

**SASOL PRESIDENT AND CEO,
FLEETWOOD GROBLER**

**SASOL EXECUTIVE VICE PRESIDENT: SASOL 2.0 TRANSFORMATION,
MARIUS BRAND**

2020 SASOL CLIMATE CHANGE MEDIA ROUNDTABLE

**WEDNESDAY, 11 NOVEMBER 2020
JOHANNESBURG**

Slide 4: COVER SLIDE – Fleetwood Grobler, President and CEO

Good morning members of the media. Thank you very much for taking the time to listen and interact with us on this important topic.

The focus of our discussion today is climate change and what Sasol is doing in this space. Climate change is a central strategic concern for Sasol, and an issue that energy companies the world-over are grappling with.

I will therefore make some comments on both these topics – the strategic context, and Sasol’s own strategy – and then my fellow panel members will talk in more detail on how this translates into our climate change response.

Before we get into the substance of today’s discussion, I would like to address recent developments regarding ordinary resolutions that Just Share and the Raith Foundation have proposed for shareholder consideration at our AGM.

Slide 5: Recent developments

The proposed resolutions did not reach Sasol in time to be included in our Notice of AGM, which was already in the physical printing and distribution process. This process is specifically scheduled to enable the notice to reach shareholders in time, according to the Companies Act and required regulations.

Matters to be placed before shareholders have to be properly reviewed, to ensure that they accord with the Companies Act in relation to, amongst others, the delineation of the responsibilities of shareholders of the Company and those of its directors and management. In this case particularly, our position is premised on sound legal advice that the issues raised by Just Share and Raith Foundation, fall within the domain of the management and directors of the company.

We realise this may not be the desired outcome. However, we have found a method to allow the participation of our shareholders in our climate change journey, without in any way undermining our adherence to the Companies Act and corporate governance standards. To this end, we will ensure that at the 2021 AGM of the Company, shareholders can exercise a non-binding advisory vote on our climate change strategy and its implementation.

We believe this well-established mechanism under the King IV Code and the JSE Listings Requirements, will provide our shareholders an appropriate channel, over and above our engagement efforts, to participate in our climate change journey. As is applicable to an advisory vote on the remuneration policy and its implementation report, in the event that at least 25% of voting rights be against our climate change strategy and implementation report, we will provide for the Board to commit to a consultation process.

We believe in the invaluable contribution of stakeholder consultations and have been deliberate in our effort to hear the views of our stakeholders on this crucial issue. We will continue to engage our stakeholders on climate change. More so, as we will be communicating our 2050 roadmap and associated GHG reduction target for our South African operations, next year.

We take the commitments we have made on climate change seriously and are under no illusion that this will be any easy journey. We are certain, however, that our resolve to continue our focus on ***Innovating for a better world*** will not be diminished by the depth of the challenges we face.

Let me state unequivocally that Sasol is aligned to the Paris Agreement and our climate change strategy reflects this. We wholeheartedly agree, with all our stakeholders, that climate change is a significant issue. It is front and centre of our strategy and we are taking significant steps towards reducing our greenhouse gas emissions.

The Paris Agreement does not impose direct obligations on individual countries or individual companies. Instead, it seeks to provide a global framework underpinned by climate science to which countries and companies can align. Further, the Paris Agreement provides for developing countries, such as South Africa, to pursue a different trajectory given the complexity of the country's socio-economic context and its implications.

Our climate change response strategy reflects this complexity and it demonstrates a holistic approach to balancing the needs and expectations of all our stakeholders – our employees, fenceline communities, customers, suppliers and shareholders. The question will however always be, “Are we doing enough? Are we moving fast enough?”. We know there are some, who feel we should move faster, so let me briefly explain how we think about this topic. As I have said before, removing carbon from our activities is not as simple as flicking a switch. It is a process that takes investment and time. What does this mean in practice? At its heart, it involves judgements about the pace of transition which reflect a number of variables, principally around availability of alternative feedstock, availability of infrastructure, technology and cost.

We have dedicated teams exploring access to additional gas supply, while also exploring technology options. Our target has therefore been set such that, if we can acquire and source the gas sooner, we will vigorously pursue gas integration to our facilities in advance of our 2030 target.

What is clear is that to be able to meet our responsibilities to our different stakeholders, we need to run a successful business that generates strong cashflows. Without these, we will not have the cash to pay shareholders the dividends they are entitled to; We will not have the funds to invest in green technologies that are required; We will not be able to meet responsibilities to our own workforce and ensure a just and orderly transition so that no one is left behind.

That is why we have been so focused this past year on restoring Sasol to strength and laying foundations for the future Sasol. Our reset has been instrumental in establishing a solid foundation to ensure we are sustainable in the long term.

South Africa needs a strong Sasol to help it make this carbon transition, but if we too quickly abandon our foundation businesses, we will jeopardise all of this.

This is the balancing act the company must live with. I understand the impatience. We at Sasol would also like to move faster – but we have to move in a judicious and responsible manner. Too fast or too slow – both these approaches involve risks we must avoid.

Let me now turn to articulating where we find ourselves.

Slide 6: Dynamic world with lower for longer oil prices requires a strategic reset of Sasol

We have all experienced how the world has changed irrevocably in an extremely short time frame, causing tectonic shifts in the way we work and live, as global political and economic orders come to grips with moving forward in this new reality.

For Sasol, our operating context has changed dramatically. As oil prices have stabilised after the initial crash in March and for the weeks that followed, we see the world now characterised by an oil price of US\$45 per barrel, which is significantly lower than \$60 per barrel last year. The COVID-19 pandemic has devastated global economic activity, impacting people's livelihoods and the subsequent fallout from this has negatively impacted both the price and demand for our products.

Against the backdrop of this volatile business landscape, we have articulated that for Sasol to succeed over the long-term, a purposeful and systematic review of our business is crucial.

To this end, we have taken decisive measures to stabilise the business in the short term, through cash conservation and driving initiatives to deleverage our highly geared balance sheet. Notwithstanding, there are significant long term challenges,

such as climate change and the pressing need to decarbonise the global economy, that have also underscored a strategic reset of the company.

In shaping our climate change response, we have undertaken extensive stakeholder engagement to inform our response. As a business, we must remain profitable to ensure we are equipped to adapt to a changing world, while creating value for our stakeholders and our shareholders.

We have sharpened our focus on sustainability by placing climate change as the cornerstone of our strategy. We are a responsible company and are committed to transitioning to a lower carbon economy, particularly here in South Africa. ESG matters are front and centre on the agendas of activists, society and shareholders alike. We embrace these priorities, as one of the key drivers informing our strategic reset.

Slide 7: Future Sasol | Our aspiration

Our aspiration for Future Sasol is to position the company so that it is focused, streamlined and positioned to succeed, in this low oil price environment. We want to transition Sasol to a lower carbon footprint as fast as we responsibly can, taking account of our different legal and stakeholder responsibilities.

Sasol is made up of two core, distinct businesses – Chemicals and Energy, which Marius will explain in more detail shortly.

Our Southern African operations are of particular importance, as they comprise the backbone of our Energy Business. It is home to our integrated value chain, which comprises gas sourcing and our mining operations, synthetic fuels and chemicals operations, as well as our fuels retail network.

This significant asset base, enabled by a unique technology and a history of innovation by our people, places Sasol well to advance our reset in a way that will ensure we are successful in a lower carbon world, while reducing our absolute greenhouse gas emissions.

The path that lies ahead of us is not easy, but is an opportunity for us to be reinvigorated. The South African energy landscape is set for significant changes and we have a leading role to play, as we collaborate with government, labour, civil society and our business partners. The energy transition is a collective effort to enable South Africa's transition to a lower carbon economy and we are excited about our role.

Over to Marius.

COVER SLIDE: Marius Brand, EVP: Sasol 2.0 Transformation

Thank you Fleetwood. Good morning ladies and gentlemen, it's a pleasure to be with you although virtually and appreciate the time you have taken to listen to us today.

Slide 9: Future Sasol | Our portfolio to deliver value sustainably

As Fleetwood said, Future Sasol is streamlined and focused through two core business units – Chemicals and Energy. These portfolios are distinct and are core to Sasol realising its climate change ambitions.

Looking at our global Chemicals operations outside of South Africa, these are lower-carbon facilities that operate under mature climate legislation and already use lower carbon feedstock and energy sources. Our operations in North America are pursuing other mitigation solutions, and we continue to explore developments for further carbon efficiencies and emissions control technologies. Our operations in Europe are actively engaged in additional low-carbon feedstock versatility that can further

reduce our footprint, in addition to the ongoing participation in regional carbon trading schemes. For both these operations we aim to release 2030 GHG emission reduction targets and roadmaps in 2021.

Our operations in South Africa are carbon-intensive and this is where 92% of our total greenhouse gas emissions come from. Under future Sasol, our Energy business comprises the full integrated value chain as Fleetwood mentioned – from upstream gas and mining activities, our Secunda and Sasolburg production facilities, all the way to our consumer-facing fuels retail business. Our operations here will be transformed over time as the business vigorously pursues lower-carbon feedstock, the introduction of large scale renewable energy and process and energy efficiency improvements. Here, the priority is to secure affordable gas supply and implement renewable energy sources.

We have already made significant progress on key areas that will catalyse our efforts to reduce our emissions within the next decade. Sarushen will unpack a bit more detail on how we plan to reduce our emissions as outlined in our 2030 GHG emission reduction roadmap.

Last year, we articulated our 2030 commitment to an absolute reduction of our greenhouse gas emissions of 10% off a 2017 baseline. We remain on track to progress in the near term on our scope 1 and scope 2 emissions.

Slide 10: Sustainability | Progress towards a holistic climate change response

Our plans to reduce our carbon footprint are ambitious and will see our business fundamentally transform in the coming decade. We plan to fully diversify our energy mix, not just in terms of our energy sources but our feedstocks for our processes too. Additional gas and large scale renewables are essential in this respect and our plans are progressing well.

We recognise that as a key role player in South Africa's energy landscape, the impact goes beyond our fenceline. As Fleetwood mentioned, partnerships will be increasingly important, not just for the sake of improving our emissions profile, but to enable South Africa's energy transition. These could include those with regulatory entities, end-to-end Sasol business participants, technology providers and investors.

As we commence our transition by diversifying our own energy mix, there is promising opportunity to develop enabling industries to the just transition. We have the ability to leverage our scale to enable infrastructure development that will benefit South Africa. The just transition is to be carefully managed as our socio-economic impacts could be extensive.

We've made it clear in the past that we are considering LNG and a gas pipeline from Rovuma together with other stakeholders. This collaborative approach has already led to exploring approaches to funding and additional infrastructure requirements to support green energy.

As we contemplate the changing energy landscape in South Africa, we must achieve beneficial outcomes that enable inclusive growth, enable job creation and retention interventions – here, Sasol can play a leading role.

I will now hand over to Shamini, to talk us through the Sasol Climate Change challenge and our response. She will also speak to our position towards scope 3 emissions and our approach to off-sets. Over to you Shamini

Slide 11: COVER SLIDE – Shamini Harrington, VP: Climate change

...

Sarushen please can you take us through our 2030 GHG emission reduction roadmap.

Slide 16: COVER SLIDE – Sarushen Pillay, VP: Technical Solutions

I will hand back to Fleetwood.

Slide 20: COVER SLIDE – Fleetwood Grobler, President and CEO

Slide 21: In conclusion

Thank you Sarushen.

As you have seen, we have developed a thorough response to tackling climate change. In the near term, we are focusing on implementing measures to reduce our scope 1 and 2 emissions, while work is underway to establish a scope 3 framework.

As much as these are important objectives for Sasol as a company, we are primed to establish and nurture partnerships. By working more closely with government, business and other stakeholder groups, we will help the country make a just transition to a lower carbon future. The climate challenge is an enormous challenge that requires collective effort.

We have landed key partnerships already that will play an important role in our transition and that of South Africa. We are a member of government's South African Hydrogen Society, which is tasked with developing a hydrogen roadmap for the country. As a first step in this area, we participated in a hydrogen fuel cell demonstration project led by the Department of Science and Innovation, to provide power to One Military Hospital in Pretoria.

As part of streamlining our business, we recently concluded a partnership agreement with Air Liquide to operate our air separation units in Secunda. They will be applying their expertise by helping us to reduce carbon emissions from Secunda through sophisticated technologies.

As CEO, I have also participated in the NBI Just Transition Pathways Initiative in which other key role-players including Eskom are involved.

As we progress down our path, we will be fundamentally resetting Sasol in the coming year. This will position us to be responsive, agile and resilient for our long-term sustainability so that we continue to provide the chemical and energy products and solutions that underpin our modern way of life and keep society sustainably moving.

As we mark our seventieth anniversary this year, we are invigorated by the future and are excited about the role we can play in South Africa's energy transition.

Thank you for taking the time to listen to us.

I will now hand back to Elton as we open up for questions. Elton...