8 billion (R26,3 billion).</li> <li>16 000 eligible employees in South Africa were beneficiaries of R750 million worth of ESOP under Tier 1 of the Sasol Khanya Employee Share Ownership Plan (ESOP).</li> </ul>	<ul style="list-style-type: none"> <li>Engaged stakeholders to develop our emission reductions roadmap.</li> <li>Engaged investors to understand concerns after failing to meet required support threshold for remuneration.</li> <li>Supported local communities through meaningful contributions, including various initiatives during COVID-19.</li> <li>Established a Centre for Shared Value Management.</li> <li>Enabled employees impacted by workforce transition to transition from employment to potential entrepreneurs through Ntsika Programme.</li> </ul>	<ul style="list-style-type: none"> <li>Investment in and donations to fenceline communities reduced financial capital, but will positively impact all capitals in the long term.</li> <li>Employees benefitting from Khanya ESOP improved human and social capital.</li> <li>While employees affected by workforce transition negatively impacted human capital, the Ntsika Programme will ultimately positively impact social capital by developing entrepreneurs.</li> </ul>
<b>NC</b> <ul style="list-style-type: none"> <li>Coal to process (kilograms): 17 298 (16 942).</li> <li>Crude oil processed (mm bbl): 28,7 (27,1).</li> <li>Natural gas to process (bscf): 141 (90).</li> <li>Total water used (thousand cubic meters): 138 050 (142 614).</li> <li>Total energy used (thousand GJ) 407 741 (411 154).</li> </ul>	<ul style="list-style-type: none"> <li>114,5 bscf of natural gas from Mozambique (112,4 bscf).</li> <li>35,4 mm tons of saleable coal (36,1 mm tons).</li> <li>GHG emissions 67 102 kt CO<sub>2</sub>e (65 856 kt CO<sub>2</sub>e).</li> <li>For more detail refer to Climate Change Report, available on our website, <a href="http://www.sasol.com">www.sasol.com</a>.</li> <li>Hazardous waste (kilograms) 319 (333 kt).</li> <li>Non-hazardous waste (kilograms) 180 (195 kt).</li> <li>Nitrogen oxides (kilograms) 137,6 (135,8 kt).</li> <li>Sulphur oxides (kilograms) 195,3 (196,3 kt).</li> <li>Recycled 159 681 thousand cubic metres of water (157 484 thousand cubic metres), and 125 kilotonnes of total waste (83 kt).</li> </ul>	<ul style="list-style-type: none"> <li>Stepping up our 2030 GHG reduction target to 30%* for scope 1 and 2 emissions and our Net Zero ambition by 2050.</li> <li>Prioritised a greater role for renewable energy in our operations.</li> <li>Gas production volumes were 2% higher than prior year with consistent operational performance.</li> <li>Drilling campaign suspended due to COVID-19 restrictions and restarted in August 2021.</li> <li>Maintaining steady safe production at Mining.</li> <li>Partnering on eco mobility, the LEN consortium on cleaner aviation fuels and the IDC to collaborate in developing South Africa's hydrogen economy.</li> </ul>	<ul style="list-style-type: none"> <li>Impacted negatively on natural capital by using non-renewable resources and through our emissions and wastes.</li> <li>Competition for natural resources impacted negatively on human and social capital.</li> <li>By converting natural resources into value-added products, we boosted all other capitals.</li> <li>Our partnerships will have a positive impact on natural capital as we move towards greener feedstocks together with our Net Zero ambition.</li> </ul>
<b>FC</b> <ul style="list-style-type: none"> <li>Market capitalisation R138 billion (R83 billion).</li> <li>Debt raised R26 billion (R56 billion).</li> <li>Equity R152 billion (R156 billion).</li> <li>Finance income R0,9 billion (R0,9 billion).</li> <li>Finance expense R6,8 billion (R7,3 billion).</li> <li>Funding facilities R156,9 billion (R199,9 billion).</li> </ul>	<ul style="list-style-type: none"> <li>Earnings/(loss) before interest and tax (EBIT) R16,6 billion (LBIT R111,9 billion).</li> <li>Cash generated by operating activities R45,1 billion (R42,4 billion).</li> <li>Headline earnings per share (HEPS) R39,53 (HPLPS R11,50).</li> <li>Attributable earnings R9,0 billion (loss R91,8 billion).</li> <li>Net debt to EBITDA 1,5 times (4,3 times).</li> <li>Gearing 61,5% (117%).</li> <li>Standard &amp; Poor's and Moody's have maintained Sasol's credit rating at sub-investment grade.</li> </ul>	<ul style="list-style-type: none"> <li>Managed our comprehensive response by focusing on self-help measures, asset disposals and transitioning to Future Sasol.</li> <li>Delivered over US\$1 billion of cash conservation in FY20 and exceeded the target in FY21 by more than 100%.</li> <li>Disposal of assets worth US\$3,8 billion well advanced, of which US\$3,1 billion has been completed.</li> <li>Passed interim and final dividend.</li> </ul>	<ul style="list-style-type: none"> <li>Deleveraging the balance sheet, allowing future resumption of dividends, decarbonisation of our assets and establishing new sustainable businesses will have a positive impact on financial and natural capital.</li> <li>Human capital felt impact of cost-saving measures, which benefitted financial capital.</li> <li>Social capital was affected by the absence of dividend payments this year.</li> <li>Strengthening our liquidity through our Response Plan and averting a rights issue had a positive impact on financial capital.</li> </ul>
<b>MC</b> <ul style="list-style-type: none"> <li>Property, plant and equipment R198 billion (R228 billion).</li> <li>Operational presence in 27 countries (30).</li> </ul>	<ul style="list-style-type: none"> <li>7 287 kilotonnes of saleable production (7 230 kt).</li> <li>Secunda Operations production (kilotonnes) 7 610 (7 373 kt).</li> <li>Natref production 17,7 mm bbl (16,8 mm bbl).</li> <li>54,2 mm bbl of liquid fuels sales (52,7 mm bbl) in South Africa.</li> <li>Capital expenditure R16,4 billion (R35,2 billion).</li> <li>Depreciation and amortisation R17,6 billion (R22,3 billion).</li> <li>Net impairment of assets R28,7 billion (R112,7 billion).</li> </ul>	<ul style="list-style-type: none"> <li>Benefiting from easing of lockdown restrictions in South Africa with increased liquid fuel sale volumes.</li> <li>Lifting of overall higher prices and volumes of chemicals, despite weather-related disruptions and divestments.</li> <li>Significant progress on divestments attained, with asset divestments to the value of US\$3,8 billion to date, of which US\$3,1 billion has been realised in proceeds.</li> </ul>	<ul style="list-style-type: none"> <li>Growth in manufactured capital negatively impacted natural capital and, in the short-term, financial capital.</li> <li>Recovery in production volumes and higher prices had a positive impact on our financial and social capital.</li> <li>Investments to reduce the environmental footprint of facilities benefitted natural, intellectual, human and social capital, but came at a cost to financial capital.</li> </ul>
<b>IC</b> <ul style="list-style-type: none"> <li>Skilled and experienced employees, industry thought leaders and experts.</li> <li>Our 2 300 patented technologies.</li> <li>Digital enablers to create value through innovation.</li> </ul>	<ul style="list-style-type: none"> <li>Global patents granted 40 (130).</li> <li>Total global patents granted 2 300 (2 400).</li> <li>Corporate bursaries 352 (455).</li> <li>Invested R1 249 million in research and development (R&amp;D) (R1 233 million).</li> </ul>	<ul style="list-style-type: none"> <li>Leveraging our expertise in FT technology to participated in new value pools.</li> <li>Refreshing our Purpose to 'Innovating for a better world' to guide us in our journey as we transform to a more resilient and environmentally sustainable business.</li> <li>Updating our strategy and resetting our business with our Response Plan and Sasol 2.0.</li> </ul>	<ul style="list-style-type: none"> <li>Our FT process is well suited to deliver low-carbon fuels and chemicals using 'greener' feedstocks which will positively impact natural and intellectual capital.</li> <li>Our refreshed Purpose positively impacts all the capitals.</li> <li>Our ambition to achieve Net Zero emissions by 2050 will have a positive impact on intellectual capital.</li> </ul>

\* 2020 comparative figures indicated in brackets.

\* Off 2017 base and excluding Natref.

## MM Managing our material matters

**Our material matters are factors that have the potential to impact, both positively and negatively, value preservation and creation in the short, medium and long term. Managing them effectively could support or hinder our ability to execute our strategy and remain competitive.**

### Determining our material matters



### Safety – Pursuing zero harm

#### Why this is important

The loss of one life is one too many. We want to ensure that all our employees and our service providers can return to their loved ones every day.



#### Targets

- RCR of ≤ 0,26
- HSI Rate ≤ 14
- FERs ≤ 19
- TiOP ≤ 2,3

#### What we have done

- Leveraged our high-severity incident (HSI) programme, focusing on pre-task risk assessments, life saving rules, critical controls and diligently adhering to the management of change protocols.
- Created an understanding and associated work environment, appreciating risk and potential outcomes, underpinned by committed leadership.
- Implemented and refined critical risk controls for logistics processes.
- Provided wellbeing support to employees in response to COVID-19 pandemic.
- Maintained preventative COVID-19 workplace protocols.

#### What we continue to do

- Emphasising importance of first-level of assurance and confirming that verification systems operate as designed.
- Creating a culture that encourages reporting, feedback and lessons learned on all incidents.
- Further advance humanising safety as a leadership imperative.
- Effectively implement, monitor and evaluate controls including maintaining operational discipline.
- Support voluntary vaccination.



### People – Attracting and retaining talent

Delivering Future Sasol requires values-driven, appropriately skilled and motivated people who care about Sasol and want to succeed. We have to create the right culture and put in place the conditions to ensure that we continue to be collaborative, embrace diverse thinking, ensure we live our Purpose and deliver on our strategic objectives.



- Employee turnover < 7%

- Applying the principle of 'no regression' to maintain diversity representation during workforce transition

- Improve gender representation globally

- Workforce transition undertaken with focus on change leadership, employee care and continued engagement.
- Visible leadership, emphasising commitment to fair treatment in virtual and on site engagements.
- Employee value proposition (EmVP), reviewed retention approach and creating excitement for Future Sasol.
- Overall African, Indian and Coloured (AIC) representation increased from 71,9% to 72,4% and global gender diversity improved from 24% to 24,5%.
- Approved limited salary increases for employees below leadership level.
- Continued to secure United States state grants for mostly technical skills training.
- Restored recognition awards in the United States to create a sense of family.

- Inclusive culture enhancing engagement and productivity.
- Compelling EmVP with opportunities to develop, grow and strengthen capabilities.
- Make work environments engines of collaboration and innovation.
- Established a 'Centre for Shared Value Management' – an initiative facilitating the creation of socio-economic value for employees and our communities.

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

- Support our employees through our Ntsika entrepreneur development programme.

## MM Managing our material matters (CONTINUED)

Why this is important



### Decarbonise – Decarbonising for sustainability

The impacts of climate change are well documented and will intensify unless we act collectively and decisively. Our coal value chain is unsustainable and we are decarbonising while embracing suitable low and lower-carbon alternatives as well as energy and process efficiencies.



### Trust – Rebuilding credibility and trust

Credibility and trust is built on stakeholders' opinion that we are believable, reliable and plausible, reinforced by an approach built on principle. This is critical in maintaining our licence to operate, our investment attractiveness and our ability to pursue emerging opportunities.



### Sasol 2.0 – Delivering Sasol 2.0

The Sasol 2.0 transformation programme is crucial to our reset. It is the pathway for the change required to reach a competitive and sustainable Future Sasol, which is profitable in a decarbonising and US\$45/bbl oil price world.



Targets

- 30% reduction in scope 1 and 2 GHG emissions by 2030
- Net Zero by 2050 for scope 1, 2 and 3 (Category 11)
- 30% improvement in energy efficiency by 2030
- Achieve below a 302 million tons CO<sub>2</sub>e carbon budget by CY 2020
- 100% purchased renewable electricity by 2026 for International Chemicals Business\*
- 1 200 MW of renewable energy for Energy Business
- Sustainability capex: 10 – 15% by 2030

\* Excluding South African Chemicals Operations.

What we have done

- Set 2050 Net Zero ambition and a 30%\* GHG reduction target by 2030.
- 22,75% energy efficiency improvement.
- Recorded 285 million tons against the carbon budget.
- Pursued renewable energy investments and signing agreements to purchase 600 MW by 2025 of power with intent to scale-up to 1 200 MW by 2030.
- Cooperation agreement entered into with Industrial Development Corporation (IDC) and partnering on eco mobility to explore respective green hydrogen opportunities in South Africa.
- Collaborated with LEN\*\* consortium to bid for production of Sustainable Aviation Fuel in Germany's H2Global auction.

\*\* Linde PLC, ENERTRAG AG and Navitas Holdings (Pty) Ltd

What we continue to do

- Progress towards Net Zero emissions by 2050, supported by short-term 10 – 15% sustainability capital expenditure, increased into the future.
- Maintain 30% energy efficient improvement.
- Support just transition initiatives.
- Obtain green financing in order to unlock a wider pool of hydrogen opportunities.
- Pursue further partnerships to deliver on our targets.



### Proactively engage stakeholders to identify and advance initiatives of mutual importance.

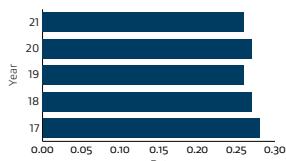
- Regular feedback to key stakeholders and deliver on commitments.
- Invest in social impact initiatives that are aligned with local priorities in the geographies where we operate.
- Rebuilding trust with key stakeholders and collaborating on key issues guided by our material matters in the geographies where we operate.

## Key Performance Indicators

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

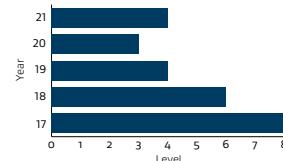
### Sustaining business operations

#### Recordable case rate



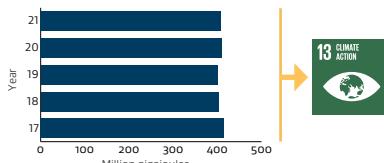
Our recordable case rate has improved from 0,27 to 0,26 over the 12 month reporting period. Each incident undergoes thorough investigation to determine the root cause and we apply learning to reinforce safe behaviours.

#### Broad-Based Black Economic Empowerment status



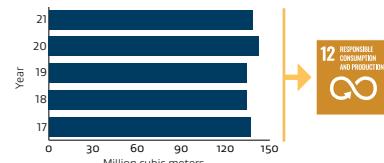
We continued to deliver on our commitments towards sustainable transformation and Broad-Based Black Economic Empowerment despite current macroeconomic challenges.

#### Total energy used



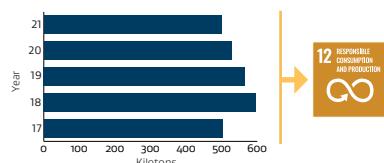
Through our energy efficiency drive, the Sasol Group has achieved a 22,75% improvement from 2005 until 2021, while our South African based Energy Operations achieved a 22,08% improvement against the cumulative target of 21% from 2005 to 2021, towards a 30% energy efficiency improvement target by 2030. The improvement is mainly due to an increase in net production volumes and more efficient use of utility energy.

#### Total water use



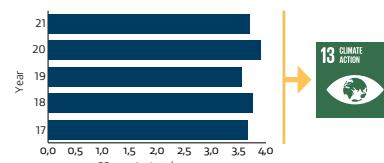
Our global water demand decreased by 3,2% due to the divestment of our United States' assets. Total water use decreased from 142,6 million m<sup>3</sup> in 2020 to 138,0 million m<sup>3</sup> in 2021. New water targets will be "context-based" and with the intention to focus on reducing the absolute volume of water used for production aligned with the 2015 baseline, without compromising production.

#### Total waste



Sasol's approach to waste management has undergone significant changes over the years in response to changing legislation and industry practices. The total waste generated decreased by 5,5% from 2020. Hazardous waste generation decreased from 33,3 kt in 2020 to 31,9 kt in 2021. We generated 180 kt of non-hazardous waste, down from 195 kt in 2020.

#### Greenhouse gas intensity

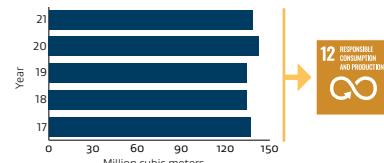


Our greenhouse gas intensity (tCO<sub>2</sub> e per ton of production meant for external sale) decreased to 3,69 in 2021 from 3,90 in 2020.

### Managing our environmental matters



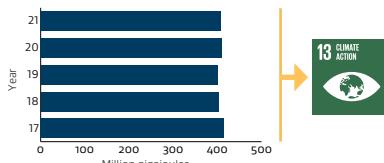
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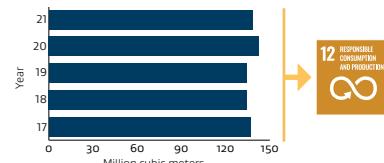
#### Total energy used



Through our energy efficiency drive, the Sasol Group has achieved a 22,75% improvement from 2005 until 2021, while our South African based Energy Operations achieved a 22,08% improvement against the cumulative target of 21% from 2005 to 2021, towards a 30% energy efficiency improvement target by 2030. The improvement is mainly due to an increase in net production volumes and more efficient use of utility energy.



#### Greenhouse gas intensity

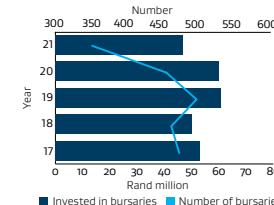


Our greenhouse gas intensity (tCO<sub>2</sub> e per ton of production meant for external sale) decreased to 3,69 in 2021 from 3,90 in 2020.



### Growing and developing our people

#### Bursaries granted



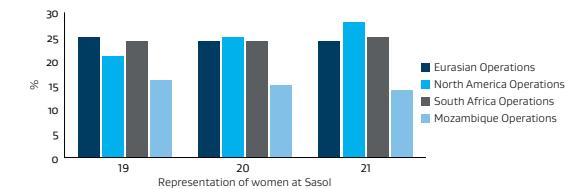
We continued awarding bursaries to top performing undergraduate and postgraduate students globally to secure and develop a critical talent pipeline of the future. During 2021, we invested R46,7 million and reduced our bursary pool\* from 455 to 352.

\* Excludes Sasol Global Foundation bursaries.

#### Gender diversity (%)

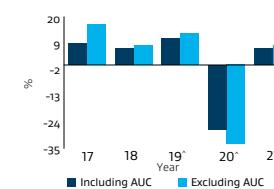


During 2021, we enhanced our diversity and inclusion focus further by specifically redefining our global diversity and inclusion approach, with more emphasis on inclusion. Female representation at Vice President and Senior Vice President layer increased by six. We continued with the execution of our diversity-10-point-plan which provides a set of qualitative measures designed to enable the achievement of our diversity objectives, including the recruitment, development and retention of candidates from under-represented groups as well as measures to enhance gender equity in South Africa.



### Financial risk and balance sheet management

#### Return on invested capital (ROIC)

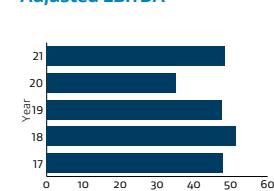


The Group's ROIC for 2021 was impacted by the impairment of assets in Sasol's South African businesses. Notwithstanding, ROIC for 2021 improved from 2020 as a result of higher earnings mainly due to improved gross margin, movement in translation gains, gains on derivatives and hedging activities and lower impairments. The decrease in ROIC in the prior year was attributable to significant impairments in 2020, and a softer macroeconomic environment affecting demand, exacerbated by the COVID-19 pandemic.

\* Excludes the ramp-up of the LCCP.

### Financial risk and balance sheet management

#### Adjusted EBITDA<sup>+</sup>

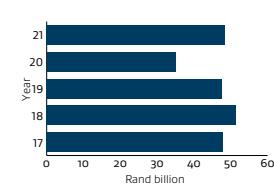


Adjusted EBITDA improvement was attributable to higher gross margin, supported by the combined impact of higher Brent crude oil and chemicals prices, offset by a stronger rand/US dollar exchange rate despite the continued impacts of the COVID-19 pandemic and adverse weather events.

\* The comparative year numbers have been restated as per the revised alternative performance measures as defined in the analyst book.

### Financial risk and balance sheet management

#### Core headline earnings per share<sup>\*</sup>

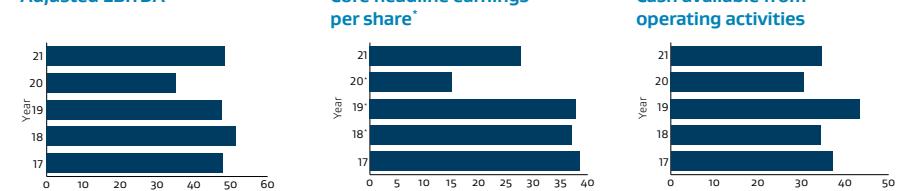


Our core headline earnings per share increased mainly due to an improved macroeconomic environment, higher oil and chemicals prices, which offset the impact of COVID-19 and weather related events on our operations.

\* The comparative year numbers have been restated as per the revised alternative performance measures as defined in the analyst book.

### Financial risk and balance sheet management

#### Cash available from operating activities



Cash available from operating activities increased from R30,6 billion in 2020 to R34,5 billion in 2021. This is attributable mainly to higher cash generated from operating activities, lower finance cost paid and lower tax paid due to the United States COVID-19 tax relief initiative.

## Strategically managing our Group top risks

In preserving and creating value we proactively manage risks and capitalise on the opportunities in our operating environment, leveraging input from our stakeholders.

In 2021 we faced various challenges, including the impact of both COVID-19 and macroeconomic volatility on our business. We worked to mitigate these risks and focused on containing costs, easing pressure on the balance sheet and addressing environmental concerns to reposition the Group for a sustainable future. Changes in our operating context, strategy and operating model necessitated the revision of our Enterprise Risk Management framework, which aims to enhance our ability to respond to longer-term sustainability risks and bolster our resilience.

### Our Enterprise Risk Management process

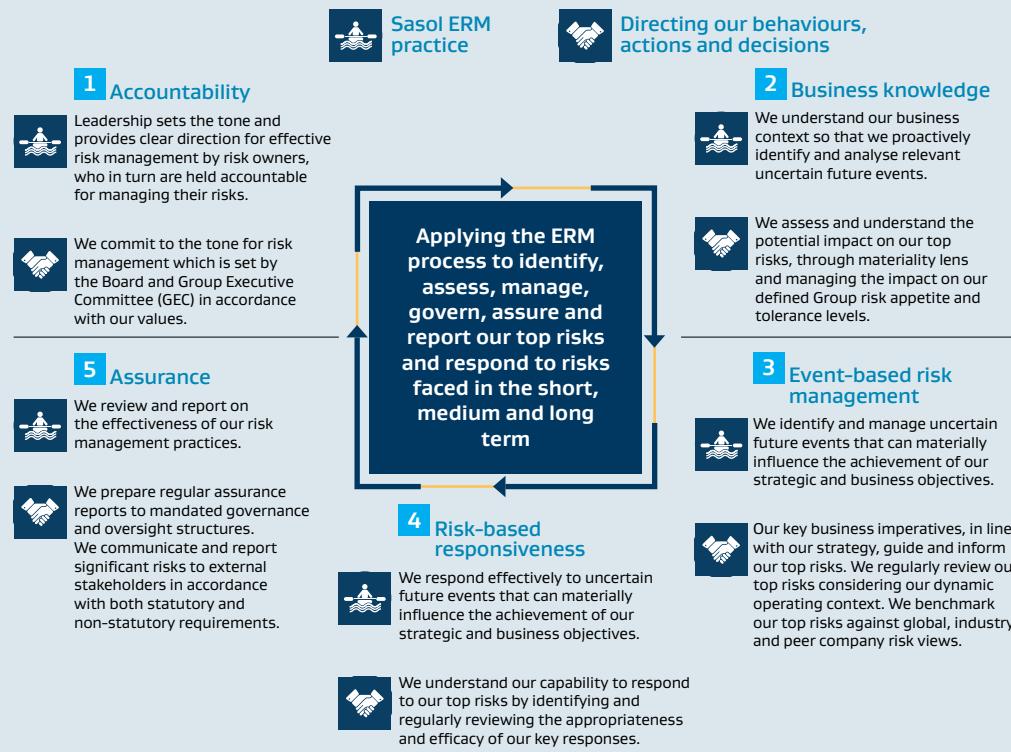
Our process, principles and practices help us deal with uncertainty by minimising any downside potential and capitalising on the upside potential of those issues that affect our business objectives. Our Enterprise Risk Management (ERM) process focuses on ensuring the adequacy, appropriateness and effectiveness of our key responses to mitigate potential significant business impacts and ensure that we deliver on our targets.

The ERM process is enabled through our risk management fundamentals which direct all risk management behaviours, actions and decisions and are implemented in accordance with our values. Integrated into day-to-day decision-making, these fundamentals provide the foundation of effective risk management.

Sasol's ERM Framework (Framework) has been independently assessed to confirm alignment with various external frameworks, including King IV™, ISO31000 2018 and COSO 2017 ERM. In addition, we take care to institute and document regular reviews of the Framework so that it remains in accord with best practices for corporate risk management. The Board's vision for Sasol's commitment to risk oversight, ethics and avoiding compliance failures is set out clearly in the Framework and communicated throughout the organisation.

### Our ERM fundamentals

Our risk management process is iterative and applied in a dynamic operating context



### Managing our Group risk appetite and tolerance

We proactively manage risks within set Group risk appetite and tolerance levels.

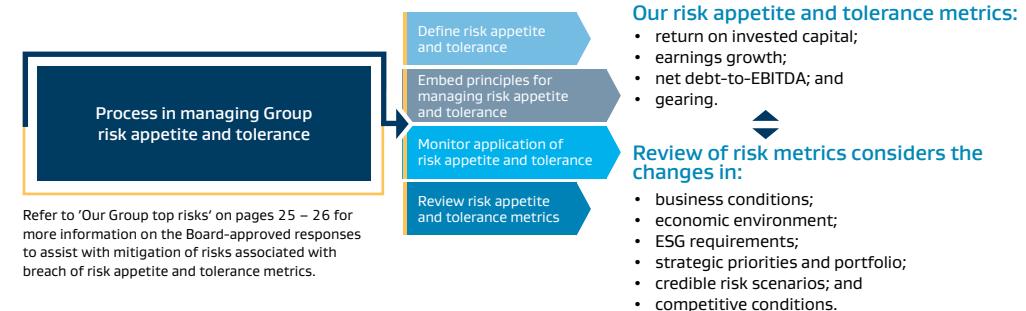
#### Risk appetite:

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

#### Risk tolerance:

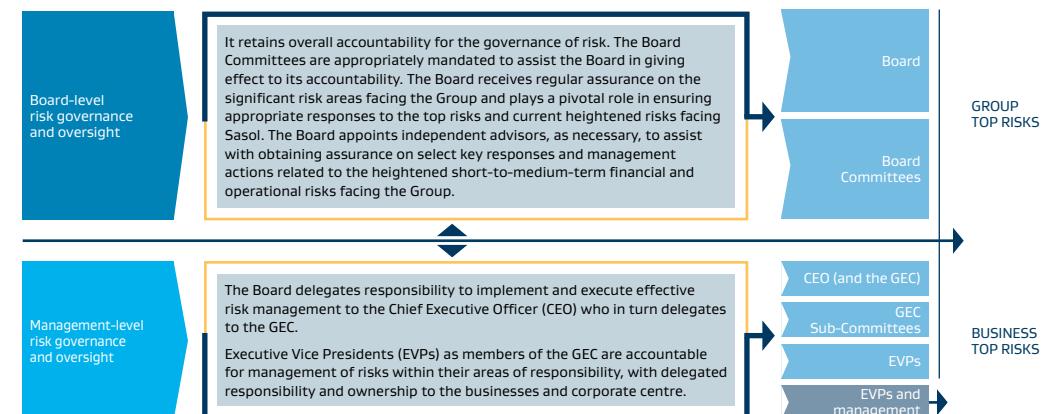
Level of uncertainty we are prepared to accept. It identifies the maximum boundary, beyond which we are unwilling to operate.

In the short- to medium- term we anticipate that we will continue to operate with risk appetite metrics outside tolerance levels. We are actively managing exposures related to debt covenant breaches and implementing key responses aimed at deleveraging the balance sheet.



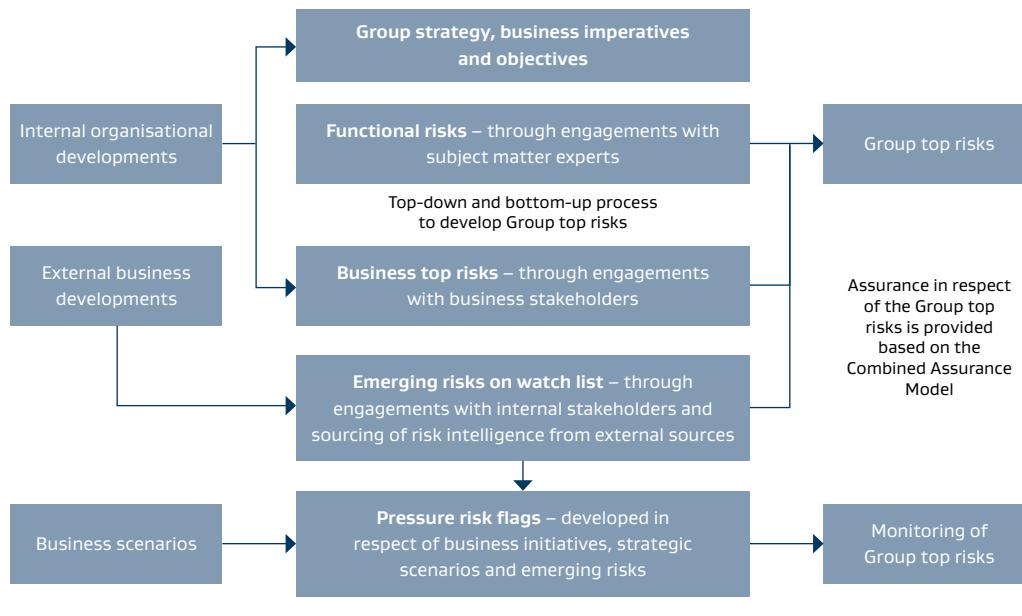
### Governance and oversight of risk management

The Board's and management's risk, assurance and reporting responsibilities are informed by our Risk Policy, Board Charter, governance framework and King IV™ requirements. We enhanced governance, in line with Sasol 2.0 transformation programme, through reviewing and updating Board and management Committees' terms of reference with respect to the governance of risk.



## Strategically managing our Group top risks (CONTINUED)

Sasol's Group top risks are continuously managed, monitored and reviewed as aligned with the Group's business imperatives considering our materiality lens, our material matters, top priorities, sustainability focus areas and the six capitals. The review of our Group top risks are 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.



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

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

Theme	Potential areas impacted	Business response
Global security incidents (eg cyber threats)	Information security eg in the areas of Information Technology (IT)/Operations Technology (OT) Cyber Security Programme	Our cyber security structures providing integrated Information Technology (IT)/Operations Technology (OT) end-to-end monitoring support
Stakeholder activism (eg shareholders, activists and NGOs)	Increasing pressure from NGOs, activists and shareholders to force their resolutions on Board composition, environmental, social and governance (ESG) requirements and financial performance	Various initiatives to address stakeholders' concerns
Geopolitical threats	Insurgence activity in Mozambique which may potentially cause major business interruption	Participation in multi-stakeholder forums and initiatives to assess the posed risk

Our Group top risk themes are linked to key business imperatives, supporting our sustainability intent and triple-bottom-line outcomes. They are also connected to our material matters and how we use the six capitals to preserve and create shared value.

MM	Safety	People	Decarbonising	Trust	Sasol 2.0
Key business imperatives		Group top risk themes	Group top risks	Key responses	
Business sustainability and earnings growth	Financial	Includes risks associated with: - macroeconomic factors impacting key business drivers; - volatile commodity prices and exchange rates; - short-term cost increases; - credit rating downgrades; - liquidity; - solvency; - gearing; - going concern; - debt covenant breaches; and - tax liability and exposure (includes carbon tax).		<ul style="list-style-type: none"> <li>Group financial market risk management policy, processes and frameworks (includes hedging)</li> <li>Sales and operations planning processes</li> <li>Group assumptions, budgeting, forecasting and scenario analysis processes</li> <li>Sasol 2.0 full potential initiatives</li> <li>Global tax strategy and management</li> <li>Management of relationships with lenders, credit rating agencies and tax authorities</li> </ul>	
Safety and operational		Includes risks associated with: - process safety; - occupational safety; - occupational health and product safety incidents; and - various risks that could result in unplanned operational and reliability interruptions.		<ul style="list-style-type: none"> <li>Zero harm SHE philosophy</li> <li>HSE management and fatality prevention programmes</li> <li>Process safety, occupational safety, occupational health, environmental and product stewardship management systems</li> <li>SHE risk management and incident management</li> <li>One Sasol SHE Excellence Approach: each business to evolve its own SHE governance</li> <li>Sasol Operations Management System including asset management</li> <li>Critical assets, extreme weather, natural disaster, feedstock, supply chain and utility interruption set of key responses and processes</li> <li>Insurance as a risk transfer mechanism</li> <li>Group crisis management, emergency response and contingency planning</li> </ul>	
Business sustainability and earnings growth	Legal, regulatory and governance	Includes risks associated with: - legal compliance in multiple jurisdictions; - adherence to corporate governance requirements; - changing policy and regulatory requirements in multiple jurisdictions; and - challenges with regards to delivery on environmental commitments.		<ul style="list-style-type: none"> <li>Multi-disciplinary compliance programmes</li> <li>Sasol's Code of Conduct</li> <li>Annual compliance certification</li> <li>Annual compliance and governance training and awareness</li> <li>Due diligence processes and screening tools</li> <li>Governance policy, standards and procedures, including disclosure controls</li> <li>Adherence to listing requirements</li> <li>Monitor developments in policy, legislative and regulatory landscape to understand the impact on our business</li> <li>Proactive engagement with stakeholders to make appropriate disclosures</li> <li>Deliver on committed environmental roadmaps and offset programmes</li> </ul>	
Information management		Includes risks associated with: - information and cyber security threats including business operations outages as well as a force majeure.		<ul style="list-style-type: none"> <li>Information security controls, maturity roadmap, training and awareness</li> <li>Monitor global cyber landscape to identify, detect protect and respond to and recover from cyber breaches</li> <li>Global information security management process</li> <li>Information technology security continuity plans</li> <li>Execution and monitoring of critical Operations Technology (OT) security controls and remediation of weaknesses identified</li> <li>Simulation exercises that are aligned with global threat landscape confirmed</li> </ul>	

## Strategically managing our Group top risks (CONTINUED)

Key business imperatives	Group top risk themes	Group top risks	Key responses
Long-term business viability	Capital investment	<p>Includes risks associated with:</p> <ul style="list-style-type: none"> <li>- project performance (cost, schedule and quality) driven by both internal delivery risks and risks arising from unexpected changes in the external environment;</li> <li>- capital project portfolio; capital allocation; and</li> <li>- capital availability; and capital structuring.</li> </ul>	<ul style="list-style-type: none"> <li>• Capital Project Excellence Programme</li> <li>• Phased de-risking and governance through the decision-enablement stage gate methodology</li> <li>• Projects and engineering standards</li> <li>• Update and track delivery on key investment parameters</li> <li>• Regular status review of capital projects</li> <li>• Continuous learning practices</li> <li>• Capital allocation strategy and principles</li> <li>• Asset review and classification processes</li> <li>• Disciplined and value accretive capital allocation strategy</li> <li>• Energy and Chemicals Businesses responsible for keeping the capital project pipeline full and improving optionality to grow the portfolio</li> </ul>
	Geopolitical	<p>Includes risks associated with:</p> <ul style="list-style-type: none"> <li>- operating in a range of countries and regions, with varying geopolitical, socio-economic and developmental landscapes, as well as civil unrest.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor socio-economic developments and geopolitical events in host countries</li> <li>• Regular engagements with host governments, local authorities, communities, non-governmental organisations (NGOs), customers and suppliers</li> <li>• Group crisis management, emergency response and contingency planning</li> <li>• Country risk analysis</li> </ul>

Key business imperatives	Group top risk themes	Group top risks	Key responses
Employee value proposition	People	<p>Includes risks associated with:</p> <ul style="list-style-type: none"> <li>- our ability to ensure an enticing employee value proposition;</li> <li>- retaining and attracting required skills;</li> <li>- maintaining a high-performance culture anchored in our values and ethics, with high levels of engagement and productivity;</li> <li>- ensuring diversity globally;</li> <li>- managing organisational change;</li> <li>- ensuring good labour relations (includes labour actions or disruptions);</li> <li>- changing workplace dynamics post COVID-19; and</li> <li>- new norm/future workforce.</li> </ul>	<ul style="list-style-type: none"> <li>• Integrated talent management strategies, framework, principles and standards</li> <li>• Competitive remuneration, employee value proposition, rewards and benefit frameworks and policies</li> <li>• Employee attraction, retention, development and succession processes and programmes</li> <li>• Culture transformation journey</li> <li>• Code of Conduct and value system</li> <li>• Employee wellbeing programmes</li> <li>• Employee engagement surveys and benchmarking</li> <li>• Proactive engagement with organised labour</li> <li>• Develop a workplace of the future strategy – working from home and hybrid model</li> <li>• Develop a digital platform to remotely manage employees' working hours, productivity, wellbeing, performance management and remuneration</li> </ul>
Key business imperatives	Group top risk themes	Group top risks	Key responses
Stakeholder impact	Stakeholder	<p>Includes risks associated with:</p> <ul style="list-style-type: none"> <li>- being a credible stakeholder partner with a good reputation;</li> <li>- managing stakeholder relations across a broad spectrum of key stakeholders;</li> <li>- upholding human rights;</li> <li>- delivering on commitments; and</li> <li>- meeting transformation and local content objectives.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular engagement with key stakeholders</li> <li>• Tracking delivery on stakeholder commitments</li> <li>• Reputation management programme</li> <li>• Social investment programmes</li> <li>• Customer and supplier relationship management</li> <li>• B-BBEE ownership targets and meeting industry-specific charters</li> <li>• Enterprise and supplier development and preferential procurement</li> <li>• Diversity, employment equity, skills development and social development plans</li> <li>• Local content strategies and plans in all our regions</li> </ul>
COVID-19 is considered to be a systemic risk and impacts all key business imperatives	COVID-19	<p>Include risks associated with:</p> <ul style="list-style-type: none"> <li>- the impact of the COVID-19 pandemic on people, business, operations and markets including extended pandemic impacts on ability to operate and responding to lockdown market impacts.</li> </ul>	<ul style="list-style-type: none"> <li>• People-centric responses including social distancing; health and hygiene practices; personal protective equipment; testing and screening; and contact tracing</li> <li>• Compliance programmes</li> <li>• Scenario analysis</li> <li>• Business continuity assessments</li> <li>• Sasol for Good initiatives</li> <li>• Dedicated COVID-19 response task team and a vaccination task team</li> </ul>



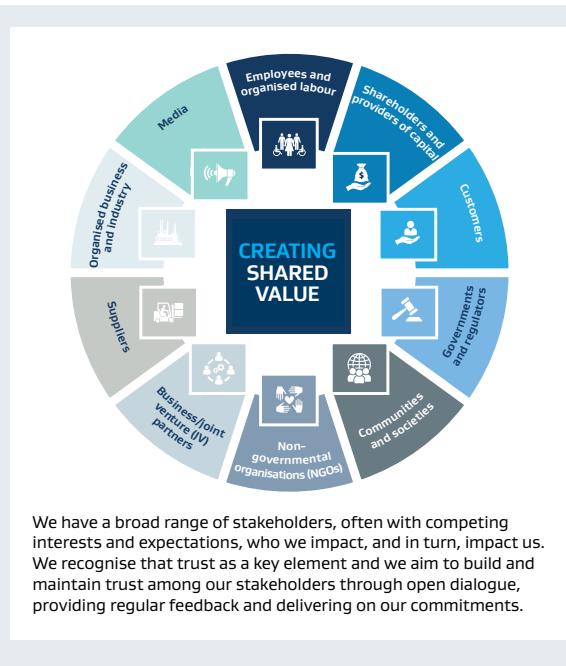
## Engaging with stakeholders to deliver shared value

Our aim is to be a credible partner in creating sustainable shared value. Meaningful partnerships and engagements with relevant stakeholders enable the fulfillment of our strategic objectives.

Our approach to stakeholder engagement is to be transparent, deliver on our promises and co-develop sustainable solutions with stakeholders.

The role we play in the regions in which we operate is conducted bearing our sustainability approach in mind.

As the world prepares for transitioning to a lower-carbon world, we understand and support the need for a just transition process in minimising adverse impacts on our stakeholders.



### The most significant issues of our stakeholders

We endeavour to meet our commitments by being responsive and solutions-focused. We identify, assess and monitor stakeholders' expectations together with significant issues that could have a bearing on our operations and strategy. We track and provide regular feedback on our commitments and the issues that stakeholders raise.

MM	Safety	People	Decarbonising	Trust	Sasol 2.0
<ul style="list-style-type: none"> <li>Fatalities</li> <li>Safety performance</li> <li>High-severity injuries</li> <li>Occupational health</li> <li>Long-term impact of COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>Diversity</li> <li>Equity and inclusion</li> <li>Driving gender equality globally</li> <li>Employee value proposition</li> <li>Delivering shared value</li> <li>Incentives linked to ESG objectives</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency improvement</li> <li>GHG emission reduction</li> <li>Water stewardship</li> <li>Air quality improvement</li> <li>Plastic waste management</li> </ul>	<ul style="list-style-type: none"> <li>Rate of return on invested capital</li> <li>Management of key financial indicators:               <ul style="list-style-type: none"> <li>Debt to equity ratio</li> <li>Net debt to EBIDA ratio</li> <li>Dividend payment</li> <li>Project financing</li> <li>Loan covenants</li> <li>Capital allocation</li> </ul> </li> <li>Prosperity of society</li> </ul>	<ul style="list-style-type: none"> <li>Liquidity and generating cash through asset disposals</li> <li>Ability to service debt</li> <li>Growing and retaining value while decarbonising</li> </ul>	

## Employees and organised labour



28 949 employees

### Value shared

R34 billion  
in wages and  
benefits

over 3 000  
employees  
registered to  
volunteer to causes

Refreshed  
**Purpose**  
and  
**Values**

Launched  
**'I Care'**  
campaign

### Why we engage

Enhancing our relationship with employees and organised labour is critical for our business. We are committed to continuously improving our employee value proposition, strengthen engagement and improve productivity.

### Issues raised

- Safety, job security, fair pay and the impact of COVID-19.
- Group's strategic direction including addressing climate change.
- Support volunteering and participation in social development initiatives.

### Our response

- Refreshed our purpose and set our path to Future Sasol.
- Safety remained a core value and top priority.
- Adhered to and complied with all laws and upheld human rights.
- Reinforced our commitment to uphold and respect human rights in terms of our Human Rights Policy through various communication channels. Implemented a three-phase Business and Human Rights programme.
- Implemented measures to contain spread of COVID-19.
- Ensured employees were treated with care and compassion during our workforce transition.
- Established Ntsika entrepreneurship programme to assist unplaced South African-based employees.
- Updated policies to facilitate flexible working arrangements.
- Held regular CEO engagements across various channels.

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



## Engaging with stakeholders to deliver shared value (CONTINUED)

### Customers



**407** Retail Convenience Centres  
More than **7 500** chemicals customers in over **120** countries

### Value shared

Delivered **54,2 million** barrels of liquid fuels

Sold **58,3 bscf** natural and methane rich gas in South Africa

Supported product stewardship

Delivered more than **7,2 million** tons of chemical products

### Shareholders and providers of capital



**153 723** Beneficial owners of Sasol ordinary shares  
**202 043** Beneficial owners of Sasol BEE ordinary shares\*

\* Ownership restricted to qualifying Black persons.

### Value shared

**R39,53** headline earnings per share

**R152 billion** equity

**61,5%** gearing

Committed to transitioning to **Net Zero** by 2050



### Why we engage

Our customers are core to our business. Being customer-centric means being responsive to their needs and expectations, delivering exceptional service and improving overall customer experience.

#### Issues raised

- Environmental impact of our processes, sustainability and circular economy.
- Consistent and predictable delivery of high quality products.
- Competitive and fair pricing.
- Strategic direction.

#### Our response

- Ensured business is conducted with ease and adapting to new ways of working.
- Efficient delivery of products during challenging times.
- Maintained constructive and transparent engagements understanding customer needs and meeting their expectations.
- Worked with customers on the development of sustainable products.
- Improved our customer experience and offerings with enhanced on-line and digital applications.
- Strengthened our climate change targets and ambition.
- Refreshed our Purpose and set our path to Future Sasol.

### Governments and regulators



Governments and regulatory authorities  
Johannesburg Stock Exchange and New York Stock Exchange

### Value shared

**R6,6 billion**

in direct taxes in South Africa

**R16,4 billion**

re-invested globally to grow and sustain operations



### Why we engage

Engaging with governments and regulators presents opportunities to enhance our relationships, secure our licence to operate, advance mutually beneficial key commercial objectives and contribute to national policy formulation.

#### Issues raised

- Compliance with relevant legislation.
- Operate safe and stable facilities in an environmentally compliant manner.
- Play an active role in responding to COVID-19 pandemic.
- Support national, provincial and local agendas.
- Contribute to and champion South Africa's just transition.

#### Our response

- Complied with applicable legislation, including environmental obligations.
- Set our path to Future Sasol.
- Safety and reliability of operations.
- Strengthened our climate change targets and ambition.
- Supported country-specific priorities including containing the spread of COVID-19.
- Constructively minimised impacts of restructuring on employment.

### Communities, societies and non-governmental organisations (NGOs)



Citizens of the countries in which we operate  
Fenceline communities  
Suppliers  
NGOs

### Value shared

**R1,2 billion**

invested in skills development

**R526,2 million**

invested in corporate social investment

Maintained our integrated response to COVID-19



### Why we engage

Business sustainability is dependent on the relationship we build with the communities and societies in which we operate and the contribution we make to societal upliftment.

#### Issues raised

- Strategic direction including our environmental impact.
- Impacts of Sasol 2.0 transformation programme.
- Contributing to improving community quality of life including support to limit the spread of COVID-19.
- Enabling sustainable economic transformation.
- Our corporate social investment approach and criteria for funding community projects.

#### Our response

- Set our path to Future Sasol.
- Strengthened our climate change targets and ambition.
- Established the Centre for Shared Value Management.\*
- Implemented measures to contain spread of COVID-19.
- Continued with a multi-pronged approach to social investment.



## Our response to COVID-19

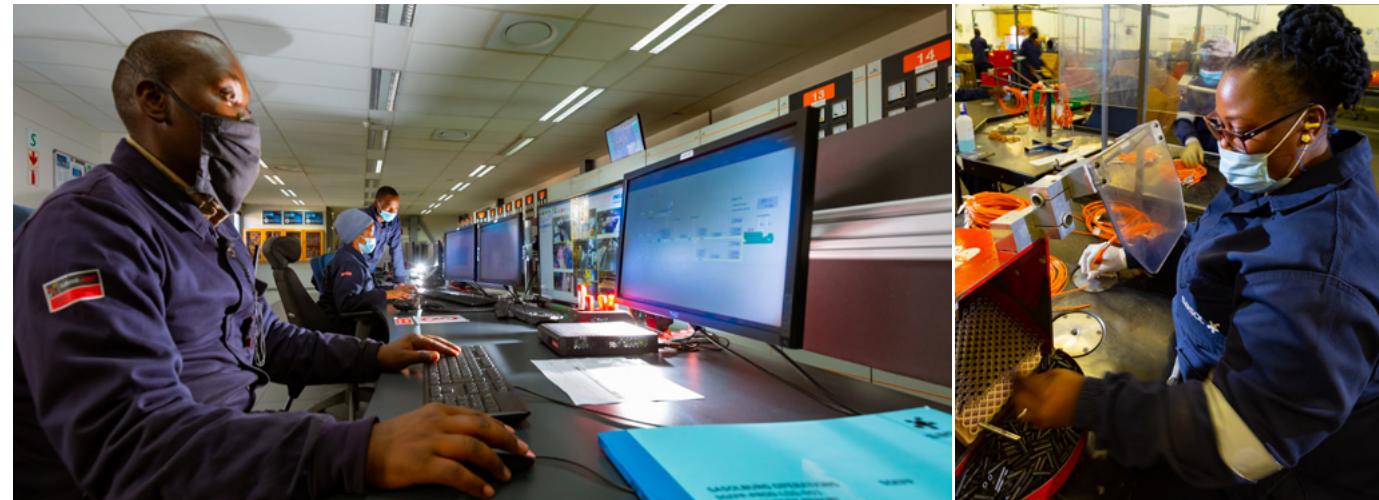


**COVID-19 uncertainty continues across the world, with new waves of the virus affecting many countries in particular those where vaccination rates are still low. We constantly assess various scenarios that could potentially threaten operational and business continuity and partner with and support our stakeholders in an effort to flatten the infection rate curve.**

Our COVID-19 framework guides our responses as well as work to reduce our risk exposure. We continue to prioritise the health and safety of our employees, fenceline communities and customers while ensuring that effective business continuity plans are in place so that we can operate and meet the needs of our customers.

In 2020, we launched an integrated response to COVID-19 that prioritised activities to ensure the stability and safety of our operational facilities, the continuity of service providers and secure working from home arrangements. We established a group-wide COVID-19 response team, representing a number of functions, and mandated it to oversee and coordinate our various undertakings in support of our many stakeholders.

**As cases of the highly infectious COVID-19 continue to spike and then recede as the virus mutates, the extraordinary measures put in place to contain infection rates and avoid a human catastrophe have to remain in place.**



### EMPLOYEES AND ORGANISED LABOUR

Through various controls, we aim to provide a safe work environment and mitigate the risk of the spread of the virus in our offices and facilities. We continue to encourage those employees who can work from home to do so and closely monitor the number of employees present at our operational sites, where special hygiene measures are in place and work schedules are designed to support social distancing. Through various campaigns, including regular CEO webcasts, we take a moment to reflect on the lives lost to COVID-19. Furthermore, we encourage employees to make use of the wellbeing and medical support services we offer.

We have several COVID-19 workplace risk assessments. These are implemented in line with the hierarchy of controls, policies and procedures prescribed in terms of relevant regulations. Using enabling technologies, we implement 'contact tracing' across all operations when a positive case is identified. This allows for an effective and speedy response to infections among our people.

Special measures are in place to support our vulnerable employees, who may carry a higher COVID-19 risk. We provide regular up-to-date information to relevant trade unions regarding our plans and control measures.

### GOVERNMENTS AND REGULATORS

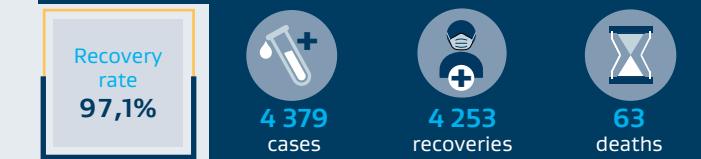
In South Africa, our partnerships include work with the national Department of Basic Education, the provincial Departments of Health, the local district command councils, local municipalities, as well as local chambers of commerce. We take part in the Business for South Africa initiative to address COVID-19-specific challenges, in supporting collaborative efforts with other businesses, government, trade unions and society – leveraging each other's expertise, resources and capabilities.

We support government-led vaccination initiatives and our medical centres in Sasolburg and Secunda have been accredited as vaccination centres to bolster the process.

Sasol endorses the benefits of COVID-19 vaccinations and encourages employees to be vaccinated. Furthermore, we recognise the voluntary and prioritised basis on which vaccines are being administered.

We issue regular communications to employees to create awareness of the booking details and hotline so that individuals who are registered on the government's Electronic Vaccination Data System can schedule their vaccinations.

At 30 June 2021



We assisted the South African Department of Science and Innovation and Department of Public Works and Infrastructure, the Department of Defence and the private sector by donating 10 000 litres of methanol and 600 kg of hydrogen monthly to be used at Pretoria's 1 Military Hospital as primary power source.

Given the impact of the macroeconomics and COVID-19 pandemic on business, we engaged constructively with SARS and made detailed submissions to secure tax relief provided for by the Disaster Management Tax Relief Bill.

## Our response to COVID-19 (CONTINUED)

### CUSTOMERS AND SUPPLIERS

#### Energy Business

We supported our retailers by offering a combination of extended credit terms and reduced rental for convenience stores.

Our retail network received COVID-19 starter packs to ensure forecourt teams had access to sanitisers, masks and gloves.

Our franchisees' Sasol Delight stores continued with monthly promotions, competitions and provided a 'social distancing' shopping experience.

Sasol extended financial relief to our liquefied petroleum gas customers.

In South Africa, to support livelihoods put at risk under the constrained economic conditions brought on by COVID-19, we improved payment terms for qualifying suppliers, settling invoices after 15 days.

### COMMUNITIES AND SOCIETIES

We recognise our duty to support those in need across our operating geographies and fenceline communities, most especially where socio-economic disparities are significant and communities are vulnerable. This relates particularly to Mozambique and South Africa. Sasol has demonstrated, through our integrated COVID-19 response initiatives, that our contributions have an impact in stemming the tide of COVID-19 through supporting national and local strategies to combat the effect of the pandemic.

Our efforts include the deployment of our mobile science labs to support mass screening and testing and the re-purposing of a number of our facilities in Secunda and Sasolburg to function as quarantine and treatment centres.

We made numerous donations in support of those at the frontline of the fight against the virus and to resource quarantine and medical facilities in and around our fenceline communities.

#### Chemicals Business

We provided an important chemical building block for COVID-19 vaccines. Our ISOCARB 16 is a Guerbet acid derived from our ISOFOL 16 alcohol and is a key ingredient in a unique lipid nanoparticle that creates a fatty layer of protection for the vaccine's active component, allowing safe transmission into the body's cells.

Our chemicals remained essential in the manufacture of COVID-19-related protection items, including alcohols and surfactants used in cleaning products and polypropylene used in personal protective equipment.

We ensured reliable supply of our chemicals by proactively moving product to storage facilities close to our customers and identified different channels to market, minimising potential logistical delays and bottlenecks.

In South Africa, we continued to support the high demand for hygiene products by partnering with Small, Medium and Micro Enterprises to produce a unique high purity ethanol blend which is suitable in the manufacturing of disinfectants and hand sanitisers. A significant portion of the blend was donated to fenceline communities.

### SUPPORTING VACCINATIONS

**We support the view that accelerated efforts in vaccination remains the best way to slow the pandemic, save lives, drive a truly global economic recovery and prevent further dangerous variants from surging around the globe.**



Sasol endorses the view that getting vaccinated against COVID-19 and following existing preventative controls, such as mask-wearing and social distancing are the best ways to protect oneself against COVID-19.

While we encourage employees to be vaccinated, we recognise that this decision remains at the employee's discretion, which is exercised without fear of discrimination or retaliation.

We have set up accredited vaccination sites at our medical centres at our Sasolburg and Secunda complexes for our employees and service providers.

**4 743 vaccinations**

**have been administered by end of July in South Africa**

#### Mozambique:

In March 2021, the Government of Mozambique initiated a COVID-19 vaccination programme with a prioritised rollout plan targeting workers in the health sector. To complement the initiative, a UNIVAX platform was created specifically to allow the private sector to purchase vaccines through the Mozambique Ministry of Health. Through this platform, the government encourages companies to procure vaccines and, as an offset, donate 10% of the acquired vaccines back to the government to supplement the national vaccination programme.

Through the UNIVAX platform, we accessed vaccines for our Mozambique stakeholders.

The Vilanculos, Temane and Inhassoro rural regions have limited access to healthcare and treatment facilities for COVID-19. Vaccinating employees and contractors, lead to an improved capability of saving lives and preventing increase in number of cases and serious hospitalisation.

By 30 June 2021, we had no active cases of COVID-19 infection among employees and we had trained medical staff to administer vaccinations.

**A vaccination promotion drive resulted in 1 300 stakeholders designated for vaccination. As at 9 August 2021, 85% of registered individuals had received first dose.**

**60% of our employees had received first dose.**

#### The United States:

The Medical Centre in Lake Charles administered 546 vaccines to 288 Sasol employees, service providers and family members. Fifty employees and family members were vaccinated at our Houston office. In early June 2021, no new cases had been recorded. All employees who contracted the virus had fully recovered and returned to work.

#### Eurasia:

- Germany:** Our head office and Marl site started with vaccinations and Brunsbuttel site began its rollout at the beginning of June.
- China:** By year end, more than 60% of workers had been vaccinated.
- Italy:** In Augusta, Terranova and Sarroch, the vaccination campaign was run in line with the Italian industrial zone approach.
- Slovakia:** The vaccination of the workforce took place via the national health care system.

## Solid governance instilling confidence

Sound corporate governance principles and practices are essential at Sasol. They are the cornerstone of our business and the foundation of our new strategy, supporting the delivery of Future Sasol.

### Corporate governance

As a values-based organisation, we are committed to the highest standards of business integrity and ethics in all our activities. The Board is responsible for the strategic direction and control of the Company and brings independent, informed and effective judgement and leadership to bear on material decisions reserved for the Board. The main focus of the Board is to ensure that strategy, risk, performance and sustainable development considerations are effectively integrated and appropriately balanced.

The Board ensures that Sasol is governed effectively in accordance with good corporate governance practice, appropriate and relevant non-binding industry rules, codes and standards, and internal control systems. The Board is satisfied that it fulfilled all its duties and obligations during the past financial year.\*

As a company listed on the Johannesburg Stock Exchange (JSE), and on the New York Stock Exchange (NYSE) for purposes of our American Depository Receipt programme, Sasol is subject to – and has implemented controls to provide reasonable assurance of its compliance with – all relevant requirements in respect of its listings.

The Board confirms that Sasol complies in most significant respects with the governance standards imposed on domestic United States' companies listed on the NYSE and that we apply all the principles of the King IV™ Report on Corporate Governance for South Africa 2016 (King IV™)\*. The Board further confirms that the Company is in compliance with the provisions of the Companies Act specifically relating to its incorporation and is operating in conformity with its Memorandum of Incorporation.

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

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

### Focusing on environmental, social and governance (ESG) matters

Aligned with the needs of our stakeholders, ESG matters remained a major focus for the Board and the Group Executive Committee (GEC) as reflected in the adoption of Sasol's new Purpose – Innovating for a better world – as well as the development of the new strategy.

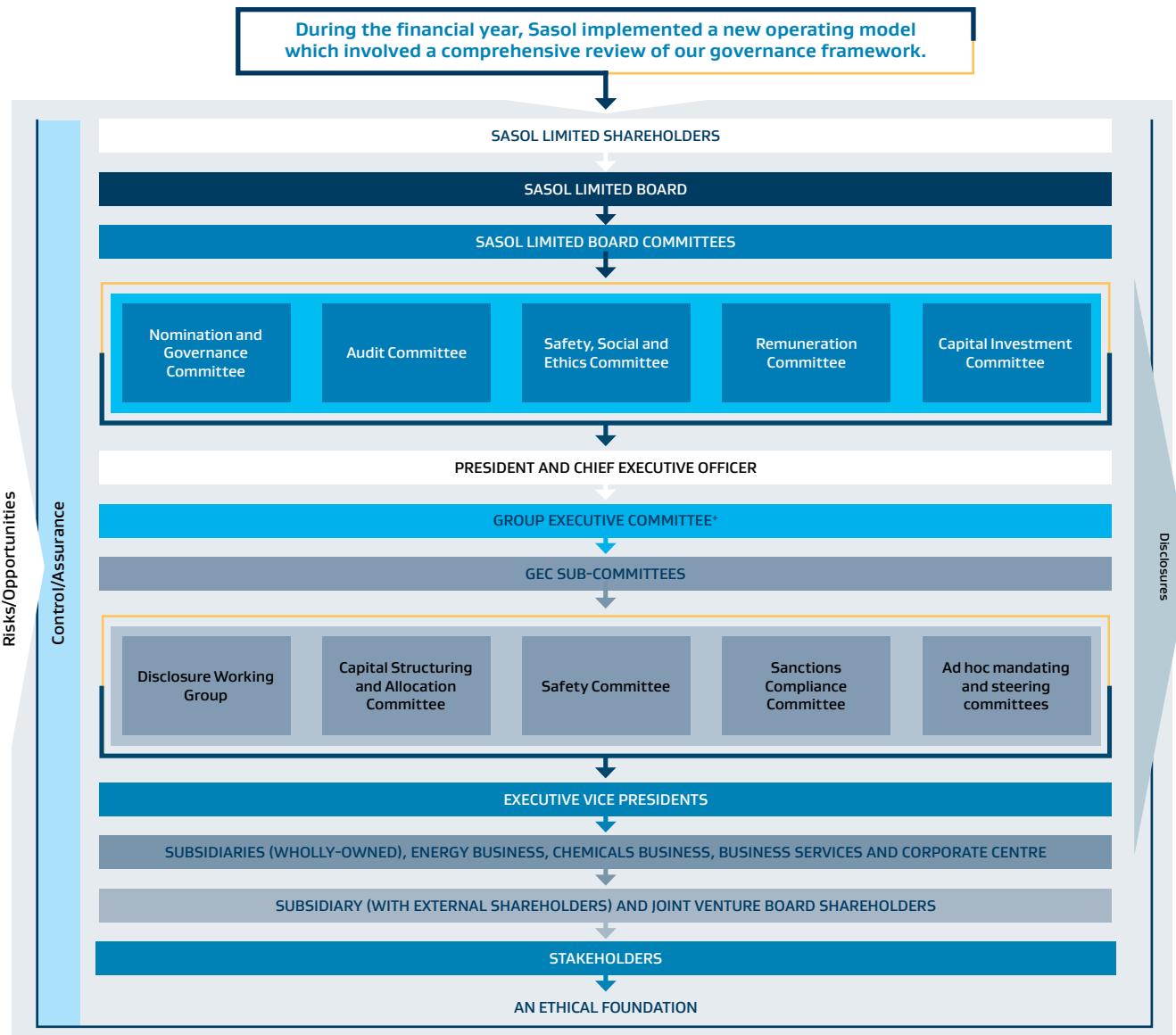
We continued to benchmark our ESG performance against that of our peers, noting that there was much work to be done over the short to medium term even though our performance and disclosure had been satisfactory and slightly above average in a number of areas. We are fully committed to implementing measures to improve our ESG performance.

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

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

### Governance structure

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



\* The Board appoints Group Executive Committee members on the recommendation of the President and Chief Executive Officer and the Nomination and Governance Committee.

## Solid governance instilling confidence (CONTINUED)

### Our Board

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



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

**Born/age:** 1954 (67) **Nationality:** South African  
**Qualifications:** BCom, BCom (Hons) (Economics), MBA  
Chairman of the Nomination and Governance Committee and member of the Remuneration Committee



**Fleetwood Grobler**  
EXECUTIVE DIRECTOR AND PRESIDENT AND CHIEF EXECUTIVE OFFICER (APPOINTED: 2019)

**Born/age:** 1961 (60) **Nationality:** South African  
**Qualifications:** BEng (Mech)  
Member of: Safety, Social and Ethics Committee; Capital Investment Committee



**Paul Victor**  
EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER (APPOINTED: 2016)

**Born/age:** 1972 (49) **Nationality:** South African  
**Qualifications:** BCompt (Hons), CA(SA), International Tax Law (Hons)  
Member of: Capital Investment Committee



**Vuyo Kahla**  
EXECUTIVE DIRECTOR (APPOINTED: 2019)

**Born/age:** 1970 (51) **Nationality:** South African  
**Qualifications:** BA, LLB  
Member of: Safety, Social and Ethics Committee; Capital Investment Committee

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



**Colin Beggs\***  
INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2009)

**Born/age:** 1948 (73) **Nationality:** South African  
**Qualifications:** BCom (Hons), CA(SA)  
Chairman of the Audit Committee and member of the Safety, Social and Ethics Committee  
\* Retired as director, chairman of the Audit Committee and member of the Safety, Social and Ethics Committee on 31 August 2021.



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

**Born/age:** 1958 (63) **Nationality:** British  
**Qualifications:** BSc (Mech Eng), MSc (Management), MBA  
Chairman of the Capital Investment Committee and member of the Safety, Social and Ethics Committee; Nomination and Governance Committee and Audit Committee



**Muriel Dube**  
INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2018)

**Born/age:** 1972 (49) **Nationality:** South African  
**Qualifications:** BA (Human Sciences), BA (Hons) (Politics), MSc (Environmental Change and Management)  
Chairman of the Safety, Social and Ethics Committee and member of the Capital Investment Committee



**Mpho Nkeli**  
INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2017)

**Born/age:** 1964 (56) **Nationality:** South African  
**Qualifications:** BSc (Environmental Science), MBA  
Chairman of the Remuneration Committee and member of the Safety, Social and Ethics Committee and Nomination and Governance Committee

### Governance in the time of COVID-19

The Board demonstrated ethical and effective leadership by continuing to guide Sasol through the uncertainties, risks and opportunities presented. The health of all our people remained paramount, and all the necessary adjustments required to safeguard them were addressed. Mindful of the challenges brought about by COVID-19 and Sasol's financial position, the Board resolved to extend until November 2021 the 20% Board fee sacrifice agreed to by Non-Executive Directors in May 2020.



**Manuel Cuambe**  
INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2016)

**Born/age:** 1962 (59) **Nationality:** Mozambican  
**Qualifications:** BEng, Post-graduate Certificate in Management Studies  
Member of: Capital Investment Committee; Safety, Social and Ethics Committee



**Kathy Harper**  
INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2020)

**Born/age:** 1963 (58) **Nationality:** American  
**Qualifications:** BSc (Industrial Management), MBA  
Member of: Audit Committee



**Nomgando Matyuma**  
INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2014)

**Born/age:** 1963 (58) **Nationality:** South African  
**Qualifications:** BCom, BCompt (Hons), CA(SA), LLB  
Member of: Remuneration Committee; Audit Committee



**Stanley Subramoney\***  
INDEPENDENT NON-EXECUTIVE DIRECTOR (APPOINTED: 2021)

**Born/age:** 1958 (62) **Nationality:** South African  
**Qualifications:** BCompt (Hons) (Accounting Science), CA(SA)  
Member of: Audit Committee  
\* Appointed as Director and member of the Audit Committee with effect from 1 March 2021.

In terms of our Memorandum of Incorporation, the Board shall consist of a maximum of 16 Directors. Up to five may be Executive Directors. One-third of Directors must retire at every Annual General Meeting and are eligible for re-election. The Board determined that it will comprise no more than 14 Directors at the end of the 2021 Annual General Meeting.

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

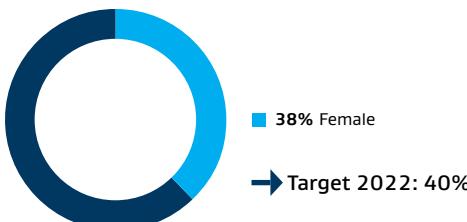
## Solid governance instilling confidence (CONTINUED)

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

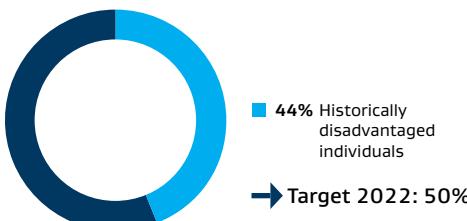
### Policy on diversity

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

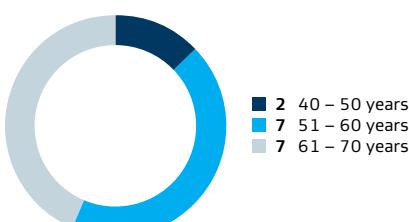
#### Female representation (%)



#### Historically disadvantaged individuals (%)



#### Age Years



### Tenure, independence and succession

All Non-Executive Directors are considered to be independent.

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

The Board also reconfirmed the independence of Messrs Colin Beggs (who retired on 31 August 2021), Moses Mkhize and Peter Robertson (who will both retire at the end of the 2021 Annual General Meeting on 19 November 2021). Their experience, knowledge and independent judgement continue to benefit the Company.

#### Tenure Years



#### Independence Directors



The Nomination and Governance Committee specifically considers the independence of Directors and their other commitments when they are first appointed, as well as annually, or at any other time when a Director's circumstances change and warrant re-evaluation. This is done to determine whether a Director has sufficient time to discharge his or her duties effectively and is free from conflicts that cannot be managed satisfactorily. Should the Nomination and Governance Committee be of the view that a Director is over-committed or has an unmanageable conflict, the Chairman will meet with that Director to discuss the resolution of the matter to the satisfaction of the Committee. The Nomination and Governance Committee is of the view that no Director is over-committed.

Board meetings take place at least quarterly, and more regularly as needed. The Board also meets twice a year to discuss strategy. For the reporting period, the Board held its quarterly meetings, a strategy meeting and six additional special meetings.

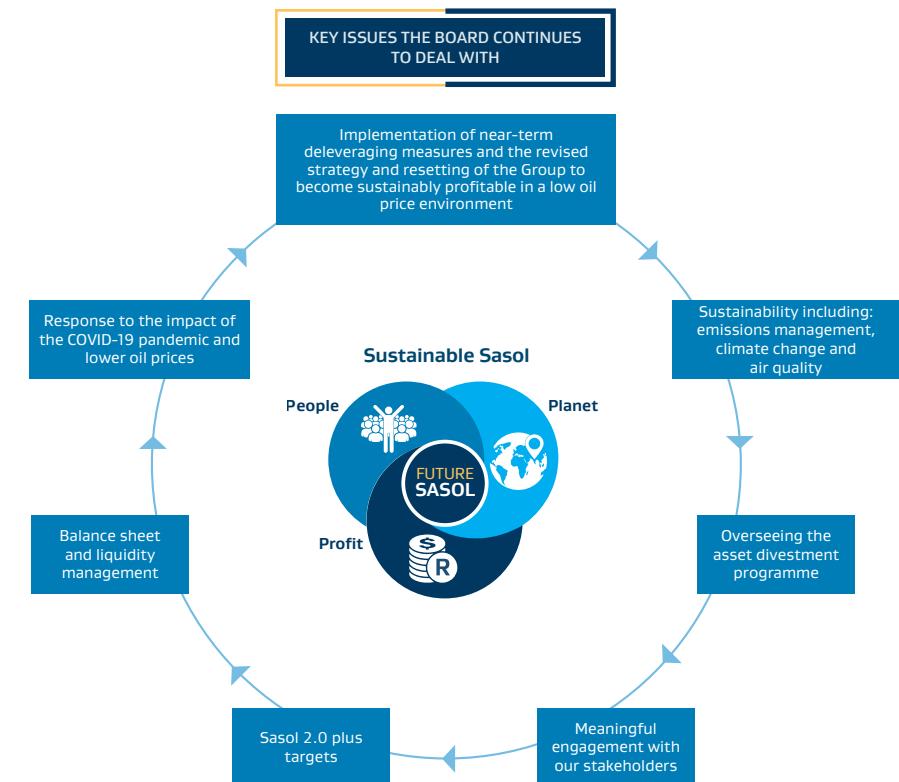
Number of meetings:

**11**

Attendance:

**99%\***

\* Attendance record: Due to prior commitments, Ms KC Harper could not attend two special meetings that had not been scheduled in advance.



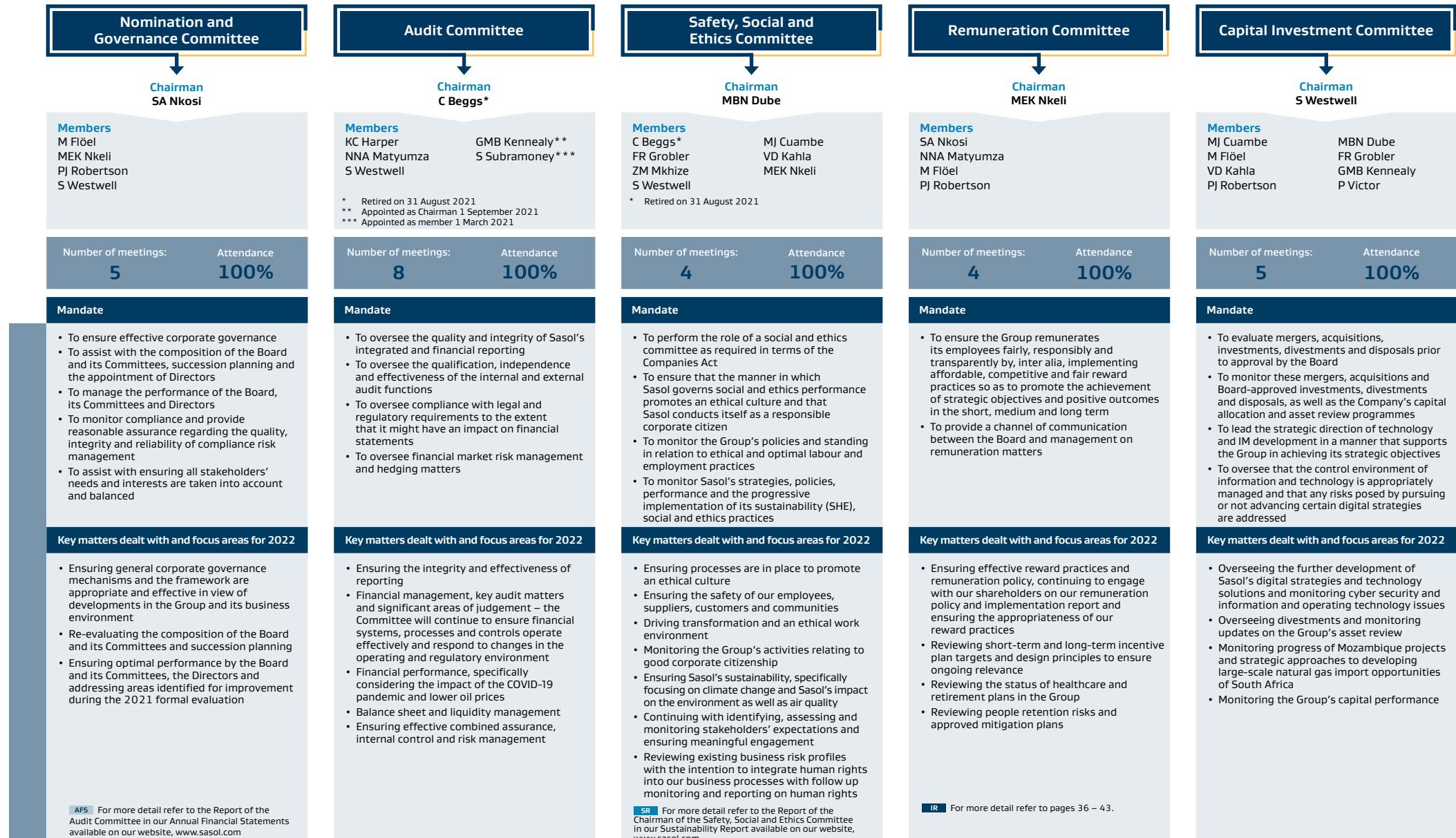
The Board Charter and Board Committees' terms of reference are reviewed annually to ensure they remain relevant and aligned with the Companies Act and other relevant regulatory requirements, King IV™ and governance best practices.

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

## Solid governance instilling confidence (CONTINUED)

### Our Board Committees

The Committees established by the Board play an important role in enhancing standards of governance and effectiveness within the Group. The terms of reference of the Board and statutory Committees form part of the Board Charter and are reviewed annually.



The complete terms of reference of the Committees are available on Sasol's website, <http://www.sasol.com/investor-centre/corporate-governance/board-charter>  
The CEO is not a member of the Audit Committee, Remuneration Committee and Nomination and Governance Committee but attends meetings by invitation. He is requested to leave the meeting, where appropriate, before any decisions are made that relate to him personally.

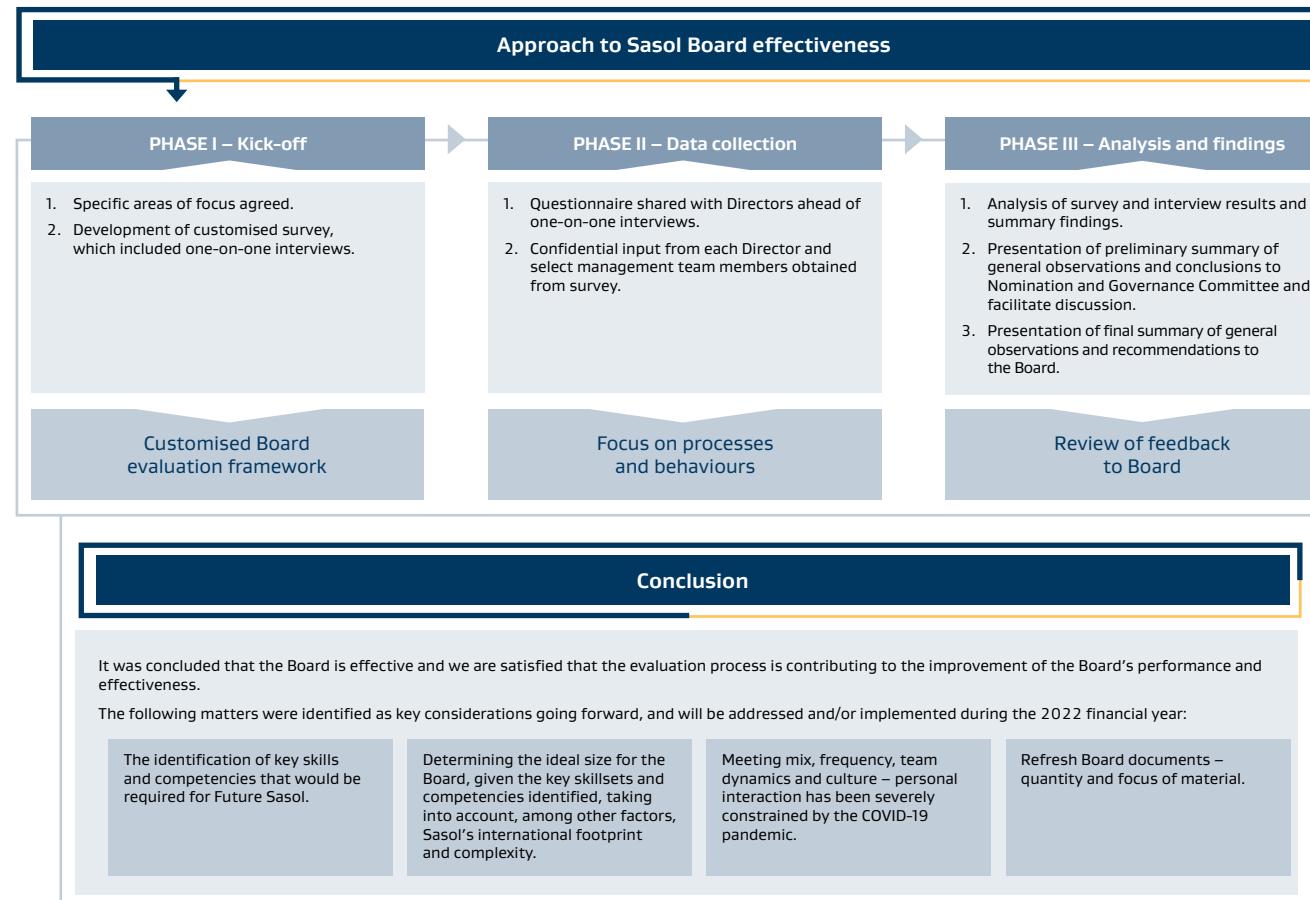
## Solid governance instilling confidence (CONTINUED)

### Board effectiveness

Newly appointed Directors are apprised of Sasol's business, their duties and responsibilities as Directors and are given the opportunity to visit Sasol's plants and operations. Unfortunately no plant visits could be conducted during the year due to COVID-19 restrictions. The development of industry and Group knowledge is a continuous process and Directors are briefed on legal developments and changes in the risk and general business environment on an ongoing basis.

The Board, its Committees and its Directors are entitled to seek independent professional advice concerning the Company's affairs and to gain access to any information they may require in discharging their duties as Directors.

**An external evaluation of the effectiveness and performance of the Board, its Committees, the Directors and the Chairman was conducted by a global management and leadership advisory firm.**



### The Company Secretary

The effective functioning of the Board is facilitated and supported by the Company Secretary. Ms Lucy Mokoka resigned and Ms Michelle du Toit was appointed as the Group Company Secretary of Sasol Limited with effect from 1 January 2021 in accordance with the Companies Act. She is not a Director of Sasol.

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

### Skills and experience of our Board

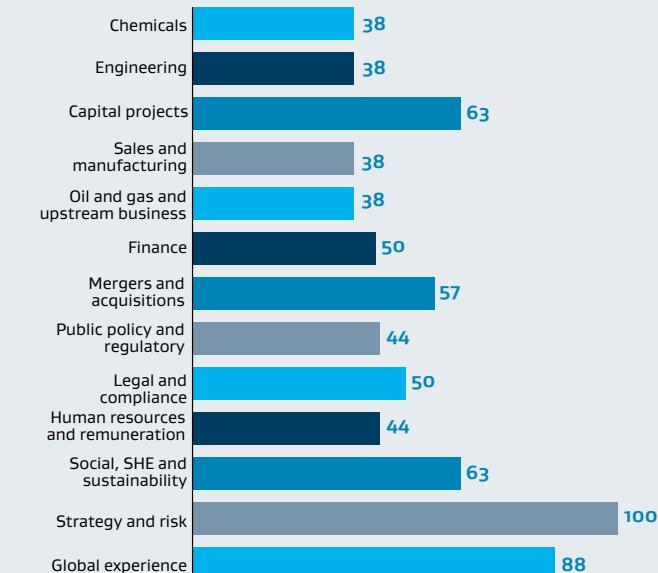
Creating an ethical culture and collective perspective is essential.

Our Directors must:

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

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

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



## Report of the Remuneration Committee



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

**Mpho Nkeli**  
Chairman of the Remuneration Committee

### KEY MESSAGES

- Strengthening the link between executive remuneration and the achievement of sustainability related targets
- Acting on shareholder feedback through the advisory notes at the Annual General Meeting (AGM)
- Reviewing our Remuneration Policy in the context of continual value creation for all stakeholders and our Future Sasol strategy
- Rewarding outcomes in the context of a volatile performance period

### Dear stakeholders

This report provides an overview of Sasol’s Remuneration Policy, the incentive targets that support the Group’s priorities as well as the reward outcomes for Executive Directors and Prescribed Officers informed by performance against targets.

It also details the feedback received from shareholders in 2021 and the actions the Committee took to address these, as well as the impact of COVID-19 on remuneration decisions. The past financial year has proven to be yet another challenging year due to the continued impact of COVID-19 on our employees, our customers, the communities in which we operate and the global economy. Although the demand for our products improved during the second half of the financial year, extreme weather events in the US Gulf Coast and in South Africa disrupted our operations during 2021. Despite these devastating impacts, our business results have steadily improved over the reporting period showing our resilience during adverse times. The Committee is grateful to all Sasol people for their support and understanding of actions taken in 2020 and for their focused delivery of our priorities in 2021.

### Focus areas in 2021

- Simplification of the short-term incentive (STI) formula with only one group incentive scorecard;
- Review of target incentive awards. Target long-term incentive (LTI) awards for the CEO and CFO were reduced;
- Extension of minimum shareholding requirements (MSRs) to Prescribed Officers;
- Review of the LTI plan design principles to include some restricted shares for Prescribed Officers and Executive Directors with a five-year vesting period;
- Review of all STI and LTI targets to align with Future Sasol priorities and include a holistic focus on sustainability matters;
- Review of the peer group to include a balance of South Africa listed companies, energy and chemicals companies that represent our product range of mining, chemicals, fuel and gas, geographical footprint and enterprise value;
- Delayed special salary adjustments for certain categories of employees; and
- Review of Non-Executive Director (NED) fee structure.

### Shareholder feedback

At our AGM in November 2020, support for the Remuneration Policy decreased to 71,46% from 83,37% in 2019. But more disappointing was the fact that only 43,21% of shareholder votes were in support of the non-binding advisory resolution on the Implementation Report, compared to 71,65% in 2019.

To address this sharp reduction in support, Sasol invited shareholders and the 40 largest investors to meet with me to discuss their concerns and reasons for their dissenting votes. I am grateful for the time that many of our investors devoted to these meetings, for their transparent feedback and suggestions, certain of which are reflected in policy changes that the Committee subsequently made, remaining mindful of the impact of its decisions on all stakeholders.



Details of the policy changes are in the policy section of this report. The following table summarises the concerns raised as well as Sasol’s responses:

Shareholder concerns	Sasol’s responses
• STI and LTI targets not directly related to the reduction of GHG.	We will improve our climate change targets as we implement projects that will directly reduce emissions. These projects will align with our climate change roadmap and our Net Zero emissions ambition for 2050. See specific STI and LTI targets linking Executive remuneration to ESG measures in the FY22 variable pay plans detailed on page 40.
• The peer group used for remuneration benchmarking does not include enough chemicals companies or South African-listed entities.	We again reconsidered the peer group and have approved a combination of JSE listed, chemicals and energy companies.
• STI targets should continue to be relevant as the business transitions to the Future Sasol strategy.	The Committee annually reviews the STI and LTI targets to ensure ongoing relevance as well as appropriate stretch to incentivise achievement across a range of financial and non-financial targets which are informed by the Group’s key priorities ensuring value creation for our stakeholders.
• ROIC should be reconsidered as a LTI target.	We will reconsider the use of ROIC as we annually review all targets in our LTI plan. For FY22, we believe that return on capital invested into large scale projects is still an appropriate metric.
• NED fees are too high in relation to the Company’s market capitalisation.	We revised the fee structure for NEDs. This will be tabled for shareholder approval at the 2021 AGM.
• Mutual separation packages agreed to for previous Joint-CEOs.	The Board had considered the terms of the mutual separation agreements with the Joint-CEOs to have been appropriate in the circumstances; however, understands and acknowledges the views of shareholders on this matter.

### COVID-19 and its impacts

Tragically, by 30 June 2021, 63 Sasol employees had succumbed to COVID-19. We mourn their loss and extend our sincere condolences to their families, friends and colleagues. Sasol continues to provide various forms of COVID-19 support to employees, including access to emotional wellbeing programmes, supplying them with hand sanitisers and face masks and amending work practices and shifts to ensure social distancing wherever possible. The Group continues to encourage those employees who can work from home to do so. Those exposed to COVID-19 or who fall ill from the disease are granted paid leave for the period of absence. No employees have had to claim from the South African government’s COVID-19 relief fund to replace salaries lost because of suspended operations nor had to take unpaid leave.

The spread of COVID-19, the oil price collapse and volatility in chemical prices in 2020 came at a time when Sasol’s balance sheet was at peak gearing. This necessitated a reset of Sasol’s strategy and a revision of its operating model. In November 2020, the Group launched Sasol 2.0, a plan to get to Future Sasol which included a revised Purpose and refreshed values. The new operating model required a review of the organisational design, a process which was completed in the last quarter of 2021. Mindful of the impact that all this change would have on employees, Sasol management further increased its engagement with employees, ensuring comprehensive and regular communication.

Preserving jobs was a key objective during the year. There were 1 355 employees who were displaced, or impacted by divestitures and 766 voluntary severance packages were approved. Sasol provided impacted employees with access to emotional and financial planning support programmes to assist them in their transition. As far as possible, the Group worked to ensure that those employees transferred to new entities were offered remuneration and benefits similar to those offered by Sasol.

The Committee’s most difficult decision in August 2020 was to waive salary increases and STIs for most employees to conserve cash and protect jobs. This was even though the Group had met some of the incentive targets in 2020 which would have ordinarily resulted in a pay-out of incentives in September 2020. However, in the last quarter of 2021, in recognition of the delivery against the Sasol 2.0 targets, the Committee approved limited salary increases

on a partial retroactive basis for those employees in role categories below Leadership; Senior and Executive Management were excluded from this process.

The Board also resolved to extend until November 2021, the 20% Board fee sacrifice agreed to by NEDs in May 2020 and resident NED fees were not increased to the approved levels.

### Reward outcomes | 2021

For 2021, the Committee made no changes to inflight LTI awards; neither to the STI or LTI plan targets that were set for this financial year nor have outcomes been adjusted for COVID-19-related impacts.

Performance against the STI targets were mostly at or ahead of target with a total score of 11% of the maximum of 150%. This was after the application of a 3% penalty due to the tragic loss of one of our employees due to a work-related accident at Natref\*. The Committee was particularly pleased with the management of costs and the excellent progress made with the asset disposal programme to avoid a rights issue. The high severity injury rate improved and we are pleased with the delivery of the climate change roadmap.

The Committee believes that this outcome is a fair representation of the excellent results which were achieved over 2021 across all financial and non-financial metrics.

The vesting of LTIs which were issued in 2018, subject to performance targets over the period 1 July 2018 – 30 June 2021, will for members of the GEC, subject to further service criteria being met, vest at 44,7%. This represents ~17% of the original award value due to the share price depreciation and low level of vesting.

The year-on-year increase in remuneration totals on the single figure tables is as a result of the termination of the salary and pension contribution sacrifice in 2021, which was introduced in May 2020 and the STI which has been awarded for the first time since 2018.

The Committee will propose to shareholders a revised Non-Executive Director fee structure. For NEDs domiciled outside of the United Kingdom, Europe or North America, a cost of living factor and a fixed exchange rate will be applied.

## Report of the Remuneration Committee (CONTINUED)

### Independent advice

Alvarez & Marsal Taxand, UK (A&M) continued to act as independent external advisors to the Committee. A&M provided information on global reward trends and market insights into discussions on executive reward matters. A&M does not provide any other services to Sasol.

An external review of the executive remuneration policy was also conducted by Mr Martin Hopkins, Head: Reward Advisory Services, Bowmans Law, which confirmed that the Remuneration policy complies with statutory and governance requirements, is aligned with peer groups and more importantly, our short-term and long-term priorities.

The Committee was satisfied with the advisors' independence.

### Looking forward

Many changes have been made to the reward policy in the past two years and the Committee is of the view that it should now allow time for these changes to be implemented. We will continue to ensure that ESG issues receive the necessary attention, and to this end, incentive targets for 2022 have a more specific focus on Sasol's drive to reduce carbon emissions and adopt a holistic approach in the incentive plans on ESG matters balanced with the requirement to continue to deliver financial returns to our shareholders.

Decarbonising our operations is a cornerstone of our strategy and is carefully balanced with other priorities to ensure a sustainable future. Key interventions which will result in step change reductions in our emissions will be incentivised as appropriate.

Because the Group has high levels of debt, it is focused on cash fixed cost management and prudent capital allocation. To motivate employees to work together to stabilise the new operating model, the Committee has agreed to re-introduce the Business Unit scorecard in the STI calculation for 2022.

As most employees did not receive a full increase, nor any STI in 2020, the Committee approved annual salary increases for employees for calendar year 2021/22. These are aligned with forecast and market movements in relevant Sasol jurisdictions.

This report is a summary of the full remuneration report which is available in the Annual Financial Statements.

This first part of the report describes the roles and responsibilities of management at Sasol and provides an overview of Sasol's remuneration philosophy and policy as well as remuneration elements. It is followed by remuneration outcomes in the implementation report.

### Remuneration Policy

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



There is also a renewed focus on the retention of key employees. Therefore, a portion of the LTIs to the Group Executive Committee members will continue to be in restricted shares with a five-year vesting period also enabling them to work towards meeting the minimum shareholding requirements. Incentive targets have been reviewed and will align closely with our strategic priorities for 2022.

### In closing

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

I would like to thank our shareholders for engaging with me and look forward to their endorsement of the advisory votes on our Remuneration Policy and Implementation Report at the 2021 AGM. I would also like to extend my personal thanks to the Committee members for their support, input and guidance over the past year.

**Mpho Nkeli**

Chairman of the Remuneration Committee

10 August 2021

\* (Post year end another colleague passed away as a result of a work-related incident at Mining).

### Remuneration Philosophy

- Sasol's Remuneration Philosophy is to use internally equitable and externally competitive yet affordable salary, benefits and incentive structures to attract, retain and motivate qualified, skilled and engaged employees to work towards achieving Group strategic objectives in a values-driven manner and to create stakeholder value responsibly and sustainably.
- We strive to offer a balanced mix of remuneration programmes to all employees benchmarked on average to the market median with actual distribution around the median based on performance.
- Executive remuneration has a strong link to shareholder interests, particularly the design of variable pay structures.
- In setting incentive metrics, we consider value drivers which are mostly within management's control.
- The remuneration mix depends on the position in the organisational structure as well as geographical market practices.

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

Role category <sup>1</sup>	President and CEO	GEC – CFO, other Directors and Prescribed Officers	Senior Vice Presidents (SVP) – Group leadership	Vice Presidents (VP) – leadership	Senior Management
<b>Description</b>	Enterprise-wide accountability for the Group, reporting to the Board.	The GEC has the ultimate authority within the organisation to set the strategy and direction for the Group, to be approved by the Board.	SVPs have global or end-to-end responsibility for an operating model entity/large Business Segment/Regional Business Platforms/Group function, to ensure that their area of accountability aligns strategically with the Business Unit (BU) or Group's direction. Develops and sets strategic BU or OME guidelines, policy and frameworks.	VPs have regional, sector or function-specific responsibility for a portion of a BU or Group function. VP contribute to strategy formulation and then translate this into tactical plans, policies and processes.	Experienced professionals, specialists and experienced tactical leaders who drive performance through specific areas of specialisation or the management of resources.
<b>Number in 2021 (2020)</b>	1 (1)	7 (8)	26 (36)	149 (195)	1 023 (1 061)

1. We occasionally refer to Top Management in the report, which includes the President and CEO, GEC and Senior Vice Presidents.

### Remuneration Committee governance

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

The Committee is appointed by the Board to assist in ensuring that the Group remunerates its employees fairly, responsibly and transparently by implementing affordable, competitive and fair reward practices to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term. The Committee's terms of reference and the Group Remuneration Policy are available at [www.sasol.com](http://www.sasol.com).

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

The President and CEO tables the performance of all Prescribed Officers to the Committee to inform the decisions to award annual increases and incentive pay-outs. The Chairman of the Board tables the performance outcomes and proposed rewards for the Executive Directors at the Committee which recommends it for approval to the Board.

All incentive pay-outs, as well as the vesting of LTIs which will vest subject to the performance period ending June 2021, were approved on the basis of actual performance against previously approved metrics.

### Regulatory compliance

Our reporting aligns with:

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

## Report of the Remuneration Committee (CONTINUED)

The following table provides an overview of the remuneration elements, strategic intent, application and outcomes during 2021:

	Policy and strategic intent	Application	Outcomes 2021
Fixed pay	<p>Base salary or Total Guaranteed Package (TGP) depending on location. Broad pay bands set with reference to location and sector median benchmarks that reflect the complexity, scope and scale of our business to ensure that we attract and retain the employees required to drive the Group's key objectives.</p> <p>The Committee approves the cost of annual increases after considering market and economic data as well as affordability.</p> <p>Mandates are provided for salary increase negotiations with recognised trade unions and works councils.</p> <p><b>Strategic intent:</b></p> <ul style="list-style-type: none"> <li>attraction and retention of key employees;</li> <li>internal equity and external competitiveness;</li> <li>affordability; and</li> <li>recognition of competence and/or individual performance.</li> </ul>	<p>Employees in countries other than South Africa and employees in the South African bargaining sectors are paid a base salary rather than a TGP.</p> <p>In South Africa, the minimum wage we pay is compared with the living wage for a family as provided by Trading Economics. The total employment cost of salaries, benefits, allowances and incentives for the lowest level mining employee with three dependants on the medical scheme, is R275 904 per annum.</p> <p>Salaries are paid monthly to all employees except for those in the United States and Canada who receive bi-weekly payments.</p> <p>Employees who are promoted are considered for salary adjustments where justified. For employees outside the collective bargaining sectors, annual increases are processed with effect from 1 October. These typically comprise of an across-the-board increase and a portion at management's discretion. Other employees receive across-the-board increases with effect from 1 July.</p> <p>Outside of South Africa, annual salary increases are also negotiated with trade unions and works councils in the United States, Germany and Italy.</p>	<p>No annual salary increases were approved for employees in July/October 2020. However, in some jurisdictions such as the United States and Germany, multi-year agreements had to be honoured.</p> <p>The Committee however agreed during H2/2021 to increase the salaries of employees below Leadership in recognition of the outstanding efforts to achieve the Sasol 2.0 targets. The increase was linked to the market movement in salaries over the period and was effective 1 January 2021 for employees covered by collective bargaining agreements and on 1 April 2021 for supervisory and managerial employees, provided that the employee had been in service since 1 January 2020 and had not received any interim or promotional adjustment since. No member of Leadership or Executive management benefitted from this increase.</p> <p>From 1 May to 31 July 2020, 6 900 employees took a salary sacrifice of 10% to 24%, depending on their roles and 11 500 agreed to a pension fund employer contribution sacrifice realising ~R460 million in cash fixed cost savings.</p>
Benefits and allowances	<p>Benefits include, but are not limited to, membership of a retirement plan, healthcare and risk cover to which contributions are made by both Sasol and the employee. In South Africa, these apply to employees outside of collective bargaining structures.</p> <p>Allowances are paid in terms of statutory compliance or as are applicable in a sector/jurisdiction. A number of special allowances including housing, cost of living, home-leave and child education are included in the Group's Expatriate Policy.</p> <p><b>Strategic intent:</b></p> <ul style="list-style-type: none"> <li>compliance with legislation or co-determination agreements;</li> <li>strengthening of the employee value proposition where benefits are offered as a general market practice; and</li> <li>to protect cost of living for employees on expatriate assignments.</li> </ul>	<p>Benefits are offered for retirement, for reasons of sickness, disability or death. Beneficiaries of employees who pass away while in service receive an additional insurance pay-out. The quantum depends on which retirement plan they belonged to.</p> <p>Allowances are linked to roles within specific locations and are paid together with salaries.</p> <p>Expatriate benefits and allowances are offered in terms of country and assignment policies.</p> <p>Employee wellbeing is the cornerstone of labour stability. Sasol continues to rollout psychosocial, physical and safety culture interventions especially during this time of COVID-19 stress and related issues such as online meeting fatigue and dealing with the bereavement of a loved one.</p>	<p>Sasol uses different options to provide healthcare to employees and their families by means of medical insurance and/or public health plans, as well as additional insurance in countries where appropriate. All employees have healthcare cover in the event they are infected with COVID-19.</p> <p>Sasol introduced special leave categories to accommodate lockdown periods in various jurisdictions. No employees were asked to take unpaid leave because of lockdowns or the shutdown of operations due to COVID-19.</p> <p>The Committee confirmed that, in all countries where employees participate in private retirement funds, the governance of these funds meets fiduciary requirements and all defined benefit fund liabilities are appropriately detailed in the Sasol's Statement of Financial Position.</p> <p>Where employer contributions were suspended to retirement funds, this applied for the period May 2020 – July 2020. They were then reinstated due to Sasol's improved liquidity position at the time.</p>
Short-term incentive plan	<p>For the majority of our permanent employees across the world, we apply a single STI structure. Approved pay-outs are processed with the September salary. Most non-managerial mining employees earn a production bonus which is processed bi-weekly, subject to safe production against mining targets.</p> <p>Target incentives align with the market median.</p> <p>Typically the STI structure consists of Group, BU or Function and individual performance targets set in advance of every financial year.</p> <p>The Committee can exercise its discretion to vary incentive outcomes as deemed appropriate, and based on affordability.</p> <p><b>Strategic intent:</b></p> <ul style="list-style-type: none"> <li>to remain competitive with the market; and</li> <li>incentivise achievement of short-term targets.</li> </ul>	<p>Every quarter, the Committee reviews YTD performance against the Group STI scorecard to ensure ongoing relevance of targets and performance against these. An individual performance multiplier is used in a range of 0% – 150% to recognise individual performance.</p> <p>No BU or Functional STI scorecards were used during 2021.</p>	<p>The Committee approved a Group STI scorecard focused on achieving the Future Sasol priorities. Individual performance outcomes are applied to calculate the final incentive pay out.</p> <p>Safety and sustainability metrics, are measured at Group and Individual levels. In line with our commitment to actively reduce carbon emissions, we included relevant incentive targets in the Group and Individual scorecards which align with our climate change roadmap. Where appropriate and within line of sight, we included the following targets in individual performance scorecards:</p> <ul style="list-style-type: none"> <li>safe transportation of hazardous chemicals;</li> <li>occupational health measures;</li> <li>carbon emissions; and</li> <li>leaks or spills of hazardous materials.</li> </ul> <p>These metrics balance safety, environmental sustainability, financial and operational performance criteria. Any fatality reduces the final incentive score by 3 percentage points.</p> <p>Group STI performance outcomes for 2021 are set out on page 40.</p>
Long-term incentive plan	<p>Equity- or cash-settled awards are granted annually or upon promotion to an eligible level, where the underlying value is tied to the market value of a Sasol ordinary share (or American Depository Receipts (ADR) for international participants), subject to vesting conditions.</p> <p>Annual awards are made with reference to a percentage of base salary or TGP, which is level dependent, the eligible employee's performance over the preceding year and the organisation's requirement for skills retention.</p> <p>Vesting of awards is subject to the achievement of corporate performance targets (CPTs) and/or service criteria.</p> <p>The vesting period is three years for participants in Leadership and Senior Management. A split vesting period of three to five years applies to participants in Top Management.</p> <p><b>Strategic intent:</b></p> <ul style="list-style-type: none"> <li>attraction and retention of senior employees and scarce and critical skills; and</li> <li>alignment with shareholders' long-term interests with reference to the Sasol share price and the underlying performance metrics.</li> </ul>	<p>LTI form an important part of our reward mix and target awards are reviewed annually to ensure ongoing market competitiveness.</p> <p>Participants may sell or retain the vested shares once vesting conditions are met. Minimum shareholding requirements are in place for Executive Directors and Prescribed Officers.</p> <p>The Committee annually reviews the LTI targets to ensure continued alignment with key priorities.</p>	<p>100% of the LTIs awarded to members of the GEC in 2018 are subject to the achievement of performance metrics over the period 2018 – 2021, of which 50% of the vested award becomes available in September 2021.</p> <p>The overall performance of the 2018 LTI awards to the GEC was 44.7%. 22.3% of the award granted in 2018 will vest in September 2021 and the balance will vest in 2023. Participants who leave the Group for reasons other than retirement, retrenchment, death, disability or ill health, or for any other reason approved by the Committee, will forfeit unvested awards.</p> <p>To retain top talent, the Committee decided that 35% of the annual award made to GEC members in December 2020 should be time based only in the form of restricted shares, with a vesting period of five years. The rest of the on-target award (65%) will vest on achievement of time and performance conditions, over a three- and five-year vesting period. The introduction of restricted share awards reduced the maximum potential outcome of LTIs. The target awards, for the CEO and the CFO, were reduced considering the introduction of restricted shares in the LTI portfolio. The introduction of Restricted Shares also supports the requirement for minimum shareholding requirements which were introduced for all Prescribed Officers from 2021. This requirement was previously only in place for Executive Directors.</p> <p>GEC LTI performance outcomes for 2021 are set out on page 40.</p>

## Report of the Remuneration Committee (CONTINUED)

### Pay gaps

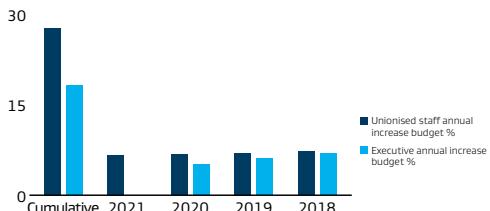
Globally, there is an increased focus on pay gap reporting as many consider this to be a measure that promotes a fairer and more equal society. Many countries have made the disclosure of pay gaps and the CEO pay ratio obligatory, however not yet in South Africa. In 2020, the Committee approved a methodology to track internal pay equity on a level, group, race and gender basis, by country where we employ more than 250 employees on a permanent basis and where the data is available considering personal data privacy laws.

The Sasol methodology compares the median total target remuneration (TTR) of the 10% of highest Sasol earners per country, with the median TTR of the lowest 10% Sasol earners per country. This is similar to the methodology used in form EEA4 which has to be submitted annually to the South African Department of Employment and Labour. Target remuneration is used as opposed to actual remuneration for year-on-year comparisons to be made on the ratios as the impact of macroeconomic factors on the LTI in particular, are excluded.

The Committee again reviewed the pay ratios. The larger pay gap in SA can be explained due to the large number of unskilled and semi-skilled workers in our mining business. Sasol does not employ unskilled workers in other jurisdictions.

The Committee understands the importance of ensuring that the wages of our most junior employees are sufficient to accommodate a decent standard of living and will continue to track the pay gap from this perspective. Over the past number of years, higher percentage annual salary increases have been awarded to employees covered by collective bargaining units than to top management as is evident in the following graph:

Average increase budgets approved: F18 – FY21



### Risk management

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

- the Remuneration Policy is transparent to all stakeholders;
- all executive reward policy exceptions are approved by the Committee, or by the Board, as appropriate;
- incentive plan design principles and targets as well as the reward mix are reviewed annually;
- the vesting of LTI plans is subject to performance and/or time-based criteria and awards are never backdated;
- executives do not approve their own benefits or remuneration and are recused from all discussions relating to their own remuneration;
- the maximum incentive awards, on the basis of performance outcomes, are capped by a pre-approved formula;
- the Committee retains discretion to alter any reward outcome;
- MSRs are implemented for Prescribed Officers and Executive Directors;
- a comprehensive Clawback and Malus policy is in place; and
- there is no accelerated vesting of LTIs at retirement and the vesting periods of three and five years continue post the date of retirement allowing for continued exposure to the share price performance as well as the application of the Clawback and Malus policy if required.

### Annual Non-Executive Directors' fees: actual vs approved vs proposed:

			Non-South Africa-domiciled fees Actual fees <sup>2, 6, 7</sup>		South Africa-domiciled fees Actual fees <sup>2, 6</sup>		Proposed Chairman fees 2022 <sup>12, 13</sup>		United Kingdom, Europe, North America		Proposed Board member fees 2022 <sup>12, 13</sup>	
	Chairman Approved fees <sup>1, 2</sup>	Board member Approved fees <sup>2, 3</sup>	Chair	Member	Chair	Member	Domiciled in UK, Europe, North America	Domiciled outside UK, Europe, North America	Domiciled in UK, Europe, North America	Domiciled outside UK, Europe, North America		
Board	\$445 000	\$150 000	–	\$138 000 <sup>8, 11</sup>	\$351 805 <sup>9</sup>	\$112 000 <sup>10</sup>	\$345 000	\$285 000	\$120 000	\$100 000		
Audit Committee	\$25 000	\$20 000	–	\$31 050	\$25 000	\$20 000	\$35 000	\$30 000	\$24 000	\$20 000		
Remuneration Committee	\$20 000	\$12 000	–	\$23 575	\$20 000	\$12 000	\$24 000	\$20 000	\$14 500	\$12 000		
Capital Investment Committee	\$16 000	\$11 000	\$42 550	\$21 275	–	\$11 000	\$24 000	\$20 000	\$14 500	\$12 000		
Nomination and Governance Committee	\$16 000	\$11 000	–	\$21 275	–	\$11 000	\$24 000	\$20 000	\$14 500	\$12 000		
Safety, Social and Ethics Committee	\$16 000	\$11 000	\$42 550	\$21 275	–	\$11 000	\$24 000	\$20 000	\$14 500	\$12 000		
Other Committees <sup>14</sup>	\$16 000	\$11 000	–	\$21 275	–	\$11 000	\$24 000	\$20 000	\$14 500	\$12 000		
Lead Independent Director	–	\$40 000	–	\$60 375	–	–	–	–	\$48 000	\$40 000		
Travel allowance – Less than 10 hours travel <sup>14</sup>	–	\$5 000	–	–	–	–	–	–	n/a	–	n/a	
Travel allowance – Between 10 and 15 hours travel <sup>14</sup>	–	\$10 000	–	–	–	–	–	–	n/a	–	n/a	
Travel allowance – More than 15 hours travel <sup>14</sup>	–	\$15 000	–	–	–	–	–	–	n/a	–	n/a	
Special purpose ad hoc Committees – per meeting <sup>5</sup>	\$2 000	\$2 000	\$2 000	\$2 000	\$2 000	\$2 000	–	–	–	–	–	

1. Chairman of the Board fee, inclusive of all fees payable for attendance or membership of Board Committees and directorship of the Company.

2. Fees including VAT were intended for a phased implementation over the period 2018 – 2021.

3. For the fee structure applicable from 16 November 2018 for non-South African-resident Non-Executive Directors, the following rules apply: where the total prior year fees inclusive of VAT (on a like-for-like basis) are higher than the new structure, the previous fee will be retained to ensure that the Non-Executive Directors is not financially worse off with the implementation of the new fee structure. Therefore, these fees are still higher than the fees paid to South Africa-domiciled Non-Executive Directors.

4. Travel allowance was intended for implementation when international travel is required but never implemented.

5. Special ad hoc committees approved by the Board to provide oversight over strategic matters of a temporary nature.

6. Fee sacrifice agreed on Board fees as per 18 November 2020 SENS announcement.

7. VAT is not applicable. Non-Executive Directors who were appointed on the 2016 approved fee structure, whose fees would be negatively impacted by the 2018 fees, were grandfathered.

8. Fee sacrifice applied. Approved fee incl VAT is \$172,500.

9. Fee sacrifice applied. Approved fee incl VAT is \$445,000.

10. Fee sacrifice applied. Approved fee incl VAT is \$140,000.

11. Board fee for non-South Africa-domiciled members who joined the Board from 1 April 2020 is \$142,500 incl VAT with the 20% sacrifice applied.

12. Fees to be tabled for approval by shareholders at the November 2021 AGM and effective from 1 January 2022. Fees stated exclusive of VAT for consistent reporting purposes. A COL factor applied to the Non-Executive Directors fees for directors domiciled outside of Europe, the United Kingdom and North America. A fixed exchange rate will be applied when converted for payment to the relevant currency. An annual inflationary linked increase to be applied after 12 months.

13. Where Non-Executive Directors are required to travel to a meeting location, associated travel and accommodation costs are covered by Sasol.

14. Other Committees will be paid on a quarterly basis for any Committee meetings approved by the Board but not specified in this table.

### Non-Executive Directors' fees

Non-Executive Directors are appointed to the Sasol Limited Board based on their competencies as well as insight and experience appropriate to assist the Group in setting the long-term strategy, providing independent oversight in respect of performance against key priorities and holding executives accountable to deliver business results over the short, medium and long term. Consequently, fees are set at levels to attract and retain the calibre of directors necessary to contribute to a highly effective board of a complex, multi-dimensional and multi-national organisation. Non-Executive Directors do not receive STIs, nor do they participate in LTI plans. No arrangement exists for compensation in respect of loss of office.

Non-Executive Directors are paid a fixed annual fee in respect of their Board membership and supplementary fees for Board Committee membership or chairmanship. The annual fee is divided by four and a quarterly fee is paid at the end of every board cycle regardless of the number of meetings held in that quarter. A travel allowance was approved by shareholders in 2018 compensating for time lost due to international travel; however, this was never implemented.

Board fees tabled at the 2020 AGM for shareholder approval, were unchanged from what was previously approved by shareholders in 2018. The 2018 structure was intended for a phased implementation over the 2018 – 2021 period. However, following the devastating effects of COVID-19 and 2020 macroeconomic developments on Sasol's financial results, we paused the implementation of further fee adjustments for South Africa-domiciled Directors. Furthermore, Directors agreed to a sacrifice of at least 20% of Board and Committee fees for the period May to September 2020 and a sacrifice of 20% on Board fees for the period October 2020 to November 2021.

During 2021, we reconsidered the approach towards setting Non-Executive Directors fees. Following extensive review, the Committee agreed to table for shareholder approval at the November 2021 AGM a revised fee proposal where a cost-of-living (COL) factor is applied to the fees payable to NEDs who live outside of Europe, the United Kingdom and North America and to fix the exchange rate that will be used to convert the dollar denominated fees to the denomination used for payment in order to eliminate significant exchange rate variances. The travel allowance will no longer be pursued.

## Report of the Remuneration Committee (CONTINUED)

### Remuneration Implementation Report

In order to drive the delivery of our material matters as reflected in our top priorities, which are aligned to delivery our strategy, our executives' remuneration is linked to key performance indicators marking progress on these priorities.

#### Remuneration as a strategic enabler

##### Strategic targets

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

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

**Dividend returns** stepping up payout to 40% of core HEPS (2.5 times cover) by 2022 thereafter moving payout towards 45% (2.2 times cover)

**Zero harm** at all our operations globally

**Culture** ensuring maximum engagement and growth of all our employees

**STI**

Our Group strategic priorities for 2021 were:  

- pursue zero harm;
- strengthen our financial position;
- deliver LCCP;
- advance sustainability; and
- transition to Future Sasol.

**LTI**

2021 GEC STI Target range	Weighting %	2021 Achievement	Weighted Score	Link to value creation	2022 GEC STI Unit of Measure	2022 GEC STI Target range (for EVPs, the final outcome will be a combination of this score, in addition to the BU and Individual performance factors)	Weighting %	Link to 2022 Group Strategic Priorities	
High-severity injuries (HSI) rate of 12 to 17	5,00%	HSI rate = 9,79	7,50%	We strive to achieve zero harm by focussing relentlessly on preventing high-severity injuries and eliminating fatalities	PEOPLE	Occupational Safety: High severity injury (HSI) rate	HSI Rate = 9 to 14	5,00%	
Process Safety (FERs) of 17 – 23	5,00%	20 Significant fires, explosions and releases (FERs) were recorded mostly due to severe fluctuations in demand for product causing ramp-up/ramp down of our operations	3,75%	The decrease in the number of significant fires, explosions and releases (FERs) is important to us as it ensures safe and reliable operations and improved energy efficiency		Process Safety: FERs vx	FERs = 17 to 21	5,00%	
Climate change programmes to lay the foundation for decarbonisation of our operations: – 2030 GHG roadmap – 1% energy efficiency improvement – Delivery of the 600 MW business construct – Delivery of the 2050 ambition and roadmap	10,00%	Delivered the 2030 GHG Emission Reduction Roadmap as well as the 2050 GHG ambition and roadmap. We selected the short-list of bidders to provide 600 MW of Renewable Energy A 0.4% year-on-year improvement on Energy Efficiency was achieved mainly as a result of the ramping-up and down of our operations in response to the volatility in demand due to COVID-19	11,17%	Through the development of and delivery against our GHG emission reduction roadmap we aim to reduce our carbon footprint thereby contributing to a cleaner, safer environment. Our commitment to energy efficiency (EE) is a contributor to decarbonising our operations		Advancing sustainability: Reducing absolute GHG emissions	Energy Efficiency Improvement of 1% using 30 June 2021 as the basis for assessment of FY22 Securing 200 MW of Renewable Energy at our Secunda site PPAs/VPPAs (or equivalents) signed by 30/6/2022 to achieve 0.65Mt CO <sub>2</sub> e by end FY2024	15,00%	Advance sustainability through the delivery of our road map and the identification of opportunities to grow and participate in sustainable products and gain access to emerging future value pools
Deliver the Sasol 2.0 Programme – Our Future	8,5%	Implementation of global structures aligned with the new operating model and through filling of >80% of positions by 30 April 2021	12,75%	Transforming Sasol through the restructure of the global organisation to enable the new operating model for a sustainable future					
	4,00%	Sustainable free cash flow target for FY22-FY25 approved by the Board in November 2020	6,00%	Commitment to conservatively manage our cash fixed costs over the medium to long term					
Sales Volumes of 18mt – 20mt	12,50%	Sales volumes were 5% below target	0%	Improving sales volumes increases turnover, cash flow and profitability		Sales Volumes	FY22 Sales volumes = 17mt – 19mt	25,00%	
Cash Fixed Costs of R56,5bn – R62,5bn	15,00%	Cash Fixed Costs were R56bn below a budget of R60,5bn	22,50%	Fixed-cost control is a key element in improving our gross margin. Optimising our balance sheet and maintaining overall competitiveness		Cash Cost Optimisation: Absolute CFC	FY22 CFC = R56,3bn – R60,3bn	20,00%	
Capital deployment R18bn – R22bn	15,00%	Capital expenditure was R3,3bn below budget	22,50%	Prudent management of our capital to ensure ongoing reliable operations and allocation to growth projects which will deliver positive returns to our shareholders		Sustenance Capital: Capital Expenditure	Capital expenditure = R24bn – R28bn	15,00%	
Asset disposals of non-core assets of \$1,5bn – \$3,5bn	15,00%	Total sales and purchase agreements signed of US\$3,6bn against a target of US\$2,5bn	22,50%	Honouring our commitment to our shareholders that we would undertake an accelerated and expanded asset disposal programme executed to strengthen our balance sheet					
Net Working Capital/ turnover of 12% – 17%	10,00%	Working Capital of 14,5% achieved	10,83%	To optimally manage our working capital, improve our operational efficiency and strengthen our balance sheet		Net working capital to turnover	NWC to turnover % = 13% – 17%	10,00%	
Safety adjustment – Penalty for fatality			-3,00%						
			116,50%					100,00%	
2021 LTI corporate performance targets	Weighting %	Outcome after the three year performance period: 1 July 2018 – 30 June 2021	Weighted Score	Link to value creation	2022 LTI corporate performance targets	2022 LTI corporate performance targets (performance period 1 July 2021 – 30 June 2024)	Weighting %	Link to longer-term Group Priorities	
2% Compound increase in production volumes/headcount	25,00%	2,8% compound growth in production volumes over headcount. The Committee approved that the outcome be normalised by 4x2xT lost production as a result of adverse weather conditions; two hurricanes in the United States and a severe hailstorm in Sasolburg, which caused extended electricity outages which were completely out of management's control. No normalisation for production volumes lost due to COVID-19 related impacts	44,70%	Through production improvements and an efficient workforce we increase earnings for our shareholders. Our EBITDA results is a clear indication of our profitability and financial success	PROFIT	Growth on adjusted EBITDA	Adjusted EBITDA growth of compound CPI +2% for three financial years	25,00%	Diversify the balance sheet, with reduced debt levels and headroom to allow for discretionary growth and alternative energy and chemicals projects
Three year average ROIC (excluding assets under construction) at 1,3x WACC	25,00%	-10% three year average ROIC (mainly due to the impairments in FY20)	0,00%	ROIC reflects earnings return measure in respect of capital investments, effective capital allocation and driving timely project completion		Return on Invested Capital	ROIC (excl AUC) at SA WACC of 13,5% +1% = 14,5% per annum ROIC (excl AUC) at US WACC of 8% +0,5% = 8,5% per annum	25,00%	To deliver ROIC above WACC for our global portfolio by FY25
TSR against the MSCI World Energy Index @60 <sup>th</sup> percentile	25,00%	Below threshold	0,00%	Total Shareholder Return (TSR) is a measure of the performance of Group's share price over time, and combines both share price appreciation and dividends paid to indicate the total value created in alignment with shareholders		Relative TSR measured against the peer group	60th percentile of the peer group	25,00%	Pay a step-up dividend from FY24
TSR against the MSCI Chemicals Index @60 <sup>th</sup> percentile	25,00%	Below threshold	0,00%						
GEC CPT score for LTIs to vest in FY22			44,70%		PLANET	Holistic focus on ESG	Achieve a 3.8% reduction (equating to 2.36tCO <sub>2</sub> e) in scope 1 and scope 2 emissions off a 2017 baseline by end FY24 for the Energy business 60% RE power for our Chemical operations in Europe and America by end FY24 Within 6% of the DJSI inclusion score by November 2023	25,00%	Deliver on our commitment to achieve a 30%+ emission reduction by 2030 Introduce alternative feedstocks to our operations
								100,00%	

\* Off 2017 base and excluding Natref

## Report of the Remuneration Committee (CONTINUED)

### Implementation Report

This section provides an overview of the implementation of the Remuneration Policy. It also sets out the relationship between Company performance and Executive Directors' and Prescribed Officers' remuneration outcomes as well as progress against the minimum shareholding requirement.

The structure of the Implementation Report, is as follows:

<b>Executive Directors and Prescribed Officers (tabulated separately)</b>	<ul style="list-style-type: none"> <li>Remuneration and benefits paid disclosed in terms of the single total figure methodology including the STI amounts awarded for 2021 and an estimated value relating to the vesting of LTIs in September 2021, in respect of the performance period ended 30 June 2021</li> </ul>
<b>NEDs</b>	<ul style="list-style-type: none"> <li>Fees paid during 2021</li> </ul>

### Determining the short-term incentive awards

The Committee has considered the excellent outcomes of the Sasol 2.0 programme considering the scale and complexity of the global Group restructuring and the avoidance of a rights issue which would have been extremely dilutive to shareholders. The Sasol 2.0 global restructuring was completed in record time with mostly improved diversity statistics despite the reduction in headcount. Management also endeavoured to save as many jobs as possible through the restructuring process and the majority of severances were through the voluntary process. The Committee therefore agreed to award the maximum outcome of 150% on the three Sasol 2.0 measures, increasing the total score from 110,25% (after the 3% fatality penalty) to 116,50% out of the maximum award of 150%. Asset disposals, strict management of cash fixed costs and prudent allocation of capital mainly ensuring ongoing reliability of our operations, were excellent outcomes. On capex: Actual capital expenditure amounted to R16,4 billion compared to R35,2 billion during 2020. The reduction in capital expenditure was not at the expense of maintaining our asset integrity and was achieved through an optimised asset risk management process. In addition, the progression of the Production Sharing Agreement (PSA) to FID stage was a key milestone for us in 2021.

**On asset disposals:** Of the transactions either concluded, or where SPAs have been signed to the value of US\$3,5bn, transactions completed with funds received amounted to US3,1bn. The bulk of the proceeds were received by December 2020 and the closing of the ASUs at 30 June 2021 was the last transaction of FY21 to be closed. Guarantees have been received in respect of the Rompco sale. The disposals have been challenging due to the individual complexities with protracted negotiations and regulatory approvals requiring significant work to close off.

**On Cash Fixed Costs:** The organisation rallied as the business suffered cash flow constraints following the drop in crude oil prices and lower demand for our fuels and chemicals following the COVID-19 spread across the numerous markets we operate in. The salary sacrifice and postponement of annual salary increases were significant personal costs to Team Sasol and in addition strict cost discipline helped us deliver R2,5bn reduction in fixed costs.

The sales volume target was set in anticipation of a quicker recovery of global demand and was not achieved. No normalisation in respect of the impact of COVID-19 on the STI outcomes, was applied. The Committee was disappointed with the one fatality in Natref, but very satisfied with the safety performance. The Committee was overall very comfortable with the STI outcome being representative of the business results and agreed that the rounded score of 117% be applied in the calculation of the STIs for the members of the GEC.

Additionally, the Committee has the duty to assess the performance of the members of the GEC every year. We apply the outcome of the assessment, in the form of an Individual Performance Factor (in the range of 0% – 150%), as a multiplier in calculating STIs. The Committee then approves the performance outcomes for the Prescribed Officers and makes a recommendation to the Board, for its final decision, in respect of the performance outcomes of the Executive Directors.

In assessing the performance outcomes, the Committee considers the following: business results in the specific areas of responsibility; leadership displayed both in and outside the area of responsibility; values displayed; relationships; and collaboration in and outside the organisation.

For 2021, we were particularly mindful of the fact that members of the GEC have had to apply an extraordinary effort over the past 18 – 24 months. This was required to turn the Company around; maintain reliable and stable operations despite the devastating impacts of COVID-19; stabilise the balance sheet; introduce the new operating model; regain the trust of our investors; and retain and motivate employees to perform at their best during this very volatile and uncertain period.

In recent years, GEC members have made financial sacrifices through sacrifices in their salaries as well as pension contributions. On average, they have forfeited 50% of the total target reward for the past three years due to the non-payment of the short-term incentive, no salary increase in the past financial year, the weakening of the share price and the low level of vesting of LTIs (which has been at an average of 44% over the past four years).

The Committee is satisfied that over the past few years the Remuneration Policy has delivered reward results that have aligned with the business results (including downward moderation of incentive outcomes at the Committee's discretion). However, we recognise that in better times, rewards should also be commensurate with the better business results. The leadership has done a sterling job in leading the organisation through the perfect storm that Sasol faced during 2020 and 2021 not only because of the impacts of COVID-19, but also because of the macroeconomic environment which severely impacted Sasol's financial viability.

The unlocking of US\$6 billion of cash in record time was exceptional; Sasol avoided having to carry out a rights issue; rating agencies declared no further downgrades after June 2020; and the business did not breach debt covenant levels (the target was 4 times net debt: EBITDA in December 2020 and the 30 June 2021 result was 1,5 times net debt: EBITDA). The GEC and Sasol's leadership implemented the new operating model less than 12 months after it was approved, and did so without impacting business operations and continuity; there was no labour unrest; our safety results improved significantly; and there was a reduction in the complexity of our governance and approval structures. Sasol also ensured the full remediation of SOX material weaknesses in relation to the LCCP. The leadership team's focus can now shift to introducing innovation and automation; building confidence with investors; and enhancing Sasol's efforts to decarbonise our operations.

On the back of the exceptional results, the Committee considered on the basis of relative performance and contribution to the Group results, the individual performance factor for the members of the GEC, in the range of 100% to 130%.

The tables in this section provide information on all amounts received or receivable by members of the GEC for 2021 (including the President and CEO, other Directors and Prescribed Officers).

### Executive Directors

#### a. Remuneration and benefits approved for payment in respect of 2021 for Executive Directors

<b>Executive Directors</b>	<b>FR Grobler<sup>3,4</sup></b>		<b>P Victor<sup>5,7</sup></b>		<b>VD Kahla<sup>6,7</sup></b>		<b>2020 (as Prescribed officer) R'000</b>
	<b>2021 R'000</b>	<b>2020 (as Exec director) R'000</b>	<b>2020 (as Prescribed officer) R'000</b>	<b>2021 R'000</b>	<b>2020 R'000</b>	<b>2021 R'000</b>	
Salary	<b>10 032</b>	7 114	3 113	<b>7 481</b>	6 678	<b>6 708</b>	4 143
Risk and Retirement funding	<b>373</b>	501	295	<b>360</b>	919	<b>345</b>	428
Vehicle benefit	–	57	77	<b>100</b>	100	–	–
Healthcare	<b>95</b>	130	64	<b>77</b>	100	<b>101</b>	68
Vehicle insurance fringe benefit	<b>6</b>	4	2	<b>6</b>	6	<b>6</b>	4
Security benefits	<b>133</b>	–	–	–	–	<b>534</b>	484
Other benefits	<b>1 923</b>	2 176	552	<b>1</b>	31	<b>2</b>	1
<b>Total salary and benefits</b>	<b>12 562</b>	9 982	4 103	<b>8 025</b>	7 834	<b>7 696</b>	5 128
Annual short-term incentive <sup>1</sup>	<b>18 366</b>	–	–	<b>11 174</b>	–	<b>7 670</b>	–
Long-term incentive gains <sup>2</sup>	<b>1 255</b>	725	–	<b>2 243</b>	1 143	<b>1 326</b>	789
<b>Total annual remuneration</b>	<b>32 183</b>	10 707	4 103	<b>21 442</b>	8 977	<b>16 692</b>	5 917

1. STIs approved based on the Group results for 2021 and payable in the 2022 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2021 x Group STI achievement x Individual Performance Achievement.

2. LTIs for 2021 represent the award made on 3 September 2018. The illustrative amount is calculated in terms of the number of LTIs x corporate performance target achieved (GEC: 44,7%; SVP: 66,8%) x average share price for June 2021. The actual vesting date for the annual awards is 3 September 2021 subject to the company being in an open period. Dividend equivalents accrue at the end of the vesting period, to the extent that the LTIs vest. 50% of the vested LTIs and accrued dividends will be released on 3 September 2021 and the balance in September 2023, subject to the rules of the LTI plan. As there are no further performance conditions attached to the balance of the 50%, the full amount is disclosed in the single figure table.

3. Mr Grobler agreed to a voluntary contribution of 30% of his salary to the South Africa Solidarity Fund for the period May 2020 – July 2020.

4. Other benefits for Mr Grobler include tax corrections on pension fund contributions made over the period of the previous expatriate assignment (R1 518 846), tax assistance rendered in respect of his previous expatriate assignment to Germany (R403 374) and subsidised business transport (R770).

5. Other benefits for Mr Victor include subsidised business transport.

6. Other benefits for Mr Kahla include a long service award (R2 000).

7. Messrs Victor and Kahla have voluntarily agreed to a salary sacrifice of 20% for the period May 2020 – July 2020. In addition, there was a suspension of employer contributions to the pension fund for the same period. The increase in salaries in 2021 is as a result of the sacrifice only being applied for one month in 2021 as opposed to two months in 2020. In addition, Messrs Victor and Kahla opted to reduce their contribution to the SA pension fund and allocate the contribution to their salary.

## Report of the Remuneration Committee (CONTINUED)

The following section illustrates how the performance outcomes informed the reward decisions for Prescribed Officers:

### Prescribed Officers

#### a. Remuneration and benefits approved and paid in respect of 2021 for Prescribed Officers

Prescribed Officers	HC Brand <sup>4</sup>		BE Klingenberg <sup>5</sup>		BP Mabelane <sup>6,7</sup>		CK Mokoena <sup>8</sup>	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Salary <sup>3</sup>	4 200	2 789	6 046	5 885	5 606	—	5 459	4 954
Risk and Retirement funding	1 472	1 770	1 966	1 958	392	—	324	736
Vehicle benefit	234	234	212	212	—	—	—	—
Healthcare	86	89	114	100	44	—	93	23
Vehicle insurance fringe benefit	6	6	6	6	—	—	—	—
Security benefit	20	—	391	384	—	—	12	71
Other benefits	—	502	10	—	5 001	—	5	774
Redundancy payment	—	—	—	—	—	—	—	—
<b>Total salary and benefits</b>	<b>6 018</b>	<b>5 390</b>	<b>8 745</b>	<b>8 545</b>	<b>11 043</b>	—	<b>5 893</b>	<b>6 558</b>
Annual short-term incentive <sup>1</sup>	6 852	—	8 940	—	7 698	—	6 300	—
Long-term incentive gains <sup>2</sup>	940	709	1 583	942	—	—	1 212	357
<b>Total annual remuneration</b>	<b>13 810</b>	<b>6 099</b>	<b>19 268</b>	<b>9 487</b>	<b>18 741</b>	—	<b>13 405</b>	<b>6 915</b>

Prescribed Officers	M Radebe <sup>9,10</sup>		JR Harris <sup>11,12,13</sup>		BV Griffith <sup>14,15</sup>	
	2021 R'000	2020 R'000	2021 R'000	2020 R'000	2021 R'000	2020 R'000
Salary <sup>3</sup>	1192	4 849	5 612	9 831	7 425	4 804
Risk and Retirement funding	166	755	325	516	441	279
Vehicle benefit	66	264	27	319	—	—
Healthcare	25	100	141	223	305	218
Vehicle insurance fringe benefit	2	6	—	—	—	—
Security benefit	22	44	1	12	—	—
Other benefits	784	110	1 762	2 622	349	268
Redundancy payment	—	—	1 019	—	—	—
<b>Total salary and benefits</b>	<b>2 257</b>	<b>6 128</b>	<b>8 887</b>	<b>13 523</b>	<b>8 520</b>	<b>5 569</b>
Annual short-term incentive <sup>1</sup>	—	—	3 642	—	8 022	—
Long-term incentive gains <sup>2</sup>	980	618	1 135	764	885	811
<b>Total annual remuneration</b>	<b>3 237</b>	<b>6 746</b>	<b>13 664</b>	<b>14 287</b>	<b>17 427</b>	<b>6 380</b>

1. STIs approved based on the Group results for the 2021 financial year and payable in the 2022 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2021 multiplied by the Group STI performance and the Individual Performance Factor.
2. LTIs for 2021 represent the award made on 3 September 2018. The illustrative amount is calculated in terms of the number of LTIs x corporate performance target achieved (GEC: 44,7%; SVP: 66,8%) x average share price for June 2021. The actual vesting date for the annual awards is 3 September 2021 subject to the company being in an open period. Dividend equivalents accrue at the end of the vesting period, to the extent that the LTIs vest. 50% of the vested LTIs and accrued dividends will be released on 3 September 2021 and the balance in September 2023, subject to the rules of the LTI plan. As there are no further performance conditions attached to the balance of the 50%, the full amount is disclosed in the single figure table.
3. Prescribed Officers have voluntarily agreed to a salary sacrifice of at least 20% for the period of May 2020 – July 2020. This was in addition to the suspension of employer contributions to the pension fund for the same period.
4. Mr Brand opted to reduce employer contributions to the pension fund and allocate the contribution to his salary.
5. Other benefits for Mr Klingenberg include subsidised business transport (R666) and a long service award (R9 545).
6. Ms Mabelane was appointed as Executive Vice President: Energy Business with effect from 1 September 2020.
7. Other benefits for Ms Mabelane include subsidised business transport (R1 040), sign-on/buy-out award partially compensating for the loss of incentives and shares when she resigned from her previous employer (R5 000 000). This amount is the first tranche of her staggered sign-on/buy-out award of R11 000 000. The first tranche is subject to the fulfilment of a 24-month service period and is repayable in full if this period is not fulfilled. The balance will be paid out over a further two-year period subject to continued service and further retention periods.
8. Ms Mokoena opted to reduce employer contributions to the pension fund and allocate the contribution to her salary. Other benefits for Ms Mokoena include subsidised business transport (R5 267).
9. Other benefits for Mr Radebe include encashment of unused accrued leave (R775 237) and subsidised business transport (R8 617).
10. No short-term incentive payable to Mr Radebe as he retired from Sasol before 1 October of the current financial year.
11. Mr Harris's position was declared redundant effective 18 January 2021 and a severance payment of R1 019 263 was paid out to him.
12. Other benefits for Mr Harris include relocation expenses (R892 014), tax on expatriate benefits and allowances (R718 916), private accommodation (R11 573), tax consulting (R65 333), utility allowance (R2 687) and accommodation (R71 685).
13. Mr Harris received a pro rata STI in respect of service during 2021.
14. Other benefits for Mr Griffith include tax advisory services in respect of previous expatriate assignments (R98 583), and employer contributions to United State's statutory funds (R250 628).
15. Mr Griffith received a market related adjustment effective 1 January 2021 in recognition of his larger portfolio after the implementation of the new operating model. Comparative data for 2020 on a pro rata period only since his appointment to the GEC, on 1 November 2019.

#### b. Remuneration and benefits for the former Joint CEOs and Presidents

Former Joint CEOs and Presidents	SR Cornell	B Nqwababa		
		2021 R'000	2020 R'000	2021 R'000
Salary	—	20 808	—	8 470
Risk and Retirement funding	—	10 773	—	909
Vehicle benefit	—	400	—	—
Healthcare	—	453	—	76
Vehicle insurance fringe benefit	—	—	—	5
Security benefit	—	1 008	—	588
Other benefits	—	11 698	—	909
Mutual separation	—	21 658	—	14 389
<b>Total salary and benefits</b>	—	66 798	—	25 346
Annual short-term incentive	—	—	—	—
Long-term incentive gains <sup>1</sup>	3 238	1 861	2 944	1 904
<b>Total annual remuneration</b>	<b>3 238</b>	<b>68 659</b>	<b>2 944</b>	<b>27 250</b>

1. LTIs that were awarded in 2018, due to partly vest in September 2021, at 44,7%.

#### c. Progress against minimum shareholding requirement (MSR) (Executive Directors)

Executive Directors	Vested shares subject to continued employment only until 2022/2025 (excluding accrued dividend equivalents, including RLITs)									
	Minimum Shareholding Requirement (MSR)	MSR Achievement period (CY)	Beneficial shareholding value		Number of shares		Number of shares		Total Pre-tax value of vested shares	
			Post tax vestings – 30 June 2021	including September 2021 post tax vesting	to vest – 22 September 2022	Number of shares subject to continued employment	2023/2025	continued employment	employment	employment
FR Grobler	R22 050 000	2024	R7 415 081	R1 433 296	R8 848 377	40%	2 094	53 654	55 748	R12 656 495
P Victor	R8 680 000	2024	R4 463 896	R3 245 376	R7 709 273	89%	3 301	35 523	38 824	R8 814 202
VD Kahla	R5 098 706	2025	R2 136 333	R1 460 249	R3 596 581	71%	2 281	24 395	26 676	R6 056 143

1. Includes the 2nd tranche of the award made in September 2016. The CPT applied to this award was 47%.

2. Includes the 1st tranche of the award made on 22 September 2018. The CPT applied to this award is 44,7%.

## Report of the Remuneration Committee (CONTINUED)

### d. Progress against minimum shareholding requirement (MSR) (Prescribed Officers)

Prescribed Officers	Minimum Shareholding Requirement (MSR)	Achievement period (CY)	Beneficial shareholding										Vested shares subject to continued employment only until 2022/2025 (excluding accrued dividend equivalents, including RLTs)			
			shareholding – 30 June 2021	Post tax vesting – September 2021 <sup>1,2</sup>	Beneficial shareholding value (including September 2021 post tax vesting)	% MSR Achieved	Number of shares to vest – 22 September 2022		Number of shares to vest – 2023/2025		Total number of vested shares subject only to continued employment		Pre-tax value of vested shares subject only to continued employment			
							2021	2022	2023/2025	2022	2023/2025	2022	2023/2025	2022		
HC Brand	R4 270 000	2026	R4 593 749	R782 091	R5 375 840	126%	2 050	20 076	22 125	R5 023 076						
BV Griffith	\$465 000	2026	–	\$107 695	\$107 695	23%	2 402	23 048	25 450	\$416 355						
BE Klingenberg	R5 943 147	2026	–	R1 770 542	R1 770 542	30%	2 723	28 512	31 235	R7 091 201						
BP Mabelane	R5 075 000	2026	–	–	–	–	–	–	–	–						
CK Mokoena	R4 188 219	2026	R787 340	R457 640	R1 244 980	30%	2 982	20 291	23 273	R5 283 658						

1. Includes the 2nd tranche of the award made on 26 September 2016. The CPT applied to this award was 47% (EVP – Klingenberg) and 68,19% (SVP-Brand and Griffith).

2. Includes the 1st tranche of the award made on 3 September 2018. The CPT applied to this award is 44,7% (EVP – Klingenberg and Mokoena) and 66,8% (SVP – Brand and Griffith).

### e. Non-Executive Directors' remuneration

Non-Executive Directors	Board Meeting Fees 1,2, 3, 4, 5	Lead Independent Director Fees 1, 3, 4, 5	Committee fees 1, 3, 4, 5	Ad Hoc or Special purpose Board Committee 1, 3, 4, 5		Total 2021 R'000	Total 2020 R'000
				R'000	R'000	R'000	
SA Nkosi (Chairman)	5 326	–	–	–	–	5 326	4 756
MSV Gantsho (former Chairman) <sup>6</sup>	–	–	–	–	–	–	2 672
S Westwell (new Lead Independent Director)	1 691	707	1 360	202	202	3 960	4 310
MJN Njike (former Lead Independent Director) <sup>7</sup>	–	–	–	–	–	–	1 385
C Beggs	1 696	–	515	259	259	2 470	3 262
MJ Cuambe	2 089	–	609	–	–	2 698	3 032
MBN Dube	1 817	–	794	–	–	2 611	3 055
M Flöel	1 817	–	822	122	122	2 761	3 085
K Harper	1 580	–	249	26	26	1 855	528
GMB Kennealy	1 637	–	430	–	–	2 067	2 475
NNA Matyumza	1 696	–	458	141	141	2 295	2 693
ZM Mkhize	1 696	–	157	–	–	1 853	2 232
MEK Nkeli	1 696	–	601	–	–	2 297	2 769
PJ Robertson	1 733	–	790	209	209	2 732	3 489
S Subramoney <sup>8</sup>	522	–	93	–	–	615	–
<b>Total</b>	24 996	707	6 878	959	959	33 540	39 743

1. Members of the Board agreed to a voluntary reduction on all fees for Q1 2021 of at least 20%.

2. Members of the Board agreed to a voluntary reduction of Board fees effective May 2020 of at least 20%.

3. No change to non-executive director fees for 2021.

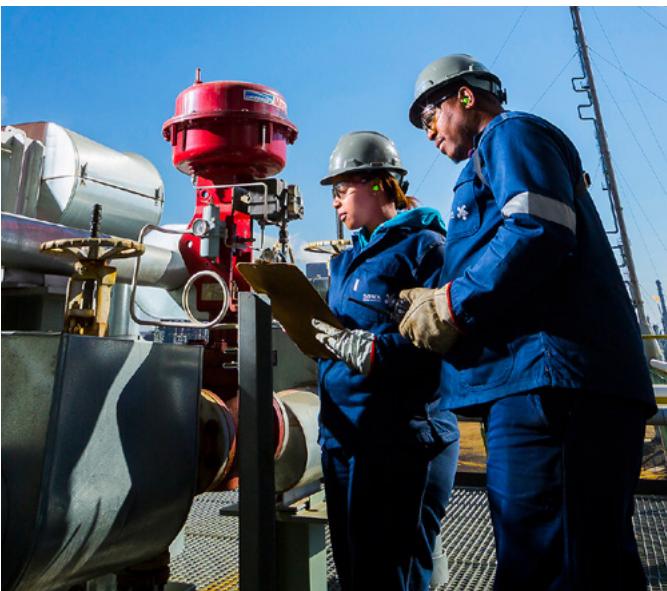
4. Fees include VAT where applicable.

5. Board and Committee fees are based in US\$, thus impacted by rand/US\$ foreign exchange rates at date of payment for resident Non-Executive Directors.

6. Dr Gantsho retired from the Board on 27 November 2019.

7. Mr Njike retired from the Board on 27 November 2019.

8. Mr Subramoney joined the board on 1 March 2021.



## Performance overview – Chief Financial Officer's review

**" Our optimised portfolio is now more aligned with our future strategy and able to deliver competitive returns even in volatile markets. "**

### Dear stakeholders

Our FY21 are characterised by a remarkable turnaround of our financial position, despite the headwinds we faced. The ongoing COVID-19 pandemic continues to impact the global economy. Notwithstanding, we have been able to steer our operations steadily, ensuring that our products continued to be placed profitably.

The Group delivered a resilient set of results for the year ended 30 June 2021, underpinned by a strong cost, working capital and capital expenditure performance, despite the continued impacts of the COVID-19 pandemic and adverse weather events impacting our operations in North America and South Africa. A notable gross margin recovery was recorded in the second half of the financial year, supported by the combined impact of higher Brent crude oil and chemicals prices. Our gearing has decreased from 117% in FY20 to around 61% at 30 June, and net debt to EBITDA is now down to 1.5 times. Net debt is at US\$5.9 billion, and we achieved this without executing a rights issue.

Refer pages 45 and 46 for review on performance.

### Hedging activity

Following the recent rise in the oil price, Sasol has been able to restructure 24 million barrels of put options to zero cost collars thereby increasing the gross average floor level. The crude oil hedge cover ratio for FY22 has also been increased by hedging an additional 18 million barrels using swaps. For 2022, Sasol executed 100% of the hedging programme, which equates to 42 million barrels per annum (90% of total Synfuels synthetic crude oil production, 90% of Sasol's share of ORYX production and equivalent commodity chemicals volumes where there is a strong correlation to oil price using a combination of zero cost collars and swaps).

The updated hedging levels underpin the strengthening of the balance sheet and the reduction of the Company's absolute debt levels.

### Capital allocation principles

Our capital allocation framework is adapting to address the changing priorities facing our businesses, however, the principles underpinning our disciplined capital allocation approach as set out in 2017, remain intact. We will continue to apply these principles consistently as we consider capital allocation decisions, along with key financial risk and return metrics, in order to restore and build attractive sustainable shareholder returns.

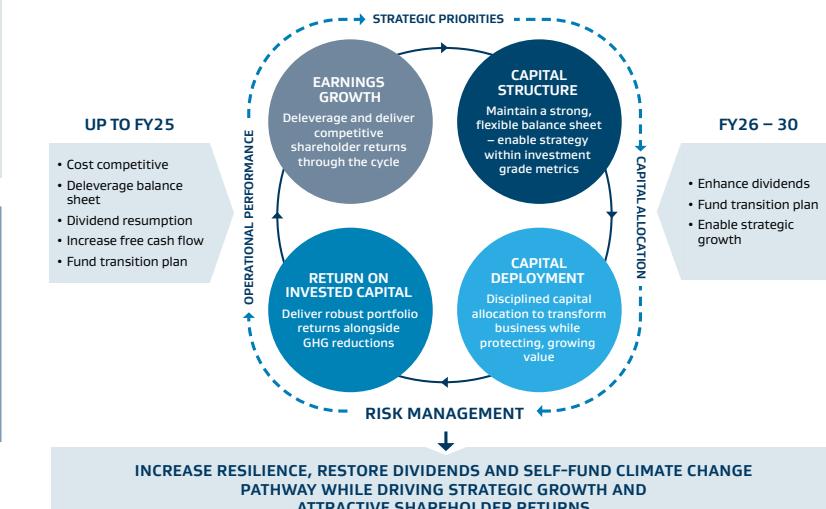
Our aim is to maximise value through a balanced capital allocation approach supported by clearly defined financial targets. Applying our capital allocation framework to the capital generated by the competitive Sasol 2.0 portfolio will allow Sasol to deliver on its ambitious climate change goals while supporting a step-up in shareholder returns.

Protecting our licence to operate as well as decarbonising and ensuring the integrity and reliability of our existing assets takes priority, along with deleveraging the balance sheet and restoring dividends. Our next priority will be to evaluate where we will derive the most value for our shareholders either through new value pools or additional shareholder returns.

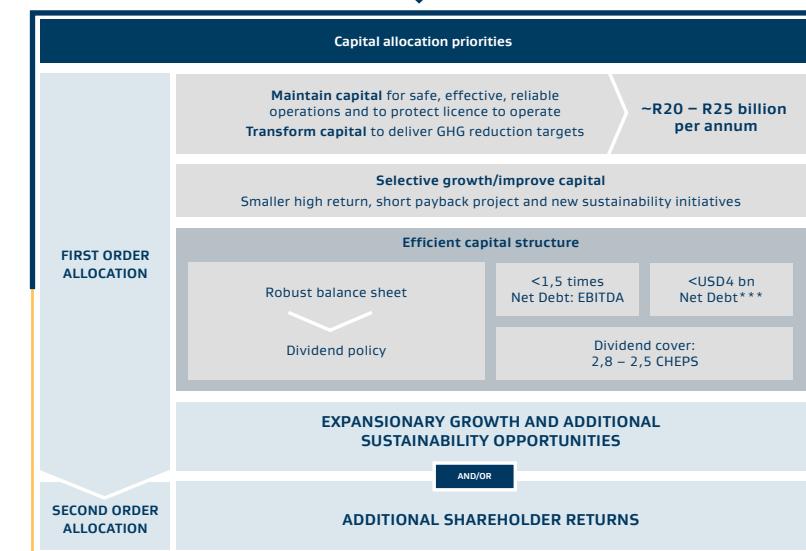
### KEY MESSAGES

- Year of delivery, despite COVID-19 challenges
- Strong financial results delivered
- Significant progress in resetting the balance sheet
- Competitive cost basis established
- Maintaining focus on the factors within our control

### Our refined approach to deliver sustainable shareholder value over time



### Disciplined capital allocation will deliver Future Sasol



\*\*\* Net debt excluding lease liabilities.

  
Paul Victor  
Chief Financial Officer

20 September 2021

## Performance overview – Financial statements

### Statement of financial position

at 30 June

	2021 Rm	2020 Restated** Rm	1 July 2019 Restated** Rm
<b>Assets</b>			
Property, plant and equipment	<b>198 021</b>	227 645	357 582
Right of use assets	<b>12 903</b>	13 816	–
Goodwill and other intangible assets	<b>2 482</b>	2 800	3 357
Equity accounted investments	<b>10 142</b>	11 812	9 866
Other long-term investments	<b>1 896</b>	1 926	1 248
Post-retirement benefit assets	<b>591</b>	467	1 274
Long-term receivables and prepaid expenses	<b>4 224</b>	6 435	6 317
Long-term financial assets	<b>809</b>	–	15
Deferred tax assets	<b>24 511</b>	31 665	8 563
<b>Non-current assets</b>	<b>255 579</b>	296 566	388 222
Inventories	<b>29 742</b>	27 801	29 646
Tax receivable	<b>1 113</b>	5 419	730
Trade and other receivables	<b>30 933</b>	25 097	28 578
Short-term financial assets	<b>1 514</b>	645	630
Cash and cash equivalents	<b>31 231</b>	34 739	15 877
<b>Current assets</b>	<b>94 533</b>	93 701	75 461
Assets in disposal groups held for sale	<b>10 631</b>	84 268	2 554
<b>Total assets</b>	<b>360 743</b>	474 535	466 237
<b>Equity and liabilities</b>			
Shareholders' equity	<b>146 489</b>	150 976	217 224
Non-controlling interests	<b>5 982</b>	4 941	5 885
<b>Total equity</b>	<b>152 471</b>	155 917	223 109
Long-term debt	<b>97 137</b>	147 511	127 350
Lease liabilities	<b>13 906</b>	15 825	7 445
Long-term provisions	<b>16 164</b>	21 857	17 622
Post-retirement benefit obligations	<b>13 297</b>	14 691	12 708
Long-term deferred income	<b>400</b>	842	924
Long-term financial liabilities	<b>2 011</b>	5 620	1 440
Deferred tax liabilities	<b>7 793</b>	19 154	26 541
<b>Non-current liabilities</b>	<b>150 708</b>	225 500	194 030
Short-term debt	<b>7 337</b>	43 468	3 783
Short-term provisions	<b>5 064</b>	2 202	3 289
Tax payable	<b>806</b>	665	1 039
Trade and other payables	<b>36 670</b>	35 757	39 466
Short-term deferred income	<b>576</b>	579	210
Short-term financial liabilities	<b>3 162</b>	4 271	765
Bank overdraft	<b>243</b>	645	58
<b>Current liabilities</b>	<b>53 858</b>	87 587	48 610
Liabilities in disposal groups held for sale	<b>3 706</b>	5 531	488
<b>Total equity and liabilities</b>	<b>360 743</b>	474 535	466 237

\*\* The results have been restated for prior period errors in the calculation of South African value chain impairments, refer to note 1 in the Annual Financial Statements.



### Commentary

#### Property, plant and equipment

Additions to non-current assets amounted to R15,9 billion, projects capitalised amounted to R1,6 billion. Asset impairments related to our Secunda liquid fuels refinery (R24,5 billion), Wax (R7,9 billion) and Chlor Alkali and PVC (R1,1 billion) cash generating units (CGUs) were recognised in FY21. These were mainly due to our stronger outlook on the rand/US dollar exchange rate and lower long-term oil price outlook for the Secunda refinery and higher future feedstock prices for the Chemicals CGUs. Macro-economic volatility presents a significant challenge at period end when performing impairment assessments. The South Africa value chain CGUs impairments were offset by reversals of prior year impairment of R4,9 billion, (US\$0,3 billion), relating to the US Ziegler Alcohols, Ethylene Oxide/Ethylene Glycol (EO/EG) CGU and Canadian shale gas assets R521 million, (CAD45 million).

#### Assets in disposal group held for sale

Assets for divestment in 2021 included:

- 30% of our shareholding in Republic of Mozambique Pipeline Investments Company;
- Our shareholding in Central Térmica de Ressano Garcia S.A. (CTRGS); and
- Canada shale gas assets, the transaction closed on 29 July 2021.

#### Working capital

Working capital increased by R7,2 billion mainly due to a recovery in feedstock and sales prices during the second half of the 2021 financial year. This was partly offset by focused management initiatives to reduce working capital levels.

#### Debt

Our total debt was R102,9 billion compared to R189,7 billion as at 30 June 2020, with approximately R98,4 billion (US\$6,9 billion) denominated in US dollar. At 30 June 2021, the balance sheet saw an improvement in the gearing at 61,5% (30 June 2020: 117%) and Net debt: EBITDA of 1,5 times (30 June 2020: 4,3 times) (based on the RCF and US dollar term loan covenant definition), well below the re-instated June 2021 covenant level of 3,0 times.

### Income statement

for the year ended 30 June

	2021 Rm	2020 Restated** Rm	2019 Restated** Rm
Turnover	<b>201 910</b>	190 367	203 576
Materials, energy and consumables used	(85 370)	(90 109)	(90 589)
Selling and distribution costs	(8 026)	(8 388)	(7 836)
Maintenance expenditure	(12 115)	(10 493)	(10 227)
Employee-related expenditure	(32 848)	(30 667)	(29 928)
Exploration expenditure and feasibility costs	(295)	(608)	(663)
Depreciation and amortisation	(17 644)	(22 327)	(17 814)
Other expenses and income	(6 589)	(27 376)	(19 097)
Translation gains/(losses)	<b>5 510</b>	(6 542)	604
Other operating expenses and income	(12 099)	(20 834)	(19 701)
Equity accounted profits/(losses), net of tax	<b>814</b>	(347)	1 074
<b>Operating profit before remeasurement items</b>	<b>39 837</b>	52	28 496
Remeasurement items affecting operating profit	(23 218)	(111 978)	(20 062)
Earnings/(loss) before interest and tax (EBIT/(LBIT))	<b>16 619</b>	(111 926)	8 434
Finance income	<b>856</b>	922	787
Finance costs	(6 758)	(7 303)	(1 253)
Earnings/(loss) before tax	<b>10 717</b>	(118 307)	7 968
Taxation	(185)	26 390	(2 803)
Earnings/(loss) for the year	<b>10 532</b>	(91 917)	5 165
Attributable to			
Owners of Sasol Limited	<b>9 032</b>	(91 754)	3 389
Non-controlling interests in subsidiaries	<b>1 500</b>	(163)	1 776
	<b>10 532</b>	(91 917)	5 165
<b>Rand</b>			
Per share information			
Basic earnings/(loss) per share	<b>14,57</b>	(148,49)	5,50
Diluted earnings/(loss) per share	<b>14,39</b>	(148,49)	5,46

#### Earnings

Sasol's earnings for the year were underpinned by a strong cost, working capital and capital expenditure performance, despite the continued impacts of the COVID-19 pandemic and adverse weather events. A notable gross margin recovery was recorded in the second half of the financial year, supported by the combined impact of higher Brent crude oil and chemicals prices, offset by a stronger rand/US dollar exchange rate.

### Commentary

#### Turnover

Turnover increased by 6% mainly due to: Higher Brent crude oil prices and a strong recovery in chemical prices. The Energy Business saw a strong recovery in liquid fuels demand following the easing of lockdown restrictions. The Chemicals Business also started to benefit from LCCP, post all units achieving beneficial operation. Sales volumes were negatively impacted by weather events in United States and South Africa with a combined impact of 300kt.

#### Materials, energy and consumables used

Decrease of 5% relates to lower production volumes and Response Plan savings.

#### Employee-related expenditure

Excluding the impact of the share-based payment, our employee costs increased by 5% compared to 2020, mainly due the reinstatement of STIs. 2020 also benefitted from salary sacrifices during May and June 2020.

#### Depreciation

21% decrease in depreciation relates to asset disposals and the impact of prior year impairments on current year depreciation charge.

#### Other operating expenses and income

Decrease mainly relates to translation gains of R5,5 billion compared to losses of R6,5 billion in the prior year, due to a 18% strengthening of the closing rand/US dollar exchange rate compared to 30 June 2020. The current year includes derivative gains of R2,3 billion compared to derivative losses of R7 billion in the prior year.

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

#### Taxation

Our effective corporate tax rate decreased from 22,4% to 1,7%. The effective corporate tax rate is 26,3% lower than the South African corporate income tax rate of 28%, mainly due to tax losses utilised in the current year and the release of foreign currency translation reserves (FCTR) on the disposal of foreign entities to the income statement.

#### Turnover

**R202 billion**

#### Earnings for the year

**R10,5 billion**

#### Impairments of

**R28,7 billion**

## Performance overview – Financial statements (CONTINUED)

### Statement of cash flows

for the year ended 30 June

	2021 Rm	2020 Rm	2019 Rm
Cash receipts from customers	194 712	196 798	203 613
Cash paid to suppliers and employees	(149 598)	(154 414)	(152 215)
<b>Cash generated by operating activities</b>	<b>45 114</b>	<b>42 384</b>	<b>51 398</b>
Dividends received from equity accounted investments	37	208	1 506
Finance income received	837	792	682
Finance costs paid	(6 173)	(7 154)	(6 222)
Tax paid	(5 280)	(5 659)	(3 946)
<b>Cash available from operating activities</b>	<b>34 535</b>	<b>30 571</b>	<b>43 418</b>
Dividends paid	(46)	(31)	(9 952)
Dividends paid to non-controlling shareholders in subsidiaries	(446)	(810)	(1 523)
<b>Cash retained from operating activities</b>	<b>34 043</b>	<b>29 730</b>	<b>31 943</b>
Additions to non-current assets	(18 214)	(41 935)	(56 734)
additions to property, plant and equipment			
additions to other intangible assets			
decrease in capital project related payables			
Cash movements in equity accounted investments	–	(284)	66
Proceeds on disposals and scrappings	43 214	4 285	567
Additions to assets held for sale	(427)	–	–
Acquisition of interest in equity accounted investments	–	(512)	–
Purchase of investments	(124)	(121)	(222)
Proceeds from sale of investments	168	483	142
Decrease/(increase) in long-term receivables	476	(466)	(231)
<b>Cash received from/(used in) investing activities</b>	<b>25 093</b>	<b>(38 550)</b>	<b>(56 412)</b>
Proceeds from long-term debt	26 057	36 487	93 884
Repayment of long-term debt	(61 454)	(28 335)	(69 655)
Payment of lease liabilities	(2 180)	(2 061)	(345)
Repayment of debt held for sale	(980)	–	–
Proceeds from short-term debt	9	19 998	977
Repayment of short-term debt	(19 717)	(977)	(1 730)
<b>Cash (used in)/generated by financing activities</b>	<b>(58 265)</b>	<b>25 112</b>	<b>23 131</b>
Translation effects on cash and cash equivalents	(2 916)	3 607	162
(Decrease)/increase in cash and cash equivalents	(2 045)	19 899	(1 176)
Cash and cash equivalents at the beginning of year	34 094	15 819	17 039
Reclassification to disposal groups held for sale and other long-term investments	(1 061)	(1 624)	(44)
<b>Cash and cash equivalents at the end of the year</b>	<b>30 988</b>	<b>34 094</b>	<b>15 819</b>

Cash generated by operating activities

**R45 billion**

Proceeds on asset disposals

**R43 billion**

Repayment of debt

**R81,2 billion**

### Commentary

#### Cash generated by operating activities

Cash generated by operating activities increased by 6% to R45,1 billion compared to the prior year. This was largely due to the improved macroeconomic environment and another strong working capital and cost performance.

#### Proceeds on disposals and scrappings

Includes proceeds received from the disposal of our US LCCP Base Chemicals Business (R30 billion), disposal of Air separation units (R8 billion) and our investment in Gemini HDPE LLC (R3,3 billion).

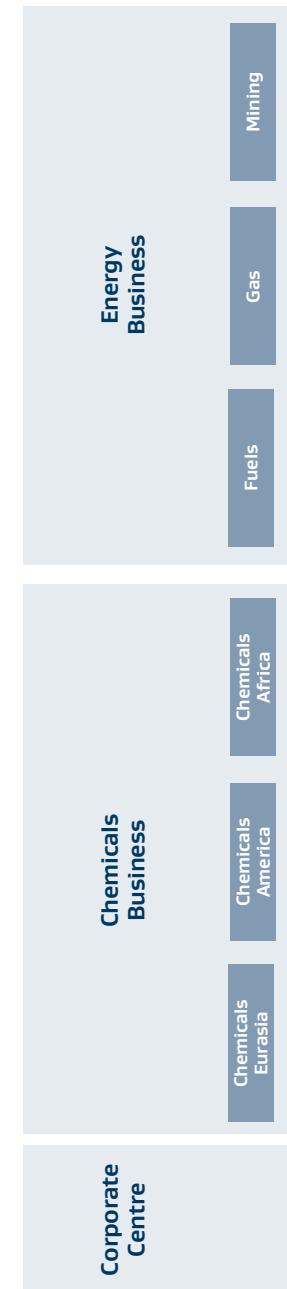
#### Proceeds and repayment of debt

During the year, we utilised proceeds from our asset divestments to repay the US dollar syndicated loan, a portion of our RCF and term loans, reducing our US dollar denominated debt by almost R76 billion (US\$5 billion). Proceeds from long-term debt includes bonds of US\$1,5 billion (R21,4 billion) issued and listed on the New York Stock Exchange.

#### Cash and cash equivalents

Our net cash on hand position decreased from R34,1 billion as at 30 June 2020 to R31 billion mainly due to repayment of overnight commercial banking facilities of R4 billion.

### Operational performance summary



Energy	2021	2020
Turnover (Rm)	2 025	1 343
Earnings before Interest and Tax (EBIT) (Rm)	3 227	2 756
Total assets (Rm)	29 470	29 265
Number of employees	7 811	7 433

Energy	2021	2020
Turnover (Rm)	7 321	8 350
Earnings before Interest and Tax (EBIT) (Rm)	6 656	5 527
Total assets (Rm)	26 376	29 825
Number of employees	598	565

Energy	2021	2020
Turnover (Rm)	59 393	60 816
Loss before Interest and Tax (LBIT) (Rm)	(18 170)	(11 609)
Total assets (Rm)	36 159	61 124
Number of employees	4 688	4 953

Chemicals	2021	2020
Turnover (Rm)	58 260	51 600
Earnings/(loss) before Interest and Tax (EBIT/(LBIT)) (Rm)	6 957	(17 035)
Total assets (Rm)	49 761	56 870
Number of employees	7 414	8 803

Chemicals	2021	2020
Turnover (Rm)	29 358	28 721
Earnings/(loss) before Interest and Tax (EBIT/(LBIT)) (Rm)	8 116	(77 556)
Total assets (Rm)	125 541	188 212
Number of employees	1 259	1 748

Corporate Centre	2021	2020
Turnover (Rm)	45 539	39 537
Earnings/(loss) before Interest and Tax (EBIT/(LBIT)) (Rm)	4 680	(894)
Total assets (Rm)	32 704	34 061
Number of employees	3 095	3 187

Corporate Centre	2021	2020
Turnover (Rm)	14	–
Earnings/(loss) before Interest and Tax (EBIT/(LBIT)) (Rm)	5 153	(13 115)
Total assets (Rm)	34 517	37 627
Number of employees	4 084	4 312

## Chemicals Business at a glance

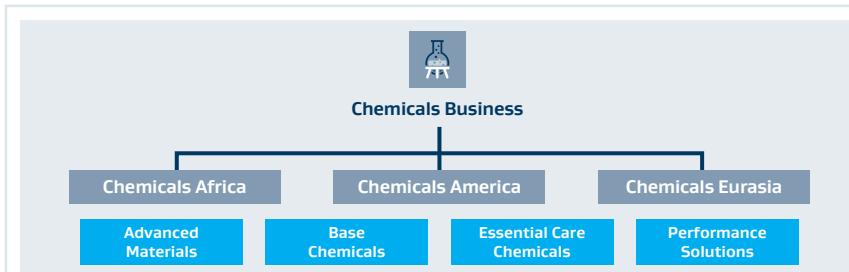


“ Our unique chemistry portfolio, technology leadership and well-invested, advantaged global asset base provide a strong foundation for our transformation into a solutions provider. Going forward, a clear focus on sustainability, circularity and specialties will we see more attractive long-term returns. ”

**Brad Griffith**  
Executive Vice President: Chemicals



### Overview



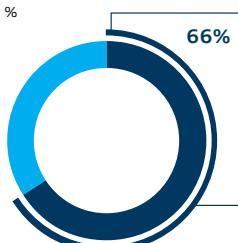
Our Chemicals Business has a strong, diversified, global presence that is organised into three customer-focused regional operating segments – Africa, America and Eurasia – supporting four business divisions: Advanced Materials, Base Chemicals, Essential Care Chemicals and Performance Solutions.

Our global presence, integrated value chains and strengthened market positions provide the foundation for future growth with a specialty solutions focus where we see more attractive long-term returns going forward. We already have a number of differentiated market positions in specialty and other attractive growth areas. 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. Our global capabilities have been significantly enhanced through the additional alcohols, aluminas and ethoxylates capacity of the Lake Charles Chemicals Project (LCCP), which leaves Sasol well-placed to benefit from long-term demand trends in chemistries that are our core competencies. Likewise, we retain our exposure to commodity chemicals and associated economic cycles with our LCCP joint venture and other Base Chemical assets.

Our revenue drivers include supply and demand dynamics driven by the macroeconomic environment, geopolitical risks and/or new global production capacities. Pricing is linked to international chemical prices with revenue further impacted by movements in foreign exchange rates, especially the rand/US dollar/Euro.

### Contribution to Group's external turnover



### Strategic positioning

#### Strategy

##### Transforming our business for high-return growth

- Align our business with powerful megatrends
- Transform our portfolio
- Accelerate high-value growth
- Aggressively drive excellence in all we do

- ✓ Strengthened market positions
- ✓ Geographic diversification
- ✓ Full value chain integration
- ✓ Accelerated pivot to solutions provider
- ✓ Synergistic base chemicals partnership

##### FUTURE SASOL

- Leading positions in Essential Care Chemicals and Advanced Materials
- Transformed portfolio weighted toward specialty chemicals
- Integrated value chains for high returns
- Unique chemistry enabling sustainable and circular solutions

#### Strategic focus areas

Achieve full commercial ramp-up of LCCP to deliver significant value from America operations.

Further extend market-leading positions in Essential Care and Advanced Materials.

Position the Lake Charles site as a sustainability hub, leveraging its development-ready land, advantaged feedstock access and prime transport infrastructure, along with Sasol's reputation as a partner of choice in Southwest Louisiana.

Position Fischer-Tropsch (FT) know-how in Africa for future sustainability business.

Maximise our competitiveness and asset value with the Sasol 2.0 transformation programme.

Leverage renewable feedstocks in our Eurasian assets to enhance our portfolio with lower-carbon, customisable solutions.

#### 2022 priorities

##### Safety

- Strive for zero harm
- Promote physical, emotional and mental wellbeing of our workforce

##### Building our culture

- Celebrate our successes
- Invest in our people
- Grow diversity, equity and inclusion
- Become one Chemicals

##### Customer experience

- Create value for our customers
- Advance the customer experience
- Develop a strong innovation pipeline

##### Sustainability

- Reduce our GHG footprint
- Develop sustainable solutions with our customers
- Promote product stewardship

##### Delivery

- Unlock the full value of Sasol 2.0 transformation programme
- Ramp-up value from LCCP
- Maximise cash generation
- Simplify, standardise, automate and digitise

### Key features

Presence in

**21 countries**

Approximately **5 000** employees from

**56 nationalities**

(excluding Chemicals SA Ops)

**7 500** customers in

**120 countries**

Nine research and development facilities in **five countries**

More than

**US\$8,5 billion** in annual revenue

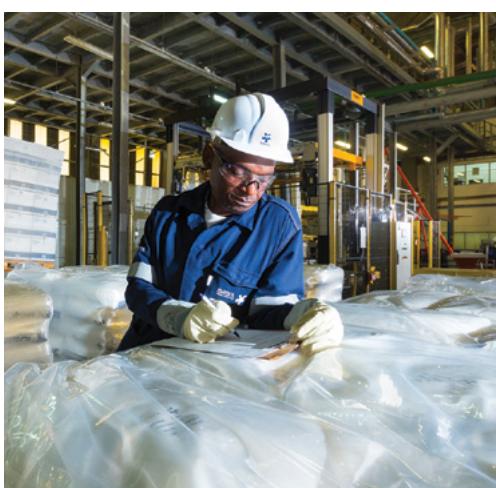
## Chemicals Business at a glance (CONTINUED)

### Salient features

- Sound safety performance with no fatalities or life-altering injuries during the year.
- Strong FY21 financial performance with adjusted EBITDA almost 70% higher than previous year.
- Last unit at the LCCP declared beneficial operation in November 2020, and units continue to ramp-up.
- Significant progress in delivering on our previously announced asset divestiture programme.
- Completed organisational redesign as part of Sasol 2.0 transformation programme.
- Further developed our GHG reduction roadmap.
- Displayed resilience in managing the COVID-19 pandemic and innovation in using our unique chemistry to develop solutions for a better world.

### Safety

In a year of significant change and challenges, we continued our relentless focus on zero harm. There were no fatalities or life-altering injuries in the year. Our recordable case rate (RCR) remained the same as previous year at 0,29 while the fires, explosions and releases severity rate (FER-SR) increased from 9,9 to 10,8. On the positive side, our transporter indicator of performance (TOP) improved from 1,56 to 0,72. We prioritised employee wellbeing with an attitude of care and empathy particularly evident from leadership during our Sasol 2.0 transformation programme.



### Performance summary

The Chemicals Business delivered a strong financial performance in FY21 with adjusted EBITDA almost 70% higher than the previous year. This was despite adverse weather events in both the United States and South Africa impacting production and the continued impact of the COVID-19 pandemic. The average sales basket price (US\$/t) was 17% higher compared to the prior year while sales volumes were only 3% lower. Strict cost control and disciplined capital management were maintained, while the asset divestiture programme was further advanced with a number of divestments completed across all the regional segments.

#### Chemicals Africa

Sales volumes from our South African-based assets were 1% higher compared to the prior year despite the ongoing COVID-19 global pandemic and a power outage at the Sasolburg site caused by a severe storm at the end of December 2020.

The average sales basket price (US\$/t) for the financial year was 14% higher compared to the prior year due to a combination of improved demand, higher oil prices and reduced market supply from the weather-related events in the United States and global supply chain challenges due to the continued COVID-19 pandemic.

EBIT for the year of R7 billion increased by more than 100% compared to prior year largely due to the aforementioned increase in the US\$/ton basket sales price, sales volumes and a reduction of impairments recognised from FY20. We recognised a total of R9 billion of impairments related to both our Wax (R7,9 billion) and Chlor-Vinyls (R1,1 billion) cash-generating units (CGU) in FY21 largely due to higher costs associated with gas feedstocks in future years, lower planned sales volumes, stronger rand/US dollar exchange rate and planned divestment of the sodium cyanide business.

#### Chemicals America

Sales volumes from our America-based assets for the year ended 30 June 2021 were 16% lower than the prior year, impacted by two hurricanes, the arctic winter storm and divestment of the US Base Chemical assets.

The average sales basket price (US\$/ton) for the financial year was 24% higher compared to the prior year.

EBIT for the year of R8,1 billion increased by more than 100% compared to the prior year largely due to the aforementioned higher prices, a reduction of impairments and gains from the aforementioned asset divestitures.

We recognised a net reversal of impairments (R4,5 billion) in FY21 largely associated with the Ethylene Oxide/Ethylene Glycol (EO/EG) unit following a reassessment of the CGU within America.

#### Chemicals Eurasia

Sales volumes from our Eurasian-based assets for the financial year were 4% higher than the prior year, despite the divestment of Sasol's share in the Sasol Wilmar Joint Operation in the 2020 financial year. The increase in sales volumes continued to be driven by improved market demand, mainly for our Essential Care Chemicals and Performance Solutions products, especially surfactants and wax, whereas demand for other product applications (notably Advanced Materials) continues to be negatively affected by the COVID-19 pandemic and associated restrictions in certain markets.

The average sales basket price (US\$/ton) increased by 13% compared to the prior year.

EBIT for the year of R4,7 billion increased by more than 100% compared to the prior year largely due to the aforementioned increase in both the basket sales price, sales volumes and absence of impairments (R2,4 billion) recognised in FY20.

#### Operating segment contribution to adjusted FY21 EBITDA



### Delivery on asset divestment programme

We made significant progress in delivering on our previously announced asset divestiture programme with approximately R36,6 billion of transactions completed during the year. The largest divestments occurred in America with the divestment of a 50% interest in Sasol's Base Chemicals Business in Lake Charles to LyondellBasell for US\$2 billion on 1 December 2020. In addition, we divested our 50% interest in the Gemini HDPE joint venture to INEOS for US\$0,4 billion on 31 December 2020. Smaller divestments also occurred in Eurasia associated with the sale of our share of the ARG ethylene pipeline and in Africa associated with a further sell-down of our 5% shareholding in Enaex Africa to a Broad-Based Black Economic Empowerment (B-BBEE) partner. Lastly, we announced in July 2021 an agreement to sell our sodium cyanide business for a consideration of R1,5 billion. The transaction is expected to close in the first half of CY22 subject to the fulfillment of various conditions precedent.

### Sustainability

Global momentum behind the energy transition is growing, impacting the chemicals industry but also creating opportunities. The urgency to respond to climate change is being felt throughout our value chain and collaboration with our suppliers and customers is critical. We aim to reduce our absolute scope 1 and 2 emissions by 30%\* by 2030 in all our regional operating segments with an ambition to be Net Zero by 2050.

We are advancing the development of renewable and circular drop-in feedstocks in collaboration with our customers and supply partners, which will support reduction of scope 3 GHG emissions over time.

Renewable electricity plays a critical role in our GHG reduction plans. With increasing electrification of energy markets comes the need for increasingly demanding chemistry in battery, automotive and power markets. Our growth and innovation efforts are aligned with these powerful megatrends and focused on developing solutions for our customers using our unique chemistry.

\* Off 2017 base.

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

## Chemicals Business at a glance (CONTINUED)

### Resilience

The COVID-19 pandemic gave us an opportunity to change the way we do business, with a large proportion of our non-plant people having to work from home and interact virtually with our customers, suppliers and each other. While technology enabled this, the personal relationships that we have with our stakeholders sustained us and ensured that product was produced, supplied and sold to customers all over the world. The pandemic reinforced the value of producing and selling product across the globe as we were able to continue selling despite global supply chain challenges. The breadth of our portfolio allowed us to pivot our products in diverse applications and markets, supporting our robustness and resilience in uncertain times.

### Looking ahead

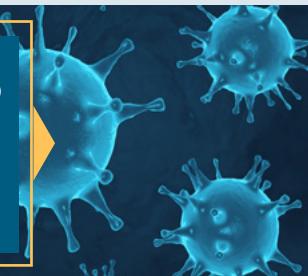
- Overall sales volumes for the FY22 are expected to be in line with FY21 levels despite the impact of the asset divestitures and lower planned production at Chemicals Africa, largely due to the continued ramp-up of LCCP units, absence of FY21 adverse weather events and improved market demand.
- Continued oil price volatility and the ongoing COVID-19 pandemic may impact volumes and prices during the FY22.
- Delivery of benefits associated with Sasol 2.0 transformation programme.
- Completion of previously announced asset divestiture programme.
- Further development and implementation of our sustainability ambitions.



### Innovation

Sasol Chemicals sells many of its products into specialised applications, including home, fabric and personal care; inks, paints, coatings and adhesives; polymer additives, agribusiness and metalworking. Sasol works closely with its customers to understand the needs and trends in general markets. When appropriate, we also undertake exclusive joint developments with customers to develop specific products or formulations to enhance the performance of their products. We also participate in relevant industry forums, monitor trends in patents and publications and conduct various innovation-focused initiatives within the organisation to generate ideas and share knowledge.

Sasol Chemicals sells a critical chemical building block for messenger RNA COVID-19 vaccines. Sasol's ISOCARB 16 is a key ingredient in a unique lipid nanoparticle that creates a fatty layer of protection for the vaccine's active component, allowing it to safely make its journey into the body's cells.



Sasol Chemicals' calcined coke, manufactured at Secunda complex, South Africas, is used to produce high-quality synthetic graphite for lithium-ion batteries that power a variety of devices including electric vehicles. The consistency, purity and unique chemistry of Sasol's calcined coke make our products ideal for use in Li-ion battery applications.



Sasol's unique chemistry enables the development of biomass plastic composites to make durable wood-like items such as park benches, playground decking, garden furniture, flooring, automotive parts and more. Wood plastic composites combine agricultural or wood waste with plastic waste yielding a more sustainable and functional material than wood or plastic products. Using waste materials from both resources helps reduce plastic waste in the environment and relieves pressure on natural resources.



Sasol Chemicals' latest generation Fischer-Tropsch (FT) catalyst was successfully commercialised at two of our FT licences. It offers additional benefits to our customers due to its higher activity and improved selectivity compared with the previous generation catalyst. This improved performance results in lower catalyst cost per barrel of product produced. In addition, our catalyst offers a technology foundation for future sustainable fuels production via power to liquid applications.



CEREWIN EN 252V, derived from Sasol Chemicals ALFOL C20+ alcohols, is the latest innovation within the Agricultural Solutions offering. Its use on certain crops is intended to manage increasing abiotic stresses associated with climate change. When diluted in water and sprayed, the self-emulsifying product imparts a fine coating on leaves helping moderate effects of excessive heat stress and sun damage on the plant.



Sasol Chemicals has recently introduced new castor oil-based emulsifiers for use in agrochemical and metalworking and lubrication applications. These MARLOWET RVZ and CEREWIN LVO ranges combine superior performance in terms of emulsification and emulsion stability, with a high (>60%) content of renewable components and easy handling due to their non-hazardous nature. This new generation of esters represents a significant further development of an existing product range, with the improved properties being welcomed in these key markets.



## Energy Business at a glance



**“** We plan to lead the energy transition in Southern Africa through our talented people, proprietary technology, integrated value chain and strategic partnerships. We are committed to job creation, providing sustainable solutions to our customers, and unlocking new value chains to ignite the South African economy. **”**

Bernard Klingenberg  
Executive Vice President  
Energy Operations

Priscillah Mabelane  
Executive Vice President  
Energy Business



### Overview

**Energy Business**

- Mining
- Gas
- Fuels

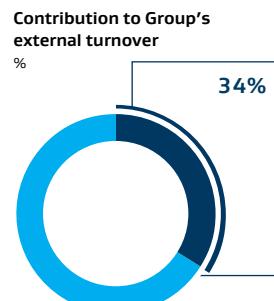
We operate an integrated value chain with feedstock sourced from our Mining and Gas operating segments and processed at our Secunda and Sasolburg Operations, and Natref. We also have associated assets outside South Africa. These include the Pande-Temane Petroleum Production Agreement (PPA) in Mozambique and a share in ORYX GTL in Qatar. We are investing in low-carbon activities by working with local and global partners and investing in innovation and research to support South Africa in positioning itself as a global producer of green hydrogen with its current natural endowments.

We have proprietary technologies that can generate attractive and sustainable margins from a combination of our low-cost feedstock,

safe and reliable operations and desirable energy and chemical products.

We are focused on optimising the performance of our assets with improved cost effectiveness. We are making progress towards our near-term climate targets through the increased sourcing of renewable energy, using gas as a transitional feedstock and reducing the GHG footprint of our facilities.

The profitability of our business is highly dependent on crude oil prices, rand/US dollar exchange rates, carbon tax and gas prices. We carefully monitor the external environment and develop plans to respond to sudden changes in these drivers and use hedges where possible to protect our earnings base.



### Strategic positioning

#### Strategy

##### Positioned for sustainable energy transition and growth

- Leading the energy transition in Southern Africa
  - Advantaged assets with enhanced resilience
  - Leading fuel technologies
  - Integrated value chain and scale
  - Developing a green hydrogen economy in South Africa
  - Unlocking value through partnering
- ✓ Advantaged feedstock
  - ✓ Gas market access and leadership
  - ✓ Differentiated capabilities
  - ✓ Track record of innovative large-scale technology deployment
  - ✓ Unique FT technology provides opportunity to win in the energy transition

##### FUTURE SASOL

- Enhance fuels margins
- Portfolio resilience
- Access to affordable gas supply
- Customer-centric at heart
- Lower-carbon business solutions and technology at scale

#### Strategic focus areas

Leverage competitive advantages and achieve Net Zero by 2050 while preserving and growing value and ensuring a just transition.

Reset profitability and resilience and fund growth using our strong asset base and technology advantage.

Play a leading role in new hydrogen economy in South Africa using technology and leveraging our existing assets.

Deliver competitive returns to 2030 as we accelerate decarbonisation. Then pursue options to get to Net Zero by 2050.

Unlock potential of mobility and commercial marketing businesses by building capabilities and partnerships.

Pursue an early gas solution to decarbonise and produce first green hydrogen in 24 months in partnership with the Industrial Development Corporation (IDC).

#### 2022 priorities

##### Safety

- Making zero harm an operational reality
- Deliberate focus on critical control verification
- Enriching the HSI programme with humanising safety as a leadership imperative

##### Building a high performing team

- Skills and capability building to improve competitiveness
- Entrenching a values-driven culture
- Growing diversity and inclusion
- Coaching and mentoring leaders

##### Customer focused

- Create value for our customers
- Digital solutions to improve customer experience
- Building a strong brand
- Shift from product portfolio to customer portfolio

##### Sustainability

- Execute 2030 roadmap to reduce GHG scope 1 and 2 emissions by 30%\*
- Reduced by 20% GHG scope 3 emissions: Category II by 2030
- Deliver at least 200 MW of renewables in Secunda by 2023
- First green hydrogen in 24 months
- Deliver on commitments to stakeholders and communities
- \* Off 2017 base and excluding Natref.

##### Delivery

- Sasol 2.0 to reset the business
- Stable and reliable operations delivering budgeted volumes
- Sustainable gas solutions
- Ramp-up Fulco integrated shift system at Mining

### Key features

Significant contributor to **GDP** and leading corporate **taxpayer** in South Africa

**R47 billion** direct and indirect taxes paid in South Africa

Preferential procurement of ~ **R43 billion**

Total turnover  
~ **R90 – R100 billion**  
(including intercompany turnover)

Number of employees  
~ **20 000**  
(including Chemicals SA Ops)

## Energy Business at a glance (CONTINUED)

### Salient features

- We experienced two work-related fatalities – one before year end and the other after year end.
- Set up accredited vaccination sites at our medical centres in Sasolburg and Secunda which administered 4 743 vaccines by end of July.
- Higher production volumes at Secunda Operations and Mozambique despite COVID-19.
- Fuel sales volumes up 3% due to stronger demand.
- Significant impairment of assets – R25bn – due to stronger rand/US dollar outlook.
- R24 billion spent with Black-owned suppliers.
- Delivery against Mozambique local content plan.

### Safety

Our commitment to safety and the reinforcement of our high-severity incident (HSI) programme aimed at preventing fatalities, HSIs and process safety incidents gained momentum. Leadership and teams worked hard to embed our new safety practices, rules and change behaviours. Regrettfully, we tragically lost two colleagues who passed away in work-related incidents – one at Natref before year end and the other at Mining after year end. Our recordable case rate (RCR) plateaued at 0,26 from 0,27 in 2020. The fires, explosions and releases severity rate (FER-SR) improved by 2% to 4,1 compared to 4,2.

### Performance summary

The Energy Business delivered a satisfactory performance. The strong integrated value chain benefitted from higher oil prices in the last quarter of the 2021 financial year, and strict cost control and disciplined capital expenditure. However, this performance was hampered by COVID-19, inconsistent coal quality and plant instability.

#### Mining

Our productivity of 1 131 tons per continuous miner per shift (t/cm/s) was lower than expected, which necessitated more external coal purchases to meet demand from Secunda Operations (SO). To improve productivity sustainably going forward, we have implemented the Fulco integrated shift system across all Secunda mines, with the last mine rollout completed in June 2021, two months earlier than planned. We expect our productivity to increase and external purchases to decrease as we fully ramp-up the Fulco integrated shift system.

EBIT increased by 17% for the year to R3,2 billion compared to the prior year, mainly due to higher sales volumes, higher export sales prices and lower external coal purchases, offset by higher depreciation and an unfavourable stock movement.

Our normalised mining unit cost increased by 8% to R376/ton due to higher labour, maintenance and depreciation costs, partially negated by cash conservation measures.

#### Gas

In Mozambique, our gas operations were stable despite several operational challenges due to COVID-19. Production volumes of 114,5 bscf were 2% higher than the prior year. Our drilling campaign was suspended due to COVID-19 restrictions and started up on 7 August 2021.



EBIT increased by 20% to R6,7 billion compared to the prior year. The gas value chain benefitted from higher external gas sales in South Africa, the stronger closing rand/US dollar exchange rate on translation of our Mozambique foreign operations and lower depreciation on various assets classified as held for sale. This was partially offset by a provision of R1,4 billion for the potential retrospective application of the final determination by NERSA of the maximum gas price.

Natural gas sales volumes in South Africa were 16% higher than the prior year due to higher demand from resellers and customers as COVID-19 restrictions were eased. Methane rich gas sales volumes however were 5% lower compared to the prior year due to operational issues experienced by key customers.

#### Midstream operations

Secunda Operational volumes of 7,6mt for FY21 were 3% higher than the prior year with the benefit of the September 2020 phase shutdown which was replaced by a 'pitstop' shutdown in May 2020. However, the increase in volumes was partly offset by some operational challenges. At Natref, together with our partner, we reduced our run rates to respond to lower market demand.

#### Fuels

The Fuels segment benefitted from stronger demand as COVID-19 restrictions were eased. Demand for diesel has recovered to above pre-COVID 19 levels, while petrol demand remains between 90 – 95% of pre-COVID-19 levels. Jet fuel demand continues to remain constrained. Liquid fuel sales volumes of 54,2 million barrels were 3% higher than the prior year.

We recorded a LBIT of R18,2 billion compared to the prior year of R11,6 billion. The LBIT for the financial year includes an impairment of R24,5 billion relating to our Secunda liquid fuels refinery cash generation unit, resulting mainly from a stronger rand/US dollar exchange rate outlook and higher cost to produce gas in the longer term.

Excluding remeasurement items, our profitability increased more than 100% and gross margin increased from 31% to 38% compared to the prior year, mainly due to higher production at Secunda Operations and the benefit of Natref procuring crude oil at much lower prices at the start of the year.

ORYX GTL contributed R719 million to EBIT, improving by more than 100% compared the prior year due to a solid operational performance post the extended shutdown during the first half of the financial year.

### Decarbonising the Energy Business, while preserving value

We remain committed to preserving value for our stakeholders, acknowledging climate change pressures and the need to decarbonise. Since 2017, we have been working closely with several strategic partners, under the direction of the Board, to develop an accelerated decarbonisation plan that is balanced across People, Planet and Profit. Our revised sustainability plan aims to reduce emissions across our South African Operations by 30%\* by 2030 using transition gas, renewable and plant efficiency as key levers.

We will implement these incrementally such that we optimise capital expenditure and manage the pace of execution. Our scenarios indicate that by 2030, we can achieve a ROIC that exceeds weighted average cost of capital by at least two times. Key to this delivery is the successful implementation of Sasol 2.0 transformation programme and the growth of our mobility business through enhancing convenience offerings and targeting higher margin channels. We are taking action to enhance our capabilities to win in this area and supplementing our skills with external, globally experienced teams who have done this before.

#### Pursuing renewables at scale

In the year we progressed work to secure large-scale renewable energy, with plans to have 1200 MW by 2030. We signed an agreement with Air Liquide to jointly procure 900 MW, issuing a request for proposals for the supply of an initial 600 MW of renewable energy by 2023/24. We plan to pursue a further 300 MW before the end of 2022 for delivery by 2026/27.

#### Securing upstream gas

Gas is central to our plans. By securing affordable gas feedstock, we aim to reduce our GHG footprint and supply sustainable lower-carbon products in Southern Africa. As we expect supply from our PPA reserves to start declining from 2025, we are investigating options to optimise our Mozambique upstream assets and secure new gas supplies through importing liquefied natural gas.

In 2021, the Board approved FID on the development of the Mozambique Production Sharing Agreement (PSA) licence area. The US\$760 million project will supply 546 bcf of gas to the CTT in Mozambique to enable a 450 MW gas power plant; the supply of 30 000 t pa of LPG to the Mozambique Government; production and export of 12 m bbl of oil and 292 bcf of gas to South Africa.

#### Pursuing technology advances

We are pursuing opportunities to take advantage of technology breakthroughs to ensure we play a leading role in a green hydrogen economy in South Africa. These include a partnership which will develop a proof-of-concept demonstration for a green hydrogen mobility ecosystem. Together, we intend to develop a mobility corridor and expand the demonstration to a pilot project using one of South Africa's main freight corridors, such as the N3 route between Durban and Johannesburg, for hydrogen-powered heavy-duty long-haul trucks. This partnership aims to build a sustainable end-to-end infrastructure for hydrogen mobility.

\* Off 2017 base and excluding Natref.

# Administration

## Contact details

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### Depositary bank

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### Direct purchase plan

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

With the Program, you can:

- purchase ADSs without a personal broker;
- increase your ADS ownership by automatically reinvesting your cash dividends;
- purchase additional ADSs at any time or on a regular basis through optional cash investments; and
- own and transfer your ADSs without holding or delivering paper certificates.

### Questions or correspondence about Global Invest Direct

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## Shareholders' diary

Annual General Meeting

Friday, 19 November 2021

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# Disclaimers

## Forward-looking statements

Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, the impact of the novel coronavirus (COVID-19) pandemic on Sasol's business, results of operations, financial condition and liquidity and statements regarding the effectiveness of any actions taken by Sasol to address or limit any impact of COVID-19 on its business; statements regarding exchange rate fluctuations, changing crude oil prices, volume growth, changes in demand for Sasol's products, increases in market share, total shareholder return, executing our growth projects, oil and gas reserves, cost reductions, legislative, regulatory and fiscal development, our climate change strategy and business performance outlook. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour", "target", "forecast" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors and others are discussed more fully in our most recent annual report on Form 20-F filed on 22 September 2021 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

## Photography

Photographs used in this report have been sourced from our photographic library and many were taken before the COVID-19 outbreak. Some of these photographs do not reflect the social distancing and protocols approved by the World Health Organization (WHO) such as wearing of masks in public places and social distancing. All initiatives and related photographs done during the pandemic were carried out in line with country-specific requirements.

## Abbreviations

B-BBEE – Broad-Based Black Economic Empowerment	LCCP – Lake Charles Chemicals Project
bbl – barrels	LTIs – long-term incentives
BFP – Basic Fuel Price	mm bbl – million barrels
bscf – billion standard cubic feet	m bbl – thousand barrels
capex – capital expenditure	mmboe – million barrels oil equivalent
CGUs – cash generating units	mm³ – million cubic meters
CHEPS – Core headline earnings per share	mmscf – million standard cubic feet
CTL – coal-to-liquids	mm tons – million tons
CPTs – corporate performance targets	Net debt: EBITDA – EBITBA as defined in the loan agreements
CY – Calendar year	oil – references brent crude
DEPS – Diluted Earnings per share	one billion – one thousand million
EBIT – Earnings before interest and tax	one – one thousand million
EBITDA – Earnings before interest, tax, depreciation and amortisation	PSA – Production Sharing Agreement
EPS – Earnings per share	RP – Response Plan
FT – Fischer-Tropsch	Rm – rand millions
FY – Financial year	SARs – Share Appreciation Rights scheme
GHG – greenhouse gas	SARS – South African Revenue Services
GTL – gas-to-liquids	Sasol 2.0 – group-wide transformation programme
HEPS – Headline Earnings per Share	STIs – short-term incentive
IFRS – International Financial Reporting Standards	\$/ton – US dollar per ton
JSE – Johannesburg Stock Exchange Limited	US – United States of America
ktpa – thousand tons per annum	WACC – Weighted average cost of capital
LBIT – loss before interest and tax	

## Please note

One billion is defined as one thousand million, bbl – barrel, bscf – billion standard cubic feet, mmscf – million standard cubic feet, oil references brent crude, mmboe – million barrels oil equivalent. All references to years refer to the financial year ended 30 June. Any reference to a calendar year is prefaced by the word "calendar".



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