SASOL LIMITED

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2022

AFS

Delivering with Purpose
FUTURE SASOL

ABOUT SASOL

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

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

OUR PURPOSE | Innovating for a better world

FUTURE SASOL	We are resetting, transitioning and reinventing Sasol to decarbonise and commit to achieving our Net Zero ambition by 2050.
OUR AMBITION	Grow shared value while accelerating our transition to Net Zero.
OUR SUSTAINABILITY STATEMENT	Advancing chemical and energy solutions that contribute to a thriving planet, society and enterprise.

Delivering with Purpose
FUTURE SASOL

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

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

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

OUR VALUES

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

BE INCLUSIVE

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

CONTENTS

BASIS OF PREPARATION

The Annual Financial Statements (AFS) of Sasol Limited have been audited in compliance with section 30 of the South African Companies Act. Hanré Rossouw, Chief Financial Officer is responsible for this set of AFS and has supervised the preparation thereof in conjunction with the Senior Vice President, Financial Controlling & Governance: Feroza Syed CA(SA).

The AFS are reviewed by management, the Sasol Disclosure Working Group, the Sasol Limited Audit Committee and the Board and are audited by the external auditors of the Group.

INTERNAL CONTROL FRAMEWORK

The Group follows a combined assurance model in assessing internal controls which is led by Internal Audit in terms of an assurance plan approved by the Audit Committee.

BE SAFE

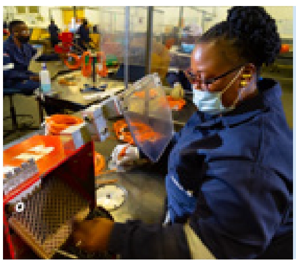
We always place the safety of people first

BE CARING

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

BE ACCOUNTABLE

We own our results



BE RESILIENT

We boldly adapt to change and embrace agility

MESSAGE FROM THE GROUP CHIEF FINANCIAL OFFICER

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

Hanré Rossouw
Chief Financial Officer

KEY MESSAGES

- Strengthened balance sheet
- Improved profitability
- Dividend restored
- Self-funded transition

Strong financial performance

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

Operational challenges particularly experienced in the first half of the financial year, led to lower volumes, but there was a strong overall outcome with improved financial performance alongside higher Brent crude oil, refining margins and chemical prices. This financial performance was enhanced by realisation of asset divestment proceeds resulting in a stronger balance sheet.

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

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

At the start of the period protection of downside risk for the balance sheet was a key priority for the company with elevated leverage and a volatile macroeconomic environment. The hedging programme was therefore in place to mitigate the risk of adverse movements in oil price, ethane price and currency. As a result of unexpected pricing strength, the hedging programme resulted in significant losses in this period. The hedging programme is updated regularly to address changes in our commodity and currency exposure. The balance sheet has significantly deleveraged and we are reducing our 2023 hedge cover ratio as our balance sheet further strengthens.

Dividends restored

We remain committed to delivering sustainable shareholder returns and are pleased to declare a final dividend of R14,70 per ordinary share for the year ended 30 June 2022, the first dividend since the final dividend declared for 2018. This is supported by the achievement of our dividend trigger targets, namely Net Debt to EBITDA ratio of 1,5 times and a net debt level of sustainably below US$5 billion.

Outlook for 2023

We are experiencing continued elevated Brent crude oil and chemical prices following the Russia/Ukraine conflict, with both positive and negative impacts on Sasol's results. Concerns remain on transportation cost, purchased feedstock cost in Europe and the US, growing inflation and global recessionary fears. We remain focused on managing factors within our control, including volume growth, cash fixed cost, further deleveraging of the balance sheet and focused financial risk management.

The ongoing recovery and stabilisation of the South African value chain remains a key focus area for 2023, with specific focus on security of quantity and quality of coal supply, as well as gas supply from Mozambique.

We expect capital expenditure to maintain and transform the business of R26 to R27 billion for 2023. At these levels we continue to safeguard capital investment to ensure safe and reliable operations and meet our self-funded 2030 GHG reduction targets.

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

REPORT OF THE AUDIT COMMITTEE

"Uncertain world requires us to stay the course in strengthening the balance sheet with focus shifting to climate change"

Trix Kennealy
Chairman of the Audit Committee

FOCUS AREAS

- Considering accounting matters, with specific focus on management's conclusions on the recoverable amount of assets in the light of forward-looking assumptions and the improved macroeconomic environment
- Assessing the financial statement impacts of climate change and energy transition
- Oversight on significant asset disposals including 30% of the group's share in ROMPCO
- Impact of IBOR-reform on the group's debt and derivatives
- Assessing management conclusion regarding going concern assumption, including financial liquidity risks and balance sheet management
- Oversight and mandate support for hedging activities
- Concluding on the reportable irregularity reported by the group's external auditors
- Review of progress in respect of the remediation of the material weakness reported

Introduction

In 2022, the Audit Committee (the Committee) faced with the ongoing unprecedented circumstances caused by the COVID-19 pandemic and Russian/Ukrainian conflict, continued to monitor the integrity of financial reporting systems and disclosures through reviewing and challenging judgements, estimates and accounting for significant transactions.

Areas of special focus that the Committee provided oversight on included:

- Reviewed the judgement applied by management on accounting matters, considering the volatility and uncertainty of the current environment, particularly as it relates to the impairment and recoverability of the carrying value of assets;
- Considered the financial statement impacts of climate change and energy transition and the increasing calls for expanded climate-related information. The Committee reviewed the pricing methodology for commodities and carbon tax and discussed with management how the impact of climate change was reflected in the methodology;
- Oversight of the process relating to material asset disposals including the related accounting implications. During the year, disposals relating to the group's 30% interest in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO), together with the group's entire interest in Central Térmica de Ressano Garcia S.A. (CTRG), the Canadian Shale Gas assets and the European wax business in Germany and other minor disposals were concluded;
- Management's conclusion on going concern through a review of their assessment on liquidity, the debt covenants and arrangements held with financial institutions and the financial leverage of the Company. At 30 June 2022, the statement of financial position saw a significant improvement with gearing at 41,7% from 61,5% a year ago.
- Updating of hedging activities. Protection of downside risk for the balance sheet was a key priority for the group during volatile times. The hedging programme is updated regularly to address commodity and currency exposure. The interest rate swaps were terminated due to progress made in repaying variable debt;

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

- Transitioning of debt and derivative instruments to new benchmark interest rates in the light of the ongoing IBOR-reform process;
- Accounting provisions made relating to environmental regulatory requirements; and
- Concluding on the reportable irregularity reported by the group's external auditors during the first six months of the year.

In responding to these challenges, the Committee reviewed all significant financial risks and associated risk appetite statements and metrics and assessed the adequacy of controls and the combined assurance provided over these identified risks. Although combined assurance processes are comprehensive, the coordination, integration and alignment of assurance activities are being continuously refined. It monitored the effectiveness of the control environment through the review of reports from internal audit, management and the external auditor, and ensured the quality of financial reporting through review of the interim financial statements and the 2022 annual financial statements.

The Committee assists the Board in overseeing the:

- Quality and integrity of the Company's integrated reporting, incorporating the financial statements (including the consolidated Sasol group (the Group) financial statements), sustainability reporting, and public announcements in respect of the financial results;
- Qualification and independence of the external auditors for the Company and all Group companies;
- Scope and effectiveness of the external audit function for the Company and all Group companies;
- Effectiveness of the Group's internal controls and internal audit function;
- Effectiveness of the Group's financial risk management; and
- Compliance with legal and regulatory requirements to the extent that it might have an impact on financial statements.

The Committee considered scenarios that might impact the Company's viability, stress testing the Sasol business against pertinent factors including global oil and chemical price volatility, rand/US$ exchange rates, carbon tax and the impacts of the economic recovery following the COVID-19 pandemic and geopolitical tensions.

The Committee continued to monitor key risks identified and the mitigation thereof, and how business segments and functions are performing to achieve the Company's strategy.

Composition and meeting

Members of the Committee are independent non-executive directors, all of whom are financially skilled and have extensive audit committee experience. The members are Mss GMB Kennealy, NNA Matyumza, KC Harper and Messrs S Westwell, S Subramoney.

The members gained further knowledge and experience of the business through management presentations and various site visits since their respective appointments. None of the members serve on audit committees of more than three listed companies.

Ms GMB Kennealy has been appointed as chairman of the audit committee with effect from 1 September 2021 upon the retirement of Mr C Beggs on 31 August 2021. With the appointment of Ms Kennealy as chairman, the Board has designated her as the Audit Committee financial expert in accordance with the US Securities and Exchange Commission (SEC) rules.

The Committee met five times during the financial year. All Committee members attended all meetings and were joined at these meetings by the Chairman of the Board, the President and Chief Executive Officer and the Chief Financial Officer. The Chairman of the Audit Committee reports to the Board on key matters arising after each of these meetings. At each meeting, the Committee meets separately during closed sessions with the President and Chief Executive Officer, management, internal audit and external audit.

Statutory duties

The Committee is constituted as a statutory committee of Sasol Limited in line with the Companies Act and is accountable in this regard to both the Board and Sasol's shareholders. It is a committee of the Board in respect of all other duties the Board and US legislation assigns to it, and has been delegated extensive powers to perform its functions in accordance with the Companies Act and US corporate governance requirements. The Committee fulfilled all its statutory duties as required by section 94(7) of the Companies Act. The Committee also acts as the audit committee for all South African companies within the Sasol Group.

The Committee confirms that it has executed the responsibilities set out in section 3.84(g) of the JSE Listing Requirements.

A copy of the Committee's terms of reference is available on the Sasol website (www.sasol.com).

Significant financial statement reporting issues

Assumptions and estimates or judgements are a significant part of the financial reporting process and are evaluated carefully by the Committee ahead of the finalisation of Sasol's results announcements. The Committee reviewed in detail the main judgements and assumptions made by management, relevant sensitivity analyses performed, and the conclusions drawn from the available information and evidence, with the main areas of focus during the year set out below. Where appropriate, the Committee seeks input and views from the external auditor and encourages rigorous challenge on control, accounting and disclosure matters.

In addition to these main areas of focus, the Committee also covered matters relating to cost savings programmes, budgeting and forecasting, taxation and accounting policy choices.

Significant matters considered by the Committee

Key Issues	Judgements in Financial Reporting	Audit Committee Review	Conclusions
Fair, balanced and understandable reporting	• Judgements and assumptions are applied by management in the preparation of financial statements.	• The Committee considered assurance from management that disclosures in Sasol's financial statements were fair, balanced and understandable. • The Committee evaluated the outputs of Sasol's Sarbanes Oxley Act section 404 (SOX) internal control process and reviewed issues on control deficiencies and remediation efforts. • Established via reports that there were no indications of fraud relating to financial reporting matters. • Assessed disclosure controls and procedures. • Considered matters of accounting, tax and disclosure issues raised by the external auditors. • The Committee obtained assurance on the skills and capabilities of resources.	• Having assessed all of the available information and the assurances provided by management, the Committee concluded that the processes underlying the preparation of Sasol's published financial statements were appropriate. • This included an assessment of progress made on the remediation of material deficiencies identified in the 2020 financial year, considering the results of the internal and external auditors' confirmation thereof.
Impairment and recoverability of assets' carrying values	• Judgements and assumptions are applied by management in calculating the recoverable amount of the Cash Generating Units (CGUs) and determining the on-going appropriateness of the CGUs being used for the purpose of impairment testing. • Macroeconomic conditions, major trends in the industry, and geopolitical factors, including carbon taxes and long-term demand for refined products and chemicals, are considered in developing the outlook for commodity and chemical prices and refining margin assumptions, which are important considerations in asset impairment analyses.	• The Committee assessed the appropriateness of the review of impairment triggers. • The Committee reviewed the discount rates for impairment testing and examined the assumptions including long-term oil and gas prices, refining margins, chemical prices, exchange rates and carbon taxes. The pricing assumptions were benchmarked against external consultant views to ensure that they are reasonable and relevant. • For impairments and reversals identified in the current year, the Committee considered the outcome of multiple sensitivity scenarios in order to assess the appropriateness of the calculations. • Key impairment assessments and reversals reviewed by the Committee include: – The Southern African integrated value chain assets; – The corporate assets and the allocations to the CGU's; – Forecast and budgeted expenditure; – The impact of the committed GHG reduction targets, including Renewables, LNG procurement and reduction in coal feedstock. • Also refer to climate change related considerations below.	• The Committee supported management's recommendation to not impair or reverse previous impairments for the CGUs within the South African integrated value chain, except for the Chemical Work-up & Heavy Alcohols CGU • The Committee supports the reversal of the FY20 impairment relating to Chemical Work-up and Heavy Alcohols in the Chemicals Africa segment as a result of improved macroeconomic assumptions related to exchange rates and price improvements.

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

Key Issues	Judgements in Financial Reporting	Audit Committee Review	Conclusions
Climate change	• Climate change and the transition to a lower carbon economy may have significant impacts on the currently reported amounts of the group's assets and liabilities and on similar assets and liabilities that may be recognised in the future.	• The committee reviewed energy price assumptions, covering the period FY23 – FY50. The scope included oil, natural gas, refining margins and carbon tax within a broad range of scenarios. The Committee reviewed and challenged the pricing methodology for oil and gas and discussed with management how the impact of climate change was reflected in the methodology. • The Committee considered management's best estimate of how future changes to key assumptions were likely to affect the future cash flows the conclusion of the impairment and reversal of impairment assessments. The committee reviewed management's scenario analysis and the inputs used to determine sensitivity of cash flows to different scenarios. • The committee reviewed the process for estimating decommissioning liabilities and challenged the assumptions used in determining the liabilities, including the anticipated time period over which decommissioning liabilities were expected to be incurred in respect of the pace of transition to a low carbon economy and the alignment to Sasol's aims and ambitions to 2030 and beyond. • The committee considered the impact of energy prices and carbon taxes as part of its assessment.	• The Committee is satisfied that the financial statements appropriately address the key accounting judgements and estimates in respect of both the amounts reported and disclosures made and in particular that they appropriately reflect the impact of the group's climate transition strategy.

Key Issues	Judgements in Financial Reporting	Audit Committee Review	Conclusions
Accounting for provisions	• **Post-retirement benefit obligations** Valuation of the post-retirement benefit obligation requires the use of assumptions in relation to uncertain future factors i.e. inflation rates, discount rates, salary increases and mortality rates. Judgement is also required in the measurement of the fair value of certain pension assets. • **Rehabilitation provisions** Provisions are recognised for the full future restoration and rehabilitation of production facilities to the end of its economic lives. Most of these activities will occur in the long-term and the requirements that will have to be met in future might be uncertain. Judgement is required in estimating future cost and cash outflows, discount rates, settlement dates, technology, legal requirements and the impact of climate change.	• The Committee received an update on the status of funding, investment and governance of pensions and other retirement benefits provided to current and former employees of Sasol. In addition, the Committee examined the assumptions used by management as part of its annual reporting process. • The Committee received briefings on the Group's rehabilitation provisions and asset retirement obligations, environmental remediation strategies, including the key assumptions used, the governance framework applied (covering accountabilities and controls), discount rates and the movement in provisions over time. • Considered the external auditor's assurance process which included the use of their Specialists in pension and environmental matters. • Also refer to climate change related considerations above.	• The Committee reviewed the net post- retirement benefit assets in South Africa and Europe and the related surpluses. The Committee is satisfied that Sasol is entitled to these surpluses in terms of the pension fund rules and supported the recognition thereof. The valuations are performed by qualified independent actuaries. • The Committee reviewed the rehabilitation provisions for compliance with legislation and consistent application of the accounting policy.
Accounting for financial instruments	• **Derivative financial instruments** Judgement may be required to determine whether contracts to buy or sell commodities meet the definition of a derivative. Valuation of derivatives requires the use of assumptions in relation to uncertain future factors i.e. forward curves, volatility assumptions and discount curves. • **Hedge accounting** Designated hedge relationships are evaluated for effectiveness at each reporting period. Judgement is required in the measurement of effectiveness, the methodologies utilised to calculate the effectiveness and the assessment of whether the forecast transaction that is the subject of the hedge is highly probable.	• The Committee reviewed the assumptions in the calculations, and critically assessed the competence, independence and objectivity of the specialists engaged to perform the valuations. • The Committee obtains updates at each reporting date as to the effectiveness of designated hedges, as well as risk factors for potential future ineffectiveness. In May 2022, the Committee supported that the USD interest rate swaps be settled early considering the progress made in repaying variable USD debt.	• The Committee reviewed the valuations undertaken by the external financial instrument's specialists, which supported the accounting entries. • The Committee reviewed the adequacy of the disclosures relating to derivative financial instruments. • The Committee supports the accounting implications resulting from the early-termination of the interest rate swaps.

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

Key Issues	Judgements in Financial Reporting	Audit Committee Review	Conclusions
Accounting for Income taxes	• Computation of the Group's Income tax expense and liability, provisions for potential tax liabilities, and recognition of deferred tax assets in terms of the Group's taxation policy. • Recognition of deferred tax assets in respect of accumulated tax losses and the assessment as to whether an entity can generate future taxable income, specifically in the areas where impairments were recognised, are underpinned by management judgement.	• The Committee reviewed the judgements exercised on tax provisions as part of its annual review of key provisions. • In relation to the recognition of the deferred tax assets, the Committee challenged management's expectations for future taxable income, specifically in the areas where impairments were recognised and in considering management's position, the Committee took into account the work and views of external audit. • The Committee reviewed adherence to the Group taxation policy including transparency and due regard to commercial and reputational risks. • The effective tax rate is analysed by country to ensure accuracy and completeness. • The Committee considered management's assessment of the Group's tax exposures and the appropriateness of provisions recognised.	• The Committee reviewed a report during the year from management on the Group's tax policy, approach to tax management and status of compliance. • The Committee requested and received a report from management detailing the key tax exposures across the Group and the methodologies used to determine the treatment of uncertain tax positions. The Committee reviewed and challenged management's assessment of the facts, circumstances and advice from our external tax and legal advisers.
Going concern assessment	• The conclusion by the Board to prepare the annual financial statements on a going concern basis requires management judgement on issues which include uncertain future forecasts of net group cash inflows, management's ability to achieve targets set as part of the Sasol 2.0 transformation program, net debt and financing facilities available and utilised by the Group, debt structure, debt maturity profile and covenants. • The assessment was done for the foreseeable future based on current assumptions and stress tested against several scenarios.	• The Committee assessed the liquidity of Sasol based on the latest projected future cash flows and stress tested it using lower oil and product prices and stronger exchange rates. These projections were compared with cash balances and committed facilities available to the Group, net debt and financing facilities utilised by the Group, debt structure, debt maturity profile and covenants.	• After examining the forecast and stress tested scenarios along with Sasol's ability to generate capital and raise funding in current market conditions, the Committee concluded that Sasol's liquidity and capital position was adequate to meet its obligations over the ensuing year and that the going concern basis of accounting is appropriate. • The external auditors have confirmed that the going concern basis is appropriate. • Based on the going concern assessment, the Committee is of the view that the company and group have adequate resources to continue in operation for the foreseeable future and accordingly, the annual financial statements have been prepared on a going concern basis.

Key Issues	Judgements in Financial Reporting	Audit Committee Review	Conclusions
Internal controls over financial reporting	• Management's conclusion relating to the effectiveness of internal controls over financial reporting require a certain degree of judgement. • A separate Board committee, the Capital Investment Committee oversees the development of digital strategies as well as technology solutions and monitoring cyber security. The Capital Investment Committee overseas the IT control environment. • The Capital Investment Committee reviews investment decisions, reports on capital expenditure and progress on projects against budgets.	• On a quarterly basis, the Committee assesses feedback from management on the status of the effectiveness of internal controls over financial reporting. This provides the Committee with an opportunity to directly challenge and question management on open and remediated material control issues and emerging risks. • The Committee scrutinises the status of specific material control issues and their associated remediation plans.	• Considering the results of combined assurance findings, the Committee considered responses to any fraudulent activity, results of SOX reviews and the remediation of weaknesses and the findings of internal and external audit. • The Committee reviewed the progress by management towards remediating the material weakness reported for FY20 in respect of the controls over the impairment assessment process of the Southern Africa integrated value chain assets.

Executing on our statutory duties and other areas of responsibilities

The Committee confirmed the going concern assumption as the basis of preparation of the interim and annual financial statements

- The Committee reviewed the interim financial results and annual financial statements and is satisfied that they fairly present the consolidated and separate results of operations, cash flows, the financial position of Sasol Limited and the Group and comply, in all material respects, with the relevant provisions of the Companies Act, International Financial Reporting Standards (IFRS) and Interpretations of IFRS as issued by the International Accounting Standards Board.
- Together with the going concern assessment, the Committee reviewed the Group's policies on risk assessment and risk appetite as they pertain to financial reporting and found them to be sound.
- The Committee considered the solvency and liquidity tests undertaken for specific transactions and distributions and considered and made recommendations to the Board in this regard.
- The Committee considered whether any reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 2005, and determined that one matter was reported and concluded in the current financial period.

The Committee assists the Board in overseeing the process relating to the quality and integrity of Sasol's integrated reporting

- The Committee guides the integrated reporting process, which includes reporting on all material matters including sustainability matters, having regard to all factors and risks, including any significant legal and tax matters and any concerns identified that may impact on the integrity of the integrated report or could have a material impact on the financial statements.
- The Committee relies on management, the external auditor, internal audit as well as the Group's independent ethics reporting telephone line and email to highlight any concerns, complaints or allegations relating to internal financial controls, the content of the financial statements and potential violations of the law or questionable accounting or auditing practices. Separate meetings are also held with management, the external auditor and internal audit every quarter.

The Committee is satisfied with the reporting process and confirms that where matters were raised by stakeholders, management has responded promptly

- With regards to a material weakness that was identified in FY20 in respect of the controls over the impairment assessment process of the Southern Africa Energy value chain, the Committee has reviewed the remediation plan. While significant progress has been made to remediate the material weakness, as of 30 June 2022, the Company is still in the process of implementing some of the longer-term remediation controls and the Committee will continue to monitor the additional remedial actions to be implemented closely and believes that management's actions will be effective in remediating the material weakness as they continue to devote significant time and attention to these efforts.
- The material weakness will not be considered remediated until the design and implementation of the longer-term remediation controls are embedded and operate for a sufficient period and management has concluded, through testing, that these controls are operating effectively.

The Committee reviewed compliance with legal and regulatory requirements to the extent that it might have an impact on financial statements and is satisfied that all matters with a material impact have been disclosed appropriately

- The Committee considered the views of internal and/or external counsel and management in considering legal and ethics matters that could have a material impact on the Group.
- The Committee reviewed reports on the Group's tax position, status of tax litigation claims and the status of the Group's tax compliance globally and relevant fiscal developments impacting the Group.
- Together with the Nomination and Governance Committee, the Committee reviewed the adequacy and effectiveness of the Group's procedures to ensure compliance with financial, legal and regulatory responsibilities.

The Committee is satisfied that our external auditor, PwC, is qualified and independent of the Group

- The Committee has nominated the external auditor for re-appointment by the shareholders for the following financial year. Their appointment complies with the Companies Act, JSE listings requirements and all other applicable legal and regulatory requirements. PwC has been the auditor since 2014 and is in compliance with the relevant external audit partner JSE qualification and the rotation rules, whereby the lead engagement partner is required to rotate every five years. The current lead partner, Johan Potgieter, was appointed since 2019.
- Taking into consideration the criteria specified for independence by the Independent Regulatory Board for Auditors and international regulatory bodies, PwC confirmed in an annual written statement that their independence has not been impaired.
- The Committee was assured that no member of the external audit team was hired by the Company or any other company within the Group in a financial reporting oversight role during the year under review.
- The auditor's independence was not impaired by any consultancy, advisory or other work undertaken by them for the Company or any previous appointment as auditor of the company or any other company within the Group.
- The Committee determined the fees to be paid to the auditor and the auditor's terms of engagement. The auditor does not, except as external auditor, or in rendering of permitted non-audit services, receive any direct or indirect remuneration or other benefit from the Company or any other company within the Group. Permitted non-audit services are approved in line with and to the extent permitted by the policy on permitted non-audit services.
- The Committee satisfied itself that PwC, as well as the individual auditor determined by PwC to be responsible for performing the functions of auditor, were duly accredited as such on the JSE's list of auditors.
- PwC submitted reports relating to quality assessment reviews undertaken internally and by the Independent Regulatory Board for Auditors and the Public Company Accounting Oversight Board, together with progress on any remedial actions necessary. There are no significant matters to report to the shareholders.
- The scope, effectiveness and quality of the external audit process was reviewed, and the Committee concluded it to be satisfactory. It was confirmed that no unresolved issues of concern exist between the Group and the external auditors.

The Committee assists the Board in carrying out its information and communication technology responsibilities to ensure ethical and responsible use and compliance

- The Committee monitors the ethical and responsible use of technology and information and compliance with relevant laws
- The Committee reviewed the appropriateness of the control environment and management of material information and communication technology risks.

The Committee assessed the adequacy of the performance of the internal audit function and the adequacy of the available internal audit resources and found them to be satisfactory

- The Committee reviewed the assurance services charter and approved the risk-based integrated internal audit plan. We evaluated the independence, effectiveness, skills and experience and performance of the internal audit function and compliance with its charter and the Committee concluded these to be satisfactory.
- The Committee is satisfied with the effectiveness of the Chief Assurance Officer.

The Committee assessed the Company's internal controls over financial reporting as of 30 June 2022.

- The Committee gave attention to management's evaluation of the effectiveness of the Group's disclosure controls and procedures. Other than the material weaknesses noted below, 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.
- The Committee considered the reports of the internal and external auditors on the Group's systems of internal control, including financial controls, enterprise risk management and maintenance of effective internal control systems. Significant issues raised and the adequacy of corrective action in response thereto, was reviewed.
- The Committee reviewed the plans and outputs of the internal and external auditors and concluded that these were adequate to address all significant financial risks facing the business.

Relating to the Group as a whole:

- Management has determined that the Company's internal control over financial reporting was ineffective due to remediation still being in progress on the material weakness identified in the South African integrated value chain impairment process. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of financial statements will not be prevented or detected on a timely basis. The material weakness will not be considered remediated until the applicable remedial controls are embedded and operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Notwithstanding the material weakness, the Committee believes that the consolidated annual financial statements present fairly, in all material respects, the Company's and Group's financial position, results of operations and cash flows as of and for the periods presented in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The Committee assessed the finance function and Chief Financial Officer

- Our detailed assessment included the various specialist areas across the Group's finance function, and the Committee concluded that it is satisfied with the appropriateness of the expertise and experience of the Chief Financial Officer and the expertise, resources, succession plans and experience of Sasol's finance function.

Mandatory auditor rotation

- In June 2017, the Independent Regulatory Board for Auditors (IRBA) issued a rule prescribing that auditors of public interest entities in South Africa must comply with mandatory audit firm rotation with effect from 1 April 2023.
- The tendering process will commence in the first half of the 2023 financial year under the leadership of the Audit Committee.
- The company's current auditor will remain in function until the conclusion of the audit for the 2023 financial year.

Conclusion

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference, as well as its statutory and other responsibilities for the 2022 financial year.

Having had regard to all material risks and factors that may impact on the integrity of the annual financial statements and following appropriate review, the Committee recommended the Company and Group annual financial statements of Sasol Limited for the year ended 30 June 2022 for approval to the Board.

On behalf of the Audit Committee

Trix Kennealy
Chairman of the Audit Committee

22 August 2022

APPROVAL OF THE FINANCIAL STATEMENTS

The Annual Financial Statements of the group and the company are the responsibility of the directors of Sasol Limited. In discharging this responsibility, the directors rely on the management of the group to prepare the consolidated and separate Annual Financial Statements presented on pages 22 to 160 in accordance with, and in compliance, in all material respects, with International Financial Reporting Standards (IFRS) and the Companies Act No 71 of 2008. As such, the consolidated and separate Annual Financial Statements include amounts based on judgements and estimates made by management.

The directors accept responsibility for the preparation, integrity and fair presentation of the consolidated and separate Annual Financial Statements and are satisfied that the systems and internal financial controls implemented by management are effective, including controls over the security over the group and company website and electronic distribution of annual reports and other financial information. Refer to the Directors' report on pages 22 and 23.

Based on forecasts and available cash resources, the directors believe that the group and company is solvent and has adequate resources to continue operations as a going concern in the ensuing year. The Annual Financial Statements support the viability of the group and the company. These results were made public on 23 August 2022.

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the consolidated and separate Annual Financial Statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 14.

The consolidated and separate Annual Financial Statements were approved by the Board of Directors on 22 August 2022 and were signed on its behalf by:

Sipho Nkosi
Chairman

Fleetwood Grobler
President and Chief Executive Officer

Hanré Rossouw
Chief Financial Officer

22 August 2022

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER'S INTERNAL FINANCIAL CONTROL RESPONSIBILITY STATEMENT

In line with paragraph 3.84(k) of the JSE Limited (JSE) Listings Requirements, each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 22 to 160, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted, or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls, where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies;
- we are not aware of any fraud involving directors;
- we have assessed the effectiveness of internal control over financial reporting as of 30 June 2022. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control – Integrated Framework";
- we wish to draw attention to the existence of a material weakness in internal control over financial reporting. Refer to the report of the Audit Committee page 3;
- notwithstanding the material weakness, management concluded that the financial information included in the Group's consolidated financial statements, present fairly, in all material respects, Sasol's financial position, results of operations and cash flows as of and for the periods presented in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

Fleetwood Grobler
President and Chief Executive Officer

Hanré Rossouw
Chief Financial Officer

22 August 2022

CERTIFICATE OF THE COMPANY SECRETARY

In my capacity as the Company Secretary, I hereby confirm, in terms of the Companies Act, 71 of 2008 (the Companies Act), that for the year ended 30 June 2022, Sasol Limited has lodged with the Companies and Intellectual Property Commission, all such returns and notices as are required of a public company in terms of the Companies Act, and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up-to-date.

Michelle du Toit

22 August 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sasol Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sasol Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Sasol Limited's consolidated and separate financial statements set out on pages 45 to 160 comprise:

- the consolidated and company statements of financial position as at 30 June 2022;
- the consolidated and company income statements for the year then ended;
- the consolidated and company statements of comprehensive income for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Certain required disclosures have been presented elsewhere in the Sasol Limited Annual Financial Statements for the year ended 30 June 2022, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

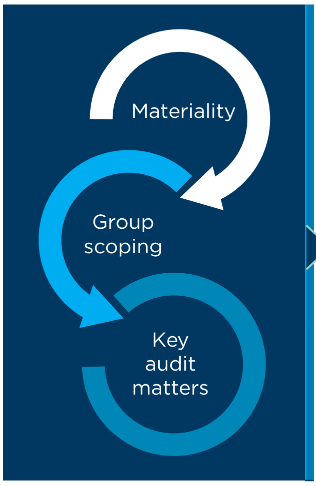
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Our audit approach

Overview



Overall group materiality

- Overall group materiality: R2 185 million, which represents 5% of consolidated earnings before tax, adjusted for profit on disposal of businesses.

Group audit scope

- We conducted full scope audit procedures at 12 business units and limited scope audit procedures at a further 12 business units.

Key audit matter

- Impairment assessment of property, plant and equipment and investments in subsidiaries.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	How we determined it	Rationale for the materiality benchmark applied
R2 185 million	5% of consolidated earnings before tax, adjusted for profit on disposal of businesses as disclosed in note 9 to the consolidated financial statements.	We chose consolidated earnings before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. Consolidated earnings before tax is adjusted for profit on disposal of businesses. These adjustments are not considered to be part of the Group's sustainable operating performance. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In scope business units were identified based on scoping benchmarks such as the business unit's contribution to key financial statement line items (consolidated earnings before tax, consolidated turnover and consolidated total assets), risk associated with the business unit and known accounting matters related to the business unit. We conducted full scope audit procedures at 12 business units and limited scope audit procedures at a further 12 business units.

In establishing the overall approach to the group audit, we determined the type of work needed to be performed by us, as the group engagement team, or component auditors from other PwC network firms or other networks operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

The audits undertaken for group reporting purposes are in respect of the key reporting business units of the Group.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
IMPAIRMENT ASSESSMENT OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENTS IN SUBSIDIARIES	
This key audit matter relates to both the consolidated and separate financial statements. Refer to note 9 (Remeasurement items affecting operating profit) and note 19 (Property, plant and equipment) to the consolidated financial statements, and to note 1 (Investments) and note 11 (Remeasurement items affecting operating profit) to the separate financial statements. At 30 June 2022, the consolidated statement of financial position includes property, plant and equipment amounting to R221 308 million, while the statement of financial position within the separate financial statements includes investments in subsidiaries amounting to R140 391 million. The Company's and Group's financial performance for the year ended 30 June 2022 significantly improved compared to the prior year, mainly due to higher Brent crude oil and chemical prices and improved refining margins, as a result of the Russia/Ukraine conflict and the economic recovery following the COVID-19 pandemic. The effect of the favourable short-term macro-economic environment on the recoverable amount of impacted cash-generating units ("CGU's") was significantly countered by the expected impact of carbon tax following the carbon tax proposals announced by the South African Minister of Finance in the 2022 Budget Review. A significant part of the Group's operations and plants in Southern Africa and North America are, by design, integrated. Significant processes throughout the value chain, from feedstock to end products, are interdependent and linked. Amongst others, management performed impairment assessments for the South African Integrated Value Chain ("SAIVC") CGU's, as disclosed in note 9 to the consolidated financial statements. An impairment reversal of R1 444 million was recognised on the Chemical Work-up & Heavy Alcohols CGU during the year. In the separate financial statements, no impairments or impairment reversals were recognised as disclosed in note 11 to the separate financial statements. The impairment assessment of property, plant and equipment and investments in subsidiaries was considered to be a matter of most significance to the current year audit for the following reasons: • The identification of CGU's within the Southern African and North American value chains and the related active market assessments as outlined in the Group's principal accounting policies in note 9 to the consolidated financial statements incorporate significant judgement; • The assets (and/or CGU's) and their related recoverable amounts are impacted by their own operational performance and the main assumptions and estimates used by management (such as crude oil prices, gas prices, chemical prices, growth rates, exchange rates and weighted average cost of capital ("WACC")), global economic conditions and market trends;	*Identification of CGU's within the Southern African and North American value chains.* We assessed the appropriateness of management's defined CGU's within the Southern African and North American integrated value chains with reference to whether active markets exist for the output produced by the assets or groups of assets, the markets' ability to absorb products produced and access to its markets. We discussed the significant processes throughout the value chains with management in each of the business units to assess whether the markets available for feedstock and end products were consistent with our understanding of the business. Based on the work that we performed, we accepted management's defined CGU's within the Southern African and North American integrated value chains. *Impairment assessments of property, plant and equipment for CGU's and investments in subsidiaries where indicators of impairment / reversal of impairment were identified.* We benchmarked management's main assumptions used in the impairment calculations against external market and third-party data and found management's assumptions to be comparable with such data. Management engaged external and internal experts to assess the reserves and resources used in the impairment calculations for reasonability. Through inspection of CVs, membership certificates from professional bodies and competent persons reports, we assessed the objectivity, competence and experience of management's experts. Making use of our corporate finance and financial modelling expertise: • we assessed the Company and Group's valuation models used in management's impairment assessments and found they were materially consistent with best practice; and • we independently recalculated management's WACC with reference to relevant third party sources and found management's WACC to be within an acceptable range. We assessed the mathematical accuracy of the cash flow models and agreed relevant data to the latest long-term business plans used by management to manage and monitor the performance of the business, whilst also performing a retrospective comparison of forecasted cash flows to actual past performance and previous forecasts. Furthermore, we assessed the impact of assets sold during the year on the latest long-term business plans. We noted no material differences. We assessed the assumptions underlying the estimated impact of the announced carbon tax proposals on the recoverable amounts of CGU's within the SAIVC. We found management's carbon tax estimates to be comparable with the carbon tax proposals announced by the South African Minister of Finance in the 2022 Budget Review.

Key audit matter	How our audit addressed the key audit matter
• The impact of assets sold during the year on the recoverable amount of the CGU; and • The management judgement involved in estimating the impact of the announced carbon tax proposals on the recoverable amount of CGU's in the SAIVC.	We tested the operating effectiveness of internal controls relating to management's impairment of property plant and equipment and investments in subsidiaries. These procedures included, amongst others, controls over: • management's budgeting process to prepare, review and approve the long-term business plans; and • management's impairment trigger assessment and the preparation, review and approval of the impairment calculation. In addition to our overall response to impairment risk described above, we performed the following additional procedures over the Company's investments in subsidiaries: • Following a similar approach as described above, we assessed the appropriateness of management's identification of CGU's and which legal entities these form part of, and noted no exceptions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sasol Limited Annual Financial Statements for the year ended 30 June 2022", which includes the Directors' Report, the Report of the Audit Committee and the Certificate of the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the documents titled "Sasol Limited Integrated Report for the year ended 30 June 2022", "Sasol Limited Sustainability Report for the year ended 30 June 2022" and "Sasol Limited Climate Change Report for the year ended 30 June 2022", which are expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Sasol Limited for nine years.

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified a reportable irregularity in terms of the Auditing Profession Act. We have reported such matter to the Independent Regulatory Board for Auditors. The matter pertaining to the reportable irregularity has been described in note 1 to the financial statements.

PricewaterhouseCoopers Inc.
Director: Johan Potgieter
Registered Auditor
Johannesburg, South Africa

22 August 2022

SHAREHOLDERS' INFORMATION

Shareholders' diary

Financial year-end	30 June 2022
Annual General Meeting	Friday, 18 November 2022

Dividends

Final dividend

• rand per share	R14,70
• date declared	Tuesday, 23 August 2022
• last date to trade cum dividend	Tuesday, 6 September 2022
• payable	Monday, 12 September 2022

SHARE OWNERSHIP
at 30 June 2022

Public and non-public shareholding of Sasol ordinary shares	Number of shareholders	% of shareholders	Number of shares	% of ordinary shares
Public	151 667	99,98	512 667 156	81,46
Non-public	33	0,02	116 678 314	18,54
Directors and their associates	3		35 877	
Directors of subsidiaries and their associates	25		96 699	
The Sasol Khanyisa Employee Share Ownership Plan	1		272	
Sasol Employee Share Savings Trust	1		387 061	
Sasol Share Savings Trust	1		1 159 921	
Sasol Pension Fund	1		2 030 908	
Government Employees Pension Fund	1		112 967 576	
	151 700	100	629 345 470	100

Public and non-public shareholding of Sasol BEE ordinary shares*	Number of shareholders	% of shareholders	Number of shares	% of Sasol BEE ordinary shares
Public	201 089	99,99	6 305 329	99,59
Non-public	14	0,01	26 018	0,41
Directors and their associates	4		2 759	
Directors of subsidiaries and their associates	9		546	
Sasol Share Savings Trust	1		22 713	
	201 103	100	6 331 347	100

* Sasol Khanyisa Employee Share Ownership Trust Tier 1 vested in June 2021. Subsequent to the vesting the Trust no longer holds Sasol BEE Ordinary Shares.

There have been no change in directors' interests since 30 June 2022 and the date of these financial statements.

Major categories of shareholders	Number of shares	% of total issued securities[1]
Category		
Pension and provident funds	175 485 968	27,61
Unit trusts	139 040 777	21,87
Government of South Africa	53 266 887	8,38
Sovereign wealth funds	34 601 412	5,44
American Depository Receipt holders	29 286 507	4,61
Insurance companies	22 629 275	3,56
Black Economic Empowerment transaction participants[2]	6 331 347	1,00

1 Includes 629 345 470 Sasol Ordinary shares and 6 331 347 Sasol BEE Ordinary shares.

2 Comprises Sasol BEE Ordinary shares held by the public, The Sasol Khanyisa Employee Share Ownership Plan Trust and The Sasol Foundation Trust.

Major shareholders

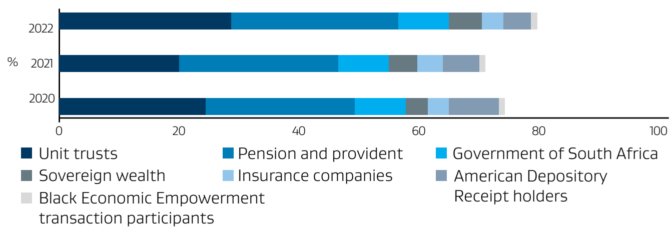
Pursuant to Section 56(7) of the South African Companies Act, 2008, the following beneficial shareholdings equal to or exceeding 5% as at 30 June 2022 were disclosed or established from enquiries:

Major categories of shareholders	Number of shares	% of total issued securities
Government Employees Pension Fund	112 967 576	17,77
Industrial Development Corporation of South Africa Limited	53 266 887	8,38

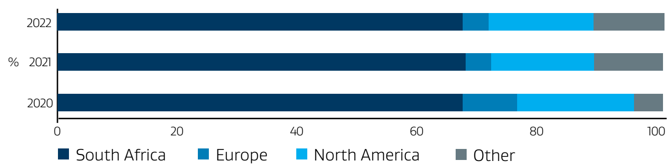
Furthermore, the directors have ascertained that some of the shares registered in the names of nominee holders are managed by various fund managers and that, at 30 June 2022, the following fund managers were responsible for managing investments of 3% or more of the share capital of Sasol Limited.

Fund Manager	Number of shares	% of total issued securities
PIC Equities	92 309 402	14,52
Industrial Development Corporation of South Africa Limited	53 266 887	8,38
M&G Investment Managers (Pty) Ltd	33 235 030	5,23
Allan Gray Investment Counsel	30 236 852	4,76
Black Rock Incorporated	24 462 451	3,85
Old Mutual Limited	23 808 729	3,75
Coronation Asset Management (Pty) Ltd	22 756 214	3,58
Ninety One SA (Pty) Ltd	21 450 991	3,37
The Vanguard Group Incorporated	21 364 915	3,36

Beneficial ownership by fund type



Beneficial ownership by geographic region



DIRECTORS' REPORT

(Sasol Limited: Company registration number 1979/003231/06)

Dear stakeholder,

The board of directors (the Board) is pleased to present the annual financial statements of Sasol Limited for the year ended 30 June 2022.

The Board continued to closely consider Sasol's strategic direction and longer-term decisions to ensure that we preserve and enhance the value of Sasol and, in so doing, protect the interests of all our stakeholders.

Nature of business

Sasol Limited, listed on the JSE Limited (JSE) on 31 October 1979 and on the New York Stock Exchange (NYSE), for purposes of our American Depository Receipt programme, on 9 April 2003[1], is incorporated and domiciled in the Republic of South Africa and is the ultimate holding company of the Group.

Sasol is a global integrated chemicals and energy company. Through our talented people, we use selected technologies to safely and sustainably source, produce and market chemical and energy products competitively to create superior value for our customers, shareholders and other stakeholders.

More detail on the nature of our business and the businesses of our significant operating subsidiaries and incorporated joint arrangements (set out on pages 100 to 103) can be found in our Integrated Report.

Group results

Sasol delivered a strong set of financial results against the backdrop of increased volatility resulting from ongoing geopolitical tensions, extended COVID-19 lockdowns and global supply chain disruptions. We benefitted from higher energy and chemicals prices, as well as strong cost and capital discipline through the delivery of our Sasol 2.0 transformation programme. This was offset by lower volume performance mainly due to the operational challenges experienced in the first half of the financial year. We have seen improved performance on the back of more stable operations in the second half of the financial year.

Earnings before interest and tax (EBIT) of R61,4 billion increased by more than 100% compared to the prior year, driven by higher crude oil prices, refining margins and chemical prices. This also resulted in a strong gross margin improvement compared to the prior year.

The Energy business further benefitted from a recovery in fuels demand post the COVID-19 impact, including a slight increase in the last quarter in anticipation of the record high fuel prices. This was offset by lower volumes in Mining, Secunda and Sasolburg downstream value chains following the feedstock and operational challenges which impacted the South African value chain.

EBIT for the Energy business increased by more than 100% to R46,0 billion compared to the prior year loss of R8,2 billion. EBIT includes profits of R8,8 billion from the realisation of the foreign currency translation reserve (FCTR) on the disposal of the Canadian shale gas assets, the disposal of our shareholding in Central Térmica de Ressano Garcia S.A. (CTRG) together with the disposal of 30% of our equity interest in the Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO). Excluding remeasurement items, EBIT increased by more than 100% compared to the prior year.

The Chemicals business delivered a strong financial performance, benefitting from a stronger average sales basket price (US$/t), which was 39% higher than the prior year. Sales volumes were 12% lower than the prior year largely due to the divestment of the US Base Chemicals assets concluded in December 2020 and lower Secunda and Sasolburg production from Chemicals Africa.

EBIT for the Chemicals business of R32 605 million increased 65%, compared to the EBIT of R19 753 million in the prior year. Sales revenue for the year was 21% higher than the prior year driven by higher sales prices offset by the aforementioned lower sales volumes.

The Chemicals business recognised remeasurement items of R1,5 billion. This includes the reversal of a previous impairment for our Africa Chemicals Work-up & Alcohols cash-generating unit (CGU) of R1,4 billion, due to the improved price outlook following a sustained increase in demand for alcohols into the personal hygiene market during and post the COVID-19 pandemic. In America, we recognised a R2,5 billion scrapping following an asset transfer between Sasol and LIP JV as part of the finalisation of the US Base Chemicals divestment at Lake Charles. Eurasia contains a realisation of foreign exchange translation reserve (FCTR) of R2,9 billion associated with the divestiture of our European Wax asset.

Financial results

Further balance sheet strengthening was achieved through a combination of the conclusion of asset divestments and stronger operating cash flows.

At 30 June 2022, our total debt was R105,1 billion (US$6,5 billion) compared to R102,9 billion (US$7,2 billion) at 30 June 2021. During this reporting period we repaid R12 billion, however the weakened closing Rand/US Dollar exchange rate had a translation effect within other comprehensive income of R13 billion on our debt. Our net debt closed the period at US$3,8 billion, whilst the net debt to EBITDA (bank definition) at 30 June 2022 was 0,8 times, significantly below the threshold level of 3 times.

Our liquidity headroom was R100,7 billion (US$6,2 billion), which is well above our outlook to maintain liquidity in excess of US$1 billion.

Cash generated by operating activities increased by 24% to R56,1 billion compared to the prior year. Actual capital cash flow amounted to R23,3 billion compared to R18,2 billion during the prior year. The higher capital expenditure is largely due to the reprioritisation of capital expenditure in 2021, resulting from the comprehensive response plan.

Protection of downside risk for the balance sheet was a key priority for the company during volatile times, resulting in the execution of our hedging programme to address oil price, ethane price and foreign currency exposure. The Group recognised significant hedging losses in this period. As our balance sheet further deleverages, we have reduced our hedge cover ratio in 2023. The hedging programme is updated regularly to address changes in our commodity and currency exposure.

Year under review

COVID-19 and the conflict in Ukraine

The group has considered the impact of the COVID-19 pandemic and the conflict in Ukraine on each of its significant accounting judgements and estimates. The group's principal source of estimation uncertainty continues to be in relation to assumptions used for the assessment of impairment of non-current assets where indicators of impairment are identified. No further significant estimates have been identified as a result of the COVID-19 pandemic or the conflict in Ukraine, although these factors have increased the level of uncertainty inherent in all future cash flow forecasts.

Asset disposals

The following asset disposals were completed during the year:

Canadian shale gas assets

The divestment of all our interests in Canada for a consideration of R514 million (CAD45 million) including working capital adjustments. The transaction successfully closed on 29 July 2021.

European wax business

Sasol sold its European wax business based in Hamburg Germany to the Italian AWAX Group and the transaction closed on 1 March 2022. The Fischer Tropsch Hard Wax business was carved out from this transaction and remains with Sasol.

Central Térmica de Ressano Garcia S.A. (CTRG)

The divestment of our full shareholding in CTRG, the gas-to-power plant located in Ressano Garcia, Mozambique, to Azura Power Limited for a consideration of R2,6 billion (US$163,8 million). The transaction closed on 28 April 2022.

Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)

Divestment of 30% of our equity interest in the ROMPCO pipeline for a consideration comprising an amount of R4,1 billion, subject to certain adjustments, and a contingent payment of up to R1 billion, which is payable if certain agreed milestones are achieved by 30 June 2024. The transaction closed on 29 June 2022. Sasol retains a 20% equity interest in the pipeline.

The ROMPCO transaction marked the last major transaction towards the completion of the major transactions in Sasol's accelerated, strategy-aligned, asset divestment programme announced in March 2020.

Share capital

Shares held in reserve

678 730 754 (2021: 680 163 235) authorised but unissued ordinary shares of the company are held in reserve.

Note 15 of the consolidated financial statements provides further details regarding the share capital of Sasol Limited.

American depositary shares

At 30 June 2022, Sasol's ADR program (managed by J.P. Morgan Chase Bank, and listed on the NYSE) had 29 286 507 (2021 – 38 357 534) American depositary shares (ADS) in issue. Each ADS represents one ordinary share.

Share schemes

Note 35 provides detail on the various share-based payment schemes in place, including the Sasol Share Incentive schemes and Sasol Khanyisa transaction.

Details on the material shareholdings for the group, including any shareholdings of directors, are provided under shareholder's information on pages 19 to 21.

Dividends

A final gross cash dividend of South African 1 470 cents per share (30 June 2021 – nil cents per ordinary share) has been declared for the year ended 30 June 2022. The cash dividend is payable on the ordinary shares and the Sasol BEE ordinary shares. The Board is satisfied that the liquidity and solvency of the company, as well as capital adequacy remaining after payment of the dividend, are sufficient to support the current operations for the ensuing year. The dividend has been declared out of retained earnings (income reserves). The South African dividend withholding tax rate is 20%. At the declaration date, there are 629 367 128 ordinary and 6 331 347 Sasol BEE ordinary shares in issue. The net dividend amount payable to shareholders who are not exempt from the dividend withholding tax, is 1 176 cents per share, while the dividend amount payable to shareholders who are exempt from dividend withholding tax is 1 470 cents per share.

Going concern

Based on the going concern assessment, the Board is of the view that the company and group have adequate resources to continue in operation for the foreseeable future and accordingly, the annual financial statements have been prepared on a going concern basis.

Subsequent events

Sasol has declared a force majeure on the supply of petroleum products after the Natref refinery was forced to shut down due to delays in the arrival of crude oil shipments. Natref has been operating at minimum rates from 23 June to enable the procurement of additional crude from the Strategic Fuel Fund (SFF) and the anticipated loading of procured West African (WAF) crude which had been delayed due to force majeure declared by the terminal operator. The refinery had to shut down on 15 July as it had consumed all the contingency crude stocks and force majeure was declared. The refinery has since recommenced operations.

On 29 July 2022 National Treasury published the draft 2022 Taxation Laws Amendment Bill ("Draft 2022 TLAB"), alongside various other tax bills which contain tax proposals made in the 2022 National Budget, for public comment. The Draft 2022 TLAB proposes amendments to the Carbon Tax Act to bring into effect the policy set out under South Africa's climate change response and carbon tax price path as released by National Treasury in February 2022. The proposed amendment include the progressive increase in the carbon tax rate from 2023. An increase of US$1, US$2 and US$3 on the current rate of ZAR 144 is proposed for the 2023, 2024 and 2025 tax periods, respectively with a rate of US$20 for the 2026 tax period. Thereafter an annual increase of US$2.50 in the rate is proposed from 2027 to 2029 to reach a rate of US$30 by 2030. The proposed amendments do not differ materially from the assumptions applied by management in testing the recoverability of non-financial assets at 30 June 2022 as explained in Note 9.

Change in directorate

Mr C Beggs retired as independent non-executive director and Chairman of the Audit Committee of Sasol Limited on 31 August 2021. Messrs ZM Mkhize and PJ Robertson retired as independent non-executive directors of Sasol Limited at the conclusion of Sasol Limited's annual general meeting on 19 November 2021. Mr HA Rossouw was appointed as executive director and Chief Financial Officer of Sasol Limited on 1 July 2022 subsequent to the resignation of Mr P Victor as executive director and Chief Financial Officer on 30 June 2022.

Auditors

PricewaterhouseCoopers Inc. (PwC) was the external auditor of Sasol Limited and its significant subsidiaries for the financial year ended 30 June 2022.

At the Annual General Meeting of 18 November 2022, shareholders will be requested to re-appoint PwC as auditor of Sasol Limited and to note that Mr J Potgieter will be the individual responsible for performing the functions of the auditor, following the Audit Committee's decision to nominate the firm PwC as its independent auditor for the financial year commencing 1 July 2022.

Company Secretary

The company secretary of Sasol Limited is Ms M du Toit. Her business and postal addresses appear on the inside back cover.

1. Listed only in connection with the registration of American Depositary Shares pursuant to the requirements of the United States Securities and Exchange Commission.

Our Remuneration Philosophy

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

Our Remuneration Policy

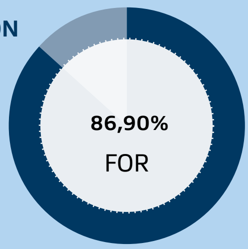
Minimal policy changes were made during 2022.

Shareholder feedback

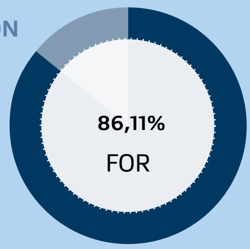
Non-binding advisory votes on the Remuneration Policy and Implementation Report

NOVEMBER 2021

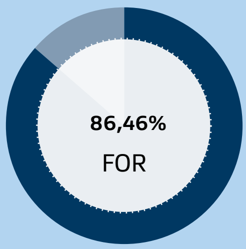
REMUNERATION POLICY



IMPLEMENTATION REPORT

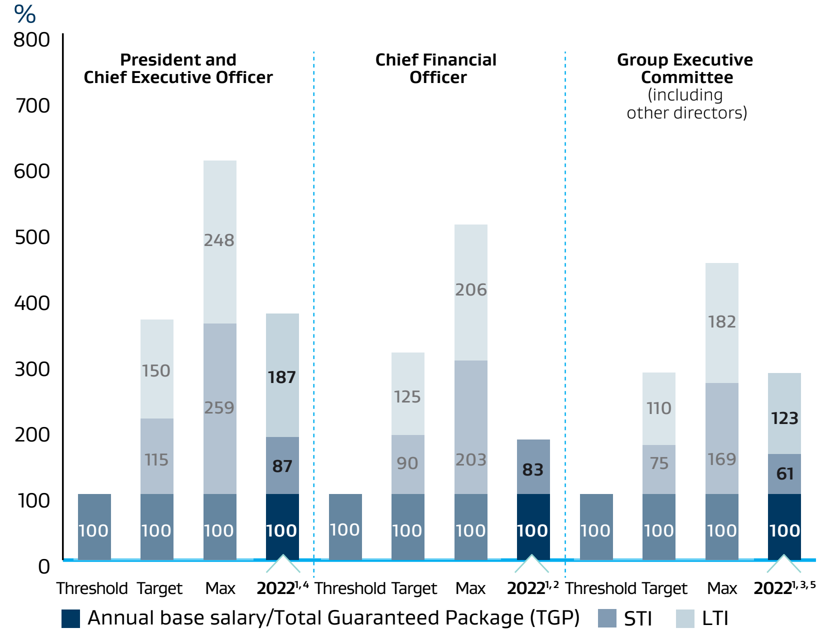


NON-EXECUTIVE DIRECTORS' FEES



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

Members of the Group Executive Committee



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

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

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

	Fixed Pay	Short-Term Incentives	Long-Term Incentives
STRATEGIC INTENT	• Attraction and retention of key employees • Internal equity and external competitiveness • Recognition of individual performance • Benchmarked to location market median	• Promote value creation including safe and sustainable performance • Alignment with Group and Business Unit financial and non-financial performance goals • Personal performance used as a multiplier in the final calculation • Additional penalty for fatalities	• Attraction and retention of senior employees and scarce and critical skills • Alignment with shareholders' long-term interests • Three to five year vesting periods • Minimum shareholding requirements for Prescribed Officers and executive directors
ELIGIBILITY	• All permanent employees	• All permanent employees	• Senior Management and above
FREQUENCY OF PAYMENT/ SETTLEMENT	• Monthly/bi-weekly (USA only)	• Annually in September	• Subject to achievement of performance and time targets: ◦ Senior Management & Leadership: three years ◦ Senior Leadership and Group Executive: 50% after three years; 50% after additional two years (performance shares) ◦ Group Executive: Five years for restricted shares (no performance targets)
EMOLUMENTS	• Cash/basic salary and benefits	• Cash	• Cash or Equity Settled (region dependent)

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

Mpho Nkeli
Chairman of Remuneration Committee

KEY MESSAGES

- Reward outcomes align with Company performance
- Bolstering Executive Leadership
- Benchmarking of Executive and Non-Executive Director Remuneration
- Increased emphasis on Environmental, Social and Governance (ESG) measures aligning with Sasol's long-term strategic priorities

Dear stakeholder

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

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

Sasol cares deeply for our people, planet and communities. As such, and in addition to providing support to our own employees impacted by this tragedy, we rallied behind non-profit organisations and community development agencies to provide support to communities affected by the KZN floods. Sasol also joined organisations and people from all over the world in support of humanitarian relief efforts in Ukraine.

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

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

Shareholder feedback

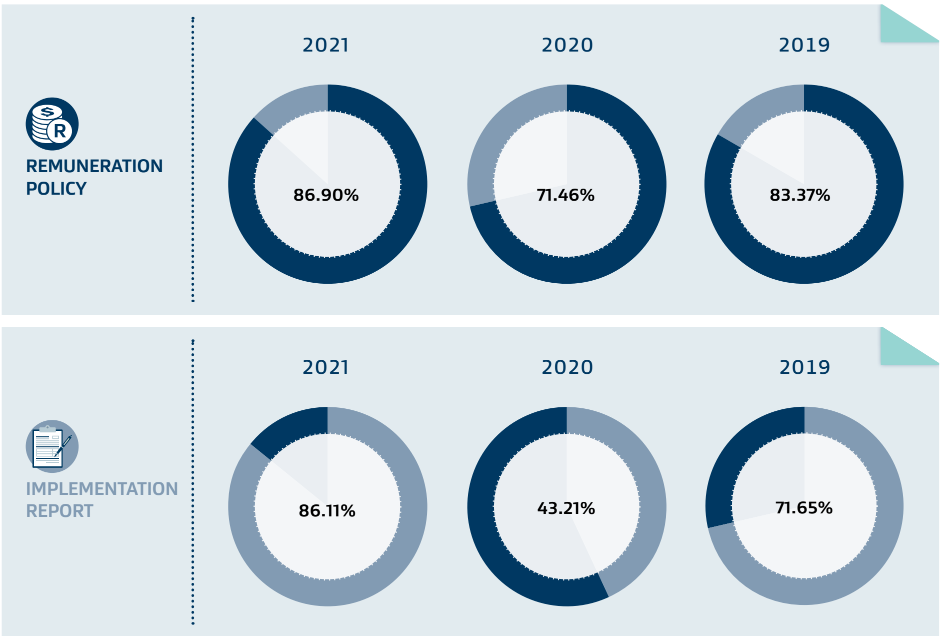
At our Annual General Meeting (AGM) in November 2021, support for the Remuneration Policy increased to 86,90% from 71,46% in 2020.

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

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

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

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



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

Shareholder concerns	Sasol's responses
• **Adjusted EBITDA** measure in the Long-Term Incentive Plan is not considered to be appropriate as it is subject to too many uncontrollable factors with discretion in the application of adjustments.	This measure will be removed for 2023.
• Peer group for relative Total Shareholder Return (rTSR) **(LTI) measure** excludes larger comparator companies.	The peer group for purposes of determining rTSR was adjusted to include larger comparator companies and was split from the peer group used for executive and non-executive benchmarking purposes where the inclusion of large comparator companies is not considered appropriate.
• **ROIC (LTI)** measure should be reconsidered given the low level of capital spend on large-scale projects.	Sasol is entering a phase where capital investments will again be made ensuring ongoing growth of the business and capitalising on new opportunities, especially through developing new low carbon value pools in Energy. As a result, Sasol is retaining this measure.

The year under review

COVID-19 and its impacts

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

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

Changes to the Group Executive Committee

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

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

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

Key Committee decisions

Performance against the Group STI targets was mostly below or on-target, with a total score of 64,35% of the 150% maximum on the Group STI scorecard. Consistent with previous years, and in line with our policy, normalisation for factors outside of management's control was applied. The two areas where minimal discretion was applied are detailed in the Implementation Report. The sales volumes target was missed due to feed stock supply and operational issues. The Committee was comfortable with Cash Fixed Cost and Capital expense management and pleased with the progress made on Sasol ecoFT. For incentive purposes, an 18% penalty was applied due to the tragic loss of six of our employees and the disappointing high severity injury (HSI) rate in the year. The business is reporting five fatalities, as the one HSI happened in 2021. The Board requested the implementation of a safety remediation plan.

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

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

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

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

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

Shareholders will be requested to approve the new LTI plan at the 2022 AGM. The main changes from the 2016 LTI plan are specifically related to the introduction of a post-termination shareholding requirement for members of the GEC, and the removal of the accelerated vesting regime for all participants whose services are terminated under good leaver provisions, thus ensuring awards vest at their normal vesting date.

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

Independent advisors

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

Looking forward | 2023

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

The Group is still intent on sustainably reducing our levels of debt and as such will continue to focus on cash fixed cost management and prudent capital allocation. Free cash flow as a percentage of turnover will also for the first time be introduced into our Group STI Scorecard as we phase out the Sasol 2.0 specific targets. The Business Unit scorecards that were introduced in 2022 will again be a feature of the STI calculation for 2023 to ensure that there is a dedicated focus not only on Group priorities, but also on the Business Unit priorities in Chemicals, Energy and Mining. The final STI calculation will be weighted between the Group and BU STI scorecards, depending on line of sight and level of accountability.

In closing

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

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

Mpho Nkeli
Chairman of Remuneration Committee

11 August 2022

REMUNERATION REPORT

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

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

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

Remuneration Policy

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

Remuneration Philosophy

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

Remuneration Policy principles

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

Remuneration Committee governance

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

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

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

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

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

Regulatory compliance

Our reporting complies with:

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

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

Fixed pay – Policy and strategic intent

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.

The Committee approves the cost of annual increases after considering market and economic data as well as affordability.

Mandates are provided for salary increase negotiations with recognised trade unions and works councils.

Strategic intent:

- Attraction and retention of key employees.
- Internal equity and external competitiveness.
- Affordability.
- Recognition of competence and/or individual performance.

Fixed pay – application

Employees in countries other than South Africa and employees in the South African bargaining sectors are paid a base salary rather than a TGP.

In South Africa, the minimum wage 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 R304 814,00 per annum.

Salaries are paid monthly to all employees except for those in the United States (US) who receive bi-weekly payments.

Employees who are promoted are considered for salary adjustments as justified.

For employees outside the collective bargaining sectors, annual increases are processed with effect from 1 October.

Employees in collective bargaining structures receive across-the-board increases with effect from 1 July or 1 October.

Outside South Africa, annual salary increases are also negotiated with trade unions and/or works councils in the US, Germany, Italy and Mozambique.

Outcomes 2022

Following two years of no increases, for Senior Management and above, market adjustments were approved effective 1 October 2021. We carried out an executive remuneration benchmarking exercise and implemented market adjustments where appropriate and will continue in 2023 as necessary.

In South Africa the cost of increases, which include market adjustments, for staff outside of collective bargaining units was 4,31% of the South African salary bill.

Employees in collective bargaining structures received increases of between 4% – 4,5% as well as adjustments to allowances.

International increase costs were in line with forecast inflation and applicable market progression practices.

Due to the sharp increase in global inflation, salary increases in 2023, will be higher than in previous years.

Benefits and allowances – Policy and strategic intent

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.

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.

Strategic intent:

- Compliance with legislation or co-determination agreements.
- Strengthening of the Employee Value Proposition where benefits are offered as a general market practice.
- To protect cost of living for employees on expatriate assignments.

Benefits and allowances – application

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.

Allowances are linked to roles within specific locations and are paid together with salaries.

Expatriate benefits and allowances are offered in terms of country and assignment policies.

Employee wellbeing is the crux of labour stability. Sasol continues to roll out psychosocial, physical and safety culture interventions especially during COVID-19 on stress and related issues such as online meeting fatigue and dealing with the bereavement of loved ones. Any stress experienced due to returning to the workplace also received the required empathy and employees are referred to the Employee Assistance Programme (EAP) as appropriate.

Outcomes 2022

Sasol uses different options to provide healthcare to employees and their families by means of medical insurance and/or public health plans, as well as additional insurance in countries as appropriate.

All employees have healthcare cover in the event they are infected with COVID-19.

Sasol continues to use special leave categories to accommodate lockdown periods in various jurisdictions. No employees were asked to take unpaid leave because of lockdowns or the shutdown of operations due to COVID-19.

The Committee confirmed that in all countries where employees participate in private retirement funds, the governance of these funds meets fiduciary requirements, and all defined benefit fund liabilities are appropriately detailed in Sasol's Statement of Financial Position.

With the exception of Group Executives, employees who agreed to a salary sacrifice as well as to have their employer contribution to retirement funds suspended in 2021, received a refund related to the sacrifice in 2022.

REMUNERATION REPORT (CONTINUED)

STI – Policy and strategic intent	STI – application	Outcomes 2022
For the majority of our permanent employees across the world, we apply a single STI structure. The exception is the Non-Managerial mining employees who earn a production bonus which is processed bi-weekly, subject to safe production volumes against mining targets. Target incentives align with the market median. The STI structure consists of Group and BU STI scorecards. Individual performance is a multiplier in the range of 0% – 150% applied to the final STI score. All targets are approved at the start of the new financial year. The Committee can exercise discretion to vary incentive outcomes as deemed appropriate and based on affordability. Approved pay-outs are processed with the September salary.	Every quarter, the Committee reviews year-to-date performance against the Group STI scorecard to ensure ongoing focus and commitment. Individual performance is assessed informally on a regular basis and formally at least twice in the financial year. To ensure appropriate line of sight, people metrics are included in BU and individual scorecards. The Committee approves the final Group and BU STI outcomes in the August meeting after the end of the financial year. All exceptions are disclosed in this report.	The Committee approved a Group STI scorecard focused on achieving the Future Sasol priorities. In addition to the Group factor, BU scorecards were approved as applicable. 100% of the STI weighting for the President and CEO was based on the Group scorecard. For other members of the GEC, the split was 60% Group and 40% BU factor. For GEC members who do not head up a BU, the average score in respect of the Chemicals and Energy BU's STI outcomes was used. In line with our commitment to actively reduce carbon emissions, relevant incentive targets have been included in the Group and BU scorecards to ensure that milestones achieved on the journey are appropriately incentivised. In addition to people, leadership, safety and sustainability metrics, as appropriate, the following metrics are also included in the individual performance scorecards: • safe transportation of hazardous chemicals; • occupational health measures; and • leaks or spills of hazardous materials. These metrics balance safety, environmental sustainability, financial and operational performance criteria. Each fatality reduces the final Group incentive score by three percentage points for the GEC and lower levels in the BU where the fatality occurred. STI performance outcomes for 2022 are set out on page 41.

LTI plan – Policy and strategic intent	LTI plan – application	Outcomes 2022
Equity- or cash-settled awards are granted annually, on appointment or upon promotion to an eligible level, where the underlying value is tied to the market value of a Sasol ordinary share (or American Depository Receipts (ADR) for international participants), subject to vesting conditions. 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. Vesting of awards is subject to the achievement of Corporate Performance Targets (CPTs) and/or service criteria. A split vesting period of three to five years applies to performance shares awarded to Top Management. For members of the GEC, 35% of the annual award is granted in the form of restricted shares with a cliff vesting period of five years. The introduction of restricted shares supports minimum shareholding requirements as well as improved alignment with shareholders' interests over the long term. **Strategic intent:** • Attraction and retention of senior employees and scarce and critical skills. • Alignment with shareholders' long-term interests with reference to the Sasol share price and the underlying performance metrics.	LTIs form an important part of our reward mix and target awards are reviewed annually to ensure ongoing market competitiveness. Participants may sell or retain the vested shares once vesting conditions and minimum shareholding requirements have been met. Minimum shareholding requirements are in place for Executive Directors and Prescribed Officers. The Committee reviews the LTI targets every year to ensure continued alignment with key priorities.	100% of the LTIs awarded to members of the GEC in 2020 are subject to the achievement of performance metrics over the period 1 July 2019 – 30 June 2022. The overall performance of the 2020 LTI awards to the GEC was 54.31%. 50% of the vested award, granted in 2020, will vest on the third anniversary and the balance on the fifth anniversary, subject to continued employment. 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. The introduction of restricted shares in FY21 also supports the requirement for minimum shareholding requirements which were introduced for all Prescribed Officers from 2021. This requirement was previously only in place for Executive Directors. Assuming the 2022 LTI plan is approved, it will apply to the awards to be made in September 2022. Details on the 2022 metrics are set out on page 43.

REMUNERATION REPORT (CONTINUED)

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

- Provide chemicals and energy products in a responsible way.
- Respect people, their health and safety, and the environment.
- Contribute to the socio-economic development of the countries within which we operate.

	2022 Group strategic priorities	2022 Group incentive key performance indicators	2023 Group incentive key performance indicators	2023 Group strategic priorities
People	• Promote diversity and inclusion. • Pursue zero harm through relentless focus on preventing high-severity injuries and eliminating fatalities. • Rebuild trust and create shared value.	**STI:** • Health and safety of our employees and communities • Process Safety • Operational Safety	**STI:** • Health and safety of our employees and communities • Process safety • Occupational safety • Just Transition roadmap	• Strive to achieve a people-centred culture of safety by leading safety with both care and compliance. • Intensify our focus on operational discipline and preventing high severity injuries and eliminating fatalities. • Strengthen stakeholder trust through continued delivery on community, regulatory and shareholder promises. • Embrace diversity and inclusion to augment our culture and Employee Value Proposition. • Aligning a visible and integrated Just Transition programme and incorporating localisation and economic empowerment.
Planet	• Advance sustainability through the delivery of our roadmaps and the identification of opportunities to grow and participate in sustainable products and gain access to emerging future value pools. • Decarbonise our operations as committed to in the Climate Change Roadmap.	**STI:** • Reduced environmental footprint • Shifting to lower carbon products • Building our Sasol ecoFT business **LTI:** • Holistic focus on Environmental, Social and Governance matters • Delivery of renewable energy sources to global operations • Reduction in Scope 1 and 2 emissions	**STI:** • Energy efficiency improvement • Sourcing of carbon credits • Shifting to lower carbon products and Green Hydrogen • Renewable Energy sourcing strategy **LTI:** • Reduction in Scope 1 and 2 emissions	• Progress opportunities to enable sustainable growth by strengthening our technology, partnering and sustainability solutions. • Deliver optionality relating to flexible, sustainable feedstock opportunities.
Profit	• Provide sustainable returns to our shareholders in respect of capital investments, capital allocation, timely project completion and well managed operations.	**STI:** • Management of cash fixed costs, sustenance capital and net working capital to meet the Sasol 2.0 targets • Achievement of sales volume targets **LTI:** • Return on invested capital (excluding AUC) split as follows: – Rest of Sasol: ROIC of 14,5% – US business: ROIC of 8,5% • rTSR vs the peer group • Growth on Adjusted EBITDA >CPI+2%	**STI:** • Sales volumes • Cash fixed costs • Free cash flow/turnover • Sustainable net working capital • Capital expenditure **LTI:** • Return on Invested Capital > WACC +1% for SA and the USA respectively • Relative total shareholders' return to exceed peer group median	• Commitment to our Sasol 2.0 transformation program to enable the business to be competitive, highly cash generative and able to deliver attractive returns as well as accelerating a return to dividends. • Enhance operational discipline, efficiency & effectiveness, and drive reliable feedstock supply and operations across all value chains.

Pay gaps

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

The Sasol Group pay gap methodology compares the median Total Target Remuneration (TTR) of 10% of the highest Sasol earners per country with the median TTR of the lowest 10% Sasol earners per country. This is similar to the methodology used in Form EEA4 which has to be submitted annually to the South African Department of Employment and Labour. Target remuneration rather than actual remuneration is used for year-on-year comparisons as the impact of macroeconomic factors on the LTI in particular is excluded.

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

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

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

Risk management

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

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

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

Details of key remuneration components

The use and application of remuneration benchmarks

One of the Committee's key tasks is to preserve the relevance, integrity and consistency of benchmarking. Management also consults survey reports from various large remuneration firms.

In addition to survey data, we use benchmark data from the approved peer group to develop pay bands and incentive plans as well as for the comparison of employee benefits. For the remuneration of GEC members and the Non-Executive Director (NED) fees, we select a peer group of companies which includes those with a broadly similar geographic footprint and/or product suite and/or size.

The revised peer group includes a balanced combination of companies that have a primary listing on the JSE Ltd and international chemicals and energy companies.

The following peer group was adopted for Executive and Non- Executive Director remuneration benchmarking effective 1 July 2021:

JSE primary listed companies	Chemicals companies	Energy companies
Anglo American Platinum	Albemarle Corp	Continental Resources
AngloGold Ashanti	Covestro AG	Devon Energy Corporation
Gold Fields	Eastman Chemicals Co	Hess Corporation
Impala Platinum Holdings	Evonik Industries AG	Imperial Oil
MTN Group	Lanxess AG	Origin Energy
Sibanye Stillwater	Solvay SA	Repsol

Effective 1 July 2021, the Committee considered and approved a separate peer group to be used for the relative Total Shareholders' Return measurement in our LTI award. Some larger competitors (not included for benchmarking purposes) were also included.

South African JSE listed companies	Chemicals companies	Energy companies
AECI	BASF	Continental Resources
Anglo American Platinum	Dow Chemicals	Devon Energy
AngloGold Ashanti	Eastman Chemicals Co	Hess Corporation
Glencore	Lanxess AG	Imperial Oil
MTN Group	Lyondell Basel	Origin Energy
Sibanye Stillwater	Solvay SA	Repsol

BASE SALARY/TOTAL GUARANTEED PACKAGE (TGP) AND BENEFITS

South African employees who are not covered by collective bargaining agreements receive a TGP which includes employer contributions towards retirement, risk and healthcare benefits. In terms of this model, all changes to benefit contribution levels are cost neutral to Sasol. Employees also have the flexibility to increase/reduce retirement fund contributions without changing the cost to Sasol. Increases in the benefit pricing of employee and employer contributions reduce the net cash salary of employees. All other employees receive a base salary with Sasol's contributions to benefit funds being calculated and paid over. In some jurisdictions, a thirteenth cheque is payable. Salaries are benchmarked to the market median with distribution around the market median based on performance, competence and scarcity of skill.

Variable pay plans

STI PLAN

The President and CEO's STI is based on the Group STI Scorecard, with a multiplier in respect of individual performance.

For all other Executive Directors and Prescribed Officers differentiated weightings are applied in respect of Group and BU STI scorecard outcomes, as indicated in the following table:

Designation	Group scorecard weighting %	BU scorecard weighting %
President and CEO	100%	–
Executive Directors and Prescribed Officers*	60%	40%
Below GEC	50%	50%

* Mr Rademan's pro rata STI is only calculated on Mining's performance over the past four months. He was appointed on a fixed term contract specifically to lead the turnaround in Sasol Mining.

The following formulae was approved for STIs:

STI Award = Annual Base Salary or Annual TGP X Role Category Target STI % X [Group Performance Factor (0% – 150%) Weighting + BU Performance Factor (0% – 150%) Weighting] X Individual Performance Factor (0% – 150%)

LONG-TERM INCENTIVE (LTI) PLAN

The LTI plan gives participating employees the opportunity, subject to the vesting conditions, to receive Sasol ordinary shares or ADRs. After the vesting period, which varies between three and five years, participants may sell or retain the shares. Accelerated vesting principles in cases of termination for 'good leavers' do not apply to the GEC. In jurisdictions where we do not offer an equity-settled award due to legislative restrictions, or where we choose not to make an equity-settled award, eligible employees may participate in a cash-settled LTI plan with the same conditions that are applicable to equity instruments, except that they are settled with cash.

The current equity-settled plan was approved by shareholders in 2016, for implementation of all awards made since 2014 (i.e., previous cash-settled awards were converted to equity-settled awards). The maximum number of shares to be made available for awards to eligible participants equated to approximately 5% of the issued shares of the Group at the time.

In 2022, a comprehensive review of the Long-term Incentive Plan was undertaken to ensure the plan remains relevant.

At the November 2022 AGM, the Board will submit a request to shareholders for the approval of the 2022 LTI Plan rules. The current LTI Plan was approved in 2016, with retroactive implementation to 2014. As at the date of this report, 8 054 693 LTIs (out of 32,5m approved under the 2016 LTI plan), had been settled and 13 965 540 have been awarded but settlement is still subject to the vesting conditions.

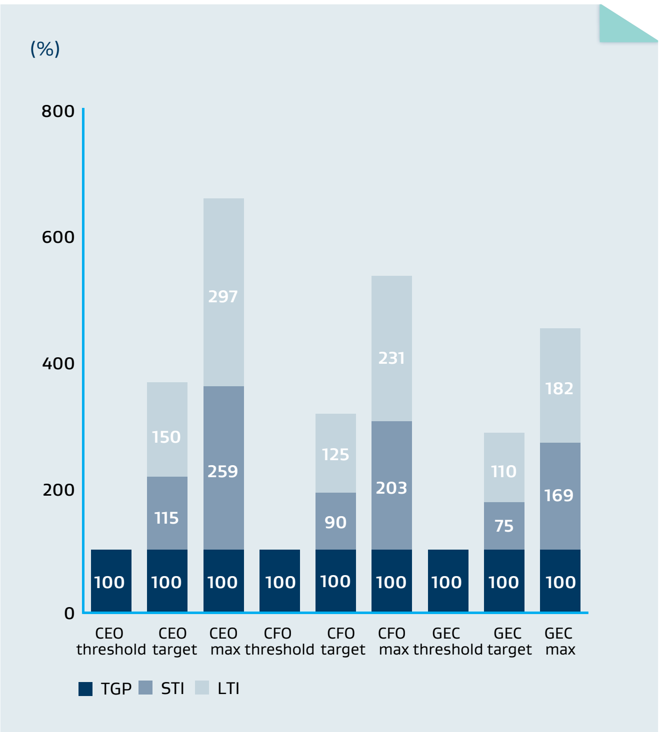
Minimum Shareholding Requirements (MSRs)

All Executive Directors and Prescribed Officers have a MSR to be achieved within a period of five to six years from date of appointment. The MSR enhances alignment with the interests of shareholders with a focus on long-term performance. The 2022 LTI Plan will require Executive Directors and Prescribed Officers to retain their shares held under the MSR for a period of twelve to eighteen months post service termination. The following table sets out the requirements:

• President and Chief Executive Officer:	300% of annual pensionable remuneration
• Chief Financial Officer:	200% of annual pensionable remuneration
• Other Executive Directors:	100% of annual pensionable remuneration
• Prescribed Officers:	100% of annual pensionable remuneration

Pay mix: minimum, on target, and maximum performance for Executive Management

The threshold, target and maximum reward outcomes which is reflected as a percentage of base salary/TGP for Executive Directors and Prescribed Officers are illustrated in the following graph:



The graph indicates a balanced portfolio of the total remuneration mix for the Group Executive Committee. It indicates rewards allocated in terms of base salary/TGP, STIs and LTIs, which are subject to the achievement of Group, BU and individual targets to ensure a sustained focus on the Group's objectives. The target and maximum potential LTI awards for the President and CEO and the CFO were reduced over a two-year period (2021 to 2022). No other changes were implemented for members of the GEC for 2022.

Special retention awards and sign-on or buy-out awards

The Sign-on Payment and Retention Policy may be used in the recruitment and retention of candidates in specialised or scarce skill positions. Cash retention payments are linked to retention periods of at least two years. Retention shares may be granted under the LTI plan.

Executive service contracts

- Mr Rossouw was appointed Chief Financial Officer (CFO) designate: Sasol Limited effective 4 April 2022. Mr Rossouw assumed the role of Executive Director and CFO: Sasol Limited with effect from 1 July 2022.
- Following his resignation, Mr Victor will no longer fulfill the role of Executive Director and CFO: Sasol Limited effective 1 July 2022. In line with the LTI rules, Mr Victor will forfeit all unvested LTI awards. He is however still entitled to an STI award for 2022.
- Mr Rademan was appointed as EVP: Sasol Mining effective 9 March 2022 for a period of 16 months, with an option to further extend the term. Mr Rademan does not contribute to a retirement plan nor does he participate in the Sasol LTI plan. His STI contract has been structured to focus on Sasol Mining-specific targets as his appointment is to specifically focus on the turn-around plan in Mining.
- Members of the GEC have permanent employment contracts with notice periods of three to six months.
- Mr Baloyi was appointed as EVP: Energy Operations and Technology with effect from 1 April 2022.
- Mr Klingenberg will retire from Sasol on 31 August 2022. His Prescribed Officer role terminated on 31 March 2022 when he handed over his executive responsibilities to Mr Baloyi.
- The contracts provide for salary and benefits as well as participation in incentive plans on the basis of Group, Business Unit and individual performance as approved by the Board.
- EVPs who are members of the South African Sasol Pension Fund are required to retire from the Group and as Directors from the Board at the age of 60, unless they are requested by the Board to extend their term.
- Perquisites offered to the members of the GEC are disclosed in the Implementation Report.

TERMINATION ARRANGEMENTS APPLICABLE TO GROUP EXECUTIVE COMMITTEE MEMBERS

Remuneration policy component	Voluntary termination i.e. resignation	Involuntary termination i.e. retrenchment, redundancy, retirement or other reasons included under the definition of 'good leaver'
Base salary	Payable up to the last day of service including the notice period either in exchange for service or in lieu of the notice period.	Payable up to the last day of service including a three- to six-month notice period.
Health insurance	Benefit continues up to the last day of service.	Benefit continues up to the last day of service; employees who qualify for a post-retirement subsidy continue to receive the employer's contribution post retirement.
Retirement and risk plans	Employer contributions are paid up to the last day of service. In most countries, the employee is entitled to the full value of the investment fund credit and any returns thereon.	
Other benefits	Not applicable.	A severance package equal to three weeks' salary per completed year of service is offered which may be increased for voluntary retrenchments or mutually agreed terminations.
STI	If the executive resigns on or after 30 June and before 30 September, there is an entitlement for consideration of the STI which may have been approved for the previous financial year, subject to the achievement of performance targets. No pro-rata incentive is due if the executive leaves prior to the end of the financial year for reasons of dismissal, resignation or mutual separation.	A pro-rata incentive may be considered for the period in service during the financial year subject to the meeting of performance targets and only if approved for the rest of employees.
LTI*	All unvested LTIs are forfeited. At 30 June 2022, 2 054 553 Share Appreciation Rights (SARs) had lapsed. They were awarded to participants at a share price that was higher than the share price on the last day to exercise, therefore no value could be realised. There are no more outstanding SARs.	The original LTI vesting periods remain unchanged subject to the achievement of vesting conditions.

*Assuming the 2022 LTI plan is approved, a post-termination holding period of 18 months will be applicable.


Non-Executive Directors' (NEDs) fees

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

NEDs are paid a fixed annual fee in respect of their Board membership and supplementary fees for Committee membership or Chairmanship. The annual fee is divided by four and a quarterly fee is paid at the end of every Board cycle regardless of the number of meetings held in that quarter.

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

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

	A. Fees (excluding NEDs referred to in column B)[1,3,4,5,6]	B. Fees for NEDs residing permanently in Europe, the United Kingdom and North America[1,2,3,5,6]
Chairman of the Sasol Limited Board (all inclusive)	US$285 000	US$345 000
Non-Executive Director ("NED")	US$100 000	US$120 000
Lead Independent Director (additional fee)	US$40 000	US$48 000
Audit Committee Chairman	US$30 000	US$35 000
Audit Committee member	US$20 000	US$24 000
Remuneration Committee Chairman	US$20 000	US$24 000
Remuneration Committee member	US$12 000	US$14 500
Other Committee Chairman	US$20 000	US$24 000
Other Committee member	US$12 000	US$14 500

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

Implementation Report

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

The structure of the Implementation Report, is as follows:

Incentive outcomes	• Group performance targets for STI awards made in 2022 and performance results. • Performance vs Corporate Performance Targets in respect of LTIs that are due to vest in 2023, as at the end of the performance period 30 June 2022.
Executive Directors and Prescribed Officers (tabulated separately)	• Remuneration and benefits paid disclosed in terms of the single total figure methodology including the STI amounts awarded for 2022 and an estimated value relating to the vesting of LTIs in March 2023, in respect of the performance period ended 30 June 2022. • Outstanding LTI holdings. • Progress against Minimum Shareholding Requirements.
NEDs	• Fees paid during 2022.

Short-term incentive plan outcomes

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

	KPI – Key Performance Indicator	Weightings	Threshold (Rating = 0%)	Target (Rating = 100%)	Stretch (Rating = 150%)	Achievement	Weighted Achievement
ESG (People) (10%)	Process Safety	5%	FERs ≥ 21	FERs = 19	FERs ≤ 17	FERs = 13	7,5%
	Occupational Safety	5%	HSI Rate ≥ 14	HSI Rate = 12	HSI Rate ≤ 9	17,58	0%
ESG (Planet) (20%)	Advancing sustainability: Climate Change	15%	Energy Efficiency Improvement using 30 June 2021 as the basis for assessment of FY22 ≥ 0%	Energy Efficiency Improvement using 30 June 2021 as the basis for assessment of FY22 = 1%	Energy Efficiency Improvement using 30 June 2021 as the basis for assessment of FY22 >= 1,5%	1,15%[1] Energy Efficiency Improvement	8,59%
			200MW secured for Energy	PPAs/VPPAs signed to achieve 0.65MtCO_2e by end FY2024	PPAs/VPPAs signed to achieve 0.66MtCO_2e by end FY2024	200 MW key terms signed, 0,275MtCO_2e in Energy and 57ktCO_2e in Chemicals[2]	5,3%
		5%	Setting up the new sustainable Business Venture	Two global PtX partnerships established and one feasibility study announced	Two feasibility studies completed and submitted for approval to PtX partner approval authorities/boards	Full ecoFT governance structure established and populated (2,5%) Two global Ptx partnerships established and feasibility study announced	5%
Group Financials (Profit) (70%)	Sales volumes	25%	FY22 sales volumes = 17mt	FY22 sales volumes = 18mt	FY22 sales volumes = 19mt	16,7mt	0%
	Cash cost optimisation	20%	FY22 target CFC + R2bn	FY22 CFC = R58,3bn	R2bn below FY22 budget CFC	Cash fixed costs were 0,3% above target[3]	18,46%
	Working capital	10%	NWC% = 17%	NWC% = 15%	NWC% = 13%	NWC% = 12,6%[4]	15%
	Sustenance Capital	15%	Capital expenditure = R28bn	Capital expenditure = R26bn	Capital expenditure = R24bn	R21,8bn[5]	22,5%
100%	**Safety Adjustment – Penalty for Fatalities**						**(18%)[6]**
	Final Score						**64,35%[7]**

Notes

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

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

REMUNERATION REPORT (CONTINUED)

Other than for the President and CEO, the STI amount approved is a combination of performance under the Energy BU, Chemicals BU and Group STI scorecards for 2022; finally modified by the individual performance factor (IPF), which is an outcome of achievements against the personal performance contract :

	Component	Group (0 – 150%)	Chemicals (0 – 150%)	Energy (0 – 150%)
People	Safety	7,50%	13,50%	13,50%
	Customer experience/centricity	–	13,37%	6,75%
	Preferential procurement	–	–	3,60%
	B-BBEE/Diversity and inclusion	–	13,50%	2,45%
Planet	Climate change	8,59%	11,25%	27,40%
	Circular & sustainable solutions	–	11,25%	–
	Reducing absolute GHG emissions	5,30%	–	–
	Shifting to lower-carbon products and green hydrogen	5,00%	–	–
Profit	Gross margin	–	19,38%	27,00%
	Controllable cash fixed costs	–	18,61%	0%
	Working capital	–	7,24%	–
	Sales volumes	0%	–	–
	Absolute cash fixed costs	18,46%	–	–
	Net working capital to turnover	15,00%	–	0%
	Capital expenditure	22,50%	–	20,25%
	Total	82,35%[1]	108,09%	100,95%

1. This percentage excludes the fatality penalty of 18%

The following outcomes are applicable to the President and CEO, CFO and Executive Vice Presidents as indicated in the table below.

Role	Split Group/BU	Group score (Incl fatalities)	Chemicals score	Energy score	Average Energy and Chemicals score	Final incentive multiplier excluding IPF
President and CEO	100% Group	64,35%	–	–	–	64,35%
CFO	60% Group/40% BU[1]	64,35%	–	–	104,52%	80,42%
EVP Chemicals Business	60% Group/40% BU	64,35%	108,09%	–	–	81,85%
EVPs Energy Business	60% Group/40% BU	64,35%	–	100,95%	–	78,99%
EVPs Corporate Centre	60% Group/40% BU[1]	64,35%	-	–	104,52%	80,42%

1. Average percentage of the Energy and Chemicals BUs' final score

The final factor in the STI calculation is personal performance in a range of 0% - 150% which is applied as a multiplier.

Long-term Incentive Plan outcomes

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

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

1. In respect of LTIs issued to members of the Group Executive Committee including the Executive Directors, 100% of the award was subject to the achievement of CPTs. Of the vested portion, 50% will be released in 2023 and the balance in 2025 subject to continued employment.
2. ROIC was measured annually.
3. Straight line vesting is applied between threshold, target and stretch target.
4. Reduction in headcount over the period, compensated for lower production in 2022.

2022 Long-Term Incentive (LTI) awards

For members of the GEC including Executive Directors, 65% of the LTI awards granted in August 2021 are subject to the achievement of the following CPTs in addition to time-based vesting criteria of between three and five years. The balance of the award (35%) is subject to a five-year, time-based vesting criteria.

The performance targets for the 2022 award are as follows:

KPI – Key performance indicator	Weighting	Threshold[1]	Target[1] (Rating = 100%)	Stretch[1] (Rating = 200%)
Holistic Focus on ESG matters. On our journey towards our ambition of net zero by 2050. Sasol is incentivising key milestones, inclusive of our 2030 targets as a start, that if achieved, will allow us the ability to deliver on our overall ambition.	25%	Achieve a sustainable 3% reduction (equating to 1.8mtpa CO_2e) in Scope 1 and Scope 2 emission off a 2017 baseline by FY24 for the Energy business	Achieve a sustainable 3.8% reduction (equating to 2.36mtpa CO_2e) in Scope 1 and Scope 2 emission off a 2017 baseline by FY24 for the Energy business	Achieve a sustainable 4.5% reduction (equating to 2.78mtpa CO_2e) in Scope 1 and Scope 2 emission off a 2017 baseline by FY24 for the Energy business
		40% Renewable Energy power for Chemical operations in Europe and Americas by end FY24	60% Renewable Energy power for Chemical operations in Europe and Americas by end FY24	80% Renewable Energy power for Chemical operations in Europe and Americas by end FY24
		Within 10% of the DJSI inclusion score by November 2023	Within 6% of the DJSI inclusion score by November 2023	Within 3% of the DJSI inclusion score by November 2023
Return on invested capital[2]	15%	ROIC (excl AUC) at SA WACC of 13,5% per annum	ROIC (excl AUC) at SA WACC of 13,5% + 1% = 14,5% per annum	ROIC (excl AUC) at SA WACC of 13,5% + 2% = 15,5% per annum
	10%	ROIC (excl AUC) at USA WACC of 8% per annum	ROIC (excl AUC) at USA WACC of 8%+ 0,5% = 8,5% per annum	ROIC (excl AUC) at USA WACC of 8%+ 1% = 9% per annum
Relative TSR measured against the peer group	25%	50th percentile of index	60th percentile of index	75th percentile of index
Growth on adjusted EBITDA	25%	Adjusted EBITDA growth of compound CPI for three financial years	Adjusted EBITDA growth of compound CPI + 2% for three financial years	Adjusted EBITDA growth of compound CPI + 4% for three financial years
Total	**100%**			

1. Straight line vesting is applied between threshold, target and stretch target.
2. ROIC will be measured annually

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

Executive Directors

A. EXECUTIVE DIRECTORS' REMUNERATION AND BENEFITS

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

1. Short-term incentives approved based on the Group results for 2022 and payable in the 2023 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2022 x Group STI achievement x Individual Performance Achievement.
2. Long-term incentives for 2022 represent the award made on 3 March 2020. The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved (GEC: 54.31%; SVP: 77.15%) x June 2022 average share price. The actual vesting date for the annual awards is 3 March 2023 subject to the company being in an open period. Dividend equivalents accrue at the end of the vesting period, to the extent that the LTIs vest. 50% of the vested LTIs and accrued dividends will be released on 3 March 2023 and the balance in March 2025, subject to the rules of the LTI plan. As there are no further performance conditions attached to the balance of the 50%, the full amount is disclosed in the single figure table.
3. Other benefits for Mr Victor include leave pay-out (R1 960 374), and a farewell gift of appreciation (R37 275).
4. Mr Victor resigned from the position of CFO and Executive Director effective 30 June 2022. All unvested LTIs were forfeited. This includes the second tranche of LTIs previously disclosed, but subject to continued employment.
5. Partial vesting of the LTI award made to Mr Grobler at the time of his appointment as CEO.

B. UNVESTED LTI HOLDINGS (NUMBER)

Executive Directors	Cumulative balance at the beginning of the year	Granted in 2022[1]	Effect of corporate performance targets	Dividend equivalents	Long-term incentives settled[2]	Effect of changes in Executive Directors[3]	Cumulative balance at the end of the year
FR Grobler	263 404	**63 221**	(6 447)	288	(7 122)	–	313 344
VD Kahla	165 841	**32 160**	(6 814)	305	(7 287)	–	184 205
P Victor[3]	186 394	**40 957**	(11 521)	515	(15 742)	(200 603)	–
Total	615 639	**136 338**	(24 782)	1 108	(30 151)	(200 603)	497 549

1. LTIs granted on 27 September 2021.
2. 50% of the award that vested in 2022 is still subject to a continued employment period of two years.
3. Mr Victor resigned effective 30 June 2022 and forfeited all unvested awards.

C. UNVESTED LTI HOLDINGS (INTRINSIC VALUE)

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

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

REMUNERATION REPORT (CONTINUED)

D. SHARE APPRECIATION RIGHTS HOLDINGS – OUTSTANDING (VESTED)[1]

Executive Directors	Balance at beginning of year (number)	SARs forfeited[2] (number)	Balance at end of year (number)
FR Grobler	17 529	(17 529)	–
Total	**17 529**	**(17 529)**	**–**

1. Plan closed since 2015 with no new awards since that date.
2. SARs were forfeited as they were under-water at end of the 9-year expiry period and thus were not exercised.

E. FAIR VALUE OF SHARE APPRECIATION RIGHTS HOLDINGS[1]

Executive Directors	Fair value at beginning of year[2] R'000	Gain on exercise of share appreciation rights R'000	Change in fair value for the year[3] R'000	Effect of SARs forfeited[4] R'000	Fair value at end of year[2] R'000
FR Grobler	7	–	–	(7)	–
Total	**7**	**–**	**–**	**(7)**	**–**

1. Plan closed since 2015 with no new awards since that date.
2. Fair value at the beginning of year has been determined using the IFRS 2 option values on 30 June 2021.
3. Change in fair value for the year results from changes in share price.
4. All unvested SARs lapsed at the end of the expiry date due to the award price being higher than the market price.

F. SHARE APPRECIATION RIGHTS (SARS) EXERCISED

No SARs were exercised by Executive Directors during the year.

G. PROGRESS AGAINST MINIMUM SHAREHOLDING REQUIREMENT (MSR):

								Outstanding shares subject to continued employment only until 2026 (excluding accrued dividend equivalents, including RLTIs)			
Beneficial Shareholding	Minimum Shareholding Requirement (MSR) (R'000)	MSR Achievement period (CY)	Units	Beneficial share-holding – 30 June 2022 (R'000)	Post tax vestings – September 2022[1] (R'000)	Beneficial shareholding value (including September 2022 post tax vesting) (R'000)	% MSR Achieved – CY2022	Number of shares to vest in CY2023[2, 3]	Number of shares to vest CY2024 – 2026[4, 5, 6]	Total number of vested shares subject only to continued employment	Pre-tax value of vested shares subject only to continued employment (up to CY2026)[8] (R'000)
FR Grobler	R22 050	2024	27 524	R9 189	R457	R9 646	44%	29 643	100 214	129 857	**R51 512**
VD Kahla	R5 099	2025	8 348	R3 081	R498	R3 578	70%	14 601	33 488	48 089	**R19 076**
P Victor[7]	R8 680	2024	–	–	–	–	–	–	–	–	**–**

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

Prescribed Officers

A. PRESCRIBED OFFICERS' REMUNERATION AND BENEFITS

	S Baloyi[3,4]		HC Brand		BE Klingenberg[12]		BP Mabelane[5]	
Prescribed Officers (SA)	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000
Salary	**956**	–	**4 704**	4 200	**6 647**	6 046	**7 317**	5 606
Risk and Retirement funding	**215**	–	**1 487**	1 472	**2 074**	1 966	**372**	392
Vehicle benefit	**75**	–	**234**	234	**212**	212	**–**	–
Healthcare	**29**	–	**92**	86	**136**	114	**56**	44
Vehicle insurance fringe benefit	**2**	–	**6**	6	**6**	6	**–**	–
Security benefit	**–**	–	**6**	20	**200**	391	**–**	–
Other benefits	**332**	–	**4**	–	**7**	10	**5 004**	5 001
Total salary and benefits	**1609**	–	**6 533**	6 018	**9 282**	8 745	**12 749**	11 043
Annual short-term incentive[1]	**2 494**	–	**4 415**	6 852	**4 390**	8 940	**5 389**	7 698
Long-term incentive gains[2]	**3 687**	–	**13 169**	940	**9 912**	1 583	**–**	–
Total annual remuneration	**7 790**	–	**24 117**	13 810	**23 584**	19 268	**18 138**	18 741

	CK Mokoena		M Radebe[11]		CF Rademan[6,7]		HA Rossouw[8,9]	
Prescribed Officers (SA)	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000	**2022 R'000**	2021 R'000
Salary	**5 927**	5 459	**–**	1 192	**2 027**	–	**1 737**	–
Risk and Retirement funding	**350**	324	**–**	166	**–**	–	**196**	–
Vehicle benefit	**–**	–	**–**	66	**–**	–	**–**	–
Healthcare	**115**	93	**–**	25	**–**	–	**–**	–
Vehicle insurance fringe benefit	**–**	–	**–**	2	**–**	–	**–**	–
Security benefit	**9**	12	**–**	22	**–**	–	**–**	–
Other benefits	**2**	5	**–**	784	**1 500**	–	**8 001**	–
Total salary and benefits	**6 403**	5 893	**–**	2 257	**3 527**	–	**9 934**	–
Annual short-term incentive[1]	**3 740**	6 300	**–**	–	**1 503**	–	**–**	–
Long-term incentive gains[2]	**6 985**	1 212	**4 819**	980	**–**	–	**–**	–
Total annual remuneration	**17 128**	13 405	**4 819**	3 237	**5 030**	–	**9 934**	–

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

1. Short-term incentives approved based on the Group results for 2022 and payable in the 2023 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2022 x Group STI achievement x BU achievement x Individual performance achievement.
2. Long-term incentives for 2022 represent the award made on 3 March 2020 or 31 October 2019 (Mr Baloyi). The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved (GEC: 54.31%; SVP: 77.15%) x June 2022 average share price. The actual vesting date for the annual awards is 3 March 2023 or October 2022 (Mr Baloyi), subject to the company being in an open period. Dividend equivalents accrue at the end of the vesting period, to the extent that the LTIs vest. 50% of the vested LTIs and accrued dividends will be released on 3 March 2023 and the balance in March 2025, subject to the rules of the LTI plan. As there are no further performance conditions attached to the balance of the 50%, the full amount is disclosed in the single figure table.
3. Mr Baloyi was appointed from 1 April 2022. STI is calculated pro rata in respect of his SVP and EVP roles. Salary and benefits only disclosed from 1 April 2022.
4. Other benefits for Mr Baloyi include a relocation allowance of R306 000 and a settling-in allowance of R25 000.

REMUNERATION REPORT (CONTINUED)

A. PRESCRIBED OFFICERS' REMUNERATION AND BENEFITS (CONTINUED)

5. Other benefits for Ms Mabelane include her subsidised business transport (R2 150), sign-on/buy-out award partially compensating for the loss of incentives and shares when she resigned from her previous employer (R5 000 000). This amount is made up of the second and third tranche of her staggered sign-on/ buy-out award of R11 000 000. The balance will be paid out in the next twelve months subject to continued service and further retention periods.
6. Mr Rademan was appointed from 9 March 2022.
7. Other benefits for Mr Rademan include a sign-on payment of R1 500 000 compensating for the incentive which he would have received from his previous employer if he did not resign.
8. Mr Rossouw was appointed as CFO designate from 4 April 2022 and became CFO and Executive Director on 1 July 2022.
9. Other benefits for Mr Rossouw include a buy-out payment of R8 000 000, tied to a retention period of twenty-four months from date of payment, as compensation for incentives forfeited upon resigning from his previous employer. Mr Rossouw was CFO designate until 30 June 2022. He was not eligible for a 2022 STI award.
10. Mr Griffith is appointed in the USA. Dollar denominated salary and benefits have been converted to ZAR using the monthly average of daily closing exchange rates. ZAR/USD depreciation contributes to increase in year-on-year totals.
11. Mr Radebe retired in 2021. These awards were granted during his employment and were treated in terms of the "good leaver" rules.
12. Mr Klingenberg handed over all executive responsibilities to Mr Baloyi by 1 April 2022 when he ceased to be a Prescribed Officer. Full year's remuneration is disclosed in the interest of transparency. Mr Klingenberg will retire on 31 August 2022.
13. Mr Harris's position was declared redundant effective 18 January 2021.

B. UNVESTED LTI HOLDINGS (NUMBER)

Prescribed Officers	Cumulative balance at beginning of year	Granted in 2022[2]	Effect of corporate performance targets	Dividend equivalents	Long-term incentives settled	Effect of change in Prescribed Officers	Cumulative balance at the end of the year
S Baloyi[1]	–	23 749	–	–	–	28 291	52 040
HC Brand	118 070	26 933	(1 941)	216	(4 214)	–	139 064
BV Griffith	115 428	35 267	(1 851)	158	(4 576)	–	144 426
BE Klingenberg[1]	140 679	37 487	(8 133)	364	(8 818)	(161 579)	–
BP Mabelane	88 393	32 010	–	–	–	–	120 403
CK Mokoena	99 023	26 418	(6 224)	278	(6 317)	–	113 178
HA Rossouw[1]	–	32 734	–	–	–	–	32 734
Total	**561 593**	**214 598**	**(18 149)**	**1 016**	**(23 925)**	**(133 288)**	**601 845**

1. Mr Klingenberg resigned from office on 31 March 2022 but remains in service until his retirement date in August 2022. Messrs Baloyi and Rossouw were appointed to the GEC on 1 April and 4 April 2022 respectively. Mr Rossouw was appointed as an Executive Director effective 1 July 2022.

C. UNVESTED LTI HOLDINGS (INTRINSIC VALUE)

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

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

D. SHARE APPRECIATION RIGHTS HOLDINGS – OUTSTANDING (VESTED)[1]

Prescribed Officers	Balance at beginning of year (number)	SARs exercised (number)	Effect of SARs forfeited (number)[2]	Balance at end of year (number)
HC Brand	12 013	–	(12 013)	–
BV Griffith	21 988	–	(21 988)	–
BE Klingenberg	31 197	–	(31 197)	–
Total	**65 198**	**–**	**(65 198)**	**–**

1. Plan closed since 2015 with no new awards since that date.
2. SARs were forfeited as they were under-water at end of the 9-year expiry period and thus were not exercised.

E. FAIR VALUE OF SHARE APPRECIATION RIGHTS HOLDINGS[1]

Prescribed Officers	Fair value at beginning of year[2] R'000	Gain on exercise of share appreciation rights R'000	Change in fair value for the year[3] R'000	Effect of SARs forfeited[4] R'000	Fair value at end of year[2] R'000
HC Brand	4	–	–	(4)	–
BV Griffith	8	–	–	(8)	–
BE Klingenberg[5]	12	–	–	(12)	–
Total	**24**	**–**	**–**	**(24)**	**–**

1. Plan closed since 2015 with no new awards since that date.
2. Fair value at the beginning of year has been determined using the IFRS 2 option values on 30 June 2021.
3. Change in fair value for the year results from changes in share price.
4. All unvested SARs lapsed at the end of the expiry date due to the award price being higher than the market price.
5. Mr Klingenberg resigned from office on 31 March 2022 but remains in service until 31 August 2022 when he retires.

F. SHARE APPRECIATION RIGHTS (SARS) EXERCISED

No SARs were exercised by Prescribed Officers during the year.

G. PROGRESS AGAINST MINIMUM SHAREHOLDING REQUIREMENT (MSR):

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

1. Includes the 2nd tranche of the award made in September 2017. The CPT applied to this award was 26% (EVP-Mr Klingenberg) and 56% (Messrs Brand & Griffith in their previous SVP roles).
2. Includes the 1st tranche of the award made in October 2019 to Messrs Baloyi and Griffith (in their previous roles as SVPs). The CPT applied to this award is 54,31%.
3. Includes the award made in October 2019 to Messrs Baloyi, Brand and Griffith in their previous roles as SVPs. This award was not subject to CPTs.
4. Includes the 1st tranche of the award made in March 2020 to EVPs. The CPT applied to this award is 54,31%. (The annual September award of 2019 was delayed to March 2020 for EVPs who were subject to a closed trading period).
5. Includes the 2nd tranche of the award made in September 2018. The CPT applied to this award was 44,7% for EVPs Mr Klingenberg and Ms Mokoena and 66,8% for Messrs Brand and Griffith in respect of their previous roles as SVPs.
6. Includes the 1st tranche of the 70% portion not subject to CPT of the December 2020 award, made to Mr Baloyi in his previous role as SVP.
7. Includes the 2nd tranche of the award made in October 2019. The CPT applied to this award is 54,31%.
8. Includes the 2nd tranche of the award made in March 2020. The CPT applied to this award is 54,31%.
9. Includes the 1st tranche of the 70% portion not ubject to CPT of the September 2021 award, made to Mr Baloyi in his previous role as SVP.
10. Mr Rossouw, as CFO from 1 July 2022, is subject to an MSR calculated at 2 x annual pensionable remuneration to be achieved within 5 years of appointment.
11. Mr Rademann is excluded from the MSR requirement as he does not participate in the LTI plan.
12. Average June 2022 share price used (R396.68; $24.90).

H. BENEFICIAL SHAREHOLDING (NUMBER OF SHARES)

	2022	2021
Beneficial shareholding[1]	**Total beneficial shareholding**	Total beneficial shareholding
Executive directors		
FR Grobler	**27 524**	20 402
VD Kahla	**8 348**	4 557
P Victor	**–**	12 507
Non-executive directors[2]		
MBN Dube	**24**	24
ZM Mkhize[3]	**186**	181
NNA Matyumza	**6**	6
S Subramoney	**2 548**	–
Total	**38 636**	37 677

	2022	2021
Beneficial shareholding[1]	**Total beneficial shareholding**	Total beneficial shareholding
Prescribed Officers		
S Baloyi	**8**	–
HC Brand	**14 091**	19 091
BV Griffith	**4 268**	–
CK Mokoena	**6 662**	3 468
Total	**25 029**	22 559

1 Unvested Long-term incentives for Executive Directors not included.
2 Direct beneficial shareholding comprises Sasol Ordinary and Sasol BEE ordinary shares as well as Sasol ADRs.
3 Resigned with effect 19 November 2021.

I. NON-EXECUTIVE DIRECTORS' REMUNERATION

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

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

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2022

CONTENT

INCOME STATEMENT
for the year ended 30 June

2020* US$m	2021* US$m	**2022* US$m**		Note	**2022 Rm**	2021 Rm	2020 Rm
12 133	13 111	**18 129**	**Turnover**	2	**275 738**	201 910	190 367
(5 743)	(5 543)	**(8 349)**	Materials, energy and consumables used	3	**(126 991)**	(85 370)	(90 109)
(535)	(521)	**(571)**	Selling and distribution costs		**(8 677)**	(8 026)	(8 388)
(669)	(787)	**(876)**	Maintenance expenditure		**(13 322)**	(12 115)	(10 493)
(1 955)	(2 133)	**(2 134)**	Employee-related expenditure	4	**(32 455)**	(32 848)	(30 667)
(39)	(19)	**(24)**	Exploration expenditure and feasibility costs		**(366)**	(295)	(608)
(1 422)	(1 146)	**(925)**	Depreciation and amortisation		**(14 073)**	(17 644)	(22 327)
(1 745)	(428)	**(2 069)**	Other expenses and income		**(31 468)**	(6 589)	(27 376)
(417)	358	**46**	Translation gains/(losses)	5	**693**	5 510	(6 542)
(1 328)	(786)	**(2 115)**	Other operating expenses and income	6	**(32 161)**	(12 099)	(20 834)
(22)	53	**206**	Equity accounted profits/(losses), net of tax	21	**3 128**	814	(347)
3	2 587	**3 387**	**Operating profit before remeasurement items**		**51 514**	39 837	52
(7 137)	(1 508)	**651**	Remeasurement items affecting operating profit	9	**9 903**	(23 218)	(111 978)
(7 134)	1 079	**4 038**	**Earnings/(loss) before interest and tax (EBIT/(LBIT))**		**61 417**	16 619	(111 926)
59	56	**67**	Finance income	7	**1 020**	856	922
(465)	(439)	**(453)**	Finance costs	7	**(6 896)**	(6 758)	(7 303)
(7 540)	696	**3 652**	**Earnings/(loss) before tax**		**55 541**	10 717	(118 307)
1 682	(12)	**(912)**	Taxation	12	**(13 869)**	(185)	26 390
(5 858)	684	**2 740**	**Earnings/(loss) for the year**		**41 672**	10 532	(91 917)
			Attributable to				
(5 848)	587	**2 561**	Owners of Sasol Limited		**38 956**	9 032	(91 754)
(10)	97	**179**	Non-controlling interests in subsidiaries		**2 716**	1 500	(163)
(5 858)	684	**2 740**			**41 672**	10 532	(91 917)
US$	US$	**US$**			**Rand**	Rand	Rand
			Per share information				
(9,46)	0,95	**4,10**	Basic earnings/(loss) per share	8	**62,34**	14,57	(148,49)
(9,46)	0,93	**4,03**	Diluted earnings/(loss) per share	8	**61,36**	14,39	(148,49)

* Supplementary non-IFRS information. US dollar convenience translation, converted at average exchange rate of R15,21/US$1 (2021 – R15,40/US$1; 2020 – R15,69/US$1). The income statement has been translated from rand to US dollar for convenience purposes in order to enable offshore shareholders to interpret the financial performance in a universally measured currency. This constitutes pro forma financial information in terms of the JSE Listings Requirements and should be read in conjunction with the basis of preparation refer to note 1.

The notes on pages 59 to 144 are an integral part of these Consolidated Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June

	2022 Rm	2021 Rm	2020 Rm
Earnings/(loss) for the year	**41 672**	10 532	(91 917)
Other comprehensive income, net of tax			
Items that can be subsequently reclassified to the income statement	**(92)**	(16 246)	24 123
Effect of translation of foreign operations	**7 026**	(13 741)	26 720
Effect of cash flow hedges[1]	**1 110**	1 072	(2 192)
Foreign currency translation reserve on disposal of business reclassified to the income statement[2]	**(8 024)**	(3 388)	(801)
Tax on items that can be subsequently reclassified to the income statement[3]	**(204)**	(189)	396
Items that cannot be subsequently reclassified to the income statement	**1 616**	623	(205)
Remeasurement on post-retirement benefit obligation	**2 415**	834	(147)
Fair value of investments through other comprehensive income	**(54)**	(12)	(112)
Tax on items that cannot be subsequently reclassified to the income statement	**(745)**	(199)	54
Total comprehensive income/(loss) for the year	**43 196**	(5 091)	(67 999)
Attributable to			
Owners of Sasol Limited	**40 485**	(6 578)	(67 865)
Non-controlling interests in subsidiaries	**2 711**	1 487	(134)
	43 196	(5 091)	(67 999)

1 Refer to note 39 for detailed disclosure on the interest rate swap.

2 Includes the reclassification of the foreign currency translation reserve relating to the divestment of Canada, R4,9 billion and the disposal of European wax business R2,9 billion.

3 The amount pertains mainly to the cash flow hedge.

The notes on pages 59 to 144 are an integral part of these Consolidated Financial Statements.

STATEMENT OF FINANCIAL POSITION
at 30 June

2021* US$m	2022* US$m		Note	2022 Rm	2021 Rm
		Assets			
13 867	**13 594**	Property, plant and equipment	19	**221 308**	198 021
904	**776**	Right of use assets	17	**12 629**	12 903
174	**188**	Goodwill and other intangible assets		**3 051**	2 482
710	**779**	Equity accounted investments	21	**12 684**	10 142
133	**124**	Other long-term investments		**2 024**	1 896
41	**39**	Post-retirement benefit assets	34	**633**	591
296	**197**	Long-term receivables and prepaid expenses	20	**3 210**	4 224
57	**34**	Long-term financial assets	39	**555**	809
1 716	**1 916**	Deferred tax assets	14	**31 198**	24 511
17 898	**17 647**	**Non-current assets**		**287 292**	255 579
2 083	**2 525**	Inventories	24	**41 110**	29 742
78	**45**	Tax receivable	13	**732**	1 113
2 166	**2 867**	Trade and other receivables	25	**46 671**	30 933
106	**19**	Short-term financial assets	39	**313**	1 514
2 187	**2 650**	Cash and cash equivalents	28	**43 140**	31 231
6 620	**8 106**	**Current assets**		**131 966**	94 533
744	**18**	Assets in disposal groups held for sale	11	**290**	10 631
25 262	**25 771**	**Total assets**		**419 548**	360 743
		Equity and liabilities			
10 258	**11 586**	Shareholders' equity		**188 623**	146 489
419	**281**	Non-controlling interests		**4 574**	5 982
10 677	**11 867**	**Total equity**		**193 197**	152 471
6 802	**5 068**	Long-term debt	16	**82 500**	97 137
974	**876**	Lease liabilities	17	**14 266**	13 906
1 132	**1 017**	Long-term provisions	32	**16 550**	16 164
931	**618**	Post-retirement benefit obligations	34	**10 063**	13 297
28	**23**	Long-term deferred income		**372**	400
141	**17**	Long-term financial liabilities	39	**276**	2 011
546	**648**	Deferred tax liabilities	14	**10 549**	7 793
10 554	**8 267**	**Non-current liabilities**		**134 576**	150 708
514	**1 486**	Short-term debt**	18	**24 184**	7 337
355	**193**	Short-term provisions	33	**3 144**	5 064
56	**193**	Tax payable	13	**3 142**	806
2 568	**3 289**	Trade and other payables	26	**53 555**	36 670
41	**44**	Short-term deferred income		**724**	576
221	**421**	Short-term financial liabilities	39	**6 851**	3 162
17	**11**	Bank overdraft	28	**173**	243
3 772	**5 637**	**Current liabilities**		**91 773**	53 858
259	**–**	Liabilities in disposal groups held for sale	11	**2**	3 706
25 262	**25 771**	**Total equity and liabilities**		**419 548**	360 743

* Supplementary non-IFRS information. US dollar convenience translation, converted at a closing exchange rate of R16,28/US$1 (2021 – R14,28/US$1). The statement of financial position has been translated from rand to US dollar for convenience purposes in order to enable offshore shareholders to interpret the financial performance in a universally measured currency. This constitutes pro forma financial information in terms of the JSE Listings Requirements and should be read in conjunction with the basis of preparation refer to note 1.

** Includes short-term portion of long-term debt and lease liabilities.

The notes on pages 59 to 144 are an integral part of these Consolidated Financial Statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June

	Share capital Note 15 Rm	Share-based payment reserve Rm	Investment fair value reserve Rm	Foreign currency translation reserve Rm	Cash flow hedge accounting reserve Rm	Remeasurement on post-retirement benefits Rm	Retained earnings Rm	Shareholders' equity Rm	Non-controlling interests Rm	Total equity Rm
Balance at 30 June 2019	**9 888**	**410**	**132**	**29 978**	**–**	**(2 204)**	**179 020**	**217 224**	**5 885**	**223 109**
Adjustment on initial application of IFRS 16, net of tax*	–	–	–	–	–	–	(290)	**(290)**	–	**(290)**
Balance at beginning of period	**9 888**	**410**	**132**	**29 978**	**–**	**(2 204)**	**178 730**	**216 934**	**5 885**	**222 819**
Movement in share-based payment reserve	–	1 938	–	–	–	–	–	**1 938**	–	**1 938**
Share-based payment expense	–	878	–	–	–	–	–	**878**	–	**878**
Sasol Khanyisa transaction	–	1 068	–	–	–	–	–	**1 068**	–	**1 068**
Deferred tax	–	(8)	–	–	–	–	–	**(8)**	–	**(8)**
Long-term incentives vested and settled	–	(614)	–	–	–	–	614	**–**	–	**–**
Total comprehensive (loss)/income for the year	–	–	(83)	25 871	(1 771)	(128)	(91 754)	**(67 865)**	(134)	**(67 999)**
loss	–	–	–	–	–	–	(91 754)	**(91 754)**	(163)	**(91 917)**
other comprehensive income for the year	–	–	(83)	25 871	(1 771)	(128)	–	**23 889**	29	**23 918**
Dividends paid	–	–	–	–	–	–	(31)	**(31)**	(810)	**(841)**
Balance at 30 June 2020	**9 888**	**1 734**	**49**	**55 849**	**(1 771)**	**(2 332)**	**87 559**	**150 976**	**4 941**	**155 917**
Liquidation of businesses	–	–	–	–	–	–	148	**148**	–	**148**
Taxation impact on disposal of investment	–	–	–	–	–	–	44	**44**	–	**44**
Movement in share-based payment reserve	–	1 945	–	–	–	–	–	**1 945**	–	**1 945**
Share-based payment expense (refer note 35)	–	1 927	–	–	–	–	–	**1 927**	–	**1 927**
Deferred tax	–	18	–	–	–	–	–	**18**	–	**18**
Long-term incentives vested and settled	–	(890)	–	–	–	–	890	**–**	–	**–**
Sasol Khanyisa Tier 1 transaction vested and settled	–	(1 889)	–	–	–	–	1 889	**–**	–	**–**
Total comprehensive (loss)/income for the year	–	–	(10)	(17 097)	864	633	9 032	**(6 578)**	1 487	**(5 091)**
profit	–	–	–	–	–	–	9 032	**9 032**	1 500	**10 532**
other comprehensive loss for the year	–	–	(10)	(17 097)	864	633	–	**(15 610)**	(13)	**(15 623)**
Dividends paid	–	–	–	–	–	–	(46)	**(46)**	(446)	**(492)**
Balance at 30 June 2021	**9 888**	**900**	**39**	**38 752**	**(907)**	**(1 699)**	**99 516**	**146 489**	**5 982**	**152 471**
Disposal of businesses	–	–	–	–	–	**456**	**(4)**	**452**	**(3 141)**	**(2 689)**
Other movements	–	–	–	–	–	–	**(72)**	**(72)**	**(119)**	**(191)**
Movement in share-based payment reserve	–	**1 318**	–	–	–	–	–	**1 318**	–	**1 318**
Share-based payment expense (refer note 35)	–	**1 164**	–	–	–	–	–	**1 164**	–	**1 164**
Deferred tax	–	**154**	–	–	–	–	–	**154**	–	**154**
Long-term incentives vested and settled	–	**(904)**	–	–	–	–	**904**	**–**	–	**–**
Total comprehensive (loss)/income for the year	–	–	**(35)**	**(999)**	**907**	**1 656**	**38 956**	**40 485**	**2 711**	**43 196**
profit	–	–	–	–	–	–	**38 956**	**38 956**	**2 716**	**41 672**
other comprehensive loss for the year	–	–	**(35)**	**(999)**	**907**	**1 656**	–	**1 529**	**(5)**	**1 524**
Dividends paid	–	–	–	–	–	–	**(49)**	**(49)**	**(859)**	**(908)**
Balance at 30 June 2022	**9 888**	**1 314**	**4**	**37 753**	**–**	**413**	**139 251**	**188 623**	**4 574**	**193 197**

* The adjustment on initial application of IFRS 16 'Leases' relates to the derecognition of the IAS 17 finance lease of Oxygen Train 17 and the recognition of the embedded derivative in the Oxygen Train 17 agreement with Air Liquide.

The notes on pages 59 to 144 are an integral part of these Consolidated Financial Statements.

STATEMENT OF CASH FLOWS
for the year ended 30 June

	Note	2022 Rm	2021 Rm	2020 Rm
Cash receipts from customers		**266 324**	194 712	196 798
Cash paid to suppliers and employees		**(210 186)**	(149 598)	(154 414)
Cash generated by operating activities	29	**56 138**	45 114	42 384
Dividends received from equity accounted investments		**3 043**	37	208
Finance income received	7	**986**	837	792
Finance costs paid[1]	7	**(5 478)**	(6 173)	(7 154)
Tax paid	13	**(13 531)**	(5 280)	(5 659)
Cash available from operating activities		**41 158**	34 535	30 571
Dividends paid	31	**(49)**	(46)	(31)
Dividends paid to non-controlling shareholders in subsidiaries		**(859)**	(446)	(810)
Cash retained from operating activities		**40 250**	34 043	29 730
Additions to non-current assets		**(23 269)**	(18 214)	(41 935)
additions to property, plant and equipment	19	**(22 593)**	(15 945)	(35 145)
additions to other intangible assets		**(120)**	(3)	(19)
decrease in capital project related payables		**(556)**	(2 266)	(6 771)
Cash movements in equity accounted investments		**(67)**	–	(284)
Proceeds on disposals and scrappings	10	**8 484**	43 214	4 285
Movement in assets held for sale[2]		**(549)**	(427)	–
Acquisition of interest in equity accounted investments	21	**(56)**	–	(512)
Purchase of investments		**(95)**	(124)	(121)
Proceeds from sale of investments		**26**	168	483
Decrease/(increase) in long-term receivables		**449**	476	(466)
Cash (used in)/received from investing activities		**(15 077)**	25 093	(38 550)
Proceeds from long-term debt[3]	16	**88**	26 057	36 487
Repayment of long-term debt[4]	16	**(12 086)**	(61 454)	(28 335)
Payment of lease liabilities	17	**(2 264)**	(2 180)	(2 061)
Repayment of debt held for sale		**(704)**	(980)	–
Proceeds from short-term debt[5]	18	**28**	9	19 998
Repayment of short-term debt[5]	18	**(15)**	(19 717)	(977)
Cash (used in)/generated by financing activities		**(14 953)**	(58 265)	25 112
Translation effects on cash and cash equivalents		**1 759**	(2 916)	3 607
Increase/(decrease) in cash and cash equivalents		**11 979**	(2 045)	19 899
Cash and cash equivalents at the beginning of year		**30 988**	34 094	15 819
Reclassification to disposal groups held for sale and other long-term investments		**–**	(1 061)	(1 624)
Cash and cash equivalents at the end of the year	28	**42 967**	30 988	34 094

1 Included in finance costs paid are amounts capitalised to assets under construction a class of Property, plant and equipment. Refer note 7.

2 Included in the 2022 movement is R1 billion cash disposed of as part of the ROMPCO transaction. ROMPCO was classified as a disposal group held for sale at 30 June 2021 and sold during the year, refer note 11. 2021 relates to additions to the Air Separation Units disposal group held for sale at 30 June 2020.

3 2021: Relates mainly to the R23,1 billion (US$1,5 billion) bonds issued in March 2021; 2020: Relate to loan amounts raised to fund US growth projects.

4 Current year relates mainly to repayments on the revolving credit facility (RCF). 2021 relates mainly to the repayment of term loans of R5,4 billion (US$350 million), as well as repayments on the RCF in Sasol Financing International of R55,4 billion (US$3,6 billion) (2020: R23,5 billion, US$1,5 billion).

5 In November 2019 Sasol secured a R17 billion (US$1 billion) syndicated loan facility. The proceeds in 2020 and repayment in 2021 mainly relate to this syndicated loan.

The notes on pages 59 to 144 are an integral part of these Consolidated Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

SEGMENT INFORMATION

	Mining			Gas			Fuels			Chemicals Africa			Chemicals America			Chemicals Eurasia			Corporate Centre			Total		
	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm
Income statement																								
External turnover	**6 370**	2 025	1 343	**7 789**	7 321	8 350	**100 988**	59 393	60 816	**64 054**	58 260	51 600	**41 496**	29 358	28 721	**55 011**	45 539	39 537	**30**	14	–	**275 738**	201 910	190 367
Total turnover	**24 386**	21 704	19 891	**11 941**	10 990	12 419	**102 964**	60 649	62 553	**67 275**	60 597	54 310	**41 926**	29 360	28 809	**55 419**	46 038	39 989	**56**	26	30	**303 967**	229 364	218 001
Intersegmental turnover	**(18 016)**	(19 679)	(18 548)	**(4 152)**	(3 669)	(4 069)	**(1 976)**	(1 256)	(1 737)	**(3 221)**	(2 337)	(2 710)	**(430)**	(2)	(88)	**(408)**	(499)	(452)	**(26)**	(12)	(30)	**(28 229)**	(27 454)	(27 634)
Equity accounted profits, net of tax	**(1)**	(3)	(2)	**(4)**	–	–	**3 043**	742	(347)	**90**	83	21	**–**	–	–	**–**	1	–	**–**	(9)	(19)	**3 128**	814	(347)
Earnings/(loss) before interest and tax	**3 456**	3 227	2 756	**14 622**	6 656	5 527	**27 959**	(18 170)	(11 609)	**24 072**	6 957	(17 035)	**981**	8 116	(77 556)	**7 552**	4 680	(894)	**(17 225)**	5 153	(13 115)	**61 417**	16 619	(111 926)
Remeasurement items*	**228**	46	113	**(8 499)**	(655)	(30)	**217**	23 196	11 990	**(1 343)**	7 889	24 122	**2 807**	(7 336)	73 166	**(2 965)**	(86)	2 387	**(348)**	164	230	**(9 903)**	23 218	111 978
Depreciation and amortisation	**2 230**	2 223	2 080	**500**	1 463	2 002	**1 468**	3 401	4 809	**3 667**	4 461	5 649	**3 917**	3 637	5 085	**1 576**	1 687	1 821	**715**	772	881	**14 073**	17 644	22 327
Statement of cash flows																								
Additions to non-current assets**	**2 552**	2 704	2 859	**2 569**	711	1 539	**6 325**	3 549	5 232	**7 308**	5 508	6 845	**1 909**	1 152	15 654	**1 402**	1 796	2 158	**648**	528	877	**22 713**	15 948	35 164

* Excludes equity accounted investments.
** Excludes capital project related payables.

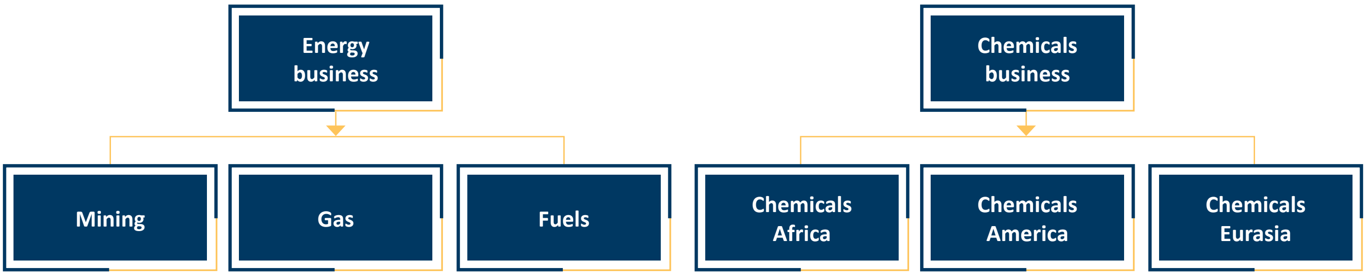
GEOGRAPHIC SEGMENT INFORMATION

	South Africa			Rest of Africa			United States			Rest of North America			Europe			Rest of World			Total operations		
	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm
External turnover*	**133 403**	84 844	84 528	**9 428**	8 853	7 776	**44 080**	31 247	28 295	**5 231**	4 183	3 758	**58 177**	48 529	44 280	**25 419**	24 254	21 730	**275 738**	201 910	190 367
Earnings/(loss) before interest and tax**	**29 305**	(7 523)	(37 029)	**1 985**	4 541	1 821	**4 644**	9 616	(75 827)	**5 219**	646	(481)	**12 406**	5 354	105	**7 858**	3 985	(515)	**61 417**	16 619	(111 926)
Tax paid	**11 739**	6 622	3 138	**1 032**	955	1 607	**36**	(3 340)	20	**–**	–	–	**657**	997	854	**67**	46	40	**13 531**	5 280	5 659
Non-current assets***	**90 524**	76 070	106 922	**15 041**	14 116	18 896	**123 618**	113 088	106 371	**–**	–	1 329	**16 161**	16 748	18 948	**10 117**	10 455	11 968	**255 461**	230 477	264 434

* The analysis of turnover is based on the location of the customer.
** Includes equity accounted profits/(losses) remeasurement items.
*** Excludes deferred tax assets and post-retirement benefit assets.

REPORTING SEGMENTS

The group's operating model comprises of two distinct businesses, Energy and Chemicals. The Energy business manages the marketing and sales of all fuel, coal, gas and oil products in Southern Africa. The Chemicals business includes the marketing and sales of all chemical products in Africa, America and Eurasia. The operating model structure reflects how the results are reported to the Chief Operating Decision Maker (CODM). The CODM for Sasol is the President and Chief Executive Officer. The Energy business reportable segments are operating segments that are differentiated by the activities that each undertakes and the products they manufacture and market. The Chemicals business reportable segments are differentiated by the regions in which they operate. The group has six main reportable segments that reflect the structure used by the President and Chief Executive Officer to make key operating decisions and assess performance. The group evaluates the performance of its reportable segments based on earnings before interest and tax (EBIT).



Energy business

The Energy business operates integrated value chains with feedstock sourced from the Mining and Gas operating segments and processed at our operations in Secunda, Sasolburg and Natref. There are also associated assets outside South Africa which include the Pande-Temane Petroleum Production Agreement (PPA) in Mozambique and ORYX GTL (gas to liquids) in Qatar.

MINING

Mining is responsible for securing coal feedstock for the Southern African value chain, mainly for gasification, but also to generate electricity and steam. Coal is sold for gasification and utility purposes to Secunda Operations, for utility purposes to Sasolburg Operations and to third parties in the export market. Coal is supplied to Secunda Operations on arms-length terms and to Sasolburg operations based on a long-term supply contract with inflation linked escalation. The price of export coal is based on the Free on Board Richards Bay index.

The date of delivery related to Mining is determined in accordance with the contractual agreements entered into with customers. These are summarised as follows:

Delivery terms	Control passes to the customer
On delivery	At the point in time when the coal is delivered to the customer.
Free on Board	At the point in time when the coal is loaded onto the vessel at Richards Bay Coal Terminal; the customer is responsible for shipping and handling costs.

GAS

The Gas segment reflects the upstream feedstock, transport of gas through the ROMPCO pipeline, and external natural and methane rich gas sales.

Mozambican gas is sold under long-term contracts to the Sasol operations and to external customers. Condensate is sold on short-term contracts. In South Africa, gas is sold under long-term contracts at a price determinable from the supply agreements in accordance with the pricing methodology used by the National Energy Regulator of South Africa (NERSA). Analysis of gas and tests of the specifications and content are performed prior to delivery. Turnover from all gas sales is recognised on delivery.

Delivery terms	Control passes to the customer
On-delivery	At the point in time when the: • Gas reaches the inlet coupling of the customer's pipeline. • Condensate is loaded onto the customer's truck. These are the points when the customer controls the gas, condensate or oil, or directs the use of it. The customer is responsible for transportation and handling costs in terms of gas, condensate and oil.

FUELS

The Fuels segment comprises the sales and marketing of liquid fuels produced in South Africa. Sasol supplies approximately 40% of South Africa's domestic fuel need through retail and wholesale channels. Liquid fuels are blended from fuel components produced by the Secunda Operations, crude oil refined at Natref, as well as some products purchased from other refiners. Liquid fuel products are sold under both short- and long-term agreements for both retail sales and commercial sales, including sales to other oil companies.

Liquid fuel prices are mainly driven by the Basic Fuel Price (BFP). Sales through wholesale is at BFP plus costs such as transportation and storage. For commercial sales and sales to other oil companies, the prices are fixed and determinable according to the specific contract, with periodic price adjustments.

Turnover is recognised as follows:

Delivery terms	Control passes to the customer:
On-delivery	At the point in time when the fuel is delivered onto the rail tank car, road tank truck or into the customer pipeline.
Free Carrier	At the point in time when the goods are unloaded to the port of shipment; Sasol is not responsible for the freight and insurance.
Carriage Paid To	Products: At the point in time when the product is delivered to a specified location or main carrier. Freight: Over the period of transporting the goods to the customer's nominated place – where the seller is responsible for freight costs, which are included in the contract.

The Fuels business also develops, implements and manages the group's international business ventures based on Sasol's proprietary gas-to-liquids (GTL) technology. Sasol holds 49% in ORYX GTL in Qatar.

Chemicals business

Chemical products are grouped into Advanced Materials, Base Chemicals, Essential Care Chemicals and Performance Solutions.

The Chemicals businesses sell the majority of their products under contracts at prices determinable from such agreements. Turnover is recognised in accordance with the related contract terms, at the point at which control transfers to the customer and prices are determinable and collectability is probable.

The point of delivery is determined in accordance with the contractual agreements entered into with customers which are as follows:

Delivery terms	Control passes to the customer:
Ex-tank sales	At the point in time when products are loaded into the customer's vehicle or unloaded from the seller's storage tanks.
Ex-works	At the point in time when products are loaded into the customer's vehicle or unloaded at the seller's premises.
Carriage Paid To (CPT); Cost Insurance Freight (CIF); Carriage and Insurance Paid (CIP); and Cost Freight Railage (CFR)	Products – CPT: At the point in time when the product is delivered to a specified location or main carrier.
	Products – CIF, CIP and CFR: At the point in time when the products are loaded into the transport vehicle.
	Carriage, freight and insurance: Over the period of transporting the products to the customer's nominated place – where the seller is responsible for carriage, freight and insurance costs, which are included in the contract.
Free on Board	At the point in time when products are loaded into the transport vehicle; the customer is responsible for shipping and handling costs.
Delivered at Place	At the point in time when products are delivered to and signed for by the customer.
Consignment Sales	As and when products are consumed by the customer.

CORPORATE CENTRE

The Corporate Centre includes head office and centralised treasury operations.

1 Statement of compliance

The consolidated financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the South African Companies Act, 2008. The consolidated financial statements were approved for issue by the Board of Directors on 22 August 2022 and will be presented to shareholders at the Annual General Meeting on 18 November 2022.

Basis of preparation of financial results

The consolidated financial statements are prepared using the historic cost convention except that, certain items, including derivative instruments, financial assets at fair value through profit or loss and financial assets designated at fair value through other comprehensive income, are stated at fair value. The consolidated financial results are presented in rand, which is Sasol Limited's functional and presentation currency, rounded to the nearest million.

The consolidated financial statements are prepared on the going concern basis.

Certain additional disclosure has been provided in respect of the current year, as described on page 163 "Pro forma financial information". To the extent practicable, comparative information has also been provided.

Climate change

Climate change is a defining challenge of our time, with impacts threatening our critical ecosystems, habitats and resources. Sasol supports the Paris Agreement and its calls for higher ambition to reduce the impact of emissions on the planet. We have deepened our commitment to this cause through our updated and newly-developed roadmaps, targets and ambition for the short, medium and long term. In September 2021, we launched our 2050 net zero emissions ambition and Future Sasol strategy, which places us on a trajectory towards a significantly reduced GHG emissions profile. We have set a target to achieve a 30% reduction of scope 1 and 2 emissions for our Energy and International Chemicals business and a 20% emission reduction from the use of energy products for our Energy business by 2030 as we progress towards our Net Zero ambition by 2050 for all operations. Where reasonable and supportable, management has considered the impact of these 2030 targets on a number of key estimates within the financial statements including the estimates of future cash flows used in impairment assessments of non-current assets (refer to note 9), useful lives of property, plant and equipment (refer to note 19), capital commitments (refer to note 19), the estimates of future profitability used in our assessment of the recoverability of deferred tax assets (refer to note 14) and the timing and amount of environmental obligations (refer to note 32).

IBOR reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group's remaining exposure to IBORs arise from the US Dollar-denominated term loan and revolving credit facilities which reference the variable 3-month US dollar London Interbank Overnight Rate (LIBOR). On 29 September 2021 the Financial Conduct Authority (FCA) confirmed that it expects that the 3-month US dollar settings will continue to be published based on the current 'panel bank' LIBOR methodology, and on a representative basis, until end-June 2023.

As a result, the contractual arrangements relating to the term loan and revolving credit facilities were amended to replace the US dollar LIBOR with the Secured Overnight Financing Rate (SOFR) effective 15 March 2022. The transition also entailed the addition of a fixed credit adjustment spread to the SOFR and new fallback clauses. The fixed credit adjustment spread is based on the rate published by Bloomberg Index Services Limited following the FCA's Cessation Announcement on 5 March 2021.

The Group has applied the relief of 'Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16' (IBOR reform Phase 2) to these contract amendments. The reliefs apply upon the transition of a financial instrument from an IBOR to a risk-free-rate (RFR). Changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as a practical expedient to be treated as changes to a floating interest rate, provided that the transition from the IBOR benchmark rate to RFR takes place on an economically equivalent basis.

The group entered into seven interest rate swaps in July 2019 to hedge its exposure to the variable USD LIBOR. The interest rate swaps were designated as hedging instruments in a cash flow hedge. Effective 15 March 2022, two of the swaps were transitioned to SOFR on the same basis as for the above debt instruments. The group applied the reliefs provided by IBOR reform Phase 2 that allow the Group's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR. For the remaining swaps, the Phase 1 amendments allowed hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform. Hedge ineffectiveness arising from the impacts of the reform was immaterial and has been fully recognised in profit or loss.

In June 2022, all of the interest rate swaps were terminated. Refer to note 39. As at 30 June 2022 the group has no remaining exposure to LIBOR.

The group also has exposure to the Johannesburg Interbank Average Rate (JIBAR). The South African Reserve Bank has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. This reform is at various stages globally, and a suitable alternate for South Africa is only expected to be announced in a few years' time. Accordingly, there is uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the group.

The group's corporate treasury function monitors and manages the group's transition to alternative rates and evaluates the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The group's corporate treasury function reports to the board of directors and collaborates with other business functions as needed.

Accounting policies

The accounting policies applied in the preparation of these consolidated financial statements are in terms of IFRS and are consistent with those applied in the consolidated annual financial statements for the year ended 30 June 2021. These accounting policies are consistently applied throughout the group.

Reportable irregularity raised by independent auditor

A management review was commissioned following the revisions to the Energy production volume forecast issued on 14 December 2021. The objective of the independent review was to assess the current governance framework in place over the production volume forecasting process, integrated planning and performance management process within the Energy business and the resultant input into the forecast process, the effectiveness thereof (including a detailed root cause analysis) and recommendations for improvement.

Sasol's independent auditor, PricewaterhouseCoopers Incorporated (PwC), reported a reportable irregularity as defined in the Auditing Profession Act number 26 of 2005 (RI) to the Independent Regulatory Board for Auditors in South Africa. PwC has concluded that the act or omission has been remediated, is no longer continuing and that adequate steps have been taken for the prevention or recovery of any loss as a result thereof. The RI had no impact on the financial results for the six months ended 31 December 2021. PwC expressed an unmodified review opinion on the condensed consolidated interim financial statements for the six months ended 31 December 2021 and unmodified audit opinion at 30 June 2022.

The RI pertained to the revision to the Energy production volume forecast. The Board has put the necessary corrective actions in place including, but not limited to, structural changes and enhanced internal controls and governance processes, and has concluded that the RI has been closed.

Accounting standards, amendments and interpretations issued which are relevant to the group, but not yet effective

The group continuously evaluates the impact of new accounting standards, amendments to accounting standards and interpretations. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date as indicated below. The new accounting standards and amendments to accounting standards issued which are relevant to the group, but not yet effective on 30 June 2022, include:

Amendment to IAS 16 'Property, plant and equipment'

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for the group's reporting period beginning on 1 July 2022 and will be applied retrospectively to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the group first applies the amendments. The amendments are not expected to result in a material restatement of previously reported amounts.

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g. the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g. depreciation of equipment used to fulfil the contract). The amendments are effective for the group's reporting period beginning on 1 July 2022. The effect of the implementation of the standard will not have a material impact on the group's results.

IFRS 17 'Insurance Contracts'

IFRS 17 supersedes IFRS 4 'Insurance Contracts' which currently permits a wide variety of practices in accounting for insurance contracts. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. IFRS 17 applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance) regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. IFRS 17 is effective for the group's reporting period starting on 1 July 2023, with comparative figures required. The effect of the implementation of the new standard is ongoing but is not expected to have a material impact on the group's results.

Amendments to IAS 1 'Presentation of Financial Statements'

The amendments provide guidance on the classification of liabilities as current or non-current in the statement of financial position and does not impact the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in place at the end of the reporting period which enable the reporting entity to defer settlement by at least twelve months. The amendments further make it explicit that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments are effective for the group from 1 July 2023, will be applied retrospectively and are not expected to significantly impact the group.

EARNINGS GENERATED FROM OPERATIONS

OPERATING AND OTHER ACTIVITIES

for the year ended 30 June	2022 Rm	2021 Rm	2020 Rm
2 Turnover			
Revenue by major product line			
Energy business	**108 990**	65 676	67 415
Coal[1]	**6 370**	2 025	1 343
Liquid fuels and crude oil[2]	**96 036**	58 265	60 119
Gas (methane rich and natural gas) and condensate[3]	**6 584**	5 386	5 953
Chemicals business	**160 407**	133 136	119 840
Advanced materials[4]	**7 249**	7 380	7 200
Base chemicals[5]	**51 223**	45 684	40 262
Essential care[6]	**62 989**	44 314	40 112
Performance solutions[7]	**38 946**	35 758	32 266
Other (Technology, refinery services)[8]	**2 550**	2 288	2 313
Revenue from contracts with customers	**271 947**	201 100	189 568
Revenue from other contracts[9]	**3 791**	810	799
Total external turnover	**275 738**	201 910	190 367

1 Derived from Mining segment.
2 Derived from Fuels segment.
3 Derived primarily from Gas segment.
4 Approximately 25% (2021 – 37%; 2020 – 29%) of revenue from advanced materials is derived from Chemicals Africa while 58% (2021 – 52%; 2020 – 56%) is derived from Chemicals Eurasia and the remaining revenue is derived from Chemicals America.
5 Approximately 64% (2021 – 59%; 2020 – 59%) of revenue from base chemicals is derived from Chemicals Africa while 36% (2021 – 33%; 2020 – 29%) is derived from Chemicals America and the remaining revenue is derived from Chemicals Eurasia.
6 Approximately 68% (2021 & 2020 - 70%) of revenue from essential care products is derived from Chemicals Eurasia while approximately 30% is derived from Chemicals America and the remaining revenue in 2022 was derived from Chemicals Africa.
7 Approximately 21% (2021: 22% & 2020: 20%) of revenue from performance solutions is derived from Chemicals Eurasia while approximately 71% (2021 & 2020 - 75%) is derived from Chemicals Africa and 8% (2021: 3% & 2020: 6%) is derived from Chemicals America. 2021 and 2020 percentages were updated based on volumes.
8 Relates primarily to the Gas and Fuels segments.
9 Relates to the Fuels segment and includes franchise rentals, use of fuel tanks, fuel storage and Sasol Oil slate.

Accounting policies:

Revenue from contracts with customers is recognised when the control of goods or services has transferred to the customer through the satisfaction of a performance obligation. Group performance obligations are satisfied at a point in time and over time, however the group mainly satisfies its performance obligations at a point in time. For further information on revenue recognition, refer to Segment information on pages 62 to 63.

Revenue recognised reflects the consideration that the group expects to be entitled to for each distinct performance obligation after deducting indirect taxes, rebates and trade discounts and consists primarily of the sale of fuels, oil, natural gas and chemical products, services rendered, license fees and royalties. The group allocates revenue based on stand-alone selling prices.

The group enters into exchange agreements with the same counterparties for the purchase and sale of inventory that are entered into in contemplation of one another. When the items exchanged are similar in nature, these transactions are combined and accounted for as a single exchange transaction. The exchange is recognised at the carrying amount of the inventory transferred.

Revenue from arrangements that are not considered contracts with customers, mainly pertaining to franchise rentals, use of fuel tanks and fuel storage, is presented as revenue from other contracts.

The period between the transfer of the goods and services to the customer and the payment by the customer does not exceed 12 months and the group does not adjust for time value of money.

OPERATING AND OTHER ACTIVITIES (CONTINUED)

for the year ended 30 June	2022 Rm	2021 Rm	2020 Rm
3 Materials, energy and consumables used*			
Cost of raw materials	**103 599**	71 016	78 030
Cost of energy and other consumables used in production process	**23 392**	14 354	12 079
	126 991	85 370	90 109

* Increase relates mainly to the increase in feedstock, electricity and gas prices. Included in Materials, energy and consumables used is carbon taxes of R1,1 billion (2021: R1,2 billion; 2020: R0,6 billion)

Costs relating to items that are consumed in the manufacturing process, including changes in inventories and distribution costs up until the point of sale.

Purchase commitments*

for the year ended 30 June	2022 Rm	2021 Rm	2020 Rm
Contractual obligations**			
Within one year	**50 642**	28 603	23 782
One to five years	**67 042**	39 977	36 092
More than five years	**81 240**	73 283	80 131
	198 924	141 863	140 005

* During the year a misstatement was identified in the calculation of the purchase commitment disclosure in relation to our long-term gas purchase agreements. Purchase commitments presented as R131 992 million have been revised by R9 871 million to R141 863 million for 2021. Purchase commitments for 2020 presented as R129 846 million have been revised by R10 159 million to R140 005 million. Management concluded that the revision is not material to the financial statements.

** The increase in purchase commitments is mainly due to the increase in the cost of raw material, the effect of the weakening exchange rate, as well as the inclusion of commitments with our new associate, ROMPCO (R25,4 billion).

The group enters into off-take agreements in the ordinary course of business, the most significant of which relates to oxygen supply agreements for Secunda Operations of R86 528 million (2021: R85 013 million) and ORYX GTL of R2 116 million (2021: R1 748 million) for a contracted minimum off-take gas volume. The Oxygen Train 17 oxygen supply agreement runs until 2037, with an option to renew the contract until 2050. The renewal option is not taken into account in the calculation of the commitments. The Oxygen Trains 1 – 16 arrangement is managed through various agreements, including the Gas Sales Agreement (GSA), Utilities Agreement and a suite of other contracts. In terms of the Utilities Agreement, Sasol is contractually bound to buy oxygen and other derivative gasses from Air Liquide annually, while Air Liquide is bound to buy utilities from Sasol for the same amount for 15 years.

for the year ended 30 June	Note	2022 Rm	2021 Rm	2020 Rm
4 Employee-related expenditure				
Analysis of employee costs				
Labour		**32 141**	31 683	30 266
salaries, wages and other employee-related expenditure		**30 068**	29 786	27 964
post-retirement benefits[1]		**2 073**	1 897	2 302
Share-based payment expenses		**1 139**	1 905	1 741
equity-settled	35	**1 164**	1 927	1 946
cash-settled		**(25)**	(22)	(205)
Total employee-related expenditure		**33 280**	33 588	32 007
Costs capitalised to projects		**(825)**	(740)	(1 340)
Per income statement		**32 455**	32 848	30 667

1 Employer contributions to the retirement funds were suspended for the period 1 May 2020 to 31 July 2020. These were then reinstated in FY21 due to Sasol's improved liquidity position.

The total number of permanent and non-permanent employees, in approved positions, including the group's share of employees within joint operation entities and excluding contractors, joint ventures' and associates' employees, is analysed below:

for the year ended 30 June	2022 Number	2021 Number	2020 Number
Permanent employees	**28 279**	28 725	30 670
Non-permanent employees	**351**	224	331
	28 630	28 949	31 001

for the year ended 30 June		2022 Rm	2021 Rm	2020 Rm
5	**Translation gains/(losses)**			
	Arising from			
	Trade and other receivables	**456**	(1 233)	1 275
	Trade and other payables	**147**	158	(891)
	Foreign currency loans*	**(785)**	6 318	(6 946)
	Other	**875**	267	20
		693	5 510	(6 542)

* Relates to intergroup exposure on foreign currency loans. During the current year a significant repayment was made on the loan provided by Sasol Financing International to Sasol Investment Company for the partial funding of the LCCP with US dollar funds.

for the year ended 30 June		2022 Rm	2021 Rm	2020 Rm
6	**Other operating expenses and income**			
	Insurance	**710**	739	681
	Computer costs	**2 745**	2 563	2 469
	Hired labour	**694**	565	844
	Audit remuneration	**131**	136	144
	Derivative losses/(gains) (including foreign exchange contracts)[1]	**18 325**	(2 282)	6 997
	Professional fees[2]	**1 916**	2 828	2 067
	Changes in rehabilitation provisions[3]	**866**	(361)	(2 078)
	Expected credit losses (released)/raised	**(39)**	(87)	418
	Other expenses	**9 847**	10 022	10 738
	Other operating income[4]	**(3 034)**	(2 024)	(1 446)
		32 161	12 099	20 834

1 Relates mainly to the group's hedging activities. Refer to page 140.

2 The 2021 increase relates mainly to standby underwriters fees, legal fees and other cost incurred in relation to the potential rights issue which was announced on 17 March 2020. In February 2021, a decision was taken not to pursue a rights issue given significant progress in our turnaround strategy.

3 R46 million (2021: R674 million; 2020: R1,3 billion) relates to a decrease in the provision due to a change in discount rates applied in the rehabilitation provision, while R971 million (2021: R412 million) relates to additional provisions (2020: R695 million changes to existing provisions).

4 The 2022 increase relates to income from emission right sales in Europe, as well as insurance proceeds in respect of business interruption due to hurricanes in the US.

OPERATING AND OTHER ACTIVITIES (CONTINUED)

for the year ended 30 June	Note	2022 Rm	2021 Rm	2020 Rm
7 Net finance costs				
Finance income				
Dividends received from investments		**–**	–	44
Notional interest received		**29**	4	102
Interest received on		**991**	852	776
other long-term investments		**49**	40	28
loans and receivables		**141**	199	293
cash and cash equivalents		**801**	613	455
Per income statement		**1 020**	856	922
Less: notional interest		**(29)**	(4)	(102)
Less: interest received on tax		**(5)**	(15)	(28)
Per the statement of cash flows		**986**	837	792
Finance costs				
Debt		**5 419**	5 238	8 226
debt		**5 066**	4 855	8 090
interest rate swap – net settlements		**353**	383	136
Interest on lease liabilities		**1 357**	1 488	1 465
Other		**95**	84	52
		6 871	6 810	9 743
Amortisation of loan costs	16	**132**	160	135
Notional interest		**633**	668	945
Total finance costs		**7 636**	7 638	10 823
Amounts capitalised to assets under construction a class of property, plant and equipment	19	**(740)**	(880)	(3 520)
Per income statement		**6 896**	6 758	7 303
Total finance costs before amortisation of loan costs and notional interest		**6 871**	6 810	9 743
Add: modification gain/(loss)		**74**	–	(1 193)
Less: interest accrued on long-term debt, lease liabilities and short-term debt		**(1 463)**	(637)	(1 412)
Less: interest (raised)/reversed on tax payable		**(4)**	–	16
Per the statement of cash flows		**5 478**	6 173	7 154

for the year ended 30 June	2022 Rand	2021 Rand	2020 Rand
8 Earnings/(loss) and dividends per share			
ATTRIBUTABLE TO OWNERS OF SASOL LIMITED			
Basic earnings/(loss) per share	**62,34**	14,57	(148,49)
Headline earnings/(loss) per share	**47,58**	39,53	(11,50)
Diluted earnings/(loss) per share	**61,36**	14,39	(148,49)
Diluted headline earnings/(loss) per share	**46,83**	39,03	(11,50)
Dividends per share	**14,70**	–	–
interim	**–**	–	–
final*	**14,70**	–	–

* Declared subsequent to 30 June 2022 and has been presented for information purposes only. No accrual regarding the final dividend has been recognised.

Basic and headline earnings per share (EPS)

Basic earnings per share is derived by dividing earnings attributable to owners of Sasol Limited by the weighted average number of shares outstanding during the period. Headline earnings per share is derived by dividing the headline earnings for the period by the weighted average number of shares outstanding during the period.

8 Earnings/(loss) and dividends per share continued

Diluted earnings per share (DEPS) and diluted headline earnings per share (DHEPS)

DEPS and DHEPS are calculated considering the potential dilution that could occur if all of the group's long-term incentives (LTIs) had vested, if all outstanding share options were exercised and the effect of all dilutive potential ordinary shares resulting from the Sasol Khanyisa Tier 1 share transactions.

The number of shares outstanding is adjusted to show the potential dilution if the LTI's and Sasol Khanyisa Tier 1 were settled in Sasol Limited shares.

The Sasol Khanyisa Tier 2 and Khanyisa Public are anti-dilutive for DEPS and DHEPS in 2022, 2021 and 2020.

for the year ended 30 June	Note	2022 Rm	2021 Rm	2020 Rm
EARNINGS AND HEADLINE EARNINGS/(LOSS):				
Earnings/(loss) attributable to owners of Sasol Limited		**38 956**	9 032	(91 754)
Total remeasurement items for the group, net of tax	9	**(9 221)**	15 471	84 648
Earnings and headline earnings/(loss)		**29 735**	24 503	(7 106)

	Number of shares		
for the year ended 30 June	2022 million	2021 million	2020 million
Weighted average number of shares	**624,9**	619,9	617,9
Potential dilutive effect of long-term incentive scheme	**9,9**	3,8	2,6
Potential dilutive effect of Sasol Khanyisa Tier 1	**0,1**	4,1	1,8
Diluted weighted average number of shares for DEPS and DHEPS*	**634,9**	627,8	622,3

* Due to the net loss attributable to shareholders in 2020, the inclusion of the long-term incentive scheme and Khanyisa Tier 1 share options as potential ordinary shares had an anti-dilutive effect on the loss per share and were therefore not taken into account in the 2020 calculation of DEPS and DHEPS.

OPERATING AND OTHER ACTIVITIES (CONTINUED)

for the year ended 30 June	Note	2022 Rm	2021 Rm	2020 Rm
9 Remeasurement items affecting operating profit				
Effect of remeasurement items for subsidiaries and joint operations				
Impairment of assets		**77**	34 200	112 736
property, plant and equipment	19	**70**	33 973	108 575
right of use assets	17	**6**	35	3 322
other intangible assets		**1**	80	839
equity accounted investment		**–**	112	–
Reversal of impairment of assets		**(1 520)**	(5 468)	–
property, plant and equipment	19	**(1 505)**	(5 440)	–
right of use assets	17	**(15)**	(2)	–
other intangible assets		**–**	(26)	–
(Profit)/loss on	10	**(8 460)**	(5 520)	(715)
disposal of property, plant and equipment		**(67)**	(96)	25
disposal of other intangible assets		**2**	(130)	–
disposal of other assets		**–**	52	148
disposal of businesses		**(11 850)**	(5 615)	(1 684)
scrapping of property, plant and equipment		**3 366**	269	796
sale and leaseback transactions		**89**	–	–
Write-off of unsuccessful exploration wells	19	**–**	6	(43)
Remeasurement items per income statement		**(9 903)**	23 218	111 978
Tax impact		**702**	(7 771)	(26 399)
impairment of assets		**(2)**	(9 513)	(26 179)
reversal of impairment of assets		**421**	1 228	–
profit/loss on disposals and sale and leaseback transactions		**283**	516	(226)
Tax impact of write-off of unsuccessful exploration wells		**–**	(2)	6
Non-controlling interest effect		**(20)**	1	(931)
Effect of remeasurement items for equity accounted investments		**–**	23	–
Total remeasurement items for the group, net of tax		**(9 221)**	15 471	84 648

Scrapping of property, plant and equipment

Scrapping of property, plant and equipment includes a R2,5 billion scrapping following an asset transfer between Sasol and LIP JV as part of the finalisation of the US Base Chemicals divestment at the Lake Charles Chemical Project (LCCP) and R398 million related to obsolete and surplus material at the LCCP in the Chemicals America segment.

Impairment/reversal of impairments

The group's non-financial assets, other than inventories and deferred tax assets, are assessed for impairment indicators, as well as reversal of impairment indicators at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable or previous impairment should be reversed. Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash inflows independently, the recoverable amount is determined for the larger cash generating unit to which it belongs.

The reversal of impairment in the current period includes a reversal of R1,4 billion relating to the Chemical Work-up & Heavy Alcohols CGU. The CGU recognised impairments of R1,7 billion during 2020 largely due to the reduced-price outlook as a result of the low oil price environment and the COVID-19 pandemic. A higher price outlook on the back of a sustained increase in demand for alcohols into the personal hygiene market during and post the COVID-19 pandemic, resulted in the reversal of impairment at 31 December 2021. The recoverable amount at 31 December 2021 of R39,5 billion was determined using a discount (WACC) rate of 13,90% (June 2021: 14,03%).

Impairment calculations

The recoverable amount of the assets reviewed for impairment is determined based on the higher of the fair value less costs to sell or value-in-use calculations. Key assumptions relating to this valuation include the discount rate and cash flows used to determine the recoverable amount. Future cash flows are estimated based on financial budgets covering a five year period and extrapolated over the useful life of the assets to reflect the long term plans for the group using the estimated growth rate for the specific business or project. Where reliable cash flow projections are available for period longer than five years, those budgeted cash flows are used in the impairment calculation. The estimated future cash flows and discount rate are post-tax, based on the assessment of current risks applicable to the specific entity and country in which it operates. Discounting post-tax cash flows at a post-tax discount rate yields the same results as discount pre-tax cash flows at a pre-tax discount rate, assuming there are no significant temporary tax differences.

9 Remeasurement items affecting operating profit continued

Main assumptions used for impairment calculations

		2022	2021	2020
Long-term average crude oil price (Brent)*	US$/bbl	**93,24**	70,09	59,69
Long-term average ethane price*	US$c/gal	**43,15**	37,18	32,79
Long-term average ammonia price*	Rand/ton	**10 173,00**	5 297,00	4 664,32
Long-term average Southern African gas purchase price (real)*	US$/Gj	**8,94**	8,41	7,10
Long-term average refining margin*	US$/bbl	**12,23**	9,67	9,43
Long-term average exchange rate*	Rand/US$	**15,95**	14,57	15,20

* Assumptions are provided on a long-term average basis in nominal terms unless indicated otherwise. Oil and ammonia price and exchange rate assumptions are calculated based on a five year period, while the ethane price is based on a ten year period. The refining margin is calculated until 2034, linked to the Sasolburg refinery's useful life. The Southern African gas purchase price is calculated until 2050, linked to the South African integrated value chain's useful life.

		South Africa %	United States of America %	Europe %
Growth rate – long-term Producer Price Index	**2022**	**5,50**	**2,00**	**2,00**
Weighted average cost of capital*	**2022**	**14,41**	**8,13**	**8,13 – 9,57**
Growth rate – long-term Producer Price Index	2021	5,50	2,00	2,00
Weighted average cost of capital*	2021	14,03	7,70	7,70 – 9,05
Growth rate – long-term Producer Price Index	2020	5,50	2,00	2,00
Weighted average cost of capital*	2020	14,22	7,66	7,66 – 9,79

* Calculated using spot market factors on 30 June.

9 Remeasurement items affecting operating profit continued

Areas of judgement:

Determining as to whether, and by how much, cost incurred on a project is abnormal and needs to be scrapped involves judgement. The factors considered by management include the scale and complexity of the project, the technology being applied and guidance from experts in terms of what constitute abnormal wastage on the project.

Determination as to whether, and by how much, an asset, CGU, or group of CGUs is impaired, or whether previous impairment should be reversed, involves management estimates on highly uncertain matters such as the effects of inflation on operating expenses, discount rates, capital expenditure, carbon tax, production profiles and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for crude oil, natural gas and refined products. Judgement is also required when determining the appropriate grouping of assets into a CGU or the appropriate grouping of CGUs for impairment testing purposes.

The future cash flows were determined using the assumptions included in the 2023 budget as approved by the Sasol Limited Board. If necessary, these cash flows are then adjusted to take into account any changes in assumptions or operating conditions that have been identified subsequent to the preparation of the budgets.

The weighted average growth rates used are consistent with the increase in the geographic segment long-term Producer Price Index.

The weighted average cost of capital rate (WACC) is derived from a pricing model. The variables used in the model are established on the basis of management judgement and current market conditions. Management judgement is also applied in estimating future cash flows and defining of cash-generating units. These values are sensitive to the cash flows projected for the periods for which detailed forecasts are not available and to the assumptions regarding the long-term sustainability of the cash flows thereafter.

As a significant emitter of greenhouse gas emissions globally, South Africa made commitments under the 2015 Paris Climate Agreement to further reduce greenhouse gas emissions and to contribute to global efforts to limit global warming to well below 2°c above pre-industrial levels and to pursue efforts to achieve the 1,5°c temperature goal. The group is targeting a 30% reduction in greenhouse gas (GHG) emissions by 2030 which will pave the way to a net zero ambition by 2050. The group has a clear roadmap to 2030 with capital and resources allocated to achieve the significant reduction in emissions. Where reasonable, supportable and permissible under IFRS, management has included the costs, capital and associated benefits from these initiatives in its cash flow forecasts.

Carbon tax is seen to be an important component of South Africa's mitigation policy strategy to lower GHG emissions. Phase 1 of the carbon tax comes to an end in December 2025 while a number of Phase 2 carbon tax proposals were announced by the Minister of Finance in the 2022 Budget Review. Management is required to reflect its best estimate of any expected applicable carbon taxes payable by the group. This requires judgement of how future changes to relevant carbon tax policies and/or legislation are likely to affect the future cash flows of the group's CGUs, whether currently enacted or not. Future potential carbon taxes are included in the recoverable amount calculations considering the latest proposals by the National Treasury. On 29 July 2022 National Treasury published the draft 2022 Taxation Laws Amendment Bill which contain the tax proposals made in the 2022 National Budget. The proposed amendments seek to align South Africa's carbon tax rate with global carbon prices and by doing so aims to penalise emitters and incentivise taxpayers' transition towards a low carbon trajectory with a progressive increase in the carbon tax rate from 2023. Refer to note 38 for more information. The amendment contained in the Amendments Bill do not materially impact on the applied assumptions at 30 June 2022.

Climate change and the transition to a lower carbon economy are also likely to impact the future prices of commodities such as oil and natural gas which in turn may affect the recoverable amount of the group's property, plant and equipment and other non-current assets. Management has updated its best estimate of oil price assumptions used in determining the recoverable amounts of its CGUs in 2022. The revised estimates reflect higher oil prices up to 2029 as a result of near-term supply constraints whereas the long-term assumption is lower in real terms as demand is expected to decrease as the transition to a lower carbon economy progresses. The revised assumptions are based on the average June 2022 views obtained from two independent consultancies that reflect their views on market development. The energy transition may impact demand for certain refined products in the future.

Management will continue to review price assumptions as the energy transition progresses and this may result in impairment charges or reversals in the future.

9 Remeasurement items affecting operating profit continued

Description of sensitivity to changes in assumptions:

Key sources of estimation uncertainty include discount rates, commodity prices, exchange rates, carbon tax (and related allowances) and chemical prices. Management has considered the sensitivity of the recoverable amount calculations to these key assumptions and these sensitivities have been taken into consideration in determining the required impairments and reversals of impairments in the current period. Reasonably possible changes to any of these assumptions can lead to different outcomes.

In 2020, the sudden collapse in oil prices and the economic consequences of the COVID-19 pandemic resulted in impairments and write down of assets of R112,7 billion across most of the group's CGUs. In 2021, further impairments were recognised, mainly at the Secunda liquid fuels refinery due to a stronger forecasted Rand/US$ exchange rate which impacted negatively on the forecasted Basic Fuel Price (BFP) and at the Chlor Alkali and PVC and Southern African Wax value chains as a result of lower expected sales volumes and an unfavourable exchange rate. In the second half of 2022, the continued economic recovery following the pandemic together with the impact of the Russian/Ukrainian conflict resulted in higher crude oil prices, refining margins and chemicals prices. Pricing and demand volatility is expected to continue in the short-term, making it difficult to predict. Management has revised its price assumptions reflecting the expected market demand and supply fundamentals as well as the expected applicable carbon taxes payable by the group considering the proposals published in the 2022 Budget Review. The increase in recoverable amounts of the impacted CGUs resulting from the favourable short-term macro-economic environment was significantly countered by the expected impact of carbon tax.

The recoverable amount of the Secunda liquid fuels refinery, within our Fuels segment is highly sensitive to changes in Brent crude prices and the Rand/US$ exchange rate. A decrease of more than US$3,70 in the assumed price of Brent crude oil will eliminate the current headroom of the CGU and result in an impairment. A strengthening of the Rand/US$ exchange rate by R1 will decrease the recoverable amount by approximately R18,1 billion also resulting in an impairment. These sensitivity analyses do not fully incorporate consequential changes that may arise, such as changes in costs and business plans or absorption of carbon taxes by the market.

The reversal of the impairment relating to the Chemical Work-up & Heavy Alcohols CGU, within our Chemical Africa segment, is not significantly impacted by changes to key assumptions. The Ammonia CGU, within our Chemicals Africa segment, is highly sensitive to changes in the international price of ammonia. The Russian/Ukrainian conflict has led to the suspension of ammonia exports from the Black Sea ports together with high gas feedstock prices which resulted in short-term product shortages and inflated prices in the ammonia market globally. Setting price assumptions for the medium- to long-term prices is highly dependent on factors such as the duration of the conflict and resulting supply disruptions and gas feedstock prices. Sasol has considered external views in formulating its internal price assumptions. The high degree of uncertainty associated with the ammonia pricing outlook and the historical ammonia price variability were considered by management in its decision to not reverse previous impairments relating to the Ammonia CGU.

For the rest of the CGUs in the Fuels, Gas and Chemicals Africa segment where indicators of potential reversal of impairment were identified, reasonably possible decreases in the assumed price estimates completely counteract the effect of the short-term favourable economic conditions.

For the CGUs in the Chemicals America and Eurasia segments reasonable changes to key estimates are unlikely to result in an impairment or reversal of impairment.

OPERATING AND OTHER ACTIVITIES (CONTINUED)

9 Remeasurement items affecting operating profit continued

Significant impairment of assets in prior periods

Segment and Cash-generating unit (CGU)	Description	2021 Rm
Fuels segment		
Secunda liquid fuels refinery	The impairment was largely due to a stronger forecasted rand/dollar exchange rate which impacted negatively on the forecasted Basic Fuel Price (BFP).	24 456
Chemicals America		
Ethylene Oxide/Ethylene Glycol (EO/EG)	The Ziegler Alcohols Unit (Ziegler) delivers alcohol feed to the Ethoxylates (ETO) unit. In previous CGU assessments, the Ethylene Oxide and Ethylene Glycol (EO/EG) plant together with the ETO plant were considered to be a separate CGU from the Alcohol units (Ziegler and Guerbet). During 2021 the CGUs were reassessed to be one integrated CGU. The impairment assessment of the combined CGU showed significant headroom resulting in the full remaining FY19 impairment of the EO/EG CGU being reversed.	(4 934)
Chemicals Africa		
Chlor Alkali and PVC	The impairment of the Chlor Alkali and PVC CGUs is as a result of the stronger forecast of the rand against the US dollar exchange rate and lower sales volumes. In addition, this CGU was further negatively impacted by the pending sale of the Sodium Cyanide business.	1 094
Southern Africa Wax value chain	The impairment on the Wax value chain was driven by higher future LNG gas imports and SPT gas costs, lower sales volumes and prices due to reduced gas availability in 2022 and 2023 and the strengthening of the rand against the US dollar.	7 863
Gas Segment		
Sasol Canada – Shale gas assets	Sasol signed an agreement to divest of all our interests in Canada to Canadian Natural Resources Limited. Previous impairments of CAD45 million were reversed at 30 June 2021 to measure the carrying value of the disposal group at its fair value less cost to sell.	(521)
Other		774
		28 732

9 Remeasurement items affecting operating profit continued

Segment and Cash-generating unit (CGU)	Description	2020 Rm
Fuels segment		
Sasolburg liquid fuels refinery	The impairment is mainly due to lower refining margins over the long-term and an increase in the WACC rate.	8 594
Secunda liquid fuels refinery	The impairment is mainly due to lower crude oil prices, an increase in the WACC rate and a higher cost to procure gas in the longer term.	3 834
Chemicals America		
LLDPE & LDPE	At 30 June 2020, assets and liabilities relating to a combination of assets within Sasol Chemicals USA have been classified as held for sale. An impairment was recognised to reduce the carrying value of the disposal group down to its fair value less cost to sell, including any portion that Sasol might retain in the disposal group.	72 558
Chemicals Africa		
Ammonia value chain	The impairment is mainly due to lower international ammonia selling prices and a decrease in volumes based on reduced market demand and a reduction in gas allocated to the value chain.	2 736
Acrylates & Butanol value chain	The impairment is mainly due to significantly lower selling prices coupled with a long expected recovery period as operating rates are only expected to recover to pre-COVID-19 levels by 2027. The CGU was also impacted by an increase in the WACC rate and a higher cost to procure gas in the longer term.	6 766
Polyethylene value chain	The impairment is mainly due to depressed selling prices caused by polyethylene overcapacity, worsened by the impact of COVID-19, and higher feedstock costs.	5 814
Chlor Vinyls value chain	The impairment is mainly due to significant lower selling prices which were only partly offset by the weakening in the rand.	1 979
Chemical Work Up & Heavy Alcohols value chain	The impairment is mainly due to significantly lower selling prices and an increase in the WACC rate. Overall Solvents prices decreased by 12% compared to the prior year.	1 668
Southern Africa Wax value chain	The impairment is mainly due to lower wax selling prices, an increase in the WACC rate and the higher cost to procure gas in the longer term.	3 777
Chemicals Eurasia		
Wax	The impairment is mainly due to lower wax selling prices, driven by the negative macro-economic conditions as well as increased market competition experienced from low cost paraffin wax producers. This was partly offset by increased volumes in the wax emulsion market.	2 838
Other		2 172
		112 736

9 **Remeasurement items affecting operating profit** continued

Accounting policies:

Remeasurement items are amounts recognised in profit or loss relating to any change (whether realised or unrealised) in the carrying amount of non-current assets or liabilities that are less closely aligned to the normal operating or trading activities of the group such as the impairment of non-current assets, profit or loss on disposal of non-current assets including businesses and equity accounted investments, and scrapping of assets.

The group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. An impairment test is performed on all goodwill, intangible assets not yet in use and intangible assets with indefinite useful lives at each reporting date.

The recoverable amount of an asset or cash generating unit is defined as the amount that reflects the greater of the fair value less costs of disposal and value-in-use that can be attributed to an asset as a result of its ongoing use by the entity. Value-in-use is estimated using a discounted cash flow model. The future cash flows are adjusted for risks specific to the asset and is adjusted where applicable to take into account any specific risks relating to the country where the asset or cash-generating unit is located. The rate applied in each country is reassessed each year. The recoverable amount may be adjusted to take into account recent market transactions for a similar asset.

Some assets are an integral part of the value chain but are not capable of generating independent cash flows because there is no active market for the product streams produced from these assets, or the market does not have the ability to absorb the product streams produced from these assets or it is not practically possible to access the market due to infrastructure constraints that would be costly to construct. Product streams produced by these assets form an input into another process and accordingly do not have an active market. These assets are classified as corporate assets in terms of IAS 36 when their output supports the production of multiple product streams that are ultimately sold into an active market.

The group's corporate assets are allocated to the relevant cash-generating unit based on a cost or volume contribution metric. Costs incurred by the corporate asset are allocated to the appropriate cash generating unit at cost. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the cash-generating unit to which the corporate asset belongs.

In Southern Africa, the coal value chain starts with feedstock mined in Secunda and Sasolburg and continues along the integrated processes of the operating business units, ultimately resulting in fuels and chemicals-based product lines. Similarly, the gas value chain starts with the feedstock obtained in Mozambique and continues along the conversion processes in Secunda and Sasolburg, ultimately resulting in fuels and chemicals-based product lines.

The groups of assets which support the different product lines, including corporate asset allocations, are considered to be separate cash-generating units.

In the US, the ethylene value chain results in various chemicals-based product lines, sold into active markets. The assets which support the different chemicals-based product lines, including corporate asset allocations, are considered to be separate cash-generating units.

In Europe, the identification of separate cash-generating units is based on the various product streams that have the ability to be sold into active markets by the European business units.

Certain products are sometimes produced incidentally from the main conversion processes and can be sold into active markets. When this is the case, the assets that are directly attributable to the production of these products, are classified as separate cash-generating units. The cost of conversion of these products is compared against the revenue when assessing the asset for impairment.

Exploration assets are tested for impairment when development of the property commences or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration assets carrying amount exceeds their recoverable amount.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Any gain or loss on disposal will comprise that attributed to the portion disposed of and the remeasurement of the portion retained.

for the year ended 30 June	Note	2022 Rm	2021 Rm	2020 Rm
10 Disposals and scrapping				
Property, plant and equipment[1]	19	**3 802**	7 064	1 431
Goodwill and other intangible assets		**2**	947	179
Equity accounted investments		**–**	370	437
Assets in disposal groups held for sale		**16 586**	67 662	2 563
Inventories		**–**	814	–
Trade and other receivables		**–**	174	–
Cash and cash equivalents		**–**	57	–
Liabilities in disposal groups held for sale		**(6 321)**	(2 577)	(414)
Long-term debt		**–**	(2 673)	–
Non-controlling interest		**(3 141)**	–	–
Long-term financial liabilities		**–**	(477)	–
Trade and other payables		**–**	(67)	175
		10 928	71 294	4 371
Total consideration		**11 364**	73 426	4 285
consideration received		**8 484**	43 214	4 285
consideration still receivable		**127**	116	–
fair value of retained investment		**2 753**	–	–
establishment of Joint operation*		**–**	30 096	–
		436	2 132	(86)
Realisation of accumulated translation effects		**8 024**	3 388	801
Net profit on disposal		**8 460**	5 520	715
Consideration received comprising				
Gas – Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)		**4 129**	–	–
Fuels – Central Termica De Ressane Garcia S.A (CTRG)		**2 577**	–	–
Gas – Canadian Montney assets		**387**	–	–
Chemicals America – US LCCP Base Chemicals business		**–**	29 894	–
Fuels & Chemicals Africa – Air separation units		**–**	8 051	–
Chemicals America – interest in Gemini HDPE LLC		**–**	3 456	–
Gas – Gabon oil producing assets		**–**	424	–
Chemicals Eurasia – ARG Investment		**–**	316	–
Chemicals Africa – Share in Enaex Africa		**–**	175	–
Chemicals Eurasia – Investment in Sasol Huntsman GmbH & co KG		**–**	–	1 506
Chemicals Africa – Partial disposal of Explosives business		**–**	–	991
Energy – Investment in Escravos GTL (EGTL)		**–**	–	875
Chemicals Eurasia – Sasol Wilmar Alcohol Industries		**–**	–	235
Other		**1 391**	898	678
Consideration received		**8 484**	43 214	4 285

1 Refer to note 9 for detail on the scrapping of property, plant and equipment.

Significant disposals and scrappings in 2022

Canadian shale gas assets

On 29 July 2021 Sasol divested of all our interests in Canada. A gain of R4,9 billion mainly due to the realisation of the foreign currency translation reserve (FCTR) was recognised.

European wax business

On 1 March 2022 Sasol sold its European wax business based in Hamburg Germany. A gain mainly on the reclassification of the FCTR of R2,9 billion was recognised.

Central Térmica de Ressano Garcia S.A. (CTRG)

The divestment of our full shareholding in CTRG, the gas-to-power plant located in Ressano Garcia, Mozambique, to Azura Power Limited for a consideration of R2,6 billion (US$163,8 million). The transaction closed on 28 April 2022. A profit of R156 million has been recognised on the divestment.

10 Disposals and scrapping continued

Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)

On 29 June 2022 the sale of 30% of our interest in ROMPCO was successfully completed. The loss of voting and contractual rights associated with the transaction resulted in the group losing control over ROMPCO and the derecognition of all the assets and liabilities of the subsidiary. Sasol has retained a 20% equity stake in ROMPCO which has been measured at fair value at the transaction date, which references to the transaction price. This is considered a level 3 fair value input. The proceeds on the disposal was an initial amount of R4,1 billion and a contingent consideration of up to R1 billion, which is payable if certain agreed milestones are achieved by 30 June 2024. The fair value of the contingent consideration is valued at zero considering the low probability of meeting the milestones as assessed on the transaction date. A profit of R3,7 billion on the disposal has been recognised of which R1,9 billion relates to the fair value adjustment on retained interest. Refer to note 21.

Significant disposals and scrappings in prior periods

US LCCP Base Chemicals business*

On 1 December 2020 the sale of 50% of our interest in the US LCCP Base Chemicals business was successfully concluded through the creation of the 50/50 owned Louisiana Integrated Polyethylene JV LLC (LIP). The proceeds on the disposal was approximately R30 billion (US$2 billion), resulting in a loss on disposal of R1,1 billion, the loss was mainly attributable to further clarification of the transaction perimeter subsequent to the held for sale classification. This did not impact the value of the remaining business materially. A corresponding gain on the reclassification of foreign currency translation reserve of R3,1 billion was also recognised. Sasol's 50% interest in LIP is accounted for as a joint operation and Sasol's share of assets and liabilities held jointly, revenue from the sale of its share of output and expenses are reflected within the Sasol results from 1 December 2020 in terms of IFRS 11 'Joint Arrangements'. Refer note 22.

Air separation units

The sale of Sasol's sixteen air separation units (ASUs) and associated business located in Secunda was concluded on 24 June 2021, resulting in a profit on disposal of R2 726 million. As part of the transaction, the Group entered into a supply contract for the supply of gas for 15 years. In determining whether the gas supply agreement was a lease or a supply contract, management applied judgement. The most significant judgement is that Air Liquide has taken full ownership and overall responsibility for managing the ASUs to maintain the agreed quantity and quality of gases supplied to Sasol.

Interest in Gemini HDPE LLC

The divestment of our 50% equity interest in the Gemini HDPE LLC successfully closed on 31 December 2020. Sasol recognised a profit on disposal of R683 million and a corresponding gain on reclassification of foreign currency translation reserve of R246 million.

Gabon oil producing assets

The sale of Sasol's 27,8% working interest in the Etame Marin block offshore Gabon (producing asset with proven reserves), as well as Sasol's 40% non-operated participating interest in Block DE-8 offshore Gabon (exploration permit) was concluded on 25 February 2021 and 4 May respectively. Sasol recognised a profit on disposal of R145 million and a corresponding gain on reclassification of foreign currency translation reserve of R132 million.

Share in Enaex Africa

The sale of 26% of Sasol's 49% interest in Enaex Africa (Pty) Ltd to Afris Subco (Pty) Ltd, resulting in a loss of R115 million. After the transaction, Sasol's remaining interest in Enaex Africa (Pty) Ltd is 23%.

Investment in Sasol Huntsman GmbH & co KG

The divestment from our 50% equity interest in the Sasol Huntsman maleic anhydride joint venture was concluded on 30 September 2019, resulting in a profit on disposal of R936 million, including the reclassification of the foreign currency translation reserve of R475 million.

Explosives business

Sasol has concluded the transaction to sell a 51% share in the explosive business to Enaex, and on 1 July 2020, Enaex Africa in association with Sasol, officially started operating in South Africa and on the African Continent. Sasol recognised a loss on the disposal of R46 million.

Sasol Wilmar Alcohol Industries

The sale of Sasol's share in Sasol Wilmar Alcohol Industries was concluded in December 2019, resulting in a profit on disposal of R47 million, including the reclassification of the foreign currency translation reserve of R56 million.

Escarvos GTL (EGTL)

Sasol sold its indirect beneficial interest in EGTL plant in Nigeria to Chevron. The transaction released Sasol from associated company guarantees and other obligations. A profit on disposal of R705 million was recognised, including the reclassification of the foreign currency translation reserve of R268 million. Sasol will continue to support Chevron in the performance of the EGTL plant through ongoing catalyst supply, technology and technical support.

for the year ended 30 June		2022 Rm	2021 Rm

11 Disposal groups held for sale

Assets in disposal groups held for sale	Segment		
Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)[1]	Gas	–	6 085
Central Térmica de Ressano Garcia S.A. (CTRG)[2]	Gas	–	3 034
Canadian Montney assets[3]	Gas	–	1 181
Other	Mining, Fuels and Chemicals Africa	**290**	331
		290	10 631

Liabilities in disposal groups held for sale	Segment		
Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)[1]	Gas	–	(1 771)
Central Térmica de Ressano Garcia S.A. (CTRG)[2]	Gas	–	(1 109)
Canadian Montney assets[3]	Gas	–	(824)
Other	Mining, Fuels and Chemicals Africa	**(2)**	(2)
		(2)	(3 706)

1 Divestment of 30% of our equity interest in the ROMPCO pipeline. The transaction closed on 29 June 2022. Sasol retained a 20% equity interest in the pipeline. Refer note 10.

2 Our full shareholding in Central Térmica de Ressano Garcia S.A. (CTRG) was disposed of to Azura Power Limited. The transaction closed on 28 April 2022. Refer note 10.

3 The divestment of all our interests in Canada. The transaction successfully closed on 29 July 2021. Refer note 10.

Significant disposal groups held for sale in prior periods

Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)

Sasol concluded a sale and purchase agreement in terms of which it agreed to dispose of a 30% interest in ROMPCO. Sasol will retain a 20% shareholding in ROMPCO and will continue to operate and maintain the pipeline in terms of the commercial agreement between Sasol and ROMPCO. Sasol's interest in ROMPCO will be sold for a consideration comprising an initial amount of R4,145 billion and a contingent payment of up to R1 billion payable if certain agreed milestones are achieved by 30 June 2024. Two of the existing shareholders, the South African Gas Development Company Limited (iGas) and Companhia Moçambicana de Gasoduto S.A.R.L. (CMG), had exercised their pre-emptive right to acquire 30% of Sasol's equity in ROMPCO. The sale will therefore now be concluded with iGas and CMG. This process is well underway, and will be subject to a few conditions precedent, including the standard regulatory approvals.

Central Térmica de Ressano Garcia S.A. (CTRG)

Sasol entered into a Sale Securities Purchase Agreement for the divestment of our full shareholding in CTRG, the gas-to-power plant located in Ressano Garcia, Mozambique. The transaction is subject to a number of conditions precedent. The assets and liabilities of CTRG were classified as held for sale at 30 June 2021.

Canadian shale gas assets

Sasol signed an agreement to divest of all our interests in Canada. The transaction closed on 29 July 2021. R521 million, (CAD 45 million) of the previous impairments was reversed at 30 June 2021 to measure the carrying value of the disposal group at its fair value less cost to sell.

Accounting policies:

A non-current asset or disposal group (a business grouping of assets and their related liabilities) is designated as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The classification as held for sale of a non-current asset or disposal group occurs when it is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable if management is committed to a plan to sell the non-current asset or disposal group, an active divestiture programme has been initiated, the non-current asset or disposal group is marketed at a price reasonable to its fair value and the disposal will be completed within one year from classification.

Where a disposal group held for sale will result in the loss of control or joint control of a subsidiary or joint operation, respectively, all the assets and liabilities of that subsidiary or joint operation are classified as held for sale, regardless of whether a non-controlling interest in the former subsidiary or an ongoing interest in the joint operation is to be retained after the sale.

Where a disposal group held for sale will result in the loss of joint control of a joint venture or significant influence of an associate, the full investment is classified as held for sale. Equity accounting ceases from the date the joint venture or associate is classified as held for sale.

Before classification of a non-current asset or disposal group as held for sale, it is reviewed for impairment. The impairment loss charged to the income statement is the excess of the carrying amount of the non-current asset over its expected fair value less costs to sell.

No depreciation or amortisation is provided on non-current assets from the date they are classified as held for sale.

TAXATION

for the year ended 30 June	Note	2022 Rm	2021 Rm	2020 Rm
12 Taxation				
South African normal tax		**13 399**	7 430	2 140
current year[1]		**13 303**	7 478	2 542
prior years		**96**	(48)	(402)
Dividend withholding tax		**(24)**	–	2
Foreign tax		**2 856**	2 079	(1 212)
current year		**2 737**	2 106	2 242
prior years[2]		**119**	(27)	(3 454)
Income tax	13	**16 231**	9 509	930
Deferred tax – South Africa	14	**(2 535)**	(9 779)	(9 324)
current year[3]		**(2 356)**	(9 464)	(9 724)
prior years		**(108)**	(315)	400
reduction in corporate tax rate[4]		**(71)**	–	–
Deferred tax – foreign	14	**173**	455	(17 996)
current year[5]		**(132)**	339	(20 375)
prior years[2]		**306**	124	2 375
tax rate change		**(1)**	(8)	4
		13 869	185	(26 390)

1 The increase in the current year mainly relates to increased profits, as well as capital gains tax on the ROMPCO asset disposal.

2 2020 relates mainly to the relief provided to companies in the United States under the Coronavirus Aid, Relief, and Economic Security Act, (CARES Act) allowing taxpayers to carry back losses incurred during 2018 to 2020 for five years.

3 The decrease in the current year relates to the recognition of a deferred tax asset relating to derivative losses in Sasol Financing International Limited.

4 On 23 February 2022, a decrease in the South African corporate tax rate from 28% to 27% was announced, effective from 1 July 2022. The decrease in rate is considered to be substantively enacted.

5 2020 relates mainly to tax losses incurred at our US operations where we anticipate sufficient profits to be generated in future to utilise the deferred tax asset against.

Contingent liability

SASOL FINANCING INTERNATIONAL (SFI)/SARS

Following a request by SARS for information on Sasol Financing International Plc (SFI) which performs an off-shore treasury function for Sasol, SARS proceeded with an audit over a number of tax years. This audit culminated in the issuance of a final audit letter on 16 February 2018. Consequently, revised assessments were issued by SARS in respect of the 2002 to 2012 tax years. Sasol objected to these revised assessments. The dispute relates to the place of effective management of SFI.

After the submission of Sasol's objection to the disputed assessments and following requests for further information by SARS at the end of 2018, SARS rejected Sasol's objection. On 17 April 2019, Sasol appealed the decision to the Tax Court in terms of the relevant provisions of the Tax Administration Act. The parties have agreed to suspend the litigation in the Tax Court pending the outcome of the legal review application.

In addition to the objection to the revised assessments, Sasol has also launched a judicial review application against the SARS decision to register SFI as a South African taxpayer. The Tax Court does not have jurisdiction to determine the first ground of Sasol's objection, namely that the disputed assessments constitute unlawful, substantially unreasonable and procedurally unfair administrative action. Accordingly, a further review application has been filed in the High Court.

All pleadings were exchanged in the review matters. The Parties have agreed that the two matters will be heard at a consolidated hearing and a court date has been set in November 2022. A contingent liability of R2,65 billion (2021 - R2,58 billion) (including interest and penalties) is reported in respect of this matter as at 30 June 2022.

12 Taxation continued

	2022 %	2021 %	2020 %
Reconciliation of effective tax rate			
The table below shows the difference between the South African enacted tax rate compared to the effective tax rate in the income statement. Total income tax expense differs from the amount computed by applying the South African normal tax rate to profit before tax. The reasons for these differences are:			
South African normal tax rate	**28,0**	28,0	28,0
Increase/(decrease) in rate of tax due to:			
disallowed expenditure[1]	**1,1**	11,4	(1,0)
disallowed share-based payment expenses[2]	**0,1**	2,3	(0,3)
different tax rates	**0,5**	0,5	(3,6)
share of profits of equity accounted investments	**–**	–	(0,1)
tax losses not recognised[3]	**0,8**	–	(2,0)
capital gains and losses[4]	**1,6**	–	–
prior year adjustments	**0,7**	(2,2)	0,9
other adjustments	**0,3**	–	(0,5)
(Decrease)/increase in rate of tax due to:			
exempt income[5]	**(5,9)**	(10,0)	0,7
share of profits of equity accounted investments	**(1,6)**	(2,1)	–
utilisation of tax losses[6]	**(0,1)**	(20,9)	–
investment incentive allowances	**(0,1)**	(0,4)	–
translation differences	**(0,3)**	(1,9)	–
capital gains and losses[4]	**–**	(1,8)	–
change in South African corporate income tax rate	**(0,1)**	–	–
other adjustments	**–**	(1,2)	0,3
Effective tax rate	**25,0**	1,7	22,4

1 Includes non-deductible expenses incurred not deemed to be in the production of taxable income mainly relating to non-productive interest in our treasury function and project costs.

2 This relates to the share based payment expense on the Sasol Khanyisa transaction.

3 Relates mainly to tax losses in Sasol Investment Company (Pty) Ltd for which no deferred tax asset was raised.

4 Relates mainly to capital gains tax payable in South Africa and Mozambique on the disposal of 30% of our equity interest in the ROMPCO pipeline. 2021 related mainly to the disposal of the Air Separation Units.

5 Relates to the foreign currency translation reserve (FCTR) reclassified on the disposal of the Canadian and Wax businesses and the profit on disposal of the ROMPCO pipeline. 2021 related mainly to the FCTR reclassified on the divestment of 50% of our US LCCP Base Chemicals business, our 50% interest in Gemini HDPE LLC, our 50% equity interest in Sasol Chevron Holdings LImited, our 27,8% working interest in the Etame Marin block offshore Gabon, as well as our 40% non-operated participating interest in Block DE-8 offshore Gabon.

6 2021 relates to tax losses utilised which are allowed to be set off against foreign exchange gains on intergroup foreign currency loans.

TAXATION (CONTINUED)

13 Tax paid

for the year ended 30 June	Note	2022 Rm	2021 Rm	2020 Rm
Net amounts (receivable)/payable at beginning of year		**(307)**	(4 754)	309
Disposal of businesses		**–**	40	–
Net interest and penalties on tax		**(1)**	(17)	(41)
Income tax per income statement	12	**16 231**	9 509	930
Reclassification to held for sale[1]		**34**	(304)	29
Foreign exchange differences recognised in income statement		**25**	(14)	48
Translation of foreign operations		**(41)**	513	(370)
		15 941	4 973	905
Net tax (payable)/receivable per statement of financial position		**(2 410)**	307	4 754
tax payable		**(3 142)**	(806)	(665)
tax receivable[2]		**732**	1 113	5 419
Per the statement of cash flows		**13 531**	5 280	5 659
Comprising				
Normal tax				
South Africa		**11 739**	6 622	3 131
Foreign		**1 860**	(1 342)	2 526
Dividend withholding tax		**(68)**	–	2
		13 531	5 280	5 659

1 2021 mainly due to ROMPCO tax payable that was transferred to liabilities held for sale.

2 2020 relates mainly to the relief provided to companies in the United States under the Coronavirus Aid Relief and Economic Security Act 9 (CARES Act) allowing taxpayers to carry back losses incurred during 2018 – 2020 for five years.

14 Deferred tax

for the year ended 30 June	Note	2022 Rm	2021 Rm
Reconciliation			
Balance at beginning of year		**(16 718)**	(12 511)
Current year charge		**(1 572)**	(8 956)
per the income statement	12	**(2 362)**	(9 324)
per the statement of comprehensive income		**790**	368
Reclassification from held for sale		**665**	424
Disposal of investment[1]		**–**	(85)
Foreign exchange differences recognised in income statement		**23**	(103)
Translation of foreign operations		**(3 047)**	4 513
Balance at end of year		**(20 649)**	(16 718)
Comprising			
Deferred tax assets		**(31 198)**	(24 511)
Deferred tax liabilities		**10 549**	7 793
		(20 649)	(16 718)

1 Taxation related to the disposal of our investment in Aethylen-Rohrleitungs-Gesellschaft mbH & Co. KG.

Deferred tax assets and liabilities are determined based on the tax status and rates of the underlying entities. The increase in deferred tax assets relates mainly to our US operations as a result of the weakening exchange rate, as well as our Treasury Group due to the derivative losses. We anticipate sufficient profits to be generated in future to utilise the deferred tax asset against. These US and SA tax losses do not expire.

14 Deferred tax continued

for the year ended 30 June	2022 Rm	2021 Rm
Attributable to the following tax jurisdictions		
South Africa	**447**	3 169
United States of America	**(21 462)**	(18 556)
Germany	**1 084**	(1 085)
Mozambique	**(400)**	323
Other	**(318)**	(569)
	(20 649)	(16 718)
Deferred tax is attributable to temporary differences on the following:		
NET DEFERRED TAX ASSETS:		
Property, plant and equipment	**13 047**	6 287
Right of use assets	**587**	1 024
Short- and long-term provisions	**(811)**	(3 731)
Calculated tax losses	**(37 953)**	(24 097)
Financial liabilities	**(1 930)**	(1 324)
Other	**(4 138)**	(2 670)
	(31 198)	(24 511)
NET DEFERRED TAX LIABILITIES:		
Property, plant and equipment	**17 963**	13 392
Right of use assets	**1 617**	1 370
Current assets	**(1 376)**	(1 124)
Short- and long-term provisions	**(5 676)**	(3 948)
Calculated tax losses	**(47)**	(11)
Financial liabilities	**206**	135
Other	**(2 138)**	(2 021)
	10 549	7 793

Deferred tax assets have been recognised for the carry forward amount of unutilised tax losses relating to the group's operations where, among other things, some taxation losses can be carried forward indefinitely and there is compelling evidence that it is probable that sufficient taxable profits will be available in the future to utilise all tax losses carried forward.

for the year ended 30 June	2022 Rm	2021 Rm
Calculated tax losses		
(before applying the applicable tax rate)		
Available for offset against future taxable income	**164 474**	105 428
Utilised against the deferred tax balance	**(160 244)**	(102 890)
Not recognised as a deferred tax asset[1]	**4 230**	2 538
CALCULATED TAX LOSSES CARRIED FORWARD THAT HAVE NOT BEEN RECOGNISED:		
Expiry within 1 year	**167**	3
Expiry between one and five years	**1 085**	1 150
Expiry thereafter	**763**	608
Indefinite life	**2 215**	777
	4 230	2 538

1 Included in 2022 are tax losses of R1,5 billion relating to Sasol Investment Company (Pty) Ltd mainly due to intergroup exposure on foreign currency loans.

14 Deferred tax continued

Areas of judgement:

Sasol companies are involved in tax litigation and tax disputes with various tax authorities in the normal course of business. A detailed assessment is performed regularly on each matter and a provision is recognised where appropriate. Although the outcome of these claims and disputes cannot be predicted with certainty, Sasol believes that open engagement and transparency will enable appropriate resolution thereof.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilised. This includes the significant tax losses incurred at our US operations and Sasol Financing International Limited where we anticipate sufficient profits to be generated in future to utilise the deferred tax asset against. These losses do not expire. Where appropriate, the expected impact of climate change was considered in estimating the future taxable profits. These assumptions are in line with the assumptions disclosed in note 9. The provision of deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of its assets and liabilities.

Unremitted earnings at end of year that would be subject to foreign dividend withholding tax and after tax effect if remitted

Deferred tax liabilities are not recognised for the income tax effect that may arise on the remittance of unremitted earnings by foreign subsidiaries, joint operations and incorporated joint ventures. It is management's intention that, where there is no double taxation relief, these earnings will be permanently re-invested in the group.

for the year ended 30 June	2022 Rm	2021 Rm
Unremitted earnings at end of year that would be subject to dividend withholding tax	**32 268**	26 662
Europe	**22 788**	20 051
Rest of Africa	**2 580**	1 933
Other	**6 900**	4 678
Tax effect if remitted	**724**	455
Europe	**489**	277
Rest of Africa	**206**	155
Other	**29**	23

Dividend withholding tax

Dividend withholding tax is payable at a rate of 20% on dividends distributed to shareholders. Dividends paid to companies and certain other institutions and certain individuals are not subject to this withholding tax. This tax is not attributable to the company paying the dividend but is collected by the company and paid to the tax authorities on behalf of the shareholder.

On receipt of a dividend, the company includes the dividend withholding tax in its computation of the income tax expense.

for the year ended 30 June	2022 Rm	2021 Rm
Undistributed earnings at end of year that would be subjected to dividend withholding tax withheld by the company on behalf of Sasol Limited shareholders	**138 275**	99 061
Maximum withholding tax payable by shareholders if distributed to individuals	**27 655**	19 812

Accounting policies:

The income tax charge is determined based on net income before tax for the year and includes current tax, deferred tax and dividend withholding tax.

The current tax charge is the tax payable on the taxable income for the financial year applying enacted or substantively enacted tax rates and includes any adjustments to tax payable in respect of prior years.

Deferred tax is provided for using the liability method, on all temporary differences between the carrying amount of assets and liabilities for accounting purposes and the amounts used for tax purposes and on any tax losses using enacted or substantively enacted tax rates at the reporting date that are expected to apply when the asset is realised or liability settled. The decrease in the South African corporate tax rate is considered substantively enacted and is effective from 1 July 2022.

Deferred tax assets and liabilities are offset when the related income taxes are levied by the same taxation authority, there is a legally enforceable right to offset and there is an intention to settle the balances on a net basis.

SOURCES OF CAPITAL

EQUITY

for the year ended 30 June	2022 Rm	2021 Rm	2020 Rm
15 Share capital			
Issued share capital (as per statement of changes in equity)*	**9 888**	9 888	9 888

	Number of shares		
for the year ended 30 June	2022	2021	2020
Authorised			
Sasol ordinary shares of no par value	**1 127 690 590**	1 127 690 590	1 127 690 590
Sasol preferred ordinary shares of no par value	**28 385 646**	28 385 646	28 385 646
Sasol BEE ordinary shares of no par value	**158 331 335**	158 331 335	158 331 335
	1 314 407 571	1 314 407 571	1 314 407 571
Issued			
Shares issued at beginning of year	**634 244 336**	632 365 757	631 028 318
Issued in terms of the employee share schemes	**1 432 481**	1 878 579	1 337 439
Shares issued at end of year	**635 676 817**	634 244 336	632 365 757
Comprising			
Sasol ordinary shares of no par value	**629 345 470**	627 912 989	626 034 410
Sasol BEE ordinary shares of no par value	**6 331 347**	6 331 347	6 331 347
	635 676 817	634 244 336	632 365 757
Unissued shares			
Sasol ordinary shares of no par value	**498 345 120**	499 777 601	501 656 180
Sasol preferred ordinary shares of no par value	**28 385 646**	28 385 646	28 385 646
Sasol BEE ordinary shares of no par value	**151 999 988**	151 999 988	151 999 988
	678 730 754	680 163 235	682 041 814

* At 30 June 2022, 10 243 580 (2021 - 10 469 584; 2020 - 13 969 621) shares were held by the Sasol Foundation Trust and the Sasol Khanyisa Employee Share Ownership Plan.

Accounting policies:

When Sasol Limited's shares are repurchased by a subsidiary, the amount of consideration paid, including directly attributable costs, is recognised as a deduction from shareholders' equity. Repurchased shares are classified as treasury shares and are disclosed as a deduction from total equity. Where such shares are subsequently reissued, any consideration received is included in the statement of changes in equity.

FUNDING ACTIVITIES AND FACILITIES

for the year ended 30 June	2022 Rm	2021 Rm
16 Long-term debt		
Total long-term debt	**104 834**	102 643
Short-term portion	**(22 334)**	(5 506)
	82 500	97 137
Analysis of long-term debt		
AT AMORTISED COST		
Secured debt	**67**	108
Unsecured debt	**105 142**	102 974
Unamortised loan costs	**(375)**	(439)
	104 834	102 643
RECONCILIATION		
Balance at beginning of year	**102 643**	167 197
Loans raised[1]	**88**	26 057
Loans repaid[2]	**(12 086)**	(61 454)
Interest accrued	**936**	305
Amortisation of loan costs	**132**	160
Disposal of business	**–**	(2 673)
Transfer to disposal groups held for sale	**–**	(939)
Translation of foreign operations	**13 121**	(26 010)
Balance at end of year	**104 834**	102 643
INTEREST-BEARING STATUS		
Interest-bearing debt	**104 834**	102 643
MATURITY PROFILE		
Within one year	**22 334**	5 506
One to five years	**55 936**	64 495
More than five years	**26 564**	32 642
	104 834	102 643

1 2021 loans raised relate mainly to the R23,1 billion (US$1,5 billion) bonds issued in March 2021.

2 Current year relates mainly to repayments on the revolving credit facility (RCF); 2021 relates mainly to the repayments in the RCF in Sasol Financing International Limited of R55,4 billion (US$3,6 billion) as well as repayment of term loans R5,4 billion (US$350 million).

16 Long-term debt continued

Terms of repayment	Business	Currency	Interest rate at 30 June 2022*	2022 Rm	2021 Rm
Unsecured debt					
Various repayment terms ending June 2026	Various	Various	**Various**	**460**	599
Various repayment terms	Fuels	Rand	**Fixed 8%**	**569**	588
Repayable in August 2022	Corporate Centre (Sasol Financing)	Rand	**Variable 3 months Jibar + 1,3%**	**2 193**	2 191
Repayable November 2022[1]	Corporate Centre (Sasol Financing International)	US dollar	**Fixed 4,5%**	**16 375**	14 359
Repayable in November 2024[2,3,6]	Corporate Centre (Sasol Financing International and Sasol Financing USA)	US dollar	**SOFR + Credit Adj +2%**	**–**	7 788
Repayable June 2024[4,6]	Corporate Centre (Sasol Financing USA)	US dollar	**SOFR +Credit Adj + 2%**	**2 444**	2 143
Repayable June 2024[4,6]	Corporate Centre (Sasol Financing USA)	US dollar	**SOFR +Credit Adj + 2%**	**20 940**	20 954
Various repayment terms from March 2024 to March 2031[5]	Corporate Centre (Sasol Financing USA)	US dollar	**Fixed 4,4% to 6,5%)**	**62 161**	54 352
Total unsecured debt				**105 142**	102 974
Secured debt				**67**	108
Unamortised loan costs (amortised over period of debt using the effective interest rate method)				**(375)**	(439)
				104 834	102 643
Short-term portion of long-term debt				**(22 334)**	(5 506)
				82 500	97 137

* Unless specified interest rate remained unchanged year-on-year.

1 Included in this amount is the US$1 billion (R16 billion) bond, with a fixed interest rate of 4,5% which is listed on the New York Stock Exchange and is recognised in Sasol Financing International Limited (SFIL), a 100% owned subsidiary of the group. Sasol Limited has fully and unconditionally guaranteed the bond. There are no restrictions on the ability of Sasol Limited to obtain funds from the finance subsidiary, SFIL, by dividend or loan.

2 In 2021 the variable interest rate debt relates to the US$3,8 billion (R54,2 billion) revolving credit facility.

3 During the year Sasol Financing International Limited, repaid R5 billion ($348 million) on the revolving credit facility.

4 The variable interest rate debt relates to the US$1,28 billion (R20,9 billion) term loan and US$150 million (R2,4 billion) revolving credit facility.

5 Included in this amount is the US$3,8 billion (R62 billion) bonds with fixed interest rates of between 4,38% and 6,5% which are listed on the New York Stock Exchange and is recognised in Sasol Financing USA LLC (SFUSA), a 100% owned subsidiary of the group. Sasol Limited has fully and unconditionally guaranteed the bonds. There are no restrictions on the ability of Sasol Limited to obtain funds from the finance subsidiary, SFUSA, by dividend or loan.

6 Effective 15 March 2022 contractual arrangements relating to the term loan and revolving credit facilities were amended to replace the US dollar LIBOR with the Secured Overnight Financing Rate (SOFR). (2021: Libor + 2% on the term loan and Variable Libor + 1,6% on the RCF.)

16 Long-term debt continued

30 June 2022	Expiry date	Currency	Contract amount million	Total Rand equivalent Rm	Utilised facilities Rm	Available facilities Rm
Banking facilities and debt arrangements						
GROUP TREASURY FACILITIES						
Commercial paper (uncommitted)[1]	None	Rand	8 000	8 000	2 176	5 824
Commercial banking facilities	None	Rand	8 150	8 150	–	8 150
Revolving credit facility	June 2024	US dollar	150	2 442	2 442	–
Revolving credit facility[2]	November 2024	US dollar	2 845	46 317	–	46 317
DEBT ARRANGEMENTS						
US Dollar Bond	November 2022	US dollar	1 000	16 280	16 280	–
US Dollar term loan	June 2024	US dollar	1 285	20 919	20 919	–
US Dollar Bond	March 2024	US dollar	1 500	24 420	24 420	–
US Dollar Bond	September 2026	US dollar	650	10 582	10 582	–
US Dollar Bond	September 2028	US dollar	750	12 210	12 210	–
US Dollar Bond	March 2031	US dollar	850	13 838	13 838	–
Other Sasol businesses						
SPECIFIC PROJECT ASSET FINANCE						
Energy – Clean Fuels II (Natref)	Various	Rand	875	875	875	–
DEBT ARRANGEMENTS						
Other debt arrangements		Various	–	–	712	–
					104 454	60 291
Available cash excluding restricted cash						40 405
Total funds available for use						100 696
Total utilised facilities						104 454
Accrued interest						1 010
Unamortised loan cost						(375)
Total debt including accrued interest and unamortised loan cost						105 089
COMPRISING						
Long-term debt						82 500
Short-term debt						22 416
Short-term debt						82
Short-term portion of long-term debt						22 334
Bank overdraft						173
						105 089

1 In August 2019, Sasol issued its inaugural paper to the value of R2 176 million in the local debt market under the current Domestic Medium Term Note (DMTN) programme, at 130 basis points above 3 month Jibar, repayable in August 2022.

2 The RCF is available until November 2024, with total availability reducing to US$2,549 billion by November 2022 and to US$2,075 billion by November 2023.

Accounting policies:

Debt, which constitutes a financial liability, includes short-term and long-term debt. Debt is initially recognised at fair value, net of transaction costs incurred and is subsequently stated at amortised cost. Debt is classified as short-term unless the borrowing entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Debt is derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the income statement as finance expenses based on the effective interest rate method. A debt modification gain or loss is recognised immediately when a debt measured at amortised cost has been modified.

FUNDING ACTIVITIES AND FACILITIES (CONTINUED)

for the year ended 30 June	Land Rm	Buildings Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Total Rm
17 Leases					
Right of use assets					
Carrying amount at 30 June 2021	241	5 153	7 508	1	**12 903**
Additions	1	674	900	2	**1 577**
Modifications and reassessments	–	(5)	(17)	–	**(22)**
Reclassification to held for sale (note 11)	(28)	(42)	(39)	–	**(109)**
Translation of foreign operations	11	70	451	–	**532**
Terminations	–	(17)	(24)	–	**(41)**
Current year depreciation charge	(11)	(655)	(1 552)	(2)	**(2 220)**
Reversal of impairment of right of use assets (note 9)	3	2	4	–	**9**
Carrying amount at 30 June 2022	**217**	5 180	7 231	**1**	**12 629**

for the year ended 30 June	Land Rm	Buildings Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Total Rm
Right of use assets					
Carrying amount at 30 June 2020	184	6 446	7 179	7	**13 816**
Additions	94	527	1 278	–	**1 899**
Modifications and reassessments	–	(689)	(104)	–	**(793)**
Acquisition of business	–	–	111	–	**111**
Disposal of business	–	–	(55)	–	**(55)**
Reclassification from/(to) held for sale (note 11)	–	(3)	(41)	–	**(44)**
Translation of foreign operations	(26)	(304)	827	–	**497**
Terminations	–	(125)	(52)	(1)	**(178)**
Current year depreciation charge	(11)	(694)	(1 607)	(5)	**(2 317)**
Net impairment of right of use assets (note 9)	–	(5)	(28)	–	**(33)**
Carrying amount at 30 June 2021	241	5 153	7 508	1	**12 903**

for the year ended 30 June	Land Rm	Buildings Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Total Rm
2022					
Cost	301	7 616	11 842	7	**19 766**
Accumulated depreciation and impairment	(84)	(2 436)	(4 611)	(6)	**(7 137)**
	217	5 180	7 231	1	**12 629**
2021					
Cost	549	7 389	10 763	4	18 705
Accumulated depreciation and impairment	(308)	(2 236)	(3 255)	(3)	(5 802)
	241	5 153	7 508	1	12 903
2020					
Cost	523	8 046	10 954	9	19 532
Accumulated depreciation and impairment	(339)	(1 600)	(3 775)	(2)	(5 716)
	184	6 446	7 179	7	13 816

17 Leases continued

for the year ended 30 June	Note	2022 Rm	2021 Rm
Lease liabilities			
Total long-term lease liabilities		**14 266**	13 906
Short-term portion (included in short-term debt)	18	**1 768**	1 771
		16 034	15 677
RECONCILIATION			
Balance at beginning of year		**15 677**	17 719
New lease contracts		**1 979**	2 011
Payments made on lease liabilities		**(2 264)**	(2 180)
Modifications and reassessments		**(23)**	(802)
Interest accrued		**453**	332
Termination of lease liability		**(63)**	(189)
Acquisition of business		**–**	111
Disposal of business		**–**	(25)
Transfer (to)/from disposal groups held for sale		**(362)**	10
Translation of foreign operations		**637**	(1 310)
Balance at end of year		**16 034**	15 677

for the year ended 30 June	2022 Rm	2021 Rm	2020 Rm
Amounts recognised in income statement			
Interest expense (included in net finance cost)	**1 357**	1 488	1 465
Expense relating to short-term leases*	**474**	423	757
Expense relating to leases of low-value assets that are not shown above as short-term leases*	**79**	65	33
Expense relating to variable lease payments not included in lease liabilities (included in other operating expenses and income)*	**32**	58	64
Amounts recognised in statement of cash flows			
Total cash outflow on leases	**3 753**	3 882	4 048

* Included in cash paid to suppliers and employees in the statement of cash flows.

The group leases a number of assets as part of its activities. These primarily include corporate office buildings in Sandton and Houston, rail yard, rail cars, retail convenience centres and storage facilities. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. A maturity analysis of lease liabilities is provided in note 39.

Areas of judgement:

Various factors are considered in assessing whether an arrangement contains a lease including whether a service contract includes the implicit right to substantially all of the economic benefits from assets used in providing the service and whether the group directs how and for what purpose such assets are used. In performing this assessment, the group considers decision-making rights that will most affect the economic benefits that will be derived from the use of the asset such as changing the type, timing, or quantity of output that is produced by the asset.

Incorporating optional lease periods where there is reasonable certainty that the option will be extended is subject to judgement and has an impact on the measurement of the lease liability and related right of use asset. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option, including consideration of the significance of the underlying asset to the operations and the expected remaining useful life of the operation where the leased asset is used.

The incremental borrowing rate that the group applies is the rate that the group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. The estimation of the incremental borrowing rate is determined for each lease contract using the risk-free rate over a term matching that of the lease, adjusted for other factors such as the credit rating of the lessee, a country risk premium and the borrowing currency. A higher incremental borrowing rate would lead to the recognition of a lower lease liability and corresponding right of use asset.

The range of incremental borrowing rates applied were as follows:

Southern Africa	4,18 – 16,47% (2021: 6,19 – 15,35%)
North America	1,46 – 5,77% (2021: 2,15 – 5,64%)
Eurasia	0,38 – 11,16% (2021: 0,38 – 6,35%)

17 Leases continued

Accounting policies:

At contract inception all arrangements are assessed to determine whether it is, or contains, a lease. At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised;
- payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate; and
- lease payments to be made under reasonably certain extension options.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are capitalised as part of the cost of inventories or assets under construction) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. The incremental borrowing rate is the rate that the group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The group applies the recognition exemptions to short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses over the lease term.

Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life. The depreciation charge is recognised in the income statement unless it is capitalised as part of the cost of inventories or assets under construction.

The right of use assets are also subject to impairment. Refer to the accounting policies in note 9 on Remeasurement items affecting profit or loss.

Where the group transfers control of an asset to another entity (buyer-lessor) and leases that same asset back from the buyer-lessor, the group derecognises the underlying asset and recognises a right-of-use asset at the proportion of the previous carrying amount of the transferred asset that relates to the right of use retained by the group. The group also recognises a lease liability measured at the present value of all expected future lease payments with the resulting gain or loss being included in remeasurement items.

for the year ended 30 June	Note	2022 Rm	2021 Rm
18 Short-term debt			
Short-term debt		**82**	60
Short-term portion of			
long-term debt[1]	16	**22 334**	5 506
lease liabilities	17	**1 768**	1 771
		24 184	7 337

1 At 30 June 2022 R16 billion (US$1 billion) US Dollar bond as well as R2,2 billion relating to the DMTN were classified as short-term, these are repayable in November and August 2022 respectively.

CAPITAL ALLOCATION AND UTILISATION

INVESTING ACTIVITIES

19 Property, plant and equipment

for the year ended 30 June	Land Rm	Building and improvements Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Assets under construction* Rm	Total Rm
Carrying amount at 30 June 2021	3 871	11 554	128 986	27 476	26 134	**198 021**
Additions	20	80	701	58	21 754	**22 613**
to sustain existing operations	20	75	671	58	20 091	**20 915**
to expand operations	–	5	30	–	1 663	**1 698**
Reduction in rehabilitation provisions capitalised (note 32)	–	–	(33)	(56)	(395)	**(484)**
Finance costs capitalised	–	–	–	–	740	**740**
Assets capitalised or reclassified	(170)	(445)	17 482	88	(17 203)	**(248)**
Reclassification to held for sale (note 11)	(51)	(22)	(340)	–	(59)	**(472)**
Translation of foreign operations	407	908	13 527	–	195	**15 037**
Disposals and scrapping	(10)	(533)	(2 565)	(87)	(607)	**(3 802)**
Current year depreciation charge	–	(434)	(8 599)	(2 499)	–	**(11 532)**
Net impairment reversal of property, plant and equipment (note 9)	(57)	13	1 416	–	63	**1 435**
Carrying amount at 30 June 2022	4 010	11 121	150 575	24 980	30 622	**221 308**

* Includes intangible assets under construction.

for the year ended 30 June	Land Rm	Building and improvements Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Assets under construction* Rm	Total Rm
Carrying amount at 30 June 2020	5 591	11 954	152 255	30 043	27 802	227 645
Additions	18	4	1 063	43	14 894	16 022
to sustain existing operations	18	–	948	43	13 792	14 801
to expand operations	–	4	115	–	1 102	1 221
Net reclassification (to)/from other assets	(2)	56	(750)	20	722	46
Reduction in rehabilitation provisions capitalised	–	(4)	(55)	(1 401)	(965)	(2 425)
Establishment of joint operation[1]	325	1 097	28 079	–	62	29 563
Disposal of business[2]	(1 399)	(632)	(4 544)	(1)	(31)	(6 607)
Finance costs capitalised	–	–	–	–	880	880
Projects capitalised	73	837	11 918	2 654	(15 952)	(470)
Reclassification from/(to) held for sale (note 11)	98	349	(711)	(981)	(444)	(1 689)
Translation of foreign operations	(775)	(1 457)	(18 327)	98	(573)	(21 034)
Disposals and scrapping	(2)	(19)	(184)	(49)	(203)	(457)
Current year depreciation charge	–	(537)	(11 080)	(3 303)	–	(14 920)
Net impairment of property, plant and equipment (note 9)	(56)	(94)	(28 678)	353	(58)	(28 533)
Carrying amount at 30 June 2021	3 871	11 554	128 986	27 476	26 134	198 021

* Includes intangible assets under construction.

1 Refer to note 10 for details.

2 Relates mainly to the disposal of our 50% equity interest in Gemini HDPE LLC.

19 Property, plant and equipment continued

for the year ended 30 June	Land Rm	Building and improvements Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Assets under construction Rm	Total Rm
2022						
Cost	**4 357**	**21 466**	**356 420**	**49 388**	**30 622**	**462 253**
Accumulated depreciation and impairment	**(347)**	**(10 345)**	**(205 845)**	**(24 408)**	**–**	**(240 945)**
	4 010	**11 121**	**150 575**	**24 980**	**30 622**	**221 308**
2021						
Cost	4 145	20 462	334 432	47 606	26 134	432 779
Accumulated depreciation and impairment	(274)	(8 908)	(205 446)	(20 130)	–	(234 758)
	3 871	11 554	128 986	27 476	26 134	198 021
2020						
Cost	5 844	21 418	325 837	84 822	27 802	465 723
Accumulated depreciation and impairment	(253)	(9 464)	(173 582)	(54 779)	–	(238 078)
	5 591	11 954	152 255	30 043	27 802	227 645

for the year ended 30 June	2022 Rm	2021 Rm	2020 Rm
ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT (CASH FLOW)			
Current year additions	**22 613**	16 022	38 092
Adjustments for non-cash items	**(20)**	(77)	(2 947)
movement in environmental provisions capitalised	**(20)**	(77)	(2 947)
Per the statement of cash flows	**22 593**	15 945	35 145

for the year ended 30 June	2022 Rm	2021 Rm
Capital commitments (excluding equity accounted investments)		
Capital commitments, excluding capitalised interest, include all projects for which specific board approval has been obtained. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:		
Authorised and contracted for	**41 892**	33 196
Authorised but not yet contracted for	**35 830**	33 297
Less expenditure to the end of year	**(32 438)**	(26 605)
	45 284	39 888
to sustain existing operations	**30 805**	25 591
to expand operations	**14 479**	14 297
ESTIMATED EXPENDITURE		
Within one year	**27 719**	21 393
One to five years	**17 565**	18 495
	45 284	39 888

INVESTING ACTIVITIES (CONTINUED)

19 Property, plant and equipment continued

Significant capital commitments and expenditure at 30 June comprise mainly of:

Project	Project location	Business segment	Capital commitments 2022 Rm	Capital commitments 2021 Rm	Capital expenditure 2022 Rm	Capital expenditure 2021 Rm
Projects to sustain operations						
Shutdown and major statutory maintenance	Various	Various	**7 963**	6 439	**6 082**	2 583
Environmental projects	Various	Various	**3 449**	3 033	**1 520**	1 806
Clean fuels II	Various	Fuels	**2 632**	1 483	**893**	237
Projects to expand operations						
Environmental projects	South Africa	Fuels	**640**	–	**–**	–
Mozambique exploration and development	Mozambique	Gas	**11 448**	10 786	**1 377**	234
Lake Charles Chemical Project	United States	Chemicals America	**–**	798	**99**	684

Areas of judgement:

The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually. The estimation of the useful lives of property, plant and equipment is based on historic performance as well as expectations about future use and the impact of climate change and therefore requires a significant degree of judgement to be applied by management. The remaining useful lives of property, plant and equipment have been reassessed considering the group's targeted reduction in GHG emissions and remain appropriate.

The following depreciation rates apply in the group:

Buildings and improvements	1 – 17%, units of production over life of related reserve base
Retail convenience centres (included in buildings and improvements)	3 – 5 %
Plant	2 – 50 %
Equipment	3 – 91 %
Vehicles	5 – 33 %
Mineral assets	Units of production over life of related reserve base
Life-of-mine coal assets (included in mineral assets)	Units of production over life of related reserve base

Accounting policies:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated.

When plant and equipment comprises major components with different useful lives, these components are accounted for as separate items.

Depreciation of mineral assets on producing oil and gas properties is based on the units-of-production method calculated using estimated proved developed reserves.

Life-of-mine coal assets are depreciated using the units-of-production method and is based on proved and probable reserves assigned to that specific mine (accessible reserves) or complex which benefits from the utilisation of those assets. Other coal mining assets are depreciated on the straight-line method over their estimated useful lives.

Depreciation of property acquisition costs, capitalised as part of mineral assets in property, plant and equipment, is based on the units-of-production method calculated using estimated proved reserves.

Property, plant and equipment, other than mineral assets, is depreciated to its estimated residual value on a straight-line basis over its expected useful life.

19 Property, plant and equipment continued

ASSETS UNDER CONSTRUCTION

Assets under construction include land and expenditure capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment. The cost of self-constructed assets includes expenditure on materials, direct labour and an allocated proportion of project overheads. Cost also includes the estimated costs of dismantling and removing the assets and site rehabilitation costs to the extent that they relate to the construction of the asset as well as gains or losses on qualifying cash flow hedges attributable to that asset. When regular major inspections are a condition of continuing to operate an item of property, plant and equipment, and plant shutdown costs will be incurred, an estimate of these shutdown costs are included in the carrying value of the asset at initial recognition. Land acquired, as well as costs capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment are classified as part of assets under construction.

Finance expenses in respect of specific and general borrowings are capitalised against qualifying assets as part of assets under construction. Where funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of finance expenses eligible for capitalisation on that asset is the actual finance expenses incurred on the borrowing during the period less any investment income on the temporary investment of those borrowings.

Where funds are made available from general borrowings and used for the purpose of acquiring or constructing qualifying assets, the amount of finance expenses eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on these assets. The capitalisation rate of 4,6% (2020 – 4,9%) is calculated as the weighted average of the interest rates applicable to the borrowings of the group that are outstanding during the period, including borrowings made specifically for the purpose of obtaining qualifying assets once the specific qualifying asset is ready for its intended use. The amount of finance expenses capitalised will not exceed the amount of borrowing costs incurred.

for the year ended 30 June	2022 Rm	2021 Rm
20 Long-term receivables and prepaid expenses		
Total long-term receivables	**4 230**	4 956
Impairment of long-term receivables*	**(85)**	(91)
Short-term portion	**(1 122)**	(986)
	3 023	3 879
Long-term prepaid expenses	**187**	345
	3 210	4 224
Comprising:		
Long-term receivables (interest-bearing) – joint operations	**584**	605
Long-term loans	**2 016**	2 517
LCCP investment incentives	**423**	757
	3 023	3 879

*** Impairment of long-term loans and receivables**
Long-term loans and receivables are considered for impairment under the expected credit loss model. Refer to note 39 for detail on the impairments recognised.

21 Equity accounted investments

At 30 June, the group's interest in equity accounted investments and the total carrying values were:

Name	Country of incorporation	Nature of activities	Interest %	2022 Rm	2021 Rm
Joint ventures					
ORYX GTL Limited	Qatar	GTL plant	**49**	**8 920**	9 329
Sasol Dyno Nobel (Pty) Ltd	South Africa	Manufacturing and distribution of explosives	**50**	**267**	260
Associates					
Enaex Africa (Pty) Ltd	South Africa	Manufacturing and distribution of explosives	**23**	**309**	295
The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)[1]	South Africa	Owning and operating of the natural gas transmission pipeline between Temane in Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa	**20**	**2 753**	–
Other equity accounted investments			**Various**	**435**	258
Carrying value of investments				**12 684**	10 142

1 Effective 29 June 2022 Sasol disposed of 30% of its shareholding in ROMPCO. The group retains 20% shareholding and the ability to appoint 4 of the 14 directors. Accordingly, the investment in ROMPCO is accounted for as an associate from the disposal date.

There are no significant restrictions on the ability of the joint ventures or associate to transfer funds to Sasol Limited in the form of cash dividends or repayment of loans or advances.

Impairment testing of equity accounted investments

Based on impairment indicators at each reporting date, impairment tests in respect of investments in joint ventures and associates are performed. Refer to note 9 for more information on impairment assessments performed.

Summarised financial information for the group's share of equity accounted investments which are not material*

for the year ended 30 June	2022 Rm	2021 Rm
Operating profit	**114**	128
Profit before tax	**159**	140
Taxation	**(50)**	(45)
Profit for the year	**109**	95

* The financial information provided represents the group's share of the results of the equity accounted investments.

Capital commitments relating to equity accounted investments	2022 Rm	2021 Rm
Capital commitments, excluding capitalised interest, include all projects for which specific board approval has been obtained up to the reporting date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:		
Authorised and contracted for	**688**	622
Authorised but not yet contracted for	**884**	713
Less: expenditure to the end of year	**(562)**	(348)
	1 010	987

Areas of judgement:

Joint ventures and associates are assessed for materiality in relation to the group using a number of factors such as investment value, strategic importance and monitoring by those charged with governance.

ORYX GTL and ROMPCO are considered to be material as it is closely monitored by and reported on to the decision makers and are considered to be a strategically material investments.

21 Equity accounted investments continued

Summarised financial information for the group's material equity accounted investments

In accordance with the group's accounting policy, the results of joint ventures and associates are equity accounted. The information provided below represents the group's material joint venture and associate. The financial information presented includes the full financial position and results of the joint venture and includes intercompany transactions and balances.

	Joint venture	
	ORYX GTL Limited	
for the year ended 30 June	**2022 Rm**	2021 Rm
Summarised statement of financial position		
Non-current assets	**13 723**	13 149
Deferred tax asset	**292**	212
Cash and cash equivalents*	**4 208**	2 682
Other current assets	**7 775**	5 307
Total assets	**25 998**	21 350
Other non-current liabilities	**704**	742
Other current liabilities	**4 594**	1 178
Tax payable	**2 496**	391
Total liabilities	**7 794**	2 311
Net assets	**18 204**	19 039
Summarised income statement		
Turnover	**16 620**	8 538
Depreciation and amortisation	**(1 625)**	(1 759)
Other operating expenses	**(5 497)**	(4 513)
Operating profit before interest and tax	**9 498**	2 266
Finance income	**33**	6
Finance cost	**(42)**	(48)
Profit before tax	**9 489**	2 224
Taxation	**(3 329)**	(758)
Profit and total comprehensive income for the year	**6 160**	1 466
The group's share of profits of equity accounted investment	**3 019**	719
49% share of profit before tax	**4 650**	1 090
Taxation	**(1 631)**	(371)
Reconciliation of summarised financial information		
Net assets at the beginning of the year	**19 039**	21 452
Earnings before tax for the year	**9 489**	2 224
Taxation	**(3 329)**	(758)
Foreign exchange differences	**2 438**	(3 879)
Dividends paid**	**(9 433)**	–
Net assets at the end of the year	**18 204**	19 039
Carrying value of equity accounted investment	**8 920**	9 329

* Cash and cash equivalents was disclosed separately from other current assets in the current and prior year.

** ORYX GTL Limited declared a dividend of R4,6 billion (Sasol's share) of which R3 billion has been received at 30 June 2022. Refer to note 25.

The year-end for ORYX GTL Limited is 31 December, however the group uses the financial information at 30 June.

The carrying value of the investment represents the group's interest in the net assets thereof.

21 Equity accounted investments continued

	Associate	
	The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)	
for the year ended 30 June	2022 Rm	2021 Rm
Summarised statement of financial position		
Non-current assets[1]	5 770	–
Cash and cash equivalents	1 056	–
Other current assets	373	–
Total assets	7 199	–
Other non-current liabilities	812	–
Other current liabilities	125	–
Tax payable	51	–
Total liabilities	988	–
Net assets	6 211	–
Carrying value of equity accounted investment	2 753	–

1 Includes fair value adjustment on acquisition of investment.

On 29 June 2022 the group disposed of 30% of its investment in ROMPCO, retaining a 20% interest.

The carrying value of the investment represents the group's interest in the net assets thereof.

Contingent liabilities

There were no contingent liabilities at 30 June 2022 and 30 June 2021 relating to our joint ventures or associates.

Accounting policies:

The financial results of associates and joint ventures are included in the group's results according to the equity method from acquisition date until the disposal date. Associates and joint ventures whose financial year-ends are within three months of 30 June are included in the consolidated financial statements using their most recently audited financial results. Adjustments are made to the associates' and joint ventures financial results for material transactions and events in the intervening period.

22 Interest in joint operations

At 30 June, the group's interest in material joint operations were:

Name	Country of incorporation	Nature of activities	% of equity owned 2022 %	2021 %
Louisiana Integrated Polyethylene JV LLC	United States of America	Manufactures high density polyethylene chemicals	**50**	50
Sasol Canada[1]	Canada	Development of shale gas reserves and production and marketing of shale gas	**–**	50
Natref	South Africa	Refining of crude oil	**64**	64

1 The Group sold its investment in Sasol Canada on 29 July 2021.

In accordance with the Group's accounting policy, the results of joint operations are accounted for on a line by line basis. The information provided is Sasol's share of joint operations (excluding unincorporated joint operations) and includes intercompany transactions and balances.

for the year ended 30 June	Louisiana Integrated Polyethylene JV LLC* Rm	Natref Rm	Total 2022 Rm	Total 2021** Rm
Statement of financial position				
External non-current assets	30 554	3 595	**34 149**	30 647
External current assets	1 006	351	**1 357**	4 872
Intercompany current assets	60	12	**72**	2
Total assets	31 620	3 958	**35 578**	35 521
Shareholders' equity	30 785	296	**31 081**	28 754
Long-term liabilities	27	2 427	**2 454**	2 522
Interest-bearing current liabilities	44	193	**237**	225
Non-interest-bearing current liabilities	546	655	**1 201**	2 607
Intercompany current liabilities	218	387	**605**	1 413
Total equity and liabilities	31 620	3 958	**35 578**	35 521

* The joint operation with LyondellBasell operates as a tolling arrangement. Sasol retains control of our portion of the goods during the toll processing, for which a fee is paid, and only recognises revenue when the finished goods are transferred to a final customer. Equistar, as subsidiary of LyondellBasell, acts as an independent agent, for a fee, to exclusively market and sell all of Sasol's Linear low-density polyethylene (LLDPE) and Low-density polyethylene (LDPE) produced by the joint operation to customers.

** The group sold it's investment in Sasol Canada on 29 July 2021 and its investment in Central Térmica de Ressano Garcia (CTRG) on 29 April 2022.

At 30 June 2022, the group's share of the total capital commitments of joint operations amounted to R952 million (2021 – R717 million).

23 Interest in significant operating subsidiaries

Sasol Limited is the ultimate parent of the Sasol group of companies. Our wholly-owned subsidiary, Sasol Investment Company (Pty) Ltd, a company incorporated in the Republic of South Africa, primarily holds our interests in companies incorporated outside of South Africa. The following table presents each of the group's significant subsidiaries (including direct and indirect holdings), the nature of activities, the percentage of shares of each subsidiary owned and the country of incorporation at 30 June 2022.

There are no significant restrictions on the ability of the group's subsidiaries to transfer funds to Sasol Limited in the form of cash dividends or repayment of loans or advances.

			% of equity owned	
Name	Country of incorporation	Nature of activities	2022	2021
Significant operating subsidiaries				
Direct				
Sasol Mining Holdings (Pty) Ltd	South Africa	Holding company of the group's mining interests	**100**	100
Sasol Technology (Pty) Ltd	South Africa	Engineering services, research and development and technology transfer	**100**	100
Sasol Financing Limited	South Africa	Management of cash resources, investments and procurement of loans (for South African operations)	**100**	100
Sasol Investment Company (Pty) Ltd	South Africa	Holding company for foreign investments	**100**	100
Sasol South Africa Limited[1]	South Africa	Integrated petrochemicals and energy company	**100**	100
Sasol Middle East and India (Pty) Ltd	South Africa	Develop and implement international GTL and CTL ventures	**100**	100
Sasol Africa (Pty) Ltd	South Africa	Exploration, development, production, marketing and distribution of natural oil and gas and associated products	**100**	100
Sasol Oil (Pty) Ltd	South Africa	Marketing of fuels and lubricants	**75**	75
Sasol New Energy Holdings (Pty) Ltd	South Africa	Developing lower-carbon energy solutions	**100**	100

1 Sasol Khanyisa shareholders indirectly have an 18,4% shareholding in Sasol South Africa Limited. Once the Khanyisa funding is settled, the Sasol Khanyisa ordinary shares will be exchanged for Sasol BEE Ordinary (SOLBE1) shares listed on the empowerment segment of the JSE.

23 Interest in significant operating subsidiaries continued

Name	Country of incorporation	Nature of activities	% of equity owned 2022	% of equity owned 2021
Significant operating subsidiaries				
Indirect				
The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)[1]	South Africa	Owning and operating of the natural gas transmission pipeline between Temane in Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa	**–**[1]	50
Sasol Financing International Limited	South Africa	Management of cash resources, investment and procurement of loans (for our foreign operations)	**100**	100
Sasol Germany GmbH	Germany	Production, marketing and distribution of chemical products	**100**	100
Sasol Italy SpA	Italy	Trading and transportation of oil products, petrochemicals and chemical products and derivatives	**100**	100
Sasol Mining (Pty) Ltd	South Africa	Coal mining activities	**90**	90
Sasol Canada Holdings Limited[2]	Canada	Exploration, development, production, marketing and distribution of natural oil and gas and associated products in Canada	**–**	100
Sasol Chemicals (USA) LLC	United States of America	Production, marketing and distribution of chemical products	**100**	100
Sasol Financing USA LLC	United States of America	Management of cash resources, investment and procurement of loans (for our North American operations)	**100**	100

1 Sasol sold 30% and retained 20% of our equity interest in the ROMPCO pipeline on 29 June 2022. ROMPCO is now accounted for as an associate. Refer note 21.

2 Sasol sold its investment in Sasol Canada on 29 July 2021.

Our other interests in subsidiaries are not considered significant.

Non-controlling interests

The group has a number of subsidiaries with non-controlling interests, however none of them were material to the Statement of Financial position.

Areas of judgement:

The disclosure of subsidiaries is based on materiality taking into account the contribution to turnover, assets of the group, and the way the business is managed and reported on.

Control is obtained when Sasol is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through our power over the subsidiary.

The financial results of all entities that have a functional currency different from the presentation currency of their parent entity are translated into the presentation currency. Income and expenditure transactions of foreign operations are translated at the average rate of exchange for the year except for significant individual transactions which are translated at the exchange rate ruling at that date. All assets and liabilities, including fair value adjustments and goodwill arising on acquisition, are translated at the rate of exchange ruling at the reporting date. Differences arising on translation are recognised as other comprehensive income and are included in the foreign currency translation reserve until there is a disposal of the foreign operation. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal and included in remeasurement items.

WORKING CAPITAL

for the year ended 30 June	2022 Rm	2021 Rm
24 Inventories		
Carrying value		
Crude oil and other raw materials	**6 515**	4 269
Process material	**2 079**	1 834
Maintenance materials	**5 636**	5 585
Work in progress	**2 661**	2 560
Manufactured products	**23 988**	15 315
Consignment inventory	**231**	179
	41 110	29 742

A net realisable value write-down of R451 million was recognised in 2022 (2021 – R83 million).

Inventory of R1 803 million (2021 – R1 118 million) is held at net realisable value.

Accounting policies:

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring, manufacturing and transporting the inventory to its present location. Manufacturing costs include an allocated portion of production overheads which are directly attributable to the cost of manufacturing such inventory. The allocation is determined based on the greater of normal production capacity and actual production. The costs attributable to any inefficiencies in the production process are charged to the income statement as incurred.

By-products are incidental to the manufacturing processes, are usually produced as a consequence of the main product stream, and are immaterial to the group. Revenue from sale of by-products is offset against the cost of the main products.

Cost is determined as follows:

Crude oil and other raw materials	First-in-first-out valuation method (FIFO)
Process, maintenance and other materials	Weighted average purchase price
Work-in-progress	Manufacturing costs incurred
Manufactured products including consignment inventory	Manufacturing costs according to FIFO

for the year ended 30 June	2022 Rm	2021 Rm
25 Trade and other receivables		
Trade receivables[1]	**32 778**	23 692
Other receivables	**4 546**	3 708
Related party receivables – equity accounted investments[2]	**2 074**	255
Impairment of trade and other receivables*	**(462)**	(515)
Trade and other receivables	**38 936**	27 140
Slate recovery receivable[3]	**2 571**	78
Duties recoverable from customers	**485**	263
Prepaid expenses and other	**2 115**	1 860
Value added tax[4]	**2 564**	1 592
	46 671	30 933

1 Increase mainly as a result of higher sales prices and weaker Rand/$ closing rate.

2 Included in related party receivables is a dividend receivable from ORYX GTL Limited of R1,6 billion.

3 Sasol Oil Slate balance reflecting an under recovery mainly as a result of increased international crude oil prices coupled with a weak Rand/$ exchange rate. The slate balance will be recovered through the Department of Mineral Resources and Energy's slate levy mechanism and under recoveries due to BFP price changes.

4 Increase due to refund received after 30 June 2022.

*Impairment of trade receivables

Trade receivables are considered for impairment under the expected credit loss model. Trade receivables are written off when there is no reasonable prospect that the customer will pay. Refer to note 39 for detail on the impairments recognised.

No individual customer represents more than 10% of the group's trade receivables.

Collateral

The group holds no collateral over the trade receivables which can be sold or pledged to a third party.

25 Trade and other receivables continued

Accounting policies:

Trade and other receivables are recognised initially at transaction price and subsequently stated at amortised cost using the effective interest rate method, less impairment losses. A simplified expected credit loss model is applied for recognition and measurement of impairments in trade receivables, where expected lifetime credit losses are recognised from initial recognition, with changes in loss allowances recognised in profit and loss. The group did not use a provisional matrix. Trade and other receivables are written off where there is no reasonable expectation of recovering amounts due. The trade receivables do not contain a significant financing component.

26 Trade and other payables

for the year ended 30 June	2022 Rm	2021 Rm
Trade payables*	**26 888**	17 197
Capital project related payables	**457**	960
Accrued expenses	**4 807**	4 323
Other payables (financial liabilities)**	**6 611**	652
Related party payables	**1 110**	157
third parties	**191**	155
equity accounted investments	**919**	2
Trade payables	**39 873**	23 289
Other payables (non financial liabilities)***	**9 037**	8 422
Duties payable to revenue authorities	**4 172**	4 785
Value added tax	**473**	174
	53 555	36 670

* Increase mainly due to the increase in the cost of raw material

** Other payables (financial liabilities) relate to payables for crude oil derivatives that settled out of the money.

*** Other payables (non-financial liabilities) include employee-related payables.

Accounting policies:

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost. Capital project related payables are excluded from working capital, as the nature and risks of these payables are not considered to be aligned to operational trade payables.

27 (Increase)/decrease in working capital

	2022 Rm	2021 Rm	2020 Rm
(Increase)/decrease in inventories	**(12 281)**	(4 872)	3 397
(Increase)/decrease in trade receivables	**(9 414)**	(7 198)	6 431
Increase/(decrease) in trade payables	**10 159**	4 916	(3 990)
(Increase)/decrease in working capital	**(11 536)**	(7 154)	5 838

CASH MANAGEMENT

for the year ended 30 June	2022 Rm	2021 Rm
28 Cash and cash equivalents		
Cash and cash equivalents	**40 577**	28 981
Restricted cash and cash equivalents	**2 563**	2 250
	43 140	31 231
Bank overdraft	**(173)**	(243)
Per the statement of cash flows	**42 967**	30 988
Cash by currency		
Rand	**27 122**	14 994
Euro	**2 835**	2 159
US dollar	**12 289**	12 787
Other currencies	**721**	1 048
	42 967	30 988

Included in restricted cash and cash equivalents are cash in respect of various special purpose entities and joint operations in the group for use within those entities only, cash in respect of short-term rehabilitation commitments and cash deposits serving as collateral for bank guarantees.

Accounting policies:

Cash and cash equivalents comprises cash on hand, cash restricted for use, bank overdraft, demand deposits and other short-term highly liquid investments with a maturity period of three months or less at date of purchase. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Bank overdrafts are offset against cash and cash equivalents in the statement of cash flows.

Cash restricted for use comprises cash and cash equivalents which are not available for general use by the group, including amounts held in escrow, trust or other separate bank accounts.

It is Sasol's accounting policy to present the Statement of cash flows on the direct method. Notes are supplied as supplemental information to the Statement of cash flows.

for the year ended 30 June	Note	2022 Rm	2021 Rm	2020 Rm
29 Cash generated by operating activities				
Cash flow from operations	30	**67 674**	52 268	36 546
(Increase)/decrease in working capital	27	**(11 536)**	(7 154)	5 838
		56 138	45 114	42 384

for the year ended 30 June	Note	2022 Rm	2021 Rm	2020 Rm

30 Cash flow from operations

	Note	2022 Rm	2021 Rm	2020 Rm
Earnings/(loss) before interest and tax (EBIT/(LBIT))		**61 417**	16 619	(111 926)
Adjusted for				
share of (profits)/losses of equity accounted investments	21	**(3 128)**	(814)	347
equity-settled share-based payment	35	**1 164**	1 927	1 946
depreciation and amortisation		**14 073**	17 644	22 327
effect of remeasurement items	9	**(9 903)**	23 218	111 978
movement in long-term provisions				
income statement charge	32	**643**	(3)	(2 208)
utilisation	32	**(310)**	(388)	(734)
movement in short-term provisions		**(2 182)**	2 839	39
movement in post-retirement benefits		**443**	880	733
translation effects		**(886)**	(5 047)	6 098
write-down of inventories to net realisable value		**451**	83	384
movement in financial assets and liabilities		**2 760**	(4 225)	3 990
movement in other receivables and payables		**3 223**	(240)	3 057
other non-cash movements		**(91)**	(225)	515
		67 674	52 268	36 546

31 Dividends paid

for the year ended 30 June	2022 Rm	2021 Rm	2020 Rm
Final dividend – prior year	**23**	16	10
Interim dividend – current year	**26**	30	21
	49	46	31
Forecast cash flow on final dividend – current year	**9 344**	–	–

Dividends paid relate to dividends distributed by Sasol South Africa Limited to Sasol Khanyisa participants. The forecast cash flow on the final dividend is calculated based on the net number of Sasol ordinary shares and BEE ordinary shares in issue at 30 June 2022 of 636 million. The actual dividend payment will be determined on the record date of 6 September 2022.

PROVISIONS AND RESERVES

for the year ended 30 June	Environ-mental Rm	Share-based payments Rm	Other Rm	Total Rm
32 Long-term provisions				
Balance at beginning of year	16 196	29	1 136	**17 361**
Capitalised to property, plant and equipment	20	–	–	**20**
Reduction in rehabilitation provision capitalised[1]	(484)	–	–	**(484)**
Transfer to disposal groups held for sale[2]	(938)	–	(30)	**(968)**
Per the income statement	925	(27)	(255)	**643**
additional provisions and changes to existing provisions	971	(9)	52	**1 014**
reversal of unutilised amounts	–	(18)	(252)	**(270)**
effect of change in discount rate	(46)	–	(55)	**(101)**
Notional interest	721	–	5	**726**
Utilised during year (cash flow)	(216)	(2)	(92)	**(310)**
Foreign exchange differences recognised in income statement	138	–	32	**170**
Translation of foreign operations	845	–	12	**857**
Balance at end of year	**17 207**	**–**	**808**	**18 015**

1 Decrease in rehabilitation provision capitalised in 2022 relates to a reassessment of the provision based on discount rates and cost estimates.

2 Relates to long-term provisions of the European wax business disposed of during the year, refer note 10.

for the year ended 30 June	Note	2022 Rm	2021 Rm
Expected timing of future cash flows			
Within one year		**1 465**	1 197
One to five years		**5 429**	5 287
More than five years		**11 121**	10 877
		18 015	17 361
Short-term portion	33	**(1 465)**	(1 197)
Long-term provisions		**16 550**	16 164
Estimated undiscounted obligation*		**105 792**	92 109

* Increase relates mainly to a reassessment of cost estimates and volumes used in the environmental provisions.

Environmental provisions

In accordance with the group's published environmental policy and applicable legislation, a provision for rehabilitation is recognised when the obligation arises, representing the estimated actual cash flows in the period in which the obligation is settled.

The environmental obligation includes estimated costs for the rehabilitation of coal mining, oil, gas and petrochemical sites. The amount provided is calculated based on currently available facts and applicable legislation.

The total environmental provision at 30 June 2022 amounted to R17 207 million (2021 – R16 196 million). In line with the requirements of the legislation of South Africa, the utilisation of certain investments is restricted for mining rehabilitation purposes. These investments amounted to R700 million (2021 – R676 million). In addition, indemnities of R2 314 million (2021 – R2 190 million) are in place.

32 Long-term provisions continued

The following risk-free rates were used to discount the estimated cash flows based on the underlying currency and time duration of the obligation.

for the year ended 30 June	2022 %	2021 %
South Africa	**6,6 to 10,1**	4,2 to 10,3
Europe	**0,6 to 2,4**	0,0 to 0,5
United States of America	**2,2 to 3,3**	0,2 to 1,8

for the year ended 30 June	2022 Rm	2021 Rm
A 1% point change in the discount rate would have the following effect on the long-term provisions recognised		
Increase in the discount rate	**(4 405)**	(4 352)
amount capitalised to property, plant and equipment	**(1 237)**	(1 250)
income recognised in income statement	**(3 168)**	(3 102)
Decrease in the discount rate	**5 474**	5 266
amount capitalised to property, plant and equipment	**1 646**	1 787
expense recognised in income statement	**3 828**	3 479

Share Appreciation Rights scheme

All remaining rights in terms of the Share Appreciation Rights scheme have vested and will expire in September 2022. The unexercised rights have an intrinsic value of Rnil (2021: Rnil).

for the year ended 30 June	Note	2022 Rm	2021 Rm
33 Short-term provisions			
Other provisions[1]		**1 126**	3 370
Short-term portion of			
long-term provisions	32	**1 465**	1 197
post-retirement benefit obligations	34	**553**	497
		3 144	5 064

1 Decrease mainly relates to a provision raised in 2021 for the National Energy Regulator of South Africa's final decision on the maximum gas price methodology for Sasol Gas, which was reclassified to trade and other payables in 2022. Refer note 36.1. The remaining balance includes emission right provisions of R609 million and employee related provisions of approximately R214 million.

Accounting policies:

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the group's environmental policy taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the construction of an asset, they are capitalised as part of the cost of those assets. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of the asset is adjusted against the asset. Any subsequent changes to an obligation which did not relate to the initial construction of a related asset are charged to the income statement. The increase in discounted long-term provisions as a result of the passage of time is recognised as a finance expense in the income statement.

The estimated present value of future decommissioning costs, taking into account current environmental and regulatory requirements, is capitalised as part of property, plant and equipment, to the extent that they relate to the construction of the asset, and the related provisions are raised. These estimates are reviewed at least annually.

Deferred tax is recognised on the temporary differences in relation to both the asset to which the obligation relates to and rehabilitation provision.

Termination benefits are recognised as a liability at the earlier of the date of recognition of restructuring costs or when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits that are expected to be wholly settled more than 12 months after the end of the reporting period are discounted to their present value.

33 Short-term provisions continued

Areas of judgement:

The determination of long-term provisions, in particular environmental provisions, remains a key area where management's judgement is required. Estimating the future cost of these obligations is complex and requires management to make estimates and judgements because most of the obligations will only be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions could also be influenced by changing technologies and political, environmental, safety, business and statutory considerations as well as the period in which it will be settled. The pace of transition to a low carbon economy will impact the anticipated time period over which decommissioning liabilities are expected to be incurred in future.

It is envisaged that, based on the current information available, any additional liability in excess of the amounts provided will not have a material adverse effect on the group's financial position, liquidity or cash flow.

		Non-current		Current		Total	
for the year ended 30 June	Note	2022 Rm	2021 Rm	2022 Rm	2021 Rm	2022 Rm	2021 Rm
34 Post-retirement benefit obligations							
Post-retirement healthcare obligations	34.1						
South Africa		**3 300**	3 238	**256**	218	**3 556**	3 456
United States of America		**228**	236	**20**	21	**248**	257
		3 528	3 474	**276**	239	**3 804**	3 713
Pension obligations	34.2						
Foreign – post-retirement benefit obligation		**6 535**	9 823	**277**	258	**6 812**	10 081
Total post-retirement benefit obligations		**10 063**	13 297	**553**	497	**10 616**	13 794
Pension assets	34.2						
South Africa – post-retirement benefit asset		**(64)**	(46)	**–**	–	**(64)**	(46)
Foreign – post-retirement benefit asset		**(569)**	(545)	**–**	–	**(569)**	(545)
Total post-retirement benefit assets		**(633)**	(591)	**–**	–	**(633)**	(591)
Net pension obligations		**5 902**	9 232	**277**	258	**6 179**	9 490

		Loss/(gain) recognised in the income statement			Loss/(gain) recognised in other comprehensive income		
for the year ended 30 June	Note	2022 Rm	2021 Rm	2020 Rm	2022 Rm	2021 Rm	2020 Rm
Post-retirement benefit obligations							
Post-retirement healthcare obligations	34.1	**442**	407	467	**(131)**	201	(1 040)
Pension benefits – projected benefit obligation	34.2	**7 934**	7 248	7 073	**(3 184)**	5 715	(6 921)
Pension benefits – plan asset of funded obligation	34.2	**(6 699)**	(5 401)	(5 006)	**(963)**	(7 062)	7 507
Net movement on asset limitation and reimbursive right		**(396)**	(357)	(232)	**1 863**	669	601
		1 281	1 897	2 302	**(2 415)**	(477)	147

34 Post-retirement benefit obligations continued

The group provides post-retirement medical and pension benefits to certain of its retirees, principally in South Africa, Europe and the United States of America. Generally, medical cover provides for a specified percentage of most medical expenses, subject to pre-set rules and maximum amounts. Pension benefits are payable in the form of retirement, disability and surviving dependent pensions. The medical benefits are unfunded. The pension benefits in South Africa are funded. In the United States of America certain of our Pension Funds are funded.

Accounting policies:

The group operates or contributes to defined contribution pension plans and defined benefit pension plans for its employees in certain of the countries in which it operates. These plans are generally funded through payments to trustee-administered funds as determined by annual actuarial calculations.

Defined contribution pension plans are plans under which the group pays fixed contributions into a separate legal entity and has no legal or constructive obligation to pay further amounts. Contributions to defined contribution pension plans are charged to the income statement as an employee expense in the period in which the related services are rendered by the employee.

The group's net obligation in respect of defined benefit pension plans is actuarially calculated separately for each plan by deducting the fair value of plan assets from the gross obligation for post-retirement benefits. The gross obligation is determined by estimating the future benefit attributable to members in return for services rendered to date.

This future benefit is discounted to determine its present value, using discount rates based on government bonds for South African obligations, and corporate bonds in Europe and the US, that have maturity dates approximating the terms of the group's obligations and which are denominated in the currency in which the benefits are expected to be paid. Independent actuaries perform this calculation annually using the projected unit credit method.

Defined contribution members employed before 2009 have an option to purchase a defined benefit pension with their member share. This option gives rise to actuarial risk, and as such, these members are accounted for as part of the defined benefit fund and are disclosed as such.

Past service costs are charged to the income statement at the earlier of the following dates:

- when the plan amendment or curtailment occurs; or
- when the group recognises related restructuring costs or termination benefits.

Actuarial gains and losses arising from experience adjustments and changes to actuarial assumptions, the return on plan assets (excluding amounts included in net interest on the defined benefit liability/(asset)) and any changes in the effect of the asset ceiling (excluding amounts included in net interest on the defined benefit liability/(asset)) are remeasurements that are recognised in other comprehensive income in the period in which they arise.

Where the plan assets exceed the gross obligation, the asset recognised is limited to the lower of the surplus in the defined benefit plan and the asset ceiling, determined using a discount rate based on government bonds.

Surpluses and deficits in the various plans are not offset.

The entitlement to healthcare benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued on a systematic basis over the expected remaining period of employment, using the accounting methodology described in respect of defined benefit pension plans above. Independent actuaries perform the calculation of this obligation annually.

	Healthcare benefits	Pension benefits
Last actuarial valuation – South Africa	**31 March 2022**	**31 March 2022**
Last actuarial valuation – United States of America	**30 June 2022**	**30 June 2022**
Last actuarial valuation – Europe	**n/a**	**30 April 2022**
Full/interim valuation	**Full**	**Full**
Valuation method adopted	**Projected unit credit**	**Projected unit credit**

The plans have been assessed by the actuaries and have been found to be in sound financial positions.

Principal actuarial assumptions

Weighted average assumptions used in performing actuarial valuations determined in consultation with independent actuaries.

34 Post-retirement benefit obligations continued

	South Africa		United States of America		Europe	
at valuation date	2022 %	2021 %	2022 %	2021 %	2022 %	2021 %
Healthcare cost inflation	**7,5**	7,5	**n/a***	n/a*	**n/a**	n/a
Discount rate – post-retirement medical benefits	**12,4**	11,6	**4,3**	2,7	**n/a**	n/a
Discount rate – pension benefits	**12,4**	11,1	**4,2**	2,0	**2,5**	1,2
Pension increase assumption	**5,1**	5,2	**n/a****	n/a**	**2,2**	1,8
Average salary increases	**5,5**	5,5	**4,2**	4,2	**3,2**	2,8
Weighted average duration of the obligation – post-retirement medical obligation	**14 years**	13 years	**10 years**	12 years	**n/a**	n/a
Weighted average duration of the obligation – pension obligation	**12 years**	12 years	**4 years**	7 years	**16 years**	18 years

* The healthcare cost inflation rate in respect of the plans for the United States of America is capped. All additional future increases due to the healthcare cost inflation will be borne by the participants.

** There are no automatic pension increases for the United States of America pension plan.

Assumptions regarding future mortality are based on published statistics and mortality tables.

34.1 Post-retirement healthcare obligations

In South Africa, certain healthcare and life assurance benefits are provided to South African employees hired prior to 1 January 1998, who retire and satisfy the necessary requirements of the medical fund.

Reconciliation of the total post-retirement healthcare obligation recognised in the statement of financial position

	South Africa		United States of America		Total	
for the year ended 30 June	2022 Rm	2021 Rm	2022 Rm	2021 Rm	2022 Rm	2021 Rm
Total post-retirement healthcare obligation at beginning of year	**3 456**	2 992	**257**	385	**3 713**	3 377
Movements recognised in the income statement:	**421**	413	**21**	(6)	**442**	407
current service cost	**30**	26	**14**	18	**44**	44
interest cost	**391**	387	**7**	7	**398**	394
curtailments and settlements	**–**	–	**–**	(31)	**–**	(31)
Actuarial (gains)/losses recognised in other comprehensive income:	**(91)**	237	**(40)**	(36)	**(131)**	201
arising from changes in financial assumptions	**(284)**	539	**(41)**	(12)	**(325)**	527
arising from changes in actuarial experience	**193**	(302)	**1**	(24)	**194**	(326)
Benefits paid	**(230)**	(186)	**(22)**	(23)	**(252)**	(209)
Translation of foreign operations	**–**	–	**32**	(63)	**32**	(63)
Total post-retirement healthcare obligation at end of year	**3 556**	3 456	**248**	257	**3 804**	3 713

34 Post-retirement benefit obligations continued

34.1 Post-retirement healthcare obligations continued

The sensitivity analysis is performed in order to assess how the post-retirement healthcare obligation would be affected by changes in the actuarial assumptions underpinning the calculation.

	South Africa		United States of America	
for the year ended 30 June	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
1% point change in actuarial assumptions:				
Increase in the healthcare cost inflation	**387**	411	**– ***	– *
Decrease in the healthcare cost inflation	**(325)**	(344)	**– ***	– *
Increase in the discount rate	**(309)**	(329)	**(21)**	(25)
Decrease in the discount rate	**373**	399	**28**	34

* A change in the healthcare cost inflation for the United States of America will not have an effect on the above components or the obligation as the employer's cost is capped and all future increases due to the healthcare cost inflation are borne by the participants. There are no automatic pension increases for the United States pension plan.

A change in the pension increase assumption will not have an effect on the above obligation. In South Africa the post-retirement benefit contributions are linked to medical aid inflation and based on a percentage of income or pension. Where pension increases differ from medical aid inflation, the difference will need to be allowed for in a change in the percentage of income or pension charged.

The sensitivities may not be representative of the actual change in the post-retirement healthcare obligation, as it is unlikely that the changes would occur in isolation of one another, and some of the assumptions may be correlated.

Healthcare cost inflation risk

Healthcare cost inflation is consumer price index inflation plus two percentage points over the long term. An increase in healthcare cost inflation will increase the obligation of the plan.

Discount rate risk

The discount rate is derived from prevailing bond yields. A decrease in the discount rate will increase the obligation of the plan.

Pension increase risk

The South African healthcare plan is linked to pension benefits paid, which are to some extent linked to inflation. Accordingly, increased inflation levels represent a risk that could increase the cost of paying the funds committed to benefits.

Other

Changes in other assumptions used could also affect the measured liabilities. There is also a regulatory risk as well as foreign funds under the jurisdiction of other countries. To the extent that governments can change the regulatory frameworks, there may be a risk that minimum benefits or minimum pension increases may be instituted, increasing the associated cost for the fund.

34.2 Pension benefits

South African operations

Background

In 1994, all members were given the choice to voluntarily transfer to the newly established defined contribution section of the pension fund and approximately 99% of contributing members chose to transfer to the defined contribution section.

Defined benefit option for defined contribution members

In terms of the rules of the fund, on retirement, employees employed before 1 January 2009 have an option to purchase a defined benefit pension with their member share. Should a member elect this option, the group is exposed to actuarial risk. In terms of IAS 19, the classification requirements stipulate that where an employer is exposed to any actuarial risk, the fund must be classified as a defined benefit plan.

Fund assets

The assets of the fund are held separately from those of the company in a trustee administered fund, registered in terms of the South African Pension Funds Act, 1956. Included in the fund assets at 31 March 2022 are 2 077 048 (2021 – 2 082 248) Sasol ordinary shares valued at R772 million (2021 – R454 million) at year-end purchased under terms of an approved investment strategy, and property valued at R1 533 million (2021 – R1 521 million) that is currently occupied by Sasol.

Membership

A significant number of employees are covered by union sponsored, collectively bargained, and in some cases, multi-employer defined contribution pension plans. Information from the administrators of these plans offering defined benefits is not sufficient to permit the company to determine its share, if any, of any unfunded vested benefits.

34 Post-retirement benefit obligations continued

34.2 Pension benefits continued

Pension fund assets

The assets of the pension funds are invested as follows:

at 30 June	South Africa 2022 %	South Africa 2021 %	United States of America 2022 %	United States of America 2021 %
Equities	**55**	54	**35**	30
resources	**7**	7	**5**	4
industrials	**3**	2	**4**	3
consumer discretionary	**9**	11	**4**	4
consumer staples	**7**	9	**2**	2
healthcare	**5**	5	**4**	4
information technologies	**8**	6	**8**	6
telecommunications	**4**	4	**3**	2
financials (ex real estate)	**12**	10	**5**	5
Fixed interest	**18**	16	**40**	50
Direct property	**10**	11	**9**	6
Listed property	**3**	2	**–**	–
Cash and cash equivalents	**2**	4	**–**	–
Third party managed assets	**11**	12	**–**	–
Other	**1**	1	**16**	14
Total	**100**	100	**100**	100

The pension fund assets are measured at fair value at valuation date. The fair value of equity has been calculated by reference to quoted prices in an active market. The fair value of property and other assets has been determined by performing market valuations and using other valuation techniques at the end of each reporting period.

Investment strategy

The trustees target the plans' asset allocation within the following ranges within each asset class:

Asset classes	South Africa[1] Minimum %	South Africa[1] Maximum %	United States of America Minimum %	United States of America Maximum %
Equities				
local	**25**	**35**	**–**	**100**
foreign	**25**	**35**	**–**	**100**
Fixed interest	**10**	**25**	**–**	**100**
Property	**10**	**20**	**–**	**100**
Other	**–**	**15**	**–**	**100**

1 Members of the defined contribution scheme have a choice of four investment portfolios. The total assets of the fund under these investment portfolios are R216 million, R64 656 million, R1 269 million and R919 million for the low risk portfolio, moderate balanced portfolio, aggressive balanced portfolio and money market portfolio, respectively. Defined benefit members' funds are invested in the moderate balanced portfolio. The money market portfolio is restricted to active members from age 55. The targeted allocation disclosed represents the moderate balanced investment portfolio which the majority of the members of the scheme have adopted. The South African targeted allocation was updated to incorporate the higher permissible foreign asset allocation, by raising the foreign equity allocation to a range of 25-35% from 15-30% (the mid-point effectively increases by 7,5 percentage points) and reducing the local equity allocation commensurately.

The trustees of the respective funds monitor investment performance and portfolio characteristics on a regular basis to ensure that managers are meeting expectations with respect to their investment approach. There are restrictions and controls placed on managers in this regard.

34 Post-retirement benefit obligations continued

34.2 Pension benefits continued

Reconciliation of the projected net pension liability/(asset) recognised in the statement of financial position

	South Africa		Foreign		Total	
for the year ended 30 June	2022 Rm	2021 Rm	2022 Rm	2021 Rm	2022 Rm	2021 Rm
Projected benefit obligation (funded)	**60 478**	57 054	**3 218**	3 240	**63 696**	60 294
defined benefit portion	**29 569**	25 119	**3 218**	3 240	**32 787**	28 359
defined benefit option for defined contribution members	**30 909**	31 935	**–**	–	**30 909**	31 935
Plan assets	**(66 284)**	(60 671)	**(3 787)**	(3 732)	**(70 071)**	(64 403)
defined benefit portion	**(35 375)**	(28 736)	**(3 787)**	(3 732)	**(39 162)**	(32 468)
defined benefit option for defined contribution members	**(30 909)**	(31 935)	**–**	–	**(30 909)**	(31 935)
Projected benefit obligation (unfunded)	**–**	–	**6 812**	10 028	**6 812**	10 028
Asset not recognised due to asset limitation	**5 742**	3 571	**–**	–	**5 742**	3 571
Net liability/(asset) recognised	**(64)**	(46)	**6 243**	9 536	**6 179**	9 490

The increase of R1 775 million in the asset limitation (2021 – R291 million) was recognised as a loss in other comprehensive income while interest on the asset of R396 million (2021 – R357 million) was recognised in the income statement.

The obligation which arises for the defined contribution members with the option to purchase into the defined benefit fund is limited to the assets that they have accumulated until retirement date. However, after retirement date, there is actuarial risk associated with the members as full defined benefit members.

Based on the latest actuarial valuation of the fund and the approval of the trustees of the surplus allocation, the group has an unconditional entitlement to only the funds in the employer surplus account and the contribution reserve. The remaining estimated surplus due to the company amounted to approximately R64 million (2021 – R46 million) and has been included in the pension asset recognised in the current year.

Investment risk

The actuarial valuation assumes certain asset returns on invested assets. If actual returns on plan assets are below the assumption, this may lead to a strain on the fund, which, over time, may lead to a plan deficit. In order to mitigate the concentration risk, the fund assets are invested across equity securities, property securities and debt securities. Given the long-term nature of the obligations, it is considered appropriate that investment is made in equities and real estate to improve the return generated by the fund. These may result in improved pension benefits to members.

Pension increase risk

Benefits in these plans are to some extent linked to inflation so increased inflation levels represent a risk that could increase the cost of paying the funds committed to benefits. This risk is mitigated as pension benefits are subject to affordability.

Discount rate risk

The discount rate is derived from prevailing bond yields. A decrease in the discount rate used will increase the obligation of the plan.

Other

Changes in other assumptions used could also affect the measured liabilities. There is also a regulatory risk as well as foreign funds under the jurisdiction of other countries. To the extent that governments can change the regulatory frameworks, there may be a risk that minimum benefits or minimum pension increases may be instituted, increasing the associated cost for the fund.

34 Post-retirement benefit obligations continued

34.2 Pension benefits continued

Reconciliation of projected benefit obligation

for the year ended 30 June	South Africa 2022 Rm	South Africa 2021 Rm	Foreign 2022 Rm	Foreign 2021 Rm	Total 2022 Rm	Total 2021 Rm
Projected benefit obligation at beginning of year	**57 054**	47 228	**13 268**	16 321	**70 322**	63 549
Movements recognised in income statement:	**7 326**	6 571	**608**	677	**7 934**	7 248
current service cost	**1 115**	923	**434**	579	**1 549**	1 502
curtailments and settlements	**–**	–	**–**	(129)	**–**	(129)
interest cost	**6 211**	5 648	**174**	227	**6 385**	5 875
Actuarial (gains)/losses recognised in other comprehensive income:	**(533)**	6 093	**(2 651)**	(378)	**(3 184)**	5 715
arising from changes in demographic assumptions	**–**	–	**–**	(1)	**–**	(1)
arising from changes in financial assumptions	**(2 133)**	303	**(2 654)**	(452)	**(4 787)**	(149)
arising from change in actuarial experience	**1 600**	5 790	**3**	75	**1 603**	5 865
Member contributions	**536**	503	**–**	–	**536**	503
Benefits paid	**(3 905)**	(3 341)	**(496)**	(1 070)	**(4 401)**	(4 411)
Disposal of business[1]	**–**	–	**(1 223)**	–	**(1 223)**	–
Translation of foreign operations	**–**	–	**524**	(2 282)	**524**	(2 282)
Projected benefit obligation at end of year	**60 478**	57 054	**10 030**	13 268	**70 508**	70 322
unfunded obligation[2]	**–**	–	**6 812**	10 028	**6 812**	10 028
funded obligation	**60 478**	57 054	**3 218**	3 240	**63 696**	60 294

1 Relates to the disposal of Sasol's European wax business in Germany.

2 Certain of the foreign defined benefit plans have reimbursement rights under contractually agreed legal binding terms that match the amount and timing of some of the benefits payable under the plan. This reimbursive right has been recognised in long-term receivables at fair value of R135 million (2021 – R218 million). A decrease of R88 million (2021 – increase of R22 million) has been recognised as a loss in other comprehensive income in respect of the reimbursive right.

Reconciliation of plan assets of funded obligation

for the year ended 30 June	South Africa 2022 Rm	South Africa 2021 Rm	Foreign 2022 Rm	Foreign 2021 Rm	Total 2022 Rm	Total 2021 Rm
Fair value of plan assets at beginning of year	**60 671**	50 618	**3 732**	4 502	**64 403**	55 120
Movements recognised in income statement:	**6 610**	6 035	**89**	80	**6 699**	6 115
interest income	**6 610**	6 035	**89**	80	**6 699**	6 115
Actuarial gains/(losses) recognised in other comprehensive income:	**1 200**	6 303	**(237)**	759	**963**	7 062
arising from return on plan assets (excluding interest income)	**1 200**	6 303	**(237)**	759	**963**	7 062
Plan participant contributions[1]	**536**	503	**–**	–	**536**	503
Employer contributions[1]	**1 172**	553	**27**	53	**1 199**	606
Benefit payments	**(3 905)**	(3 341)	**(312)**	(869)	**(4 217)**	(4 210)
Translation of foreign operations	**–**	–	**488**	(793)	**488**	(793)
Fair value of plan assets at end of year	**66 284**	60 671	**3 787**	3 732	**70 071**	64 403
Actual return on plan assets	**7 810**	12 338	**(148)**	839	**7 662**	13 177

1 Contributions, for the defined contribution section, are paid by the members and Sasol at fixed rates.

34 Post-retirement benefit obligations continued

34.2 Pension benefits continued

Contributions

Funding is based on actuarially determined contributions. The following table sets forth the projected pension contributions of funded obligations for the 2023 financial year.

	South Africa Rm	Foreign Rm
Pension contributions	**1 209**	**29**

Sensitivity analysis

A sensitivity analysis is performed in order to assess how the post-retirement pension obligation would be affected by changes in the actuarial assumptions underpinning the calculation.

	South Africa		Foreign	
for the year ended 30 June	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
1% point change in actuarial assumptions				
Increase in average salaries increase assumption	**6**	9	**312**	470
Decrease in average salaries increase assumption	**(6)**	(8)	**(271)**	(446)
Increase in the discount rate	**(1 161)**	(1 474)	**(1 199)**	(1 833)
Decrease in the discount rate	**1 364**	1 748	**1 507**	2 360
Increase in the pension increase assumption	**1 453**	1 821	**929** *	1 353 *
Decrease in the pension increase assumption	**(1 261)**	(1 566)	**(737)** *	(1 102) *

* This sensitivity analysis relates only to the Europe obligations as there are no automatic pension increases for the United States of America pension plan, and thus it is not one of the inputs utilised in calculating the obligation.

The sensitivities may not be representative of the actual change in the post-retirement pension obligation, as it is unlikely that the changes would occur in isolation of one another, and some of the assumptions may be correlated.

RESERVES

for the year ended 30 June	Note	2022 Rm	2021 Rm	2020 Rm
35 Share-based payment reserve				
During the year, the following share-based payment expense was recognised in the income statement relating to the equity-settled share-based payment schemes:				
Long-term incentives	35.1	**1 001**	1 042	878
Sasol Khanyisa Employee Share Ownership Plan (ESOP)	35.2	**163**	885	1 068
Tier 1 – Eligible Inzalo participants		**–**	567	642
Tier 2 – Qualifying employees		**163**	318	426
Equity-settled – recognised directly in equity		**1 164**	1 927	1 946

35.1 Sasol 2016 Long-term Incentive plan

The objective of the Sasol Long-term Incentive (LTI) plan is to provide qualifying senior employees the opportunity of receiving an incentive linked to the value of Sasol Limited ordinary shares and to align the interest of participants with the interest of shareholders. The LTI plan allows certain senior employees to earn a long-term incentive amount subject to the achievement of vesting conditions. Allocations of the LTI are linked to the performance of both the group and the individual. The employer companies make a cash contribution to an independent service provider to enable this ownership plan.

On resignation, LTIs which have not yet vested will lapse. On death, unvested LTIs vest immediately. For terminations due to retrenchment or retirement, vesting depends on the role category of the participant. Accelerated vesting does not apply to top management. The standard vesting period is three years, with the exception of top management, who have a three and five year vesting period for 50% of the awards respectively. Restricted LTIs offered to members of the GEC, have 5-year vesting period.

The maximum number of shares issued under the equity-settled LTI scheme may not exceed 32,5 million representing 5% of Sasol Limited's issued share capital at the time of approval.

Movements in the number of incentives outstanding	Number of incentives	Weighted average fair value Rand
Balance at 30 June 2020	10 908 312	345,74
LTIs granted	5 957 275	146,58
LTIs exercised	(1 940 848)	352,18
Effect of CPTs and LTIs forfeited	(1 452 069)	345,14
Balance at 30 June 2021*	**13 472 670**	**256,68**
LTIs granted	**3 822 529**	**246,26**
LTIs exercised	**(1 488 900)**	**461,96**
Effect of CPTs and LTIs forfeited	**(1 544 102)**	**351,79**
Balance at 30 June 2022*	**14 262 197**	**222,16**

* The incentives outstanding as at 30 June 2022 have a weighted average remaining vesting period of 1,4 years. The exercise price of these options is Rnil.

for year ended 30 June	2022 Rand	2021 Rand
Average weighted market price of LTIs vested	**230,48**	134,25

Average fair value of incentives granted		2022	2021
Model		**Monte-Carlo**	Monte-Carlo
Risk-free interest rate – Rand	(%)	**4,96 - 7,28**	3,99 – 5,90
Risk-free interest rate – US$	(%)	**0,32 - 1,45**	0,17 – 0,28
Expected volatility	(%)	**78,67**	98,34
Expected dividend yield	(%)	**2,90**	3,49
Expected forfeiture rate	(%)	**5**	5
Expected vesting percentage	(%)	**97,27**	97,42
Vesting period – top management		**3/5 years**	3/5 years
Vesting period – all other participants		**3 Years**	3 years

35 Share-based payments reserve continued

35.1 Sasol Khanyisa share transaction continued

The risk-free rate for periods within the contractual term of the rights is based on the Rand and US$ swap curve in effect at the time of the valuation of the grant.

The expected volatility in the value of the rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the rights granted is determined using expected dividend payments of the Sasol ordinary shares.

The overall expected vesting percentage takes into consideration service, market and non-market conditions. Refer to the Report of the Remuneration Committee for details on the vesting conditions.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

Accounting policies:

The equity-settled schemes allow certain employees the right to receive ordinary shares in Sasol Limited after a prescribed period. Such equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is charged as employee costs, with a corresponding increase in equity, on a straight-line basis over the period that the employees become unconditionally entitled to the shares, based on management's estimate of the shares that will vest and adjusted for the effect of non-market-based vesting conditions. These equity-settled share-based payments are not subsequently revalued.

35.2 The Sasol Khanyisa share transaction

Sasol Khanyisa was implemented on 1 June 2018. Sasol Khanyisa has been designed to comply with the revised B-BBEE legislation in South Africa and seeks to ensure ongoing and sustainable B-BBEE ownership credentials for Sasol Limited.

Sasol Khanyisa contains a number of elements structured at both a Sasol Limited and at a subsidiary level, Sasol South Africa Limited (SSA) which is a wholly-owned subsidiary of Sasol Limited and houses the majority of the group's South African operations. Sasol Khanyisa Tier 1 was concluded in 2021.

At the end of 10 years, or earlier if the underlying funding has been settled, the participants in Khanyisa Tier 2, will exchange their SSA shareholding on a fair value-for-value basis for SOLBE1 shares to the extent that value was created during the transaction term.

SOLBE1 shares can only be traded between Black Persons on the Empowerment Segment of the JSE. This transaction will therefore ensure evergreen B-BBEE ownership credentials for Sasol Limited.

Remaining components of the transaction:

Tier 2 – SSA qualifying employees

Qualifying Black employees participate via the Khanyisa Employee Share Ownership plan (Khanyisa ESOP) through a beneficial interest, funded wholly by Sasol (vendor funding), in approximately 9,2% in SSA. As dividends are declared by SSA, 97,5% of these will be utilised to repay the vendor funding, as well as the related financing cost, calculated at 75% of prime rate. 2,5% of dividends are distributed to participants as a trickle dividend and accounted for as a non-controlling interest. At the end of the 10 year transaction term, or earlier, if the vendor funding is repaid, the net value in SSA shares will be exchanged for SOLBE1 shares on a fair value-for-value basis which will be distributed to participants. Any vendor funding not yet settled by the end of the transaction term will be settled using the SSA shares, and will reduce any distribution made to participants. Since any ultimate value created for participants will be granted in the form of SOLBE1 shares, the accounting for this transaction is similar to an option over Sasol shares granted for no consideration.

The Tier 2 options have a staggered vesting period with portions vesting from 3 years, and then each year until the end of the transaction term, being 10 years. The outstanding options at 30 June 2022 have a weighted average remaining vesting period of 2,5 years (2021: 2,6 years). The weighted average fair value of the outstanding options is R62,95 (2021: R64,53) and was derived from the Monte-Carlo option pricing model. The estimated strike price value for Tier 2 is R258,85 (2021: R290,52) and represents the remaining vendor funding per share at 30 June 2022.

Accounting policies:

To the extent that an entity grants shares or share options in a BEE transaction and the fair value of the cash and other assets received is less than the fair value of the shares or share options granted, such difference is charged to the income statement in the period in which the transaction becomes effective. Where the BEE transaction includes service conditions the difference will be charged to the income statement over the period of these service conditions. Trickle dividends paid to participants during the transaction term are taken into account in measuring the fair value of the award. As the funds to pay the trickle dividend are leaving the Company, a corresponding share of earnings will be allocated to the non-controlling shareholders.

35 Share-based payments reserve continued

35.2 The Sasol Khanyisa share transaction continued

Areas of judgement:

The measurement of the Khanyisa SSA share based payment is subject to estimation and judgment, as there are a number of variables affecting the Monte-Carlo option pricing model used in the calculation of the share based payment. The value of the share based payment is determined with reference to the extent the fair value of SSA and any dividends declared by SSA is expected to exceed any outstanding vendor financing at the end of the transaction period.

- Equity value attributable to participants:

  The value attributable to the participants by virtue of their shareholding in SSA was calculated with reference to the expected future cash flows and budgets of the SSA Group. The underlying macroeconomic assumptions utilised for this valuation are based on latest forecast and estimates and include brent crude oil prices, US$/Rand exchange rates and pricing assumptions.

- Forecasted dividend yield:

  The forecasted dividend yield of the SSA Group was calculated based on a benchmarked EBITDA multiple, and the available free cash flow anticipated over the term of the transaction of 10 years.

- Other assumptions:

  Impacts of non-transferability and appropriate minority and liquidity discounts have also been taken into account. Discount rates applied incorporate the relevant debt and equity costs of the group, and are aligned to the WACC rates for the entity.

- A zero-coupon Rand interest rate swap curve was constructed and utilised as an appropriate representation of a risk-free interest rate curve.
- A Rand prime interest rate curve was estimated utilising the historical Rand Prime Index and the 3 month Johannesburg Interbank Agreed Rate.

OTHER DISCLOSURES

OTHER DISCLOSURES

36 Contingent liabilities

36.1 Litigation

Construction disputes – Fischer Tropsch Wax Expansion Project in Sasolburg (FTWEP)

After the conclusion of construction of FTWEP at the Sasol One site in Sasolburg, a number of contractual claims were instituted by some contractors who were involved in the construction and project management relating to this project. Certain of these claims have already been resolved, either through settlement between the parties or through the contractual dispute resolution process. The Fluor SA (Pty) Ltd matter is still ongoing.

Fluor SA (Pty) Ltd – FTWEP

Fluor claimed a total amount of R486 million plus interest. This claim is based on the nature and quantification of Fluor's alleged entitlement to a change to the prices and completion dates for delayed access. The claim was referred to adjudication. The adjudicator rejected Fluor's entire claim. Subsequently, Fluor has referred its claim for Arbitration.

The Parties have agreed on the appointment of the arbitrator as well as the time schedule for the filing of pleadings in the Arbitration matter. Fluor filed its Statement of Claim on 14 December 2016 and Sasol was scheduled to file its Statement of Defence during May 2017.

However, Sasol raised certain objections to the Fluor Statement of Claim as Fluor included certain elements in the claim which were not part of the adjudication of the claim. These objections were adjudicated on 21 June 2017. The Arbitrator ruled that Sasol is not allowed to proceed with the formal objections but that they should be dealt with in Sasol's Statement of Defence.

Sasol filed its Statement of Defence and instead of Fluor filing its replication (and despite Sasol's previous objections), Fluor amended its Statement of Claim once again. This amendment was filed without notice or leave from the Arbitrator. The amendments made changes to the way in which Fluor now argues the matter. The amendment also changes the capital amount claimed to a lesser amount, being R448 million plus interest. Sasol filed its objection to this late amendment on 22 January 2018. The objection hearing was held on 12 March 2018. The Arbitrator dismissed the objection by Sasol. Sasol accordingly filed its amended Statement of Claim on 26 April 2018.

On the 12 March 2019, Fluor filed and served a further amendment to its Statement of Claim in terms of which a further reduction in the quantum is being claimed. Fluor now claims an amount of R384 million (alternatively the amount of R407 million based on an alternative assessment of its claim). The expert report, filed shortly after the amended statement of claim indicated a further reduction in the amount claimed by Fluor. Based on the expert report the quantum claimed by Fluor reduced to R305 million alternatively R306 million. The Arbitration commenced in October 2020 however the hearing did not conclude. Hearing of Sasol's expert evidence took place on the 12th and 13th of April 2021. Fluor advised that the presentations constitute new evidence not previously addressed and or raised during the expert engagements and Fluor is prejudiced by not having been able to prepare for cross examination on the "new evidence". The Arbitration hearing was accordingly stayed until 28 June 2021 to provide Fluor the opportunity to prepare for Cross Examination of Sasol's experts. During the second week of the Arbitration hearing, we were advised that Fluor's counsel would not be able to continue with his cross examination of Sasol's expert witness. The Arbitration main hearing has concluded with the only outstanding business being the hearing of final legal arguments. Fluor filed its Heads of Argument during May 2022 wherein Fluor abandoned a large portion of its claim and now seeks compensation in the sum of R289,1 million, alternatively R289,6 million and an extension of time of only 147 days. Sasol Filed its Heads of Argument during June 2022 and the parties are in process of attempting to agree on when final legal arguments are to be made.

Sasol believes that Fluor's original claim, including the amended claims are not justified. This view is supported by Sasol's independent experts.

Accordingly, no provision was created at 30 June 2022.

Dispute of dismissal during unprotected strike – Sasol Mining (Pty) Ltd

During 2009, the applicants in this matter were charged for participating in an unprotected sit-in, threatening and forcing others to participate in an unprotected strike and for assaulting or attempting to assault others and sitting in underground during an unprotected strike and subsequently dismissed. The applicants disputed their dismissal.

The Labour Court gave judgment in this matter on 19 September 2019 and ruled against Sasol Mining. It was directing the employer to reinstate the employees based on substantial unfairness and procedural fairness. Retrospective payment of remuneration was ordered in different categories, ranging from one to two years' back-pay. The legal team and external counsel received a mandate from management to appeal the judgment and papers were filed on 11 October 2019 in this regard.

Sasol Mining successfully applied for leave to appeal the ruling. The appeal was heard on 24 March 2021. Sasol Mining presented a settlement proposal on request by the Judge President of the Labour Court which provided for a lump sum payment in full and final settlement of all claims which was rejected by the Respondents. The Respondents' counteroffer was subsequently rejected by Sasol Mining insofar as it required reinstatement of certain employees, payment of 24 months' salary to the Respondents as well as the Respondents' Inzalo benefits. The Labour Appeal Court was informed that the parties were unable to settle the matter. The Labour Appeal Court's ruling was subsequently received and the appeal was successful.

In light of the court's ruling and the matter being finalised, no provision was recognised at 30 June 2022.

36 Contingent liabilities continued

36.1 Litigation continued

Dispute by Solidarity Trade Union relating to Sasol Khanyisa share scheme

Solidarity referred a dispute relating to the Sasol Khanyisa share scheme to the Commission for Conciliation, Mediation and Arbitration (CCMA) on 17 December 2017, where after conciliation proceedings commenced on 11 January 2018. On 5 February 2018, Sasol received a letter from Solidarity demanding a payment to their members (non-qualifying employees for Phase 2 of Khanyisa) equal to "the market value of the Sasol Khanyisa shares which qualifying employees will be entitled to within seven days after such entitlement (2028) or payment to each member of R500 000 by the end of December 2018." A second referral to the CCMA was received on 8 March 2018, conciliation was attempted on two occasions, on 9 and 25 May 2018, but was unsuccessful and a certificate to this effect was issued on 14 June 2018. This would entitle Solidarity to conduct a lawful strike provided picketing rules are in place.

On 25 October 2018, Solidarity served Sasol with its referral of the dispute to the CCMA in terms which Solidarity seeks the dispute be conciliated as an unfair discrimination matter. If unsuccessfully conciliated by the CCMA, it will be referred to the Labour Court for adjudication. This process was originally proposed by Sasol, but unheeded by Solidarity. The matter was referred to the CCMA and was subsequently certified as unresolved in February 2019. On 6 May 2019, Sasol received Solidarity's statement of claim filed with the Labour Court in Johannesburg. Sasol filed its replying documentation to Solidarity's statement of claim on the last day of July 2019. Subsequently the Judge President of the Labour Court invited Sasol and three other respondents (PPC, ArcelorMittal and Minopex) in three other cases where Solidarity is the Applicant on similar grounds, to meet. The purpose of the meeting was to make attempts to consolidate the disputes and set a stated case (combined version setting out the dispute) to afford the court to save time by hearing similar matters simultaneously. The various legal teams gathered at a meeting during the first week of October 2019 and a draft Statement of Case was prepared. The Labour Court was scheduled to hear the matter on 17 September 2020 in Johannesburg.

A few weeks prior to this hearing, the prepared Statement of Case formulation was amended by Solidarity and the other parties unsuccessfully objected to the amended wording. Sasol and the parties, save for PPC who had the date of 17 September 2020 allocated to them originally, decided to withdraw and apply for separate dates to foster their cases individually. No new date has been received yet, and since Solidarity is the applicant in this matter, it will be responsible for the application of dates. The Labour Court recently issued a directive to prepare a pre-trial minute to be filed with the registrar alternatively to appear before a judge of the Labour Court on 10 August 2022. The parties filed the pre-trial minute and are awaiting the allocation of the trial date.

Due to the current status of the matter no provision was recognised at 30 June 2022.

Legal review of Sasol Gas National Energy Regulator of South Africa (NERSA) maximum price decision and NERSA gas transmission tariff application (March 2013)

Pursuant to the 2013 NERSA decisions approving the Sasol Gas maximum gas prices and transmission tariffs, Sasol Gas implemented a standardised pricing mechanism in its supply agreements with customers in compliance with the applicable regulatory and legal framework. NERSA approved further maximum gas prices and transmission tariffs based on the same pricing and tariff mechanisms in November 2017.

Following a judicial review of the 2013 NERSA maximum gas price decision, the Constitutional Court of South Africa

(Constitutional Court), on 15 July 2019 overturned the NERSA decision and referred the matter back to NERSA. The court confirmed that the new decision to be taken by NERSA regarding the maximum gas price would apply retrospectively from 26 March 2014 when the original decisions (now overturned) became effective.

The November 2017 NERSA Maximum gas price decision relating to the period from July 2017 was based on the same principles as the 2013 decision. Following a legal review application by the Industrial Gas Users Association of Southern Africa (IGUA-SA), whose members include a number of large gas customers, this NERSA decision was overturned on 3 May 2021. Accordingly, the new 2021 maximum gas price decision by NERSA will apply to this period as well.

Following the above mentioned outcome of the appeal to the Constitutional Court, NERSA must approve new maximum gas prices for Sasol in terms of the provisions of the Gas Act. After a public consultation process in which Sasol participated, NERSA, during April 2020, adopted a new maximum gas price methodology, which was published by NERSA in June 2020. Pursuant to the Sasol Gas price application submitted to NERSA in December 2020, NERSA, on 6 July 2021 published its maximum gas price decision in which it approved maximum gas prices for Sasol Gas for the period from 2014 up to 2021 and determined how the maximum prices are to be determined for 2022 and 2023. With effect from 1 September 2021 Sasol Gas adopted a revised actual gas price methodology in terms of its supply agreements with customers in order to comply with the new NERSA maximum gas price decision.

The future implementation of the new NERSA approved maximum gas price could have a material adverse effect on our business, operating results, cash flows and financial condition. Because the new maximum gas prices approved by NERSA for the period of the overturned decision is lower than the actual price charged to a large number of Sasol Gas' customers, a retrospective liability may arise for Sasol Gas when customers institute claims for compensation based on the differences between the new approved maximum gas prices and actual gas prices historically charged by Sasol Gas. Sasol Gas raised a provision of R1,6 billion as at 31 December 2021 (30 June 2021: R1,4 billion) in respect of these anticipated claims by customers. In May 2022 Sasol Gas pro-actively approached its customers with a bespoke settlement offer for each affected customer to resolve this retrospective liability. By 30 June 2022 final and provisional settlements with an aggregate value of R1,3 billion have been reached with customers, which refunds were credited to the customer accounts. The remaining R400 million of the anticipated liability was reflected as an accrued expense as at 30 June 2022. Sasol Gas will endeavour to resolve the remaining disputes regarding the retrospective liability from the 2021 NERSA Maximum Gas Price decision as expeditiously as possible.

In December 2021 IGUA-SA launched a legal review application in which it seeks to overturn the maximum gas price decision by NERSA as published at the start of July 2021 approving Maximum Gas Prices for Sasol Gas for the period from 2014 – 2023. Both NERSA and Sasol Gas are cited in this further litigation. The applicant alleges that the NERSA decision is unreasonable and irrational as the decision does not mimic a competitive market and fails to comply with the directives contained in the abovementioned Constitutional Court decision.

36 Contingent liabilities continued

36.1 Litigation continued

NERSA and Sasol Gas will oppose the application. The current 2021 NERSA maximum gas price decision remains in force until such time as it is set aside (if at all) by a competent court and NERSA makes a new decision. The legal obligations for Sasol Gas flowing from the existing decision accordingly also remain unaffected by this application pending the decision of the court.

Sasol Oil (Pty) Ltd & Total South Africa (Pty) Ltd v Transnet SOC Ltd – Crude Oil Transportation Tariff dispute

Sasol Oil uses Transnet Pipelines to transport crude oil to NATREF for processing and is charged for this service at a specific crude oil tariff per liter. This tariff was historically determined through a commercial agreement between the Parties, which agreement also included the so-called Variation Agreement relating to the inland nature of the NATREF refinery. After the tariffs started to be determined by NERSA in terms of the Petroleum Pipelines Act, 2003 (Act 60 of 2003) a dispute arose between the parties regarding the tariff applicable to the conveyance of crude oil.

On 18 September 2017, Sasol Oil issued summons against Transnet SOC Limited ("Transnet") for payment in the amount of R1 billion this being the difference between the transportation costs that should have been charged by Transnet in terms of the Variation Agreement compared to the tariffs that were actually charged by Transnet in terms of the NERSA approved tariffs. The NERSA approved tariffs do not distinguish between the tariff for crude oil and the tariff for refined products. Total South Africa (Pty) Ltd (Total) instituted legal proceedings of a similar nature against Transnet in 2013.

Transnet defended the matter. Sasol Oil and Total's actions have been consolidated. Certain issues in the consolidated matter have already been decided by the High Court in 2015 and the Supreme Court of Appeal ("SCA") in 2016.

Transnet ultimately acknowledged the existence and the conclusion of the Variation Agreement, which it previously denied, and it then gave notice of cancellation of the Variation Agreement.

Certain separated issues in the ongoing litigation were argued by the Parties on 17 September 2020 and on 9 October 2020, the High Court made an order in favour of both Sasol Oil and Total that (i) Transnet's special plea regarding the formulation by Sasol Oil and Total of their damages claim was dismissed; (ii) Transnet's purported cancellation of the Variation Agreement was declared invalid and ineffectual; (iii) Transnet is bound by and is obliged to perform in terms of the Variation Agreement; (iv) Transnet's separated defences raised regarding location advantage and the public law defences were dismissed; and (v) a cost order against Transnet.

Transnet's application for leave to appeal the judgment was dismissed by the High Court on 21 November 2020 with costs.

Transnet subsequently petitioned the SCA to be granted special leave to appeal to the SCA, alternatively the Full Bench of the High Court. Transnet's appeal was limited to two of the aforesaid findings, namely (i) that the High Court erred in finding that Transnet's termination of the Variation Agreement was invalid and ineffectual and (ii) that the High Court erred in not finding that Sasol's and Total's claims did not disclose a cause of action. Sasol Oil and Total opposed Transnet's application and on 15 March 2021 the SCA dismissed Transnet's application with costs.

On 7 April 2021, Transnet approached the Constitutional Court with an application for leave to appeal. Sasol Oil and Total opposed the application and it was heard by the court on 16 November 2021.

The Constitutional Court handed down judgment on 21 June 2022:

- The Constitutional Court did not grant Transnet leave to appeal on the cause of action issue as it did not engage the Court's jurisdiction of general public importance. In the circumstances, Sasol and Total's contractual damages claims following Transnet's breach of the Variation Agreement remain intact at least until the Variation Agreement was validly terminated, which the Court held was 13 September 2020 (see below). Sasol Oil will now take next steps in the legal proceedings to deal with the quantum of its contractual damages claim in the High Court;
- The Constitutional Court granted Transnet leave to appeal in respect of the termination issue, allowed Transnet's appeal and declared that the Variation Agreement was terminable, was terminated validly and came to an end on 13 September 2020. The Constitutional Court set aside the High Court's order in so far as it related to the termination issue.

After the High Court judgement mentioned above, Sasol Oil and Total proceeded to apply their own calculation of the corrected crude oil tariff in line with the High Court judgment and made payment for crude oil conveyance from

December 2020 in accordance with this calculation. The calculation has been adjusted for each tariff year. These payments are at the reduced tariff and therefore constitute a shortfall to Transnet in respect of the tariff invoiced by Transnet over this period. The aggregate amount of these short payments by Sasol Oil is R624 million up to 30 June 2022. At the time Transnet indicated that it accepts these payments under protest. Following the Constitutional Court judgment Transnet has demanded the payment by Sasol Oil of the short payment amount and issued summons against Sasol Oil claiming such payment. As at 30 June 2022 Sasol Oil has provided for the amount of R624 million.

In consultation with counsel Sasol Oil is considering the viability of a possible review application to challenge the NERSA tariff decisions, inter alia on the grounds of the alleged discrimination due to the failure to distinguish between the conveyance of crude oil vs other petroleum products. The impact of such possible litigation on the previous short-payments and whether or not there remains a legal basis for Sasol Oil to continue with the short-payments until the tariff dispute is either resolved through litigation or by agreement between the Parties. Transnet and Sasol Oil have also commenced engagements to endeavour to find a commercial resolution to the ongoing disputes. Sasol Oil will in parallel also take the necessary steps to proceed with the quantum part of litigation relating to the damages claim.

Securities class action against Sasol Limited and some of its current and former executive directors

A class action lawsuit was filed against Sasol Limited and several of its current and former officers in a Federal District Court in New York (the Court).

The lawsuit alleges that Sasol violated U.S. federal securities laws by allegedly making false or misleading public statements regarding the LCCP between 2015 and 2020, specifically with respect to timing, costs, and control procedures, (refer to the Group's annual financial statements for the year ended 30 June 2020).

The Court dismissed the claims based on alleged misrepresentations about the effectiveness of internal controls over financial reporting and the management of the LCCP but found that the portions of the case related to the allegations of violations of U.S. securities laws based on alleged misrepresentations about LCCP cost estimates and schedules could move forward.

36 Contingent liabilities continued

36.1 Litigation continued

On 30 October 2020, Sasol filed a Motion for Reconsideration of the Court's order denying Sasol's Motion to Dismiss. On 15 December 2020 Sasol filed a supplemental brief in support of its Motion. Plaintiffs filed an opposition on 19 January 2021, and Sasol filed a reply on 1 February 2021. On 7 July 2021 the Court denied Sasol's motion and ordered the parties to file a revised proposed scheduling order as to the discovery. The Discovery Schedule was submitted on 9 August 2021 to the Court for its approval.

It is important to also note that Sasol's Directors and Officers insurance carriers have indicated coverage under the policy for this matter. Pursuant to a mediation process, the parties have reached a settlement in this matter which settlement was approved by the court on 18 August 2022, bringing this matter to a close.

Other litigation and tax matters

From time to time, Sasol companies are involved in other litigation and similar proceedings in the normal course of business.

A detailed assessment is performed on each matter and a provision is recognised where appropriate. Although the outcome of these proceedings and claims cannot be predicted with certainty, the company does not believe that the outcome of any of these cases would have a material effect on the group's financial results.

36.2 Competition matters

Sasol continuously evaluates its compliance programmes and controls in general, including its competition law compliance programmes and controls. As a consequence of these compliance programmes and controls, including monitoring and review activities, Sasol has adopted appropriate remedial and/or mitigating steps, where necessary or advisable, lodged leniency applications and made disclosures on material findings as and when appropriate. These ongoing compliance activities have already revealed, and may still reveal, competition law contraventions or potential contraventions in respect of which we have taken, or will take, appropriate remedial and/or mitigating steps including lodging leniency applications.

36.3 Environmental orders

Sasol's environmental obligation accrued at 30 June 2022 was R17 207 million compared to R16 196 million at 30 June 2021.

Although Sasol has provided for known environmental obligations that are probable and reasonably estimable, the amount of additional future costs relating to remediation and rehabilitation may be material to results of operations in the period in which they are recognised. It is not expected that these environmental obligations will have a material effect on the financial position of the group.

37 Related party transactions

Parties are considered to be related if one party directly or indirectly has the ability to control or jointly control the other party or exercise significant influence over the other party or is a member of the key management of the reporting entity (Sasol Limited). In particular, this relates to joint ventures and associates. Disclosure in respect of joint ventures and associates is provided in note 21.

Group companies, in the ordinary course of business, entered into various purchase and sale transactions with associates and joint ventures. The effect of these transactions is included in the financial performance and results of the group. Terms and conditions are determined on an arm's length basis. Amounts owing (after eliminating intercompany balances) to related parties are disclosed in the respective notes to the financial statements for those statement of financial position items. No impairment of receivables related to the amount of outstanding balances is required.

Material related party transactions

The following table shows the material transactions that are included in the annual financial statements using the equity method for associates and joint ventures.

for the year ended 30 June	2022 Rm	2021 Rm	2020 Rm
Sales and services rendered from subsidiaries to related parties			
Joint ventures	**2 737**	2 635	672
Purchases by subsidiaries from related parties			
Joint ventures	**4**	8	691
Associates	**153**	100	78
	157	108	769

37 Related party transactions continued

Identity of related parties with whom material transactions have occurred

Except for the group's interests in joint ventures and associates, there are no other related parties with whom material individual transactions have taken place.

Key management remuneration

Key management comprises of Executive and Non-executive Directors as well as other members of the Group Executive Committee (GEC)/Prescribed Officers. Refer to pages 45 to 51 of the audited Remuneration Report for full details of remuneration of key management personnel and Non-executive Directors.

	Salary R'000	Retirement funding R'000	Other benefits R'000	Annual incentives [2] R'000	**Total 2022 [1] R'000**	Total 2021 [1] R'000	Total 2020 [1] R'000
EXECUTIVE DIRECTORS	26 980	764	2 948	22 691	**53 383**	65 493	22 944

1 Total remuneration for the financial year excludes gains derived from the long-term incentive schemes which are separately disclosed.
2 Short-term incentives approved based on the Group results for the 2022 financial year and payable in the 2023 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2022 multiplied by the Group STI performance and the Individual Performance Factor.

Gains on Long-term incentives previously awarded to the Executive Directors' and former Executive Directors' vested after the performance period ended 30 June 2022, are as follows:

	Long-term incentive rights vested[1] R'000	**Total 2022 R'000**	Total 2021 R'000	Total 2020 R'000
EXECUTIVE DIRECTORS	30 850	**30 850**	4 824	2 657

1 Long-term incentives for the 2022 financial year represent incentives approved on the group results for the performance period ended 30 June 2022, settled in the 2023 financial year.

Remuneration and benefits paid and short-term incentives approved for the Prescribed Officers were as follows:

	Salary R'000	Retirement funding R'000	Other benefits R'000	Annual incentives [2] R'000	**Total 2022 [1] R'000**	Total 2021 [1] R'000	Total 2020 [1] R'000
PRESCRIBED OFFICERS	38 060	5 312	16 751	28 349	**88 472**	92 817	52 142
Number of Prescribed Officers					**8**	7	6

1 Total remuneration for the financial year excludes gains derived from the long-term incentive schemes which are separately disclosed.
2 Short-term incentives approved based on the Group results for the 2022 financial year and payable in the 2023 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2022 multiplied by the Group STI performance and the Individual Performance Factor.

Gains on Long-term incentives previously awarded to the Prescribed Officers vested after the performance period ended 30 June 2021, are as follows:

	Long-term incentive rights vested[1] R'000	**Total 2022 R'000**	Total 2021 R'000	Total 2020 R'000
PRESCRIBED OFFICERS	50 512	**50512**	6 735	4 201

1 Long-term incentives for the 2022 financial year represent incentives approved on the group results for the performance period ended 30 June 2022, settled in the 2023 financial year.

37 Related party transactions continued

The total IFRS2 charge for LTI's awarded to the Executive Directors and the Prescribed Officers in 2022 amounted to R14 million and R32 million.

Non-executive Directors' emoluments for the year was as follows:

	Board meeting fees R'000	Lead Director fees R'000	Committee fees R'000	Ad Hoc Special Board – Committee Meeting R'000	Total 2022 R'000	Total 2021 R'000	Total 2020 R'000
Non-executive Directors	22 787	758	6 861	–	**30 406**	33 540	39 743

38 Subsequent events

Sasol has declared a force majeure on the supply of petroleum products after the Natref refinery was forced to shut down due to delays in the arrival of crude oil shipments. Natref has been operating at minimum rates from 23 June to enable the procurement of additional crude from the Strategic Fuel Fund (SFF) and the anticipated loading of procured West African (WAF) crude which had been delayed due to force majeure declared by the terminal operator. The refinery had to shut down on 15 July as it had consumed all the contingency crude stocks and force majeure was declared. The refinery has since recommenced operations.

On 29 July 2022 National Treasury published the draft 2022 Taxation Laws Amendment Bill ("Draft 2022 TLAB"), alongside various other tax bills which contain tax proposals made in the 2022 National Budget, for public comment. The Draft 2022 TLAB proposes amendments to the Carbon Tax Act to bring into effect the policy set out under South Africa's climate change response and carbon tax price path as released by National Treasury in February 2022. The proposed amendment include the progressive increase in the carbon tax rate from 2023. An increase of US$1, US$2 and US$3 on the current rate of ZAR 144 is proposed for the 2023, 2024 and 2025 tax periods, respectively with a rate of US$20 for the 2026 tax period. Thereafter an annual increase of US$2.50 in the rate is proposed from 2027 to 2029 to reach a rate of US$30 by 2030. The proposed amendments do not differ materially from the assumptions applied by management in testing the recoverability of non-financial assets at 30 June 2022 as explained in Note 9.

39 Financial risk management and financial instruments

Financial instruments overview

The following table summarises the group's classification of financial instruments.

		Carrying value				
	Note	At fair value through profit and loss Rm	Designated hedging instrument at fair value	Designated at fair value through other comprehensive income Rm	Amortised cost Rm	Fair value Rm
2022						
Financial assets						
Investments in listed securities		–	–	480	–	480
Investments in unlisted securities		–	–	13	–	13
Long-term restricted cash****		–	–	–	1 531	1 531 *
Long-term receivables	20	–	–	–	3 023	3 023
Long- and short-term financial assets		868	–	–	–	868
Trade and other receivables***	25	–	–	–	38 936	38 936 **
Cash and cash equivalents	28	–	–	–	43 140	43 140 *
Financial liabilities						
Listed long-term debt (Bonds issued)+	16	–	–	–	78 076	71 667
Unlisted long-term debt+	16	–	–	–	26 758	26 824
Lease liabilities	17	–	–	–	16 034	
Short-term debt and bank overdraft		–	–	–	255	255 **
Long- and short-term financial liabilities		7 127	–	–	–	7 127
Trade and other payables	26	–	–	–	39 873	39 873 **

39 Financial risk management and financial instruments continued

		Carrying value				
	Note	At fair value through profit and loss Rm	Designated hedging instrument at fair value	Designated at fair value through other comprehensive income Rm	Amortised cost Rm	Fair value Rm
2021						
Financial assets						
Investments in listed securities		–	–	466	–	466
Investments in unlisted securities		–	–	8	–	8
Long-term restricted cash		–	–	–	1 422	1 422 *
Long-term receivables	20	–	–	–	3 879	3 879
Long- and short-term financial assets		2 323	–	–	–	2 323
Trade and other receivables***	25	–	–	–	27 140	27 140 **
Cash and cash equivalents	28	–	–	–	31 231	31 231 *
Financial liabilities						
Listed long-term debt (Bonds issued)+	16	–	–	–	68 405	72 226
Unlisted long-term debt+	16	–	–	–	34 238	34 274
Lease liabilities	17	–	–	–	15 677	
Short-term debt and bank overdraft		–	–	–	303	303 **
Long- and short-term financial liabilities		3 070	2 103	–	–	5 173
Trade and other payables	26	–	–	–	23 289	23 289 **

* The fair value of cash and cash equivalents is equal to their carrying value.

** The fair value of these instruments approximates carrying value, due to their short-term nature.

*** Trade and other receivables includes employee-related and insurance-related receivables.

**** Long-term restricted cash is disclosed as part of Other long-term investments on the Statement of financial position.

\+ Includes unamortised loan costs.

39.1 Financial risk management

The group is exposed in varying degrees to a number of financial instrument related risks. The Group Executive Committee (GEC) has the overall responsibility for the establishment and oversight of the group's risk management framework. The GEC established the Safety Committee, which is responsible for providing the board with the assurance that significant business risks are systematically identified, assessed and reduced to acceptable levels. A comprehensive risk management process has been developed to continuously monitor and assess these risks. Based on the risk management process Sasol refined its hedging policy and the Sasol Limited Board appointed a subcommittee, the Audit Committee, that meets regularly to review and, if appropriate, approve the implementation of hedging strategies for the effective management of financial market related risks.

The group has a central treasury function that manages the financial risks relating to the group's operations.

Capital allocation

The group's objectives when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to grow shareholder value sustainably.

The group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The group monitors capital utilising a number of measures, including the gearing ratio (net debt to shareholders' equity). Gearing takes into account the group's substantial capital investment and susceptibility to external market factors such as crude oil prices, exchange rates and commodity chemical prices. The group's gearing level for 2022 decreased to 41,7% (2021 – 61,5%; 2020 – 117%) due to the repayment of US dollar debt and stronger EBITDA generation, offset by the weaker closing exchange rate. The long-term target gearing ratio is between 20% and 40%.

Financing risk

Financing risk refers to the risk that financing of the group's net debt requirements and refinancing of existing borrowings could become more difficult or more costly in the future. This risk can be decreased by managing the group within the targeted gearing ratio, maintaining an appropriate spread of maturity dates, and managing short-term borrowings within acceptable levels.

The group's target for long-term borrowings include an average time to maturity of at least two years, and an even spread of maturities.

39 Financial risk management and financial instruments continued

39.1 Financial risk management continued

Credit rating

On 18 October 2021, S&P affirmed Sasol's BB rating and revised the outlook from negative to positive on the back of significant debt reduction, stronger cash flow generation and liquidity, and restored headroom in its financial profile. The positive outlook reflects the materially increased headroom in Sasol's credit metrics, and the expectation that rating upside could materialise over the next 12 months if Sasol maintains its ratio of Funds From Operations (FFO)/Net debt substantially above 30%.

In April 2022, Moody's affirmed Sasol's rating of Ba2 but changed its outlook to positive from negative, as a direct consequence of the sovereign rating action. Moody's cited that the change in outlook to positive reflects the company's recent strong performance and adherence to the disposal and deleveraging strategy put in place during 2020. The positive outlook reflects Moody's expectation that Sasol's credit metrics will continue to improve supported by high commodity prices and could be upgraded if Sasol's Debt/EBITDA is sustained at 2.5x or below through economic volatility and commodity price cycles, whilst strong liquidity is maintained over the next 12 to 18 months.

Risk profile

Risk management and measurement relating to each of these risks is discussed under the headings below (sub-categorised into credit risk, liquidity risk, and market risk) which entails an analysis of the types of risk exposure, the way in which such exposure is managed and quantification of the level of exposure in the statement of financial position.

Credit risk

Credit risk is the risk of financial loss due to counterparties not meeting their contractual obligations. Credit risk is deemed to be low when, based on the forward available information, it is highly probable that the customer will service its debt in accordance with the agreement throughout the period.

How we manage the risk

The risk is managed by the application of credit approvals, limits and monitoring procedures. Where appropriate, the group obtains security in the form of guarantees to mitigate risk. Counterparty credit limits are in place and are reviewed and approved by the respective subsidiary credit management committees. The central treasury function provides credit risk management for the group-wide exposure in respect of a diversified group of banks and other financial institutions. These are evaluated regularly for financial robustness especially in the current global economic environment. Management has evaluated treasury counterparty risk and does not expect any treasury counterparties to fail in meeting their obligations. The group maximum exposure is the outstanding carrying amount of the financial asset.

For all financial assets measured at amortised cost, the group calculates the expected credit loss based on contractual payment terms of the asset. The contractual payment terms for receivables vary from 30 days to 120 days. The exposure to credit risk is influenced by the individual characteristics, the industry and geographical area of the counterparty with whom we have transacted. Financial assets at amortised cost are carefully monitored and reviewed on a regular basis for expected credit loss and impairment based on our credit risk policy.

Expected credit loss is calculated as a function of probability of default, loss given default and exposure at default. The group allocates probability of default based on external and internal information. The major portion of the financial assets at amortised cost consists of externally rated customers and the group uses the average of Moody's, Fitch and S&P Corporate and Sovereign probability of defaults, depending on whether the customer or holder of the financial asset is corporate or government related. No changes were made to the majority of formal credit ratings as these credit ratings were obtained close to year-end and therefore already incorporate the current negative economic environment, as well as an entity's specific circumstances, financial strength and outlook. For customers or debtors that are not rated by a formal rating agency, the group allocates internal credit ratings and default rates taking into account forward looking information, based on the debtors profile and financial status. Loss given default (LGD) is based on the Basel model. As a result of the continued economic downturn following the COVID-19 pandemic and aggravated by the Russian/Ukrainian conflict, the group applied the Board of Governors of the Federal Reserve System's formula to derive a downturn LGD to be used for 2022 and 2021, namely 50% for unsecured financial assets and 40% for secured financial assets. Credit enhancement is only taken into account if it is integral to the asset. Trade receivables expected credit loss is calculated over lifetime. Other financial assets expected credit loss is measured over 12 months when the credit risk is low and over lifetime where the credit risk has increased significantly. The group considers credit risk to have increased significantly when the customer's credit rating has been downgraded to a lower grade (e.g. A grade to B grade). The group considers customers to be in default when the receivable is more than 30 days overdue or the customer has failed to honour a repayment arrangement.

No single customer represents more than 10% of the group's total turnover or more than 10% of total trade receivables for the years ended 30 June 2022, 2021 and 2020. Approximately 48% (2021 – 42%; 2020 – 44%) of the group's total turnover is generated from sales within South Africa, while about 21% (2021 – 24%; 2020 – 23%) relates to European sales and 16% (2021 – 18%; 2020 – 17%) relates to sales within the US. The concentration of credit risk within geographic regions is largely aligned with the geographic regions in which the turnover was earned.

39 Financial risk management and financial instruments continued

39.1 Financial risk management continued

Detail of allowances for credit losses:

	Lifetime ECL				12-month ECL	
	Significant increase in credit risk since initial recognition Rm	Simplified approach for trade receivables Rm	Credit-impaired Rm	Total lifetime ECL Rm	No significant increase in credit risk since initial recognition Rm	Total expected credit loss Rm
2022						
Long-term receivables	**–**	**–**	**41**	**41**	**44**	**85**
Trade receivables	**–**	**30**	**101**	**131**	**–**	**131**
Other receivables	**1**	**–**	**272**	**273**	**58**	**331**
	1	**30**	**414**	**445**	**102**	**547**

	Lifetime ECL				12-month ECL	
	Significant increase in credit risk since initial recognition Rm	Simplified approach for trade receivables Rm	Credit-impaired Rm	Total lifetime ECL Rm	No significant increase in credit risk since initial recognition Rm	Total expected credit loss Rm
2021						
Long-term receivables	50	–	41	91	–	91
Trade receivables	–	9	192	201	–	201
Other receivables	7	–	275	282	32	314
	57	9	508	574	32	606

Overview of the credit risk profile of financial assets measured at amortised cost is as follows:

	2022			2021		
	AAA to A- %	**BBB to B- %**	**CCC+ and – below %**	AAA to A- %	BBB to B- %	CCC+ and – below %
Long-term receivables	**51**	**43**	**6**	58	39	3
Trade receivables	**73**	**24**	**3**	72	25	3
Other receivables	**83**	**15**	**2**	68	27	5
Cash and cash equivalents*	**18**	**81**	**1**	21	79	–

* Includes long-term restricted cash.

Liquidity risk

Liquidity risk is the risk that an entity in the group will be unable to meet its obligations as they become due.

The group benefitted from a favourable macroeconomic environment, with a higher crude oil price, refining margins and chemicals prices following heightened geopolitical tensions. This performance was further underpinned by strong cost and capital discipline as we continue to execute our Sasol 2.0 transformation programme.

39 Financial risk management and financial instruments continued

39.1 Financial risk management continued

How we manage the risk

The group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows, making use of a central treasury function to manage pooled business unit cash investments and borrowing requirements. Currently the group is maintaining a positive liquidity position, conserving the group's cash resources through continued focus on working capital improvement, cost savings and capital reprioritisation.

The group meets its financing requirements through a mixture of cash generated from its operations and, short and long-term borrowings and strives to maintain adequate banking facilities and reserve borrowing capacities. Adequate banking facilities and reserve borrowing capacities are maintained. The group is in compliance with all of the financial covenants per its loan agreements, none of which is expected to present a material restriction on funding or its investment policy in the near future. The group has sufficient undrawn borrowing facilities, which could be utilised to settle obligations. Refer to note 16. The next material maturity is the $1 billion (R16 billion) bond due in November 2022.

Protection of downside risk for the balance sheet was a key priority for the group during volatile times, resulting in the execution of our hedging programme to address oil price, ethane price and currency exposure, thereby protecting the balance sheet.

The net debt to EBITDA (bank definition) at 30 June 2022 was 0,8 times, significantly below the threshold level of 3 times.

Our exposure to and assessment of the risk

The maturity profile of the undiscounted contractual cash flows of financial instruments at 30 June were as follows:

	Note	Contractual cash flows* Rm	Within one year Rm	One to three years Rm	Three to five years Rm	More than five years Rm
2022						
Financial assets						
Non-derivative instruments						
Long-term receivables	20	3 316	–	1 447	777	1 092
Trade and other receivables	25	38 936	38 936	–	–	–
Cash and cash equivalents	28	43 141	43 141	–	–	–
Investments through other comprehensive income		493	493	–	–	–
Long-term restricted cash		1 531	–	–	–	1 531
		87 417	82 570	1 447	777	2 623
Derivative instruments						
Foreign exchange contracts		9 005	9 005	–	–	–
Crude oil futures		25	25	–	–	–
Foreign exchange zero cost collars		76	76	–	–	–
Crude oil zero cost collars		17	17	–	–	–
Other commodity derivatives		61	61	–	–	–
Other currency derivatives		1 236	69	135	142	890
		97 837	91 823	1 582	919	3 513
Financial liabilities						
Non-derivative instruments						
Long-term debt	16	(123 107)	(25 980)	(51 730)	(14 527)	(30 870)
Lease liabilities	17	(27 107)	(2 671)	(4 291)	(3 063)	(17 082)
Short-term debt	18	(82)	(82)	–	–	–
Trade and other payables	26	(33 262)	(33 262)	–	–	–
Bank overdraft	28	(173)	(173)	–	–	–
		(183 731)	(62 168)	(56 021)	(17 590)	(47 952)
Derivative instruments						
Foreign exchange contracts		(8 986)	(8 986)	–	–	–
Foreign exchange zero cost collars		(454)	(454)	–	–	–
Crude oil zero cost collar		(6 176)	(6 176)	–	–	–
Coal swap options		(112)	(112)	–	–	–
Other currency derivatives		(1 850)	(6)	–	–	(1 844)
Other commodity derivatives		(53)	(53)	–	–	–
		(201 362)	(77 955)	(56 021)	(17 590)	(49 796)

* Contractual cash flows include interest payments.

The shortfall beyond one year will be funded through cash generated from operations, utilisation of available facilities and the refinancing of existing debt.

39 Financial risk management and financial instruments continued

39.1 Financial risk management continued

	Note	Contractual cash flows* Rm	Within one year Rm	One to three years Rm	Three to five years Rm	More than five years Rm
2021						
Financial assets						
Non-derivative instruments						
Long-term receivables	20	3 970	–	1 098	908	1 964
Trade and other receivables	25	27 140	27 140	–	–	–
Cash and cash equivalents	28	31 231	31 231	–	–	–
Investments through other comprehensive income		474	474	–	–	–
Long-term restricted cash		1 422	–	–	–	1 422
		64 237	58 845	1 098	908	3 386
Derivative instruments						
Foreign exchange contracts		8 169	8 169	–	–	–
Crude oil put options		46	46	–	–	–
Foreign exchange zero cost collars		1 150	1 150	–	–	–
Ethane swap options		156	156	–	–	–
Other commodity derivatives		9	9	–	–	–
Other currency derivatives		1 727	107	231	241	1 148
		75 494	68 482	1 329	1 149	4 534
Financial liabilities						
Non-derivative instruments						
Long-term debt	16	(119 921)	(8 997)	(66 190)	(6 698)	(38 036)
Lease liabilities	17	(31 679)	(2 997)	(5 067)	(4 226)	(19 389)
Short-term debt	18	(60)	(60)	–	–	–
Trade and other payables	26	(23 289)	(23 289)	–	–	–
Bank overdraft	28	(243)	(243)	–	–	–
Financial guarantees**		(313)	(313)	–	–	–
		(175 505)	(35 899)	(71 257)	(10 924)	(57 425)
Derivative instruments						
Foreign exchange contracts		(8 134)	(8 134)	–	–	–
Interest rate swap options		(2 234)	(668)	(960)	(513)	(93)
Crude oil put options		(46)	(46)	–	–	–
Crude oil zero cost collar		(1 126)	(1 126)	–	–	–
Crude oil swap options		(1 175)	(1 175)	–	–	–
Crude oil futures		(20)	(20)	–	–	–
Other currency derivatives		(5 422)	–	–	–	(5 422)
Other commodity derivatives		(49)	(49)	–	–	–
		(193 711)	(47 117)	(72 217)	(11 437)	(62 940)

* Contractual cash flows include interest payments.

** Issued financial guarantees contracts are all repayable on default, however the likelihood of default is considered remote.

Market risk

Market risk is the risk arising from possible market price movements and their impact on the future cash flows of the business. The market price movements that the group is exposed to:

Foreign currency risk

Foreign currency risk is a risk that earnings and cash flows will be affected due to changes in exchange rates.

How we manage the risk

The Audit Committee sets broad guidelines in terms of tenor and hedge cover ratios specifically to assess future currency exposure, which have the potential to materially affect our financial position. These guidelines and our hedging policy are reviewed from time to time. This hedging strategy enables us to better predict cash flows and thus manage our liquidity and key financial metrics more effectively. Foreign currency risks are managed through the group's hedging policy and financing policies and the selective use of various derivatives.

39 Financial risk management and financial instruments continued

39.1 Financial risk management continued

Our exposure to and assessment of the risk

The group's transactions are predominantly entered into in the respective functional currency of the individual operations. The construction of the LCCP has largely been financed through funds obtained in US dollar, with a small portion of funds obtained from Rand sources. A large portion of our turnover and capital investments are significantly impacted by the rand/US$ and rand/EUR exchange rates. Some of our fuel products are governed by the BFP, of which a significant variable is the rand/US$ exchange rate. Our export chemical products are mostly commodity products whose prices are largely based on global commodity and benchmark prices quoted in US dollars and consequently are exposed to exchange rate fluctuations that have an impact on cash flows. These operations are exposed to foreign currency risk in connection with contracted payments in currencies not in their individual functional currency. The most significant exposure for the group exists in relation to the US dollar and the Euro. The translation of foreign operations to the presentation currency of the group is not taken into account when considering foreign currency risk.

Zero-cost collars

In line with the risk mitigation strategy, the group hedges a significant portion of its estimated foreign currency exposure in respect of forecast sales and purchases over the following 12 months. The group mainly uses zero-cost collars to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Foreign exchange contracts

Foreign exchange contracts (FECs) are utilised throughout the group to hedge the risk of currency depreciation on committed and highly probable forecast transactions. Transactions hedged with FECs include capital and goods purchases (imports) and sales (exports).

Refer to the summary of our derivatives below.

The following significant exchange rates were applied during the year:

	Average rate		Closing rate	
	2022 Rand	2021 Rand	**2022 Rand**	2021 Rand
Rand/Euro	**17,15**	18,38	**17,07**	16,93
Rand/US dollar	**15,21**	15,40	**16,28**	14,28

The table below shows the significant currency exposure where entities within the group have monetary assets or liabilities that are not in their functional currency, have exposure to the US dollar or the Euro. The amounts have been presented in rand by converting the foreign currency amount at the closing rate at the reporting date.

	2022		2021	
	Euro Rm	**US dollar Rm**	Euro Rm	US dollar Rm
Long-term receivables	**–**	**336**	–	323
Trade and other receivables*	**739**	**4 961**	831	2 265
Cash and cash equivalents*	**2 158**	**3 359**	1 895	1 121
Net exposure on assets	**2 897**	**8 656**	2 726	3 709
Trade and other payables**	**(166)**	**(4 552)**	(296)	(1 523)
Net exposure on liabilities	**(166)**	**(4 552)**	(296)	(1 523)
Exposure on external balances	**2 731**	**4 104**	2 430	2 186
Net exposure on balances between group companies***	**523**	**8 286**	(2 559)	(8 064)
Total net exposure	**3 254**	**12 390**	(129)	(5 878)

* The US$ increase relates to proceeds generated through exports from South Africa.

** The US$ increase is due to purchases of crude oil at higher prices.

*** The US$ movement results from a significant repayment of the loan provided by Sasol Financing International to Sasol Investment Company for the partial funding of the LCCP as well as export proceeds deposited with Sasol Financing International (Group treasury company), which is also the main reason for the Euro movement.

Sensitivity analysis

The following sensitivity analysis is provided to show the foreign currency exposure of the individual entities at the end of the reporting period. This analysis is prepared based on the statement of financial position balances that exist at year-end, for which there is currency risk, before consideration of currency derivatives, which exist at that point in time. The effect on equity is calculated as the effect on profit and loss. The effect of translation of results into presentation currency of the group is excluded from the information provided.

A 10% weakening in the group's significant exposure to the foreign currency at 30 June would have increased either the equity or the profit by the amounts below, before the effect of tax. This analysis assumes that all other variables, in particular, interest rates, remain constant, and has been performed on the same basis for 2021.

39 Financial risk management and financial instruments continued

39.1 Financial risk management continued

	2022		2021	
	Euro Rm	US Dollar Rm	Euro Rm	US Dollar Rm
Equity	325	1 239	(13)	(511)
Income statement	325	1 239	(13)	(511)

A 10% movement in the opposite direction in the group's exposure to foreign currency would have an equal and opposite effect to the amounts disclosed above.

Interest rate risk

Interest rate risk is the risk that the value of short-term investments and financial activities will change as a result of fluctuations in the interest rates.

Fluctuations in interest rates impact on the value of short-term investments and financing activities, giving rise to interest rate risk. The group has significant exposure to interest rate risk due to the volatility in South African, European and US interest rates.

How we manage the risk

Our debt is comprised of different instrument notes, which by their nature either bear interest at a floating or a fixed rate. We monitor the ratio of floating and fixed interest in our loan portfolio and manage this ratio, by electing to incur either bank loans, bearing a floating interest rate, or bonds, which bear a fixed interest rate. We may also use interest rate swaps, where appropriate, to convert some of our debt into either floating or fixed rate debt to manage the composition of our portfolio.

In respect of financial assets, the group’s policy is to invest cash at floating rates of interest and cash reserves are to be maintained in short-term investments (less than one year) in order to maintain liquidity, while achieving a satisfactory return for shareholders.

Our exposure to and assessment of the risk

At the reporting date, the interest rate profile of the group’s interest-bearing financial instruments, including the effect of the interest rate swap was:

	Carrying value	
	2022 Rm	2021 Rm
Variable rate instruments		
Financial assets	40 250	30 062
Financial liabilities*	(26 094)	(7 898)
	14 156	22 164
Fixed rate instruments		
Financial assets	7 121	1 788
Financial liabilities	(78 913)	(110 803)
	(71 792)	(109 015)
Interest profile (variable: fixed rate as a percentage of total financial assets)	85:15	94:6
Interest profile (variable: fixed rate as a percentage of total financial liabilities)	25:75	7:93

* The increase in variable exposure is due to the termination of the USD1,7 billion interest rate swap which previously converted a portion of the group's variable debt to fixed debt.

39 Financial risk management and financial instruments continued

39.1 Financial risk management continued

Cash flow sensitivity for variable rate instruments

Financial instruments affected by interest rate risk include borrowings, deposits, trade receivables and trade payables. A change of 1% in the prevailing interest rate in a particular currency at the reporting date would have increased/(decreased) earnings by the amounts shown below before the effect of tax. The sensitivity analysis has been prepared on the basis that all other variables, in particular foreign currency rates, remain constant and has been performed on the same basis for 2021. Interest is recognised in the income statement using the effective interest rate method.

	Income statement – 1% increase			
	South Africa Rm	Europe* Rm	United States of America Rm	Other Rm
30 JUNE 2022	**257**	**22**	**(153)**	**16**
30 June 2021	166	19	25	12

* A decrease of 1% in interest rates for Europe will not have an effect on the income statement as it is not considered reasonably possible that the repo interest rates will decrease below 0%.

A 1% decrease in interest rates would have an equal and opposite effect to the amounts disclosed above.

The group had exposure to the variable US dollar London Interbank Overnight Rate (LIBOR) through the USD term loan and revolving credit facilities. The group has entered into USD interest rate swaps to convert a portion of the group's exposure to the variable LIBOR to a fixed rate. The swaps were designated as hedging instruments in a cash flow hedge.

Hedge effectiveness was determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. A regression analysis method is employed for assessing the effectiveness of each designated hedging relationship.

Possible sources of hedge ineffectiveness include:

- Differences in critical terms between the interest rate swaps and interest payments, including future payment date mismatches;
- A significant change in the credit risk of either party to the hedging relationship during the period of the hedge; and
- The effects of the forthcoming IBOR reform, because changes might take effect at a different time and have a different impact on the hedged item (the floating-rate debt) and the hedging instrument (the interest rate swap used to hedge the debt).

Effective 15 March 2022, the term loan and revolving credit facilities as well as two of the swaps were transitioned to the Secured Overnight Financing Rate (SOFR). The transition also entailed the addition of a fixed credit adjustment spread to the SOFR and new fallback clauses. The fixed credit adjustment spread is based on the rate published by Bloomberg Index Services Limited following the FCA's Cessation Announcement on 5 March 2021. The group qualified for and has applied the reliefs provided by IBOR reform Phase 2 that allowed the group's hedging relationships to continue. For the remaining swaps, the Phase 1 amendments allowed hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

Throughout 2022, the group has continued to make significant progress in repaying variable USD debt, to the extent that the forecasted future interest payments over the remaining term of the interest rate swap are largely no longer probable. Hedge accounting was discontinued prospectively from 30 April 2022 and the balance of the hedge reserve was reclassified to profit as a derivative gain included in other operating expenses. The information in the table below is applicable to the period from 1 July 2021 to 30 April 2022.

		2022	2021
Carrying value included in short and long-term financial liabilities	Rm	–	2 103
Fair value gain/(loss) recognised in other comprehensive income	Rm	**1 818**	(1 072)
Amount recognised in other operating expenses[1]	Rm	**1 029**	89
Balance of hedge reserve – continuing hedge relationships	Rm	–	(801)
Balance of hedge reserve – discontinued hedge relationships	Rm	–	(106)
Nominal amount	Rm	–	1 751
Expiry		–	December 2026
Average fixed rate	%	**2,82**	2,82
Hedge ratio		**1:1**	1:1
Fair value gain of continuing hedging instruments used as the basis for recognising hedge ineffectiveness	US$m	**120**	32
Fair value gain of hedged item used as the basis for recognising hedge ineffectiveness	US$m	**121**	38

1 Includes an amount of R1,1 billion reclassified from the cash flow hedge reserve to profit or loss upon termination of the interest rate swap.

39 Financial risk management and financial instruments continued

39.1 Financial risk management continued

Commodity price risk

Commodity price risk is the risk of fluctuations in our earnings as a result of fluctuation in the price of commodities.

How we manage the risk

Crude oil and coal price

The group makes use of derivative instruments, including options and commodity swaps as a means of mitigating price movements and timing risks on crude oil purchases and sales and ethane purchases and export coal sales. The group entered into hedging contracts which provide downside protection against decreases in commodity prices. Refer to the summary of our derivatives below.

Our exposure to and assessment of the risk

A substantial proportion of our turnover is derived from sales of petroleum and petrochemical products. Market prices for crude oil fluctuate because they are subject to international supply and demand and political factors. Our exposure to the crude oil price centres primarily around the selling price of the fuel marketed by our Energy business which is governed by the Basic Fuel Price (BFP) formula, the crude oil related raw materials used in our Natref refinery and certain of our offshore operations including where chemical prices are linked to the crude oil price. Key factors in the BFP are the Mediterranean and Singapore or Mediterranean and Arab Gulf product prices for petrol and diesel, respectively.

Dated Brent Crude prices applied during the year:

	Dated Brent Crude	
	2022 US$	2021 US$
High	**137,64**	76,44
Average	**92,06**	54,20
Low	**66,17**	36,21

OTHER DISCLOSURES (CONTINUED)

39 Financial risk management and financial instruments continued

39.1 Financial risk management continued

Summary of our derivatives

In the normal course of business, the group enters into various derivative transactions to mitigate our exposure to foreign exchange rates, interest rates and commodity prices. Derivative instruments used by the group in hedging activities include swaps, options, forwards and other similar types of instruments.

	Financial asset	Financial liability	Financial asset	Financial liability	Income statement gain/(loss)		
	2022 Rm	2022 Rm	2021 Rm	2021 Rm	2022 Rm	2021 Rm	2020 Rm
Derivative financial instruments							
Interest rate swap options	**–**	**–**	–	(2 103)	**1 029**	(37)	(101)
Crude oil put options	**–**	**–**	46	(46)	**–**	(1 545)	(153)
Crude oil zero cost collars	**17**	**(6 176)**	–	(1 126)	**(11 349)**	(1 871)	(157)
Crude oil swap options	**–**	**–**	–	(1 175)	**(5 140)**	(1 267)	(160)
Crude oil futures	**25**	**–**	–	(20)	**(1 049)**	(774)	538
Ethane swap options	**–**	**–**	156	–	**279**	680	(732)
Coal swap options	**–**	**(112)**	–	–	**691**	–	–
Other commodity derivatives	**61**	**(53)**	9	(49)	**(593)**	–	–
Foreign exchange contracts	**68**	**(50)**	75	(40)	**(677)**	1 011	(372)
Foreign exchange zero cost collars	**76**	**(454)**	1 150	–	**(1 580)**	4 027	(4 298)
Other foreign exchange derivatives*	**621**	**(282)**	887	(514)	**64**	2 058	(1 562)
	868	**(7 127)**	2 323	(5 073)	**(18 325)**	2 282	(6 997)
Non-derivative financial instruments							
Financial guarantees	**–**	**–**	–	(100)			
	868	**(7 127)**	2 323	(5 173)			

* Mainly relates to a US dollar derivative that is embedded in long-term oxygen supply contracts to our Secunda Operations.

39 Financial risk management and financial instruments continued

39.1 Financial risk management continued

		Contract/Notional amount*					Average price**			
		Open 2022 Million	**Settled 2022 Million**	Open 2021 Million	Settled 2021 Million		**Floor 2022**	**Cap 2022**	Floor 2021	Cap 2021
Derivatives financial instruments										
Crude oil put options purchased***	barrels	**–**	**10,0**	10,0	(32,5)	US$/bbl	**–**	**–**	40,5	–
Crude oil put options sold	barrels	**–**	**10,0**	(10,0)	–	US$/bbl	**–**	**–**	43,2	–
Crude oil zero cost collars	barrels	**29,0**	**24,0**	24,0	5,1	US$/bbl	**63,3**	**96,6**	60,1	72,0
Crude oil swap options	barrels	**–**	**18,0**	18,0	–	US$/bbl	**–**		67,2	
Crude oil futures	US$	**1**	**29**	108	–	US$/bbl	**109,9**		73,6	
Ethane swap options	barrels	**–**	**4,0**	4,0	26,2	US$ c/gal	**–**	**–**	23,2	–
Coal swaps	ton	**0,4**	**1,0**	–	–	US$/ton	**293,7**	**–**	–	–
Foreign exchange contracts	US$	**334**	**–**	143	–	R/US$	**16,24**		14,66	
Foreign exchange contracts	EUR	**70**	**–**	100	–	US$/EUR	**1,07**		1,20	
Foreign exchange zero cost collars	US$	**4 400**	**3 900**	2 800	5 370	R/US$	**15,04**	**18,06**	14,54	17,52

* The notional amount is the sum of the absolute value of all contracts for both derivative assets and liabilities.

** For open positions,

*** Total premium paid for contracts entered into in the year US$nil million (2021: US$93,8 million).

39.2 Fair value

Various valuation techniques and assumptions are utilised for the purpose of calculating fair value.

The group does not hold any financial instruments traded in an active market, except for the investment in listed equity instruments. Fair value is determined using valuation techniques as outlined below. Where possible, inputs are based on quoted prices and other market determined variables.

Fair value hierarchy

The following table is provided representing the assets and liabilities measured at fair value at reporting date, or for which fair value is disclosed at reporting date.

The calculation of fair value requires various inputs into the valuation methodologies used.

The source of the inputs used affects the reliability and accuracy of the valuations. Significant inputs have been classified into the hierarchical levels in line with IFRS 13, as shown below.

There have been no transfers between levels in the current year. Transfers between levels are considered to have occurred at the date of the event or change in circumstances.

LEVEL 1 Quoted prices in active markets for identical assets or liabilities.

LEVEL 2 Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).

LEVEL 3 Inputs for the asset or liability that are unobservable.

OTHER DISCLOSURES (CONTINUED)

39 Financial risk management and financial instruments continued

39.2 Fair value continued

Financial instrument	Fair value 30 June 2022	Fair value 30 June 2021	Valuation method	Significant inputs	Fair value hierarchy of inputs
Financial assets					
Non-derivative instruments					
Investments in listed securities	**480**	466	Quoted market price for the same instrument	Quoted market price for the same instrument	Level 1
Investments in unlisted securities	**13**	8	Discounted cash flow	Forecasted earnings, capital expenditure and debt cash flows of the underlying business, based on the forecasted assumptions of inflation, exchange rates, commodity prices etc. Appropriate WACC for the region.	Level 3
Long-term restricted cash	**1 531**	1 422	[2]	[2]	Level 1[2]
Long-term receivables	**3 023**	3 879	Discounted cash flow	Market related interest rates.	Level 3
Derivative instruments					
Commodity and currency derivative assets	**247**	1 436	Forward rate interpolator model, appropriate currency specific discount curve, discounted expected cash flows, numerical approximation	Forward exchange contracted rates, market foreign exchange rates, forward contract rates, market commodity prices, crude oil prices	Level 2
Embedded derivative[3]	**621**	887	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI index, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate, interpolated EUR/ZAR forward rate	Level 3
Trade and other receivables	**38 936**	27 140	Discounted cash flow	Market related interest rates.	Level 3[1]
Cash and cash equivalents	**43 140**	31 231	[2]	[2]	Level 1[2]
Financial liabilities					
Non-derivative instruments					
Listed long-term debt	**71 667**	72 226	Quoted market price for the same instrument	Quoted market price for the same instrument	Level 1
Unlisted long-term debt	**26 824**	34 274	Discounted cash flow	Market related interest rates	Level 3
Short-term debt and bank overdraft	**255**	303	Discounted cash flow	Market related interest rates	Level 3[1]
Trade and other payables	**39 873**	23 289	Discounted cash flow	Market related interest rates	Level 3[1]
Derivative instruments					
Commodity and currency derivative liabilities	**6 845**	2 456	Forward rate interpolator model, discounted expected cash flows, numerical approximation	Forward exchange contracted rates, coal prices, market foreign exchange rates	Level 2
Interest rate swap	**–**	2 103	Discounted net cash flows, using a swap curve to infer the future floating cash flows	US$ Overnight Indexed Swap (OIS) curve, recovery probabilities	Level 2
Embedded derivatives[3]	**282**	514	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate	Level 3

1 The fair value of these instruments approximates their carrying value, due to their short-term nature.

2 The carrying value of cash is considered to reflect its fair value.

3 Relates to the US labour and inflation index and ZAR/EUR exchange rate embedded derivatives contained in the Secunda Synfuels Operations long-term gas supply agreements.

There were no transfers between levels for recurring fair value measurements during the year. There was no change in valuation techniques compared to the previous financial year.

39 Financial risk management and financial instruments continued

39.2 Fair value continued

Sensitivity analysis

Derivatives

The fair value of significant derivatives held for trading is impacted by a number of market observable variables at valuation date. The sensitivities provided below reflect the impact on fair value as a result of movements in the significant input variables utilised for valuation purposes:

30 JUNE 2022		Ethane price +USD 2 c/gal	Ethane price -USD 2 c/gal	Crude oil price +USD 2/ bbl	Crude oil price -USD 2/ bbl	Rand/US$* +R1/ US$	Rand/US$* -R1 /US$	US$ Libor curve** -0,5%
Foreign exchange zero cost collars	Rm					**(1 511)**	**1 511**	
Crude oil zero-cost collar	Rm			**(672)**	**672**			

30 June 2021		Ethane price +USD 2 c/gal	Ethane price -USD 2 c/gal	Crude oil price +USD 2/ bbl	Crude oil price -USD 2/ bbl	Rand/US$* +R1/ US$	Rand/US$* -R1/ US$	US$ Libor curve** -0,5%
Crude oil put options	Rm			(385)	385			
Ethane swap options	Rm	14	(14)					
Foreign exchange zero cost collars	Rm					(1 702)	1 702	
Crude oil zero-cost collar	Rm			(382)	382			
Interest rate swap	Rm							559

* No gain or loss will be made if these derivatives are settled at a spot price between the cap and floor. The exchange rate would have to weaken by at least R1,78/US$, up to the cap of R18,06, before losses are incurred on the derivatives.

** Sensitivities on the downward shift has been limited by the low US$ Libor at 30 June 2021.

Embedded derivatives

30 JUNE 2022		US$/Rand Spot price +R1/US$	US$/Rand Spot price -R1/US$	US$ Swap curve +0,1%	US$ Swap curve -0,1%	Rand Swap curve +1,0%	Rand Swap curve -1,0%
Synfuels oxygen supply contract embedded derivative	Rm	**(513)**	**513**	**86**	**(87)**	**(786)**	**911**

30 JUNE 2021		US$/Rand Spot price +R1/US$	US$/Rand Spot price -R1/US$	US$ Swap curve +0,1%	US$ Swap curve -0,1%	Rand Swap curve +1,0%	Rand Swap curve -1,0%
Synfuels oxygen supply contract embedded derivative	Rm	(601)	601	98	(99)	(825)	955

The fair value of the embedded derivative financial instrument contained in a long-term oxygen supply contract to our Secunda Operations is impacted by a number of observable and unobservable variables at valuation date. The sensitivities provided above reflect the impact on fair value as a result of movements in the significant input variables utilised for valuation purposes.

39 **Financial risk management and financial instruments** continued

39.2 **Fair value** continued

Accounting policies:

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The group is exposed to market risks from changes in interest rates, foreign exchange rates and commodity prices. The group uses derivative instruments to hedge its exposure to these risks.

All derivative financial instruments are initially recognised at fair value and are subsequently stated at fair value at the reporting date. Attributable transaction costs are recognised in the income statement when incurred. Resulting gains or losses on derivative instruments, excluding designated and effective hedging instruments, are recognised in the income statement.

To the extent that a derivative instrument has a maturity period of longer than one year, the fair value of these instruments will be reflected as a non-current asset or liability.

Contracts to buy or sell non-financial items (e.g. gas or electricity) that were entered into and continue to be held for the purpose of the receipt of the non-financial items in accordance with the group's expected purchase or usage requirements are not accounted for as derivative financial instruments. Purchase commitments relating to these contracts are disclosed in note 3.

HEDGE ACCOUNTING

The group continues to apply the hedge accounting requirements of IAS 39 'Financial Instruments: Recognition and Measurement'.

Where a derivative instrument is designated as a cash flow hedge of an asset, liability or highly probable forecast transaction that could affect the income statement, the effective part of any gain or loss arising on the derivative instrument is recognised as other comprehensive income and is classified as a cash flow hedge accounting reserve until the underlying transaction occurs. The ineffective part of any gain or loss is recognised in the income statement. If the hedging instrument no longer meets the criteria for cash flow hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

If the forecast transaction results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is transferred from the cash flow hedge accounting reserve, as other comprehensive income, to the underlying asset or liability on the transaction date. If the forecast transaction is no longer expected to occur, then the cumulative balance in other comprehensive income is recognised immediately in the income statement as reclassification adjustments. Other cash flow hedge gains or losses are recognised in the income statement at the same time as the hedged transaction occurs.

ECONOMIC HEDGES

When derivative instruments, including forward exchange contracts, are entered into as fair value hedges, no hedge accounting is applied. All gains and losses on fair value hedges are recognised in the income statement.

SASOL LIMITED GROUP

FINANCIAL STATEMENTS

for the year ended 30 June 2022

CONTENT

STATEMENT OF FINANCIAL POSITION
at 30 June

	Note	2022 Rm	2021 Rm
Assets			
Investments in subsidiaries	1	**140 391**	128 260
Investment in security	1	**8**	8
Long-term receivables	2	**46 860**	46 945
Deferred tax asset	3	**179**	206
Non-current assets		**187 438**	175 419
Other receivables and prepaid expenses	4	**1 115**	365
Tax receivable		**–**	4
Cash and cash equivalents	5	**2 942**	1 369
Current assets		**4 057**	1 738
Total assets		**191 495**	177 157
Equity and liabilities			
Shareholders' equity		**190 752**	176 286
Non-current liabilities			
Long-term financial liabilities	6	**329**	461
Short-term financial liabilities	6	**320**	273
Short-term provision		**–**	2
Tax payable		**4**	–
Trade and other payables	7	**90**	135
Current liabilities		**414**	410
Total equity and liabilities		**191 495**	177 157

INCOME STATEMENT
for the year ended 30 June

	Note	2022 Rm	2021 Rm
Revenue	12	**9 603**	16 177
Other income/(expenses) (net)		**51**	(908)
Translation gains	8	**43**	72
Expected credit losses released	9	**394**	16
Other operating expenses	10	**(421)**	(1 034)
Other operating income		**35**	38
Remeasurement items	11	**1**	–
Net finance income		**3 818**	3 917
Finance income	13	**3 965**	4 012
Finance costs	14	**(147)**	(95)
Earnings before tax		**13 473**	19 186
Taxation	15	**(177)**	(248)
Earnings for the year		**13 296**	18 938

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June

	2022 Rm	2021 Rm
Earnings for the year	13 296	18 938
Total comprehensive income for the year	13 296	18 938

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June

	Note	2022 Rm	2021 Rm
Share capital			
Balance at beginning of year	16	9 888	9 888
Balance at end of year		9 888	9 888
Share-based payment reserve			
Balance at beginning of year		5 686	6 538
Unwind of Sasol Khanyisa Tier 1 transaction[1]		–	(1 889)
Sasol incentive schemes vested and settled		(904)	(890)
Share-based payment expense	17	1 164	1 927
Balance at end of year		5 946	5 686
Retained earnings			
Balance at beginning of year		160 705	139 541
Earnings for the year		13 296	18 938
Sasol Khanyisa Tier 1 transaction vested and settled[1]		–	1 889
Sasol incentive schemes vested and settled		910	886
Khanyisa Tier 1 vesting		–	(549)
Balance at end of year		174 911	160 705
Investment fair value reserve			
Balance at beginning of year		7	7
Balance at end of year		7	7
Total shareholders' equity		190 752	176 286

1 The Khanyisa Tier 1 options fully vested on 1 June 2021.

STATEMENT OF CASH FLOWS
for the year ended 30 June

	Note	2022 Rm	2021 Rm
Cash utilised in operating activities	18	**(262)**	(757)
Dividends received	12	**9 603**	16 173
Finance income received	13	**861**	871
Tax paid		**(142)**	(95)
Cash retained from operating activities		**10 060**	16 192
Additional investments in subsidiaries	20	**(8 966)**	(21 277)
Decrease in long-term receivables		**479**	699
Cash used in investing activities		**(8 487)**	(20 578)
Increase/(decrease) in cash and cash equivalents		**1 573**	(4 386)
Cash and cash equivalents at beginning of year		**1 370**	5 756
Cash and cash equivalents at end of year	5	**2 943**	1 370

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June

		2022 Rm	2021 Rm
1	**Investments**		
	Investment in subsidiaries		
	Reflected as non-current assets		
	Shares at cost	**169 267**	157 992
	Shareholder loan to subsidiary	**525**	525
	Share-based payment expense	**7 855**	7 004
	Impairment (net of reversals) of investment in subsidiary	**(37 256)**	(37 261)
		140 391	128 260
	Investment in security	**8**	8

Investments in subsidiaries increased due to additional investments in Sasol Investment Company (Pty) Ltd and Sasol Africa (Pty) Ltd. Investments in subsidiaries are accounted for at cost less impairment losses.

Impairment

The impairment of investment in subsidiary consists mainly of R36,5 billion which relates to the investment in Sasol South Africa Limited (SSA). Since the inception of Sasol Khanyisa transaction an annual valuation of the Sasol South Africa Group is performed. For the main assumptions informing the SSA valuation refer to note 9, page 73 of the Group Financial Statements. In FY20 the investment in Sasol South Africa was written down to the fair value of the SSA Group. The fair value of Sasol South Africa decreased significantly as a result of the impact of the lower oil price, depressed chemical market and the impact of COVID-19. The investment in FY20 was impaired to a recoverable amount of R3,3 billion.

The valuation of SSA has decreased in the current year to R30 billion, (2021 – R33,0 billion; 2020 – R4,0 billion). Despite the benefits from improved macroeconomics the valuation was negatively impacted by proposed regulatory changes in relation to climate change and the group's transition to net zero by 2050. Refer to note 9 of the Group annual financial statements for a description of our Group's sensitivity to changes in assumptions which are also relevant to SSA. The valuation is extremely sensitive to macroeconomic changes, mainly oil price and US$ exchange rate. The prior impairment was therefore not reversed due to the valuation sensitivity.

		2022 Rm	2021 Rm
2	**Long-term receivables**		
	Sasol South Africa Limited [1]	**46 877**	46 877
	Sasol Khanyisa Fundco (RF) Ltd [2]	**7 354**	7 883
	Other	**107**	57
	Total long-term receivables	**54 338**	54 817
	Less: Expected credit loss [3]	**(7 478)**	(7 872)
		46 860	46 945

The long-term receivables are measured at amortised cost.

The long-term receivables consist of:

1) Funding to Sasol South Africa Limited (SSA) to purchase the investment in Sasol Gas (Pty) Ltd. The loan attracts interest at 0% and Sasol Limited has no intent of demanding payment in the next 12 months.
2) Loan to Sasol Khanyisa Fundco (Fundco) to fund the preference share subscription for the Khanyisa Public Participants. The ability of Fundco to repay the loan is dependent on dividends received from SSA. The loan attracts interest at 75% of prime and Sasol Limited has no intent of demanding payment in the next 12 months.
3) A specific expected credit loss of R7,4 billion (FY21: R7,7 billion) was recognised on the Sasol Khanyisa Fundco long-term receivable. Refer to note 22 for details on expected credit loss calculation.

	2022	2021
Interest-bearing status		
Sasol Khanyisa Fundco (RF) Ltd	**5,6%**	5,3%

	2022 Rm	2021 Rm
Maturity profile		
More than five years	**46 860**	46 945

3 Deferred tax asset

	Note	2022 Rm	2021 Rm
Reconciliation			
Balance at beginning of year		**206**	372
Current year charge per the income statement	15	**(24)**	(166)
Tax rate change per the income statement	15	**(3)**	–
Balance at end of year		**179**	206

A deferred tax asset has been recognised to the extent that it is probable that the entity will generate future taxable income against which this temporary difference can be utilised and consists mainly of movements in financial liabilities.

4 Other receivables and prepaid expenses

	Note	2022 Rm	2021 Rm
Related party receivables – intercompany receivables	21	**1 101**	304
Other receivables		**15**	62
		1 116	366
Less: Expected credit loss[1]		**(1)**	(1)
		1 115	365

1 Refer to note 22 for details on expected credit loss calculation.

Fair value of other receivables

The carrying amount approximates fair value due to the short period to maturity of these receivables.

5 Cash and cash equivalents

	2022 Rm	2021 Rm
Cash	**1**	7
Cash – deposit with Group Treasury	**2 942**	1 363
Cash – Per the statement of cash flows	**2 943**	1 370
Less: Expected credit loss*	**(1)**	(1)
	2 942	1 369

* Refer to note 22 for details on expected credit loss calculation.

Fair value of cash

The carrying amount of cash and cash equivalents approximates fair value.

6 Long-term financial liabilities

	2022 Rm	2021 Rm
Non-derivative instruments		
Financial guarantees recognised	**840**	1 466
Expected credit loss adjustment	**41**	(44)
Translation difference	**75**	(161)
Less: amortisation of financial guarantees	**(307)**	(527)
	649	734
Less: short-term portion of financial guarantees	**(320)**	(273)
Arising on long-term financial instruments	**329**	461
Guarantees – maximum exposure	**165 596**	116 718

6 Long-term financial liabilities continued

	2022 Rm	2021 Rm
Measurement of long-term financial guarantees		
Initial fair value is calculated by reference to the expected loss model where three factors are considered:The notional amount of the guarantee, the probability of default and the loss given default. A premium of WACC is then applied to determine the minimum level of return required. Subsequently at each reporting period the financial guarantee contract is measured at the higher of the amount initially recognised less cumulative adjustments relating to amortisation; and expected credit loss. Refer to note 22 for details on credit risk related to financial guarantees.	**649**	734

The long-term financial liabilities consist of guarantees issued for related party debt:

	2022		2021	
	Maximum exposure Rm	Liability included in statement of financial position Rm	Maximum exposure Rm	Liability included in statement of financial position Rm
Financial guarantees				
Revolving credit facility – various banks[1]	**46 317**	**7**	7 740	23
Bank of America Merril Lynch[3]	**23 384**	**134**	22 869	177
US Bond Holders (2024 Notes)[2]	**24 795**	**117**	21 749	161
US Bond Holders (2022 Notes)[4]	**16 360**	**43**	14 325	39
US Bond Holders (2028 Notes)[2]	**12 417**	**192**	10 892	195
US Bond Holders (2026 Notes)[2]	**10 716**	**28**	9 399	27
US Bond Holders (2031 Notes)[2]	**14 058**	**37**	12 331	36
ABSA Bank Limited – banking facility[5]	**1 650**	**4**	2 000	5
Citibank[6]	**3 256**	**9**	2 856	8
Nedbank Limited – banking facility[5]	**2 500**	**7**	2 500	7
FirstRand Bank Limited – banking facility[5]	**3 000**	**8**	3 000	8
Eskom Holdings Limited[7]	**2 448**	**20**	2 448	8
Noteholders of Commercial Paper[8]	**2 193**	**6**	2 191	6
Saudi Aramco[9]	**1 140**	**26**	1 000	22
Investec Bank Limited – banking facility[5]	**1 000**	**3**	1 000	3
ABSA Bank Limited – Natref debt[10]	**299**	**7**	365	8
Nedbank Limited – Natref debt[10]	**–**	**–**	32	1
Nedbank Limited – Sasol Oil[11]	**18**	**–**	21	–
ABSA Bank Limited – Sasol Oil[11]	**35**	**1**	–	–
Azura Sasol New Energy Holdings[12]	**10**	**–**	–	–
	165 596	**649**	116 718	734

1 Guarantee issued to various banks over the joint revolving credit facility of Sasol Financing International Limited, Sasol Financing Limited and Sasol Financing USA LLC. At 30 June 2022 the revolving credit facility was undrawn, therefore the maximum exposure reflects the full value of the facility.

2 Guarantees issued for the US$ bonds issued by Sasol Financing USA LLC, maximum exposure of US$3 807 million including accrued interest of US$57 million.

3 Guarantees issued to Bank of America Merril Lynch over the term loan of Sasol Financing USA LLC, maximum exposure amounting to US$1 436 million (FY21: US$1 601 million) including accrued interest of US$1 million.

4 Guarantee issued for the US$ bond issued by Sasol Financing International Limited, maximum exposure US$1 005 million (FY21: US$1 003 million) including accrued interest of US$5 million.

5 Sasol Limited has issued guarantees of R8 150 million (FY21: R8 500 million) to various banks in relation to central treasury credit facilities available to Sasol Financing Limited.

6 Guarantee issued to Citibank over the joint Letter of Credit facility of Sasol Financing International Limited and Sasol Oil (Pty) Ltd, maximum exposure of US$200 million.

7 Sasol Limited issued a number of guarantees on behalf of Sasol South Africa Limited to Eskom relating to the construction of power substations and a financial guarantee of R1 786 million over the Eskom electricity account.

8 Guarantee of paper to the value of R2 176 million before accrued interest, issued in the local debt market under the current Domestic Medium Term Note (DMTN) programme.

9 Guarantee issued on behalf of Sasol Oil (Pty) Ltd, maximum exposure amounting to US$70 million.

10 Guarantee issued over the debt of National Petroleum Refiners of South Africa (Pty) Ltd. The guarantee will be removed from disclosure once it has been relinquished by Nedbank Limited.

11 Guarantee issued over the debt of Sasol Oil (Pty) Ltd.

12 Guarantee issued over a provision raised in Sasol New Energy Holdings (Pty) Ltd following the divestment of Central Termica de Ressano Garcia.

7 Trade and other payables

	Note	2022 Rm	2021 Rm
Related party payables – intercompany payables	21	**13**	57
Trade payables		**59**	40
Employee-related payables		**18**	38
		90	135
Age analysis of trade payables			
Not past due date		**59**	40

Fair value of trade and other payables

The carrying value approximates fair value because of the short period to settlement of these obligations.

8 Translation gains/(losses)

	2022 Rm	2021 Rm
Arising from:		
Guarantees	**(75)**	161
Intercompany receivables	**10**	(1)
Payables	**2**	2
Deposit with Group Treasury	**106**	(90)
	43	72

Differences arising on the translation of monetary assets and liabilities from one currency into the functional currency of the company at a different exchange rate.

9 Expected credit losses

	Note	2022 Rm	2021 Rm
Net expected credit losses (released)/raised			
Long-term receivables	2	**(394)**	(14)
Cash and cash equivalents	5	**–**	(2)
		(394)	(16)

10 Other operating expenses

	Note	2022 Rm	2021 Rm
Other operating expenses includes:			
Management fee paid to Sasol South Africa Limited		**174**	139
Professional fees[1]		**117**	716
Employee-related expenditure		**93**	125
salary and related expenses		**90**	58
share-based payment expense	17	**3**	67
Other		**37**	54
		421	1 034

1 Professional fees in 2021 relate mainly to standby underwriter fees and other costs incurred in relation to the potential rights issue which was announced on 17 March 2020.

	2022 Rm	2021 Rm
11 Remeasurement items affecting operating profit		
Effect of remeasurement items		
Reversal of impairment of investment in subsidiary	**6**	–
Loss on disposal of investment in subsidiary	**(5)**	–
	1	–

Sasol New Energy Holdings

The valuation of the Sasol New Energy Holdings decreased in the current year due to the disposal of its significant investment in Central Termica de Ressano Garcia (CTRG) and a portion of the capital investment by Sasol Limited returned. A R6 million reversal of prior impairment was recognised.

Sasol Canada

The Sasol Canada investment was disposed in the current year. A loss on disposal of business of R5 million was recognised.

Sasol South Africa

The valuation of the Sasol South Africa Group has decreased in the current year to R30 billion, (2021 – R33,0 billion; 2020 – R4,0 billion). Despite the benefits from improved macroeconomics the valuation was negatively impacted by proposed regulatory changes in relation to climate change and the group's transition to net zero by 2050. Refer to note 9 of the Group annual financial statements. The SSA valuation is extremely sensitive to macroeconomic changes, mainly oil price and US$ exchange rate. The prior impairment was therefore not reversed due to the valuation sensitivity.

	2022 Rm	2021 Rm
12 Revenue		
Dividends received from subsidiaries – recognised in revenue (refer to note 21)	**9 603**	16 177
Cash dividends received – per statement of cash flows	**9 603**	16 173

	2022 Rm	2021 Rm
13 Finance income		
Interest received (refer to note 21)	**431**	452
Guarantee fees received – indirect subsidiaries (refer to note 21)	**430**	419
Notional interest received	**3 104**	3 141
Finance income	**3 965**	4 012
Cash interest received – per statement of cash flows	**861**	871
Notional interest	**3 104**	3 141
	3 965	4 012

	2022 Rm	2021 Rm
14 Finance costs		
Notional interest	**(147)**	(95)
Per income statement	**(147)**	(95)

	2022 Rm	2021 Rm
15 Taxation		
South African normal tax	**(150)**	(82)
current year	**(150)**	(89)
prior years	**–**	7
Deferred tax – South Africa	**(27)**	(166)
current year	**(24)**	(166)
tax rate change	**(3)**	–
	(177)	(248)

On 23 February 2022, a decrease in the South African corporate tax rate from 28% to 27% was announced, effective from 1 July 2022. The decrease in rate is considered to be substantively enacted.

Reconciliation of effective tax rate

The table below shows the difference between the South African enacted tax rate compared to the tax rate in the income statement. Total income tax expense differs from the amount computed by applying the South African normal tax rate to earnings before tax. The reasons for these differences are:

	2022 %	2021 %
South African normal tax rate	**28,0**	28,0
Increase in rate of tax due to:		
disallowed expenditure	**–**	1,5
	28,0	29,5
Decrease in rate of tax due to:		
exempt income	**(26,7)**	(28,2)
Effective tax rate	**1,3**	1,3

	Number of shares 2022	Number of shares 2021
16 Share capital		
Authorised	**1 314 407 571**	1 314 407 571
Issued	**635 676 817**	634 244 336

For further details of share capital, refer to note 15 in the consolidated Annual Financial Statements.

	2022 Rm	2021 Rm
17 Share-based payment		
17.1 Share-based payment expense		
Sasol Long-term Incentive Scheme	**3**	67
	3	67
17.2 Investment in subsidiaries		
Equity-settled		
Sasol Khanyisa share transaction	**163**	885
Sasol Long-term Incentive Scheme	**1 001**	1 042
	1 164	1 927

For further details of the Sasol Khanyisa transaction, refer to note 35 in the consolidated Annual Financial Statements.

	Note	2022 Rm	2021 Rm

18 Cash utilised in operating activities

	Note	2022 Rm	2021 Rm
Cash flow from operations	19	**(263)**	(1 017)
Decrease in working capital		**1**	260
		(262)	(757)

19 Cash flow from operations

	Note	2022 Rm	2021 Rm
Earnings before tax		**13 473**	19 186
Adjusted for			
dividends received*	12	**(9 603)**	(16 173)
finance income	13	**(3 965)**	(4 012)
finance costs	14	**147**	95
translation losses/(gains) on guarantees	8	**75**	(161)
equity-settled share-based payment expense	17	**3**	67
expected credit loss releases on long and short-term receivables	9	**(394)**	(16)
other non-cash movements		**1**	(3)
		(263)	(1 017)

* Refer to note 24.

20 Additional investments in subsidiaries and long-term receivables movements

	Note	2022 Rm	2021 Rm
Increase in investments per statement of financial position	1	**(12 131)**	(25 201)
Adjusted for			
notional interest		**2 797**	2 613
return of capital receivable from subsidiary		**(798)**	–
long-term incentive scheme		**1 164**	1 311
LTI's reversed on disposal of investment		**(4)**	–
Reversal of impairment of investment in subsidiary		**6**	–
Per statement of cash flows		**(8 966)**	(21 277)

		Note	2022 Rm	2021 Rm
21	**Related party transactions**			
	During the year, the company in the ordinary course of business, entered into various transactions with its direct and indirect subsidiaries. The effect of these transactions is included in the financial performance and results of the company.			
	Material related party transactions were as follows:			
	Other income statement items to related parties			
	Management fee and other service costs to subsidiary			
	Sasol South Africa Limited	10	**174**	139
	Revenue – dividends from subsidiaries			
	Sasol Mining Holdings (Pty) Ltd		**160**	3 159
	Sasol South Africa Limited		**8 737**	10 835
	Sasol Financing Limited		**–**	535
	Sasol Technology (Pty) Ltd		**–**	22
	Sasol Oil (Pty) Ltd		**695**	75
	Sasol Middle East and India (Pty) Ltd		**1**	683
	Sasol Africa (Pty) Ltd		**10**	864
			9 603	16 173
	Finance income – interest from subsidiaries			
	Sasol Khanyisa Fundco (RF) Ltd		**429**	452
	Sasol South Africa Limited		**2 797**	2 614
	Sasol Financing International Limited		**2**	–
			3 228	3 066
	Finance income – guarantee fees from subsidiaries			
	Sasol International Services Limited		**–**	9
	Sasol Financing USA LLC		**406**	398
	Sasol South Africa Limited		**12**	10
	Sasol Oil (Pty) Ltd		**12**	2
			430	419
	Amounts reflected as non-current assets			
	Investments in subsidiaries at cost	1	**169 267**	157 992
	Shareholder loan to subsidiaries			
	Sasol Mining (Pty) Ltd	1	**525**	525
			169 792	158 517
	Long-term receivables relating to subsidiaries			
	Sasol South Africa Limited	2	**46 877**	46 877
	Sasol Khanyisa Fundco (RF) Ltd	2	**7 354**	7 883
			54 231	54 760

21 Related party transactions continued

	2022 Rm	2021 Rm
Long-term receivables relating to indirect subsidiaries		
Sasol Foundation Trust	**90**	40
Sasol Khanyisa Warehousing Trust	**17**	17
	107	57
Amounts reflected as current assets		
Other receivables relating to direct subsidiaries		
Sasol Investment Company (Pty) Ltd	**88**	91
Other receivables relating to indirect subsidiaries		
Sasol New Energy Holdings (Pty) Ltd*	**798**	–
Sasol Financing USA LLC	**201**	195
Other	**14**	18
	1 101	304
Short-term payables relating to direct and indirect subsidiaries		
Sasol Holdings Netherlands B.V.	**3**	3
Sasol South Africa Limited	**9**	13
Sasol Chemicals North America LLC	**–**	28
Sasol Chemicals (USA) LLC	**–**	11
Other	**1**	2
	13	57

* Represents final dividend declared after the CTRG divestment. This has been accounted for as a return of capital.

An analysis of other related party transactions is provided in:

Note 6 – Long-term financial liabilities

Note 11 – Remeasurement items affecting operating income

22 Financial risk management and financial instruments

Introduction

The company is exposed in varying degrees to a variety of financial instrument related risks. Refer to note 39 in the consolidated financial statements for more information.

Credit risk

Credit risk is the risk of financial loss due to counterparties not meeting their contractual obligations. Credit risk is deemed to be low when, based on the forward available information, it is highly probable that the customer will service its debt in accordance with the agreement throughout the period.

How we manage the risk

The risk is managed by review of credit status, credit limits and other monitoring procedures. Where appropriate, the company obtains security in the form of guarantees to mitigate risk. Counterparty credit limits are in place and are reviewed and approved by management prior to granting credit. Management has evaluated counterparty risk and does not expect any treasury counterparties to fail in meeting their obligations. The company's maximum exposure is the outstanding carrying amount of the financial asset plus the maximum exposure of the financial guarantees, refer note 6.

For all financial assets measured at amortised cost, the company calculates the expected credit loss based on contractual payment terms of the asset. The exposure to credit risk is influenced by the individual characteristics, the industry and geographical area of the counterparty with whom we have transacted. Financial assets at amortised cost are carefully monitored and reviewed on a regular basis for expected credit loss and impairment based on our credit risk policy.

A credit rating of 'BB' to 'BB-' is assigned to long-term receivables measured at amortised cost.

Expected credit loss is calculated as a function of probability of default, loss given default and exposure at default. The company determines the probability of default based on the forward-looking external information such as chemical prices and exchange rates and internal information such as budgets and customer financial profile analysis. Loss given default is based on the Basel model. The Basel model assumes 40% loss given default for secured financial assets and 50% for unsecured financial assets. Credit enhancement is only taken into account if it is integral to the asset. Financial assets' expected credit loss is measured over 12 months when the credit risk is low and over lifetime where the credit risk has increased. When the financial asset reflects impairment indicators such as fair value of the asset being less than the carrying amount, or the customer is in liquidation, a specific expected credit loss is calculated based on management's view of what is considered as less probable to be received. Refer to note 39 "credit risk" in group financial statements.

22 Financial risk management and financial instruments continued

	2022			2021		
	Life time Rm	12 months Rm	Expected credit loss Rm	Life time Rm	12 months Rm	Expected credit loss Rm
Long-term receivables*	**7 354**	**124**	**7 478**	7 746	126	7 872
Other receivables	**–**	**1**	**1**	–	1	1
Cash and cash equivalents	**–**	**1**	**1**	–	1	1
	7 354	**126**	**7 480**	7 746	128	7 874

* An internal valuation of Sasol South Africa Limited performed at June 2020, resulted in the Sasol Khanyisa Fundco long-term receivable carrying amount being higher than its fair value. As a result, a specific expected credit loss of R7,7 billion was recognised at 30 June 2020. During FY21, the valuation increased due to economic recovery and an increase in chemical prices and demand for products, however due to the uncertainty over the timing and extent of the continued price recovery, a reversal of the prior year specific expected credit loss was not recognised. At 30 June 2022 the carrying value of the long-term receivable had decreased to R7,4 billion which is below the specific expected credit loss of R7,7 billion previously recognised, as a result a reversal of R392 million specific expected credit loss was recognised. The expected credit loss for the loan receivable from Sasol South Africa Limited is calculated based on 12-month expected credit losses. The balance will be recovered over time. Based on the future expected cash flow forecasts, the expected credit losses are immaterial.

Liquidity risk

The company has provided guarantees for the financial obligations of subsidiaries and joint ventures. The outstanding guarantees at 30 June 2022 are provided in note 6.

The maturity profile of the undiscounted contractual cash flows of financial instruments at 30 June were as follows:

	Note	Contractual cash flows* Rm	Within one year Rm	One to five years Rm	More than five years Rm
2022					
Financial assets					
Non-derivative instruments					
Investment in security	1	**8**	**–**	**–**	**8**
Long-term receivables		**57 855**	**–**	**–**	**57 855**
Other receivables	4	**1 116**	**1 116**	**–**	**–**
Cash	5	**2 943**	**2 943**	**–**	**–**
		61 922	**4 059**	**–**	**57 863**
Financial liabilities					
Non-derivative instruments					
Trade and other payables	7	**(90)**	**(90)**	**–**	**–**
Financial guarantees[1]	6	**(165 596)**	**(165 596)**	**–**	**–**
		(165 686)	**(165 686)**	**–**	**–**

	Note	Contractual cash flows* Rm	Within one year Rm	One to five years Rm	More than five years Rm
2021					
Financial assets					
Non-derivative instruments					
Investment in security	1	8	–	–	8
Long-term receivables		58 149	–	–	58 149
Other receivables	4	366	366	–	–
Cash	5	1 370	1 370	–	–
		59 893	1 736	–	58 157
Financial liabilities					
Non-derivative instruments					
Trade and other payables	7	(135)	(135)	–	–
Financial guarantees[1]	6	(116 718)	(116 718)	–	–
		(116 853)	(116 853)	–	–

* Contractual cash flows include interest payments.

1 Issued financial guarantee contracts are all repayable on default, however the likelihood of default is considered remote. Refer to note 6.

22 Financial risk management and financial instruments continued

Market risk

Market risk is the risk arising from possible market price movements and their impact on the future cash flows of the business. The market price movements that the company is exposed to include foreign currency exchange rates. The company has developed policies aimed at managing the volatility inherent in these exposures which are discussed in the risks below.

Foreign currency risk

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2022	2021	**2022**	2021
Rand/US dollar	**15,21**	15,40	**16,28**	14,28

The most significant exposure of the company's financial assets and liabilities to currency risk is as follows:

	2022 US dollar Rm	2021 US dollar Rm
Other receivables	**–**	50
Other payables	**(20)**	–
Net exposure on balances between group companies	**1 149**	846
Total net exposure	**1 129**	896

Sensitivity analysis

The following sensitivity analysis is provided to show the foreign currency exposure of the individual entities at the end of the reporting period. This analysis is prepared based on the statement of financial position balances that exist at year-end, for which there is currency risk. The effect on equity is calculated as the effect on profit and loss.

A 10 percent strengthening of the rand on the company's exposure to foreign currency risk at 30 June would have increased either the equity or the income statement by the amounts below before the effect of tax. This analysis assumes that all other variables, in particular interest rates, remain constant and has been performed on the same basis for 2021.

	2022		2021	
	Equity Rm	**Income statement Rm**	Equity Rm	Income statement Rm
US dollar	**(113)**	**(113)**	(90)	(90)

A 10 percent weakening in the rand against the above currency at 30 June would have the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Fluctuations in interest rates impact on the value of short-term investments and financing activities, giving rise to interest rate risk. Exposure to interest rate risk is particularly with reference to changes in South African interest rates.

At the reporting date, the interest rate profile of the company's interest-bearing financial instruments was:

	Carrying value before ECL	
	2022 Rm	2021 Rm
Variable rate instruments		
Financial assets	**10 297**	9 253
	10 297	9 253
Fixed rate instruments		
Financial assets	**46 877**	46 877
	46 877	46 877
Interest profile (variable: fixed rate as a percentage of total interest bearing)	**18:82**	16:84

22 Financial risk management and financial instruments continued

Cash flow sensitivity for variable rate instruments

Financial liabilities affected by interest rate risk include borrowings and deposits. A change of 1% in the prevailing interest rate in that region at the reporting date would have increased/(decreased) earnings by the amounts shown below before the effect of tax. The sensitivity analysis has been prepared on the basis that all other variables, in particular foreign currency exchange rates, remain constant and has been performed on the same basis for 2021.

	Income statement – 1% increase
	South Africa Rm
30 June 2022	**103**
30 June 2021	93

A 1% decrease in the interest rate at 30 June would have the equal but opposite effect for rand exposure.

23 Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the South African Companies Act, 2008. The financial statements were approved for issue by the Board of Directors on 22 August 2022.

24 Basis of preparation of financial results

The financial statements are prepared using the historic cost convention except that, as set out in the notes above, certain items, including investment in security, are stated at fair value.

Dividends received have been disaggregated and separately disclosed on the Statement of cash flows.

The financial statements are prepared on the going concern basis.

Except as otherwise disclosed, these accounting policies are consistent with those applied in previous years.

25 Subsequent events

Refer to note 38 in the Group annual financial statements.

26 Other

For further information regarding the remuneration of directors and key management personnel, refer to the audited Report of the Remuneration Committee on pages 40 to 51.

For information on major shareholders, refer to page 20.

Information on contingencies is contained in Note 36 of the consolidated Annual Financial Statements.

To the Directors of Sasol Limited

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information included in the Sasol Limited Annual Financial Statements for the year ended 30 June 2022

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Sasol Limited (the "Company") by the directors. The pro forma financial information, as set out on pages 53 to 163 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2022, consist of selected financial information translated into US Dollar for convenience purposes. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are specified in the JSE Limited (JSE) Listings Requirements and described in the basis of preparation and accompanying footnotes on pages 53, 55, 64 and 163 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2022.

The pro forma financial information has been compiled by the directors to enable offshore shareholders to interpret the financial performance in a universally measured currency. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 30 June 2022, on which an audit report has been published.

Directors' responsibility

The directors of the Company are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the basis of preparation and accompanying footnotes on pages 53, 55, 64 and 163 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2022.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

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

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the basis of preparation and accompanying footnotes on pages 53, 55, 64 and 163 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2022 based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to enable offshore shareholders to interpret the financial performance in a universally measured currency. Accordingly, we do not provide any assurance that the actual financial information would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the financial information on a pro forma basis, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the illustrative purpose in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in the basis of preparation and accompanying footnotes on pages 53, 55, 64 and 163 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2022.

PricewaterhouseCoopers Inc.
Director: Johan Potgieter
Registered Auditor
Johannesburg, South Africa

22 August 2022

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Depositary bank

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

Direct purchase plan

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

With the Program, you can:

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

Questions or correspondence about Global Invest Direct:

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Disclaimer – Forward-looking statements

Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments, and business strategies. Examples of such forward-looking statements include, but are not limited to, the impact of the novel coronavirus (COVID-19) pandemic, and measures taken in response, on Sasol's business, results of operations, markets, employees, financial condition and liquidity; the effectiveness of any actions taken by Sasol to address or limit any impact of COVID-19 on its business; the capital cost of our projects and the timing of project milestones; our ability to obtain financing to meet the funding requirements of our capital investment programme, as well as to fund our ongoing business activities and to pay dividends; statements regarding our future results of operations and financial condition, and regarding future economic performance including cost containment, cash conservation programmes and business optimisation initiatives; recent and proposed accounting pronouncements and their impact on our future results of operations and financial condition; our business strategy, performance outlook, plans, objectives or goals; statements regarding future competition, volume growth and changes in market share in the industries and markets for our products; our existing or anticipated investments, acquisitions of new businesses or the disposal of existing businesses, including estimates or projection of internal rates of return and future profitability; our estimated oil, gas and coal reserves; the probable future outcome of litigation, legislative, regulatory and fiscal developments, including statements regarding our ability to comply with future laws and regulations; future fluctuations in refining margins and crude oil, natural gas and petroleum and chemical product prices; the demand, pricing and cyclicality of oil, gas and petrochemical product prices; changes in the fuel and gas pricing mechanisms in South Africa and their effects on prices, our operating results and profitability; statements regarding future fluctuations in exchange and interest rates and changes in credit ratings; total shareholder return; our current or future products and anticipated customer demand for these products; assumptions relating to macroeconomics; climate change impacts and our climate change strategies, our development of sustainability within our Energy and Chemicals businesses, our energy efficiency improvement, carbon and GHG emission reduction targets, our net zero carbon emissions ambition and future low-carbon initiatives, including relating to green hydrogen and sustainable aviation fuel; our estimated carbon tax liability; cyber security; and statements of assumptions underlying such statements. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour", "target", "forecast" and "project" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections, and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors and others are discussed more fully in our most recent annual report on Form 20-F filed on 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 foregoing factors and other uncertainties and events, and you should not place undue reliance on forward-looking statements. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Pro forma financial information

US dollar convenience translations included in these financial statements constitutes pro forma financial information in terms of the JSE Listing Requirements.

The pro forma financial information is the responsibility of the board of directors and is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present Sasol's financial position, changes in equity, results of operations or cash flows. The underlying information, used in the preparation of the pro forma financial information, has been prepared using accounting policies which comply with IFRS and are consistent with those applied in the published group consolidated annual financial statements for the year ended 30 June 2022.

This pro forma information has been reported on by the group's auditors, being PricewaterhouseCoopers Inc. Their unqualified reporting accountant's report prepared in terms of ISAE 3420 is available on page 161.

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".

Comprehensive additional information is available on our website: www.sasol.com

Abbreviations

bbl –barrels

mm bbl – million barrels

mm tons – million tons

bscf – billion standard cubic feet

mmscf – million standard cubic feet

mmboe – million barrels oil equivalent

m bbl – thousand barrels

oil –references brent crude

ktpa – thousand tons per annum

Rm – rand millions

one billion –one thousand million

$/ton – US dollar per ton

mm³ –million cubic meters

BPEP – Business Performance Enhancement Programme

EGTL – Escravos Gas-to-Liquid

LCCP – Lake Charles Chemicals Project

RP – Response Plan

PSA – Production Sharing Agreement

GTL – Gas-to-Liquids

US – United States of America

B-BBEE – Broad-Based Black Economic Empowerment

CGUs – Cash Generating Units

SARS – South African Revenue Services

JSE – Johannesburg Stock Exchange Limited

IFRS – International Financial Reporting Standards

BFP – Basic Fuel Price

HEPS – Headline Earnings per Share

DEPS – Dilluted Earnings per share

CHEPS – Core headline earnings per share

EPS – Earnings per share

EBIT – Earnings before interest and tax

WACC – Weighted average cost of capital

LTIs – Long-term incentives

SARs – Share Appreciation Rights scheme

CPTs – Corporate Performance Targets

Net debt : EBITDA – EBITBA as defined in the loan agreements www.sasol.com