Sasol Limited - Climate Change 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Sasol Limited (also called Sasol) is an international integrated chemicals and energy company that is proudly rooted in our South African heritage. Our South African operations include a coal to liquids and chemicals facility, gas to chemicals facility and crude oil refining capacity that is vertically integrated to a retail liquid fuels network. We also supply fuels to other licensed wholesalers in the region. In addition, Sasol has chemical manufacturing and marketing operations in South Africa, Europe, the Middle East, Asia and the Americas. Climate change potentially poses various risks to our business which include meeting anticipated legislative and policy requirements, increasing operational costs to reduce emissions and adapting to potential physical impacts. Identifying appropriate responses that balance the needs for economic development, job creation, energy security and sustainability represents one of the greatest challenges to society. For more information on Sasol specific climate change risks, see our **Form 20F disclosure** on www.sasol.com. Sasol supports the international Paris Agreement and its position in climate change is detailed in the **Climate Change Report** accessible on www.sasol.com. In assessing Sasol's responses to this questionnaire, it is important to take note of the company's primary disclosure and communication of its official position on material matters, including climate change detailed in its annual suite of reporting publications (some of which are referenced above), which can be accessed on the following website www.sasol.com. These documents highlight Sasol's management of climate change risk through detailed consideration of its various impacts related to business performance, strategy, risk management and governance processes in a holistic manner, which may not be detailed in the same way by the responses in this questionnaire. In this regard, the prompts in this questionnaire, in particular the risk identifiers, time horizons, likelihood and magnitude of impacts, differ in some aspects from our own internal approach. Thus, we have used best efforts in responding to the questions contained within this document by aligning with our own internal approach. Lastly, it is important to note that we are continuously refining our climate change risk management and response approach through detailed scenario analysis to inform robustness testing of our strategy and appropriate mitigation and adaptation responses. Our CDP data reporting is on a timeline that corresponds with our previous financial reporting year because the submission data is usually before our current financial year end and auditing cycle.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	July 1 2019	June 30 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

China
Germany
Italy
Mozambique
South Africa
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

ZAR

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-CH0.7

(C-CH0.7) Which part of the chemicals value chain does your organization operate in?

Row 1

Bulk organic chemicals

Lower olefins (cracking)
Aromatics
Ethylene oxide & Ethylene glycol
Ethanol
Methanol
Polymers

Bulk inorganic chemicals

Ammonia
Fertilizers
Nitric acid
Chlorine and Sodium hydroxide
Carbon black
Hydrogen
Oxygen
Other industrial gasses

Other chemicals

Specialty chemicals
Specialty organic chemicals
Other, please specify (Alcohols, alkylates, inorganics, solvents, surfactants, waxes, co-monomers, crude tar acids, sulphur, diesel, petrol, naphtha, kerosene, liquid petroleum gas, illuminating paraffin, bitumen and fuel oil, natural gas and explosives)

C-OG0.7

(C-OG0.7) Which part of the oil and gas value chain and other areas does your organization operate in?

Row 1

Oil and gas value chain

Upstream
Downstream
Chemicals

Other divisions

Coal mining

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board Chair	Sasol is managed under the direction of the Board and its Chair. The Board, led by the Board Chair determines and sets the tone of Sasol's values, including principles of ethical business practices and through the Safety, Social and Ethics Committee ("SSEC"), approves Sasol's Code of Conduct. The Board, with the assistance of its committees, approves the strategy and priorities of the business, including Sasol's material matters and, more specifically, those related to climate change. The Board informs and approves Sasol's strategy. We aim to ensure climate change is embedded, takes into account the top risks facing the Group and determines the material matters requiring attention. Climate change management is a material matter and top Group risk for Sasol and is governed and managed at Board, Executive (GEC) and senior management level. The Board, led by the Board Chair oversees and monitors, with the support of its committees, the implementation and execution by management of the policies and priorities and ensures that Sasol accounts for its performance by, amongst others, reporting and disclosure. The Board plays a central role in overseeing climate change being a top risk and manages the main aspects linked to its management, such as long-term value creation in support of the United Nations Sustainable Development Goals (and specifically SDG 8, 12, 13 & 17) and the Paris Agreement. The Board monitors and guides on robustness testing, risk assessment processes, GHG target setting and roadmap development to accelerate our climate change response. This is includes our pending 2050 ambition and roadmap to be communicated later in 2021. An example of a Board decision made in 2020 is the inclusion of the 2030 emissions reduction roadmap into employee STI scorecards from 2021 onward. This decision was approved by the Board-level committee and the Remuneration Committee.
Board-level committee	The Safety, Social and Ethics Committee ("SSEC") is appointed by the Board to provide integrated strategic direction on group-wide sustainability, safety, social and ethics matters for the Sasol Group including climate change as a material matter. The SSEC, in accordance with its mandate as explained in the committee's Terms of Reference, assesses and approves our sustainability approach, inclusive of climate change as a material issue. It also conducts associated risk management oversight to ensure effectiveness and robustness. The SSEC, considers issues around stakeholder perceptions and through regular internal reporting to the Board, it is then equipped with the necessary information to enable it to take the legitimate interests and expectations of stakeholders into account in its decision-making and in particular in relation to climate change matters. A systematic and integrated approach to stakeholder engagement across the Group is in place and enables increased assurance to the Board that all stakeholder issues have been identified, prioritised and appropriately addressed. In keeping with our commitment for enhanced transparency, provision is also made for stakeholder engagement by Board members on an annual basis based on Sasol's Paris-Agreement-aligned climate lobbying position. The SSEC supports the Board in ensuring effective risk management oversight in relation to our climate change risk. A clear example of a climate-related decision made by the SSEC Board committee is the publishing of our annual Climate Change Report. The SSEC also informs the appropriate incorporation of Short Term Incentive Targets (STIs) and Long Term Incentives (LTIs) at executive and other management levels linked to achieving our long-term sustainability objectives and associated monitoring of progress inclusive of impacts on stakeholders from a social, environmental and economic perspective. Our Group wide STI and LTI targets for FY 21, approved by the Board Remuneration Committee, now includes climate change targets with a higher weighting. The Board's Remuneration Committee is tasked to independently approve and oversee the implementation of a remuneration policy that will encourage the achievement of Sasol's strategy and grow stakeholder value sustainably through fair, responsible and transparent remuneration practices.
Other, please specify (Independent Non-Executive Director - Climate Champion)	The Board is accountable for Sasol's performance and setting the direction of the Group by including independent, informed and effective judgement and leadership to bear on material decisions reserved for the Board, while ensuring that strategy, risk, performance and sustainable development considerations are effectively integrated and appropriately balanced. This includes climate change matters. The Board recognises and embraces the benefits of having a diverse Board, for sustaining a competitive advantage, and is committed to ensuring a diverse and inclusive culture at Board-level. The Board comprises a majority of independent non-executive directors, and the Board's succession plans aim to achieve an optimal balance between independence and continuity on both the Board and its Board Committees. In 2018, Sasol appointed a Non-Executive Board member (who still serves) with specific sustainability and climate change knowledge and experience to enhance and support the Board's governance. She brings specific experience on sustainability and climate change, including as former Chief Negotiator for the South African government to the United Nations Framework Convention on Climate Change (UNFCCC). This Board member is the current Chair of the Safety, Social and Ethics Committee. An example of a climate-related decision that was guided by the Non-Executive Climate Change Director is the SSEC's increasing focus on shareholder engagement. In particular, this ensures that shareholder views are adequately addressed at the AGM of which an example is the Board's decision to undertake a non-binding advisory vote at our 2021 AGM on our climate change response.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues Other, please specify (Reduction roadmaps)	<Not Applicable>	The Sasol Limited Board has ultimate control of the Company and approves its strategy. The Board sets the tone for the Company's values and approves the Code of Conduct, driving the principles of ethical business practice, respect for human rights, climate change management and being a responsible corporate citizen. Supported by its Committees, the Board sets the direction for the Group and brings independent, informed and effective judgement and leadership to bear on material decisions and activities. It is responsible for ensuring that strategy, risk, performance and sustainability, including climate change, are effectively integrated and appropriately considered in an equitable fashion. In October 2017, Sasol approved the progressive advancement of specific climate change disclosure objectives aligned to the Task Force for Climate-Related Financial Disclosure (TCFD) recommendations and endorsed the TCFD recommendations in 2018. These disclosures support Sasol in providing the necessary assurances regarding its management of climate change as a material matter and top risk for the Company. In October 2019 and August 2020, Sasol published its first and second Climate Change Reports, approved by the Board. In 2020, the Board also approved our 2030 GHG emission reduction roadmap, as a compass for us to meet our 2030 reduction target. Progress and monitoring of our response and associated performance is tracked by the Board. The Board is also guiding Sasol's 2050 GHG emission reduction ambition, associated target and roadmap development, which we intend communicating in 2021. Climate change related metrics were also discussed by the Remuneration Committee for inclusion in the variable pay plans in 2020 and 2021. Climate change-related matters are addressed through all relevant Board meetings and Board committee meetings.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other committee, please specify (Group Executive Committee)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other, please specify (Climate Change GEC Steering Committee)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly
Other, please specify (Energy Operations Policy, Stakeholder and Governance Committee)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Board has delegated authority, not expressly reserved for the Sasol Limited Board or Sasol Limited's shareholders, to the CEO (also referred to as the President and CEO) of Sasol Limited who is the highest executive decision-making authority of Sasol Limited and the Sasol Group and has delegated authority, and is accountable to, the Board for the development and successful implementation of the Sasol Group's strategy and the overall management and performance of the Sasol Group within the framework of its policies. This includes accountability for executive management of climate change and reporting directly to the Board.

In terms of the authority conferred upon the President and CEO by the Board, the President and CEO has delegated authority to the GEC being the highest collective executive decision-making body in Sasol Group governance structure.

Sasol's Group Executive Committee (GEC) is accountable for recommending to the Board for approval the Company's strategy and long-term plans, including those relevant to our response to climate change. The GEC consists of Sasol's executive management (Executive Vice Presidents) and is chaired by the President and CEO. Sasol's GEC formally adopted sustainable development (including climate change as a key consideration), as a group-wide strategic business objective in 2000. In 2016, we confirmed support for the Paris Agreement and continues to do so through aligning Sasol's Climate Change response therewith. In 2017, we adopted the Task Force for Climate-related Financial Disclosure's recommendations. In 2020, we also formally endorsed the United Nations Sustainable Development Goals (SDGs) and specifically prioritised, SDG 8, 12, 13 & 17.

Sasol continues to take steps towards further embedding sustainable development principles into our activities. Receiving advice and assistance from various internal governance structures, functions and subject matter experts, the GEC guides climate change management throughout the Group and coordinates development of the Group's objectives, targets and initiatives in this area. Climate change is a Group top risk and is also addressed at GEC level.

The President and CEO chairs the GEC meetings, and together with the GEC are the highest-level management positions below the Board responsible for the regular assessing and management of climate-related risks and opportunities in accordance with their Board delegated responsibilities. Our emission reduction ambitions, associated targets and roadmaps are recommended by the GEC for further consideration, steer and approval by the Board.

In 2020 we established a GEC Climate Change Steering Committee to assess, evaluate and provide steer to the senior management level on development of Sasol's 2030 and 2050 targets and roadmaps for communication at our planned Capital Markets Day in 2021. Once approved at executive level these decisions are referred to the Board for further governance. Our Energy operations have committees that have policy, regulatory, stakeholder and governance issues including providing steer on environmental and climate change focus areas. In this context, climate change and the integration with emission reduction roadmaps to deliver on short-, medium- and long-term targets and objectives (including associated impacts on stakeholders , ESG aspects and alignment with the Energy Business strategy) are a mandate of the Energy Operations Policy, Stakeholder and Governance Committee.

The GEC is supported by Functions at Corporate Centre and Business Unit level (Energy and Chemicals Businesses). This includes, amongst others, the office of the Chief Risk Officer and the Portfolio Strategy and Sustainability Function (within the Corporate Centre) as well as the Risk, SHE and Sustainability , the Strategy and Planning as well as the Research and Technology Functions. Collectively and in collaboration with the operations (e.g. Low Carbon Energy Solutions and Gas Sourcing and Operations), these functions inform the strategic prioritisation of our climate change response with due consideration of our scenario analysis, emission reduction roadmap, carbon offsets and associated Just Transition considerations. Responsibility for developing our 2050 emission reduction ambition and associated targets and roadmap (which includes the necessary engineering and business responses), tracking and monitoring against our 2030 target as well as strengthened climate change engagement and disclosure activities, also lie with these Functions. These Functions are led by GEC1 management.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Sasol's short-term incentive (STI) consists of a group scorecard and individual performance agreements, applicable to FY21. Both of these elements contribute to the final approved STI. In both areas, climate-change related measures are included. At the group level, energy efficiency improvement and operational safety metrics, such as fires, explosions and releases (FERs) are included. Various climate-related targets are also included at the Group and individual performance level for at least the first three layers of executives below Board level. In addition, for the first time in 2020, climate change targets were also included in our long-term incentive plan which has a vesting period of 3 and 5 years.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Efficiency target	A single Short-Term Incentive (STI) structure applies to all employees globally, including the President and CEO. The structure consists of a set of group targets with a range of 0% - 150%. This value is then multiplied with the outcome of a personal performance scorecard that covers various other business, leadership and strategic objectives. Climate change-related issues are also covered in the group incentive and personal performance scorecards, which align with annual business plans (weighting of 15% in the group scorecard). A 25% weighting in the 2020 LTI awards towards climate change targets.
Corporate executive team	Monetary reward	Efficiency target	The STI structure consists of a set of group targets within the range of 0% - 150%. This value is then multiplied by the outcome of a personal performance scorecard that includes business, leadership and strategic objectives. Climate related issues are included in the group incentive scorecard (weighting of 20%) and personal performance scorecard, which align with annual business plans. Performance against SHE and energy efficiency metrics at our South African Operations align with the group's targets set for the period 2015 - 2030. Specific members of the Group Executive Committee (GEC) are incentivised on the management of climate change and the reduction of GHG emissions where they have direct responsibility.
Other, please specify (Climate Change Specialists and Managers)	Monetary reward	Behavior change related indicator	The STI structure consists of a set of group targets within the range of 0% - 150%. This value is then multiplied by the outcome of a personal performance scorecard which includes business, leadership and strategic objectives. Process safety measures, which contribute to energy efficiency, safety measured through high severity injuries, and energy efficiency and climate change targets carry a weighting of 20%. This weighting is greater for lower levels in the organisation. In personal performance scorecards, the weighting linked to this element can be up to 50% depending on the employee's role.
Energy manager	Monetary reward	Efficiency target	The STI structure consists of a set of group targets within the range of 0% - 150%. This value is then multiplied with the outcome of a personal performance scorecard that includes business, leadership and strategic objectives. Process safety measures, which contribute to energy efficiency, safety measured through high severity injuries, and energy efficiency carry a weighting of 20%. The weighting is greater for lower levels in the organisation. In personal performance scorecards the weighting linked to this element can be up to 50% depending on the employee's role. An assessment of delivery against Sasol's climate change commitments (specifically energy efficiency) forms part of the key performance indicators, personal appraisals and incentive schemes of relevant Sasol managers. For example, at our operating facility in Secunda, operational managers have targets to achieve energy efficiency which are included in key performance indicators applicable to their areas of accountability. These metrics are tracked quarterly.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	
Medium-term	5	10	
Long-term	10	30	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Sasol's risk management approach delivers top risk profiles at Group and entity levels, identifying those risks that could pose a significant impact to our business strategy and delivery thereof. These risks are identified and monitored in the context of our ever-changing internal and external operating conditions.

Sasol has a robust and standardised Enterprise Risk Management Framework (ERMF), incorporating relevant risk management and governance practices recommended by South Africa's King IV Code for Corporate Governance, the Committee of Sponsoring Organizations' Enterprise Risk Management Integrated Framework and the International Standards Organisation's 31000 Standard. We use a standard risk matrix to analyse, rank and prioritise our top risks, including climate change related risks, in terms of potential likelihood and impact. Our risk matrix is influenced by various impact criteria, which includes both quantitative and qualitative impacts, with categories spanning financial, operational, market, people, legal & regulatory, and geo-political / reputational. Since risks are related to uncertainty, risks are expressed in potential quantitative impacts, not the absolute impact of the risk occurring.

Sasol identifies potential substantive financial impacts, based on climate change risks, in line with our risk matrix. We have defined our potential substantive financial impact as an implication or risk that could pose a financial loss to our business in a range from >ZAR 0.3 - 4.5 billion.

In addition, Sasol has defined Group-level quantitative and qualitative materiality impact thresholds (our "materiality lens"). This lens underpins the basis from which risks are escalated on the Group top risks, to the Board. Our "materiality lens" has defined potential substantive high impact quantitative criteria, including:

- Financial (> of a certain % of Group EBIDTA impact), or (> of a certain % Group cash fixed cost impact),

- Operational (Group impact on the integrated value chain of > a certain period),

- Market (impacts of > of a certain % of specific key/critical product lines, or loss of > of a certain > of a certain % of the Groups market share),

- Legal & Regulatory (fines / penalties / legal action with total impact of > of a certain % of Group turnover), and

- Geopolitical/Reputational (share price impact of > of a certain %).

Sasol has also made use of climate-related scenario analysis, both qualitative and quantitative, to inform our business strategy, assess the impacts of climate change in the short, medium and long term, and provide insight for our future risk management processes. In this way, robustness is assessed and strategic choices are then made for Sasol to ensure our future resilience.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered
Direct operations
Upstream
Downstream

Risk management process
Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment
More than once a year

Time horizon(s) covered
Short-term
Medium-term
Long-term

Description of process
Sasol's risk management approach is informed by our Enterprise Risk Management Framework (ERMF). The application of the ERMF risk management processes aims to ensure that all risks, including climate-related risks, are systematically identified, assessed and managed with measurable results, allowing for continuous feedback to address stakeholder enquiries related to climate change. Annually, Sasol identifies Group top risks which require attention and awareness by all business units and strategic developments. We have a set of Board-approved Group top risks, which are also tracked by the Group Executive Committee (GEC) and relevant Board committees, and climate change risks form part of these identified top risks facing the organisation. All of our top risks contain a consistent set of four defined "aspects", in accordance with the ERMF. These "aspects" are business imperatives, the outcomes of which might materially impact our ability to achieve our strategy. These four aspects are: 1. Business sustainability and earnings growth; 2. Long-term business viability; 3. Employee value proposition; and 4. Stakeholder impact. Sasol has identified that climate change related risks are directly linked to Aspect 2 (long-term business viability), with various linkages of critical connectivity to the other three aspects of our top risks. These linkages include operational interruptions, competitiveness, supply and demand for our products, our future legal licence to operate, our employee wellbeing and reputation, and stakeholder interests and investment markets. Thus, climate change risks have been identified and are managed in an integrated risk management approach, company-wide (i.e., at both the asset and Group level). Sasol has recently conducted climate-related scenario analysis, to consider climate change most effectively in our business strategy. Climate change is noted as a top risk, thus, developments in global climate change understanding and changes in climatic predictions are monitored on a quarterly basis. Climate change risks are identified over the short-, medium- and long-term and are reported to the relevant governance structures for appropriate consideration within these timeframes. Scenario analysis, together with the identified risks, their ranking and the prioritisation of the risks are performed using our standard ERMF risk matrix. We emphasise all risks and opportunities with a potential impact on our income, expenditure and capital, the achievement of strategic objectives (medium to long term), reputation, and/or delivery on short term business plans as points of focus. To supplement this understanding and ERMF management, we disclose our climate change risks in line with the TCFD recommendations, following our comprehensive climate change risk review in 2018. The TCFD approach used provides a structured way for us to explore, analyse and identify appropriate key risks and responses to these. From our use of the TCFD recommendations, we have identified three top sub-risks to be managed for Sasol's sustainability in light of climate change, which have been analysed with due consideration for the risk drivers and response measures. These sub-risks are: · Sasol's inability to develop and implement an appropriate climate change mitigation response; · Sasol's inability to ensure long-term resilience of business operations; and · Downstream societal pressure impacting on market access and product competitiveness. An example of some of the physical risks we face include hurricanes and cyclones in our US and Mozambique operations respectively. The increased risk of cyclone occurrences and impacts on Mozambique (as a result of climate change) have led to increased damages to nearby infrastructure and community displacement. In anticipation of this risk, Sasol has set aside an annual emergency relief fund to be distributed across the communities in Mozambique for immediate care and reconstruction, in the case of a cyclone occurrence. Another physical risk faced is the increased rainfall pattern experienced around our Secunda operations, which has a zero liquid effluent discharge design. This risk is currently in the process of being managed through various treatment and water pumping ideas being explored, to combat the potential overflow of storage dams that could occur with an increase in flash flood events as a result of climate change. A transitional risk faced by Sasol, specifically in our South African operations, is the potential impact of the local carbon tax on our operating costs. The South African Carbon Tax Act was promulgated in 2019 and since, Sasol has been subject to tax implications. This impacts Sasol's profit margins and is anticipated to have increased impacts on our business model in the near future, with increasing uncertainty around electricity and other supplier-related pass through carbon tax implications. The pass through costs of our suppliers' carbon tax implications could result in vast increases in operating costs for our South African operations. In light of this identified risk, we have begun reducing emissions, increasing our energy efficiency measures, decreasing reliance on the national electricity grid through renewable energy which also minimises our operating costs linked to purchasing electricity and the associated tax implications of this. Several GHG emission reduction initiatives have been implemented, to minimise our direct carbon tax liability for our South African operations.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Sasol aims to continuously remain abreast of all current regulations, to ensure that we compliant with all legislation within our operating regions. Current regulations pose risks that are a key component of our climate change risk management process. Non-compliance with current regulations could result in fines and penalties for our business and, worst-case scenario, could result in the loss of our operating licenses within a country. This is why Sasol always includes current regulations as part of the monitoring of risk to our operations. Incoming and existing regulations relating to our operating regions and their various commitments to the Paris Agreement are addressed through Sasol's risk assessment process. Developments are tracked as these legal requirements may have a significant operational and financial impact on our operations. For example, our European operations are directly impacted by the Emissions Trading System (EU ETS) allowance process. Any shortfall in adhering to the regulatory requirements and timeous payments attracts potential financial liabilities. These risks are included as risk drivers in the climate change risk assessment. Another example is the introduction of the South African Carbon Tax Act in June 2019, which will be implemented in phases. The presence of the Act results in increased operating costs for our South African operations and the uncertainty on the future phases of the Act poses a risk to our operations in future.
Emerging regulation	Relevant, always included	Sasol monitors all emerging legislation (including changes to current legal requirements) in the countries in which we operate. Similar to our approach to current regulations, emerging regulations are always relevant and included in our risk management processes. Emerging regulations also pose risks that are integral to our climate change risk management process. Non-compliance with regulations that arise could result in fines, penalties or even result in the loss of our operating licenses within a country, thus we aim to remain abreast upon all upcoming regulations. For example, the draft South African Climate Change Bill is a key emerging regulation in South Africa which will be the first holistic piece of legislation aimed at developing a country-specific climate change response. We understand the implications of the Bill on our operations and thus have utilised the opportunity to partake in the public commenting process and will monitor the finalisation and implementation once enacted. Another example is how South Africa is currently updating its Nationally Determined Contribution, Sasol is also participating in this process. This update will impact carbon budget allocations and carbon tax posed on corporates in South Africa. Greater ambition is supported taking our national circumstances into account and through Business Unity SA (BUSA) Just Transition Working Group, we have been involved in developing Just Transition pathways for greater ambition. Sasol is an active member of BUSA and the NBI, where our CEO holds the position of a “Champion” on the energy transition. The recent announcements in Europe on the climate change policy "Green Deal" on climate neutrality are also being closely tracked, for similar reasons to that mentioned for the South African implications.
Technology	Relevant, always included	Technology developments are noted to impact on operational productivity, compliance with regulations and operational efficiency. Newer and more efficient technologies can result in increased productivity at lower costs to the company and decreased environmental impact. The benefits of implementing new technologies are often combatted with the high investment costs associated with purchasing new technology options. There are limited technology options to affordably reduce carbon emissions in South Africa today, which is where our largest emissions exist. For example, in 2020, Sasol released its 2030 emission reduction roadmap. Through this process, we evaluated over 100 mitigation options and identified key levers to reduce our GHG emissions by 2030. We are also in the process of developing our 2050 ambition and roadmap for communication by 2021. In line with this roadmap, Sasol has identified and begun implementing various initiatives, including implementation of new technology options, to reduce our energy consumption and GHG emissions production. The more advanced GHG reducing technologies are actively being unlocked by Sasol for implementation from the late 2020 onwards. Sasol actively monitors and tracks technology developments, such as hydrogen and carbon capture, and use this knowledge to inform our business strategy and potential new opportunities that could assist us to increase our efficiency while decreasing our emissions, at an affordable and feasible cost. Technology options and new technology availability are thus considered a key risk and opportunity to Sasol’s business model since the technologies developing in light of climate change are changed frequently and this affects legislation and Sasol’s relevance. Technology risks are therefore included as a risk driver in the climate change risk management process.
Legal	Relevant, always included	We consider legal risks as part of our internal climate change risk management process. A recent example of legal risk with potential applicability includes international jurisprudence on climate change matters related to the oil industry. We note that recent court rulings are requiring more stringent targets from private entities, on a case by case basis, in support of the goals of Paris Agreement. These rulings and other legal precedents are considered as part of our risk management process informing our strategy. Thus, we continue to remain abreast of the changes global legal risk landscape. Another example is the risk of non-compliance with GHG reporting regulations under the National Environmental: Air Quality Act applicable to our South African operations. In South Africa, our operating sites have to comply with the reporting requirements under the National GHG Emission Reporting regulations, which came into effect in April 2017. This reporting requirement informs our carbon tax liability. Thus, this is considered a significant risk to our operations.
Market	Relevant, always included	Sasol is aware of the changing consumer behaviours, influencing our market-related risks. The changing market focus and increased awareness of climate change impacts has increased societal pressure and community activism, together with increasing environmental awareness, which has in turn resulted in increased pressure from capital markets and investors to increase product competitiveness. This is of particular concern in more mature regions, like Europe and North America. For example, the European Union (EU) Emissions Trading System (ETS) poses additional operating costs to our European operations, impacting Sasol’s market competitiveness in relation to other energy sources. This may result in shifting of the market towards low carbon fuel sources. These risks are considered as a risk driver in the climate change risk management process and are relevant given the emissions intensive nature of Sasol’s operations in Europe. Similarly, the incoming Carbon Border Adjustment Mechanism (CBAM) in the EU could add more market influence against goods imported by our South African operations to EU customers post phase 1.
Reputation	Relevant, always included	Sasol’s reputation as a responsible corporate citizen supports in maintaining our social license to operate. We aim to maintain a positive reputation, specifically in light of our footprint associated with climate change and the risks posed by it. Sasol supports and are progressing our efforts on enhanced climate change disclosure aligned to the TCFD recommendations in its suite of annual reports amongst others. We engage government departments and other key stakeholders on GHG mitigation policy to build trust-based relationships and position Sasol as a credible stakeholder partner. Reputational risks are therefore duly considered as a risk driver in the climate change risk process and are relevant given the energy intensive nature of Sasol’s operations, specifically in South Africa. In this context specifically, reputational risks are always considered relevant and are included in our internal risk management processes in accordance with our Risk Policy and supporting Enterprise Risk Management Framework. An example of climate change related reputational risks faced by Sasol, could be the decreased access of Sasol’s surrounding communities to water resources and other services, which could in turn lead to increased pressure on Sasol to assist municipalities with basic service delivery. Increased activism has been experienced over the past few years in South Africa, which is expected to continue in a COVID-impacted world, where many communities are left more vulnerable.
Acute physical	Relevant, always included	Sasol is already experiencing some of the physical impacts of climate change on various operations globally. It is noted that there has been an increase in the severity and frequency of extreme weather events, including cyclones at our North American and Mozambican Operations. These events are considered significant considering the financial impact posed by their occurrence due to infrastructure damages and work stoppages. Thus, acute physical risks are considered relevant and are always included in our risk management processes. As an example, Hurricane Delta and Hurricane Laura (in August and October 2020) impacted our Lake Charles site significantly. Our operations suffered damages and overall revenue losses summing up to around R3.3 billion in this past reporting year, purely based on acute physical weather occurrences. This is considered a substantive financial risk according to Sasol’s definition and risk management processes.
Chronic physical	Relevant, always included	Based on climate change, and anticipated impacts according to our scenario analysis conducted, Sasol’s operations are anticipated to experience changes in precipitation and temperature patterns, as a result of climate change. These changes are considered a key risk for Sasol’s direct operations and value chain, specifically regarding the future impact of these changes on our water security and operating costs. Changes in temperatures could result in increased cooling costs and decreased equipment efficiencies, while changing weather patterns could lead to increased flood and drought occurrences, with more flash flooding and dry spells within a year. Chronic changes are anticipated to be experienced globally. These risks are thus considered relevant and are always included in our risk management process. An example of this impact is the risk of decreased water availability from the Vaal River system that supplies our Sasolburg and Secunda operations, due to changing rainfall patterns and increase temperatures. This poses a significant risk for water security. Sasol’s climate change adaptation study specifically evaluated the impact of chronic physical risks on the business. Sasol therefore considers induced changes in water availability in South Africa as a key driver in the climate change risk process.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Sasol commissioned the development of a climate change adaptation study. Site-specific engagements were held to determine the extent to which the business is exposed to physical climate change risks. One of the risks identified at our most important South African sites is the increased frequency of heavy rainfall events and flooding. This can lead to discharge to the environment as a result of potential overflow from onsite storage facilities compromising neighbouring communities and municipality's infrastructure, and could also result in work stoppages and potentially lead to fines and penalties. Previous events of flooding include those occurring at the Sasolburg operations. This operation experienced significant rainfall events (230mm in 3 days in February 2017, 76mm in 24 hours in December 2017 and 90mm in 24 hours in March 2018) which exceeded the 1 in 100-year flood events. In this past reporting year, our Secunda operation experienced late season heavy rainfall, influenced by a nearby tropical cyclone. The rainfall occurrences led to flooding activities and high volumes of contaminated storm water flowing into the Sasol site. Flooding is a particular concern for our Secunda operations, as it has been designed to not discharge liquid effluent, but rather store surplus effluents in storage dams. In winter months evaporation creates storage space for the wet summer months. However, the increasing occurrence of one-in-fifty years rainfall events and the change in rainfall season (due to climate change) is posing increasing risk to our operations. There is increased risk of overflow and resultant environmental impacts. To date, no production interruptions have occurred, but Sasol has identified this as a pending risk for our operations. These incidents were appropriately reported to the authorities and no fines or penalties were incurred.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
260000000

Potential financial impact figure – maximum (currency)
780000000

Explanation of financial impact figure
Excessive rainfall occurrences without proper preparation could result in overflow of the system and result in work stoppages at the various sites. Flood impacts could result in operational stoppages. Previously experienced stoppages ranged between 24 hours and 3 days. If Sasol were to stop all operations in South Africa for one operating day, revenue losses of around R260 million per day could be experienced. Over the course of three days, up to ~R780 million could be lost in revenue earnings.

Cost of response to risk
139000000

Description of response and explanation of cost calculation
There are several potential responses to minimise the impact of this risk. One of the measures taken by Sasol was to upgrade the storm water system at Sasolburg at a cost of R39 million. Sasol also invested around R100 million in the development of a pollution control dam for onside domestic waste to control stormwater runoff and seepage. The implementation of all the above-mentioned interventions cost Sasol ~R139 million over time. Other interventions conducted in light of extreme rainfall events, implemented by Sasol, includes: • Installation of permanent lines and pipelines from the return water dams to prevent overflows. • Cleaning all effluent basins and dams to ensure improved buffer capacity. • Upgrading of the storm water outlet drains. • Raising manholes in identified areas where storm water ingress into the site was severe. • Berms of soil were put in place to keep storm water runoff from the light industries (Sasolburg town area) out of the Bio-works and sites. • Supporting the Municipality to upgrade the sewer network (Sasol operates the local council sewage works in both Sasolburg and Secunda on behalf of the Municipality). We also commenced investigations into developing a risk management strategy to combat the flood risks faced by our Secunda operations. This strategy will be discussed further once more detail has been developed.

Comment
None.

Identifier
Risk 2

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Rising mean temperatures

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Sasol commissioned the development of a climate change adaptation study. Site-specific engagements were held to determine the extent to which the business is exposed

to physical climate change risks. One of the risks identified was the increasing temperatures that poses a risk to Sasol's operational productivity because this can potentially result in a reduction of cooling capacity from the cooling towers. Without sufficient cooling, production efficiencies are impacted which may result in lost revenue. Nine events were recorded since 2010, with eight of those events occurring in 2017 and 2018. These extreme temperature events could have resulted in lost revenue of approximately R4.7 million due to reduced productive capacity. This amount was calculated by estimating the potential loss against forecast production.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Low

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
4700000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
In accordance with the climate study conducted, the impacts of increased temperature events could have resulted in a potential revenue loss of R4.7 million. This was calculated by estimating the potential revenue loss in light of the lost forecast production.

Cost of response to risk
1100000

Description of response and explanation of cost calculation
Downscaled climate modelling was conducted at four of Sasol's main production sites to assist Sasol in developing adaptation measures that are meaningful at each site. The direct cost of the adaptation study was R1.1 million. There are also internal human resource costs and capital and maintenance costs associated with managing this risk that are not included in this cost.

Comment
None.

Identifier
Risk 3

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Chronic physical	Other, please specify (Water security)

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Sasol is provided water at a high assurance of supply, given it is a critical feedstock for our business. In addition, many of our current or planned facilities are located in areas with water quantity, quality or delivery challenges. Water security has been identified as a Group Top risk for Sasol and it is understood that the effects of climate change in the future may exacerbate this risk further, particularly for our South African operations. Sasol's water supply for the Sasolburg and Secunda operations originates from the Integrated Vaal River System (IVRS). In the reporting year, our Secunda Operations (SO) experienced feed water quality challenges. The primary source of supply to SO is through Grootdraai Dam, within the IVRS, and associated transfer system. Seasonal changes in Grootdraai Dam water quality continues to be observed and on the whole is progressively deteriorating often being above 300 µS/cm conductivity. Optimum conditions for SO is for the conductivity to be below 240 µS/cm. SO manages this by requesting DWS to blend good quality water from Vaal Dam with Grootdraai Dam. This deteriorating water quality has resulted in increased river water consumption/ demand, through managing the salt loading capacity of the water used to ensure that boiler efficiencies are optimised. It is anticipated that water use could increase by approximately 3% to 4% at Grootdraai Dam, if the water quality here continues to deteriorate.

Time horizon
Short-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
500000000

Potential financial impact figure – maximum (currency)
1400000000

Explanation of financial impact figure
Sasol relies on good quality water to sustain operations. We are aware of the increasing water risks faced by our operations and will not compromise on our operations continuity, due to poor quality water. Thus, the financial impact figure reported here is the cost required to ensure our operational continuity. This impact can be quantified based on water quality related calculations done to understand the base risks faced at our Secunda operations. The capital investment of a new water treatment plant required to treat 4ML of water per day was calculated as the impact figure. This is the volume of water required to be treated to compensate for deteriorating water quality and ensure operational continuity at Secunda. Based on these calculations and in the best-case scenario, Secunda could face an additional cost of around R500 million, while in the worst-case scenario, the impact could increase to approximately R1.4 billion.

Cost of response to risk
1400000000

Description of response and explanation of cost calculation
There are various methods through which Sasol can combat our water-related risks that have been explored. Sasol is currently in the process of developing strategic water-related targets as a means through which to manage our risks, ensuring a lower reliance on water. We believe that there is an opportunity to advance water security, beyond just the gates of our operations. By piloting a context-based water target in the Upper Vaal Catchment, we realised the benefit for both business and catchment communities in the area. The pilot work concluded that Sasol should consider setting a water quantity target by reducing surface water demand in the catchment. This can be done either internally or through supporting Rand Water and its municipal customers to reduce their water losses. Our aim is to try and protect the catchment, as well as secure water for Sasol well into the future. As a result of Sasol's restructuring, these targets will be investigated further in FY22. One of the other options is to invest heavily in water treatment technology. The anticipated worst-case scenario cost of a proposed 4ML / day water treatment plant at our Secunda operation is ~R1.4 billion and represents the potential cost.

Comment
None.

Identifier
Risk 4

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact
Decreased revenues due to reduced production capacity

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Sasol commissioned the development of a climate change adaptation study. Site-specific engagements were held to determine the extent to which the business is exposed to physical climate change risks. One of the risks identified was the increased intensity of cyclones / hurricanes on our operations. Sasol's Central Processing Facility (CPF) in Mozambique is at risk from multiple cyclone occurrences. Cyclone Favio in 2007 caused infrastructural damage to the CPF and cost in the region of $250 000 (~R3.7 million). In January 2021, Cyclone Eloise passed through Mozambique as the second strong cyclone to impact Mozambique in the space of 2 years. Sasol's processing plant had to make provisions for the storm in this time. This caused intense damage to surrounding communities and infrastructure in nearby areas to our Mozambique operations. No damages or stoppages were incurred by our facilities in Mozambique. In addition, hurricanes have affected our Houston office and Lake Charles operations on a number of occasions, including Hurricane Harvey (August to September 2017) which affected the construction of our Lake Charles Chemical Project. In August and October 2020, Hurricane Laura and Hurricane Delta impacted our Houston operations, respectively. The two hurricanes resulted in property damages and operational stoppages, which led to loss of revenue from these operations. These damages were claimed for from insurance.

Time horizon
Short-term

Likelihood
Very likely

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
3300000000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
There is no implication to our Mozambique operations in light of hurricanes since no damages or work stoppages have occurred. The Lake Charles Chemical Project, in 2017, suffered a schedule delay of approximately four weeks and additional costs of ~US$130 million (~R1.8billion). In 2020, Sasol logged operational property damages costing - based on insurance claims - ~US$ 56 million (~R800 million), with business interruption losses being ~US$39 million (~R550 million), all due to Hurricane Laura. The impacts of Hurricane Laura resulted in 45 days of lost operations for Sasol. Also, in 2020, Hurricane Delta resulted in Sasol property damages costing ~US$3.5 million (~R50 million), with business interruptions estimating ~US$7 million (~R100 million). The sum of all financial impacts from hurricane occurrences, incurred from 2017 to date, resulted in ~US$232 000 (~R3.3 billion) lost.

Cost of response to risk
1460000

Description of response and explanation of cost calculation
The risks associated with hurricanes and cyclones are well managed in Houston, Lake Charles and Mozambique using robust preparedness measures. Low cost adaptation measures and actions have been identified and implemented to manage this risk, including: - Engaging with other operations experiencing similar impacts

(lesson and practice sharing); - Improving preparation procedures; - Improving recording and reporting around cyclone, hurricane and tornado events and their impacts to continually improve understanding of the risks; - Implement effective low-cost adaptation measures (including improving maintenance contracts systematically), - Continue to engage with government to feed into policy development process on a national level and to support development of adaptation interventions on a wider scale. Existing operations are built to withstand extreme weather conditions and through design measures new plants are also being built to withstand current weather events. Downscaled climate modelling was conducted at 4 of Sasol's main production sites to assist Sasol in developing adaptation measures that are meaningful at each site. The direct cost of the adaptation study was ~US$ 77,272 (~R1.1million). There are also internal human resource, capital and maintenance costs associated with managing this risk that are not included in this cost. There is also increased awareness of the impact of cyclones on our Mozambique operations and our surrounding communities. Thus, Sasol has committed to allocate US$25,000 (~R360,000) to Corporate Social Investments for early disaster relief fund in this already high-risk region of our African operations. This is a particular focus for our Mozambique operations, since the preparedness of our Lake Charles operations is more advanced. The sum of these investments is considered a proxy for the "cost of response" thus far, which is ~US$102,573 (~R1.46 million).

Comment
None.

Identifier
Risk 5

Where in the value chain does the risk driver occur?
Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms

Primary potential financial impact
Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
The Paris Agreement commits countries to transition towards a low carbon economy. In South Africa, Sasol's carbon footprint is significant, exposing us to increased carbon-related costs. The Carbon Tax Act commenced on 1 June 2019 and is based on the National Greenhouse Gas Emission Reporting Regulations (NGERs), developed by the Department of Forestry, Fisheries and the Environment (DFFE). The carbon tax rate for 2021 is R134 per ton of CO2e for emissions above the tax-free thresholds and increases annually. Our high tax risk is amplified by a large portion of Sasol's GHG emissions being tied up in process emissions, which are directly linked to production volumes. Currently, limited mitigation technologies are available to reduce our GHG inventory, other than those already implemented. In addition, Sasol's South African operations are largely dependent on the national electricity utility, Eskom, as a key source of electricity. Currently, during phase one of the carbon tax, Eskom is not liable for tax. However, Eskom is anticipated to become liable in Phase two (2023 to 2030). There is uncertainty as to whether pass through carbon tax costs will be incurred by Eskom's customers. This poses a risk to Sasol's costs for purchasing electricity from Eskom. The carbon tax has and will continue to negatively impact free cash-flows generated from our South African operations. The future risk that Sasol faces is how much will be paid as tax liability or possible penalties for exceeding the carbon budgets or how much additional expense would be incurred from pass through tax costs from suppliers. In the EU, Sasol is subject to the emissions trading system (ETS) pricing implications for our European operations. The ETS was developed in the EU's attempt to drastically reduce GHG emissions in Europe, to reach a net neutrality by 2050, and is now in phase 4 (2021 to 2030). This phase of the ETS attempts to reduce EU emissions to 55% by 2030, from a 1990 base year. The cap-and-trade system used limits Sasol's production of GHGs and requires Sasol to purchase allowances from other industries, to compensate for the emissions associated with our operations. In this reporting year, Sasol was liable for 874 465 tCO2e in allowances under the ETS. Since Sasol was not allocated enough allowance under the ETS, purchasing of additional allowances was required for compliance. This increases the carbon-related costs associated with Sasol's European operations.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
700000000

Potential financial impact figure – maximum (currency)
1610000000

Explanation of financial impact figure
For 2021, Sasol's South African operations is anticipated to have a carbon tax liability in the order of R700 million - R1,1 billion. In addition, in 2020, Sasol purchased 6.3 million MWh of electricity from the Eskom national grid. Considering future potential pass through costs that could be associated with Eskom's carbon tax liability (anticipated to come into effect from 2023 onward), Sasol may experience an increase in electricity price by approximately R0.05/kWh. Thus, Sasol could experience increased electricity costs in the order of R 314 million further. Sasol is liable for allowance purchases under the EU ETS systems. In this reporting year, we purchased 176,698 ETS allowances in addition to those already allocated to us. These allowances are anticipated to be purchased for €32 - €65 (~R538 – R1090) per allowance ton by 2030. Thus, the allowance costs could range, on average, between R95 million and R193 million by 2030. From Sasol's carbon tax liability, future pass through costs and approximated ETS allowance purchases, we have an estimated cost implication of ~R700 million (in current day scenarios) to ~R 1.61 billion (by 2030).

Cost of response to risk
11000000000

Description of response and explanation of cost calculation
Sasol has also committed to an at least 10% reduction target on scope 1 and 2 emissions by 2030, off a 2017 baseline, for our SA operations. In FY 20, we have implemented several initiatives (at a cost of R420 million) and already achieved a 3.1% emissions reduction off our 2017 baseline. In 2020, Sasol communicated its 2030 emission reduction roadmap for reducing our GHG emissions in our Climate Change Report. Over 100 options were evaluated to identify the most suitable alternatives for reducing emissions. We intend to invest approximately ~R11 billion in capital expenditure on our emissions reduction programme from 2025 to 2030. This expenditure is

subject to review of our 2030 roadmap and has not yet been invested. We are in the process of reviewing our 2030 target for greater ambition and will be setting a 2050 ambition, all to be disclosed at our CMD in 2021. Some additional climate-related activities to address this risk include: • The development of a 2050 ambition and roadmap for intended communication in 2021. • Our commitment to a 30% energy efficiency improvement by 2030 for all operations through the Energy Productivity Initiative of the Climate Group. • The update to our strategy to focus on Energy and Chemicals businesses, with climate change as a cornerstone of our response. This was undertaken based on climate change scenario analysis. • Our engagement with government departments and other key stakeholders on all key climate change policies through active participation at international forums (i.e. UNFCCC, New York Climate Week and the Business and Climate Summit) to track international trends. • Sasol aims to participate at COP 26 in 2021. • Sasol Group Technology is tracking developments such as green hydrogen in GHG mitigation and utilisation technologies to identify and evaluate potential breakthrough opportunities to inform the business strategy and relevant investment decisions. The sum of all emission reduction initiatives to address this risk made this year cost approximately R420 million and is based on actual spend incurred. The additional spend for the total cost of the response to this risk includes the expenditure anticipated from 2025 onward, estimated at ~R11 billion on a pre-feasibility level of definition. Thus, the total spend is ~R11 billion from 2025 to 2030.

Comment
None.

Identifier
Risk 6

Where in the value chain does the risk driver occur?
Downstream

Risk type & Primary climate-related risk driver

Reputation	Increased stakeholder concern or negative stakeholder feedback

Primary potential financial impact
Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification
<Not Applicable>

Company-specific description
Environmental awareness, particularly in the climate change context, has grown significantly amid the continuation of technological innovation to drive efficiency and elevated levels of public perception, with the associated consequence of impacting existing business models. Some trends observed by Sasol include: • Increased pressure on institutional investors to progressively divest from fossil fuel (coal-based) companies with a view to invest in more sustainable businesses using alternative clean energy sources; • Socio-political drivers driving stricter legal regulations necessitating entities to reduce their environmental footprints; • Increased demand for environmentally friendly products that use energy more efficiently and have a smaller environmental footprint; and • Increased activity and use of legal mechanisms by civil society, communities and activists calling on governments, industry and wider society to drive outcomes that contribute to a sustainable environment for future generations. This is particularly relevant given the GHG intensive nature of our coal-to-liquid (CTL) operations in South Africa. There could be an impact on Sasol's reputation resulting in limited market access and the competitiveness of our products, particularly in more mature environments such as Eurasia and North America. Sasol in 2018, 2019 and 2020 received shareholder resolutions calling for optimisation in climate change management additional targets and increased disclosure on climate change matters. More and more investment funds are excluding companies who have a high coal exposure.

Time horizon
Medium-term

Likelihood
More likely than not

Magnitude of impact
Medium-high

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
10300000000

Potential financial impact figure – maximum (currency)
25900000000

Explanation of financial impact figure
This risk has been quantified by assuming that the turnover of our Base Chemicals operations in Secunda, which is GHG intensive, could potentially be eroded from anywhere between 20 - 50% depending on the level of global climate change ambition achieved. These strategic outcomes have been informed by Sasol's scenario analysis process reported on in our 2020 Climate Change Report. We have estimated, if unmitigated, that our revenue could potentially be eroded from our Base Chemicals operation between approximately R10.3 – R25.9 billion by 2030 (whose turnover for FY 20 was R 51.9 billion). Sasol acknowledges our coal value chain is unsustainable and the increasing risk of consumer and market preferences relating to carbon intensive products. We are thus mitigating this impact by implementing GHG reduction targets and redirected our Future Sasol strategy toward gas, hydrogen and renewable energy usage to produce progressively more sustainable fuels and chemicals into the future. Our Mining business is not considered a growth area and coal usage as a feedstock will decline in line with our GHG reduction ambitions.

Cost of response to risk
11000000000

Description of response and explanation of cost calculation
Sasol supports the transition to a low carbon economy. Through our emissions reduction roadmap, Sasol is addressing key business-related risks. We use annually updated climate change scenario analysis to inform our strategy. In transitioning to Future Sasol, we made decisions to decline our coal usage in line with our GHG ambitions and have stopped all oil growth activities in West Africa. We are actively pursuing divestments to reshape the portfolio and focus on our core business activities through two distinct business units, i.e., Chemicals and Energy. We have adapted our Chemicals business to focus on using lower-carbon feedstocks. We have also begun resizing our operations to focus more on gas, green hydrogen and renewables to produce sustainable fuels and chemicals. We also relinquished our oil and gas exploration rights in Mozambique. Our Energy business is focusing on significantly reducing GHG emissions in support of the Paris Agreement objectives, with further developments on our targets expected in late-2021. We are actively pursuing reliable, affordable and low carbon energy; and we intend to achieve further transformational changes through collaboration, technology, innovation and advocating for climate change policy, taking our national circumstances into account. We recently announced strategic partnerships to unlock green hydrogen in South Africa with Industrial Development Cooperation, Linde, ENERTRAG and Navitas and Toyota. Sasol is also aiming together

with its partners to participate in a global hydrogen auction to stimulate sustainable aviation fuel using green hydrogen production in South Africa using existing assets, our Fischer Tropsch technology and know how. South Africa and Sasol is advantaged in producing these much needed products for a low carbon future and simultaneously decarbonising our operations and the economy. We are focused on improving the performance of our existing asset base through higher productivity, increasing operational efficiency and leveraging existing and emerging technologies to reduce emissions. A 2050 long-term GHG reduction ambition and roadmap is under development to enable continued resilience and mitigate further potential negative financial impacts on future earnings. We have estimated it will cost Sasol ~R11 billion for execution on our roadmap from 2025 - 2030 and reaching an absolute emissions reduction of a least 10% by 2030, from a base year of 2017, for our South African operations.

Comment
None.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?
Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier
Opp1

Where in the value chain does the opportunity occur?
Direct operations

Opportunity type
Resource efficiency

Primary climate-related opportunity driver
Use of more efficient production and distribution processes

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
There are a number of tax incentives, research and development incentives and government grants related to energy efficiency and climate change in South Africa. The most relevant of these is the Section 12L Tax Incentive Scheme, which is managed by the South Africa Department of Mineral Resources and Energy (DMRE). The scheme provides tax reduction incentives for businesses that can prove measurable and verifiable energy-related savings, in all energy forms. The tax relief was recently increased to 95 cents deduction on taxable income per kilowatt-hour of energy saved – subject to all the conditions in the 12L regulations being met. All of our South African operations were able to take full advantage of the Section 12L incentive and there are currently 12 registered energy efficiency initiatives with the South African National Energy Development Institute (SANEDI) from which Sasol has generated significant savings. Sasol's Secunda Operations, through its energy efficiency initiatives, and implementing the principles of ISO 50001, saved approximately 9 686 GWh for the period FY14 to FY18 and ~6 048 GWh for FY19 of utility and process energy input. In addition, our Sasolburg Operations saved ~3 606 GWh for the period FY15 to FY18 and added another ~255 GWh in FY20. From our Fischer-Tropsch Wax Expansion Project (FTWEP) over the period from FY16 to FY18, we saved ~ 3 101 GWh and Natref saved ~479 GWh for FY19. In FY20, Mining contributed a saving of ~46 GWh achieved.

Time horizon
Short-term

Likelihood
Virtually certain

Magnitude of impact
High

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
78300000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Sasol receives this financial impact in the form of tax savings for our South African tax obligations. In terms of Section 12L of the South Africa Income Tax Act, the above listed claims were verified by an independent Monitoring & Verification auditor, and a tax certificate was issued by SANEDI. For FY20, the tax certificates amounted to R285 million. Translated in shareholder value saved, after all operating costs are removed, resulted in savings of ~R78.3 million for Sasol for FY20.

Cost to realize opportunity
84000000

Strategy to realize opportunity and explanation of cost calculation
Sasol is managing this opportunity through regular identification and implementation of energy efficiency projects. A selection of these projects were identified as appropriate for realising the section 12L tax incentive. Sasol has focused ongoing efforts on an energy improvement roadmap at all our operational sites, seeking to deliver sustained improvements in our energy efficiency through low capital and operating cost initiatives. The energy efficiency improvement programme is further complemented by the 'Best Practice Energy Efficiency Improvement Initiatives' guidance. Examples of methods provided include: - steam trap maintenance, - waste heat recovery and - optimisation of operating philosophies. Our energy efficiency drive is in support of our EP100 target for a 30% improvement by 2030. The cost to audit and verify the energy-related savings of each project implemented may vary according to project's complexity but can typically account for 20% - 50% of the achieved financial savings in

a year. In FY20, the financial implication of external services for obtaining the incentive and Measurement and Verification amounted to ~R84 million.

Comment
None.

Identifier
Opp2

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
We produce a wide range of chemicals that enable the world to develop and grow while at the same time creating product solutions to meet our customers' changing needs. Some of these solutions that enable greater efficiency in our key markets are featured below: Transportation and Clean Energy - Our material solutions for roads and vehicles enable greater fuel efficiency without compromising safety. - Our Sasobit hard wax enables enhanced process reliability for all asphalt mix applications under a variety of conditions. The linear structure and low viscosity of Fischer-Tropsch hard wax results in increased fusion time, reduced fusion torque, increased stability time and reduced energy consumption during PVC processing. - We produce different essential components that help to enable the growth of the electric vehicle market. Construction - Sasol's Fischer-Tropsch wax enables lower concentrations of external lubricants, reduces power consumption and reduces the amount of PVC scrap in the moulding of PVC pipes. - Our high-quality alcohols can be applied to phase change heat storage devices and used in latent heat storage applications including functional textiles and construction. - We produce different grades of High-Density Polyethylene (HDPE) for pipe applications in building construction. Industrial Applications - Sasol's high purity alumina is used as a high quality abrasive that affords greater durability and performance characteristics. - Our low foaming anionic surfactants allow less waste and greater efficiency when applied in industrial cleaners, metal working, pulp and paper and other technical applications. Medical Devices - Sasol's alumina is used in bio-ceramic implants with superior biocompatibility and excellent long-term clinical performance relative to metal implants. Packaging - Sasol produces grades of polypropylene with the best balance of stiffness/density properties of any polyolefin or polyester resin available. These grades support safe use, reduce transportation costs, increase recycling rates and can replace polyethylene terephthalate (PET) grades in thermoformed cup applications, resulting in lower cup weight.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
No, we do not have this figure

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
The impact has not been quantified financially. However, we have recognised a potential for higher margins and accelerated growth for products that lead to sustainability improvements for our customers.

Cost to realize opportunity
51000000

Strategy to realize opportunity and explanation of cost calculation
Increasingly, our customers are seeking to collaborate on developing chemical products that help to meet their goals and societal needs; they seek more sustainable products, supply chain innovation, and ethical partners with strong corporate social responsibility practices. Customers are focused on products that improve their energy efficiency, while at the same time reduce waste and other health and environmental impacts. An area pilot study is underway to understand our portfolio of sustainably advantaged products – products that impart downstream value-chain sustainability relative to conventional analogous product (including decreased chemical hazards, decreased energy consumption, decreased water consumption, decreased waste generation, GHG emissions reduction, pollution reduction, decreased raw material consumption, or increased product durability/longevity). Sasol undertakes research and development on specific products, including Life Cycle Assessment work on selected products. Our annual budget for product development reflects development on all new or reformulated products, generally being lower-carbon and more sustainable alternatives. Our sustainability budget allocated for FY21 was R51 million.

Comment
None.

Identifier
Opp3

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Products and services

Primary climate-related opportunity driver
Development of new products or services through R&D and innovation

Primary potential financial impact
Increased revenues through access to new and emerging markets

Company-specific description
Sasol is focused on continually developing means through which to shift towards low-carbon alternatives. One such potential shift that Sasol has identified is the increasing viability of the hydrogen economy as a source of clean energy. Sasol recognises the potential for hydrogen as a sustainable energy carrier, through both gas-based and green hydrogen production pathways. We have undertaken steps toward realising this opportunity by supporting pilot projects on hydrogen potential, including those run by the Department of Science and Innovation (DSI): the hydrogen fuel cell project. In 2021, we formed strategic partnerships with Linde PLC (Linde), ENERTRAG AG (ENERTRAG) and Navitas Holdings (Pty) Ltd (Navitas) (LEN) Consortium to demonstrate production of sustainable aviation fuels (SAF) in Secunda. We also partnered with Toyota for hydrogen mobility specifically for the N3 corridor. Although green hydrogen is currently economically unviable at a large-scale, Sasol continues to engage and pursue opportunities and partnerships, to remain at the forefront of this upcoming sector. Sasol identified that large-scale affordable green hydrogen technologies and easier access to utility-scale renewable electricity are identified as key enablers to move towards a net-zero future at several facilities. This presents a significant investor and financial opportunities for Sasol in the near future.

Time horizon
Medium-term

Likelihood
Likely

Magnitude of impact
Medium-low

Are you able to provide a potential financial impact figure?
Yes, an estimated range

Potential financial impact figure (currency)
<Not Applicable>

Potential financial impact figure – minimum (currency)
72000000

Potential financial impact figure – maximum (currency)
289000000

Explanation of financial impact figure
We have recognised the potential for higher margins and accelerated growth of our products and decreased reliance on the emissions-intensive South African electricity grid (Eskom) for energy provision. Increased interest in and uptake of various renewable energy technologies will act as an enabler for Sasol's investment in green hydrogen technologies and the wide-scale roll-out of these. This strategic shift in the energy carrier may not be financially favourable to Sasol but is seen critical to position the company in the low carbon economy. In the instance where our Secunda operations were to obtain all the electricity that is currently obtained from external suppliers (mostly Eskom, a coal-dominated supplier), from renewable energy sources (including green hydrogen technologies), we could decrease our energy-related costs significantly. The potential tax-related savings we could gain from shifting our reliance for energy production for Secunda from coal-dominated to renewable energy sources will result in cost savings (in relation to this year's electricity purchases for Secunda). This was calculated by multiplying this year's electricity figures for Secunda (~18 660 GJ or ~5 184 450 kWh) by the anticipated pass through costs from Eskom. Eskom's current grid emission factor is around 1.04 tCO2e/kWh. The current carbon tax liability (R134/tCO2e) and the anticipated tax-free allowances for the energy sector (between 60% and 90%). Using these considerations above, and the current tax rate, the approximated pass through carbon tax rate from Eskom could range from R13.94 /kWh to R55.74/kWh. Thus, if Sasol maintains electricity demand as required in this reporting year (i.e., ~5.18 million kWh), Sasol could save between R 72 million and R289 million in pass through tax liability from Eskom per year. Once full analysis of the growth potential of the hydrogen value chain is undertaken the financial impact will be quantified.

Cost to realize opportunity
51000000

Strategy to realize opportunity and explanation of cost calculation
The hydrogen opportunities are being evaluated and are not able to be disclosed. In the interim the annual budget for sustainability is being used as a proxy which is ~R51 million for FY21.

Comment
None.

Identifier
Opp4

Where in the value chain does the opportunity occur?
Downstream

Opportunity type
Resilience

Primary climate-related opportunity driver
Resource substitutes/diversification

Primary potential financial impact
Reduced indirect (operating) costs

Company-specific description
Water security has been identified as a Top Group risk for Sasol and it is understood that the effects of climate change in the future could exacerbate this risk further, particularly for our South African operations. Water is a critical feedstock for our business and a key resource for the communities we operate in and many of our current or planned facilities are located in areas with water quantity, quality or delivery challenges. Sasol believes there is an opportunity to assist in advancing water security for the country, beyond just the gates of its own operations. Through the process of piloting context-based water targets in the Upper Vaal Catchment, we realised that by setting such targets both the business and catchment can benefit. The pilot work concluded that Sasol should consider setting a water quantity target by reducing surface water demand. This can be done either internally or through supporting Rand Water and its municipal customers reduce water losses. The aim of the latter would be to support municipalities to achieve their targets and enable security of allocation to all users.

Time horizon
Short-term

Likelihood
Likely

Magnitude of impact
Medium

Are you able to provide a potential financial impact figure?
Yes, a single figure estimate

Potential financial impact figure (currency)
433100000

Potential financial impact figure – minimum (currency)
<Not Applicable>

Potential financial impact figure – maximum (currency)
<Not Applicable>

Explanation of financial impact figure
Sasol realises the benefit, for both business and communities in the Upper Vaal Catchment, of piloting context-based water targets for reducing surface water demand throughout the catchment. This can be done either internally by Sasol, or through supporting Rand Water and its municipal customers, assisting them to reduce their water losses. Our aim is to try and protect the catchment, as well as secure water for Sasol well into the future. Our approach, to assist in this regard, is by driving collective actions by all Integrated Vaal River System (IVRS) users to set context-based water targets. We have identified opportunities in this regard. Sasol has committed to investigating an internal water target in FY22. In addition, we have identified an opportunity to support Rand Water's Project 1600, to encourage other companies relying on Rand Water, to meet their licensed water targets and reduce water losses (to reduce municipal water losses). These initiatives will hopefully result in a reduction in water demand from the IVRS system by approximately 15%. Sasol's river water demand from the IVRS for FY20 was 115.5 million m3. If a reduction target of 15% is set, Sasol would save money currently invested in obtaining freshwater from the IVRS. This is currently charged at an approximate cost of R25/m3. Thus, a 15% reduction in water demand would result in a 17.3 million m3 of water being saved. This would result in an overall financial saving of around R433.1 million for Sasol and allow us to achieve this water use reduction.

Cost to realize opportunity
52000000

Strategy to realize opportunity and explanation of cost calculation
The implementation of a water treatment plant is estimated to cost ~R3/m3, aimed at helping reduce Rand Water's demand from the IVRS. Considering that Sasol's river water demand from the IVRS for FY20 was 115.5 million m3, a 15% reduction in water demand from Sasol alone would result in approximately 17.3 million m3 of water being saved from the IVRS. The cost to realise this opportunity would thus be around R52 million for Sasol to achieve this water use reduction. If each organisation and municipality within the catchment were to set and meet a similar target, there would be greater overall water security achieved within the catchment.

Comment
None.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	Yes	In 2020, Sasol publicly committed at our AGM to a non-binding advisory vote on our climate change strategy to be articulated in our 2021 Climate Change Report. This item is a scheduled item at Sasol's 2021 AGM.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?
Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 4.5 RCP 8.5 IEA Sustainable development scenario Other, please specify (● Sasol's internally generated scenarios (considering many of the above examples and more))	ANALYSIS: Different approaches were used for Sasol's physical and transitional climate-related scenarios. Physical: Two GHG emission scenarios were modelled, namely IPCC's high emission scenarios (referred to as "Representative Concentration Pathway (RCP)" 8.5) and an intermediate emission scenario (RCP 4.5). RCP 4.5 and 8.5 were chosen based on the wide range of changes in GHG emissions. These models then informed the development of downscaled climate models developed by the Council for Scientific and Industrial Research (CSIR), providing an 8 km spatial resolution for Sasol's Southern African operations. These climate models were supplemented and bias corrected by Sasol's site-specific historical weather data. The simulations span from 1960 to 2099, which is relevant for Sasol's business strategy, up to 2030 and beyond. The operations that were included as part of the downscaled modelling were the Central Processing Facility (CPF) in Mozambique, Secunda (South Africa), Sasolburg (South Africa) and Lake Charles (USA), Sasol's key production sites. Transitional: In 2020, we updated our climate change scenario analysis and used this analysis to inform our Future Sasol strategy and are using further expanded scenarios for our 2021 work as well. We are considering 3 global and South African scenarios. The updated scenario analysis used the International Energy Agency (IEA) Sustainable Development Scenario (SDS), released in November 2019. Originally, 3 scenarios were used, namely a fragmented scenario (temperature increase of greater than 4 degrees Celsius), a base scenario (increase of between 2.5 and 3.5 deg C), and a cooperative scenario (increase of greater than 2 deg C). The update added the IEA SDS scenario (scenario limiting global warming to well-below 2 deg C). The areas covered in the scenario analysis including Europe, USA and particularly Southern Africa. TIME HORIZONS: The time horizons for the scenario analysis are aligned to Sasol's business strategy. These scenarios have been developed relative to the base case scenario as projected for 2030. CONSIDERED: The impact of the changing physical and transitional risks have been modelled. Physical risks on Sasol's operations and value chain have been considered, as well as upcoming regulatory implications and market-related changes in light of climate change. These have been expanded on in Sasol's 2020 Climate Change Report on pages 8-12. RESULTS: The physical climate modelling indicates that surface temperatures will increase by between 1 and 4 °C by 2050, with increasing numbers of extreme hot days. Projected rainfall patterns differ. For Mozambique, rainfall is projected to increase, while for sites in South Africa and USA, no change in average rainfall is projected, but increase rainfall intensity and extreme rainfall events are expected. The results of the scenario analysis conducted inform the development of our climate adaptation responses and inform the development of our proactive response measures. The outcomes of the transitional analysis resulted in our focus on renewables, transition gas and hydrogen. Sasol anticipated changes in fuel demand due to new technologies (like electric vehicles) and increasing efficiency of internal combustion engine. STRATEGY IMPACT: The insights gained from Sasol's scenario analysis are embedded in our strategy, roadmap development process and risk management. This enables more informed decision making to remain robust across all scenarios and the identification of no regret opportunities. In June 2020, Sasol released our updated Future Sasol strategy and through scenario analysis we are addressing issues relating to our coal value chain. EXAMPLE: Thus far, the findings from our analysis on anticipated future markets have resulted in us discontinuing all oil growth activities in West Africa and resizing our portfolio to focus on transition gas - as a complementary feedstock to renewable energy.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	RATIONALE: Sasol is aware of the changing market affecting our products. In the international market, changing consumer preference is directing us to more sustainably advantaged products for a low carbon economy. Sasol has received an increasing number of requests to quantify and explain sustainability advantages that can be attributed to the current product portfolio. TIMELINES: Our three-pillar emission reduction framework is in phases from 2020 to 2030 and thereafter to 2050 in decarbonising our products and services range. STRATEGIC IMPACT: Using our three-pillar framework, we are broadening our focus on business opportunities for South Africa's transition to a low carbon economy such as renewable energy, hydrogen and gas. Sustainability Portfolio Assessment (SPA) was performed to gain a deeper and more robust understanding of how the current portfolio ranks compared to alternative products that are available to the market. The World Business Council for Sustainable Development (WBCSD) has a specific guiding framework on how to perform a SPA within the chemical industry. The framework merges different approaches to the topic developed by various companies, combined with industry best practices. The results are intended to be used internally, enabling management to reach strategic decisions while obtaining a transparent and quantifiable evaluation of the sustainability performance of our product portfolio, developed using a recognised and independent methodology. It is also envisioned to support ideation and innovation processes by providing strengths, weaknesses, opportunities and threats (SWOT) overview for relevant product application and region combinations. The results may also be used for external reporting in order to respond to enquiries. Our target is to cover our entire portfolio. Through this analysis, we can identify opportunities and risks in the assessed divisions and therefore support the market development of products. EXAMPLE: Thus far, the anticipated change in product markets have resulted in us discontinuing all oil growth activities in West Africa, based on the risks faced in light of climate change, and resizing our portfolio to focus on transition gas - as a complementary feedstock to renewable energy.
Supply chain and/or value chain	Yes	RATIONALE: There is a greater focus by customers and investors on understanding the risks and opportunities of the value chain with our core business operations. Sasol aims to minimise our contribution to climate change and greenhouse gas (GHG) emissions through addressing both our direct and indirect GHG emissions. With this Sasol is increasingly focused on pursuing more sustainable value chains, to reduce our scope 3 emissions with supplier and customer engagement. TIMELINE: We aim to update and increase the accuracy of our scope 3 reporting, annually. We are assessing the viability of a scope 3 target for communication at our Capital Markets Day (CMD) in 2021. STRATEGIC IMPACT: We are investigating scope 3 target setting for our material emissions relating to the energy value chain. We also continuing divesting of certain assets and are undertaking engagements with value chain partners on climate change matters. Through our supply chain function, we conduct supplier due diligence reviews, audits and responsible sourcing to drive improved focus on safety, health, environment and sustainability performance. Amongst other objectives, this informs our work to better understand the embedded GHG emissions of the feedstocks, inputs and services we buy as part of our products' life cycles. EXAMPLE: With the uncertainty around the changes in the South African carbon tax mechanisms and potential pass through costs associated with supplier carbon tax implications, our engagement with suppliers and more accurate estimations of our scope 3 emissions become increasingly critical for predicting financial implications from the value chain. This is anticipated to have a substantive impact in the years to come.
Investment in R&D	Yes	RATIONALE: Sasol is acutely aware of the ever-changing market and transitional risks faced by our operations. This is becoming increasingly apparent as customers and technology developments shift towards more low-carbon alternatives. With this, Sasol has prioritised research and development investments, investigating new technologies through partnerships and collaboration, and demonstration projects, such as proof of concept on hydrogen and CCUS to remain at the forefront of developing markets and customer behaviour changes. TIMELINE: The hydrogen-related time frames are market dependent, but we have made progress thus far by developing partnerships with relevant industry players and considering potential green financing initiatives. In addition, Sasol's other R&D commitment, partnerships with Air Liquide and IDC aims to reduce GHG emissions by atleast 10% by 2030. STRATEGIC IMPACT: Presently, we are focused on upcoming hydrogen technologies and the benefits thereof, enabling the gas economy in South Africa, and Carbon Capture Storage and Utilisation (CCUS). While green hydrogen is currently prohibitively expensive, we continue to pursue demonstration opportunities and partnerships, with the intent of enabling and taking advantage of technology developments and breakthroughs. In supporting projects such as these, we promote the use of sustainable fuels to pave the path for both Sasol and the country's transition to sustainable energy sources, like green hydrogen. We are members of the CCS Centre in South Africa where a demonstration project is being planned. In addition, in June 2020, Sasol entered a partnership with Air Liquide – a leading industrial gas and technology service provider – through the sale of our ASU's, we are also collaborating to further reduce GHG emissions of our Secunda site. Sasol through our partnerships we aim to decarbonise and advance the hydrogen economy in South Africa. EXAMPLE: Sasol is currently in the process of exploring investment opportunities in up-and-coming green hydrogen technologies. We have identified this technology to enable net zero fuels and chemicals by 2050. We are currently in the process of supporting demonstration projects showcasing the potential for hydrogen in collaboration with the DSI's hydrogen fuel cell project, IDC, Linde, Navitas, Toyota and ENERTRAG in South Africa.
Operations	Yes	RATIONALE: Sasol faces several risks and opportunities in the face of climate change. Thus, Sasol's sustainability vision is to advance chemical and energy solutions that contribute to a thriving planet, society and enterprise, in support of the Paris Agreement. TIMELINE: In 2020, we launched our 2030 emission reduction roadmap, which is the blueprint to not only achieve our low carbon ambitions but also informs our role in the energy transition. This year we will be releasing a review of our 2030 target and roadmap and our 2050 ambition and roadmap. STRATEGIC IMPACT: Our strategic reset, Future Sasol, sets out the transformative measures we are taking with climate change action at the core of our approach. We have made portfolio choices that enable GHG emission reduction and ensure a sustainable future. Our strategy is now focused on stabilising the business and resetting Future Sasol, which amongst others is aimed at reducing our GHG emissions for our material GHG emissions. Our atleast 10% reduction target and associated emission reduction roadmap to 2030, off a 2017 baseline, indicates our commitment to further reducing our GHG emissions for our South African operations. A 2050 long-term GHG reduction ambition and roadmap is also being developed to enable increased resilience and mitigate potential negative financial impacts on future earnings from climate change issues for our South African operations. In South Africa, the focus is on large-scale renewable energy integration and transition gas as a complementary feedstock. 900MW of renewable energy is being targeted by 2030 and we are reviewing our targets for greater ambition. Additional gas as a transition and complementary feedstock for efficient energy production in South Africa, as well as cleaner and more efficient conversion processes using green hydrogen to produce sustainable fuels and chemicals is a key enabler for reducing emissions. EXAMPLE: Sasol has implemented several process and energy efficiency initiatives to mitigate our scope 1 and 2 emissions since 2005 and since 2017 we have achieved a 3% reduction in scope 1 and 2 emissions against our atleast 10% reduction target, by 2030.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Assets Liabilities	Sasol released an updated business strategy in June 2020. A number of internal and external factors prompted this review, including our scenario testing, aligned to the TCFD recommendations. Both of our scenario analyses conducted (that of 2019 and in 2020) revealed limitations in terms of our resilience to future climate-related risks, both physical and transitional. Our strategy is focused on stabilising the business and resetting towards Future Sasol. COVID-19 and the low oil price necessitated swift and decisive action for the short-term, while charting a path for long-term sustainability including mitigation, adaptation and value creation. Following the update of the strategy, we came to several new conclusions for our business objectives. Our Chemicals business will focus on market leading positions using low carbon feedstocks. In addition, we have decided to discontinue all oil growth activities in West Africa and are resizing our portfolio to focus on transition gas. Through our three-pillar emission reduction framework, we are also broadening our focus on business opportunities for South Africa's transition to a low carbon economy. This impacts our capital allocations and potential divestments and acquisitions. Climate change has a variety of potential and current impacts on our business, strategy and financial planning. For example, energy efficiency projects, implemented in attempt to combat climate change and minimise our costs associated with carbon taxes, have resulted in operating cost reductions for our operations. Our capital allocation decisions are already being affected by the need to shift towards low carbon businesses. As previously discussed, changes in consumer behaviour, pressure from capital markets including societal pressure and community activism, together with increasing environmental awareness, may impact Sasol's market access and product competitiveness. Decreasing or increasing demand for our products due to climate change could affect the valuation of our assets and liabilities. In addition, Sasol is liable for a carbon tax in South Africa, payable annually. Sasol's carbon tax liability is estimated to be between R700 million and R1.1 billion for the first phase of the South African carbon tax. Sasol continues to invest in research and development of low-emission products. We have recognised a potential for higher margins and accelerated growth for products that lead to sustainability improvements for our customer. Examples of these kinds of products include Sasol's Fischer-Tropsch wax and high-quality alcohols. Conversely, customer demand for fossil-fuel based products such as coal-derived diesel and petrol may decline. Long-term coal assets, in particular, may be most significantly impacted and could result in stranded assets. In such a scenario, stranded assets will need to be written off our balance sheet and would result in financial liabilities. This impact may play out in the long term but has not yet impacted Sasol. However, we remain aware of these potential impacts and changing markets. Sasol is declining coal usage in line with our GHG target (which we aim to achieve by 2030). We have made clear decisions to not grow in coal mining activities and have discontinued all oil growth activities in West Africa. We are actively pursuing divestments to reshape the portfolio and focus on our core business activities through two distinct business units, i.e., Chemicals and Energy. Our Chemicals business focuses on activities using our differentiated capabilities and strong market positions, which can be expanded over time. Our Energy business focuses on reducing GHG emissions to in support of the Paris Agreement, with further developments expected in late-2021. We are actively seeking to meet South Africa's growing energy needs through reliable, affordable and low carbon energy; and we intend to achieve further transformational changes through collaboration, technology, innovation and advocating for climate change policy, taking our national circumstances into account. Sasol focuses on improving the performance of its existing asset base through higher productivity, increased operational efficiency and leveraging existing and emerging technologies to reduce emissions. We introduced a target to reduce emissions by at least 10% and in 2020 released our emission reduction roadmap for our South African operations. Sasol's emission reduction roadmap for 2030 mitigates some of these risks. This supports our strategic reset. A 2050 long-term GHG reduction ambition and roadmap is under development to enable continued resilience and mitigate further potential negative financial impacts on future earnings. Our strategy has been developed to be effective under a range of scenarios and not a single, deterministic view of the future – in short, responsive to uncertainty. We also relinquished oil and gas exploration rights in Mozambique. Over and above scenario processes, Sasol also assesses the carrying value and viability of our assets on an annual basis. These assessments are done using the Group's long-term forecasts of prices and macro-economic variables, including a price on carbon. In the current assessment, we used a long-term real carbon price for our South African assets in a range of R19 – R76 per tCO2e until 2030. Regional carbon prices are considered based on prevailing carbon pricing regimes and are used to test the viability of large new projects. Sasol is focused on efficient value chains with competitive feedstock positions. The South African Operations have realised a utility energy efficiency savings of 14% since 2005 which has resulted in a reduction of carbon emissions. These improvements are largely due to stable and efficient plant operations and value delivered from energy saving projects. The impact is reflected as a Sasol saving on tax. Tax certificates amounted to R285.5 billion for FY20, resulting in total savings (shareholder value) of approximately R78.3 billion for Sasol for FY20. Sasol is also targeting renewable energy of 900MW which will also result in operating cost savings over time. Sasol is also running an asset review process and assets not aligned to the strategy have been identified for divestment. Climate change could, in principle, impact our access to capital and restrict growth or increase the cost of borrowing, which in turn could reduce profitability. To date this has not occurred, however Sasol continues to evaluate this landscape to ensure that the risk of not accessing capital due to climate change issues is appropriately managed through the development of an effective climate change management approach.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

In June 2020, Sasol announced our updated strategy. A number of internal and external factors prompted this review, including consideration of the scenario analysis assessment conducted, and our reporting alignment with the TCFD recommendations, as undertaken in 2019 and 2020. Both these analyses revealed limitations in terms of our resilience to future climate-related risks which are being addressed through our updated Future Sasol strategy. The strategic choices we made in 2020 have been guided by our capabilities and competencies, the megatrends we track, as well as a number of interwoven challenges facing South Africa – including inequality, poverty and unemployment – and meeting growing energy demands, while decarbonising the economy. Our strategy is focused on stabilising the business and resetting towards Future Sasol.

COVID-19 and the low oil price necessitated swift and decisive action for the short-term, while charting a path for long-term sustainability. Our atleast 10% reduction target and associated emission reduction roadmap to 2030 indicates our commitment to further reducing our GHG emissions for our South African operations. By incorporating our 2030 roadmap into the Base case, we see an improvement in earnings in the IEA SDS scenario of ~15 – 20% and ~2 – 3% in the Cooperative scenario. This supports our strategic reset. A 2050 long-term GHG reduction ambition and roadmap is under development to enable continued resilience and mitigate further potential negative financial impacts on future earnings.

Our Chemicals business will focus on market leading positions using low-carbon feedstocks. This will see us relying less on coal as a feedstock, allowing us to exploit the robust demand growth for chemicals expected in all scenarios. Through our three-pillar emission reduction framework, we are also broadening our focus on business opportunities for South Africa's transition to a low carbon economy.

Further analysis will be undertaken to understand the full capital implications of the different scenarios on our updated strategy, once fully developed and operational, and taking into account our 2050 long-term ambition.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number
Abs 1

Year target was set
2018

Target coverage
Country/region

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Base year
2017

Covered emissions in base year (metric tons CO2e)
63925000

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
94.5

Target year
2030

Targeted reduction from base year (%)
10

Covered emissions in target year (metric tons CO2e) [auto-calculated]
57532500

Covered emissions in reporting year (metric tons CO2e)
61931000

% of target achieved [auto-calculated]
31.1928040672663

Target status in reporting year
Underway

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
This target is aligned with our company ambition. An ambition that is based on the reduction of our South African operation GHG emissions, a drive towards increased utilisation of renewables, transition gas and energy efficiency.

Target reference number
Abs 2

Year target was set
2016

Target coverage
Country/region

Scope(s) (or Scope 3 category)
Scope 1+2 (location-based)

Base year
2016

Covered emissions in base year (metric tons CO2e)
65625000

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)
94.8

Target year
2020

Targeted reduction from base year (%)
4.8

Covered emissions in target year (metric tons CO2e) [auto-calculated]

62475000

Covered emissions in reporting year (metric tons CO2e)
56800000

% of target achieved [auto-calculated]
280.15873015873

Target status in reporting year
Achieved

Is this a science-based target?
No, and we do not anticipate setting one in the next 2 years

Target ambition
<Not Applicable>

Please explain (including target coverage)
Sasol has been issued an approved carbon budget (emissions limit) by the South African Department of Environmental Affairs (DEA), now the Department of Forestry, Fisheries and the Environment (DFFE), applicable for 2016 – 2020 for our operations on a voluntary basis. This carbon budget is our absolute GHG target for our South African operations which contemplated a limit of 301,7Mt CO2e over the five years. In 2021 Sasol submitted the 2020 carbon budget along with the reconciliation for the period 2016 to 2020. The reconciliated amount emitted was 282,8Mt of the allocated 301,7Mt. Towards the end of 2021, mandatory budgets will be set consistent with government requirements.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?
Other climate-related target(s)

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number
Oth 1

Year target was set
2015

Target coverage
Company-wide

Target type: absolute or intensity
Intensity

Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency	GJ

Target denominator (intensity targets only)
metric ton of product

Base year
2005

Figure or percentage in base year
7.4

Target year
2030

Figure or percentage in target year
5.18

Figure or percentage in reporting year
6.3

% of target achieved [auto-calculated]
49.5495495495496

Target status in reporting year
Underway

Is this target part of an emissions target?
No.

Is this target part of an overarching initiative?
EP100

Please explain (including target coverage)
Sasol has voluntarily committed to a government strategy for energy efficiency of our utilities (in South Africa only). This initiative ran from 2005 to 2015 initially. At the end of 2015, industry including Sasol voluntarily committed to an additional 15% improvement by 2030. This target is now also linked to our commitment to EP100, which commits Sasol to key criteria against which energy management is undertaken. In Sasol's 2030 roadmap we are aiming for a 5% improvement in GHG emissions from energy and process efficiency projects.

C-OG4.2d

(C-OG4.2d) Indicate which targets reported in C4.1a/b incorporate methane emissions, or if you do not have a methane-specific emissions reduction target for your oil and gas activities, please explain why not and forecast how your methane emissions will change over the next five years.

Sasol's methane emissions are included as part of our scope 1 and 2 at least 10% absolute reduction target by 2030 (reference number: Abs 1) for our CTL (coal-to-liquids) and GTL (gas-to-liquids) operations and carbon budget target (reference: Abs 2). Methane is incorporated into the targets as CO2e, so there is no explicit methane reduction component to the target. In the case of our 2030 target (Abs 1) to reduce emissions by at least 10% against the 2017 baseline, methane emissions comprised 3.7% of our total scope 1 and 2 emissions. Sasol is not a transitional oil and gas company and runs integrated facilities using our proprietary Fischer Tropsch process. Our methane emissions comprise a significantly smaller portion of our GHG profile, hence the inclusion of methane emission reductions into our overall scope 1 and 2 emission reduction targets.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.
Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	9	340000
Implementation commenced*	0	0
Implemented*	6	645000
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in production processes	Waste heat recovery

Estimated annual CO2e savings (metric tonnes CO2e)
93440

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
40000000

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
11-15 years

Comment
The annual monetary savings of this initiative is roughly estimated as >R40 million. The investment required cannot be reduced to a single value, since the feasibility and R&T (research and technology) needed was substantial. Therefore, a payback period cannot be determined.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
19830

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
80000000

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
11-15 years

Comment
The annual monetary savings of this initiative is roughly estimated as >R80 million. The investment required cannot be reduced to a single value, since the feasibility and R&T (research and technology) needed was substantial. Therefore, a payback period cannot be determined.

Initiative category & Initiative type

Energy efficiency in production processes	Smart control system

Estimated annual CO2e savings (metric tonnes CO2e)
1000

Scope(s)
Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
5000000

Investment required (unit currency – as specified in C0.4)
0

Payback period
No payback

Estimated lifetime of the initiative
Ongoing

Comment
The annual monetary savings of this initiative is roughly estimated as >R5 million. This initiative was achieved via improved monitoring and audit philosophy, and therefore required no investment and has no payback period associated with it.

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization

Estimated annual CO2e savings (metric tonnes CO2e)
495000

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
300000000

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
6-10 years

Comment
The annual monetary savings of this initiative is roughly estimated as >R300 million. The investment required cannot be reduced to a single value, since the feasibility and R&T (research and technology) needed was substantial. Therefore, a payback period cannot be determined.

Initiative category & Initiative type

Energy efficiency in production processes	Motors and drives

Estimated annual CO2e savings (metric tonnes CO2e)
1760

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1000000

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
6-10 years

Comment
The annual monetary savings of this initiative is roughly estimated as >R1 million. The investment required cannot be reduced to a single value, since the feasibility and R&T (research and technology) needed was substantial. Therefore, a payback period cannot be determined.

Initiative category & Initiative type

Energy efficiency in production processes	Machine/equipment replacement

Estimated annual CO2e savings (metric tonnes CO2e)
34320

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)
1000000

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
6-10 years

Comment
The annual monetary savings of this initiative is roughly estimated as >R1 million. The investment required cannot be reduced to a single value, since the feasibility and R&T (research and technology) needed was substantial. Therefore, a payback period cannot be determined.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for low-carbon product R&D	Sasol continues to advance investigations on implementing solutions to reduce the emissions of its current operations, for example, through energy efficiency projects, as well as to focus on lower-carbon business opportunities. Sasol's three pillar emission reduction framework directs our R&T towards technologies that show promise in reducing our emissions into the medium and long term. Sasol undertakes R&D on specific products, including commissioning Life Cycle Assessment work. We have spent R430 million which reflects our estimated product development spend on lower-carbon and more sustainable alternatives. The Sustainability budget allocated which addressed our emission reduction roadmap was ~R51 mill in FY 2021.
Compliance with regulatory requirements/standards	Compliance to existing legislation in Sasol's operations, including the EU-ETS in Germany and Italy, are an absolute requirement. In addition, the implementation of the carbon tax and draft Climate Change Bill, including carbon budgets could start driving additional investment in emission reduction activities in South Africa over time.
Dedicated budget for other emissions reduction activities	In 2019, Sasol adopted a GHG reduction target for South African emissions and released a 2030 roadmap that details our journey and capital expenditure for the next ten years. A summary of this roadmap for achieving our 2030 emissions target and the associated capital considerations for each stage can be found on p.14 and 15 of the Climate Change Report 2020.
Internal incentives/recognition programs	The Board's Safety, Social and Ethics Committee approves environmental targets and standards, which form part of the Group's indicators of performance. Meeting these targets is a driver for investment in reduction activities. KPIs are aligned with achieving Sasol's climate change mitigation targets. In 2020, Sasol incorporated our latest 2030 GHG reduction target into our executive remuneration scheme for 2021 with a higher weighting.
Internal price on carbon	Over and above scenario processes, Sasol also assesses the carrying value and viability of our assets on an annual basis. These assessments are done using the Group's long-term forecasts of prices and macro-economic variables, including a price on carbon. In the current assessment, we used a long-term carbon price for our South African assets in a range of R19 – R76/ton until 2030. Regional carbon prices are considered based on prevailing carbon pricing regimes and are used to test the viability of large new projects.
Marginal abatement cost curve	Sasol adopted the MACC as a critical tool to be used to compare the abatement opportunities identified for the 2030 emission-reduction roadmap. Using a range of techno-economic analyses including both a Marginal Abatement Cost Curve (MACC) and Sasol's Decision-Making Framework we evaluated capital availability implementation schedules, project economics, environmental and social impacts, cost per abatement and support for the SDGs, to develop our 2030 emission reduction roadmap.
Partnering with governments on technology development	Sasol is pursuing various collaboration opportunities. One of which is an initiative by the Department of Science and Innovation (DSI) in South Africa, Sasol is participating in a project to donate methanol and hydrogen for a nine-month period to the field Intensive Care Unit at 1-Military hospital in Pretoria. This project is using innovative mechanisms to provide much-needed power. The project is a joint effort between the DSI, Bambili Group, Air Products, Sasol and Protea Chemicals. In supporting projects such as these, we promote the use of sustainable fuels to pave the path for both Sasol and the country's transition to sustainable energy sources, like green hydrogen. e also partnered with Air Liquide, Toyota, Linde, IDC, Navitas and Enertrag for hydrogen growth and emission reduction.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?
Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation
Product

Description of product/Group of products
Sasol supplies a number of customers with natural gas (NG) and a similar energy product, methane-rich gas (MRG) as an energy source in Southern Africa. As Sasol increased its intake of NG, it is able to increase its supply of both NG and MRG to the market. This enables customers to carry out a fuel switch from coal to gas thereby reducing their direct emissions. NG is considered a bridging solution in the transition to a low carbon economy. Total MRG supplied to customers in FY20 amounted to 21.5 Petajoules. Total NG sales in FY20, in South Africa and Mozambique amounted to 35.6 Petajoules. Emissions are avoided so long as the customer consumes the alternative fuel source, the period of which is negotiated between the gas supplier, Sasol Gas, and the customer. Comparing the emissions factors for combustion of different fuels, the total direct emissions avoided by customers who purchased and used these fuels in FY20 is 2.42 million tons CO2.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Addressing the Avoided Emissions Challenge- Chemicals sector

% revenue from low carbon product(s) in the reporting year
3

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Sasol only discloses revenue per major product line due to the extent of our base chemicals, performance chemicals, coal, oil, gas and other energy technology product offerings. The 3% revenue is the portion of our total 2020 revenue attributed to methane rich gas, natural gas and condensate (ZAR 5 953 million of ZAR190 367 million). The emission savings is based on sub-bituminous coal and emission factors as contained in the IPCC 2006 guideline for national inventory development.

Level of aggregation
Group of products

Description of product/Group of products
Fischer Tropsch (FT) waxes used for asphalt modification result in lower energy consumption (reduced asphalt production temperature), reduced emissions and enhanced pavement performance and durability. Our Sasobit hard wax enables enhanced process reliability for all asphalt mix applications under a variety of conditions. Asphalt mixes can be produced and placed at reduced temperatures when using Sasobit, protecting resources and saving costs. The linear structure and low viscosity of Fischer-Tropsch hard wax results in increased fusion time, reduced fusion torque, increased stability time and reduced energy consumption during PVC processing. In the moulding of PVC (polyvinyl chloride) pipes, FT wax enables reduced power consumption due to its linear structure and low viscosity. Additional benefits include lower concentrations of external lubricants and reduced amount of PVC scrap. Relative to paraffin wax, less FT wax is required per unit of fibreboard, reducing volatile organic compound emissions.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Addressing the Avoided Emissions Challenge- Chemicals sector

% revenue from low carbon product(s) in the reporting year
5

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Sasol only discloses revenue per major product line due to the extent of our base chemicals, performance chemicals, coal, oil, gas and other energy technology product offerings. The 5% revenue is the portion of our total 2020 revenue attributed to waxes sales (ZAR 8 927 million of ZAR190 367 million).

Level of aggregation
Group of products

Description of product/Group of products
Sasol creates polymer plastic-packaging solutions for various markets such as food, beverage, and medical, which offer value with minimum resources and lightweight designs. These solutions reduce weight, greenhouse gas emissions and energy requirements across the product life cycle compared to paper/cardboard, glass or metal packaging. We prioritise products that can be recycled or reused at the end-of-life phase. Sasol produces grades of polypropylene with an advantageous balance of stiffness / density properties of any polyolefin or polyester resin available. These grades support safe use, reduce transportation costs, increase recycling rates and can substitute polyethylene terephthalate (PET) grades in thermoformed cup applications, resulting in lower cup weight. We recognise the growing environmental burden of post-consumer plastic packaging waste. Plastic litter in the environment and our oceans is unacceptable, and our initiatives globally will aim to address this challenge. This includes direct and partnership initiatives supporting plastics education, improving household waste management, bolstering recycling and contributing to marine litter collection. Partner initiatives will take place mainly through the global Alliance to End Plastic Waste and in South Africa, through the South African Alliance to End Plastic Waste.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Addressing the Avoided Emissions Challenge- Chemicals sector

% revenue from low carbon product(s) in the reporting year
16

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Sasol only discloses revenue per major product line due to the extent of our base chemicals, performance chemicals, coal, oil, gas and other energy technology product offerings. The 16% revenue is the portion of our total 2020 revenue attributed to polymer sales (ZAR 30 275 million of ZAR190 367 million).

Level of aggregation
Group of products

Description of product/Group of products
Inorganics, such as Ultra high purity aluminas (UHPA), are used in a wide range of technically demanding applications namely, catalysts, bioceramics, high performance abrasives, coatings and polymer additives. Sasol's alumina is used in bio-ceramic implants with superior biocompatibility and excellent long-term clinical performance relative to metal implants. These bio-ceramics do not release metal ions or cause undesirable allergic reactions, thereby increasing the lifetime of the implant. Relative to metal/polyethylene implants Sasol's alumina-derived bio-ceramics display low wear and excellent biocompatibility. Sasol supplies alumina for use as separators and carbon to customers for the conversion to graphite anodes in the lithium-ion battery industry for high performance batteries. Sasol produces high-purity, highly dispersible boehmite powders and sols/dispersions. These materials can be used as high-quality abrasives which replaces conventional sand-based abrasives, enabling the user to utilize less abrasive material relative to conventional abrasives, resulting in a GHG abatement.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Addressing the Avoided Emissions Challenge- Chemicals sector

% revenue from low carbon product(s) in the reporting year
4

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Sasol only discloses revenue per major product line due to the extent of our base chemicals, performance chemicals, coal, oil, gas and other energy technology product offerings. The 4% revenue is the portion of our total 2020 revenue attributed to inorganic sales (ZAR 7 200 million of ZAR190 367 million).

Level of aggregation
Group of products

Description of product/Group of products
In our organic chemical suite of products, the properties of our low foaming anionic surfactants allow less waste and greater efficiency when applied in industrial cleaners, metal working, pulp,paper and a variety of other technical applications. Our portfolio of chemicals for oilfield applications maximise the dispersion of materials into aqueous solutions and reduces the amount of energy required per unit of extracted oil. The lower aromatics content of our solvents reduces the risk of contamination in oil field applications and enables greater biodegradability. Sasol supplies linear alcohols that enables flow of fluids through pipes and tubing at lower temperatures. Relative to conventional analogues, our lubricants allow coolant sump life extension, low foaming, high tolerance against water hardness and adequate lubricity, thereby reducing waste and energy consumption. The branching in Sasol's isofol alcohols enables improved hydrolytic stability and lower pour point than linear counterparts, allowing for greater oxidation stability and superior biodegradability.

Are these low-carbon product(s) or do they enable avoided emissions?
Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions
Addressing the Avoided Emissions Challenge- Chemicals sector

% revenue from low carbon product(s) in the reporting year
27

% of total portfolio value
<Not Applicable>

Asset classes/ product types
<Not Applicable>

Comment
Sasol only discloses revenue per major product line due to the extent of our base chemicals, performance chemicals, coal, oil, gas and other energy technology product offerings. The 27% revenue is the portion of our total 2020 revenue attributed to organic sales (ZAR 52 189 million of ZAR190 367 million).

C-OG4.6

(C-OG4.6) Describe your organization's efforts to reduce methane emissions from your activities.

Sasol does not undertake traditional oil and gas activities and therefore methane emissions are not considered to be the most material emission source in our operations. In 2020 methane emissions comprised 3.7% of our total scope 1 and 2 emissions (tons CO2e). 98.2% of these methane emissions are attributed to operational process emissions from our Sasolburg chemical operation (Base and Performance Chemicals Business) and our Secunda Synfuels Operation (Energy Business). The Secunda Synfuels Operations operates the world's only commercial coal-based synthetic fuels manufacturing facility, producing synthesis gas (syngas) through coal gasification and natural gas reforming. The remaining 1.7 % of our methane emissions are attributed to our coal mining operations which provides the primary feedstock for our synthetic fuel production process. For this reason, the extensive fugitive methane emission sources and methane emissions from natural gas venting processes typically associated with traditional oil and gas businesses are not as pertinent for Sasol.

Nevertheless, methane reduction projects are incorporated in our core management processes and emission reduction initiatives. Methane emissions also form part of our carbon budget and 2030 emission reduction target.

C-OG4.7

(C-OG4.7) Does your organization conduct leak detection and repair (LDAR) or use other methods to find and fix fugitive methane emissions from oil and gas production activities?
Yes

C-OG4.7a

(C-OG4.7a) Describe the protocol through which methane leak detection and repair or other leak detection methods, are conducted for oil and gas production activities, including predominant frequency of inspections, estimates of assets covered, and methodologies employed.

DESCRIPTION: According to the South African National Environmental Management: Air Quality Act of 2004, a leak detection and repair program (LDAR) is required for the storage tanks of petroleum products, tanks used in tar processing activities and tanks used in the organic chemical industry. The primary aim of Sasol's LDAR program is to control fugitive emissions released from process equipment by identifying and repairing leaks. These emissions are mainly composed of volatile organic compounds (VOCs) released into the atmosphere due to a gradual loss of tightness of process equipment designed to contain an enclosed fluid. This is commonly referred to as an equipment leak, releasing process streams into the environment. Sasol's LDAR program is also conducted in terms of US EPA method 21 for determination of volatile organic compound leaks. The monitoring of process equipment is performed using predetermined inspection routes. We use both a hand-held sniffer instrument and an infrared camera to detect leaks.

EXAMPLE/CASE STUDY: Our operations have undertaken a comprehensive tagging programme where all applicable flanges and valves have been identified and registered that include a unique ID for each equipment and its location within the plant. This register forms the base for a schedule of monitoring that is done by a service provider. The frequency of this monitoring is at least once per shutdown cycle. On completion of the survey, the service provider then provides the company with a list of equipment that require maintenance to prevent unwanted release. The timelines for remedying the situation is captured in an internal standard operating procedure.

C-OG4.8

(C-OG4.8) If flaring is relevant to your oil and gas production activities, describe your organization's efforts to reduce flaring, including any flaring reduction targets.

RELEVANCE: Flares are relevant to our operations and business activities. Sasol considers flaring to be important safety devices used in our refineries and petrochemical facilities. Flares are used to safely burn excess hydrocarbon gases which cannot be recovered or recycled. Various operational improvement initiatives are ongoing within the organisation in order to continue to reduce flaring. Flaring is part of our process as a result of:

- Start-up and shut down of units

- Over pressure relief as safety precaution and pressure imbalances in the gas factory units

- Off specification of gas products

REDUCTION: Our focus is to minimise flaring through various actions and projects that have been put in place. Various operational improvement initiatives are ongoing within the organisation in order to continually reduce flaring. The most important action is to maintain reliable processes and equipment to prevent flaring due to equipment fouling or failure.

TARGETS: Sasol has undertaken a poly propylene expansion project as part of our absolute GHG reduction target. The project aimed to reduce flaring of poly propylene by de-bottlenecking the plant to take in excess feed, thereby reducing the requirement to flare. The project contributes approximately 20,000 tCO2e/annum to our overall reduction target.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start
July 1 2016

Base year end
June 30 2017

Base year emissions (metric tons CO2e)
57281000

Comment
None.

Scope 2 (location-based)

Base year start
July 1 2016

Base year end
June 30 2017

Base year emissions (metric tons CO2e)
7659000

Comment
None.

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
IPCC Guidelines for National Greenhouse Gas Inventories, 2006
The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
58480000

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based
7538000

Scope 2, market-based (if applicable)
<Not Applicable>

Start date
<Not Applicable>

End date
<Not Applicable>

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?
No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status
Relevant, calculated

Metric tonnes CO2e
5978086

Emissions calculation methodology
(i) Activity data: Quantity purchasing volume of the goods and services purchased in the reporting year were obtained from Sasol internal business data management systems. (ii) Emissions factors: Cradle-to-gate emissions factors were obtained from commercially and publicly available data sources such as GaBi, DEFRA as well as from Sasol's own LCI database, which is based mainly on primary data. (iii) GWP values: GWP values referring to the time horizon of 100 years were taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: We analyzed the GHG emissions of our procured raw materials and precursor manufacturing at Sasol's suppliers' facilities by calculating the cradle-to-gate emissions, including all direct GHG emissions from raw material extraction, precursor manufacturing and transport, as well as indirect emissions from energy use. To do so, we determined the quantity of each single product purchased using Sasol internal business data management systems, and then applied emission factors of the purchased products (by weight or volume). If country-specific emission factors were available, a weighted product carbon footprint was calculated to reflect the percentage of the regional distribution of the purchased material. We multiplied the CO2e emissions per kilogram of each product by the respective quantity of the product purchased to determine cradle-to-gate emissions. (v) Value-chain engagement: In an effort to more accurately assess these emissions, we set out an engagement program with suppliers. These discussions combined with a broader understanding of our global supply chain purchases led to the more accurate assessment of the cradle-to-gate GHG emissions of our purchased aluminium powder. (vi) Accounting methodology improvements: Quantities of purchased coal were categorized according to use for either gasification or boiler coal and emissions allocated to category 1 or 3, respectively. Emission factors for a number of feedstocks were updated using publicly available data sources such as GaBi. (vii) Areas under active investigation for future inclusion: In future reporting years the GHG emissions from technical goods and services can be assessed based on the monetary purchasing volume in the reporting year multiplied by the amount of spending by the GHG conversion factors in standardized guidelines such as DEFRA.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
2

Please explain
In 2020, our purchased goods and services GHG emissions increased due to the utilization of feedstocks associated with the start-up of newly constructed operations in North America, partially offset by the decline in quantities of purchased feedstocks from our South African operations.

Capital goods

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category includes all upstream (i.e., cradle-to-gate) emissions from the production of capital goods purchased or acquired by the reporting company in the reporting year. These emissions can be attributed to turn-key projects, machinery and fabricated equipment. Although this category is not yet actively reported, effort was undertaken in this reporting cycle to identify a relevant reporting mechanism for inclusion of these emissions in forthcoming years. The investigated methodology includes (i) Activity data: Monetary purchasing volumes of capital goods purchased in the reporting year would be obtained from Sasol internal business data management systems. (ii) Emissions factors: Supply chain emission factors for spending on capital goods can be obtained from Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting, Annex 13 (Indirect emissions from supply chain). (iii) GWP values: GWP values referring to the time horizon of 100 years would be taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: The GHG emissions that are associated with Sasol's capital goods purchased in future reporting years can be estimated based on the following approach: All segments of Sasol's global procurement related to the sourcing of capital equipment such as turn-key projects, machinery and fabricated equipment would be analysed based on the monetary purchasing volume in the reporting year. Each sub-segment can be assigned a corresponding SIC code because the DEFRA conversion factors for greenhouse gas emissions are based on the standard classification system. The amount of spending obtained in this manner can then be multiplied by the respective GHG conversion factor and subsequently summed to afford the total GHG emissions from capital goods.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status
Relevant, calculated

Metric tonnes CO2e
285641

Emissions calculation methodology
(i) Activity data: The quantities of fuel and energy purchased in the reporting year were obtained from Sasol internal business data management systems. (ii) Emissions factors: The cradle-to-gate emissions factors were obtained from the GaBi database and conversion factors from DEFRA. Transmission and distribution loss factors were sourced from literature sources if not already embedded in sourced data. (iii) GWP values: GWP values referring to the time horizon of 100 years were taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: The GHG emissions from the extraction, production and transportation of fossil fuels used for power and steam generation in our own (power) generating facilities were determined by multiplying the amount of purchased fuels by cradle-to-gate CO2e emission factors. (v) Value-chain engagement: In an effort to more accurately assess the cradle-to-gate GHG emissions of a number of our purchased feedstocks such as natural gas, we set out an engagement program with suppliers. Although these discussions were informative, they did not provide enough clarity to justify changing emission factors associated with these feedstocks. (vi) Accounting methodology improvements: Transmission and distribution losses for our electricity and gas purchases at our European operations were included. Losses associated with our own T&D system due to our own generation of electricity and steam are already accounted for in our Scope 1 emissions which are based on fuel input. DEFRA emission factors were also updated. Quantities of purchased coal were categorized according to use for either gasification or boiler coal and emissions allocated to category 1 or 3, respectively. (vii) Areas under active investigation for future inclusion: We continue to seek more up to date data relating to the upstream GHG emissions intensity of our coal purchases and in particular electricity consumption per unit of coal at each mining facility. This would provide a more granular-level view and most likely more accurate representation of upstream coal emissions intensity.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
In this reporting cycle addition of natural gas transmission and distribution losses at our Eurasian operations resulted in greater fuel-energy related GHG emissions in FY20 relative to FY19.

Upstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
449465

Emissions calculation methodology
(i) Activity data: Quantities and types of goods procured in the reporting year were obtained from Sasol internal business data management systems. (ii) Emission factors: Emission factors were sourced from databases including DEFRA, Sphera's GaBi tool and other publicly available sources, including the European Chemical Industry Council's commissioned report "Measuring and managing CO2 emissions in European chemical transport" by Prof. Alan McKinnon. Where factors were available for the geographical region in question, these were used in preference to global average figures. (iii) GWP values: GWP values referring to the time horizon of 100 years were taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: GHG emissions associated with transportation of raw materials were calculated by multiplying the quantities of products procured by a transportation distance and by an emissions factor for the mode of transport. Modes of transport considered include road, rail, pipeline and marine shipping. Road transport - activity data relates to estimated ton-km for sold products. Rail transport - activity data relates to estimated ton-km for sold products. Marine transport - activity data relates to estimated ton-km for imported products (bulk liquids) and TEU-km (containers). In the case of containers, the 2018 BSR | Clean Cargo report "Global Container Shipping Trade Lane Emissions Factors" was used to source applicable emission factors. Pipeline transport - activity data relates to estimated ton-km for sold products moving through third party-owned pipelines. (v) Value-chain engagement: Rail emissions accounting with corridor specific emissions factors for our South African operations were utilized following engagement with rail operators. (vi) Accounting methodology improvements: In-bound marine emissions associated with import of crude oil were added. Rail emission factors were further refined from further direct engagement with rail operators. Additional rail emissions were identified originating from different business units. (vii) Areas under active investigation for future inclusion: In this reporting cycle truck emissions from coal mining activities were identified as a potential material source of emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
65

Please explain
Marine – 100% Rail – 100% Road – 0% Pipeline – 0% In this reporting cycle addition of in-bound marine emissions associated with import of crude oil to our South African operations resulted in greater upstream transportation and distribution related GHG emissions in FY20 relative to FY19.

Waste generated in operations

Evaluation status
Relevant, calculated

Metric tonnes CO2e
78608

Emissions calculation methodology
(i) Activity data: The quantities of hazardous and non-hazardous waste generated during production at all Sasol production sites were obtained from Sasol's in-house reporting database. (ii) Emissions factors: The emissions factors were obtained from the GaBi database and DEFRA. DEFRA default factors were used. GWPs used by DEFRA are based on the IPCC Fourth Assessment Report (AR4) (GWP for CH4 = 25, GWP for N2O = 298) to remain consistent with UK GHG Inventory reporting under the Kyoto Protocol. Sasol's direct emissions are based on the IPCC Third Assessment Report (TAR) GWPs based on guidance around national inventory reporting. GWP values: GWP values referring to the time horizon of 100 years were taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: The methodology to estimate the emissions associated with waste generated in operations focused on multiplying the mass of non-hazardous waste going to a landfill by an applicable average emission factor for waste treated/disposed in a landfill. The related emissions factors for non-hazardous waste types such as paper, plastic, food waste, metals, electronics, clay bricks, fly ash etc are readily available from various literature sources. For hazardous waste types, emissions factors were not readily available from literature, so primary data i.e. company specific data was used. The carbon balance method was used, where it was assumed that all carbon contained in the waste is converted to CO2 during landfilling. (v) Value-chain engagement: A third party waste register or list detailing waste stream volumes and their respective methods of disposal or treatment (for hazardous waste streams). (vi) Accounting methodology improvements: In this reporting cycle reporting scope and methodology was enhanced to include hazardous waste in addition to previously reported non-hazardous waste. The value excludes emissions from the transportation of the waste.(vii) Areas under active investigation for future inclusion: Additional potential sources of waste emissions identified but not yet reported include Nitro dam sludge, (which could contribute CH4 and N2O) and refrigerants from air conditioners sold at auction. In addition, emissions generated due to the transportation of the waste to the treatment facilities could be added in the future.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
51

Please explain
Waste related GHG emissions increased in this reporting cycle because the methodology was expanded to consider hazardous waste in addition to non-hazardous waste.

Business travel

Evaluation status
Relevant, calculated

Metric tonnes CO2e
4105

Emissions calculation methodology
(i) Activity data: Miles and kilometers per means of transportation, travelled by Sasol employees in the reporting year were collected by external partners such as travel agencies. (ii) Emissions factors: The emission factors in this report are derived from two sources: the US EPA's Climate Leaders program and the UK's Department for Environment, Food and Rural Affairs (DEFRA). The distance flown is multiplied by an emission factor specific to whether the flight is short, medium or long haul. (iii) GWP values: GWP values referring to the time horizon of 100 years were taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: The GHG emissions associated with the transportation of all Sasol Group employees for business-related activities were calculated as follows: a) GHG emissions from business travel by air: Miles, which are collected through external partners such as travel agencies, were converted to CO2 equivalents using conversion factors for the average passenger in short-haul, medium-haul and long-haul flights. These emissions were then calculated using Greenstone's Enterprise Environmental software Version 21.02. The assessment methodology applied follows the reporting principles and guidelines provided by the Greenhouse Gas Protocol. (b) GHG emissions from business travel by car: For most trips the external partners (i.e. car rental companies) provided a summary of kilometers driven and the resulting GHG emissions for the reporting year. These were converted into GHG emissions by multiplying with the average car travel emission factor. Road travel calculations apply emissions factors according to fuel type and vehicle engine size to distance driven. This uses the GHG calculation approach and the DEFRA emissions factors. (v) Value-chain engagement: Cleaner Climate was commissioned by Sasol to calculate the travel related carbon dioxide equivalent (CO2e) emissions for business travel. Business travel accounted for included that which was booked through Rennies BCD Travel, as well as Avis Europcar. (vi) Accounting methodology improvements: None.(vii) Areas under active investigation for future inclusion: The Radiative Forcing Index (RFI) – which reflects the effect of the release of emissions at altitude – has not been accounted for given that there is currently no consensus on the exact multiplication figure that should be applied.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Business travel GHG emissions decreased in this reporting cycle because of fewer business trips and greater use of technology, such as video conferencing, in response to adverse business conditions.

Employee commuting

Evaluation status
Relevant, calculated

Metric tonnes CO2e
50471

Emissions calculation methodology
(i) Activity data: Number of employees per region (by operating site) as well as distance and mode of transportation (car, pick-up truck, motorcycle, rail, van, bus) delineated by employee type (salaried/non-salaried) and adjusted for work-at-home arrangements (data provided by Sasol HR). (ii) Emissions factors: The CO2e emissions factors used for car, motorbike, and public transportation were taken from EPA's Emission Factors for Greenhouse Gas Inventories (2020) for North America and Europe and EPA's Emission Factors for Greenhouse Gas Inventories (2017) for South Africa. (iii) GWP values: GWP values referring to the time horizon of 100 years were taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: GHG emissions were calculated by multiplying the travelled distance (245 days per year, back and forth) with the respective CO2e emissions factor accounting for the different means of transportation. For all regions it was assumed that all employees travel 20 miles one-way. The distribution of travel mode (car, pick-up, motorbike, van, train, bus) was estimated for each region based on relevant literature. In South Africa different commuting pattern assumptions were made for salaried and non-salaried employees. The corresponding emissions were calculated by multiplying the distance with the number of employees, number of working days and an average emission factor for cars per km. Adjustments were made for months where employees were impacted by COVID. In this regard, data was provided by Sasol HR relating to percentage of employees working from home during this period. (v) Value-chain engagement: None (vi) Accounting methodology improvements: In this reporting cycle employee commuting from all Sasol sites and regions were considered. The model was modified to considered different modes of transport with different emission factors for different regions (to reflect the relative maturity of each vehicle fleet) (vii) Areas under active investigation for future inclusion: CO2e emissions from employee commuting in different regions could be further validated by using the results of a representative poll conducted among Sasol employees. Employees could be asked about the distance travelled between their homes and workplaces and their means of transportation.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Employee commuting GHG emissions increased in this reporting cycle because the methodology was expanded to consider employees in all global Sasol sites.

Upstream leased assets

Evaluation status
Not relevant, calculated

Metric tonnes CO2e
4906

Emissions calculation methodology
(i) Activity data: Leased office and storage space: Data for the reporting year was obtained from Sasol internal business data management systems. (ii) Emissions factors: Region-specific CO2 emissions factors per MWh were obtained from IEA, 2019. CO2e emissions factors per MWh of heat from natural gas and light fuel oil were obtained from GaBi database. (iii) GWP values: GWP values referring to the time horizon of 100 years were taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: The GHG emissions from leased offices and storage space were assessed based on leased space and the annual energy consumption per square meter of office and storage space, respectively. (v) Value-chain engagement: None (vi) Accounting methodology improvements: This is a newly reported category for this reporting cycle and currently only includes lease data relating to leased buildings. (vii) Areas under active investigation for future inclusion: GHG emissions from leased assets could be further improved by also considering 1) The GHG emissions from leased equipment such as hardware (i.e. computers or printers). In principle, this would be assessed based on the monetary purchasing volume in the reporting year and the corresponding GHG conversion factors. Emission factors for leased equipment would likely be taken from the 2012 Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting, Annex 13 (Indirect emissions from supply chain). 2) Leased cars: GHG emissions from cars leased by Sasol could be calculated by multiplying the vehicle miles travelled, which would be derived from the respective leasing contracts, by the relevant CO2 emissions factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Upstream leased asset GHG reporting is a new reporting category for this reporting cycle.

Downstream transportation and distribution

Evaluation status
Relevant, calculated

Metric tonnes CO2e
211901

Emissions calculation methodology
(i) Activity data: Quantities and types of products sold in the reporting year as well as their means of transportation were obtained from Sasol internal business data management systems. (ii) Emissions factors: The CO2 emissions factors used for marine transport are specific factors calculated for Sasol's outbound transport activities and were taken from the McKinnon Report "Measuring and Managing CO2 Emissions from the Transport of Chemicals in Europe". (iii) GWP values: GWP values referring to the time horizon of 100 years were taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: For the calculation of the GHG emissions associated with the marine transport of Sasol products sold in the reporting year, the respective shipments from Sasol sites to Sasol customers were evaluated. The transport distances between each Sasol site and global destination port was calculated using supply chain calculation tools. The GHG emissions associated with the transport of Sasol's sold products were calculated by multiplying product quantity by the relevant transport distance and by the respective CO2 emissions factor. (v) Value-chain engagement: Quantities and types of products sold in the reporting year as well as their means of transportation were obtained from Sasol engagement with its customers. (vi) Accounting methodology improvements: This is a newly reported category for this reporting cycle and currently only includes marine out-bound exports of coal from South Africa. (vii) Areas under active investigation for future inclusion: In this reporting cycle we identified potentially additional GHG emissions in this category associated with additional transport modes (for example outbound pipeline transport) and additional regions other than South Africa.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Downstream transport and distribution GHG emissions is a new reporting category for this reporting cycle.

Processing of sold products

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Sasol does not calculate and report GHG emissions from processing of sold products, as these emissions were identified as not being relevant to Sasol. This is the result of a thorough analysis and balancing of the different relevance criteria for Scope 3 emissions sources and the five accounting and reporting principles of the GHG Protocol standards by WRI and WBCSD. Sasol produces a large variety of energy products and intermediate chemical goods. For the significant majority of Sasol's energy-related products, no further processing is required and this Scope 3 reporting category is not applicable. The products are ready for final use as fuels (e.g. natural gas; diesel; gasoline; coal). For Sasol's chemical products the application diversity cannot be tracked reasonably, and reliable figures on a yearly basis are virtually impossible to obtain. These circumstances strongly compromise the reporting principles of completeness, consistency and accuracy (and feasibility), thereby not serving our business goal of reducing GHG emissions along the value chain. In addition, the WBCSD Chemical Sector Standard "Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain" emphasizes that "chemical companies are not required to report Scope 3, category 10 emissions, since reliable figures are difficult to obtain, due to the diverse application and customer structure".

Use of sold products

Evaluation status
Relevant, calculated

Metric tonnes CO2e
29661747

Emissions calculation methodology
(i) Activity data: Quantities and types of products sold in the reporting year were obtained from Sasol internal business data management systems. (ii) Emissions factors: Emission factors for products with variable quality (e.g. export coal) were calculated from analysis, whereas those with more fixed quality (e.g. diesel, petrol) were sourced from databases including DEFRA, Sphera's GaBi tool and other publicly available sources. For crude oil sold from our upstream Exploration & Petroleum International division, emissions associated with use of fuels have been calculated using a DEFRA emission factor. A very small portion of refinery-related products is used in non-energy applications (e.g. bitumen; lubricants) and emissions associated with the use of these products have not been quantified. (iii) GWP values: GWPs were taken from the 5th Assessment Report, IPCC, 2013. (iv) Methodology & assumptions: For calculation of the GHG emissions associated with the use of Sasol products we only considered the direct use phase emissions of sold products over the expected lifetime, i.e. the GHGs and products that contain or form GHGs that are emitted during the combustion of Sasol's energy products. GHG emissions from dry ice and CO2 liquid sold to the beverage industry were considered based on the sold quantity. GHG emissions were calculated by multiplying quantities of energy products by the corresponding emission factor. (v) Value-chain engagement: None. (vi) Accounting methodology improvements: In this reporting cycle emission factors for a number of energy products were revised. (vii) Areas under active investigation for future inclusion: Emission factors for energy products will be continually reviewed and revised accordingly.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
0

Please explain
Use of sold products GHG emissions decreased in this reporting cycle because the of lower global sales of Sasol's energy products.

End of life treatment of sold products

Evaluation status
Relevant, not yet calculated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
This category includes GHG emissions originating from waste disposal and treatment of sold products. This category will involve the total expected end-of life treatment from all products sold by Sasol in the reporting year (WRI & WBCSD, 2013). Because Sasol provides chemicals to more than 7300 chemical customers in over 120 countries (Sasol, 2020), the large customer and product base results in a challenge to accurately estimate the GHG emissions associated with this category. Despite this, although this category is not yet actively reported, effort was taken in this reporting cycle to identify a relevant reporting mechanism for inclusion of these emissions in forthcoming years. The investigated methodology includes (i) Activity data: The total mass of sold products and packaging from the point of sale. This information would be obtained from Sasol internal business data management systems. (ii) Emissions factors: Estimations on the waste treatment methods assumed for the end-of-life of a specific product (incineration, landfill or recycling). This information is difficult to gather when selling a broad range of products in different countries. Assumptions are required on the end-of-life-treatment of products by consumers. Emission factors to be used can be average waste-treatment specific-emission factors based on the waste treatment type. (iii) GWP values: GWP values referring to the time horizon of 100 years would be taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: The GHG emissions that are associated with the end of life of Sasol products could be determined in future reporting based on the following approach: GHG emissions from the disposal of all Sasol products (except products that are already disposed of during their use phase and accounted for in the respective category) manufactured in the reporting year could be calculated presuming that all relevant Sasol products at the end of their lives are either disposed of by landfilling or incineration, or recycled. The amount of GHG emissions would be calculated for each region and end-of-life method. Recycling could be assigned zero emissions in line with the cut-off approach of life cycle assessment. The emissions from landfilling and incineration could be calculated based on a carbon balance approach. The impacts of disposal of all of Sasol products continue to be actively investigated.

Downstream leased assets

Evaluation status
Not relevant, explanation provided

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain
Sasol no longer calculates and reports GHG emissions from downstream leased assets as they were identified in this reporting cycle as not being relevant to this reporting category. This is the result of a thorough analysis which resulted in GHG emissions which in previous years would have been attributed to this category being assigned to category 15 (Investments).

Franchises

Evaluation status
Relevant, calculated

Metric tonnes CO2e
144131

Emissions calculation methodology
(i) Activity data: Franchise data (number and area) for the reporting year was obtained from Sasol internal business data management systems. (ii) Emissions factors: An energy use factor of 250 kWh/m2 was used (SANS 204 Building Energy Efficiency). The South African grid emission factor was applied to obtain annual GHG emissions, (iii) GWP values: GWP values referring to the time horizon of 100 years were taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: The GHG emissions from franchises were assessed based on total area and the annual energy consumption per square meter of the total number of franchises. (v) Value-chain engagement: Monthly franchise data was obtained from Sasol Franchise regional development network (vi) Accounting methodology improvements: The framework for this category was reconfigured in this reporting cycle to more accurately represent Sasol Franchise GHG emissions. This new approach included direct Franchise engagement to provide monthly electricity consumption data (vii) Areas under active investigation for future inclusion: None

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Franchise related GHG emissions increased in this reporting cycle because the methodology was expanded to consider a more granular perspective of emissions within this category.

Investments

Evaluation status
Relevant, calculated

Metric tonnes CO2e
737234

Emissions calculation methodology
(i) Activity data: Scope 1 and Scope 2 emissions of Sasol's equity-accounted joint ventures and associated companies were obtained from the respective companies upon inquiry. (ii) Emissions factors: not applicable (iii) GWP values: GWP values referring to the time horizon of 100 years were taken from IPCC, AR5, 2013. (iv) Methodology & assumptions: GHG emissions from equity-accounted joint ventures and equity-accounted associated companies are not included in Sasol's Scope 1 or Scope 2 emissions. However, the GHG emissions from these companies are evaluated on a regular basis by inquiring these data from the respective companies, but only from non-consolidated companies of which Sasol holds a minimum interest of 10%. (v) Value-chain engagement: Scope 1 and Scope 2 emissions of Sasol's equity-accounted joint ventures and associated companies were obtained from the respective companies upon inquiry. (v) Accounting methodology improvements: This is a newly reported category for this reporting cycle and includes JV emissions from all known non-consolidated companies of which Sasol holds a minimum interest of 10%. (vi) Areas under active investigation for future inclusion: A number of divestments are underway within the Sasol Group that will modify the number of Sasol's equity-accounted joint ventures and corresponding GHG emissions within this category in forthcoming reporting cycles.

Percentage of emissions calculated using data obtained from suppliers or value chain partners
100

Please explain
Investments GHG emissions is a new reporting category for this reporting cycle.

Other (upstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

Other (downstream)

Evaluation status
Not evaluated

Metric tonnes CO2e
<Not Applicable>

Emissions calculation methodology
<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners
<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?
Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	513128	These emissions are associated with Eruca Rapeseed, Palm Kernel Oil and Methyl Ester for our international operations.

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure
0.000347

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
66015000

Metric denominator
unit total revenue

Metric denominator: Unit total
190367000000

Scope 2 figure used
Location-based

% change from previous year
6

Direction of change
Decreased

Reason for change
Our revenue (turnover) decreased from R203.576 billion in FY19 to R190.367 billion (6% decrease) in FY20 and our GHG emissions decreased by 0.8%. The decrease in revenue was more significant than the decrease in emissions, so the emissions intensity per unit revenue increased.

Intensity figure
3.91

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)
66015000

Metric denominator
unit of production

Metric denominator: Unit total
16879000

Scope 2 figure used
Location-based

% change from previous year
8

Direction of change
Increased

Reason for change
Our production decreased from 18,446,000 metric tonnes in FY19 to 16,879,000 (8% decrease) in FY20 and our GHG emissions decreased by 0.8%. The decrease in production was more significant than the decrease in emissions, so the emissions intensity per unit production increased.

C-OG6.12

(C-OG6.12) Provide the intensity figures for Scope 1 emissions (metric tons CO2e) per unit of hydrocarbon category.

Unit of hydrocarbon category (denominator)
Thousand barrels of crude oil/ condensate

Metric tons CO2e from hydrocarbon category per unit specified
31.5

% change from previous year
19

Direction of change
Increased

Reason for change
COVID pandemic loss of production.

Comment
None

Unit of hydrocarbon category (denominator)
Million cubic feet of natural gas

Metric tons CO2e from hydrocarbon category per unit specified
2.89

% change from previous year
0

Direction of change
No change

Reason for change
Normal operating fluctuations.

Comment
None

Unit of hydrocarbon category (denominator)
Thousand barrels of refinery net production

Metric tons CO2e from hydrocarbon category per unit specified
1.42

% change from previous year
0

Direction of change
No change

Reason for change
No change because first year of reporting. For the purpose of this calculation only Natref has included taking the boundary conditions of this question into account.

Comment
None.

C-OG6.13

(C-OG6.13) Report your methane emissions as percentages of natural gas and hydrocarbon production or throughput.

Oil and gas business division
Upstream

Estimated total methane emitted expressed as % of natural gas production or throughput at given division
0

Estimated total methane emitted expressed as % of total hydrocarbon production or throughput at given division
0

Comment
Sasol produces liquid fuels from coal and is therefore not part of the oil and gas sector. However, Sasol has operational control of a joint venture that uses crude oil to produce hydrocarbons. It is this facility that features together with the natural gas pipeline. Thus, the fraction of methane emitted relative to natural gas production is 0.000002% while the fraction of emitted methane relative to total hydrocarbon production is 0.0000004%.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?
Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CH4	2438000	IPCC Third Assessment Report (TAR - 100 year)
N2O	441040	IPCC Third Assessment Report (TAR - 100 year)
CO2	55600960	IPCC Third Assessment Report (TAR - 100 year)

C-OG7.1b

(C-OG7.1b) Break down your total gross global Scope 1 emissions from oil and gas value chain production activities by greenhouse gas type.

Emissions category
Combustion (excluding flaring)
Venting

Value chain
Upstream

Product
Gas

Gross Scope 1 CO2 emissions (metric tons CO2)
261000

Gross Scope 1 methane emissions (metric tons CH4)

Total gross Scope 1 emissions (metric tons CO2e)
261000

Comment
Relates to the emissions associated with our pipeline and combustion for this activity.

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
South Africa	56059000
United States of America	1529000
Mozambique	261000
Other, please specify (Europe and Asia)	631000

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.
By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.

Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
CTL/GTL South Africa	55106000	-26.539253	29.180121
Mining South Africa	98000	-26.507572	29.176174
Chemical Complex NAO	1529000	30.245755	-93.27757
Chemical Complex Eurasia	631000	53.550747	10.025634
Gas Upstream (SEPI)	261000	-21.750824	35.058217
Oil & Gas downstream (Natref)	855000	-26.816937	27.784282

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	55961000	<Not Applicable>	
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	359000	<Not Applicable>	
Oil and gas production activities (midstream)	0	<Not Applicable>	
Oil and gas production activities (downstream)	2160000	<Not Applicable>	
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
South Africa	6967000		6571667	
Eurasia	104000		184167	
United States of America	467000		806944	
Mozambique	0		0	

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
CTL/GTL South Africa	6026000	
Mining South Africa	706000	
Chemical Complex NAO	467000	
Chemical Complex Eurasia	104000	
Gas Upstream (SEPI)	0	
Oil and Gas downstream	235000	

C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7

(C-CE7.7/C-CH7.7/C-CO7.7/C-MM7.7/C-OG7.7/C-ST7.7/C-TO7.7/C-TS7.7) Break down your organization's total gross global Scope 2 emissions by sector production activity in metric tons CO2e.

	Scope 2, location-based, metric tons CO2e	Scope 2, market-based (if applicable), metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	6597000		
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	706000		
Oil and gas production activities (midstream)	0		
Oil and gas production activities (downstream)	235000		
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C-CH7.8

(C-CH7.8) Disclose the percentage of your organization's Scope 3, Category 1 emissions by purchased chemical feedstock.

Purchased feedstock	Percentage of Scope 3, Category 1 tCO2e from purchased feedstock	Explain calculation methodology
Other (please specify) (Feedstock purchased for energy services at North American operations)	26	This is the fraction of emissions attributed to the listed chemical feed- stocks procured by North American Operations in relation to total reported Scope 3 Category 1 emissions for purchased for all Sasol operations.
Other (please specify) (Feedstock purchased at Eurasian operation)	27	This is the fraction of emissions attributed to the listed chemical feed- stocks procured by Eurasian Operations in relation to total reported Scope 3 Category 1 emissions for purchased for all Sasol operations.
Other (please specify) (Feedstock purchased from South African operations)	47	This is the fraction of emissions attributed to the listed chemical feed- stocks procured by Sasol South Africa in relation to total reported Scope 3 Category 1 emissions for purchased for all Sasol operations.

C-CH7.8a

(C-CH7.8a) Disclose sales of products that are greenhouse gases.

	Sales, metric tons	Comment
Carbon dioxide (CO2)	57150	Carbon dioxide from our Sasolburg plant and joint venture refinery plant (Natref) in South Africa is sold to a customer that further treats the product for on-selling to users including carbonated drinks manufacturers and water treatment plants.
Methane (CH4)	1120000	Natural gas is supplied to the market in Mozambique and South Africa, while methane rich gas is supplied to the market in South Africa from our Secunda complex. In these cases, the gas is primarily used by customers as an energy source. Natural gas is also supplied into the market in Canada. Customers use gas as an energy source and as a chemical feedstock.
Nitrous oxide (N2O)	0	None.
Hydrofluorocarbons (HFC)	0	None.
Perfluorocarbons (PFC)	0	None.
Sulphur hexafluoride (SF6)	0	None.
Nitrogen trifluoride (NF3)	0	None.

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable>		
Other emissions reduction activities	645000	Decreased	0.97	Projects are being implemented to reduce our emissions in line with our at least 10% reduction target by 2030. In FY20, these emission reduction activities caused a total decrease of 645,000 tCO2e from our FY19 Scope 1 & 2 emissions. Since our FY19 total Scope 1 & 2 emissions were 66,558,000 tCO2e, the percentage decrease is calculated as (645,000/66,558,000)*100 = 0.97% decrease.
Divestment		<Not Applicable>		
Acquisitions		<Not Applicable>		
Mergers		<Not Applicable>		
Change in output		<Not Applicable>		
Change in methodology		<Not Applicable>		
Change in boundary		<Not Applicable>		
Change in physical operating conditions		<Not Applicable>		
Unidentified	102000	Increased	0.15	The total year-on-year decrease in Sasol's Scope 1 & 2 emissions from FY19 to FY20 is a decrease of 543,000 tCO2e. Since emission reduction activities already account for a decrease of 645,000 tCO2e, an increase of 102,000 tCO2e must have occurred in order for the total change in emissions to equate to the actual year-on-year decrease of 543,000 tCO2e. Sasol's processes are highly integrated and changes in emissions over the reporting year cannot be readily disaggregated into individual causes. Decreases in production occurred at numerous operations due to shutdowns on account of the COVID-19 lockdown. These shutdowns had a complex effect on Sasol's emissions. Shutdowns of operations caused decreases in emissions at some operations due to decreased production, whilst shutdowns of other operations caused increases in emissions due to the need for continual flaring. What can be highlighted in the reporting year is a significant increase in production at the Lake Charles Chemical Project (LCCP) due to numerous units achieving beneficial operation in FY20. The overall impact of these and other causes which we are unable to disaggregate, resulted in an increase in emissions of 102,000 tCO2e. Since our FY19 total Scope 1 & 2 emissions were 66,558,000 tCO2e, the percentage increase is calculated as (102,000/66,558,000)*100 = 0.15% increase.
Other		<Not Applicable>		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 10% but less than or equal to 15%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	107375806	107375806
Consumption of purchased or acquired electricity	<Not Applicable>	0	7562778	7562778
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0	0	0
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	0	114938583	114938583

C-CH8.2a

(C-CH8.2a) Report your organization's energy consumption totals (excluding feedstocks) for chemical production activities in MWh.

	Heating value	Total MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	28013353
Consumption of purchased or acquired electricity	<Not Applicable>	1465329
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	0
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0
Total energy consumption	<Not Applicable>	0

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	Yes
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)
Coal

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
80694167

MWh fuel consumed for self-generation of electricity
10964444

MWh fuel consumed for self-generation of heat
0

MWh fuel consumed for self-generation of steam
69729722

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.3248

Unit
metric tons CO2e per MWh

Emissions factor source
The value is calculated from internal data sources.

Comment
Due to our highly integrated production processes, we are not practically able to separate emissions, electricity or steam intensity or heat recovery between energy consumption and chemical products. This is in accordance with the IPCC approach for calculating GHG emissions associated with Sasol process for making liquid fuels and chemicals.

Fuels (excluding feedstocks)
Fuel Gas

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
22876111

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat
22876111

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.20374

Unit
metric tons CO2e per MWh

Emissions factor source
DEFRA 2020 (Natural gas)

Comment
Due to our highly integrated production processes, we are not practically able to separate emissions, electricity or steam intensity or heat recovery between energy consumption and chemical products. This is in accordance with the IPCC approach for calculating GHG emissions associated with Sasol process for making liquid fuels and chemicals.

Fuels (excluding feedstocks)
Diesel

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
160547

MWh fuel consumed for self-generation of electricity
888

MWh fuel consumed for self-generation of heat
159659

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.26891

Unit
metric tons CO2e per MWh

Emissions factor source
DEFRA 2020 (100% mineral diesel)

Comment
Due to our highly integrated production processes, we are not practically able to separate emissions, electricity or steam intensity or heat recovery between energy

consumption and chemical products. This is in accordance with the IPCC approach for calculating GHG emissions associated with Sasol process for making liquid fuels and chemicals.

Fuels (excluding feedstocks)
Petrol

Heating value
LHV (lower heating value)

Total fuel MWh consumed by the organization
10559

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat
10559

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.2539

Unit
metric tons CO2e per MWh

Emissions factor source
DEFRA 2020 (100% mineral petrol)

Comment
Due to our highly integrated production processes, we are not practically able to separate emissions, electricity or steam intensity or heat recovery between energy consumption and chemical products. This is in accordance with the IPCC approach for calculating GHG emissions associated with Sasol process for making liquid fuels and chemicals.

Fuels (excluding feedstocks)
Other, please specify (Fuel oil, waste fuels, and burning of solid, liquid, gaseous wastes and the use of exothermic heat of reaction during the production process.)

Heating value
Unable to confirm heating value

Total fuel MWh consumed by the organization
3634444

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat
3634444

MWh fuel consumed for self-generation of steam

MWh fuel consumed for self-generation of cooling
<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration
<Not Applicable>

Emission factor
0.07

Unit
metric tons CO2 per GJ

Emissions factor source
The value is calculated from internal data sources.

Comment
Due to our highly integrated production processes, we are not practically able to separate emissions, electricity or steam intensity or heat recovery between energy consumption and chemical products.

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	10965340	10965340	0	0
Heat	22876111	22876111	0	0
Steam	69729722	69729722	0	0
Cooling	0	0	0	0

C-CH8.2d

(C-CH8.2d) Provide details on electricity, heat, steam, and cooling your organization has generated and consumed for chemical production activities.

	Total gross generation (MWh) inside chemicals sector boundary	Generation that is consumed (MWh) inside chemicals sector boundary
Electricity	5552274	5552274
Heat	15345732	15345732
Steam	5780703	5780703
Cooling	0	0

C-CH8.3

(C-CH8.3) Does your organization consume fuels as feedstocks for chemical production activities?

Yes

C-CH8.3a

(C-CH8.3a) Disclose details on your organization's consumption of fuels as feedstocks for chemical production activities.

Fuels used as feedstocks
Coal

Total consumption
16942000

Total consumption unit
metric tons

Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit

Heating value of feedstock, MWh per consumption unit
8.39

Heating value
LHV

Comment
The consumption data is based on the dry-ash free basis of the coal feedstock. Due to our highly integrated production processes, we are not practically able to separate emissions, electricity or steam intensity or heat recovery between energy consumption and chemical products. This is in accordance with the IPCC approach for calculating GHG emissions associated with Sasol process for making liquid fuels and chemicals.

Fuels used as feedstocks
Natural gas

Total consumption
1865500

Total consumption unit
metric tons

Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit

Heating value of feedstock, MWh per consumption unit
14.81

Heating value
HHV

Comment
Due to our highly integrated production processes, we are not practically able to separate emissions, electricity or steam intensity or heat recovery between energy consumption and chemical products. This is in accordance with the IPCC approach for calculating GHG emissions associated with Sasol process for making liquid fuels and chemicals.

Fuels used as feedstocks
Other, please specify (Crude Oil)

Total consumption
3665000

Total consumption unit
metric tons

Inherent carbon dioxide emission factor of feedstock, metric tons CO2 per consumption unit
3.1

Heating value of feedstock, MWh per consumption unit
12

Heating value
LHV

Comment
Due to our highly integrated production processes, we are not practically able to separate emissions, electricity or steam intensity or heat recovery between energy consumption and chemical products. This is in accordance with the IPCC approach for calculating GHG emissions associated with Sasol process for making liquid fuels and chemicals.

C-CH8.3b

(C-CH8.3b) State the percentage, by mass, of primary resource from which your chemical feedstocks derive.

	Percentage of total chemical feedstock (%)
Oil	16.3
Natural Gas	8.3
Coal	75.4
Biomass	0
Waste (non-biomass)	0
Fossil fuel (where coal, gas, oil cannot be distinguished)	0
Unknown source or unable to disaggregate	

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

Description
Waste

Metric value
528000

Metric numerator
Tons of waste generated and managed

Metric denominator (intensity metric only)
This is not an intensity metric

% change from previous year
7

Direction of change
Decreased

Please explain
Sasol's approach to waste management has undergone significant changes over the years in response to changing legislation and industry practices. Our waste management approach centres on complying with applicable legislation and adhering to waste management hierarchy principles. We generated 195 kt of non-hazardous waste, down from 237 kt in 2019, due to COVID-19 lockdown measures. Hazardous waste generation increased slightly from 328 kt in 2019 to 333 kt in 2020. Thus total waste (hazardous and non-hazardous waste) decreased from 565 kt in 2019to 528 kt in 2020. Total recycled waste decreased from 105 kt in 2019 to 83 kt in 2020. We continue to explore ways to improve on waste management practices, notably in implementing waste minimisation initiatives and alternative usage solutions. Most onsite waste disposal practices have been discontinued and the legacy sites closed and rehabilitated.

C-OG9.2a

(C-OG9.2a) Disclose your net liquid and gas hydrocarbon production (total of subsidiaries and equity-accounted entities).

	In-year net production	Comment
Crude oil and condensate, million barrels	1730	None.
Natural gas liquids, million barrels	0	None.
Oil sands, million barrels (includes bitumen and synthetic crude)	0	None.
Natural gas, billion cubic feet	127.4	15.2 billion cubic feet in Mozambique and 15 billion cubic feet in Canada

C-OG9.2b

(C-OG9.2b) Explain which listing requirements or other methodologies you use to report reserves data. If your organization cannot provide data due to legal restrictions on reporting reserves figures in certain countries, please explain this.

Sasol discloses oil and gas reserve information in alignment with Sasol's Form 20-F. This includes proved (developed and undeveloped) reserves, while probable and possible reserves along with other classifications of resources, which may become proved reserves in the future, are excluded. Sasol's Form 20-F for the year ended 30 June 2020 can be found at the following location on our website: https://www.sasol.com/sites/default/files/financial_reports/Sasol%2020-F%202020.pdf.

C-OG9.2c

(C-OG9.2c) Disclose your estimated total net reserves and resource base (million boe), including the total associated with subsidiaries and equity-accounted entities.

	Estimated total net proved + probable reserves (2P) (million BOE)	Estimated total net proved + probable + possible reserves (3P) (million BOE)	Estimated net total resource base (million BOE)	Comment
Row 1	146.3	146.3	146.3	Probable and possible reserves along with other classifications of resources, which may become proved reserves in the future, are excluded from our reported oil and gas reserve information.

C-OG9.2d

(C-OG9.2d) Provide an indicative percentage split for 2P, 3P reserves, and total resource base by hydrocarbon categories.

	Net proved + probable reserves (2P) (%)	Net proved + probable + possible reserves (3P) (%)	Net total resource base (%)	Comment
Crude oil/ condensate/ natural gas liquids	2	2	2	Probable and possible reserves along with other classifications of resources, which may become proved reserves in the future, are excluded from our reported oil and gas reserve information.
Natural gas	98	98	98	Probable and possible reserves along with other classifications of resources, which may become proved reserves in the future, are excluded from our reported oil and gas reserve information.
Oil sands (includes bitumen and synthetic crude)	0	0	0	Probable and possible reserves along with other classifications of resources, which may become proved reserves in the future, are excluded from our reported oil and gas reserve information.

C-OG9.2e

(C-OG9.2e) Provide an indicative percentage split for production, 1P, 2P, 3P reserves, and total resource base by development types.

Development type
Onshore

In-year net production (%)
83

Net proved reserves (1P) (%)
92

Net proved + probable reserves (2P) (%)

Net proved + probable + possible reserves (3P) (%)

Net total resource base (%)

Comment
Mozambique. Probable and possible reserves along with other classifications of resources, which may become proved reserves in the future, are excluded from our reported oil and gas reserve information.

Development type
Shallow-water

In-year net production (%)
6

Net proved reserves (1P) (%)
1

Net proved + probable reserves (2P) (%)

Net proved + probable + possible reserves (3P) (%)

Net total resource base (%)

Comment
Gabon. Probable and possible reserves along with other classifications of resources, which may become proved reserves in the future, are excluded from our reported oil and gas reserve information.

Development type
Tight/shale

In-year net production (%)
12

Net proved reserves (1P) (%)
7

Net proved + probable reserves (2P) (%)

Net proved + probable + possible reserves (3P) (%)

Net total resource base (%)

Comment
Canada. Probable and possible reserves along with other classifications of resources, which may become proved reserves in the future, are excluded from our reported oil and gas reserve information.

C-CH9.3a

(C-CH9.3a) Provide details on your organization's chemical products.

Output product
Other base chemicals

Production (metric tons)
4757000

Capacity (metric tons)
7553000

Direct emissions intensity (metric tons CO2e per metric ton of product)
1.07

Electricity intensity (MWh per metric ton of product)
0.92

Steam intensity (MWh per metric ton of product)
0.76

Steam/ heat recovered (MWh per metric ton of product)
0

Comment
Due to our highly integrated production processes, we are not practically able to separate emissions, electricity or steam intensity or heat recovery per product line, except in the case of upstream and enablement activities where we are able to separate according to the Base Chemicals and Performance Chemicals product offerings. For this reason, the intensities metrics are very similar for our base and speciality chemicals. In this case, 'Other base chemicals' includes polymers, solvents, fertilisers, explosives and other base chemicals. CAPACITY: Capacity represents the total saleable production capacity, excluding our internal consumption and including 50% of our Sasol Ineos joint venture. Our 50% share of the production capacity in the maleic anhydride joint venture with Huntsman was sold in September 2019.

Output product
Specialty chemicals

Production (metric tons)
2882000

Capacity (metric tons)
4833000

Direct emissions intensity (metric tons CO2e per metric ton of product)
1.07

Electricity intensity (MWh per metric ton of product)
0.92

Steam intensity (MWh per metric ton of product)
0.76

Steam/ heat recovered (MWh per metric ton of product)
0

Comment
Due to our highly integrated production processes, we are not practically able to separate emissions, electricity or steam intensity or heat recovery per product line, except in the case of upstream and enablement activities where we are able to separate according to the Base Chemicals and Performance Chemicals product offerings. For this reason, the intensities metrics are very similar for our base and speciality chemicals. In this case, 'Speciality chemicals' includes organics, waxes and advanced materials. CAPACITY: Capacity represents the total saleable production capacity. Sasol's 50% share in the Sasol Wilmar Alcohol Industries (Lianyungang) Co., Ltd. was disposed in 2019.

C-OG9.3a

(C-OG9.3a) Disclose your total refinery throughput capacity in the reporting year in thousand barrels per day.

	Total refinery throughput capacity (Thousand barrels per day)
Capacity	108

C-OG9.3b

(C-OG9.3b) Disclose feedstocks processed in the reporting year in million barrels per year.

	Throughput (Million barrels)	Comment
Oil	27.1	Natref
Other feedstocks		
Total	27.1	None

C-OG9.3c

(C-OG9.3c) Are you able to break down your refinery products and net production?
Yes

C-OG9.3d

(C-OG9.3d) Disclose your refinery products and net production in the reporting year in million barrels per year.

Product produced	Refinery net production (Million barrels) *not including products used/consumed on site
Other, please specify (Liquid fuels)	51.9
Other, please specify (Natural gas)	21.2
Other, please specify (Condensate)	0.4

C-OG9.3e

(C-OG9.3e) Please disclose your chemicals production in the reporting year in thousand metric tons.

Product	Production, Thousand metric tons	Capacity, Thousand metric tons
Other, please specify (Commodity)	4757	7553
Other, please specify (Specialty)	2882	4833

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CH9.6a

(C-CH9.6a) Provide details of your organization's investments in low-carbon R&D for chemical production activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Unable to disaggregate by technology area	<Not Applicable>	21 - 40%		This includes waste heat recovery, process step integration CCUS and waste re-utilisation

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Unable to disaggregate by technology area	<Not Applicable>	21-40%		This includes renewable energy, carbon utilisation, hydrogen, other energy efficiency measures in the oil and gas value chain

C-OG9.7

(C-OG9.7) Disclose the breakeven price (US$/BOE) required for cash neutrality during the reporting year, i.e. where cash flow from operations covers CAPEX and dividends paid/ share buybacks.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Reasonable assurance

Attach the statement
2020 Sasol Sustainability Report - 28 August 2020 10h30.pdf

Page/ section reference
p. 76 – 77 (p. 40 of pdf.): Section INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF SASOL LIMITED

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Reasonable assurance

Attach the statement
2020 Sasol Sustainability Report - 28 August 2020 10h30.pdf

Page/ section reference
p. 76 – 77 (p. 40 of pdf.): Section INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF SASOL LIMITED

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
ISAE 3000 (Revised) Unmodified - Scope 3 FY20.pdf
SASOL CCR 2020.pdf

Page/section reference
P. 36 – 37 (p. 20 of pdf.): section INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF SASOL LIMITED (SCOPE 3) Assurance statement from third party independent auditor

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Waste generated in operations

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
ISAE 3000 (Revised) Unmodified - Scope 3 FY20.pdf
SASOL CCR 2020.pdf

Page/section reference
Page 36-37 , section Data and Assurance, 2020 Climate Change Report. Assurance statement from third party independent auditor

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Business travel

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
ISAE 3000 (Revised) Unmodified - Scope 3 FY20.pdf
SASOL CCR 2020.pdf

Page/section reference
Page 36-37 , section Data and Assurance, 2020 Climate Change Report. Assurance statement from third party independent auditor

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

Scope 3 category
Scope 3: Use of sold products

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
ISAE 3000 (Revised) Unmodified - Scope 3 FY20.pdf
SASOL CCR 2020.pdf

Page/section reference
Page 36-37 , section Data and Assurance, 2020 Climate Change Report. Assurance statement from third party independent auditor

Relevant standard
ISAE3000

Proportion of reported emissions verified (%)
100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?
Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C6. Emissions data	Other, please specify (Production based greenhouse gas intensity)	ISAE 3000	Greenhouse gas emission intensity (CO2 equivalent/ton production) was verified as part of our assurance process. This forms part of our third-party, external assurance which takes place on an annual basis and is company-wide in scope. In the FY20 reasonable assurance was provided for this data. The independent assurance report is publicly available at the end of our Sustainability Report 2020, on page. 76 and 77.
C9. Additional metrics	Other, please specify (Production external sales and total material use)	ISAE 3000	Production meant for external sales data and total material use data (crude oil feedstock, natural gas feedstock and coal feedstock) was verified as part of the assurance process. This forms part of our third-party, external assurance which takes place on an annual basis and is company-wide in scope. In the FY20 reasonable assurance was provided for this data. The independent assurance report is publicly available at the end of our Sustainability Report 2020, on page. 76 and 77.
C8. Energy	Energy consumption	ISAE 3000	Total energy use was verified as part of our assurance process. This forms part of our third-party, external assurance which takes place on an annual basis and is company-wide in scope. In the FY20 reasonable assurance was provided for this data. The independent assurance report is publicly available at the end of our Sustainability Report 2020, on page. 76 and 77.
C9. Additional metrics	Other, please specify (Total hazardous waste, Total non-hazardous waste, Total hazardous waste, Recycled waste)	ISAE 3000	Total hazardous waste, total non-hazardous waste, total hazardous waste and recycled waste was verified as part of assurance process. This forms part of our third-party, external assurance which takes place on an annual basis and is company-wide in scope. In the FY20 limited assurance was provided for this data. The independent assurance report is publicly available at the end of our Sustainability Report 2020, on page. 76 and 77.
C2. Risks and opportunities	Other, please specify (Total water use and Recycled water)	ISAE 3000	Total water use and recycled water was verified as part of our assurance process. This forms part of our third-party, external assurance which takes place on an annual basis and is company-wide in scope. In the FY20 limited assurance was provided for this data. The independent assurance report is publicly available at the end of our Sustainability Report 2020, on page. 76 and 77.
C6. Emissions data	Other, please specify (Total revenue)	International Financial Reporting Standards, International Standards on Auditing (ISAs) and the Companies Act of South Africa	Total revenue was audited as part of our assurance process. This forms part of our third-party, external audit which takes place on an annual basis and is company-wide in scope. In the FY20 reasonable assurance was provided for this data. The independent auditor's report is publicly available at the end of our Annual Financial Statements 2020, on page. 13 and 17.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?
Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.
EU ETS
South Africa carbon tax

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS
97.64

% of Scope 2 emissions covered by the ETS
0

Period start date
January 1 2020

Period end date
December 31 2020

Allowances allocated
682874

Allowances purchased
176698

Verified Scope 1 emissions in metric tons CO2e
874465

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment
The emissions trading participation of all our European based facilities is listed below. The reported figures are a summary of all operations in Europe. The details of these facilities for the period 1 January 2020 to 31 December 2020 are as follows: Sasol Germany GmbH facility - Scope 1 emissions covered by the ETS: 99.53% - Allowances allocated: 214,443 - Allowances purchased: 10,503 - Verified emissions in metric tons CO2e: 238,569 Sasol Italy Spa - Scope 1 emissions covered by the ETS: 98,9 % - Allowances allocated: 433,512 - Allowances purchased: 0 - Verified emissions in metric tons CO2e: 455,691 Sasol Italy Energia Srl - Scope 1 emissions covered by the ETS: 100% - Allowances allocated: 0 - Allowances purchased: 134,195 - Verified emissions in metric tons CO2e: 134,195 Sasol Wax GmbH - Scope 1 emissions covered by the ETS: 75.44 % - Allowances allocated: 34,919 - Allowances purchased: 32,000 - Verified emissions in metric tons CO2e: 46,010

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

South Africa carbon tax

Period start date
June 1 2019

Period end date
December 31 2019

% of total Scope 1 emissions covered by tax
100

Total cost of tax paid
320000000

Comment
In South Africa, the carbon tax is calculated based on an entity's scope 1 emissions produced (excluding those related to diesel/petrol and sequestration practices) in a calendar year. The carbon tax submissions for this past calendar year (2020) have not yet been finalised and will be paid in July 2021. The carbon tax submissions date is after the submission of the CDP Response (except for last year, when the CDP response was delayed due to the COVID-19 pandemic). Thus, for this CDP submission (and for submissions going forward), we will report on the carbon tax information for the previous tax year. For Sasol, carbon tax values reported herein are for the period June 2019 to December 2019. This was reported to the South African government in August 2020 and payment was made in October 2020.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Sasol's Eurasia operations has been, over the past 5 years, following a differentiated strategy to fill the gap between allocation emissions and our actual emissions consumption with the overall situation balanced up to 2020. Within this differentiated strategy, the following steps are implemented/ still in progress:

• Use maximum CER's for compliance issues.

• Application for additional allocation.

• Optimization of the quality of the emission reports to minimize quantities that have to be returned.

• Increased use of green energy input.

• Develop a buy-in strategy, producing certificates to reduce allocations, increase consumption, account for changing markets and follow up regularly.

• Consider additional allocations for increased operational capacity.

Sasol's South African operations have recently been exposed to the local carbon tax implications. In June 2019, the Carbon Tax Act 15 of 2019 (Carbon Tax Act) came into effect. Since the initial release of the legislation regarding South Africa's carbon tax, Sasol has adhered to all local implications imposed by the Act. Our strategic approach to complying with the Carbon Tax Act comprises:

• Ensuring accurate representation of our emissions through delivering robust GHG accounting processes aligned with international best practices.

• Engaging with government with a view to maintain awareness of the regulator's perspective, remain abreast of future policy developments and advocate for regulations that balance the need for economic development, job creation and GHG emission reductions.

• Identifying, assessing and implementing projects to reduce our scope 1 GHG emissions and increase our energy efficiency.

• Maximize the use of carbon offsets (up to the limits stipulated in the regulation) in line with the principle of least-cost mitigation, to lower tax liability whilst simultaneously supporting projects with additional sustainable development co-benefits.

An example of how we have integrated our compliance with our work plans for Sasol is when we developed our GHG emission-reduction roadmap to 2030 for our Southern African operations, based on scenario analysis conducted in 2020. Herein, we focused on expanding on renewables, hydrogen and transition gas to significantly reduce emissions into the future. Our first milestone is to reduce at least 10% of our emissions by 2030 (off a 2017 baseline), supported by increasing transition gas as a complementary feedstock and implementing new renewable energy. Implementation of these initiatives will assist Sasol to minimise our carbon tax liability. Into the future we are proactively reducing our exposure to potential pass-through costs by reducing our energy consumption through numerous energy efficiency measures and sourcing more renewable energy sources.

We will also continue to consider various lower-carbon technologies as these become economically viable. We have a carbon offset strategy that focuses on the purchase of offsets through commercial agreements in the short term and the development of projects in the medium and long term. Accordingly, Sasol has undergone a rigorous evaluation process to purchase independently verified emission reduction certificates from reputable carbon retailers. In so doing, we have saved in excess of R200 million in carbon tax liability. The projects have mitigated the release of ~2,5 Mt CO2e. Projects have been reviewed to ensure environmental integrity. Regarding our in-house actions, we have embarked on a series of research activities to assess the range of potential carbon offsetting projects available.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?
Yes

C11.2a

(C11.2a) Provide details of the project-based carbon credits originated or purchased by your organization in the reporting period.

Credit origination or credit purchase
Credit purchase

Project type
Other, please specify (N2O abatement from nitric acid production No. 11 at African Explosives LTD)

Project identification
We purchased carbon credits from AEL's N2O abatement project. Nitrous Oxide (N2O) is an undesired by-product gas from the manufacture of nitric acid. Nitrous oxide is formed during the catalytic oxidation of Ammonia. Over a suitable catalyst, a maximum 98% (typically 92-96%) of the fed Ammonia is converted to Nitric Oxide (NO). The remainder participates in undesirable side reactions that lead to the production of Nitrous Oxide, among other compounds. Waste N2O from nitric acid production is typically re- leased into the atmosphere, as it does not have any economic value or toxicity at typical emission levels. N2O is an important greenhouse gas which has a high Global Warming Potential (GWP) of 296.The project activity involves the installation of a secondary catalyst to abate N2O inside the reactor once it is formed. The baseline scenario is determined to be the release of N2O emissions to the atmosphere at the currently measured rate, in the absence of regulations to restrict N2O emissions.

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)
386764

Number of credits (metric tonnes CO2e): Risk adjusted volume
0

Credits cancelled
Yes

Purpose, e.g. compliance
Compliance

Credit origination or credit purchase
Credit purchase

Project type
Other, please specify (Chemical industries N2O abatement project at AEL11)

Project identification
We purchased carbon credits from AEL's N2O abatement project. Nitrous Oxide (N2O) is an undesired by-product gas from the manufacture of nitric acid. Nitrous oxide is formed during the catalytic oxidation of Ammonia. Over a suitable catalyst, a maximum 98% (typically 92-96%) of the fed Ammonia is converted to Nitric Oxide (NO). The remainder participates in undesirable side reactions that lead to the production of Nitrous Oxide, among other compounds. Waste N2O from nitric acid production is typically released into the atmosphere, as it does not have any economic value or toxicity at typical emission levels. N2O is an important greenhouse gas which has a high Global Warming Potential (GWP) of 296. The project activity involves the installation of a secondary catalyst to abate N2O inside the reactor once it is formed. The baseline scenario is determined to be the release of N2O emissions to the atmosphere at the currently measured rate, in the absence of regulations to restrict N2O emissions.

Verified to which standard
VCS (Verified Carbon Standard)

Number of credits (metric tonnes CO2e)
144048

Number of credits (metric tonnes CO2e): Risk adjusted volume
0

Credits cancelled
Yes

Purpose, e.g. compliance
Compliance

Credit origination or credit purchase
Credit origination

Project type
Other, please specify (Chemical industries N2O abatement from nitric acid production)

Project identification
Nitrous Oxide (N2O) is an undesired by-product gas from the manufacture of nitric acid. Nitrous oxide is formed during the catalytic oxidation of Ammonia. Over a suitable catalyst, a maximum 98% (typically 92-96%) of the fed Ammonia is converted to Nitric Oxide (NO). The remainder participates in undesirable side reactions that lead to the production of Nitrous Oxide, among other compounds. Waste N2O from nitric acid production is typically re- leased into the atmosphere, as it does not have any economic value or toxicity at typical emission levels. N2O is an important greenhouse gas which has a high Global Warming Potential (GWP) of 296.The project activity in- volves the installation of a secondary catalyst to abate N2O inside the reactor once it is formed. The baseline scenario is determined to be the release of N2O emissions to the atmosphere at the currently measured rate, in the absence of regulations to restrict N2O emissions.

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)
1770935

Number of credits (metric tonnes CO2e): Risk adjusted volume
0

Credits cancelled
Yes

Purpose, e.g. compliance
Compliance

Credit origination or credit purchase
Credit purchase

Project type
Other, please specify (N2O abatement from the catalytic reduction of N2O emissions with a secondary catalyst inside the ammonia reactor of the No. 9 nitric acid plant at African Explosives Ltd)

Project identification
We purchased carbon credits from AEL's N2O abatement project. Nitrous Oxide (N2O) is an undesired by-product gas from the manufacture of nitric acid. Nitrous oxide is formed during the catalytic oxidation of Ammonia. Over a suitable catalyst, a maximum 98% (typically 92-96%) of the fed Ammonia is converted to Nitric Oxide (NO). The remainder participates in undesirable side reactions that lead to the production of Nitrous Oxide, among other compounds. Waste N2O from nitric acid production is typically re- leased into the atmosphere, as it does not have any economic value or toxicity at typical emission levels. N2O is an important greenhouse gas which has a high Global Warming Potential (GWP) of 296.The project activity in- volves the installation of a secondary catalyst to abate N2O inside the reactor once it is formed. The baseline scenario is determined to be the release of N2O emissions to the atmosphere at the currently measured rate, in the absence of regulations to restrict N2O emissions.

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)
5496

Number of credits (metric tonnes CO2e): Risk adjusted volume
0

Credits cancelled
Yes

Purpose, e.g. compliance
Compliance

Credit origination or credit purchase
Credit purchase

Project type
Landfill gas

Project identification
We purchased carbon credits from Joburg Landfill's gas-to-energy project. This methodology applies to project activities that include the destruction of methane emissions and displacement of a more-GHG-intensive service by capturing landfill gas from the landfill site and/or flaring and/or using to produce energy (i.e., electricity, thermal energy); and/or using to supply consumers through natural gas distribution network, dedicated pipeline or trucks.

Verified to which standard
CDM (Clean Development Mechanism)

Number of credits (metric tonnes CO2e)
139143

Number of credits (metric tonnes CO2e): Risk adjusted volume
0

Credits cancelled
Yes

Purpose, e.g. compliance
Compliance

C11.3

(C11.3) Does your organization use an internal price on carbon?
Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price
Navigate GHG regulations
Change internal behavior
Drive energy efficiency
Drive low-carbon investment
Stress test investments
Identify and seize low-carbon opportunities

GHG Scope
Scope 1

Application
Corporate division and some of the projects in certain jurisdictions

Actual price(s) used (Currency /metric ton)
134

Variance of price(s) used
Regional specific and depends on the prevailing price in the areas we operate. For example, in South Africa, the carbon price is R134/tCO2e escalating as per the Carbon Tax Act.

Type of internal carbon price
Shadow price

Impact & implication
Sasol incorporates carbon pricing into its scenario analysis and capital allocation process. In 2021, Sasol continues to utilise the findings of our updated scenario analysis to inform our business strategy. We continue to consider and integrate some of the information from the International Energy Agency (IEA) Sustainable Development Scenario (SDS), released in November 2020, as a further test of robustness of our strategies. These scenarios cover a variety of potential outcomes both favourable and unfavourable for the Group. For each scenario, a quantitative evaluation is applied to assess the financial impact of the various outcomes on Sasol's business and projects, using adjustments to oil and product prices, as well as different carbon prices. Sasol also assesses the carrying value and viability of our assets, on an annual basis. These assessments are done using the Group's long-term forecasts of product prices, making considerations for macro-economic variables, including a changing price on carbon. We currently use a long-term carbon price for our South African assets in a range of R19 – R129/ton, until 2030. These regional carbon prices are considered based on prevailing carbon pricing regimes and are used to test the viability of large new projects.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

47

% total procurement spend (direct and indirect)

50

% of supplier-related Scope 3 emissions as reported in C6.5

Rationale for the coverage of your engagement

A decision was taken that the Sasol Supply Chain Sustainability Survey Questionnaire would be limited to Sasol's Top 215 Strategic and Key Suppliers in each category. Strategic suppliers are defined as suppliers that have long-term agreements with Sasol, their value of spend is high and/or their commodity or service provided is difficult to source and plays a crucial role in ensuring our business continuity. Key suppliers are those that are critical to Sasol's operations and their value of spend is high. The rationale for limiting the Sasol Supplier Chain Sustainability Survey Questionnaire was based on the following reasons: - Past Sasol Supplier Chain Sustainability Survey Questionnaire responses indicated that not all of our suppliers responded to the survey on time, and - 2020 was a year of the global COVID-19 pandemic. This was factored in the decision to limit the Survey to Sasol's Top 15 Strategic and Key Suppliers per category, as some of our suppliers had already started working from home by the time the Survey Questionnaire was sent out. We have integrated climate change considerations into our suppliers engagements on ethical procurement and supply chain sustainability management through our Supply Chain Sustainability Questionnaire. This is aligned to the United Nations Global Impact and Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises. The objective of the Sasol Supply Chain Sustainability Questionnaire is to ascertain how our Strategic and Key Suppliers adhere to reducing their carbon emissions, energy use and water management. The Supply Chain Sustainability Questionnaire Survey queries the following measurable elements from our Key and Strategic Suppliers to evaluate their climate-related performance and practices: • Current governance, policy and management systems implemented, • Methods of measurement and reduction of Impact (target setting), • Commitment to continuous improvement and compliance, • Consideration and contribution to social issues, • Integration of climate change and energy considerations, • Water awareness, • Waste management, • Existing labour practices, and • Community involvement.

Impact of engagement, including measures of success

Sasol aims to determine the measures taken by our suppliers towards increased climate consideration. In addition, we aim to raise awareness of aspects to be considered by our suppliers, including having adequate governance structures and considering climate change impacts on communities. We have thus defined our measure of success as two-fold: (i) the number of completed supplier responses we obtain and.(ii) receiving positive feedback from suppliers on the efforts put towards building climate resilience and adapting to anticipated climate change futures. Examples of positive feedback will include: • Supplier having developed upper management governance for climate risks, • Strategies for water management/ conducting water risk assessments, and • Considerations of climate change in overarching business strategies. In 2020/21, the Survey was sent to out to 215 Suppliers and 102 Survey responses (47.44%) came back. The following summarized conclusions can be drawn from the feedback received from our 2020 questionnaire: • 82% of our Strategic and Key Suppliers have formal Waste Management Systems/ processes in place. • 77%% of Suppliers have implemented Community and Employee Grievance Mechanisms. • 42% of Suppliers calculate and report their carbon footprint annually. This is an improvement from last year's response. • 49% of Suppliers reported that the highest responsibility and decision-making on sustainability lies with the Board of Directors. • 40% of Suppliers reported that the highest responsibility and decision-making on Supply Chain Sustainability lies with Senior Management. • 42% of Suppliers responded that the water quality and water quantity was important to the success of their businesses. • 81% of Suppliers responded that they did not experience any detrimental impacts related to water in the reporting year. This is an improvement from the last year's survey. • Only 35% of Suppliers undertook water-related risk assessments in 2020. • 9% of Suppliers responded that they were exposed to water risks that could generate a significant change in their business, operations, revenue or expenditure. • 71% of Suppliers responded that water did not present strategic, operational or market opportunities that could reduce their businesses ability to produce or manufacture products and services. This is an improvement from last year's survey.

Comment

None.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

We are currently working independently and in collaboration with government and other partners to understand the following: 1) mitigation opportunities that result in the enhancement of social benefits; 2) advocating for a conducive national policy framework; 3) public stakeholder engagement expectations; and 4) funding opportunities. We are exploring both public-private and private-private partnerships to realise our various climate ambitions. Current partnerships include the Department of Science and Innovation (DSI) of the Government of South Africa; Air Liquide; Industrial Development Corporation (IDC); Linde, Navitas; Enertrag; Toyota; Sasol's international lower-carbon electricity service providers; carbon offset service providers; and our communities. This is in support of SDG17 Partnerships for the Goals.

Sasol's participation in an initiative by the DSI in South Africa has led to the donation of methanol and hydrogen for a nine-month period to the field Intensive Care Unit at 1-Military hospital in Pretoria. This project is using innovative mechanisms to provide much-needed power. The project is a joint effort between the DSI, Bambili Group, Air Products, Sasol and Protea Chemicals. In supporting projects such as these, we promote the use of sustainable fuels to pave the path for both Sasol and the country's transition to sustainable energy sources, like green hydrogen.

Another example of a key partnership is our private partnership with Air Liquide. As part of Sasol's asset review process, Sasol has sold its Secunda oxygen product site to Air Liquide. The Secunda oxygen plant (Air Separation Units) is responsible for ~7 Mtpa CO2e GHG emissions, which is ~11% of our South African emissions profile. As part of the purchase agreement, Air Liquide will operate the 16 air separation units (ASU) of this site, with an installed capacity of 42,000 tons/day, in addition to the unit it already operates today, and would launch a multi-year plan to modernize these facilities. In addition to the benefits this would bring in terms of safety, reliability and efficiency, the solution provided by Air Liquide would allow, in coordination with Sasol, a targeted reduction of 30% to 40% in CO2 emissions arising from the oxygen production by 2030. The amount of the initial investment would be approximately R8.5 billion (circa 440 million euros).

The ~7 Mt GHG removal from Sasol's baseline does not impact on us achieving our committed 10% reduction ambition by 2030. Potential reductions for the Air Separation Units focus on a combination of renewable energy utilisation and potential modernisation of the oxygen units. This partnership creates opportunities for both Sasol and Air Liquide to jointly progress our GHG reduction ambitions and advance development of the hydrogen economy in South Africa. Air Liquide is a global leader in industrial gases and services; and has experience and expertise in the green economy thereby assisting in our drive for a Just Transition to enable economic growth and employment opportunities.

We have also partnered with Energy Systems SA for the procurement of carbon offset credits. Through our partnership, we support the 'Joburg Landfill Gas to Energy Project' and the 'EnviroServ Chloorkop Landfill Gas Recovery Project'. These two projects support 4 landfill gas (LFG) to electricity interventions. LFG is directed to a modular electricity generation plant, whereby the methane is combusted to produce electricity. In the absence of these projects, methane, which is 23 times more potent at global warming than CO2, would have been released. In 2021 have also partnered with Wonderbag on a heat retention cooking carbon offset project to purchase circa 95,000 credits.

Finally, empowering our fenceline communities to enhance their resilience to the impacts of climate change is a focus area of our adaptation strategy. We depend on the expertise of industry and environmental partnerships to meet the current demand for sustainable programmes and investments. We can only create just and resilient communities that thrive in sustainable economies through collaborating with our stakeholders and our ability to take our current interventions or programmes to scale within our fenceline communities. Engagements with our communities typically occur in the form of education and awareness campaigns or the implementation of environmental community projects. In the reporting year, we implemented the Insulation of Reconstruction and Development Programme (RDP) homes to improve thermal efficiency and exchange of solid-fuel burning coal stoves for 5 537 houses. We also reached 7 000 households in the door-to- door awareness campaign which addresses air quality related matters, as well as 26 000 learners in the Govan Mbeki Municipality through specific activities and material developed to teach primary school learners about air quality.

In 2020, Sasol participated in the Africa Business Adaptation Project (BAP).

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations
Funding research organizations
Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Mandatory carbon reporting	Support	Sasol has been reporting mandatory GHG data since promulgation of the mandatory reporting regulations in March 2017. Sasol has been actively participating in the commenting of updates to these regulations. Sasol is a proponent of mandatory reporting and has been voluntarily submitting GHG data to government since the country's earliest GHG Inventory. It is our belief that for reductions to take place, an accurate, complete, relevant and consistent emissions baseline is critical. Sasol's first mandatory GHG submission was submitted in March 2018.	Sasol is a proponent of mandatory GHG reporting and recognises that baseline emission reporting is key to enabling reductions initiatives to be identified and implemented in the future.
Energy efficiency	Support	As a founding signatory to the South African Energy Efficiency Accord (the Accord), Sasol has a long-standing commitment (since 2005) to promote energy efficiency as a key business driver, in addition to the benefit of GHG reductions. Sasol recently committed to EP100 and supports the South African National Energy Efficiency Strategy. Sasol has set an objective of a 15% improvement between 2015 and 2030 in addition to the improvements achieved under the Energy Efficiency Accord from a 2005 baseline. Sasol's global operations are in the process of implementing standard utility energy efficiency measurements and reporting practices. Once baseline performance measurements have been determined, appropriate global improvement targets aligned with the respective national objectives will be set.	Sasol supports the reduction of the energy intensity of the economy through energy efficiency, as outlined in South African National Energy Efficiency Strategy.
Adaptation or resilience	Support	Sasol is not only an emitter of GHG emissions, we are also vulnerable to the impacts of climate change and have undertaken work to better understand our climate change exposure for our people and operations. Through an analysis of the impacts of climate change on our operations, we are taking steps to enable our resilience to these impacts which includes increased flooding from heavy rains, rising sea levels, extreme weather events such as hurricanes and tornadoes and heat stress in some regions where we operate. As such, Sasol participated in the public consultation process regarding the development of the South African National Adaptation Strategy and the costing associated with the implementation. The strategy outlines a set of objectives, interventions and outcomes to enable the country to give expression to its commitment to the Paris Agreement.	Sasol supports the South African National Adaptation Strategy's intention to support South Africa's ability to meet its obligations in terms of the Paris Agreement. As part of the implementation framework for the key adaptation interventions, business is recognised as a key stakeholder for specific business interventions across industries and sectors. Sasol is recognised in the strategy as an example of a business that may develop its own initial adaptation strategy.
Carbon tax	Oppose	Considering South Africa's developmental challenges, the structure of its economy and the fact that the carbon tax design is not aligned with the carbon budget system, Sasol remains supportive of carbon pricing but believes that alternative mechanisms could achieve the outcome sought by the proposed stand-alone carbon tax. In this instance, the effective alignment of the carbon budget with the carbon tax offers an efficient and effective solution for the South African economy to recover while transitioning to a low carbon economy through least-cost mitigation. We continue to work with government and various stakeholders through public consultation processes and direct government engagement on the committed alignment of the carbon budget with the carbon tax, from 2023. It is important to appropriately manage the challenge of balancing the need for economic development, job creation, energy security and GHG emission reductions. Sasol is in compliance with the standalone Carbon Tax Act. We made our first carbon tax payment in October 2020.	To ensure that South Africa's transition is orderly and just, developed policy needs to be clear and cohesive. Sasol supports the transition to a low-carbon economy taking our national circumstances into account. We support the aligned carbon budget and carbon tax system to create a more efficient and effective mitigation signal in a flexible and economically sustainable manner. South Africa is implementing, with urgency, the integrated mandatory carbon budget/ta system in support of the 2021 updated NDC.
Other, please specify (South African Climate Chang Bill)	Support	Sasol has engaged directly with various stakeholders on matters related to climate change. The nature of the engagement is tailored to the specific needs of the policy debate at a specific time. During the year, for our South African operations, we continued to participate in the voluntary carbon budget process, pollution prevention plan, the development of South Africa's Just Transition Pathway and the development of the proposed Climate Change Bill with South African Department of Forestry, Fisheries and the Environment (DFFE) on our own, and through business and trade associations. Sasol has been and is fully participating in the carbon budget process and is actively engaging on the development of an integrated mitigation system including carbon offsets, carbon budgets and on adaptation through the National Climate Change Adaptation Strategy process.	Sasol is committed to playing our part in South Africa's transition to a low carbon and more climate resilient economy within the context of South Africa being a developing country. Hence we support the current development and drafting of various climate change policies, including Carbon Budgets, the Climate Change Bill, and the Just Transition Pathway. We recognise that we have a particular responsibility to reduce our GHG emissions and are acutely aware of the available opportunities to contribute to finding solutions to this challenge. Sasol continues to actively engage with government and various stakeholders on the development of climate change policy through a consistent and aligned approach.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Chemical and Allied Industries' Association (CAIA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

It is our understanding that CAIA, through its members, is well aware that a business as usual scenario is not feasible and is committed to playing their part in developing and implementing a national climate change response policy that places South Africa on a lower carbon growth path while at the same time addressing developmental imperatives. The chemical industry recognizes its responsibility to contribute towards efforts to mitigate climate change. The industry's goals in this regard are to reduce its own emissions by improving its processes and to encourage the use of chemical products that create a net emission reduction along the value chain. The chemical industry is also addressing the challenge of adaptation to climate change through its commitment to improving water use efficiency.

How have you influenced, or are you attempting to influence their position?

Sasol plays an active role in developing and implementing the global chemical industry's Responsible Care® initiatives. We participate in working groups of the European Chemical Industries' Council (CEFIC), and South African Chemical and Allied Industries' Association (CAIA).

Trade association

South African Petroleum Industry Association (SAPIA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The cycle of developing, producing, transporting, refining and delivering oil to end-users presents significant environmental challenges. In response to these challenges, the industry has embarked on a number of initiatives to ensure that it will continue reducing its environmental impact into the future. The SAPIA Engineering and Environmental

Committee's anti-pollution strategies include: Development of a common emission management strategy, common emission reporting protocol and common flaring report protocol by the Refinery Managers' Environmental Forum (RMEF) to manage the environmental implications of their activities. Individual refineries have invested heavily in the installation of new emission control technology.

How have you influenced, or are you attempting to influence their position?
Sasol plays an active role in SAPIA meetings

Trade association
Minerals Council of South Africa

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The mining industry can demonstrate its commitment to improving energy efficiency and managing climate change by developing a detailed inventory of carbon emission, showing what energy savings have taken place and perhaps set its own targets for energy efficiency (most companies have already signed the Energy Efficiency Accord). This would demonstrate that the industry is serious about dealing with national challenges.

How have you influenced, or are you attempting to influence their position?
Sasol plays an active role in the Minerals Council meetings.

Trade association
Business Unity South Africa (BUSA)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
BUSA is a confederation of business organisations including chambers of commerce and industry, professional associations, corporate associations and uni-sectorial organisations. It represents South African business on macro-economic and high-level issues that affect it at the national and international levels. BUSA's function is to ensure that business plays a constructive role in the country's economic growth, development and transformation and to create an environment in which businesses of all sizes and in all sectors can thrive, expand and be competitive. As a principal representative of business in South Africa, BUSA represents the views of its members in a number of national structures and bodies, both statutory and non-statutory. BUSA also represents businesses' interests in the National Economic Development and Labour Council (NEDLAC).

How have you influenced, or are you attempting to influence their position?
Sasol plays an active role in various BUSA meetings and also Chairs the BUSA Environmental Sub-committee and the Just Transition committee.

Trade association
Industry Task Team on Climate Change (ITTCC)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The ITTCC is a non-profit organisation that represents energy-intensive industries. It is committed to working with industry, business groups and government departments to ensure sustainable economic growth while transitioning South Africa to a lower-carbon economy. The ITTCC's role is to undertake technical, fact-based studies to ensure that South Africa's policies regarding climate change are based on the best information, best practice and prescribe tangible, achievable ends.

How have you influenced, or are you attempting to influence their position?
Sasol actively participates in meetings, provides expert advice and supports various pieces of work to provide a fact base to inform climate change and energy policy development. Sasol is currently the Chair of the ITTCC.

Trade association
International Council of Chemical Associations (ICCA)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The Paris Agreement is designed to curb greenhouse gas emissions and mobilize global political will to address the climate change challenge. Successful implementation of the Paris Agreement hinges in large part on contributions from the private sector. For global chemical manufacturers, that means continuing to do what they do best: innovate. Innovation requires a consistent, supportive policy and regulatory environment to reach its full potential and to allow industry to develop and implement solutions to address global sustainability challenges.

How have you influenced, or are you attempting to influence their position?
Sasol actively participates in meetings, provides expert advice and supports various pieces of work to provide a fact base to inform climate change and energy policy development.

Trade association
International Chamber of Commerce (ICC)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Taking serious and bold action to mitigate climate change is an urgent business issue. Failure to do so will hurt us all. Countries must go beyond the bare minimum and take transformative action if we are to achieve the goals set out in the Paris Agreement. Through our global network, we will advocate for policy frameworks that support the alignment of business operations with this target and help us to reach the additional goal of net zero emissions in many countries by 2050.

How have you influenced, or are you attempting to influence their position?
Sasol participates in some meetings, provides expert advice and supports various pieces of work to provide a fact base to inform climate change and energy policy development.

Trade association

European Chemical Industry Council (CEFIC)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
Cefic is committed to the Paris Agreement and is of the view that, as one of the largest and most diversified industries in Europe, the chemical industry plays an important role in helping to achieve long-term greenhouse gas emission reductions. Therefore, it is continuously looking at ways to improve production processes, to lower the industry's carbon footprint and enable further emission reductions down the value chains. It's most recent Mid-Century Strategy 'Molecule Managers' sets out a plausible path towards a prosperous, more sustainable Europe in 2050.

How have you influenced, or are you attempting to influence their position?
Sasol actively participates in meetings, provides expert advice and supports various pieces of work to provide a fact base to inform climate change and energy policy development.

Trade association
Verband der Chemischen Industrie e.V. (VCI)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The VCI supports the Paris Agreement. In a recent study, it shows that climate-neutral chemistry is possible and which conditions are needed for the German chemical industry to become carbon-neutral by 2050. The association's members believe that chemistry can help to enable the realization of climate objectives in general and the goals of the Paris Agreement in particular.

How have you influenced, or are you attempting to influence their position?
Sasol actively participates in meetings, provides expert advice and supports various pieces of work to provide a fact base to inform climate change and energy policy development.

Trade association
American Chemical Council (ACC)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
ACC considers climate change as a global challenge that requires long-term commitment and action by every segment of society. A combination of technology, market based and policy solutions are viewed as necessary to reduce greenhouse gas emissions and achieve climate goals, such as those of the Paris Agreement. ACC supports the policy statements of the International Council of Chemical Associations (ICCA) on the Paris Agreement, which recognize the role of the chemical industry in achieving the goal of the Paris Agreement.

How have you influenced, or are you attempting to influence their position?
Sasol actively participates in meetings, provides expert advice and supports various pieces of work to provide a fact base to inform climate change and energy policy development.

Trade association
American Cleaning Institute (ACI)

Is your position on climate change consistent with theirs?
Consistent

Please explain the trade association's position
The association acknowledges that scientific consensus is clear: tackling climate change is essential for a sustainable future. It (via members) must also work to meet current needs without compromising the ability of future generations to meet theirs. Society cannot continue to live as it does now, using ever-dwindling resources and generating vast amounts of waste and carbon emissions. Targets adopted by companies to reduce GHG emissions are considered "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. The Science Based Targets Initiative is leading the charge in championing and institutionalizing science-based targets within businesses.

How have you influenced, or are you attempting to influence their position?
Sasol actively participates in meetings, provides expert advice and supports various pieces of work to provide a fact base to inform climate change and energy policy development.

C12.3d

(C12.3d) Do you publicly disclose a list of all research organizations that you fund?
No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

Sasol is committed to working with all key stakeholders in the countries where we operate to achieve optimum GHG management solutions balanced with economic development and growth drivers. We believe that business is an essential part of the solution to the climate change challenge and that working collaboratively with national and international stakeholders in developing climate change related policies and responses both in South Africa and globally, will we achieve the required impetus and solutions.

We engage directly with regulators and policymakers, as well as indirectly through relevant national and international business associations and task teams. At an international level, we work through organisations such the International Chamber of Commerce (ICC), and the International Council of Chemical Associations (ICCA). This provides us access to thought leadership, particularly around improving climate change data reporting and energy efficiency. Our national operations engage directly and through organized business associations such as the American Chemistry Council (ACC), BUSA, Business Leadership South Africa (BLSA), National Business Initiative (NBI), CAIA and Industry Task Team on Climate Change (ITTCC). Sasol has attended and participated consistently in the Conference of the Parties (COP) since COP 15 and supports the Paris Agreement.

In terms of recent policy developments, the regulatory issues that have a particularly profound impact on our South African activities are those relating to the carbon tax (and associated regulations including carbon offsets) and carbon budgets, clean fuel specifications and air quality. A multi-disciplinary team has been in existence for 10 years to consider climate change policy and this has been widened to environmental policy as well. The Stakeholder Relations department which is part of the multi-disciplinary team arranges our engagement with key stakeholders. We believe that a consistent approach to engaging with various tiers of government on critical policy and regulatory issues is contributing to a more productive and mutually beneficial relationship. It is also encouraging further alignment between the regulatory requirements of different government departments in South Africa.

These engagements also allow Sasol to learn and share work and experiences with government as well as other stakeholders and organisations – an example is Sasol's participation with the South African government and wider business at COP 25 in Spain showcasing the significant advances made on both climate change mitigation and adaptation by government and business. This year at COP 26 Sasol will also be collaborating with government and will likely be in attendance.

In addition to this, Sasol engages with key shareholders, including Just Share, the Raith Foundation and Old Mutual, regarding proposed shareholder resolutions, amongst others requiring targets and scope 3 emissions reporting to be addressed further. Sasol through its Climate Change Report and it's commitment to a non-binding advisory vote at its 2021 AGM, is responding to these requests. Sasol believes that oversight of its climate change response through its governance structures, including the Board committees, provides for independent views given the representation by external, non-executive directors.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Managing our relationships with government, business and industry associations is a key element of our governance and risk management processes. We hold memberships across numerous national and international industry associations, where we constructively and collectively shape technical outcomes and advocate for policy that relates to our business.

Identifying and responding to our material and top risk climate change issues is critical to our ability to execute our sustainable growth strategy. Our identification process encompasses an assessment of our group-wide risks, identified through our internal risk assessment process, as well as careful consideration of the legitimate interests and expectations of our internal and external stakeholders. We continually enhance our issues management process, which seeks to address those matters that are likely to impact our common objectives, strategy and growth targets. In identifying the issues, we ensure that the pertinent implications of policy and regulatory changes as well as the socioeconomic and reputational drivers are properly understood. Equally important, we seek to take proactive steps to limit the possibility that a particular issue becomes a longer-term risk for the group. As Climate Change has been identified as top risk within the organisation we are continuously ensuring through our risk management methodology (the bow tie) that we incorporate actions that are consistent with our strategy.

We also release an annual Climate Change report which clearly articulates our position on climate change and our understanding of the low carbon transition; its links to our business strategy and operating context; and our commitments to decarbonising and progressing our businesses. We recognise that a clear and coherent position on all climate-related issues is critical for our business operations and for our stakeholders, hence we have provided explanations of our positions on four key topics: acknowledgement and support for climate science, alignment to goals of the Paris Agreement, carbon pricing and the development of low and lower-carbon energy solutions. The intention of this report is to clarify our position to stakeholders and provide direction and confidence to management and employees across business divisions and geographies to act in a way that aligns with our overall climate change strategy.

In terms of governance, our GEC and Board oversees our climate change management approach and response. The GEC and Board enables integrated and expeditious sustainability management, including the required shifts in our business model aligned with approved boundary conditions. The Boards Safety, Social and Ethics Committee (SSEC) has a stakeholder engagement focus. A multi-disciplinary Sasol climate change working team supports the development of policy positions and stakeholder engagements plans focused on for example the carbon tax and budgets and the proposed South African Climate Change Bill. This team enables a proactive response to climate change, appropriately informed by global and national policy matters. In this way we effectively identify and engage, key individuals who will collaborate on issues of mutual interest regarding policy and regulatory development and ensure that all direct and indirect activities that influence policy are consistent with our overall climate change strategy. Each business has also set up specific policy committees to monitor policy developments.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication
In mainstream reports, incorporating the TCFD recommendations

Status
Complete

Attach the document
SASOL CCR 2020.pdf

Page/Section reference

Various sections for Sasol's first and second Climate Change Reports.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In mainstream reports

Status
Complete

Attach the document
Integrated Report 2020.pdf

Page/Section reference
Throughout the Report.

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment
Climate change management is an integrated and embedded through strategic and operations activities through the organisation.

Publication
In voluntary sustainability report

Status
Complete

Attach the document
2020 Sasol Sustainability Report - 28 August 2020 10h30.pdf

Page/Section reference
Page 5, 12, 30, 44, 46, 67

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Publication
In other regulatory filings

Status
Complete

Attach the document
Sasol 20-F 2020.pdf

Page/Section reference
Page 14, 19, 31, 48, 96

Content elements
Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	President and Chief Executive Officer; Executive Vice President: Strategy, Sustainability & Integrated Services; Disclosure Working Group	Chief Executive Officer (CEO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges	Please explain what would help you overcome these challenges

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?
English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission	Are you ready to submit the additional Supply Chain questions?
I am submitting my response	Investors Customers	Public	Yes, I will submit the Supply Chain questions now

Please confirm below
I have read and accept the applicable Terms