SASOL LIMITED
("the Company")

ORDINARY RESOLUTIONS[1] PROPOSED BY SASOL SHAREHOLDERS: Old Mutual Investment Group, Sanlam Investment Management, ABAX, Coronation, Mergence Investment Managers, AEON Investment Managers

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In order to promote the long term success of the Company, taking into account the significant risks associated with global temperature increases above 1.5°C[2], and the opportunities inherent in the just transition to a low-carbon economy, shareholders resolve that Sasol:

- **Ordinary Resolution 1:** Publish in its annual Integrated and Sustainability reports, and other company notices as appropriate, for the calendar year ending 2020, and on an annual basis thereafter, its short, medium and long-term company-wide quantitative greenhouse gas (GHG) targets (Scopes 1 and 2) aligned with the goals of Articles 2.1(a)[3] and 4.1[4] of the Paris Agreement. These GHG targets are to be linked to executive remuneration on both a short and long term basis in the 2021 financial year performance cycle.

- **Ordinary Resolution 2:** Publish in its annual Integrated and Sustainability reports, and other company notices as appropriate, for the calendar year ending 2020, and on an annual basis thereafter, it's Scope 3 greenhouse gas emissions, including the emissions associated with the end use of Sasol's energy products.

- **Ordinary Resolution 3:** For the calendar year ending 2022, and on an annual basis thereafter, the inclusion of Scope 3 emissions in the Company's overall greenhouse gas (GHG) emissions targets. These GHG targets (Scope 3 inclusive) to be linked to executive remuneration on both a short and long term basis and published in the Company's annual Integrated and Sustainability reports, and other company notices as appropriate.

Such disclosure and reporting to include the criteria and summaries of the methodologies, geographic location of emissions, core assumptions used, and to omit commercially confidential information and be prepared at reasonable cost. Nothing in these resolutions shall limit the Company's powers to set and vary its strategy, or associated targets or metrics, or to take any action which it believes in good faith, would best promote the long-term success of the Company.

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[1] Section 65(4) of the Companies Act provides that "*A proposed resolution is not subject to the requirements of section 6(4), but must be— (a) expressed with sufficient clarity and specificity; and (b) accompanied by sufficient information or explanatory material to enable a shareholder who is entitled to vote on the resolution to determine whether to participate in the meeting and to seek to influence the outcome of the vote on the resolution.*"

[2] https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/ - which concluded that even the 2-degree limit in the Paris Agreement is insufficient to limit the worst impacts of climate change, and that "rapid, far-reaching changes" must be made to ensure that net emissions of carbon dioxide fall to 45% of 2010 levels by 2030, reaching "net zero" around 2050, to avoid disastrous levels of global warming. The report showed how the difference between a 1.5°C and 2°C rise in global temperatures can be expected to result in additional economic damages globally of between $8 trillion and $11 trillion before 2050.

[3] Article 2.1(a) of the Paris Agreement states the goal of "Holding the increase in global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change".

[4] Article 4.1 of the Paris Agreement states that: "In order to achieve the long-term temperature goal set out in Article 2, Parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognizing that peaking will take longer for developing country Parties, and to undertake rapid reductions thereafter in accordance with best available science, so as to achieve a balance between anthropogenic emissions by sources and removals by sinks of greenhouse gases in the second half of this century, on the basis of equity, and in the context of sustainable development and efforts to eradicate poverty".

Notes to Resolution

a) Both locally and internationally there is a growing consensus amongst financial institutions that achieving the goals of the Paris Agreement is essential to risk management and responsible stewardship of the world economy[5]. As long term institutional investors we understand that making a decent return on capital for our clients is made more difficult in an economy disrupted by climate change. Proactive engagement with investee companies on material climate risk is aligned with investor fiduciary duty.

b) As long term investors we are concerned with Sasol's strategic response to the evolving climate crisis and the impact it will have on the Company's operations and stakeholders. Relative to global industry peers, the carbon intensity of Sasol's business is high. This presents transition risks to shareholders and stakeholders alike, both in South Africa and globally, especially as the race to decarbonise economic growth accelerates. While Sasol acknowledges these risks in its annual reporting, and has made progress on its climate governance and reporting, there is, never the less, scope for greater clarity on the Company's long term plans to align its business model with outcomes consistent with the Paris Agreement. As a consequence we request Sasol to make public its long term emission management plan through the publication of Paris-aligned GHG targets (Scope 1 and 2) linked to executive remuneration.

c) The goal of the Paris Agreement is to hold the increase in the global average temperature "to well below 2˚C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5˚C above pre-industrial levels."[6] South Africa[7] is one of the 197 parties which has committed to the Paris Agreement. The implication of the Paris Agreement is that signatory nations have collectively agreed to work towards achieving a net-zero-emission energy system by 2050. All signatory parties to the Paris Agreement set out their GHG reduction commitments in Nationally Determined Contribution reports. Alignment with the Paris Agreement will thus require Sasol to manage its GHG emission profile in each country of operation in a manner that is consistent with the emission plans of its respective host nations.

d) Sasol has been identified in the "Carbon Majors" report as one of the 100 fossil fuel companies linked to 71% of global industrial GHG emissions since 1988.[8] In 2018, the Company's total GHG emissions (CO_2 equivalent) were 67 631 200 tons, a reduction of 0.3% on its 2017 emissions and increase in GHG intensity of 3% in the same year 2017[9]. When viewed over the longer term since 2012 Sasol's GHG intensity per unit of sales has decreased over the period (with slightly increases in past 3 years), while emission per unit of production have largely remained flat over the same period. Sasol is involved in a National Carbon Budget pilot program that extends for the period 2016 to 2020 and has been allocated cumulative carbon budget limit of 302 million tons for the 5 year period. In 2018 Sasol reported that in the first two years of the program it emitted approximately 115 million tons of carbon dioxide equivalent, or some 38% of the total carbon budget in 40% of the time. Including the 2018 Scope 1 and 2 emissions Sasol has used up 60% of allowable carbon budget in 60% of the time.

e) The Sasol 2018 Sustainability report provides details on indirect Scope 3 emissions – this number is reported as 590,000 tons of CO_2e and relates to emissions as a result of its charter flights to Vilanculos, Mozambique. The 2018 Sasol Carbon Disclosure Report, however, provides an estimate of the Company's Scope 3 emissions across several sources. This is estimated at 22,423,458 Metric tonnes CO_2e. The reported Scope 3 emissions from end use of Sasol's most significant products (gas, diesel and petrol) is 21,584,212 Metric tonnes CO_2e – which comprises some 96% of Sasol's reported estimated Scope 3 emissions. When included with Sasol's reported 2018 Scope 1 & 2 emissions, the overall carbon footprint of Sasol increases by some 33%. Long

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[5] Investors' expectations concerning climate-related risks have increased following ratification of the Paris Agreement in 2016, the publication of the Recommendations of the Taskforce on Climate-Related Financial Disclosures (https://www.fsb-tcfd.org/) in 2017, and the IPCC's 2018 *Special Report on Global Warming of 1.5°C.* The TCFD points to the likelihood that the steps that must be taken to reach the target set in the Paris Agreement could have "significant, near-term financial implications for organizations dependent on extracting, producing and using coal, oil and natural gas"

[6] https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement

[7] South Africa ratified the Paris Agreement on 1 November 2016. See https://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=XXVII-7-d&chapter=27&clang=_en

[8] https://www.cdp.net/en/articles/media/new-report-shows-just-100-companies-are-source-of-over-70-of-emissions

[9] Sasol Integrated Report 2018, p10

term management of Scope 3 emissions from energy product use is crucial to achievement of the Paris Climate Agreement, and we therefore support Sasol including consideration of these Scope 3 emissions in its emission management plans and targets.

f) Sasol currently sets Group Energy Intensity Improvement targets linked to annual short term incentive plans, carrying a 5% weighting across the short term performance score card. While this is not a direct greenhouse gas metric, progress on this target would support progress on Scope 1 GHG emissions that arise from energy production. Notwithstanding, no reference is made to alignment of the energy efficiency target with the goals of the Paris Agreement. No Paris aligned GHG metrics are currently included in the long term incentive plan. In setting GHG targets we request Sasol to base these targets on quantitative metrics such as GHG intensity related to key remuneration performance metrics, such as growth in production volumes and growth in Headline Earning per share, or other quantitative metrics that the Company deems suitable to align its targets with a well-below-2°C pathway.