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

We safely and sustainably source, produce and market a range of high-quality products in 27 countries, creating value for stakeholders.

Our Purpose ‘Innovating for a better world’ compels us to deliver on the triple bottom line outcomes of People, Planet and Profit, responsibly and always with the intent to be a force for good.

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

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

SDG 12: Ensure sustainable consumption and production patterns

SDG 13: Take urgent action to combat climate change and its impacts

SDG 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development

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FORWARD-LOOKING STATEMENTS DISCLAIMER

Sasol may, in this Integrated Report, make certain statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, developments and business strategies taking into account the impact of COVID-19 on Sasol. Refer to page 5.2 for our full disclaimer on forward-looking statements.
ABOUT THIS REPORT

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

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

Our material matters

- Safety
- People
- Decarbonising
- Trust
- Sasol 2.0

Our key stakeholders

Employees and organised labour
Shareholders and providers of capital
Customers
Governments and regulators
Communities and societies
Non-governmental organisations (NGOs)

Our risks

The main purpose of risk management is to adequately position the organisation to understand and respond to the potential risks that could materially impact the execution of our strategy and value creation.

- Financial – including capital investments
- Safety and operational
- Legal, regulatory and governance
- Information management – including cyber threats
- Market
- Sustainability
- People
- Geopolitical
- Stakeholders – including stakeholder activism
- COVID-19

Six capitals

Human capital

To grow and steer our business and operate our facilities safely and efficiently, we require high-performing, innovative and diverse people with the right skills and experience. We focus on being an inclusive organisation, building and retaining critical skills and developing our leadership capabilities.

Social capital

To create an enabling environment for operations and investment, we integrate the needs of our stakeholders into our business and we deliver on our commitments. We actively engage stakeholders to ensure we progress on strategy and have a multi-stakeholder approach to solve challenges.

Natural capital

We require natural gas, coal and crude oil as well as air, water, land and energy to convert hydrocarbon reserves into value-adding product streams, while minimising our environmental footprint.

Financial capital

We are disciplined in the way we allocate our financial resources. By investing in plant and equipment, we are able to convert hydrocarbon resources into high-value products and operate reliably. These investments also help manage our environmental footprint and assist in complying with regulatory requirements.

Manufactured capital

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

Intelectual capital

Our proprietary and licenced technologies, software, licences, patents, procedures and protocols support our competitive advantage. Through various initiatives that include operational excellence and digitalisation, we enhance our robust foundation.

Internal control framework and assessment

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

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

Directors’ approval

The Board is ultimately responsible for ensuring the integrity of Sasol’s integrated reporting. The Board gave attention to management’s evaluation of the effectiveness of the disclosure controls and procedures. Other than the material weaknesses reported in the Annual Financial Statements and the Form 20-F, we believe Sasol has designed such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Notwithstanding the material weaknesses, we confirm that the 2021 Integrated Report addresses all material issues and matters which affect the Group’s ability to preserve and create value and fairly represents the Group’s integrated performance. The Board approved this report and its publication on 20 September 2021.

The Board confirms that Sasol is in compliance with the provisions of the Companies Act relating to its incorporation and is operating in conformity with its Memorandum of Incorporation. Signed by the Directors:
Sasol at a glance

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

**Turnover**
R202 billion

**Total Assets**
R361 billion

**Market Capitalisation**
R138 billion

**Reinvested to grow and sustain operations**
R16.4 billion

Employees 28,949
Presence in 27 countries

Significant contributor to South Africa’s GDP

**Shareholders**

<table>
<thead>
<tr>
<th>Sasol ordinary shares</th>
<th>Sasol BEE ordinary shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.88%</td>
<td>1.83%</td>
</tr>
<tr>
<td>627,912,989</td>
<td>6,331,347</td>
</tr>
</tbody>
</table>

**Value Shared**

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

**Business Units**

**Energy Business**
- Fuels
  - 54.2 million barrels of liquid fuels

**Chemicals Business**
- Gas
  - 58.3 bscf natural and methane rich gas in South Africa
- With a diversified portfolio and global reach, delivered over 7.2 million tons of chemical products

**Triple Bottom Line**

**People**
We are committed to ensuring we provide a safe work environment and our pursuit of zero harm remains a top priority

**Planet**
Decarbonising is essential to our sustainability and core to transitioning to Future Sasol

**Profit**
Our aim is to maximise value creation through a balanced capital allocation approach, supported by clearly defined financial targets

**Committed to sustainability and aligned with Paris Agreement**

**Our Sustainability Statement**
Advancing chemical and energy solutions that contribute to a thriving planet, society and enterprise.

 Listed on the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE)
Our Purpose, strategy and values

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

Sipho Nkosi
Chairman

Fleetwood Grobler
President and Chief Executive Officer

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

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

Our Purpose: Innovating for a better world

Our ambition
GROW SHARED VALUE WHILE ACCELERATING OUR TRANSITION TO NET ZERO

Our strategy deliverables by 2030

<table>
<thead>
<tr>
<th>Scope 1 and 2 Greenhouse gas (GHG) emissions reductions</th>
<th>Scope 3 reduction</th>
<th>Cash fixed cost saving</th>
<th>Gross margin uplift</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%*</td>
<td>20%*</td>
<td>15 – 20%*†</td>
<td>5 – 10%*</td>
</tr>
</tbody>
</table>

* Off 2017 base and excluding Natref
† For Energy Business category 1: use of energy products

ENABLED BY:

- **Technology**
- **Advantaged Assets**
- **Highly Skilled People**
- **Market Leadership**

SUPPORTED BY OUR VALUES:

- Safe
- Caring
- Inclusive
- Accountable
- Resilient

Our strategy will be executed by the manifestation of our values through our behaviour, guided by our Purpose. It requires us to be pioneering once more. We have done new things in the past and we will successfully do new things in the future.
**Our performance in 2021**

**People**

- Safety recordable case rate (RCR) of 0.26%
- 1355 employees impacted through workforce transition
- ~R24 billion spent with black-owned businesses of which ~R16 billion with black women-owned businesses

**Invested**

- R1.2 billion in skills development

**Profit**

- Core headline earnings per share and dividend per share (Rand per share)
- 1.5 times well below covenant of 3.0 times
- Net debt: EBITDA: 1.5 times well below covenant of 3.0 times
- Net debt: equity (gearing): Gearing down from 117.0% to 61.5%

**Core HEPS up >100% to R39,53**

**Net debt**

- US$5.9 billion
- US$2.1 billion of cash savings – in excess of target

**Profitability**

- Core HEPS up 84% to R27,74

**Energy efficiency**

- Achieved 22.75% energy efficiency improvement since 2005
- Total GHG emissions: 67.102 kt CO₂e

**Safety**

- Progressed key partnerships in support of our Net Zero ambition

**SASOL CARES**

- Established entrepreneurship initiative for unplaced employees

**H.E.P.S.**

- HEPS up >100% to R39,53

**Net debt**

- US$5.9 billion

**Asset divestments**

- >US$3.8 billion
Contextualising Future Sasol

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

<table>
<thead>
<tr>
<th>Short-term pressures</th>
<th>FY20 – Unprecedented challenges</th>
<th>FY21 – Resetting the business</th>
<th>Future Sasol</th>
</tr>
</thead>
<tbody>
<tr>
<td>BALANCE SHEET UNDER SEVERE PRESSURE</td>
<td>Alleviating pressure</td>
<td>EXCEEDED RESPONSE PLAN TARGET – AVOIDING A RIGHTS ISSUE</td>
<td>Enables and leads to</td>
</tr>
<tr>
<td>VOLATILE MACRO-ECONOMICS</td>
<td>Response Plan</td>
<td>DELEVERAGED BALANCE SHEET ACHIEVED THROUGH EFFECTIVE ASSET DIVESTMENTS</td>
<td>Addressed by attaining our ambition</td>
</tr>
<tr>
<td>SAFE AND RELIABLE OPERATIONS</td>
<td>The pathway Sasol 2.0</td>
<td>LEAN AND AGILE OPERATING MODEL WITH INDEPENDENT BUSINESS DECISION-MAKING</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>SHIFTING OUR APPROACH TO SAFETY FROM COMPLIANCE TO LEADING WITH CARE</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Our ambition</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Grow shared value while accelerating our transition to <strong>Net Zero by 2050</strong></td>
</tr>
</tbody>
</table>

- **ZERO HARM**
- **DISCIPLINED CAPITAL ALLOCATION**
  - 30%* GHG REDUCTIONS BY 2030
  - 15 – 20% CASH FIXED COST SAVING BY 2025
  - RESILIENT BETWEEN US$45 – US$55/BBL OIL
  - 5 – 10% GROSS MARGIN UPLIFT BY 2030
  - HIGHLY CASH GENERATIVE WITH COMPETITIVE RETURNS TO SHAREHOLDERS
  - NEW FISCHER-TROPSCH SUSTAINABLE BUSINESSES

* Off 2017 base and excluding Natref.

For more detail refer to our Climate Change Report available on our website, www.sasol.com
Our brand and operational presence across the world

Global pioneer in inventive Fischer-Tropsch (FT) technology

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

Business activities in 27 countries

One of the world’s leading producers of synthetic fuels

World’s largest producer of grey hydrogen

Strong international intellectual property portfolio with 2300 patents and 4000 trademarks held worldwide

Leader in specialty aluminas tailored for specific customer-needs

In excess of 7,2 million tons of chemical products sold per annum to more than 7500 customers across 120 countries

Providing a critical chemical building block for the new COVID-19 vaccines that are being used around the world
Preserving and maximising value creation – our integrated value chains

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

For more detail refer to our website, www.sasol.com
https://www.sasol.com/investor-centre/reporting/other-market-updates/new-operating-model
**Chairman’s statement**

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

Sipho Nkosi
Chairman

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**Meeting shareholder promises**

To regain lost credibility resulting from our past performance, particularly in relation to delivery of the Lake Charles Chemicals Project (LCCP), the Board kept a watchful eye on the promises we committed to deliver on this year. I am pleased that under Fleetwood’s leadership, Team Sasol met all the short-term targets for financial year 2021 (FY21), and exceeded expectations on several. This has resulted in a deleveraged balance sheet and avoiding the need for a rights issue. This has allowed us to place the organisation on a much stronger footing to tackle our future opportunities and challenges. With a fundamentally reset balance sheet, new operating model and focused portfolio of assets to drive value creation, we have a robust foundation in place to deliver Future Sasol.

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

**Accelerating decarbonisation**

Central to Future Sasol are our plans to accelerate the decarbonisation of our business. In 2021, we sharply increased our 2030 emission reduction target for our Energy Business from the previous at least 10% commitment to a 30% reduction and also set an additional 30% reduction target for our International Chemicals Business44. This is underpinned by concrete plans to transform our operations, putting us on a path to achieve our Net Zero emission ambition by 2050. Our targets also demonstrate our firm commitment to transition to a lower-carbon world and that we accept climate science, hence the strong alignment with the Paris Agreement.

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

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

**Commitment to zero harm**

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

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

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

**Leadership and governance**

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

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

Upon the retirement of Colin Beggs as Independent Non-Executive Director and Chairman of the Audit Committee, Trix Kenneally, also an Independent Non-Executive Director, assumed Chairmanship of the Audit Committee on 1 September 2021. Trix is a highly respected Director who qualified as a Chartered Accountant in 1982 and is a seasoned finance professional, a worthy successor to Colin.

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

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

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

**Acknowledgements**

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

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

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

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

Sipho Nkosi
Chairman
20 September 2021

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**Credible investment proposition**

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

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Sipho Nkosi
Chairman
20 September 2021
President and Chief Executive Officer’s statement

Dear stakeholders

Over the year we have made significant progress in alleviating our immediate challenges. Our short-term Response Plan has allowed us to successfully navigate through this trying period with the Sasol 2.0 transformation programme already unlocking value. We are on track to deliver on our FY25 targets. FY21 marked our 70th anniversary, a significant milestone in Sasol’s history. Reflecting on our journey and appreciating the road ahead, we themed the anniversary campaign, ‘Our journey, because of you’. This pays homage to our investors, customers, suppliers, business partners, employees, communities and other stakeholders.

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

As the pandemic spread, it led to the tragic loss of life and I convey sincere sympathies to those who have lost family, friends, colleagues and loved ones to this highly infectious disease. In addition, we express our deepest condolences to the family and friends of two colleagues who tragically passed away in work-related incidents – one before financial year end, the other after. We have defined our Purpose, ‘Innovating for a better world’ which is indicative of Future Sasol and the role we see for ourselves globally. We also refreshed our values to: be Safe, be Caring, be Inclusive, be Accountable and be Resilient.

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

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

Success of our Response Plan and Sasol 2.0 transformation programme

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

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

- we exceeded our cash conservation target for FY21;
- we significantly surpassed our net asset value target of US$2.5 billion. We have now contracted for total divestments of US$3.8 billion subject to normal closing conditions; and
- the good progress we made overall enabled us to avert a rights issue, as announced in February this year.

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

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

Our advantaged Fischer-Tropsch technology unlocking the future

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

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

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

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

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

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

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

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

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

Fischer-Tropsch technology remains at the core

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

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

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

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

Fischer-Tropsch technology remains at the core
President and Chief Executive Officer’s statement (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

For more detail refer to our Sustainability Report specifically on Ntsika* available on our website, www.sasol.com

Future Sasol 2050

Aviation fuels at 25% – 50% SAF blends, with significant contribution from FT-PtX facilities. Sasol is the global FT technology leader

Delivering differentiated mobility and convenience solutions

Operating close to ‘zero fossil fuels’ FT facilities with Green H2, carbon from DAC as feedstocks and integrated renewables

A reinvented product portfolio, co-developed with customers

SAF – Sustainable Aviation Fuel
DAC – direct air capture
PtC – power-to-chemicals
PtL – power-to-liquids

For more detail refer to our Sustainability Report specifically on Ntsika* available on our website, www.sasol.com
President and Chief Executive Officer’s statement (CONTINUED)

Reflecting on our 2021 results

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

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

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

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

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

Fleetwood Grobler
President and Chief Executive Officer
20 September 2021

Our top priorities for 2022

- Strive for zero harm through relentless focus on preventing high-severity injuries and eliminating fatalities
- Continue focus on embedding our values to strengthen our espoused culture
- Stakeholder value proposition: Rebuild trust and create shared value
- Refine employee value proposition to drive capability building and promote employee engagement
- Promote diversity, equity and inclusion in the workplace

Outcomes linked to our incentive plan

- Zero harm
- Earn trust of stakeholders

Link to material matter

- Deliver our 2030 roadmap
- Grow and participate in sustainable businesses

Decarbonising

Trust

Sasol 2.0

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

PEOPLE

Advancing sustainability

- Deliver our roadmap and targets for 2030 and our Net Zero ambition for 2050
- Further refine environmental compliance roadmaps to FY25
- Deliver 600 MW Power Purchase Agreements (PPA) in support of 1 200 MW renewable energy ambition by 2030
- Develop a roadmap to leverage our competitive advantage (eg FT) to gain access to emerging future value pools
- Identify opportunities to grow and participate in sustainable products and chemistries
- Secure optionality relating to securing flexible sustainable feedstock opportunities

Planet

Delivering and maximising value

- Deliver Sasol 2.0 commitments for FY22 and mature prudent financial risk management, debt maturity and liquidity management, working capital management and effective cost control
- Drive reliable and predictable, feedstock supply and operations producing market-led downstream products
- Ramp-up cash flow generation in United States post LCCP start-up
- Continue transformation of chemicals to a solutions orientated specialty portfolio
- Continuously improve our service delivery and customer experience enabled through omni-channel customer feedback and metrics

Profit

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Defining our strategy to get to Future Sasol

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

OUR AMBITION IS TO GROW SHARED VALUE WHILE ACCELERATING OUR TRANSITION TO NET ZERO

Energy Business¹
Leading the energy transition in Southern Africa
Decarbonise our operations
Grow new value pools
Preserve competitive and sustainable returns

Chemicals Business¹
Growing with our unique chemistry
Lake Charles to full potential
Innovate with customers for sustainable solutions
Shift to higher margin specialty solutions

FT sustainable solutions – Sasol ecoFT
Building sustainable businesses with our advantaged FT technology
Leverage advanced and differentiated Sasol FT technology for sustainable products²
Play a key role in SAF commercialisation

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

Future Sasol
We have optimised our operating model and updated our strategy making us more agile to respond and adapt to changes in our external environment. We are positioned to be closer to the customer and intend to:
• lead the energy transition in South Africa;
• grow with our unique chemistry; and
• build sustainable businesses with our proprietary technology.

Enables by

Delivering
Sasol 2.0 to full potential
Unlocking
operational and commercial synergies
Inspiring
our highly skilled and talented people
Leveraging
our unique FT technology
Driving
quality earnings with disciplined capital allocation

SUPPORTED BY OUR SUSTAINABILITY FOCUS AREAS:

Safe and enduring operations
Growing shared value
Resilience in lower-carbon future
Minimising our environmental footprint

¹. For more detail on our risks and assumptions relating to our targets and transition refer to our Climate Change Report and Form 20-F available on our website www.sasol.com
². Product measured as sustainable according to product labelling and global certification standards.
Delivering our strategy over horizons

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

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

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

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

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

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

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

2030 to 2050 Reinventing Sasol
Deliver on ambition of Net Zero emissions by 2050, growing value through the repurposing of existing assets and the participation in new value pools.

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

It is a path that is not without risk and uncertainty and effectively managing these will be critical. This includes but is not limited to:
• effectively managing transitional risk and ensuring a just transition,*
• ensuring access to low-carbon feedstock;
• technologies becoming uncompetitive; and
• access to markets.

We will have to proactively manage all risks and ensure that we track and monitor emerging ones.
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* A framework that has been developed by the trade union movement to encompass a range of social-interventions needed to secure workers’ jobs and livelihoods when economies are shifting to sustainable production, including management of climate change, protecting biodiversity and ending war, among other challenges.
By leveraging the combined skills and experience of the members of our Group Executive Committee (GEC), each with clearly defined and focused portfolios, we are driving momentum to deliver Future Sasol.

Fleetwood Grobler
President and Chief Executive Officer

Our Group Executive Committee

Fleetwood Grobler
President and Chief Executive Officer

Responsible for:
Ensuring appropriate capital allocation, financial discipline and Information Management.

Paul Victor
Group Chief Financial Officer

Joined Sasol: 1986
Appointed to GEC: 2009
appointed to GEC: 2019
Joined Sasol: 1986

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

Vuyo Kahla
Executive Vice President: Strategy, Sustainability and Integrated Services

Joined Sasol: 2011
Appointed to GEC: 2020
Joined Sasol: 2011

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

Priscillah Mabelane
Executive Vice President: Energy

Joined Sasol: 2011
Appointed to GEC: 2020
Joined Sasol: 2011

Responsible for:
Sasol's Energy Operations portfolio.

Bernard Klingenberg
Executive Vice President: Energy Operations

Joined Sasol: 2012
Appointed to GEC: 2019
Joined Sasol: 1992

Responsible for:
Sasol's Chemicals Business globally.

Brad Griffith
Executive Vice President: Chemicals

Joined Sasol: 1989
Appointed to GEC: 2020
Joined Sasol: 2019

Responsible for:
Design of global Human Resources strategies, policies and frameworks.

Charlotte Mokoen
Executive Vice President: Human Resources and Stakeholder Relations

Joined Sasol: 1992
Appointed to GEC: 2017
Joined Sasol: 1989

Responsible for:
The Sasol 2.0 transformation programme

Marius Brand
Executive Vice President: Sasol 2.0 Transformation*

Joined Sasol: 2020
Appointed to GEC: 2021
Joined Sasol: 2019

What we achieved during the year

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

* Off 2017 base and excluding Natref.

SKILLS AND EXPERIENCE

One hundred years’ combined Sasol-experience

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

Executive Directors
on Sasol’s Board

8 GEC members

38% Male

38% Female

25% Black

2% Other

* Role in place for up to 24 months.
Team Sasol delivered an excellent performance in 2021, leading to a strong balance sheet and solid cash flow generation. As we continue with our business transformation programme, we are excited about Future Sasol’s prospects as a greener, more sustainable business that protects and grows shareholder value in a lower-carbon world.

Paul Victor
Chief Financial Officer

Five-year accelerated balance sheet deleveraging

2021 represents an important year of delivery for Sasol. Deleveraging the balance sheet was a particular priority in the face of the substantial macro headwinds faced from early 2020. Our ambitious plan has been delivered in full without funding from our shareholders. Gearing has decreased from 117% in the 2020 financial year to around 61% at 30 June 2021, and net debt to EBITDA is now down to around 1.5 times with net debt of US$5.5 billion.

All of this was achieved through successful execution of our comprehensive US$6 billion Response Plan. This had a combination of self-help measures and asset divestments to reduce our net debt to an acceptable level. In FY21 we again significantly exceeded our savings target, by delivering over US$1 billion of savings. Asset divestments were a further significant component and by 30 June 2021 we had announced divestments of around US$3.8 billion, with around US$1.2 billion of proceeds already banked.

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

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

A more resilient business

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

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

There are a number of important elements to building a more resilient business including delivery against the operating and capital cost discipline targets. This has progressed well and in FY21 we achieved R2.4 billion in cash fixed cost savings or a normalised improvement of 4.2% year-on-year. Besides cost savings we have now introduced a new operating model. This has placed decision-making closer to our customers and should enable more agile and customer-focused decisions going forward. This change has already been implemented as have the early stages of the Sasol 2.0 transformation programme. This is a ground-up reassessment of how the business functions with systems in place to identify and leverage best practice right across the Company.

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

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

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

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

Delivering ambitious climate change targets and attractive shareholder returns

Building on the firm platform that we have created, Sasol has set ambitious new climate change targets. We have set a target to reduce scope 1 and 2 emissions by 50% by 2030 and an ambition to move to Net Zero by 2050.

According to the new commitments, we will aim to achieve on our unique chemistry and core energy segments and shift to increasing use of renewable energy as well as additional gas feedstock by 2030. By that stage we intend to reduce our scope 3 emissions by 20% through a reduction of commercialisation of fossil fuels.

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

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

By FY25 the intention is to have an RDOC of 12 – 15% (assuming a US$5/bbl oil price), with net debt to EBITDA of 1.0 – 1.5 times. Restoring dividends is a key priority and we intend to restore the dividend and step-up payout level.

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

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

In the following phase through to financial year 2030 we will look to offer enhanced shareholder returns, while implementing the changes across the business to deliver GHG reduction and generating incremental cash flow. We will also look to add value over time and, through our growth initiatives across the portfolio. We are confident that the RDOC for the portfolio will be competitive compared to our peers. During this period the intention will be to keep net debt/EBITDA levels at 1.0 – 1.5 times levels but bring absolute net debt levels below US$4 billion.

As free cash flow increases through the period we will maintain discipline and regularly review the portfolio to ensure we keep our capital focused in the assets that offer our shareholders the risk-adjusted, long-term returns.

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

After a critical period of delivery we are confident that Sasol has a very bright future. We have set clear goals according to the best risk-adjusted returns, including the potential for special dividends and share buy-backs.

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Our operating context

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

Economic growth and exchange rate

The global economy contracted by about 3.3% year-on-year as COVID-19-related impacts battered economies. South Africa’s economy contracted by 7%, the worst contraction since Reserve Bank records began in 1946. Real per capita GDP essentially recorded its sixth year of decline. As the South African economy reopened following strict lockdowns, growth prospects improved. However, despite three consecutive quarters of growth, economic activity in the first quarter was still 3.2% below pre-pandemic levels. The rand/US$ averaged R15.40/US$, about 2% stronger than the R15.69/US$ recorded the prior year. COVID-19 and vaccine rollout related considerations, global risk sentiment and commodity price trends were the main drivers of rand trends and volatility.

HOW WE RESPONDED/WERE IMPACTED

We were able to mitigate the negative macroeconomic effects using the levers of our Response Plan and Sasol 2.0 transformation programme ie containing costs, prioritisation of capital, improvement of profit, redesigning our operating model and workforce transitioning, coupled with strategy-led asset disposals and the close management of liquidity as well as covenant and financial market risk management. We hedged US$2.80 billion of exchange rate exposure for financial year 2022 (FY22) at a weighted average collar of rand/US$14.94 to 17.92. We continue to execute our mandated FY22 exchange rate programme.

THE PAST YEAR

In anticipation of a recovery in demand and limited supply growth, oil prices continued to strengthen during the year, up from US$43/bbl in July 2020 to US$73/bbl by June 2021. The average FY21 oil price was US$54.20/bbl, 5.8% higher than financial year 2020 (FY20). Demand improved due to the economic recovery and stimulus programmes, widespread vaccination campaigns and the easing of mobility restrictions. OPEC+* has gradually increased production as the demand recovery became more evident, while United State's oil production growth was limited as oil majors pursued financial discipline and prioritised investor returns.

HOW WE RESPONDED/WERE IMPACTED

Our integrated value chain continued to deliver a strong financial performance, benefitting from the higher oil price, cost discipline and recovery in demand due to easing of mobility restrictions. Following the recent material rise in the oil price, we have been able to restructure put options to zero cost collars lifting the floor from US$43.11 to US$60.09, thereby enhancing our FY22 hedging programme, ensuring cash flow robustness and protection against future oil price volatility. The oil hedge cover ratio for FY22 was increased by hedging an additional 18 million barrels (4.5 million barrels per quarter) using swaps. The FY22 hedging programme has been fully executed at a gross weighted average level of US$63.16/bbl using a combination of zero cost collars (at a collar range of US$60.09/bbl to US$71.97/bbl) and swaps (at an average strike level of US$67.72/bbl). The updated hedging levels enhances the strengthening of the balance sheet and the reduction of the Company’s absolute debt levels. The restructurin was focused on FY23 only.

OUTLOOK

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

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

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

WHERE WE OPERATE

WHERE WE INVEST

The updated hedging levels enhances the strengthening of the balance sheet and the reduction of the Company’s absolute debt levels. The restructuring was focused on FY23 only.

* Organisation of the Petroleum Exporting Countries, OPEC+ includes Russia.
Excess capacity and high inventories kept refinery margins under pressure. For individual products, petrol margins started to recover during the year as global stocks returned to normal levels on improved mobility and a vaccine rollout in the United States, the United Kingdom and Europe progressed. Despite coming down, distillate stocks remained higher than usual as refinery runs to support increasing petrol demand exacerbated diesel oversupply and to an extent of a nature remains suppressed.

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

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

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

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

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

**HOW WE RESPONDED/WERE IMPACTED**

**THE PAST YEAR**

Chemical demand continued to strengthen into 2021 due to a combination of improved demand, higher oil prices, reduced market supply due to the weather-related events in the United States and global supply chain disruptions. Despite adverse weather events in both the United States and Africa impacting production, the previously reported divestiture of US Base Chemical assets in Q2 FY21 and the continued impact of the COVID-19 pandemic, the total chemical sales volumes were only 3% lower compared to the prior year.

We continued our efforts to improve margins by capturing opportunities in both the petrochemical and specialty chemicals units. Sasol’s global chemical plant operations delivered strong earnings in Q4 FY21 driven by improving prices in the petrochemicals unit and higher margins in the ethane-based products from higher NGL prices and increased ethane recoveries.

**THE PAST YEAR**

Sasol continues to come under pressure to address our emissions profile. We have also been responding to a need to enhance our social engagement response, despite the climate emergency and the increased socioeconomic pressure of a changing climate. This has been amid numerous severe weather events globally as well as, the release of the latest science relating to climate change.

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

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

**HOW WE RESPONDED/WERE IMPACTED**

**THE PAST YEAR**

Refinery margins will track global liquid fuels demand recovery, which face risks as the persistence of the COVID-19 pandemic is met with an uneven return to personal mobility. Demand recovery remains under threat from the rise of COVID-19 variants, particularly in countries where vaccinations have not been ample product stocks and more refining capacity than needed to cover demand will limit margin improvement during FY22 as the refinery continues to shift and streamline its product mix.

**OUTLOOK**

Chemical demand remains strongly linked to Improvements in the global economy and aligned with evolving mega-trends including changes to the way we work and live in a post COVID-19 world. With the continued strong pricing in FY22 and financial year 2023, chemical prices are expected to follow, albeit with a lag. Commodity chemicals prices will also be impacted by changes in supply and demand with the expectation of over-supply in the next 12 to 18 months as new capacity come online, particularly in China. This supply is expected to be balanced with demand in the next three to five years.

**OUTLOOK**

This decade is critical year for tackling climate change. Countries are committing to higher carbon reductions. It is expected that the emitting countries in both the United States and Africa will experience energy and demand growth, growing concerns regarding resource scarcity.

**OUTLOOK**

Sasol is a South African chemicals and energy company with a wide range of products and services. The company is committed to reducing its carbon footprint and transitioning to a more sustainable energy mix. Sasol is a leader in the development of low-carbon technologies and has set a target to achieve net-zero emissions by 2050. The company is also working to improve the reliability of its supply chain to ensure a stable and sustainable supply of raw materials and energy. Sasol is focused on innovation and collaboration to drive sustainability in its operations and in partnership with other companies and organizations. The company is committed to transparency and accountability in its climate action plans and is working to reduce its environmental impact through sustainable practices and technology adoption.
Creating value using the six capitals

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

### Inputs
- **HC** High-performing, innovative and diverse people
- **SC** A broad range of stakeholders
- **NC** Natural gas, coal, crude oil, ethane, air, water, land and energy
- **FC** Cash generated by operations, divestments, debt and equity financing
- **MC** World-class facilities and equipment
- **IC** Proprietary and licensed technologies, skills and experience

### Processes
1. **1 SOURCE FEEDSTOCK**
2. **2 PRODUCE PRODUCTS**
3. **3 MARKET PRODUCTS**

### Outputs

#### Products
- 28,949 employees
- Regrettably, two fatalities*
- Paid taxes of R6.6 billion in South Africa; R0.9 billion in Mozambique
- Spent R2.2 billion on skills development
- Level 4 BBBEE status (Sasol South Africa)
- Recycled 159,681 thousand cubic meters of water and 125 kilotons of waste
- Conserved more than US$2.1 billion cash through the comprehensive response plan
- Passed dividend
- Signing agreements to purchase 600 MW of renewable power by 2025
- LCCP reached full beneficial operation
- Invested R1.2 billion in research and development (R&D)

#### Emissions
- Total GHG emissions: 67,102 kilotons CO₂ e.
- Total waste: 499 kilotons.
- Atmospheric emissions:
  - Nitrogen oxides: 138 kilotons
  - Sulphur oxides: 195 kilotons
  - Volatile organic compounds: 28 kilotons

#### Key Outcomes
- 1% decrease in GHG emissions against 2017 baseline

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* One fatality before year-end, the other after.

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

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For more detail refer to our Climate Change Report and Sustainability Report, available on our website, www.sasol.com.
### Key inputs*

<table>
<thead>
<tr>
<th>Category</th>
<th>Data</th>
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</thead>
<tbody>
<tr>
<td>• Diverse Board.</td>
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<tr>
<td>• Strong leadership team.</td>
<td>28,725 permanent employees (30,670).</td>
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<tr>
<td>• 224 non-permanent employees (331).</td>
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<tr>
<td>• Investment in employee learning</td>
<td>R983 million (R967 million).</td>
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<tr>
<td>• Funding facilities</td>
<td>R156.9 billion</td>
</tr>
<tr>
<td>• Finance expense</td>
<td>R6.8 billion (R7.3 billion).</td>
</tr>
<tr>
<td>• Finance income</td>
<td>R0.9 billion (R0.9 billion).</td>
</tr>
<tr>
<td>• Market capitalisation</td>
<td>R138 billion</td>
</tr>
<tr>
<td>• Investment in employee learning</td>
<td></td>
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<tr>
<td>• 135 employees unplaced.</td>
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</table>

### Key outcomes and outputs*

<table>
<thead>
<tr>
<th>Category</th>
<th>Data</th>
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</thead>
<tbody>
<tr>
<td>• Paid taxes of R6.6 billion (R13.1 billion) in South Africa and R0.9 billion (R1.8 billion) in Mozambique.</td>
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</tr>
<tr>
<td>• Spent R1.2 billion (R1.2 billion) on skills development.</td>
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<tr>
<td>• b-BBEE Level 4 (Level 3).</td>
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<tr>
<td>• Black-owned expenditure R2.3 billion (R5.3 billion).</td>
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<tr>
<td>• 16,000 eligible employees in South Africa were beneficiaries of R750 million worth of Sasol under Tier 1 of the Sasol Khanyisa Employee Share Ownership Plan (ESOP).</td>
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<tr>
<td>• 124.5 bcft of natural gas from Mozambique (12.4 bcft).</td>
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<tr>
<td>• 35,4 mm tons of saleable coal (36.1 mm tons).</td>
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<tr>
<td>• GHG emissions 6.7 102 kt CO2e (5.8 106 kt CO2e).</td>
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<tr>
<td>• Recycled 159,681 thousand cubic metres of water (157,484 thousand cubic metres), and 125 kilotons of total waste (83 kt).</td>
<td></td>
</tr>
<tr>
<td>• Market capitalisation R1.8 billion (R8.3 billion).</td>
<td></td>
</tr>
<tr>
<td>• Debt raised R26 billion (R56 billion).</td>
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</tr>
<tr>
<td>• Equity R15.2 billion (R16.5 billion).</td>
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</tr>
<tr>
<td>• Finance income R0.9 billion (R0.9 billion).</td>
<td></td>
</tr>
<tr>
<td>• Finance expense R6.8 billion (R7.3 billion).</td>
<td></td>
</tr>
<tr>
<td>• Funding facilities R15.6 billion (R19.9 billion).</td>
<td></td>
</tr>
<tr>
<td>• Total water used (thousand cubic meters): 138 050 (142 614).</td>
<td></td>
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<tr>
<td>• Coal to process (kilotons): 17 298 (9.42).</td>
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<tr>
<td>• Crude oil processed (mm bbl): 28.7 (27.9).</td>
<td></td>
</tr>
<tr>
<td>• Natural gas to process (bcf): 1.41 (10).</td>
<td></td>
</tr>
<tr>
<td>• Total water used (thousand cubic meters): 138 050 (9.42).</td>
<td></td>
</tr>
<tr>
<td>• Total energy used (thousand GJ) 407 761 (417 546).</td>
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<tr>
<td>• Natref production 17.7 mm bbl (16.8 mm bbl).</td>
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<tr>
<td>• 5.2, 4 mm bbl of liquid fuels sales (5.7 mm bbl) in South Africa.</td>
<td></td>
</tr>
<tr>
<td>• Capital expenditure R16.4 billion (R35.2 billion).</td>
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</tr>
<tr>
<td>• Depreciation and amortisation R17.6 billion (R22.3 billion).</td>
<td></td>
</tr>
<tr>
<td>• Net impairment of assets R2.8 billion (R9.7 billion).</td>
<td></td>
</tr>
<tr>
<td>• Property, plant and equipment R19.8 billion (R22.8 billion).</td>
<td></td>
</tr>
<tr>
<td>• Operational presence in 27 countries (30).</td>
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</tr>
<tr>
<td>• 2,300 patented technologies.</td>
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<tr>
<td>• Digital enablers to create value through innovation.</td>
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<tr>
<td>• Global patents granted 40 (130).</td>
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<tr>
<td>• Total global patents granted 3,300 (2,400).</td>
<td></td>
</tr>
<tr>
<td>• Corporate bursaries 352 (455).</td>
<td></td>
</tr>
<tr>
<td>• Invested R2.49 million in research and development (R&amp;D) (R1.23 million).</td>
<td></td>
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</tbody>
</table>

### Key actions

<table>
<thead>
<tr>
<th>Category</th>
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<tbody>
<tr>
<td>• Engaged stakeholders to develop our emission reductions roadmap.</td>
<td></td>
</tr>
<tr>
<td>• Engaged investors to understand concerns after failing to meet required support threshold for remuneration.</td>
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<tr>
<td>• Supported local communities through meaningful contributions, including various initiatives during COVID-19.</td>
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<tr>
<td>• Established a Centre for Shared Value Management.</td>
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<tr>
<td>• Enabled employees impacted by workforce transition to transition from employment to potential entrepreneurs through Ntsika Programme.</td>
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<tr>
<td>• Stepping up our 2030 GHG reduction target to 36% for scope 1 and 2 emissions and our Net Zero ambition by 2050.</td>
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<tr>
<td>• Prioritised a greater role for renewable energy in our operations.</td>
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<tr>
<td>• Gas production volumes were 2.3% higher than prior year with consistent operational performance.</td>
<td></td>
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<tr>
<td>• Drilling campaign suspended due to COVID-19 restrictions and restarted in August 2021.</td>
<td></td>
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<tr>
<td>• Maintaining steady safe production at Mining.</td>
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<tr>
<td>• Partnering on eco mobility, the LEN consortium on cleaner aviation fuels and the IODC to collaborate in developing South Africa’s hydrogen economy.</td>
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<tr>
<td>• Managed our comprehensive response by focusing on self-help measures, asset disposals and transitioning to Future Sasol.</td>
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<tr>
<td>• Delivered over US$1 billion of cash conservation in FY20 and exceeded the target in FY21 by more than 100%.</td>
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<tr>
<td>• Benefiting from easing of lockdown restrictions in South Africa with increased liquid fuel sale volumes.</td>
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<tr>
<td>• Lifting of overall higher prices and volumes of chemicals, despite weather-related disruptions and divestments.</td>
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<tr>
<td>• Significant progress on divestments attained, with asset divestments to the value of US$3.8 billion to date, of which US$3.1 billion has been completed.</td>
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<tr>
<td>• Passed interim and final dividend.</td>
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</table>

### Trade-offs

<table>
<thead>
<tr>
<th>Category</th>
<th>Data</th>
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</thead>
<tbody>
<tr>
<td>• The losses of lives at Sasol impacted negatively on all capitals.</td>
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<tr>
<td>• Employee morale and social capital were negatively impacted by cash conservation measures, and various phases of workforce transition.</td>
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<tr>
<td>• Compromised benefits of physical employee collaboration.</td>
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<tr>
<td>• Limited salary increments positively impacted human and social capital although negatively impacting financial capital.</td>
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<tr>
<td>• Loss of employee skills from workforces transition has negatively impacted human and intellectual capital.</td>
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<tr>
<td>• Investment in and donations to fenceless communities reduced financial capital, but will positively impact all capitals in the long term.</td>
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<tr>
<td>• Employees benefiting from Khayisa ESOP improved human and social capital.</td>
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<tr>
<td>• While employees affected by workforce transition negatively impacted human capital, the Ntsika Programme will ultimately positively impact social capital by developing entrepreneurs.</td>
<td></td>
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<tr>
<td>• Impacted negatively on natural capital by using non-renewable resources and through our emissions and wastes.</td>
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<tr>
<td>• Competition for natural resources negatively impacted human and social capital.</td>
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</tr>
<tr>
<td>• By converting natural resources into value-added products, we boosted all other capitals.</td>
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<tr>
<td>• Our partnerships will have a positive impact on natural capital as we move towards greener feedstocks together with our Net Zero ambition.</td>
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<tr>
<td>• Deleveraging the balance sheet, allowing future resumption of dividends, decumulation of our assets and establishing new sustainable businesses will have a positive impact on financial and natural capital.</td>
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<tr>
<td>• Human capital felt impact of cost-saving measures, which benefitted financial capital.</td>
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<tr>
<td>• Social capital was affected by the absence of dividend payments this year.</td>
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<tr>
<td>• Strengthening our liquidity through our Response Plan and averting a rights issue had a positive impact on financial capital.</td>
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<tr>
<td>• Growth in manufactured capital negatively impacted natural capital and, in the short-term, financial capital.</td>
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<tr>
<td>• Recovery in production volumes and higher prices had a positive impact on our financial and social capital.</td>
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<tr>
<td>• Investments to reduce the environmental footprint of facilities benefitted natural, intellectual, human and social capital, but came at a cost to financial capital.</td>
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</tr>
<tr>
<td>• Our FT process is well suited to deliver low-carbon fuels and chemicals using ‘greener’ feedstocks which will positively impact natural and intellectual capital.</td>
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<tr>
<td>• Our refreshed Purpose positively impacts all the capitals.</td>
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<tr>
<td>• Our ambition to achieve Net Zero emissions by 2050 will have a positive impact on intellectual capital.</td>
<td></td>
</tr>
</tbody>
</table>

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*2020 comparative figures indicated in brackets.

*Off 2017 base and excluding Natref.
Managing our material matters

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

Determining our material matters

- **Identify**
- **Prioritise**
- **Respond**
- **Report**

**Reviewing:**
- Changes in our operating and sustainability context.
- Perspectives of our stakeholders.
- Our response to our Group top risks.
- Decision-making information submitted to our Board.
- Management information submitted to our Group Executive Committee (GEC).

**Assessing:**
- Materiality of the matters arising.
- Potential impact of risks as viewed through our materiality lens.
- Impact on delivering our strategy.
- Our stakeholders’ expectations.

**Actioning:**
- Assessing impact on risk tolerance and appetite.
- Actions required to manage material matters.
- Evaluating scenario modelling consequences.
- Evaluating trade-offs between the six capitals.

**Addressing:**
- Plausible responses to the Board and GEC.
- Articulate annual Group top priorities.
- Report to stakeholders.

**Why this is important**

**Safety – Pursuing zero harm**

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

**People – Attracting and retaining talent**

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

**Targets**

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

**What we have done**

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

**What we continue to do**

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

**Implement responses, review our strategy and strategic objectives, and continuously monitor and report**

- Employee turnover < 7%
- Applying the principle of ‘no regression’ to maintain diversity representation during workforce transition
- Improve gender representation globally

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

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

For more detail refer to our Sustainability Report available on our website, www.sasol.com.
- Support our employees through our Ntsika entrepreneur development programme.

Identify Prioritise Respond Report

Safety – Pursuing zero harm

People – Attracting and retaining talent
Managing our material matters (CONTINUED)

Decarbonise – Decarbonising for sustainability

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

• 30% reduction in scope 1 and 2 GHG emissions by 2030
• Net Zero by 2050 for scope 1, 2 and 3 (Category 11)
• 30% improvement in energy efficiency by 2030
• Achieve below a 302 million tons CO₂e carbon budget by CY 2020
• 100% purchased renewable electricity by 2026 for International Chemicals Business*
• 3 200 MW of renewable energy for Energy Business
• Sustainability capex: 10 – 15% by 2030

*T Embargoes are excluded.

Trust – Rebuilding credibility and trust

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

• Long-term gearing 20 – 30%
• At least US$2 bn in proceeds from asset disposals
• Deliver competitive returns to stakeholders
• Long-term net debt/EBITDA 1 – 1.5 times
• Improve stakeholder perception using stakeholder survey perception results
• Resumption of dividend once triggers of 1.5 times net debt: EBITDA and net debt at US$5 bn reached
• Return to investment grade credit rating
• Improve ESG ratings

Sasol 2.0 – Delivering Sasol 2.0

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

• Implemented optimised operating model with customer-facing lean Corporate Centre.
• Achieved a 30% leaner management structure.
• Stabilised cash flow and balance sheet risks.
• Set realistic but challenging and sustainable financial targets.
• Implemented a centrally coordinated management and delivery approach.
• Conserved more than US$1 billion in cash, averting breach of loan covenants.

• Implemented customer-facing operating model by 1 June 2021
• Limit sustenance capex to R20 – R25 billion per annum in 2022 – 2025
• Reduce cash fixed costs by R8 – 10 billion by 2025
• Improve gross margin by R6 – 8 billion by 2025
• Increase free cash flow by between R25 – R30 billion by 2025

• Resumption of dividend once triggers of 1.5 times
• Long-term net debt/EBITDA 1 – 1.5 times
• Improve stakeholder perception using stakeholder survey perception results
• Resumption of dividend once triggers of 1.5 times
• Return to investment grade credit rating
• Improve ESG ratings

Why this is important

Trust

What we have done

• Set 2050 Net Zero ambition and a 30%* GHG reduction target by 2030.
• 22.75% energy efficiency improvement.
• Recorded 285 million tons against the carbon budget.
• Pursued renewable energy investments and signing agreements to purchase 600 MW by 2025 with power of intent to scale-up to 1 200 MW by 2030.
• Cooperation agreement entered into with Industrial Development Corporation (IDC) and partnering on eco mobility to explore respective green hydrogen opportunities in South Africa.
• Collaborated with LEN** consortium to bid for production of Sustainable Aviation Fuel in Germany’s H2Global auction.

What we continue to do

• Achieved long-term gearing and net debt targets.
• Generated cash proceeds in excess of US$6 billion by end of 2021 and achieved targeted US$1 billion savings at end of 2020.
• Implemented business continuity plans to supply customers.
• Delivered a strategy-led asset divestment programme.
• Social investment amounted to R526,2 million.

Targets

• 10 – 15% sustainability capital expenditure, increased into the future.
• Dispose of assets considered non-core.
• Develop and deliver to a robust capital allocation framework.
• Meet our annual financial and non-financial targets.
• Ensure we anticipate skills required and plan for human capital for low-carbon future.
• Maintain business ownership report on delivery of initiatives.
• Leadership support for Future Sasol.
• Leadership support for Future Sasol.

• Proactively engage stakeholders to identify and advance initiatives of mutual importance.
• Regular feedback to key stakeholders and deliver on commitments.
• Invest in social impact initiatives that are aligned with local priorities in the geographies where we operate.
• Rebuilding trust with key stakeholders and collaborating on key issues guided by our material matters in the geographies where we operate.

• Leadership support for Future Sasol.
• Leadership support for Future Sasol.
• Leadership support for Future Sasol.
• Leadership support for Future Sasol.

• 10 – 15% sustainability capital expenditure, increased into the future.
• Dispose of assets considered non-core.
• Develop and deliver to a robust capital allocation framework.
• Maintain business ownership report on delivery of initiatives.
• Leadership support for Future Sasol.
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• Proactively engage stakeholders to identify and advance initiatives of mutual importance.
• Regular feedback to key stakeholders and deliver on commitments.
• Invest in social impact initiatives that are aligned with local priorities in the geographies where we operate.
• Rebuilding trust with key stakeholders and collaborating on key issues guided by our material matters in the geographies where we operate.

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Key Performance Indicators

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

Sustaining business operations

Recordable case rate

Our recordable case rate has improved from 0.7 to 0.26 over the 12 month reporting period. Each incident undergoes thorough investigation to determine the root cause and we apply learning to reinforce safe behaviours.

Sustaining our environmental fundamentals

Total energy used

Through our energy efficiency drive, the Sasol Group has achieved a 22.75% improvement from 2005 to 2021, while our South African based Energy Operations achieved a 22.08% improvement against the cumulative target of 21% from 2005 to 2021, towards a 30% energy efficiency improvement target by 2030. The improvement is mainly due to an increase in net production volumes and more efficient use of utility energy.

Total water use

Our global water demand decreased by 3.2% due to the divestment of our United State’s assets. Total water use decreased from 142.6 million m³ in 2020 to 138.0 million m³ in 2021. New water targets will be “context-based” and with the intention to focus on reducing the absolute volume of water used for production aligned with the 2015 baseline, without compromising production.

Total waste

Sasol’s approach to waste management has undergone significant changes over the years in response to changing legislation and industry practices. The total waste generated decreased by 5.5% from 2020. Hazardous waste generation decreased from 333 kt in 2020 to 319 kt in 2021. We generated 180 kt of non-hazardous waste, down from 195 kt in 2020.

Greenhouse gas intensity

Our greenhouse gas intensity (tons CO₂e per ton of production meant for external sale) decreased to 3.69 in 2021 from 3.90 in 2020.

Managing our environmental matters

Growing and developing our people

Bursaries granted

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

Growing performance

Gender diversity (%)

During 2021, we enhanced our diversity and inclusion focus further by specifically reddefining our global diversity and inclusion approach, with more emphasis on inclusion. Female representation at Vice President and Senior Vice President level increased by six.

We continued with the execution of our diversity-10 point-plan which provides a set of qualitative measures designed to facilitate the achievement of our diversity objectives, including the recruitment, development and retention of candidates from underrepresented groups as well as measures to enhance gender equity in South Africa.

Growing financial performance

Return on invested capital (ROIC)

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

Adjusted EBITDA*

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

Sasol Integrated Report 2021
Strategically managing our Group top risks

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

Our Enterprise Risk Management process

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

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

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

Our ERM fundamentals

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

1. **Accountability**
   - Leadership sets the tone and provides clear direction for effective risk management by risk owners, who in turn are held accountable for managing their risks.

2. **Business knowledge**
   - We understand our business context so that we proactively identify and analyse relevant uncertain future events.

3. **Event-based risk management**
   - We identify and manage uncertain future events that can materially influence the achievement of our strategic and business objectives.

4. **Risk-based responsiveness**
   - We respond effectively to uncertain future events that can materially influence the achievement of our strategic and business objectives.

5. **Assurance**
   - We review and report on the effectiveness of our risk management practices.

   - We prepare regular assurance reports to mandated governance and oversight structures. We communicate and report significant risks to external stakeholders in accordance with both statutory and non-statutory requirements.

Applying the ERM process to identify, assess, manage, govern, assure and report our top risks and respond to risks faced in the short, medium and long term

1. Sasol ERM practice
2. Directing our behaviours, actions and decisions

3. Risk appetite and tolerance

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

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

Managing our Group risk appetite and tolerance

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

Refer to ‘Our Group top risks’ on pages 25 – 26 for more information on the Board-approved responses to assist with mitigation of risks associated with breach of risk appetite and tolerance metrics.

Governance and oversight of risk management

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

Our risk appetite and tolerance metrics:

- return on invested capital;
- earnings growth;
- net debt-to-EBITDA; and
- gearing.

Review of risk metrics considers the changes in:

- business conditions;
- economic environment;
- ESG requirements;
- strategic priorities and portfolio;
- credible risk scenarios; and
- competitive conditions.

It retains overall accountability for the governance of risk. The Board Committees are appropriately mandated to assist the Board in giving effect to its accountability. The Board receives regular assurance on the significant risk areas facing the Group and plays a pivotal role in ensuring appropriate responses to the top risks and current heightened risks facing Sasol. The Board appoints independent advisors, as necessary, to assist with obtaining assurance on select key responses and management actions related to the heightened short-to-medium-term financial and operational risks facing the Group.

The Board delegates responsibility to implement and execute effective risk management to the Chief Executive Officer (CEO) who in turn delegates to the GEC.

Executive Vice Presidents (EVPs) as members of the GEC are accountable for management of risks within their areas of responsibility, with delegated responsibility and ownership to the businesses and corporate centre.
Strategically managing our Group top risks (CONTINUED)

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

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

Key business imperatives
<table>
<thead>
<tr>
<th>Group top risk themes</th>
<th>Group top risks</th>
<th>Key responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business sustainability and earnings growth</td>
<td>Financial</td>
<td>• Group financial market risk management policy, processes and frameworks (includes hedging)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sales and operations planning processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Group assumptions, budgeting, forecasting and scenario analysis processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sasol 2.0 full potential initiatives</td>
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<tr>
<td></td>
<td></td>
<td>• Global tax strategy and management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Management of relationships with lenders, credit rating agencies and tax authorities</td>
</tr>
<tr>
<td>Safety and operational</td>
<td>Includes risks associated with:</td>
<td>• Zero harm SHE philosophy</td>
</tr>
<tr>
<td></td>
<td>– process safety;</td>
<td>• HSE management and fatality prevention programmes</td>
</tr>
<tr>
<td></td>
<td>– occupational safety;</td>
<td>• Process safety, occupational safety, occupational health, environmental and product stewardship management systems</td>
</tr>
<tr>
<td></td>
<td>– occupational health and product safety incidents;</td>
<td>• SHE risk management and incident management</td>
</tr>
<tr>
<td></td>
<td>– various risks that could result in unplanned operational and reliability interruptions.</td>
<td>• One Sasol SHE Excellence Approach: each business to evolve its own SHE governance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sasol Operations Management System including asset management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Critical assets, extreme weather, natural disaster, feedstock, supply chain and utility interruption set of key responses and processes</td>
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<tr>
<td></td>
<td></td>
<td>• Insurance as a risk transfer mechanism</td>
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<tr>
<td></td>
<td></td>
<td>• Group crisis management, emergency response and contingency planning</td>
</tr>
<tr>
<td>Legal, regulatory and governance</td>
<td>Includes risks associated with:</td>
<td>• Multi-disciplinary compliance programmes</td>
</tr>
<tr>
<td></td>
<td>– legal compliance in multiple jurisdictions;</td>
<td>• Sasol’s Code of Conduct</td>
</tr>
<tr>
<td></td>
<td>– adherence to corporate governance requirements;</td>
<td>• Annual compliance certification</td>
</tr>
<tr>
<td></td>
<td>– changing policy and regulatory requirements in multiple jurisdictions; and</td>
<td>• Annual compliance and governance training and awareness</td>
</tr>
<tr>
<td></td>
<td>– challenges with regards to delivery on environmental commitments.</td>
<td>• Due diligence processes and screening tools</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Governance policy, standards and procedures, including disclosure controls</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Adherence to listing requirements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Monitor developments in policy, legislative and regulatory landscape to understand the impact on our business</td>
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<tr>
<td></td>
<td></td>
<td>• Proactive engagement with stakeholders to make appropriate disclosures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Deliver on committed environmental roadmaps and offset programmes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Information security controls, maturity roadmap, training and awareness</td>
</tr>
</tbody>
</table>

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

Tracking and monitoring emerging risks on our watch list

These refer mainly to unknown aspects around these risks which are identified as part of key developments emerging in our business environment.
### Strategically managing our Group top risks (CONTINUED)

#### Key business imperatives

<table>
<thead>
<tr>
<th>Long-term business viability</th>
<th>Group top risk themes</th>
<th>Group top risks</th>
<th>Key responses</th>
</tr>
</thead>
</table>
| Capital investment          | Includes risks associated with: | - project performance (cost, schedule and quality) driven by both internal delivery risks and risks arising from unexpected changes in the external environment; | - Capital Project Excellence Programme  
- Phased de-risking and governance through the decision-enabling stage gate methodology  
- Projects and engineering standards  
- Update and track delivery on key investment parameters  
- Regular status review of capital projects  
- Continuous learning practices  
- Capital allocation strategy and principles  
- Asset review and classification processes  
- Disciplined and value accretive capital allocation strategy  
- Energy and Chemicals Businesses responsible for keeping the capital project pipeline full and improving optionality to grow the portfolio |

| Geopolitical               | Includes risks associated with: | - operating in a range of countries and regions, with varying geopolitical, socio-economic and developmental landscapes, as well as civil unrest. | - Monitor socio-economic developments and geopolitical events in host countries  
- Regular engagements with host governments, local authorities, communities, non-governmental organisations (NGOs), customers and suppliers  
- Group crisis management, emergency response and contingency planning  
- Country risk analysis |

| Market                     | Includes risks associated with: | - our ability to remain competitive; | - Geographically diversified asset base, with a focus on growth in high value and differentiated markets  
- Competitor cost curve analysis and peer group benchmarking  
- Customer service, sales and marketing excellence programmes  
- Monitoring of developments in major markets including new competitor entrants, increased global capacity builds, consumer behaviour, supply and demand patterns, innovation and technological advances  
- Managing research and development portfolio and incrementally improving existing technology offering  
- Mozambique upstream gas project and the alternative gas supply programme  
- Long-term竖合ure supply contracts  
- Developing stakeholder and partnering programme and approach to mergers and acquisitions  
- Brand management to explore business opportunities |

| Sustainability             | Includes risks associated with: | - our ability to develop and implement an appropriate climate change mitigation response  
- Increasing societal pressures;  
- Access to low- and lower-carbon energies; | - Robust scenario analysis in a carbon-constrained world  
- Enhanced disclosure  
- Implementation of our three-pillar emission reduction framework  
- Sasol’s long-term emission reduction targets have been designed and are accompanied by robust short- and medium-term targets describing the pathways available to 2030 targets and our ambition of Net Zero emissions by 2050  
- Adaptation responses  
- Proactive stakeholder engagement, policy advocacy and tracking of the climate change landscape  
- Environmental compliance programmes |

#### Key responses

| Employee value proposition | People | Includes risks associated with: | - our ability to ensure an enticing employee value proposition; | - Integrated talent management strategies, framework, principles and standards  
- Competitive remuneration, employee value proposition, rewards and benefits frameworks and policies  
- Employee attraction, retention, development and succession processes and programmes  
- Culture transformation journey  
- Code of Conduct and value system  
- Employee wellbeing programmes  
- Employee engagement surveys and benchmarking  
- Proactive engagement with organised labour  
- Develop a workplace of the future strategy – working from home and hybrid model  
- Develop a digital platform to remotely manage employees’ working hours, productivity, wellbeing, performance management and remuneration |

| Stakeholder impact | Stakeholder | Includes risks associated with: | - being a credible stakeholder partner with a good reputation; | - Regular engagement with key stakeholders  
- Reputation management programme  
- Social investment programmes  
- Customer and supplier relationship management  
- B-BBEE ownership targets and meeting industry-specific charters  
- Enterprise and supplier development and preferential procurement  
- Diversity, employment equity, skills development and social development plans  
- Local content strategies and plans in all our regions |

| COVID-19 | COVID-19 | Include risks associated with: | the impact of the COVID-19 pandemic on people, business, operations and markets including extended pandemic impacts on ability to operate and respond to lockdown market impacts. | - People-centric responses including social distancing; health and hygiene practices; personal protective equipment; testing and screening; and contact tracing  
- Compliance programmes  
- Scenario analysis  
- Business continuity assessments  
- Sasol for Good initiatives  
- Dedicated COVID-19 response task team and a vaccination task team |
We endeavour to meet our commitments by being responsive and solutions-focused. We identify, assess and monitor stakeholders’ expectations together with significant issues that could have a bearing on our operations and strategy. We track and provide regular feedback on our commitments and the issues that stakeholders raise.

**The most significant issues of our stakeholders**

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**Engaging with stakeholders to deliver shared value**

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

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

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

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

We have a broad range of stakeholders, often with competing interests and expectations, who we impact, and in turn, impact us. We recognise that trust as a key element and we aim to build and maintain trust among our stakeholders through open dialogue, providing regular feedback and delivering on our commitments.

**Employees and organised labour**

**Why we engage**

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

**Issues raised**

- Group’s strategic direction including addressing climate change.
- Support volunteering and participation in social development initiatives.

**Our response**

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

**Value shared**

- **Refreshed Purpose and Values**
  - R34 billion in wages and benefits
  - over 3 000 employees registered to volunteer to causes

- **Launched ‘I Care’ campaign**
  - 28 949 employees

**For more detail refer to our Sustainability Report available on our website, www.sasol.com**
Engaging with stakeholders to deliver shared value (CONTINUED)

Customers

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

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

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

Governments and regulators

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

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

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

Shareholders and providers of capital

Why we engage
Consistent and clear communication, promoting our investment case, strategy and strategic objectives enables informed decision-making and manages expectations.

Issues raised
- Strategic direction including addressing climate change and impacts of Sasol 2.0 transformation programme.
- Safety and reliability of operations.
- Balance sheet management and ability to service debt.
- Timing of the resumption of dividend payment.
- Financial impact of future environmental and compliance targets.
- Capacity and ability to manage capital projects.
- Economic viability of alternative natural gas feedstock sources.

Our response
- Set our path to Future Sasol.
- Strengthened our climate change targets and ambition.
- Safety remained a core value and top priority.
- Strengthened our balance sheet through additional selling of non-core assets and disciplined capital allocation.
- Committed to reintroducing dividend pay-outs as soon as possible.
- Continued entrenching our Enterprise Risk Management process.
- Benchmarked and structured sustainability capex.

Communities, societies and non-governmental organisations (NGOs)

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

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

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

For more detail refer to our Sustainability Report specifically on the “Centre for Shared Value Management”* and ‘Growing shared value’, available on our website, www.sasol.com
Our response to COVID-19

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

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

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

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

**EMPLOYEES AND ORGANISED LABOUR**

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

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

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

**GOVERNMENTS AND REGULATORS**

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

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

Sasol endorses the benefits of COVID-19 vaccinations and encourages employees to be vaccinated. Furthermore, we recognise the voluntary and prioritised basis on which vaccines are being administered. We issue regular communications to employees to create awareness of the booking details and hotline so that individuals who are registered on the government’s Electronic Vaccination Data System can schedule their vaccinations.

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

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

CUSTOMERS AND SUPPLIERS

Energy Business

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

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

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

Sasol extended financial relief to our liquefied petroleum gas customers.

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

Chemicals Business

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

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

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

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

COMMUNITIES AND SOCIETIES

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

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

We made numerous donations in support of those at the frontline of the fight against the virus and to resource quarantine and treatment centres.

These included:

• continuing with the production of hand sanitiser using our new unique alcohol blend by partnering with KSM Chemical Solutions, a business developed at the Sasol Business Incubator;
• partnering with the Imperial Group, Stellan Transport, Reef Tankers and Super Group Freight to distribute more than 1,2 million litres of sanitiser donated by Sasol to communities, government and staff. We also delivered sanitiser to other beneficiaries including schools, taxi associations, tribal leaders and local municipalities;
• distributing educational and awareness communication about COVID-19 in our fenceline communities; and
• supplying personal protective equipment to hospitals in Sasolburg and Secunda.

SUPPORTING VACCINATIONS

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

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

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

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

Mozambique:

In March 2021, the Government of Mozambique initiated a COVID-19 vaccination programme with a prioritised rollout plan targeting workers in the health sector. To complement the initiative, a UNIVAX platform was created specifically to allow the private sector to purchase vaccines through the Mozambique Ministry of Health.

Through this platform, the government encourages companies to procure vaccines and, as an offset, donate 10% of the acquired vaccines back to the government to supplement the national vaccination programme.

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

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

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

A vaccination promotion drive resulted in 1 300 stakeholders designated for vaccination.

As at 9 August 2021, 85% of registered individuals had received first dose.

60% of our employees had received first dose.

The United States:

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

Germany:

Our head office and Marl site started with vaccinations and Brunsbüttel site began its rollout at the beginning of June.

China:

By year end, more than 60% of workers had been vaccinated.

Italy:

In Augusta, Terranova and Sarroch, the vaccination campaign was run in line with the Italian industrial zone approach.

Slovakia:

The vaccination of the workforce took place via the national health care system.
Corporate governance

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

The Board ensures that Sasol is governed effectively in accordance with good corporate governance practice, appropriate and relevant non-binding industry rules, codes and standards, and internal control systems. The Board is satisfied that it fulfilled all its duties and obligations during the past financial year. As a company listed on the Johannesburg Stock Exchange (JSE), and on the New York Stock Exchange (NYSE) for purposes of the American Depositary Receipt Programme, Sasol is subject to – and has implemented controls to provide reasonable assurance of its compliance with – all relevant requirements in respect of its listings.

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

Specific areas of law have been identified as key Group legal compliance risk areas (competition law, anti-bribery and anti-corruption laws, sanction laws and safety, health and environmental laws) and risk mitigation controls have been implemented for each of these areas, aiming to achieve a balanced approach on compliance taking into consideration Sasol’s obligations and also the Company’s rights. The Board and its Committees continue to closely monitor the implementation of the Company’s legal compliance policy and processes and improve thereon to mitigate the risk of non-compliance with the laws in the various jurisdictions in which Sasol does business. In the year under review, there were no material violations of any laws or regulations, nor were any material penalties or fines imposed on the Company or its Directors for non-compliance with the laws in the various jurisdictions in which Sasol does business.

During the financial year, Sasol implemented a new operating model which involved a comprehensive review of our governance framework.

**A statement on Sasol’s application of the principles of King IV** is available on www.sasol.com

Solid governance instilling confidence

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

Focusing on environmental, social and governance (ESG) matters

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

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

Governance structure

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

For more details on the responsibilities, powers, policies, practices and processes of the Board, Directors and the Company’s executives and other officials, refer to the Board Charter together with the Company’s Memorandum of Incorporation on www.sasol.com.

** The Board appoints Group Executive Committee members on the recommendation of the President and Chief Executive Officer and the Nomination and Governance Committee.
Governance in the time of COVID-19

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

The Board is responsible for the strategic direction and control of the Group and sets the tone for ethical and effective leadership. It brings independent, informed and effective judgement and leadership to bear on material decisions.
Sasol recognises the benefits of having a diverse Board. Directors are chosen for their corporate leadership skills, experience and expertise. A combination of different business, geographic and academic backgrounds as well as diversity in age, gender and race allow for robust debate and more considered decision-making, supporting the sustainability of the business.

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

Female representation
(%)
- 38% Female
- Target 2022: 40%

Historically disadvantaged individuals
(%)
- 44% Historically disadvantaged individuals
- Target 2022: 50%

Age
Years
- 2 40 – 50 years
- 7 51 – 60 years
- 7 61 – 70 years

Tenure, independence and succession
All Non-Executive Directors are considered to be independent.
The Board’s succession plans aim to achieve an optimal balance between independence and continuity on both the Board and our Board Committees. It is for this reason that the Board extended the term of the our Lead Independent Director, Stephen Westwell following a review and confirmation of his independence. The Board has determined that Directors may serve on the Board for up to nine years, extendable annually up to a maximum of 12 years.
The Board also reconfirmed the independence of Messrs Colin Beggs (who retired on 31 August 2021), Moses Mkhize and Peter Robertson (who will both retire at the end of the 2021 Annual General Meeting on 19 November 2021). Their experience, knowledge and independent judgement continue to benefit the Company.

Independence
Directors
- 13 Non-Executive Directors
- 3 Executive Directors

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

Tenure
Years
- 7 0 – 3 years
- 5 4 – 8 years
- 4 9+ years

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

Number of meetings: 11
Attendance: 99% *

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

/key issues the board continues to deal with
- Implementation of near-term deleveraging measures and the revised strategy and resetting of the Group to become sustainably profitable in a low oil price environment
- Response to the impact of the COVID-19 pandemic and lower oil prices
- Sustainability including: emissions management, climate change and air quality
- Balance sheet and liquidity management
- Sasol 2.0 plus targets
- Meaningsful engagement with our stakeholders
- Overseeing the asset divestment programme

The Board Charter and Board Committees’ terms of reference are reviewed annually to ensure they remain relevant and aligned with the Companies Act and other relevant regulatory requirements, King IV™ and governance best practices.
The Board uses its meetings to discharge its governance and regulatory responsibilities. Its work plan, and those of its Committees, outline the matters which should be dealt with at meetings and are aligned with the responsibilities and requirements set out in the Board Charter and the Committees’ terms of reference. Matters considered include operational and financial performance, matters of strategy, risk and opportunity, ESG and compliance, and matters reserved for Board decision-making.
Solid governance instilling confidence (CONTINUED)

Our Board Committees

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

<table>
<thead>
<tr>
<th>Nomination and Governance Committee</th>
<th>Audit Committee</th>
<th>Safety, Social and Ethics Committee</th>
<th>Remuneration Committee</th>
<th>Capital Investment Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>C Beggs*</td>
<td>C Beggs*</td>
<td>M BN Dube</td>
<td>S Westwell</td>
</tr>
<tr>
<td>Members</td>
<td>M Flöel</td>
<td>KC Harper</td>
<td>M Buhe</td>
<td>M Naupa</td>
</tr>
<tr>
<td></td>
<td>MEK Nkeli</td>
<td>GMB Kenneally**</td>
<td>VA Glover</td>
<td>MBN Dube</td>
</tr>
<tr>
<td></td>
<td>P Robertson</td>
<td>NNA Matyumza</td>
<td>VD Kahla</td>
<td>FR Grobler</td>
</tr>
<tr>
<td></td>
<td>S Westwell</td>
<td>S Subramoney***</td>
<td>MEK Nkeli</td>
<td>P Victor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>S Westwell</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Retired on 31 August 2021</td>
<td>** Appointed as Chairman 1 September 2021</td>
<td>Retired on 31 August 2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of meetings:</td>
<td>5</td>
<td>8</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Attendance</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Mandate

- To ensure effective corporate governance
- To assist with the composition of the Board and its Committees, succession planning and the appointment of Directors
- To manage the performance of the Board, its Committees and Directors
- To monitor compliance and provide reasonable assurance regarding the quality, integrity and reliability of compliance risk management
- To assist with ensuring all stakeholders’ needs and interests are taken into account and balanced

Key matters dealt with and focus areas for 2022

- Ensuring general corporate governance mechanisms and the framework are appropriate and effective in view of developments in the Group and its business environment
- Re-evaluating the composition of the Board and its Committees and succession planning
- Ensuring optimal performance by the Board and its Committees, the Directors and addressing areas identified for improvement during the 2021 formal evaluation

For more detail refer to the Report of the Audit Committee in our Annual Financial Statements available on our website, www.sasol.com

The complete terms of reference of the Committees are available on Sasol’s website, http://www.sasol.com/investor-centre/corporate-governance/board-charter

The CED is not a member of the Audit Committee, Remuneration Committee and Nomination and Governance Committee but attends meetings by invitation. He is requested to leave the meeting, where appropriate, before any decisions are made that relate to him personally.

For more detail refer to the Report of the Chairman of the Safety, Social and Ethics Committee in our Sustainability Report available on our website, www.sasol.com

For more detail refer to pages 36 – 43.

Sasol Integrated Report 2021

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Solid governance instilling confidence (CONTINUED)

Board effectiveness

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

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

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

### Approach to Sasol Board effectiveness

<table>
<thead>
<tr>
<th>PHASE I – Kick-off</th>
<th>PHASE II – Data collection</th>
<th>PHASE III – Analysis and findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Specific areas of focus agreed.</td>
<td>1. Questionnaire shared with Directors ahead of one-on-one interviews.</td>
<td>1. Analysis of survey and interview results and summary findings.</td>
</tr>
<tr>
<td>2. Development of customised survey, which included one-on-one interviews.</td>
<td>2. Confidential input from each Director and select management team members obtained from survey.</td>
<td>2. Presentation of preliminary summary of general observations and conclusions to Nomination and Governance Committee and facilitate discussion.</td>
</tr>
</tbody>
</table>

**Customised Board evaluation framework**

**Focus on processes and behaviours**

**Review of feedback to Board**

**Conclusion**

It was concluded that the Board is effective and we are satisfied that the evaluation process is contributing to the improvement of the Board’s performance and effectiveness.

The following matters were identified as key considerations going forward, and will be addressed and/or implemented during the 2022 financial year:

- The identification of key skills and competencies that would be required for Future Sasol.
- Determining the ideal size for the Board, given the key skillsets and competencies identified, taking into account, among other factors, Sasol’s international footprint and complexity.
- Meeting mix, frequency, team dynamics and culture – personal interaction has been severely constrained by the COVID-19 pandemic.
- Refresh Board documents – quantity and focus of material.

### Skills and experience of our Board

Creating an ethical culture and collective perspective is essential.

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

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

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

<table>
<thead>
<tr>
<th>Area</th>
<th>% of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemicals</td>
<td>38</td>
</tr>
<tr>
<td>Engineering</td>
<td>38</td>
</tr>
<tr>
<td>Capital projects</td>
<td>63</td>
</tr>
<tr>
<td>Sales and manufacturing</td>
<td>38</td>
</tr>
<tr>
<td>Oil and gas and upstream business</td>
<td>38</td>
</tr>
<tr>
<td>Finance</td>
<td>50</td>
</tr>
<tr>
<td>Mergers and acquisitions</td>
<td>57</td>
</tr>
<tr>
<td>Public policy and regulatory</td>
<td>44</td>
</tr>
<tr>
<td>Legal and compliance</td>
<td>50</td>
</tr>
<tr>
<td>Human resources and remuneration</td>
<td>44</td>
</tr>
<tr>
<td>Social, SHE and sustainability</td>
<td>63</td>
</tr>
<tr>
<td>Strategy and risk</td>
<td>100</td>
</tr>
<tr>
<td>Global experience</td>
<td>88</td>
</tr>
</tbody>
</table>

**The Company Secretary**

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

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

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

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

COVID-19 and its impacts

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

The spread of COVID-19 and the oil price collapse and volatility in chemical prices in 2020 came at a time when Sasol’s balance sheet was at peak gearing. This necessitated a reset of Sasol’s strategy and the Committee’s dialogue with the Joint-CEOs to have been appropriate in the circumstances; however, the Board also resolved to extend until November 2021, the 20% Board Fee sacrifice agreed to by NEDs in May 2020 and resident NED fees were not increased to the approved levels.

Reward outcomes | 2021

For 2021, the Committee made no changes to in-flight LTI awards; neither to the STI or LTI plan targets that were set for this financial year nor have outcomes been adjusted for COVID-19-related impacts. Performance against the STI targets were mostly at or ahead of target with a total score of 117% of the maximum of 150%.

The Committee was particularly pleased with the management of costs and the excellent progress made with the asset disposal programme to avoid a rights issue. The high severity injury rate improved and we are pleased with the delivery of the climate change roadmap.

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

The vesting of LTIs which were issued in 2018, subject to performance targets over the period 1 July 2018 – 30 June 2021, will for members of the 6EC, subject to further service criteria being met, vest at 44.7%. This represents ~17% of the original award value due to the share price depreciation and low level of vesting.

Sasol’s response to the year-on-year increase in remuneration totals on the single figure tables is as a result of the termination of the salary and pension contributions of ex-CFO, Frans van Rensburg, in 2021, which was introduced in May 2020 and the STI which has been awarded for the first time since 2018.

The Committee will propose to shareholders a revised Non-Executive Director remuneration package for 2022. Frans is domiciled outside of the United Kingdom, Europe or North America, a cost of living factor and a fixed exchange rate will be applied.

Sasol Integrated Report 2021

Mpho Nkeli
Chairman of the Remuneration Committee

Report of the Remuneration Committee

KEY MESSAGES

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

Shareholder feedback

At our AGM in November 2020, support for the Remuneration Policy decreased to 71.46% from 83.37% in 2019. But more disappointing was the news that only 43.21% of shareholder votes were in support of the non-binding advisory resolution on the Implementation Report, compared to 71.65% in 2019.

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

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

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<td>STI targets should continue to be relevant as the business transitions to the Future Sasol strategy</td>
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Mpho Nkeli
Chairman of the Remuneration Committee

Focus areas in 2021

• Review of all STI and LTI targets to align with Future Sasol priorities and include a holistic focus on sustainability matters
• Review of the peer group to include a balance of South Africa listed companies, energy and chemicals companies that represent our product range of mining, chemicals, fuel and gas, geographical footprint and enterprise values
• Delayed special salary adjustments for certain categories of employees and
• Review of Non-Executive Director (NED) fee structure.

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Chairman of the Remuneration Committee

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</tr>
</thead>
<tbody>
<tr>
<td>STI and LTI targets not directly related to the reduction of GHG</td>
<td>We will improve our climate change targets as we implement projects that will directly reduce emissions. These projects will align with our climate change roadmap and our Net Zero emissions ambition for 2050. See specific STI and LTI targets linking Executive remuneration to ESG measures in the FY22 variable pay plans detailed on page 40.</td>
</tr>
<tr>
<td>STI targets should continue to be relevant as the business transitions to the Future Sasol strategy</td>
<td>The Committee annually reviews the STI and LTI targets to ensure ongoing relevance as well as appropriate stretch to incentivise achievement across a range of financial and non-financial targets which are informed by the Group’s key priorities ensuring value creation for our stakeholders</td>
</tr>
<tr>
<td>ROIC should be reconsidered as a LTI target</td>
<td>We will reconsider the use of ROIC as we annually review all targets in our LTI plan. For FY22, we believe that return on capital invested into large scale projects is still an appropriate metric.</td>
</tr>
<tr>
<td>NED fees are too high in relation to the Company’s market capitalisation</td>
<td>We revised the fee structure for NEDs. This will be tabled for shareholder approval at the 2021 AGM.</td>
</tr>
</tbody>
</table>

Mpho Nkeli
Chairman of the Remuneration Committee

Focus areas in 2021

• Review of the short-term incentive (STI) formula with only one group incentive scorecard
• Review of target incentive awards. Target long-term incentive (LTI) awards for the CEO and CFD were reduced
• Extension of minimum shareholding requirements (MSHR) to prescribed officers
• Review of the LTI plan design principles to include some restricted shares for Prescribed Officers and Executive Directors with a five-year vesting period

Sasol Integrated Report 2021

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Report of the Remuneration Committee (CONTINUED)

Independent advice

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

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

The Committee was satisfied with the advisors’ independence.

Looking forward

Many changes have been made to the reward policy in the past two years and the Committee is of the view that it should now allow time for these changes to be implemented. We will continue to ensure that ESG issues receive the necessary attention, and to this end, incentive targets for 2022 have a more specific focus on Sasol’s drive to reduce carbon emissions and adopt a holistic approach in the incentive plans on £56 matters balanced with the requirement to continue to deliver financial returns to our shareholders.

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

Because the Group has high levels of debt, it is focused on cash fixed cost management and prudent capital allocation. To motivate employees to work together to stabilise the new operating model, fixed cost management and prudent capital allocation. To motivate employees to work together to stabilise the new operating model, fixed cost management and prudent capital allocation.

In closing

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

I would like to thank our shareholders for engaging with me and look forward to their endorsement of the advisory votes on our Remuneration Policy and Implementation Report at the 2021 AGM.

Mpho Nkeli
Chairman of the Remuneration Committee
10 August 2021

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

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

Remuneration Policy

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

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

Remuneration Philosophy

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

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

- 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.
- No form of unfair discrimination will be tolerated, and salary differentials are substantiated through defensible principles included in our Remuneration Policy.
- Rewards offered is a cornerstone of our employee value proposition and well-integrated with the total employment offering.
- Appropriate approval processes are in place to prevent conflicts of interest and to mitigate risks that may unreasonably result from our remuneration programmes.
- The Committee is empowered to intervene in exceptional circumstances when formulaic outcomes appear to be inappropriate and/or not aligned with business performance.

Role category Description

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

| Number in 2021 (2020) | 1 (1) | 7 (8) | 26 (36) | 149 (195) | 1 023 (1 061) |

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

Remuneration Committee governance

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

The Committee is appointed by the Board to assist in ensuring that the Group remunerates its employees fairly, responsibly and transparently by implementing affordable, competitive and fair reward practices to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.

The Committee’s terms of reference and the Group Remuneration Policy are available at www.sasol.com.

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

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

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

Regulatory compliance

Our reporting aligns with:
- South African Companies Act requirements;
- principles and recommended practices of King IV™;
- requirements of the Securities and Exchange Commission (SEC) for foreign private issuers; and
- The Johannesburg Stock Exchange (JSE) Listings Requirements.
The following table provides an overview of the remuneration elements, strategic intent, application and outcomes during 2021:

<table>
<thead>
<tr>
<th>Policy and strategic intent</th>
<th>Application</th>
<th>Outcomes 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base salary or Total Guaranteed Package (TGP) depending on location.</strong></td>
<td>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 R775 904 per annum. Salaries are paid monthly to all employees except for those in the United States and Canada who receive to-weekly payments. Employees who are promoted are considered for salary adjustments where justified.</td>
<td>No annual salary increases were approved for employees in January 2021. However, in some jurisdictions such as the United States and Germany, multi-year agreements had to be honoured.</td>
</tr>
<tr>
<td><strong>Benefits and allowances</strong></td>
<td>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.</td>
<td>Sasol uses different options to provide healthcare to employees and their families by means of medical insurance and/or public health plans, as well as additional insurance in countries where appropriate. All employees have healthcare cover in the event they are infected with COVID-19.</td>
</tr>
<tr>
<td><strong>Strategic intent:</strong></td>
<td>• attraction and retention of key employees; • internal equity and external competitiveness; • affordability; and • recognition of competence and/or individual performance.</td>
<td></td>
</tr>
<tr>
<td><strong>Strategic intent:</strong></td>
<td>For the majority of our permanent employees across the world, we apply a single STI structure. Approved pay-outs are processed with the September salary. For most non-manual employee groups, employees earn a production bonus which is processed bi-weekly, subject to safe production against mining targets.</td>
<td></td>
</tr>
<tr>
<td><strong>Target incentives align with the market median.</strong></td>
<td>Every quarter, the Committee reviews YTD performance against the Group STI scorecard to ensure ongoing relevance of targets and performance against these. An individual performance multiplier is used in a range of 0% – 150% to recognise individual performance. No BJO or Functional STI scorecards were used during 2021.</td>
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<td><strong>Benefits and allowances</strong></td>
<td>Equity- or cash-settled awards are granted annually or upon promotion to an eligible level, where the underlying value is tied to the market value of a Sasol ordinary share ([American Depositary Receipts (ADR) for international participants), subject to vesting conditions. Annual salary increases 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. Target incentives are aligned to the market median.</td>
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</tr>
<tr>
<td><strong>Strategic intent:</strong></td>
<td>• compliance with legislation or co-determination agreements; • strengthening of the employee value proposition where benefits are offered as a general market practice; and • to protect cost of living for employees on expatriate assignments.</td>
<td></td>
</tr>
<tr>
<td><strong>Strategic intent:</strong></td>
<td>Typically the STI structure consists of Group, BU or Function and individual performance targets set in advance of every financial year. The Committee can exercise its discretion to vary incentive outcomes as deemed appropriate, and based on marketability.</td>
<td></td>
</tr>
<tr>
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<td></td>
</tr>
</tbody>
</table>

The Committee approved a Group STI scorecard focused on achieving the Future Sasol priorities. Individual performance outcomes are applied to calculate the final incentive pay out. Safety and sustainability metrics, are measured at Group and Individual levels. In line with our commitment to actively reduce carbon emissions, we included relevant incentive targets in the Group and Individual scorecards which align with our climate change roadmap. Where appropriate and within line of sight, we included the following targets in individual performance scorecards: • safe transportation of hazardous chemicals; • occupational health measures; • carbon emissions; and • leaks or spills of hazardous materials. These metrics balance safety, environmental sustainability, financial and operational performance criteria. Any fatality reduces the final incentive score by 3 percentage points. Group STI performance outcomes for 2021 are set out on page 40.

The Committee confirmed that, in all countries where employees participate in private retirement funds, the governance of these funds meets fiduciary requirements and all defined benefit fund liabilities are appropriately detailed in the Sasol’s Statement of Financial Position. Where employer contributions were suspended due to COVID-19, this was applied for the period May 2020 – July 2020. They were then reinstated due to Sasol’s improved liquidity position at the time.
Report of the Remuneration Committee (CONTINUED)

Risk management

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

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

Average increase budgets approved: F18 – F21

Non-Executive Directors’ fees

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

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

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

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

Risk management

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

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

Annual Non-Executive Directors’ fees: actual vs approved vs proposed:

<table>
<thead>
<tr>
<th></th>
<th>Chairman fees approved</th>
<th>Board member fees approved</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chair</td>
<td>Member</td>
</tr>
<tr>
<td></td>
<td>$440 000</td>
<td>$150 000</td>
</tr>
<tr>
<td>Non-South Africa domiciled fees</td>
<td>$318 000</td>
<td>$12 000 ¹</td>
</tr>
<tr>
<td>South Africa domiciled fees</td>
<td>$351 850* ²</td>
<td>$12 000* ²</td>
</tr>
<tr>
<td>Proposed Chairman fees</td>
<td>$25 000</td>
<td>$39 000</td>
</tr>
<tr>
<td>United Kingdom, Europe</td>
<td>$20 000</td>
<td>$24 000</td>
</tr>
<tr>
<td>North America</td>
<td>$16 000</td>
<td>$11 000</td>
</tr>
<tr>
<td>Proposed Board member fees</td>
<td>$20 000</td>
<td>$12 000</td>
</tr>
<tr>
<td>United Kingdom, Europe</td>
<td>$25 000</td>
<td>$12 000</td>
</tr>
<tr>
<td>North America</td>
<td>$20 000</td>
<td>$12 000</td>
</tr>
<tr>
<td>North America</td>
<td>$345 000</td>
<td>$285 000</td>
</tr>
<tr>
<td>North America</td>
<td>$12 000</td>
<td>$12 000</td>
</tr>
<tr>
<td>North America</td>
<td>$100 000</td>
<td>$100 000</td>
</tr>
</tbody>
</table>

¹ Chairman of the Board fee, inclusive of all fees payable for attendance or membership of Board Committees and directorship of the Company.
² Fees including VAT were intended for a phased implementation over the period 2018 – 2021.
³ For the fee structure applicable from 16 November 2018 for non-South African resident-Non-Executive Directors, the following rules apply: where the total prior year fees inclusive of VAT (on a like-for-like basis) are higher than the new structure, the previous fee will be retained to ensure that the Non-Executive Directors are not financially worse off with the implementation of the new structure. Therefore, these fees are higher than the fees paid to South Africa domiciled Non-Executive Directors.
⁴ Travel allowance was intended for implementation when international travel is required but never implemented.
⁵ Special ad hoc committees approved by the Board to provide oversight over strategic matters of a temporary nature.
⁶ Fee sacrifice agreed on Board fees as per 18 November 2020 SENS announcement.
⁷ VAT is not applicable. Non-Executive Directors who were appointed on the 2016 approved fee structure, whose fees would be negatively impacted by the 2018 fees, were grandfathered.
⁸ Fee sacrifice applied. Approved fee incl VAT is $172,500.
⁹ Fee sacrifice applied. Approved fee incl VAT is $345,000.
¹⁰ Fee sacrifice applied. Approved fee incl VAT is $400,000.
¹¹ Board fee for non-South Africa domiciled members who joined the Board from 1 April 2020 is $142,500 incl VAT with the 20% sacrifice applied.
¹² Fees to be tabled for approval by shareholders at the November 2021 AGM and effective from 1 January 2022. Fees stated exclusive of VAT for consistent reporting purposes. A COL factor applied to the Non-Executive Directors fees for directors domiciled outside of Europe, the United Kingdom and North America. A fixed exchange rate will be applied when converted for payment to the relevant currency. An annual inflationary linked increase to be applied after 12 months.
¹³ Where Non-Executive Directors are required to travel to a meeting location, associated travel and accommodation costs are covered by Sasol.
¹⁴ Other Committees will be paid on a quarterly basis for any Committee meetings approved by the Board but not specified in this table.
In order to drive the delivery of our material matters as reflected in our top priorities, which are aligned to deliver our strategy, our executives’ remuneration is linked to key performance indicators marking progress on these priorities.

### Remuneration as a strategic enabler

#### Strategic targets

<table>
<thead>
<tr>
<th>Priority</th>
<th>Weighting</th>
<th>2021 Achievement</th>
<th>Weighting Score</th>
<th>Link to value creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROIC (IUSD) &gt;12% through the cycle</td>
<td>5,00%</td>
<td>11% IUSD rate</td>
<td>5,75%</td>
<td></td>
</tr>
<tr>
<td>Process Safety (FIRs) &gt;12 - 21</td>
<td>5,00%</td>
<td>2% Significant fines, expropriation and release (FIRs) were non-recoverable due to severe fines applied by the courts causing ramp-ups and ramp-down of our operations</td>
<td>3,75%</td>
<td></td>
</tr>
<tr>
<td>Climate change programmes</td>
<td>10,00%</td>
<td>Delivered the 2030 Emissions Reduction Roadmap and the 2050 Emission and Roadmap; we achieved the top tier status in the 2021 Global Energy 100</td>
<td>11,17%</td>
<td></td>
</tr>
<tr>
<td>Deliver the Sasol 2.0 Programmes</td>
<td>8,5%</td>
<td>Implementation of global structures aligned with the new operating model and through filling of &gt; 80% of positions by 30 April 2021</td>
<td>11,75%</td>
<td></td>
</tr>
<tr>
<td>Net working capital to turnover</td>
<td>12,00%</td>
<td>Net working capital to turnover of 13% – 17%</td>
<td>10,83%</td>
<td></td>
</tr>
<tr>
<td>Relative TSR</td>
<td>10,00%</td>
<td>Relative TSR measured against the MSCI World Index @60th percentile</td>
<td>10,00%</td>
<td></td>
</tr>
</tbody>
</table>

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

#### Dividend returns

Moving payout to 45% profit.

#### ROIC

Ensuring maximum profitability and financial success through the development of and delivery against our ESG emission reduction roadmap and our actions relating to carbon targets by driving a culture of continuous improvement.

#### Process Safety

Risk-based decision to maintain shared value, achieve & maintain sustainable performance.

#### Advancing sustainability:

Reduction absolute GHG emissions.

### Strategic priorities for 2021 were:

- Pursue zero harm.
- Strengthen our financial position.
- Deliver LCPP.
- Advance sustainability.
- Transition to future-based.

#### PLANET

- Net working capital to turnover | 10,00% |
- Deliver and maximise value through the delivery of our medium to long term strategic business initiatives; two hurricanes in the United States and a severe hailstorm in Sasolburg, which disrupted our operations.
- The setting up of new sustainable business ventures, establishing of partnerships to help in decarbonising our operations and complete of high-severity accidents sustained in the reporting period.

#### Profits

- Relative TSR measured against the peer group | 20,00% |
- Deliver on committed capital for TCAs.
- Deliver on expected capital for TCAs.
- Deliver on expected capital for TCAs.

#### LT1

- GEC capital for EXA indexed to US$321
- 45,75%
The structure of the Implementation Report, is as follows:

Implementation Report

The macroeconomic environment which severely impacted Sasol’s financial viability.

In recent years, GEC members have made financial sacrifices through sacrifices in their salaries as well as pension contributions. On average, during this very volatile and uncertain period.

For 2021, we were particularly mindful of the fact that members of the GEC have had to apply an extraordinary effort over the past 18 – 24 months.

On Cash Fixed Costs: The organisation rallied as the business suffered cash flow constraints following the drop in crude oil prices and lower production sharing agreement (PSA) to FID stage was a key milestone for us in 2021.

Production expenditure amounted to R16,4 billion compared to R35,2 billion during 2020. The reduction in capital expenditure was not at the expense of maintaining our asset integrity and was achieved through an optimised asset risk management process. In addition, the progression of the production sharing agreement (PSA) to FID stage was a key milestone for us in 2021.

The Unlocking of US$6 billion of cash in record time was exceptional; Sasol avoided having to carry out a rights issue; rating agencies declared no further downgrades after June 2020; and the business did not breach debt covenant levels (the target was 4 times net debt: EBIDTA in December 2020 and the 30 June 2021 result was 1,5 times net debt: EBIDTA). The GEC and Sasol’s leadership implemented the new operating model less than 12 months after it was approved, and did so without impacting business operations and continuity; there was no labour unrest; our safety requirements improved significantly; and there was a reduction in the macroeconomic environment which severely impacted Sasol’s financial viability.

Executive Directors

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

<table>
<thead>
<tr>
<th>Executive Directors</th>
<th>2021 (as Prescribed officer) R’000</th>
<th>2020 (as Prescribed officer) R’000</th>
<th>2020 (as Exec director) R’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>FR Grobler b</td>
<td>10 032</td>
<td>7 714</td>
<td>3 713</td>
</tr>
<tr>
<td>P Victor b</td>
<td>7 481</td>
<td>6 797</td>
<td>7 783</td>
</tr>
<tr>
<td>VD Kahla b</td>
<td>6 708</td>
<td>6 708</td>
<td>6 708</td>
</tr>
</tbody>
</table>

1. LTIs approved based on the Group results for 2021 and payable in the 2022 financial year. Incentives are calculated as a percentage of total guaranteed package/basis salary as at 30 June 2021 or Group 1 achievement of Individual Performance Achievement.
2. 17% for Mr Grobler represent a dividend made on 3 September 2018. The illustrative amount is calculated in terms of the number of LTIs x corporate performance target achieved (GEC: 46.4%; SVP: 68.6%) x average share price for June 2021. The actual vesting date for the annual awards is 3 September 2021 subject to the company being in an open period. Dividend equivalents accrue at the end of the vesting period. In the event that the LTIs exceed 50% of the vested LTIs and accrued dividends will be released on 3 September 2021 and the balance in September 2023 subject to the rules of the LTJ plan. As there are no further performance conditions attached to the balance of the 50%, the full amount is disclosed in the single figure table.
3. Mr Grobler agreed to a voluntary contribution of 30% of his salary to the South Africa Solidarity Fund for the period May 2020 – July 2020.
4. Other benefits for Mr Grobler include tax corrections on pension fund contributions made over the period of the previous expatriate assignment (R1 518 846), tax assistance rendered in respect of his previous expatriate assignment to Germany (R931 374) and subsidised business transport (R192 392).
5. Other benefits for Mr Victor include subsidised business transport.
6. Other benefits for Mr Kahla include a long service award (R2 000).
7. Messrs Victor and Kahla have voluntarily agreed to a salary sacrifice of 20% for the period May 2020 – July 2020. In addition, there was a suspension of employer contributions to the pension fund for the same period. The increase in salaries in 2021 as a result of the sacrifice only being applied for one month in 2021 as opposed to two months in 2020. In addition, Messrs Victor and Kahla opted to reduce their contribution to the SA pension fund and allocate the contribution to their salary.

The Remuneration Committee (CONTINUED)

Determining the short-term incentive awards

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

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

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

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

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

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

For 2021, we were particularly mindful of the fact that members of the GEC have had to apply an extraordinary effort over the past 18 – 24 months. This was required to turn the Company around; maintain reliable and stable operations despite the devastating impacts of COVID-19; stabilise the balance sheet; introduce the new operating model; regain the trust of our investors; and retain and motivate employees to perform at their best during this very volatile and uncertain period. In recent years, GEC members have made financial sacrifices through sacrifices in their salaries as well as pension contributions. On average, they have forfeited 50% of the total target reward for the past three years due to the non-payment of the short-term incentive, no salary increase in the past financial year, the weakening of the share price and the low level of vesting of LTIs (which has been at an average of 44% over the past four years).

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

<table>
<thead>
<tr>
<th>Prescribed Officers</th>
<th>M Radebe(^a)</th>
<th>JH Klingsenberg(^b)</th>
<th>BP Mabedane(^c)</th>
<th>CK Mokoena(^d)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary(^1)</td>
<td>R 4 200</td>
<td>R 1 472</td>
<td>R 234</td>
<td>R 86</td>
</tr>
<tr>
<td>Risk and Retirement funding</td>
<td>R 2 789</td>
<td>R 1 770</td>
<td>R 234</td>
<td>R 89</td>
</tr>
<tr>
<td>Vehicle benefit</td>
<td>R 6 046</td>
<td>R 1 966</td>
<td>R 212</td>
<td>R 114</td>
</tr>
<tr>
<td>Healthcare</td>
<td>R 5 885</td>
<td>R 1 958</td>
<td>R 212</td>
<td>R 100</td>
</tr>
<tr>
<td>Vehicle insurance fringe benefit</td>
<td>R 5 606</td>
<td>R 392</td>
<td>R 212</td>
<td>R 44</td>
</tr>
<tr>
<td>Security benefit</td>
<td>R 5 459</td>
<td>R 324</td>
<td>R 344</td>
<td>R 93</td>
</tr>
<tr>
<td>Other benefits</td>
<td>R 4 954</td>
<td>R 736</td>
<td>R 1271</td>
<td>R 23</td>
</tr>
<tr>
<td>Redundancy payment</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total salary and benefits</td>
<td>R 5 083</td>
<td>R 5 893</td>
<td>R 12 71</td>
<td>R 774</td>
</tr>
<tr>
<td>Annual short-term incentive(^2)</td>
<td>R 6 585</td>
<td>R 7 459</td>
<td>R 7 698</td>
<td>R 6 000</td>
</tr>
<tr>
<td>Long-term incentive gains(^3)</td>
<td>R 6 585</td>
<td>R 4 849</td>
<td>R 1 383</td>
<td>R 4 725</td>
</tr>
<tr>
<td>Total annual remuneration</td>
<td>R 13 810</td>
<td>R 13 055</td>
<td>R 18 741</td>
<td>R 6 915</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Former Joint CEOs and Presidents</th>
<th>SR Cornell</th>
<th>B Ngwababa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>R 20 808</td>
<td>R 8 470</td>
</tr>
<tr>
<td>Risk and Retirement funding</td>
<td>R 10 773</td>
<td>R 2885</td>
</tr>
<tr>
<td>Vehicle benefit</td>
<td>R 400</td>
<td>–</td>
</tr>
<tr>
<td>Healthcare</td>
<td>R 453</td>
<td>R 76</td>
</tr>
<tr>
<td>Vehicle Insurance fringe benefit</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Security benefit</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other benefits</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Redundancy mutual separation</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total salary and benefits</td>
<td>R 66 798</td>
<td>R 25 346</td>
</tr>
<tr>
<td>Annual short-term incentive</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Long-term incentive gains</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total annual remuneration</td>
<td>R 6 859</td>
<td>R 2 944</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Executive Directors</th>
<th>R 3 238</th>
<th>R 2 944</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Shareholding Requirement (MSR)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>MSR Achievement (as %)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Beneficial shareholding – 30 June 2021(^4)</td>
<td>R 2 944</td>
<td>R 2 944</td>
</tr>
<tr>
<td>Pre-tax vesting – September 2022(^4)</td>
<td>R 2 944</td>
<td>R 2 944</td>
</tr>
<tr>
<td>Number of shares to vest – 2022/2023 employment</td>
<td>R 3 101</td>
<td>R 3 101</td>
</tr>
<tr>
<td>Value of vested shares subject to continued employment</td>
<td>R 5 323</td>
<td>R 5 323</td>
</tr>
</tbody>
</table>

1. LTIs that were awarded in 2018, due to partly vest in September 2021, at 44.7%.
2. Includes the 2nd tranche of the award made in September 2016. The CPT applied to this award was 47%.
3. Includes the 1st tranche of the award made in September 2018. The CPT applied to this award was 47%.
4. Post tax.

b. Progress against minimum shareholding requirement (MSR) (Executive Directors)

<table>
<thead>
<tr>
<th>Executive Directors</th>
<th>R 22 050 000</th>
<th>R 12 656 495</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSR Achievement</td>
<td>R 22 050 000</td>
<td>R 12 656 495</td>
</tr>
<tr>
<td>Beneficial shareholding – 30 June 2021(^4)</td>
<td>R 22 050 000</td>
<td>R 12 656 495</td>
</tr>
<tr>
<td>Pre-tax vesting – September 2022(^4)</td>
<td>R 22 050 000</td>
<td>R 12 656 495</td>
</tr>
<tr>
<td>Number of shares to vest – 2022/2023 employment</td>
<td>R 3 101</td>
<td>R 3 101</td>
</tr>
<tr>
<td>Value of vested shares subject to continued employment</td>
<td>R 5 323</td>
<td>R 5 323</td>
</tr>
</tbody>
</table>

1. Includes the 2nd tranche of the award made in September 2016. The CPT applied to this award was 47%.
2. Includes the 1st tranche of the award made in September 2018. The CPT applied to this award was 47%.
3. MSR Achievement.
4. Post tax.
Report of the Remuneration Committee (CONTINUED)

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

<table>
<thead>
<tr>
<th>Prescribed Officers</th>
<th>Minimum Shareholding Requirement (MSR)</th>
<th>MSR Achievement period (CY)</th>
<th>Beneficial shareholding – 30 June 2021</th>
<th>Beneficial shareholding value (including September 2021 post-tax vesting)</th>
<th>% MSR Achieved</th>
<th>Number of shares to vest – September 2021</th>
<th>Total number of vested shares subject only to continued employment</th>
<th>Pre-tax value of vested shares subject only to continued employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>HC Brand</td>
<td>R4 270 000</td>
<td>2026</td>
<td>R4 593 749</td>
<td>R782 091</td>
<td>126%</td>
<td>2 050</td>
<td>22 125</td>
<td>R5 023 076</td>
</tr>
<tr>
<td>BV Griffith</td>
<td>$465 000</td>
<td>2026</td>
<td>–</td>
<td>$170 695</td>
<td>23%</td>
<td>2 402</td>
<td>23 048</td>
<td>$410 355</td>
</tr>
<tr>
<td>BE Klingenberg</td>
<td>R5 943 147</td>
<td>2026</td>
<td>R1 770 542</td>
<td>R1 770 542</td>
<td>30%</td>
<td>2 723</td>
<td>31 235</td>
<td>R7 091 201</td>
</tr>
<tr>
<td>BP Mabelane</td>
<td>R5 075 000</td>
<td>2026</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>CK Mokoena</td>
<td>R4 188 219</td>
<td>2026</td>
<td>R787 340</td>
<td>R657 640</td>
<td>30%</td>
<td>2 982</td>
<td>20 291</td>
<td>R283 658</td>
</tr>
</tbody>
</table>

1. Includes the 2nd tranche of the award made on 26 September 2016. The CPT applied to this award is 47% (EVP – Klingenberg) and 68.19% (SVP – Brand and Griffith).
2. Includes the 1st tranche of the award made on 3 September 2018. The CPT applied to this award is 44.7% (EVP – Klingenberg and Mokoena) and 65.8% (SVP – Brand and Griffith).

Vested shares subject to continued employment only until 2022/2025 (excluding accrued dividend equivalents, including RLTIs)

<table>
<thead>
<tr>
<th>Prescribed Officers</th>
<th>Number of shares to vest – 2023/2025</th>
<th>Total number of vested shares subject only to continued employment</th>
<th>Pre-tax value of vested shares subject only to continued employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>HC Brand</td>
<td>2 076</td>
<td>22 125</td>
<td>R5 023 076</td>
</tr>
<tr>
<td>BV Griffith</td>
<td>23 048</td>
<td>23 048</td>
<td>$410 355</td>
</tr>
<tr>
<td>BE Klingenberg</td>
<td>31 235</td>
<td>31 235</td>
<td>R7 091 201</td>
</tr>
<tr>
<td>BP Mabelane</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>CK Mokoena</td>
<td>20 291</td>
<td>20 291</td>
<td>R283 658</td>
</tr>
</tbody>
</table>

1. Members of the Board agreed to a voluntary reduction on all fees for Q1 2021 of at least 20%.
2. Members of the Board agreed to a voluntary reduction of Board fees effective May 2020 of at least 20%.
3. No change to non-executive director fees for 2021.
4. Fees include VAT where applicable.
5. Board and Committee fees are based in US$, thus impacted by rand/US$ foreign exchange rates at date of payment for resident Non-Executive Directors.
6. Dr Gantsho retired from the Board on 27 November 2019.
7. Mr Njeke retired from the Board on 27 November 2019.
8. Mr Subramoney joined the board on 1 March 2021.

Non-Executive Directors

<table>
<thead>
<tr>
<th>Non-Executive Directors</th>
<th>Board Meeting Fees</th>
<th>Lead Independent Director Fees</th>
<th>Ad Hoc or special purpose Board Committee Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R’000</td>
<td>R’000</td>
<td>R’000</td>
</tr>
<tr>
<td></td>
<td>Total 2021</td>
<td>Total 2020</td>
<td></td>
</tr>
<tr>
<td>SA Nkosi (Chairman)</td>
<td>5 326</td>
<td>–</td>
<td>5 326</td>
</tr>
<tr>
<td></td>
<td>4 756</td>
<td>–</td>
<td>4 756</td>
</tr>
<tr>
<td>MSV Gantsho (former Chairman)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>2 672</td>
<td>–</td>
<td>2 672</td>
</tr>
<tr>
<td>S Westwell (new Lead Independent Director)</td>
<td>3 160</td>
<td>1 360</td>
<td>202</td>
</tr>
<tr>
<td></td>
<td>4 310</td>
<td>–</td>
<td>4 310</td>
</tr>
<tr>
<td>MJN Njeke (former Lead Independent Director)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>1 385</td>
<td>–</td>
<td>1 385</td>
</tr>
<tr>
<td>C Beggs</td>
<td>2 470</td>
<td>2 698</td>
<td>3 032</td>
</tr>
<tr>
<td></td>
<td>2 611</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td>MJ Cuambe</td>
<td>2 761</td>
<td>2 698</td>
<td>3 032</td>
</tr>
<tr>
<td></td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td>MB Dube</td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td></td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td>M Flöel</td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td></td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td>K Harper</td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td></td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td>GMB Kennealy</td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td></td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td>NNA Matyumza</td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td></td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td>ZM Mkhize</td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td></td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td>MEK Subramoney</td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td></td>
<td>2 761</td>
<td>2 955</td>
<td>3 055</td>
</tr>
<tr>
<td>Total</td>
<td>24 996</td>
<td>24 996</td>
<td>24 996</td>
</tr>
</tbody>
</table>
Dear stakeholders

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

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

Refer pages 45 and 46 for review on performance.

Hedging activity

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

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

Capital allocation principles

Our capital allocation framework is adapting to address the changing priorities facing our businesses, however, the principles underpinning our disciplined capital allocation approach as set out in 2017, remain intact.

We will continue to apply these principles consistently as we consider capital allocation decisions, along with key financial risk and return metrics, in order to restore and build attractive sustainable shareholder returns.

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

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

More specifically:
- First order capital will be allocated to:
  - maintaining our existing asset base, our compliance obligations, decarbonising our existing businesses to deliver on our GHG reduction targets and protecting returns (R20 – R25bn/a);
  - selective growth/improve capital for smaller high return, short payback projects and new sustainability initiatives;
  - deleveraging and maintaining a robust balance sheet (<US$4bn net debt and <1.5 times net debt: EBITDA); and
  - restoring the dividend and stepping up the payout level subject to leverage and debt level thresholds.
- Second order allocation, the following aspects will compete for capital:
  - expansionary growth and additional sustainability opportunities; and
  - additional shareholder returns.

These principles are underpinned by the ongoing managing and optimisation of future capital risk through clear investment guidelines, partnering to grow value and reduce investment risk, portfolio optimisation and selecting best-in-class financing options.

Acknowledgement

I would like to thank the Board and the GEC for their continued support and leadership as we deal with the unprecedented impact of this exceptionally challenging environment. I also would like to acknowledge the finance team for their hard work and dedication in supporting the business to manage liquidity, strengthening our balance sheet and reduce cost. Finally, to our shareholders I would like to confirm that we are actively working towards addressing the short-term factors impacting the Company so that we can unlock sustainable value for the future.

Paul Victor
Chief Financial Officer
20 September 2021
### Performance overview – Financial statements

**Statement of financial position**

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>1 July 2019 Restated**</th>
<th>2019 Restated**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>198,021</td>
<td>227,645</td>
<td>357,582</td>
<td></td>
</tr>
<tr>
<td>Right of use assets</td>
<td>12,901</td>
<td>13,816</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill and other intangible assets</td>
<td>2,482</td>
<td>2,800</td>
<td>3,357</td>
<td></td>
</tr>
<tr>
<td>Equity accounted investments</td>
<td>10,142</td>
<td>10,812</td>
<td>9,866</td>
<td></td>
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<tr>
<td>Other long-term investments</td>
<td>1,896</td>
<td>1,926</td>
<td>1,248</td>
<td></td>
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<tr>
<td>Post-retirement benefit assets</td>
<td>591</td>
<td>467</td>
<td>1,274</td>
<td></td>
</tr>
<tr>
<td>Long-term receivables and prepaid expenses</td>
<td>4,224</td>
<td>6,435</td>
<td>6,317</td>
<td></td>
</tr>
<tr>
<td>Long-term financial assets</td>
<td>809</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>24,511</td>
<td>31,665</td>
<td>8,563</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>255,579</td>
<td>296,566</td>
<td>388,222</td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>29,742</td>
<td>27,801</td>
<td>29,646</td>
<td></td>
</tr>
<tr>
<td>Tax receivable</td>
<td>1,113</td>
<td>5,419</td>
<td>730</td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>30,933</td>
<td>25,097</td>
<td>28,578</td>
<td></td>
</tr>
<tr>
<td>Short-term financial assets</td>
<td>1,514</td>
<td>645</td>
<td>630</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>31,231</td>
<td>34,719</td>
<td>15,877</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>94,533</td>
<td>93,701</td>
<td>75,445</td>
<td></td>
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<tr>
<td>Assets in disposal groups held for sale</td>
<td>10,631</td>
<td>84,268</td>
<td>2,554</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>360,743</td>
<td>474,535</td>
<td>466,237</td>
<td></td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>146,489</td>
<td>150,976</td>
<td>217,224</td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>5,982</td>
<td>4,941</td>
<td>5,885</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>152,471</td>
<td>155,917</td>
<td>223,109</td>
<td></td>
</tr>
<tr>
<td><strong>Long-term debt</strong></td>
<td>97,137</td>
<td>147,511</td>
<td>127,350</td>
<td></td>
</tr>
<tr>
<td><strong>Lease liabilities</strong></td>
<td>13,908</td>
<td>15,825</td>
<td>7,445</td>
<td></td>
</tr>
<tr>
<td><strong>Long-term provisions</strong></td>
<td>16,164</td>
<td>25,097</td>
<td>17,622</td>
<td></td>
</tr>
<tr>
<td><strong>Post-retirement benefit obligations</strong></td>
<td>13,297</td>
<td>14,691</td>
<td>12,708</td>
<td></td>
</tr>
<tr>
<td><strong>Deferred income</strong></td>
<td>400</td>
<td>842</td>
<td>924</td>
<td></td>
</tr>
<tr>
<td><strong>Long-term financial liabilities</strong></td>
<td>2,011</td>
<td>5,620</td>
<td>1,440</td>
<td></td>
</tr>
<tr>
<td><strong>Deferred tax liabilities</strong></td>
<td>7,793</td>
<td>19,154</td>
<td>26,541</td>
<td></td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td>150,708</td>
<td>225,500</td>
<td>194,030</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>511,441</td>
<td>660,035</td>
<td>665,267</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>511,441</td>
<td>660,035</td>
<td>665,267</td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td>146,489</td>
<td>150,976</td>
<td>217,224</td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>152,471</td>
<td>155,917</td>
<td>223,109</td>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>360,743</td>
<td>474,535</td>
<td>466,237</td>
<td></td>
</tr>
</tbody>
</table>

### Property, plant and equipment

- Additions to non-current assets amounted to R15.9 billion, projects capitalised amounted to R16 billion.
- Assets impaired related to our South African liquid fuels refinery (92.4-5 billion), Wes 0.7% billion and the Chow Alkaline Plant (R1.1, billion cash generating units (CGUs) were recognised in FY2). These were mainly due to our stronger outlook on the rand/US dollar exchange rate and lower long-term oil price outlook for the second fiscal quarter and future feedstock prices for the Chemicals CGUs. Macro-economic volatility presents a significant challenge at end period when performing impairment assessments. The South Africa value chain CGUs’ impairments were offset by reversals of prior year impairment of R9.4, billion, (US$0.5 billion), relating to the US Allez Sugar Alcohols, Ethylene Oxide/Ethylene Glycol (EO/EG) CGUs. Canadian shale gas CGUs’ impairments were offset by reversals of prior year impairment of R4.9 billion, (US$0.3 billion), relating to the US Ziegler Alcohols, Ethylene Oxide/Ethylene Glycol (EO/EG) CGUs and Canadian shale gas assets R5.2 billion, GAAP-US$45 million.

### Income statement for the year ended 30 June

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
<th>2019 Restated**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td>201,910</td>
<td>190,367</td>
<td>203,576</td>
</tr>
<tr>
<td>Materials, energy and consumables used</td>
<td>(85,370)</td>
<td>(90,109)</td>
<td>(90,589)</td>
</tr>
<tr>
<td>Selling and distribution costs</td>
<td>(8,026)</td>
<td>(8,388)</td>
<td>(7,836)</td>
</tr>
<tr>
<td>Maintenance expenditure</td>
<td>(12,115)</td>
<td>(10,493)</td>
<td>(10,227)</td>
</tr>
<tr>
<td>Employee-related expenditure</td>
<td>(32,848)</td>
<td>(30,667)</td>
<td>(29,928)</td>
</tr>
<tr>
<td>Exploration expenditure and feasibility costs</td>
<td>(295)</td>
<td>(608)</td>
<td>(663)</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>(17,644)</td>
<td>(22,327)</td>
<td>(17,814)</td>
</tr>
<tr>
<td>Other expenses and income</td>
<td>(6,589)</td>
<td>(22,776)</td>
<td>(19,037)</td>
</tr>
<tr>
<td><strong>Translation gains/(losses)</strong></td>
<td>5,510</td>
<td>(6,542)</td>
<td>604</td>
</tr>
<tr>
<td><strong>Other operating expenses and income</strong></td>
<td>9,814</td>
<td>(347)</td>
<td>1,074</td>
</tr>
<tr>
<td><strong>Operating profit before remeasurement items</strong></td>
<td>39,837</td>
<td>52</td>
<td>28,496</td>
</tr>
<tr>
<td>Remeasurement items affecting operating profit</td>
<td>(23,218)</td>
<td>(111,978)</td>
<td>(20,062)</td>
</tr>
<tr>
<td><strong>Earnings/(loss) before interest and tax (EBIT/(LBIT))</strong></td>
<td>16,169</td>
<td>(111,926)</td>
<td>8,434</td>
</tr>
<tr>
<td>Finance income</td>
<td>856</td>
<td>922</td>
<td>787</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(6,758)</td>
<td>(7,303)</td>
<td>(2,252)</td>
</tr>
<tr>
<td><strong>Earnings Before Tax</strong></td>
<td>10,717</td>
<td>(118,307)</td>
<td>7,968</td>
</tr>
<tr>
<td>Taxation</td>
<td>(285)</td>
<td>26,390</td>
<td>(2,803)</td>
</tr>
<tr>
<td><strong>Earnings/(loss) for the Year</strong></td>
<td>10,532</td>
<td>(91,917)</td>
<td>5,165</td>
</tr>
<tr>
<td><strong>Attributable to</strong>:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of Sasol Limited</td>
<td>9,032</td>
<td>(91,754)</td>
<td>3,389</td>
</tr>
<tr>
<td>Non-controlling interests in subsidiaries</td>
<td>1,500</td>
<td>(163)</td>
<td>1,776</td>
</tr>
<tr>
<td><strong>Total earnings/(loss) for the Year</strong></td>
<td>10,532</td>
<td>(91,917)</td>
<td>5,165</td>
</tr>
</tbody>
</table>

### Commentary

**Turnover**

Turnover increased by 6% mainly due to:
- Higher Brent crude oil prices and a strong recovery in chemical prices. The Energy Business saw a strong recovery in liquid fuels demand following the easing of lockdown restrictions. The Chemicals Business also started to benefit from LCCP, post all units achieving beneficial operation. Sales volumes were negatively impacted by weather events in the United States and South Africa with a combined impact of 30%. The results have been restated for prior period errors in the calculation of South African value chain impairments, refer to note 1 in the Annual Financial Statements.

**Earnings**

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

**Debt**

- Our total debt was R102.9 billion compared to R119.7 billion as at 30 June 2020, with approximately R89.6 billion, (US$5.5 billion), denominated in US dollar.
- At 30 June 2021, the balance sheet sheet saw an improvement in the gearing at 51.5% (30 June 2020: 61%, and 57% in net debt: EBITDA of 3.5 times (30 June 2020: 4.3 times), based on the RCF and US dollar term loan covenant definitions, well below the re-instated June 2021 covenant level of 3.0 times.

**Taxation**

Our effective corporate tax rate decreased from 22.4% to 17.1%. The effective corporate tax rate is 26.3% lower than the South African corporate income tax rate of 28%, mainly due to tax losses utilised in the current year and the release of foreign currency translation reserves (FCTR) on the disposal of foreign entities to the income statement.
Statement of cash flows
for the year ended 30 June

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash receipts from customers</td>
<td>194,712</td>
<td>196,798</td>
<td>203,613</td>
</tr>
<tr>
<td>Cash paid to suppliers and employees</td>
<td>(149,598)</td>
<td>(154,416)</td>
<td>(152,215)</td>
</tr>
<tr>
<td>Cash generated by operating activities</td>
<td>45,114</td>
<td>42,384</td>
<td>51,398</td>
</tr>
<tr>
<td>Dividends received from equity accounted investments</td>
<td>37</td>
<td>208</td>
<td>1,506</td>
</tr>
<tr>
<td>Finance income received</td>
<td>837</td>
<td>792</td>
<td>682</td>
</tr>
<tr>
<td>Finance costs paid</td>
<td>(6,173)</td>
<td>(7,154)</td>
<td>(6,222)</td>
</tr>
<tr>
<td>Tax paid</td>
<td>(5,280)</td>
<td>(5,639)</td>
<td>(3,946)</td>
</tr>
<tr>
<td>Cash available from operating activities</td>
<td>34,535</td>
<td>30,571</td>
<td>43,418</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(46)</td>
<td>(31)</td>
<td>(9,952)</td>
</tr>
<tr>
<td>Dividends paid to non-controlling shareholders in subsidiaries</td>
<td>(446)</td>
<td>(810)</td>
<td>(1,523)</td>
</tr>
<tr>
<td>Cash retained from operating activities</td>
<td>34,043</td>
<td>29,730</td>
<td>31,943</td>
</tr>
<tr>
<td>Additions to non-current assets</td>
<td>(18,214)</td>
<td>(41,935)</td>
<td>(58,754)</td>
</tr>
<tr>
<td>Additions to property, plant and equipment</td>
<td>(15,945)</td>
<td>(35,145)</td>
<td>(55,781)</td>
</tr>
<tr>
<td>Additions to other intangible assets</td>
<td>(3)</td>
<td>(19)</td>
<td>(19)</td>
</tr>
<tr>
<td>Increase in capital project related payables</td>
<td>(2,266)</td>
<td>(6,771)</td>
<td>(9,346)</td>
</tr>
<tr>
<td>Cash movements in equity accounted investments</td>
<td>–</td>
<td>(284)</td>
<td>66</td>
</tr>
<tr>
<td>Proceeds on disposals and scrappings</td>
<td>43,214</td>
<td>4,285</td>
<td>567</td>
</tr>
<tr>
<td>Additions to assets held for sale</td>
<td>(427)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Acquisition of interest in equity accounted investments</td>
<td>–</td>
<td>(112)</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(124)</td>
<td>(121)</td>
<td>(222)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>168</td>
<td>483</td>
<td>142</td>
</tr>
<tr>
<td>Decrease/(increase) in long-term receivables</td>
<td>476</td>
<td>(466)</td>
<td>(231)</td>
</tr>
<tr>
<td>Cash received from/(used in) investing activities</td>
<td>25,093</td>
<td>(38,550)</td>
<td>(56,412)</td>
</tr>
<tr>
<td>Proceeds from long-term debt</td>
<td>26,057</td>
<td>36,487</td>
<td>93,884</td>
</tr>
<tr>
<td>Repayment of long-term debt</td>
<td>(61,454)</td>
<td>(28,335)</td>
<td>(65,655)</td>
</tr>
<tr>
<td>Payment of lease liabilities</td>
<td>(2,180)</td>
<td>(2,061)</td>
<td>(3,456)</td>
</tr>
<tr>
<td>Repayment of debt held for sale</td>
<td>(980)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Proceeds from short-term debt</td>
<td>9</td>
<td>19,998</td>
<td>977</td>
</tr>
<tr>
<td>Repayment of short-term debt</td>
<td>(19,717)</td>
<td>(977)</td>
<td>(1,730)</td>
</tr>
<tr>
<td>Cash/(used in) generated by financing activities</td>
<td>(58,265)</td>
<td>25,112</td>
<td>23,131</td>
</tr>
<tr>
<td>Translation effects on cash and cash equivalents</td>
<td>(2,916)</td>
<td>3,607</td>
<td>162</td>
</tr>
<tr>
<td>Decrease/increase in cash and cash equivalents at the beginning of year</td>
<td>(2,045)</td>
<td>19,899</td>
<td>(1,176)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of year</td>
<td>30,988</td>
<td>34,094</td>
<td>15,819</td>
</tr>
</tbody>
</table>

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

Operational performance summary

<table>
<thead>
<tr>
<th>Department</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (Rm)</td>
<td>2,025</td>
<td>1,343</td>
</tr>
<tr>
<td>Earnings before Interest and Tax (EBIT) (Rm)</td>
<td>3,227</td>
<td>2,756</td>
</tr>
<tr>
<td>Total assets (Rm)</td>
<td>26,570</td>
<td>29,265</td>
</tr>
<tr>
<td>Number of employees</td>
<td>7,811</td>
<td>7,433</td>
</tr>
</tbody>
</table>

Business

<table>
<thead>
<tr>
<th>Region</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (Rm)</td>
<td>7,321</td>
<td>8,350</td>
</tr>
<tr>
<td>Earnings before Interest and Tax (EBIT) (Rm)</td>
<td>6,566</td>
<td>9,527</td>
</tr>
<tr>
<td>Total assets (Rm)</td>
<td>26,376</td>
<td>29,825</td>
</tr>
<tr>
<td>Number of employees</td>
<td>598</td>
<td>565</td>
</tr>
</tbody>
</table>

Chemicals

<table>
<thead>
<tr>
<th>Region</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (Rm)</td>
<td>59,393</td>
<td>60,816</td>
</tr>
<tr>
<td>Loss before Interest and Tax (LBIT) (Rm)</td>
<td>(18,170)</td>
<td>(12,690)</td>
</tr>
<tr>
<td>Total assets (Rm)</td>
<td>36,159</td>
<td>61,124</td>
</tr>
<tr>
<td>Number of employees</td>
<td>4,688</td>
<td>4,953</td>
</tr>
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</table>

Corporate Centre

<table>
<thead>
<tr>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover (Rm)</td>
<td>14</td>
</tr>
<tr>
<td>Earnings/(loss) before Interest and Tax (EBIT/LBIT) (Rm)</td>
<td>5</td>
</tr>
<tr>
<td>Total assets (Rm)</td>
<td>34,061</td>
</tr>
<tr>
<td>Number of employees</td>
<td>4,084</td>
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</tbody>
</table>
Chemicals Business at a glance

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

Brad Griffith
Executive Vice President: Chemicals

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

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

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

Strategic positioning
Strategy
Transforming our business for high-return growth

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

FUTURE SASOL

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

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

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

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

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

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

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

2022 priorities
Safety
- Strive for zero harm
- Promote physical, emotional and mental wellbeing of our workforce

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

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

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

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

Contribution to Group’s external turnover

66%
Salient features

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

Performance summary

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

Safety

In a year of significant change and challenges, we continued our relentless focus on zero harm. There were no fatalities or life-altering injuries in the year. Our recordable case rate (RCR) remained the same as previous year at 0.29 while the fires, explosions and releases severity rate (FER-SR) increased from 9.9 to 10.8. On the positive side, our transporter indicator of performance (TiOP) improved from 1.56 to 0.72. We prioritised employee wellbeing with an attitude of care and empathy particularly evident from leadership during our Sasol 2.0 transformation programme.

Sustainability

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

Renewable electricity plays a critical role in our GHG reduction plans. With increasing electrification of energy markets comes the need for increasingly demanding chemistry in batteries, automotive and power markets. Our growth and innovation efforts are aligned with these powerful megatrends and focused on developing solutions for our customers using our unique chemistry.
Sasol Chemicals sells many of its products into specialised applications, including home, fabric and personal care; inks, paints, coatings and adhesives; polymer additives, agribusiness and metalworking. Sasol works closely with its customers to understand the needs and trends in general markets. When appropriate, we also undertake exclusive joint developments with customers to develop specific products or formulations to enhance the performance of their products. We also participate in relevant industry forums, monitor trends in patents and publications and conduct various innovation-focused initiatives within the organisation to generate ideas and share knowledge.
We plan to lead the energy transition in Southern Africa through our talented people, proprietary technology, integrated value chain and strategic partnerships. We are committed to job creation, providing sustainable solutions to our customers, and unlocking new value chains to ignite the South African economy.

Bernard Klingenber
Executive Vice President
Energy Operations

Priscillah Mabelane
Executive Vice President
Energy Business

Overview

We operate an integrated value chain with feedstock sourced from our Mining and Gas operating segments and processed at our Secunda and Sasolburg Operations, and Natref. We also have associated assets outside South Africa. These include the Pande-Temane Petroleum Production Agreement (PPA) in Mozambique and a share in ORYX GTL in Qatar.

We are investing in low-carbon activities by working with local and global partners and investing in innovation and research to support South Africa in positioning itself as a global producer of green hydrogen with its current natural endowments.

We have proprietary technologies that can generate attractive and sustainable margins from a combination of our low-cost feedstock, safe and reliable operations and desirable energy and chemical products. We are focused on optimising the performance of our assets with improved cost effectiveness. We are making progress towards our near-term climate targets through the increased sourcing of renewable energy, using gas as a transitional feedstock and reducing the GHG footprint of our facilities.

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

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

Overview

Energy Business at a glance

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

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Strategy

Positioned for sustainable energy transition and growth

- Leading the energy transition in Southern Africa
- Advantaged assets with enhanced resilience
- Leading fuel technologies
- Integrated value chain and scale
- Developing a green hydrogen economy in South Africa
- Unlocking value through partnering

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

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

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

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

2022 priorities

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

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

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

Sustainability
- Execute 2030 roadmap to reduce GHG scope 1 and 2 emissions by 30%*
- Reduced by 20% GHG scope 3 emissions: Categories 11 by 2030
- Deliver at least 200 MW of renewables in Secunda by 2023
- First green hydrogen in 24 months
- Deliver on commitments to stakeholders and communities

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

Key features

FUTURE SASOL

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

Significant contributor to GDP and leading corporate taxpayer in South Africa

R47 billion direct and indirect taxes paid in South Africa

Preferential procurement of ~ R43 billion

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

Number of employees ~ 20 000 (including Chemicals SA Ops)
Energy Business at a glance (CONTINUED)

**Salient features**
- We experienced two work-related fatalities – one before year end and the other after year end.
- Set up accredited vaccination sites at our medical centres in Sasolburg and Secunda which administered 4,743 vaccines by end of July.
- Fuel sales volumes up 3% due to stronger demand.
- R24 billion spent with Black-owned suppliers.
- Delivery against Mozambique local content plan.

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

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

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

EBIT increased by 17% for the year to R3,2 billion compared to the prior year. The fuel value chain benefited from higher external gas sales in South Africa, the stronger closing rand/US dollar exchange rate on translation of our Mozambique foreign operations and lower depreciation on various assets classified as held for sale. This was partially offset by a provision of R1,4 billion for the potential retrospective application of the final determination by NERSA of the maximum gas price.

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

Midstream operations
Secunda Operational volumes of 7,6mt for FY22 were 3% higher than the prior year with the benefit of the September 2020 phase shutdown which was replaced by a ‘pitstop’ shutdown in May 2021. However, the increase in volumes was partly offset by some operational challenges. At Natref, together with our partner, we reduced our run rates to respond to lower market demand.

**Fuels**
The Fuels segment benefitted from stronger demand as COVID-19 restrictions were eased. Demand for diesel has recovered to above pre-COVID-19 levels, while petrol demand remains between 95–97% of pre-COVID-19 levels. Jet fuel demand continues to remain constrained. Liquid fuel sales volumes of 5,4 million barrels were 3% higher than the prior year.

We recorded an EBIT of R18,2 billion compared to the prior year of R11,1 billion. The EBIT for the financial year includes an impairment of R2,45 billion relating to our Secunda liquid fuels refinery cash generating unit, resulting mainly from a stronger rand/US dollar exchange rate outlook and higher cost to produce gas in the longer term.

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

DROK GT contributed R7,9 billion to EBIT, improving by more than 100% compared to the prior year due to a solid operational performance post the extended shutdown during the first half of the financial year.

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

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**Gaining momentum on asset divestment**
We made strong progress in concluding our planned divestments. The sale of Sasol’s 16 Air Separation Units in Secunda was completed with Air Liquide taking full operational control of the assets, effective from 24 June 2021. A long-term gas supply agreement (15 years) will ensure the continuous supply of oxygen and other gases to Sasol’s fuels and chemicals production units. We sold of our interest in the Gabon oil producing asset during February 2021 and successfully completed the divestment of our interest in the Canadian shale gas assets on 29 July 2021.

The divestment of our 30% equity interest in the Republic of Mozambique Pipeline Investment Company (Pty) Ltd (RDPMCO) is well underway for a consideration value of approximately R4,2 billion. Sasol will retain a 20% equity interest in the pipeline.

**Looking ahead**
- Maintain safe and reliable operations.
- Deliver Sasol 2.0 to reset the resilience of our profitability.
- Deliver our differentiated retail loyalty programme and improve convenience offerings.
- Deliver first green hydrogen in 24 months.
- Sign power purchase agreements for 600 MW of renewables (jointly with Air Liquide) for delivery before 2025.
- Leverage our FT technology, iconic brand, technical talent and innovation muscle to lead the energy transition in South Africa, building new capabilities through partnerships, digitalisation and commercial excellence.
- Secure affordable gas supply and implement identified renewable energy projects as well as pursue opportunities in green hydrogen and Sustainable Aviation Fuel.
- Increasingly blend in sustainable carbon sources and gas as feedstocks, while exploring offsets and keeping a watchlist of options to reduce our carbon footprint, including hydrogen blending as well as carbon capture, utilisation and storage.
- Achieve Net Zero emissions by 2050.
- Address air quality management.
- Maintain flexibility and optimality of choices, allowing us to quickly adapt the trajectory of our reductions and adopt new technologies as they become economically attractive.

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

We will implement these incrementally such that we optimise capital expenditure and manage the pace of execution. Our scenarios indicate that by 2030, we can achieve a ROIC that exceeds weighted average cost of capital by at least two times. Key to this delivery is the successful implementation of Sasol 2.0 transformation program and the growth of our mobility business through enhancing convenience offerings and targeting higher margin channels.

We are taking action to enhance our capabilities to win in this area and supplementing our skills with external, globally experienced teams who have done this before.

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

**Securing upstream gas**
Gas is central to our plans. By securing affordable gas feedstock, we aim to reduce our GHG footprint and expand our reach into new markets, particularly in Southern Africa. As we expect supply from our PPA reserves to start declining from 2025, we are investigating options to optimise our Mozambique upstream assets and secure new gas supplies through importing liquefied natural gas.

In 2021, the Board approved FID on the development of the Mozambique Production Sharing Agreement (PSA) licence area. The US$760 million project will supply 546 bcf of gas to the CTI in Mozambique to enable a 450 MW gas power plant; the supply of 90 000 tpa of LPG to the Mozambique Government; production and export of 12 m bbl of oil and 287 bcf of gas to South Africa.

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

This partnership aims to build a sustainable end-to-end infrastructure for hydrogen mobility.

* Of RPF 2017 base and excluding Natref.
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Direct purchase plan
J.P. Morgan offers a convenient way for you to buy ADRs through the GID Program (“Program”). If you wish to participate or review the Program brochure, please visit adr.com/shareholder. At the bottom of the page click on View All Plans and select Sasol Limited to request an enrolment kit or you can call 1-800-428-4267.

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

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

Abbreviations
B-BBEE = Broad-Based Black Economic Empowerment
bbi = barrels
BFP = Basic Fuel Price
bscf = billion standard cubic feet
capex = capital expenditure
CHEPS = Core headline earnings per share
capex – capital expenditure
CETs = cash generating units
capex – capital expenditure
CHEPS – Core headline earnings per share
capex – capital expenditure
CFTs – corporate performance targets
capex – capital expenditure
CY = Calendar year
capex – capital expenditure
DEPS – Diluted Earnings per share
capex – capital expenditure
DEPS = Diluted Earnings per share
capex – capital expenditure
DEPS = Diluted Earnings per share
capex – capital expenditure
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capex – capital expenditure
EBITDA = Earnings before interest, tax, depreciation and amortisation
capex – capital expenditure
EBITDA = Earnings before interest, tax, depreciation and amortisation
capex – capital expenditure
EPS – Earnings per share
capex – capital expenditure
EPS – Earnings per share
capex – capital expenditure
EPS – Earnings per share
capex – capital expenditure
EPS = Earnings per share
capex – capital expenditure
F1 = Fischer-Tropsch
capex – capital expenditure
F2 = Fischer-Tropsch
capex – capital expenditure
F3 = Fischer-Tropsch
capex – capital expenditure
F4 = Fischer-Tropsch
capex – capital expenditure
F9 = Fischer-Tropsch
capex – capital expenditure
FY = Financial year
capex – capital expenditure
GHG = greenhouse gas
capex – capital expenditure
GTL = gas-to-liquids
capex – capital expenditure
GTL = gas-to-liquids
capex – capital expenditure
GTL = gas-to-liquids
capex – capital expenditure
GTL = gas-to-liquids
capex – capital expenditure
GTL = gas-to-liquids
capex – capital expenditure
GTVS = gas-to-liquids
capex – capital expenditure
HEPS = Headline Earnings Per Share
capex – capital expenditure
IFRS = International Financial Reporting Standards
capex – capital expenditure
JSE = Johannesburg Stock Exchange Limited
capex – capital expenditure
ktpa = thousand tons per annum
capex – capital expenditure
LBIT = loss before interest and tax

capex – capital expenditure
LBIT = loss before interest and tax

capex – capital expenditure
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capex – capital expenditure
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capex – capital expenditure
LBIT = loss before interest and tax

capex – capital expenditure

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, mbmboe – million barrels oil equivalent. All references to years refer to the financial year ended 30 June. Any reference to a calendar year is prefaced by the word “calendar”.

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Shareholders’ diary
Annual General Meeting
Friday, 19 November 2021

Sasol Integrated Report 2021