

Sasol Limited's 2024 climate-related disclosures



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1. Introduction

Sasol is the biggest private emitter of greenhouse gases (GHGs) in South Africa, and one of the biggest corporate emitters of GHGs on earth. The Secunda coal-to-liquids facility is the world's largest single point source of GHGs.¹ Sasol's decarbonisation strategy and targets, and whether it achieves them, are crucial to the decarbonisation trajectory of the country.

1.1 Pulling back from emission reduction target?

Despite repeatedly insisting that it remains committed to its 2030 GHG emission reduction target, Sasol's recent communications strongly suggest it may be preparing to pull back from this commitment.

Sasol's new CEO Simon Baloyi has introduced ambiguous language about "realistic and achievable"² goals and a "moving target of between 25-35% GHG emission reduction",³ while the company's latest reports contain many hedging phrases like "optimising the Emission Reduction Roadmap to include value-creation opportunities".⁴

When questioned about these statements, Sasol has offered vague explanations about "refining pathways" and promised more details at an as-yet-unscheduled 2025 Capital Markets Day.⁵ This pattern of communication is particularly concerning considering Sasol's confident launch of its emission reduction strategy in 2021, when it claimed that it had "identified opportunities that exceeded expectations".⁶

The company is now suggesting that it needs to redefine its pathway to "Future Sasol",⁷ while failing to provide clear explanations for why its original targets might need revision.

1.2 No climate vote at 2024 AGM

Sasol's decision not to table a climate vote at its 2024 AGM appears to be a strategic move to avoid what would likely be an embarrassing level of shareholder opposition. The pattern of declining support for these resolutions - from 94.54% in 2021 to 77.36% in January 2024 - demonstrates growing shareholder scepticism about Sasol's climate commitments.

Major institutional investors like Old Mutual Investment Group (OMIG) and Ninety One Asset Management have already shown their willingness to vote against Sasol's climate plans.⁸ Given Sasol's recent ambiguous messaging about its 2030 targets and the absence of a separate climate

¹ P 8 Sasol Sustainability Report 2020.

² <https://tinyurl.com/5baesp2m>

³ <https://www.businesslive.co.za/bt/business-and-economy/2024-09-01-sasol-ceo-punts-more-realistic-emissions-target/#:~:text=Sasol%20CEO%20Simon%20Baloyi%20has,target%20of%2030%25%20by%202030>

⁴ PP 69, 70, 71, 74 IR 2024.

⁵ At Sasol's 5 November ESG Roundtable, it indicated that this would be in May 2025.

⁶ P 11 Sasol Climate Change Report 2021.

⁷ P 6 IR 2024.

⁸ <https://collaborate.unpri.org/group/20541/stream>



report this year, the company likely anticipates that putting its climate strategy to a vote would result in even lower support levels, potentially falling below a majority endorsement.

By avoiding the vote altogether while claiming to be "optimising" its emission reduction pathway, Sasol can sidestep immediate shareholder scrutiny while it prepares potential revisions to its climate commitments.

2 Overview of recent disclosures

This briefing focuses on Sasol's latest climate-related disclosures.⁹ Just Share has been analysing Sasol's disclosures since 2019. In November 2023, we published an [analysis of Sasol's climate-related disclosures](#) and we published a [further statement](#) in December 2023.

As in previous years, we have focused on Sasol's Energy business, which "comprises the Southern African integrated value chain and is responsible for Mining, Gas, Operations and Fuels through which the business provides various petroleum products to consumers". This includes Sasol's Secunda, Sasolburg and Natref operations, as well as "gas sourcing in Mozambique".¹⁰

Also as in previous years, we have focused on Sasol's 2030 targets, given the uncertainty around the strategy and timelines to achieve "Future Sasol".

Last year, Sasol stated that its Energy Business "strives to be a leader in the energy transition in Southern Africa".¹¹ This year, it frames its ambition differently, stating that the "leadership team of Energy operations and Technology committed themselves to five key focus areas (the five strategic pillars) to stabilise Sasol's foundation business". One of these is Sasol 2.0, which aims to "enhance the capabilities to generate cash to lead the Energy Transition in South Africa".¹²

On 29 August 2024, Sasol published its integrated report (IR 2024), covering the period 1 July 2023 to 30 June 2024. The IR 2024 reports that its plan to address "stakeholder activism", which it describes as "Increasing pressure from shareholders, activists and NGOs on our delivery against our financial and ESG performance targets", is: "Proactive and constructive engagement with stakeholders"; and "Various initiatives to address stakeholders' concerns and monitoring of ongoing developments".¹³

However, despite this commitment, Sasol did not publish a separate climate report in 2024, as it has done annually since 2019. Sasol's 15 November AGM will again be electronic-only, and for the first time in four years, Sasol is not inviting shareholders to vote on its climate plans.

⁹ Sasol's 2023 reporting suite was assessed for the purpose of this analysis.

¹⁰ P 58 IR 2024.

¹¹ P 27 Sasol Climate Change Report 2023.

¹² P 104 IR 2024.

¹³ P 36.



Since 2021, Sasol has itself tabled an annual, non-binding advisory resolution at its AGM, seeking endorsement from shareholders of its climate plans. Shareholder support for its decarbonisation plans has been declining each year.

Sasol received 77.36% support for its “Say on Climate” resolution at its 19 January 2024 AGM¹⁴ (rescheduled after it cancelled its 17 November 2023 AGM¹⁵), a significant drop in support from previous years. The table below shows the voting results for Sasol’s climate resolutions over the past three years:

AGM year	For	Against
2021 AGM	96.63%	3.37%
2022 AGM	94.05%	5.95%
2023 AGM	77.36%	22.64%

Sasol’s shareholders are clearly increasingly sceptical of the company’s commitment to its climate plans and its ability to implement them successfully. Large institutional shareholders OMIG and Ninety One both voted against Sasol’s 2023 resolution, as per their pre-declarations.¹⁶

Sasol’s IR 2024 discloses much less detail about its approach to climate change risks and opportunities than in previous years when it produced a stand-alone climate report. The explanation for this changed approach is that it “better align[s] with international standards” to consolidate its sustainability and climate change reports into the integrated report.¹⁷

The IFRIS Foundation’s 2023 IFRS S2 Climate-related Disclosures warn of the risk of duplication in disclosures; stating, for example, in relation to risk management disclosures: “... if oversight of sustainability-related risks and opportunities is managed on an integrated basis, the entity would avoid duplication by providing integrated risk management disclosures instead of separate disclosures for each sustainability-related risk and opportunity”.¹⁸

There is, however, an important distinction between duplication occasioned by separate disclosures, and a lack of adequate useful information to inform stakeholders on a company’s approach to climate risks and opportunities; including its governance processes; its strategy; its risk management approach; and its performance and progress in relation to such risks and opportunities.

Given that Sasol itself regards climate change as a “top risk” and indicates that it has “prioritised climate action in our transition towards a sustainable future business”,¹⁹ it is surprising that the company has decided to reduce its climate-specific information from a report of almost 80 pages in 2023 to just 12 pages dedicated to climate change in its IR 2024.

¹⁴ Paragraph 3: https://justshare.org.za/wp-content/uploads/2024/03/Just-Share-2024_AGM-roundup-1-19-January_21-February-2024.pdf

¹⁵ Paragraph 2: https://justshare.org.za/wp-content/uploads/2023/12/231214_Just-Share-2023-AGM-roundup-2.pdf

¹⁶ <https://www.responsible-investor.com/esg-round-up-old-mutual-and-ninety-one-to-vote-against-sasol-decarbonisation-plans/>

¹⁷ P 70 IR 2024.

¹⁸ Paragraph 26.

¹⁹ P 13 IR 2024.



Irrespective of how Sasol decides to structure its reports, it is essential that shareholders and other stakeholders can ascertain whether it is on track to meet the targets that it set in 2021. This means that emissions from its various businesses and operations - and baselines from which targets are measured - must be reported consistently and transparently. This briefing includes examples of some of Sasol's inconsistent reporting of emissions and baselines.

3 Possible revision of emission reduction target

Just Share pointed out in November 2023, following our analysis of Sasol's disclosures, that the company appeared to be showing signs of reneging on its 2021 GHG emission reduction commitment to reduce its Energy Business' scope 1 and 2 emissions by 30% by 2030. At the time, Sasol denied this, insisting in three separate media releases that it remained committed to its 2030 target.²⁰

However, at Sasol's 20 August 2024 results presentation, recently-appointed President and CEO, Simon Baloyi, stated that Sasol's "future aspiration must be grounded on what is realistic and achievable". He said that "more clarity" would be provided at Sasol's 2025 Capital Markets Day, including on its plans to "optimise the execution" of its GHG roadmap to "ensure that we maximise value from Secunda Operations, for energy security and to enable a just transition".

Sasol's presentation referred to the company's need to "sustain competitive advantage" and to "balance transform capex" in its GHG roadmap. Baloyi said that Sasol would be "very disciplined because for us it's not transition at all cost. If we see that there's no projects or possible pathways, we'll always maximise the outcome and return cash to the shareholders". He also emphasised the need to "maintain a balanced and measured approach".

These statements all indicate the possibility of planned revisions to the 2030 target.

In the IR 2024, Sasol recognises that "*Addressing our GHG emissions is crucial to our sustainability*".²¹ The report makes several references to "*Executing against our emission reduction roadmap while optimising for value creation*".²² It states that, "*During FY25, Sasol will be driving efforts toward optimising the Emission Reduction Roadmap to include value-creation opportunities. The aim is to stabilise the business and recover to business-as-usual production levels, while still decarbonising and reducing the carbon intensity of the business*".²³

Sasol describes its strategy to realise "Future Sasol" as "adaptable and agile allowing us to quickly identify interventions to pursue opportunities and mitigate potential threats". It states that its "focus is on building a strong foundation while transforming into a more sustainable business".²⁴

²⁰ We responded on 11 December 2023, reiterating why our briefing was accurate.

²¹ P 44.

²² P 16.

²³ P 70 IR 2024.

²⁴ P 74 IR 2024.



In response to identified risks, like “our ability to develop and implement an appropriate climate change mitigation response”; “delivering on our Sasol targets and decarbonisation approach”; and “our ability to meet new and future policy and regulatory requirements, particularly in South Africa”, the IR 2024 includes responses such as:

- “*Optimising the emission reduction roadmap for our South African value chain to achieve sustainable production while still decarbonising*”;
- “*Exploring affordable alternatives and optimising options to minimise eroding value to current business while driving initiatives to meet our sustainability transformation requirements*”; and
- “*Proactive policy and regulatory advocacy to enable our transition pathways*”.²⁵

In its Form 20-F filed with the United States Securities and Exchange Commission (SEC) (“20-F 2024”), Sasol warns that:

*“The primary risks associated with achieving the 2030 GHG reduction targets and 2050 ambition are the unavailability and unaffordability of gas as feedstock, the potential prohibitive costs of green hydrogen and electrolyzers, the lack of enabling policy and legal frameworks, the need to balance people, planet and profit considerations, taking a just transition into account, global supply chain challenges in the renewable energy sector and the ability to access markets in the jurisdictions within which we operate and trade to enable the transition. In this regard, we can provide no assurances that Sasol’s plans to reduce GHGs pursuant to our roadmaps or otherwise will be successful in a commercially viable manner or at all.”*²⁶

On 1 September 2024, Baloyi was reported to have indicated that, instead of the climate commitment it set in 2021 (which includes a 30% reduction in scope 1 and 2 emissions from its Energy Business by 2030), Sasol prefers a “moving target of between 25-35% GHG emission reduction”.

Two days later, Sasol published a SENS announcement in which it stated that it remained committed to its 2030 GHG emission reduction target and that a “possible revision” of its target “is only an example of an approach addressing the complexity of our transition”. Sasol stated that it is in the “process of refining our pathways towards achieving this target to ensure that we remain agile, mitigate potential risks and also respond to new emerging opportunities, given the changing global landscape and energy security needs”.

Sasol’s new chairperson, Muriel Dube, was reported to have stated that Baloyi’s comments about a “moving target” referred to “how we refine those pathways so that we achieve the target but still have a business.” She said Sasol was “looking at a creative and cost-effective way to meet the challenges it faces. It’s about optimising our environmental roadmaps”. In relation to Sasol’s commitment to reduce scope 1 and 2 GHG emissions from its Energy business by 5% by 2026, Dube stated that: “The focus is, firstly, that we’re committed to our 2030 target. You can look at how that translates on an annual basis. But the ultimate objective is for us to get to net zero by 2050.”

²⁵ P 34.

²⁶ PP 30-31.



In 2021, when launching its “Future Sasol strategy” and “Just Transition plan to achieve a Net Zero greenhouse gas (GHG) emissions ambition by 2050” the company made bold claims. The 2021 Climate Report asserted that Sasol had “identified opportunities that exceeded expectations” and touted its “tailored target setting and roadmap approach” as ensuring “a scientifically sound, robust and credible process”.²⁷

These statements appeared designed to assure the market of Sasol’s strategic readiness and implementation capacity for achieving these targets. However, the IR 2024 reveals a significant shift: Sasol now states it “will define the required steps to reach Future Sasol” at its 2025 Capital Markets Day - casting doubt on the substance behind the 2021 commitments.²⁸

If Sasol revises its GHG emission reduction targets, this will expose it to the risk of having approval withdrawn for the “alternative load-based” limit of sulphur dioxide (SO₂) emissions that it was granted by the former Minister of Forestry, Fisheries and the Environment. Sasol indicated that the achievement of its GHG emission reduction targets was dependent on it receiving SO₂ emissions leniency for its 17 coal-fired boilers at its Secunda Operations.²⁹ A condition of Minister Creecy’s decision granting Sasol its “alternative load-based” SO₂ limit for the boilers, was that it must “continue to implement its integrated solution **and must achieve the reductions in emissions of all pollutants as undertaken in its application and appeal**” (emphasis added).³⁰

²⁷ P 11.

²⁸ P 6 IR 2024.

²⁹ Paragraph 6.2: <https://justshare.org.za/wp-content/uploads/2023/11/231102-Just-Share-briefing-Sasol-climate-disclosures.pdf>

³⁰ <https://justshare.org.za/media/news/climate-change/minister-grants-sasols-so%e2%82%82-appeal-carbon-majors-database-confirms-sasol-one-of-worlds-largest-carbon-emitters-since-paris-agreement-2/>



4 Emissions reporting

Sasol's latest reporting suite shows that the company is making little progress in reducing its emissions.

Combined total scope 1 and 2 emissions have increased for the second year in a row. Sasol reports that its 2024 Energy business emissions are 4% lower than the (rebaselined) 2017 baseline for emission reduction measurements, but there are inconsistencies in its reporting which make this difficult to confirm.

Sasol reports that it expects production to increase in 2025, as a result, *inter alia*, of increased gas production volumes in Mozambique, and increased production volumes at Secunda and Natref.³¹ **In other words, emissions are also expected to increase next year.**

Sasol has indicated that it will provide more clarity on its emission reduction plans at its 2025 Capital Markets Day – which will be almost four years after it launched its “Future Sasol” strategy in 2021.

4.1 Scope 1 and 2 emissions

Sasol sets out its scope 1 and 2 GHG emissions since 2021, including several “restatements” in 2022 and 2023.³²

Natural Capital – Our environment	2024	2023	2022	2021	Restatements
Total greenhouse gas (CO₂ equivalent) (kilotons)	64 819	64 392	63 891	66 273	
Energy	62 479	62 184	61 559	63 855	Restated 2023
Secunda	54 421	53 871	53 367	55 883	Restated 2023
Sasolburg	5 190	5 401	5 164	4 937	Restated 2023
Mining	697	779	899	889	Restated 2023
Natref	1 165	1 215	1 243	1 293	Restated 2023
Mozambique	911	842	820	786	
Other strategic business units and functions	96	76	66	67	Restated 2023
Chemicals	2 340	2 208	2 332	2 417	Restated 2023
Eurasia	768	716	784	788	
North America	1 572	1 492	1 548	1 629	Restated 2022
Africa	–	–	–	–	

³¹ P 63 IR 2024.

³² P 3 Sasol Performance Data 2024. Sasol appears also to have made a calculation error in relation to emissions from its Chemicals operations in 2023: last year, it reported its 2023 combined emissions from Eurasia and North America as 2178 kilotons (P 69 Sasol Climate Change Report). This year it reports those 2023 emissions as 2208 kilotons.



Natural Capital – Our environment	2024	2023	2022	2021	Restatements
Direct carbon dioxide (CO₂) Scope 1 (CO₂) equivalent) (kilotons)	59 506	58 644	57 284	60 778	
Energy	57 805	57 079	55 587	58 731	
Secunda	51 151	50 319	49 283	52 310	
Sasolburg	4 655	4 819	4 380	4 401	
Mining	109	92	101	168	
Natref	907	954	962	1 024	
Mozambique	911	842	820	786	
Other strategic business units and functions	73	52	41	42	
Chemicals	1 701	1 565	1 697	2 046	
Eurasia	580	543	633	681	
North America	1 120	1 022	1 064	1 365	
Africa	–	–	–	–	
Indirect carbon dioxide (CO₂) Scope 2 (kilotons)	5 313	5 748	6 607	5 495	
Energy	4 674	5 104	5 972	5 124	
Secunda	3 270	3 552	4 084	3 573	
Sasolburg	535	582	784	536	
Mining	588	687	798	721	Restated 2022
Natref	258	261	281	269	
Mozambique	–	–	–	–	
Other strategic business units and functions	23	23	25	25	
Chemicals	639	643	635	371	Restated 2022
Eurasia	188	173	151	107	
North America	452	470	484	264	Restated 2022
Africa	–	–	–	–	

Although Sasol's scope 2 emissions have decreased since 2023, its scope 1 emissions have increased, as have its combined scope 1 and 2 emissions. Sasol explains this increase as follows: *"Focused efforts to recover production from the foundation business to sustainable levels, aligned with our [emission reduction roadmap (ERR)], resulted in marginally higher GHG emissions for the Energy Business".*³³ It is not clear why the ERR would contribute to **higher** emissions.

Of the 64 819 kilotons of CO₂e emitted over the period 1 July 2023 to 30 June 2024, 84% are from Sasol's Secunda operations and 8% from its Sasolburg operations. 64.55% of Sasol's emissions are scopes 1 and 2.³⁴ The majority of Secunda's scope 1 emissions are a direct product of the coal-to-liquids combustion process. Sasol's combined GHG emissions from methane, nitrous oxides and carbon dioxide (scope 1) are quantified as carbon dioxide equivalents (CO₂e) and recorded as direct scope 1 CO₂e emissions.³⁵

Sasol has committed to reduce GHG emissions from its Energy Business (excluding Natref) by 5% by 2026, and by 30% by 2030 (excluding Natref, Mozambique and some "other strategic business units and functions"). These reductions are both from a 2017 baseline.³⁶ 2017 was chosen as the baseline because production and emissions were particularly high: Sasol's then CEO Fleetwood

³³ P 76 IR 2024.

³⁴ P 81 IR 2024 indicates that scope 3 emissions are 35 595 913 tCO₂e.

³⁵ P 3 Sasol Performance Data 2024.

³⁶ Paragraph 3.1 https://justshare.org.za/wp-content/uploads/2022/11/221122_Sasol-CC-analysis-briefing_final.pdf



Grobler indicated at the 2021 Capital Markets Day that 2017 was the year that *“Sasol had a very good run-rate of our facilities in South Africa. We, that year, produced about 7.8 million tonnes, and because of that high output, and with the associated high emission footprint, we used that as the base year, because that is giving us then a very appropriate base-year to say we worked from, as it was one of our higher ones.”*³⁷

In other words, even though Sasol gave itself significant leeway by selecting to measure its emission reductions from a high base, it is still struggling to reduce emissions.

The 2017 baseline stated in 2021 was 63 925 ktCO₂e.³⁸ In 2022, after the sale of its Secunda air separation units to Air Liquide, Sasol reported that its “rebaselined” 2017 scope 1 and 2 emissions for the Energy Business were 63 001 ktCO₂e.³⁹ This would appear to represent the emissions figure excluding emissions from Natref and Mozambique, but including emissions from “other strategic business units and functions”.

However, there is no indication that Sasol’s 2026 emission reduction target excludes Mozambique. Its 2030 Energy business emission reduction target excludes Natref, Mozambique and “some other strategic business units and functions”. The 2017 baselines applicable to the 2026 and 2030 targets should therefore differ.⁴⁰

Sasol should clarify:

- that Mozambique and “other strategic business units and functions” are included in its 2026 target;
- the correct 2017 baseline, including Mozambique, for the 2026 target;
- that “other strategic business units and functions” are excluded from the 2030 target;
- the correct 2017 baseline, excluding “other strategic business units and functions”, for the 2030 target; and
- that its future reports will include target tracking graphs that correctly reflect categories of emissions, per target and with correct baselines that remain stable.

In 5.1 below, we address some other inconsistencies in Sasol’s reporting of its targets.

Sasol’s IR 2024 includes the graph on the next page, which shows that **Sasol Energy emissions (as opposed to overall emissions) have also increased for the second consecutive year.**⁴¹

³⁷ 5 <https://www.youtube.com/watch?v=FQgORVCofD8&t=4063s> at 5 minutes, 46 seconds.

³⁸ P 4 Sasol Climate Change Report 2021.

³⁹ P 4 Sasol Climate Change Report 2022; P 76 IR 2024.

⁴⁰ It seems that Sasol’s 2017 baseline of 63 001 ktCO₂e (excluding Natref and Mozambique, but including “other strategic business units and functions”) does not align with its 2026 or 2030 targets.

⁴¹ P 76.



Sasol Energy scope 1 and 2 target tracking excluding Natref



7. Includes Mining. Natref, Mozambique and some strategic business units are excluded from Sasol Energy's 2030 GHG target. Target setting for Natref will be undertaken in consultation with our JV partner.
8. GHG reduction due to production variances and mitigation (see alongside).

This graph purports to depict that Sasol's 2024 emissions of 60 404 ktCO₂e are about 4% lower than those in 2017 (63 001 ktCO₂e) due to "production variances and mitigation". The IR 2024 indicates that product volumes were lower, relative to 2017, "resulting in the 3,8% lower GHG emissions from 2017".⁴² However, the heading to this graph should indicate that emissions from Mozambique are also excluded from this graph, because the 2024 figure of 60 404 ktCO₂e is made up of the combined emissions for: Secunda (54 421); Sasolburg (5 190); Mining (697); and "Other strategic business units and functions" (96).⁴³ The same four categories were combined to get the 2023 figure of 60 127 ktCO₂e.⁴⁴

Sasol has committed to a 5% scope 1 and 2 emission reduction by 2026 from its Energy Business (excluding Natref) but has **not specifically reported on its progress against this 2026 target**. Without confirmation of the correct 2017 baseline for its 2026 target – inclusive of Mozambique, it is difficult to ascertain whether or not Sasol's 2024 emissions for its Energy Business (excluding Natref, but including Mozambique) of 61 315 ktCO₂e⁴⁵ reflect progress in emissions reduction compared to its rebaselined 2017 emissions.

Sasol's 2024 emissions for its Energy Business (excluding Natref, Mozambique and the other business units and functions) were 60 308 ktCO₂e.⁴⁶ Similarly, without confirmation of the correct 2017 baseline figure for its 2030 Energy Business target, it is difficult to measure Sasol's progress.

⁴² P 76.

⁴³ P 3 Sasol Performance Data 2024.

⁴⁴ P 57 Sasol Sustainability Report 2023.

⁴⁵ P 3 Sasol Performance Data 2024.

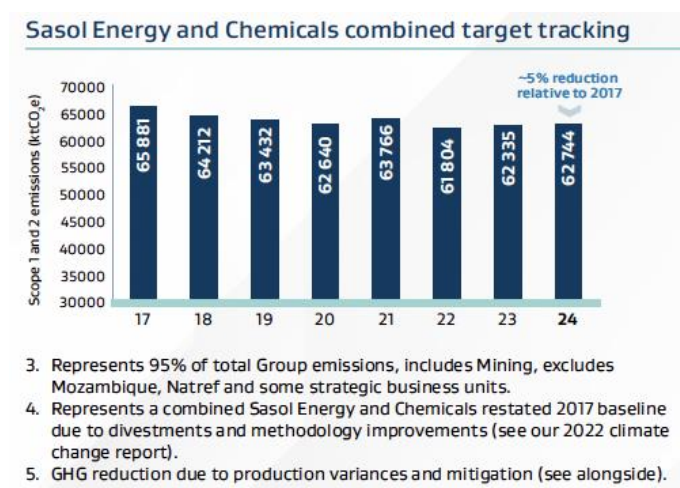
⁴⁶ P 3 Sasol Performance Data 2024.



Sasol's 2026 and 2030 scope 1 and 2 emission reduction targets are **separate** for its Energy and Chemicals businesses:

- 2026:
 - 5% emission reduction from its Energy Business (excluding Natref); and
 - 20% emission reduction from its International Chemicals Business; and
- 2030:
 - 30% emission reduction from its Energy Business (excluding Natref, Mozambique and "some other strategic business units and functions"); and
 - 30% emission reduction from its International Chemicals businesses.

Despite this, Sasol reports on a "Combined target tracking" for Sasol Energy and Chemicals:⁴⁷



Sasol Energy and Chemicals combined emissions have also **increased for the second consecutive year**. Sasol has also not specifically reported on its progress against the respective 2030 targets for its Energy and International Chemicals businesses, including by identifying the correct baselines and emissions figures for each.

Sasol reports that GHG emissions for "combined Sasol Energy and Sasol Chemicals baseline" reduced by approximately 5% since 2017 "due to production variances and operational issues".⁴⁸

The IR 2024 states that the *"International Chemicals Business saw a GHG reduction of 18,8% from 2017, slightly higher than emissions in 2023. Persistent low utilisation rates and weak product volumes, as a result of a depressed global chemicals sector, continue to negatively affect production and consequently lowered GHG emissions"*.⁴⁹

⁴⁷ P 76 IR 2024.

⁴⁸ P 11 IR 2024.

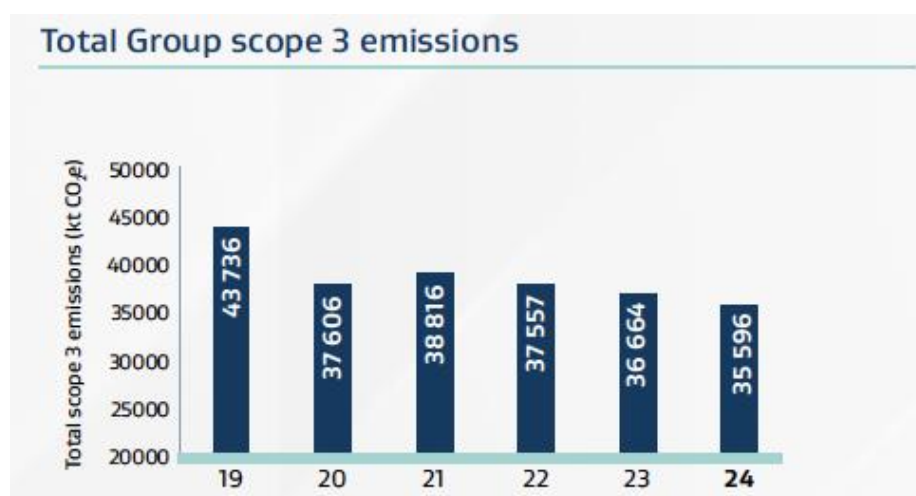
⁴⁹ P 76.



4.2 Scope 3 emissions

34,45% of Sasol's emissions are scope 3, i.e., indirect emissions (not included in scope 2)⁵⁰ that occur in Sasol's value chain, including both upstream and downstream emissions.⁵¹ Sasol states that its approach to managing scope 3 emissions "balances improving baseline accounting and identifying opportunities for reductions with longer-term portfolio changes and other measures to reduce emissions across our value chain".⁵²

Sasol depicts its total scope 3 emissions in the charts replicated below:⁵³



Category	2024 (tCO ₂ e)	2023 (tCO ₂ e)	2022 (tCO ₂ e)	2021 (tCO ₂ e)	2020 (tCO ₂ e)	Accounting accuracy
1. Purchased goods and services	4 483 665	4 780 323	5 247 445	5 432 140	5 978 086	●
2. Capital goods			N/A			●
3. Fuel- and energy-related activities ¹	232 636	232 099	249 435	240 993	285 641	●
4. Upstream transportation	413 616	408 021	402 850	478 974	449 465	●
5. Waste generated in operations ¹	79 634	75 981	77 345	70 159	78 608	●
6. Business travel ¹	2 204	3 576	2 007	600	4 105	●
7. Employee commuting	35 801	36 986	36 237	32 584	50 471	●
8. Upstream leased assets	3 588	3 662	3 725	4 785	4 906	●
9. Downstream transportation	279 812	230 114	273 038	253 280	211 901	●
10. Processing of sold products		N/A				●
11. Use of sold products ¹	28 438 287	29 108 286	29 585 273	30 831 235	29 661 747	●
12. End-of-life treatment of sold products		Baseline under development				●
13. Downstream leased assets		N/A				●
14. Franchises	139 052	143 007	148 389	141 412	144 131	●
15. Investments	1 487 618	1 642 528	1 531 284	1 330 133	737 234	●
Total	35 595 913	36 664 583	37 557 028	38 816 295	37 606 295	

¹ Assured by KPMG.

● HIGHLY CERTAIN ● MODERATE CERTAINTY ● LOW CERTAINTY ● UNKNOWN ● NOT APPLICABLE

⁵⁰ Scope 2 emissions are indirect emissions from the generation of purchased energy.

⁵¹ P 81 IR 2024 indicates that scope 3 emissions are 35 595 913 tCO₂e.

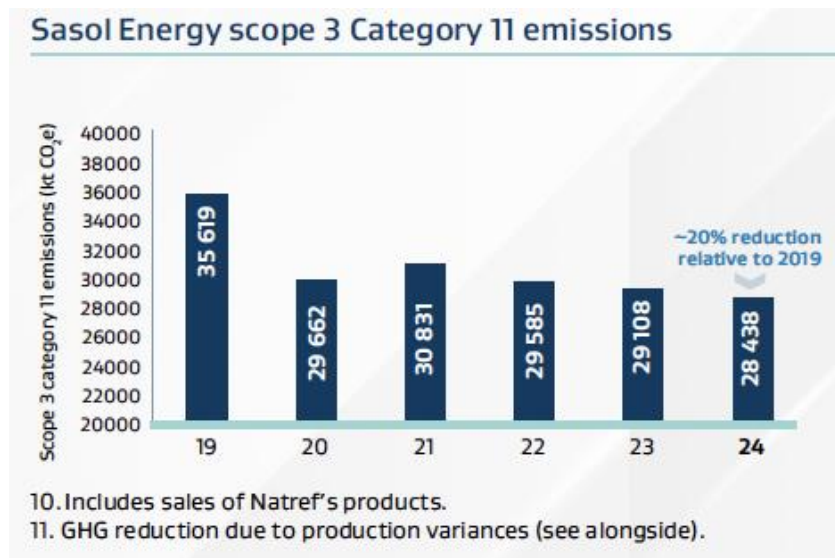
⁵² P 81 IR 2024.

⁵³ P 76 and P 81 IR 2024.



The largest contributor to scope 3 emissions is “use of sold products” (Category 11 of the GHG Protocol⁵⁴), predominantly in South Africa.⁵⁵

Sasol’s scope 3 target is a 20% reduction (off a 2019 baseline) for category 11 (sold products) from its Energy business by 2030. It reports a reduction in category 11 emissions this year “due to production variances”. Sasol states that, “*Relative to 2023, there was a slight reduction in Category 11 emissions due to decreased fuel sales volumes*”. This appears from the following graph:⁵⁶



Sasol reports that scope 3, category 11 “emissions decreased by approximately 20% when compared to our 2019 baseline”.⁵⁷ This also appears from the graph above, which attributes GHG reductions to “production variances”.

In other words, the emission reductions that Sasol reports are not attributable to progress in the implementation of Sasol’s decarbonisation roadmap: increased production levels will result in increased scope 3 emissions.

⁵⁴ <https://ghgprotocol.org/>

⁵⁵ P 81 IR 2024.

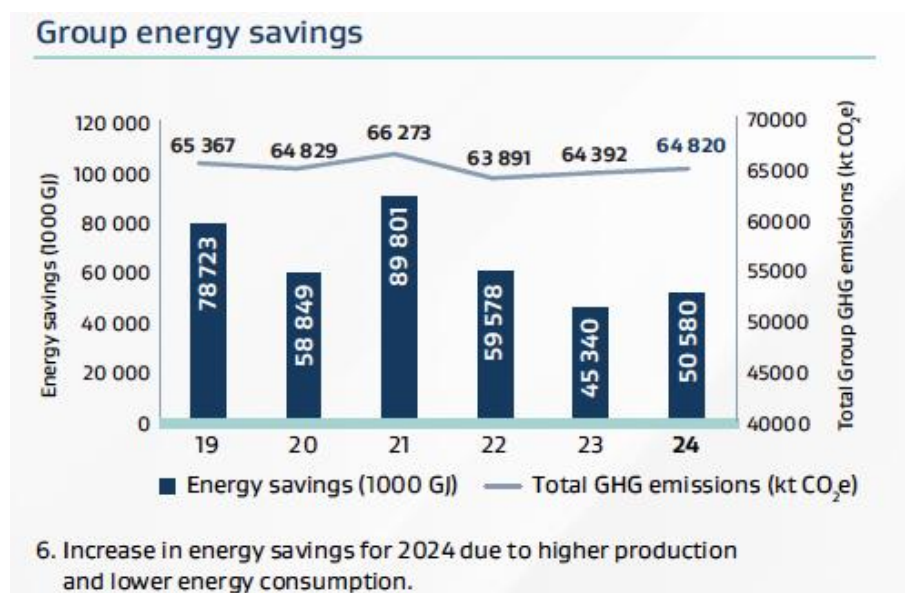
⁵⁶ P 76 IR 2024.

⁵⁷ P 76 IR 2024.



4.3 Energy efficiency and savings

Sasol's increase in energy savings for 2024 – as depicted in the graph below – was “due to higher production and lower energy consumption”:⁵⁸



Sasol has committed to achieving a 30% improvement in energy efficiency (EnEf) by 2030, off a 2005 baseline. It reports that it has, to date, achieved a 15,4% improvement from the baseline.⁵⁹ According to the IR 2024, “We plan to improve our performance to exceed the National Energy Efficiency Strategy for 2030’s objective”.⁶⁰

Sasol reports that it has developed - and updates annually - a long-term improvement roadmap “to forecast short, medium and long-term performance in line with our commitment of achieving a 30% EnEf improvement by 2030”. This year, “there was an improvement of 2,1% for the Group and 1% for Energy Operations and Technology compared to the previous financial year”. This was, however, below the target of 24% by 2024.⁶¹

Key performance indicator (%)	2024	2023	Target
Group EnEf – improvement from FY05 baseline	15,4	13,3	24
Group energy productivity (EP100) – improvement from FY10 baseline	14,5	12,4	21
Energy Operations EnEf – improvement from FY05 baseline	11,5	10,5	24

⁵⁸ P 76 IR 2024.

⁵⁹ P 11 IR 2024.

⁶⁰ P 86.

⁶¹ P 86 IR 2024.



Sasol acknowledges that it is below its EnEf target of 24%, stating that the “re-establishment of stable plant operations in combination with the full implementation of our EnEf improvement roadmap will ensure the achievement of the 30% EnEf target by 2030”.⁶² Last year, Sasol also fell significantly short of its target of 23% improvement, with Group EnEf only 13,3%.⁶³

5 Sasol’s emission reduction roadmap

5.1 Targets

As described above, Sasol’s emission reduction targets have not always been consistently described, particularly in relation to the inclusion or exclusion of Natref and Mozambique. In addition, as set out in 4.1 above, Sasol’s rebaselined 2017 scope 1 and 2 emissions figure seems to exclude emissions from both Natref and Mozambique and to include emissions from “other strategic business units and functions”. Sasol should **provide the correct baseline figures** from which to measure the targets.

Some other examples of inconsistencies are the following:

- In 2021, Sasol indicated that its 2030 Energy Business target (to reduce emissions by 30% by 2030) excludes Natref, but made no mention of Mozambique or other business units being excluded;⁶⁴ in 2022 and 2023, it said that “*Mozambique, Natref and some Other (sic) strategic business units and Functions (sic) are excluded from our scope 1 and 2 GHG target for 2030, however Natref’s products are included in our scope 3 target*”.⁶⁵ However, a table in the 2023 and 2023 reports makes no mention of Mozambique or other business units being excluded from the 2030 target;⁶⁶ and in the IR 2024, Sasol stated that Natref and Mozambique are excluded from the 2030 Sasol Energy target;⁶⁷ and
- In 2021, Sasol indicated that its Net Zero by 2050 target includes scope 1 and 2 emissions from the Energy and International Chemicals businesses, and scope 3, category 11 emissions from the Energy Business.⁶⁸ However, a table in the 2021 report appears also to exclude Natref from the 2050 target;⁶⁹ and in 2022 and 2023, the Net Zero by 2050 target excludes Natref and Mozambique.⁷⁰ However, a table in the same reports appears to exclude

⁶² P 86 IR 2024.

⁶³ P 41 Sasol Sustainability Report 2023.

⁶⁴ P 10 Sasol Climate Change Report 2021; paragraph 2: <https://justshare.org.za/wp-content/uploads/2021/11/Just-Share-Briefing-on-Sasol-2021-Climate-Change-Report.pdf>

⁶⁵ P 2, P 3 and P 5 Sasol Climate Change Report 2022; paragraph 3.1: https://justshare.org.za/wp-content/uploads/2022/11/221122_Sasol-CC-analysis-briefing_final.pdf; and P 2, P 3 and P 6 Sasol Climate Change Report 2023; paragraph 6.1: <https://justshare.org.za/wp-content/uploads/2023/11/231102-Just-Share-briefing-Sasol-climate-disclosures.pdf>

⁶⁶ P 21 Sasol Climate Change Report 2022 and P 26 Sasol Climate Change Report 2023.

⁶⁷ P 74, p76.

⁶⁸ P 2 Sasol Climate Change Report 2021. It also stated that “scope 3, Category 12 for International Chemicals Business may be relevant for integration into the target once the baseline is finalised.”

⁶⁹ P 10 Sasol Climate Change Report 2021.

⁷⁰ P 3 Sasol Climate Change Report 2022 and P 3 Sasol Climate Change Report 2023.



Natref from the 2050 target, but not Mozambique;⁷¹ in 2024, Sasol does not report on how its 2050 target is made up.⁷²

Assuming:

- a) that Mozambique and “other strategic business units and functions” are included in the 2026 target;
- b) that Mozambique, Natref and other strategic business units and functions are excluded from the scope 1 and 2 GHG target for 2030; and
- c) that Natref and Mozambique are excluded from Sasol’s 2050 target,

the following are Sasol’s emission reduction targets:

- By 2026: reduce absolute scope 1 and 2 emissions by 5% (off its re-baselined 2017 baseline) from its Energy Business (excluding Natref) and by 20% from its International Chemicals business;
- By 2030:
 - reduce by 30% (off its re-baselined 2017 baseline) absolute scope 1 and 2 GHG emissions for the Energy (excluding Natref, Mozambique and “some other strategic business units and functions”) and International Chemicals businesses, respectively; and
 - reduce by 20% (off a 2019 baseline) absolute scope 3 emissions for category 11 of the GHG Protocol (use of sold energy products) from its Energy Business; and
- By 2050:
 - reduce absolute scope 1, 2 and 3 (category 11) GHG emissions to achieve a net zero emissions ambition for the Energy Business (excluding Natref and Mozambique); and
 - reduce absolute scope 1 and 2 GHG emissions to achieve a net zero emissions ambition for the International Chemicals Business.

Sasol’s targets in relation to renewable energy (RE) are addressed in **5.3** below.

⁷¹ P 21 Sasol Climate Change Report 2022 and P 26 Sasol Climate Change Report 2023.

⁷² Sasol has also reported inconsistently on its interpretation of “net zero” over the years.



“Science-based”

In previous briefings,⁷³ Just Share has commented on Sasol’s approach to determining that its emission reduction targets are “science-based”. Sasol’s IR 2024 states that *“We have applied a science-based target-setting approach and are implementing measures taking into account mitigation potential, economic feasibility, technological innovation, just transition and our fair share responsibility”*.⁷⁴

Sasol again reports that its “unique business... does not fall within the [Science Based Target Initiative (SBTi)]’s available methodologies”. It states that it has “engaged with SBTi’s Oil and Gas Expert Advisory Group to raise our concern on the lack of an available methodology”, but without the “desired outcome”. Sasol is evaluating the Chemicals sector SBTi methodology “to determine applicability”.⁷⁵

Therefore, the “[International Energy Agency (IEA)] absolute contraction methodology informed by other considerations remains part of our target setting approach, including: the SBTi’s net zero standard; mitigation availability and timing; cost; environmental benefits; and just transition imperatives”.⁷⁶ Using this approach, Sasol has once again stated that its 2030 reduction target is “well below 2°C aligned and our net zero ambition as 1,5°C aligned”.

It reports that some stakeholders have viewed its approach as “marking our own homework”, and that, *“To address this perspective, we are investigating the applicability of ISO 14068-1:2023, the Carbon Neutrality standard from the International Organisation for Standardisation (ISO), replacing the previous British Standard Institute (BSI) PAS2060 standard. Last year we indicated our exploration of PAS2060 to validate our net zero pathway which has evolved into an investigation of the ISO standard.”*⁷⁷

Sasol then sets out why it believes that the ISO standard holds promise for widespread adoption. It reports that *“Sasol has the ability to meet many of these requirements and is in the process of assessing alignment with this standard for future reporting”*.⁷⁸

In other words, there is still no independent verification that Sasol’s emission reduction targets are climate science-aligned.

⁷³ Paragraph 3.3: https://justshare.org.za/wp-content/uploads/2022/11/221122_Sasol-CC-analysis-briefing_final.pdf and paragraph 6.1: <https://justshare.org.za/wp-content/uploads/2023/11/231102-Just-Share-briefing-Sasol-climate-disclosures.pdf>

⁷⁴ P 13.

⁷⁵ P 77 IR 2024.

⁷⁶ P 77 IR 2024.

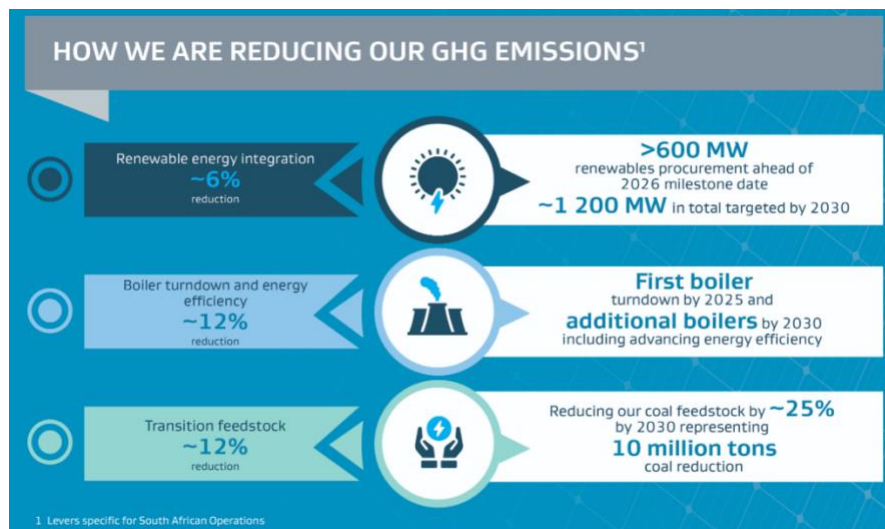
⁷⁷ P 77 IR 2024.

⁷⁸ P 77 IR 2024.



5.2 How Sasol says its plans to meet its targets

In a 29 November 2023 letter to stakeholders, former Sasol CEO, Fleetwood Grobler, included the image below depicting Sasol's plans to reduce GHG emissions by 2030, with approximate percentage attributions to three interventions to make up the 30% commitment:



Sasol does not consistently describe its climate action strategies and framework. This makes it difficult to assess its approach and whether it is making progress. As set out above, Sasol has also indicated that it will only define the steps to reach “Future Sasol” at Capital Markets Day in 2025.⁷⁹

In its IR 2024, Sasol has established a new framework to guide its priorities and ambitions, centred on the pillars of: “strengthen and grow”, and “transform”.⁸⁰ The previous climate action approach, “a three-pillar emission reduction framework - Reduce emissions, Transform operations and Shift our portfolio” is now “housed within the Strengthen and Grow and Transform phases of the Sasol strategy”.⁸¹

Under the heading “Future Sasol” in its IR 2024, Sasol states, “*We are strengthening and growing our foundation business to unlock its full potential, while simultaneously transforming our portfolio, building a stronger, sustainable and more resilient organisation*”.⁸²

In a section of his statement in the IR 2024 entitled “Balancing environmental, social and governance (ESG) commitments with strategic value”, Baloyi comments that:

The energy transition is shaped by factors like energy security and a just transition. By remaining agile and responsive, we are adapting to these changes and shaping our strategic objectives accordingly. In this context, optimising the execution of our greenhouse gas (GHG)

⁷⁹ P 6 IR 2024.

⁸⁰ P 20 IR 2024.

⁸¹ P 74 IR 2024.

⁸² P 6 IR 2024.



emission roadmap is essential as it ensures we maximise value from [Secunda Operations], while meeting these key factors.⁸³

The IR 2024 sets out Sasol's view that "resetting our business will enhance cash flow and enable our transition. ... Only if we are financially sustainable will we be able to exploit our unique technological, intellectual and human strengths to help deliver meaningful, sustainable triple-bottom-line benefits".⁸⁴

Sasol takes the view that its strategy "sets us on a clear path to deliver sustainable returns and achieve our net zero ambition" and states that it will deliver this by:

- *achieving full potential performance from our foundation business while decarbonising our portfolio;*
- *driving a culture of innovation;*
- *substantively increasing our focus on partnerships to build early credibility, momentum, and augment our competitive advantages; and*
- *leveraging our existing asset base and Fischer-Tropsch (FT) technology for sustainable growth.⁸⁵*

Sasol believes that it has a "right to win" in the following areas:

- utilising gas for value creation;
- increasing RE utilisation;
- accelerating the transformation of its assets towards more sustainable feedstocks; and
- growing its extensive customer base.⁸⁶

In the upcoming year, Sasol states that it will "be driving efforts toward optimising the Emission Reduction Roadmap to include value-creation opportunities. The aim is to stabilise the business and recover to business-as-usual production levels, while still decarbonising and reducing the carbon intensity of the business".⁸⁷ It identifies delivery on its environmental compliance commitments and "progress on its GHG emissions reductions roadmap" as priorities for the year ahead.⁸⁸ Given that Sasol has said that its emissions will increase in the coming year, it remains unclear when it will make progress on GHG emission reductions.

Sasol's language is notably generic and corporate, and disclosure of concrete next steps is delayed until an unspecified date in 2025. Three years have passed since Sasol introduced its 2030 ERR, but the company has yet to define a clear implementation strategy to achieve its targets.

⁸³ P 21.

⁸⁴ P 74 IR 2024.

⁸⁵ P 25 IR 2024.

⁸⁶ P 24 IR 2024.

⁸⁷ P 70 IR 2024

⁸⁸ P 22 IR 2024.



Sasol's prioritisation of financial objectives over the achievement of its ERR is clear from its recent reporting. While in some respects this may be realistic business planning, it also appears to be deliberately designed to build in flexibility for potential delays and modifications to the ERR.

Sasol's continuous moving of the goalposts and extensive use of qualifying language ("optimising", "balanced approach", "appropriately paced") undermines its credibility: the company consistently avoids clear tracking of its performance against targets and does not provide detailed implementation pathways and clear accountability mechanisms. Its regular "restating" of key climate data is a significant barrier to effective tracking of progress.

Sasol's comments about policy engagement, and its emphasis on "coherent and integrated climate policy" and an "appropriately paced" transition also suggest that the company is positioning itself to continue its campaign to delay pending policy development and argue for slower implementation of climate policies based on "context".

In short, Sasol's climate reporting:

- provides multiple potential justifications for delayed or reduced climate action;
- emphasises financial objectives over the achievement of its ERR;
- avoids detailed implementation pathways and accountability mechanisms; and
- builds in significant flexibility using vague and qualifying language.

5.3 Renewables

As set out above, Sasol estimates that 6% of its 30% emission reduction commitment by 2030 will be from integrating renewable energy (RE) into its Energy Business.

Sasol reports that its total energy usage is 387 961 thousand gigajoules (gj) and it has purchased 534 thousand gj of RE.⁸⁹ In other words, purchased RE makes up 0.1% of Sasol's energy usage.

Sasol describes itself as "at the forefront of South Africa's renewable energy revolution, harnessing the power of sustainable resources to meet our decarbonisation goals and drive significant growth".⁹⁰

It seeks to "replace coal-generated electricity with sustainable alternatives". Sasol states that "*Large-scale renewable energy is likely to unlock significant opportunity for Sasol and will contribute to alleviating South Africa's energy crisis. Doing so will provide a potential stepping stone which in future is a no regret investment towards green hydrogen production*".⁹¹

It reports that it is one of the largest private procurers of RE in South Africa, and that it has "made good progress on our plans to procure up to 1 200 MW by 2030".⁹²

⁸⁹ P 71 IR 2024.

⁹⁰ P 75 IR 2024.

⁹¹ P 78 IR 2024.

⁹² P 62 IR 2024.



In its 2021 and 2022 reporting suites, Sasol's decarbonisation roadmap included commitments:

- by 2025: to integrate 600 MW of RE in its Energy Business (Sasol's share of this is 200 MW; Air Liquide's 400 MW);
- by 2026: to procure 40% RE for its Energy Business (with Air Liquide - the owner of the oxygen plant at Sasol's Secunda facility, Sasol has committed to procure 1200 MW of RE at Secunda by 2030, with 800 MW allocated to Sasol, and the other 400 MW to Air Liquide) and 100% purchased RE for its International Chemicals business; and
- by 2030: to procure 80% RE for its Energy Business (this also relates to the 1200 MW-by-2030 commitment with Air Liquide); and
- by 2050: 100% renewable energy for its Energy Business.⁹³

Just Share's 2023 briefing and subsequent statement pointed out that the commitment to procure 40% renewables by 2026 had been removed from Sasol's targets in its 2023 reporting suite, without any explanation. On the commitment to integrate 600 MW of RE by 2025, we stated that Sasol appeared to be allowing itself extra time for this integration – with projects to be operational from “end-2025 onwards.”

Sasol has yet to provide an explanation for the removal of the commitment to procure 40% RE by 2026. There is also no reference to this commitment in the IR 2024. In fact, Sasol only references the commitment to procure, with Air Liquide, 1200 MW of RE by 2030 for the Energy Business.⁹⁴ It refers to this commitment also as a “target”⁹⁵ and a “bold vision.”⁹⁶ Elsewhere, Sasol reframes the commitment as being to procure only “**up to**” 1200 MW of RE by 2030.⁹⁷

In fact, according to the conditions imposed by the Competition Tribunal in its 2021 approval of Air Liquide's acquisition of the 16 air separation units (ASUs), Air Liquide commits to “target a reduction of carbon emissions associated with the [ASUs] by 30%, within 10 years” of the merger implementation date, and Sasol commits to providing reasonable support to enable this. The parties also “commit to pursue a collaborative renewable energy procurement process, aimed at procuring an aggregate amount of up to 900 MW of renewable energy for the Secunda site”, with the RE to be allocated between them in agreed proportions. The conditions acknowledge that the “reduction of emissions ... relies on a number of variable factors, some of which are out of the Parties' control”.

In its IR 2024, Sasol summarises its RE progress as follows:

- It has signed over 750 megawatts of Power Purchase Agreements (PPAs), “some of which are in construction and will come online in the near term”.⁹⁸ Elsewhere it clarifies that this is

⁹³ RE power targets for Sasol's Chemical operations in Europe and Americas “may be met through recognised energy attribution certificates”: p 150 IR 2024.

⁹⁴ P 21 IR 2024.

⁹⁵ P 16 IR 2024.

⁹⁶ P 75 IR 2024.

⁹⁷ P 62 IR 2024.

⁹⁸ P 21, P 58 IR 2024.



757 MW, 688 MW of which have been jointly procured with Air Liquide.⁹⁹ In the 20-F 2024, Sasol states that, with Air Liquide, it has signed six PPAs to date, with contractual terms of 20 years each, for the procurement of more than 600 MW of RE from independent power producers, and that this procurement is primarily aimed at the decarbonisation of Secunda Operations;¹⁰⁰

- the Damlaagte 97,5 MW solar project reached financial close in November 2023;¹⁰¹
- the Impofu cluster, consisting of three onshore wind projects totalling 330 MW of wind renewable energy, reached financial close in February 2024;¹⁰² and
- its 69 MW Msenge Emoyeni Wind Farm, located near Bedford in the Eastern Cape, was planned to be in commercial operation by October 2024.¹⁰³ It will supply RE to the Sasolburg Operations. Msenge is part of Sasol's green hydrogen plans; through which it is "aiming to scale production to 3,5 tons per day of green hydrogen by October 2024". Msenge has since started operating.¹⁰⁴

Although Sasol reports having signed 757 MW's worth of RE PPAs, it does not report specifically on its progress, with Air Liquide, to **integrate** 600 MW of RE into its Energy Business by 2025. Signing PPAs is a long way from actual integration of RE into Sasol's Energy business. In a factsheet accompanying his December 2023 stakeholder letter, Grobler stated that it was expected that the 600+ MW projects would "come online from 2024 to 2026."¹⁰⁵ This is confirmed in the 20-F 2024.¹⁰⁶

5.4 Coal boilers and toxic SO₂ emissions

Sasol has stated that about 12% of its 2030 emission reduction target will be from boiler turndown and energy efficiency.

In 2023, for the first time, Sasol stated that its ability to achieve its GHG emission reduction targets was contingent on the Department of Forestry, Fisheries and the Environment (DFFE) granting it leniency for sulphur dioxide (SO₂) emissions from its 17 coal-fired boilers at Secunda.¹⁰⁷ It described needing an "integrated solution" which would address both toxic air pollutants and GHGs.¹⁰⁸ Sasol had previously appealed to the Minister of DFFE against the refusal by the National Air Quality Officer (NAQO) to grant its "alternative emission limit" in terms of paragraph 12A of the legislation governing the Minimum Emission Standards (MES).

In short, Sasol sought to measure SO₂ emissions using a load-based method rather than the concentration-based one prescribed in law. Having already obtained postponements of SO₂

⁹⁹ P 62, P 75, P 78 IR 2024.

¹⁰⁰ P 75.

¹⁰¹ P 62 IR 2024.

¹⁰² P 62 IR 2024.

¹⁰³ P 11, P 16, P 62, P 69, P 75, P 78 IR 2024.

¹⁰⁴ <https://www.sasol.com/media-centre/media-release/sasol-receives-first-large-scale-renewable-electrons-msenge-emoyeni-wind-farm>

¹⁰⁵ <https://www.sasol.com/ceo-stakeholder-letter>

¹⁰⁶ P 75.

¹⁰⁷ Paragraph 6.2: <https://justshare.org.za/wp-content/uploads/2023/11/231102-Just-Share-briefing-Sasol-climate-disclosures.pdf>

¹⁰⁸ P 17; P 30 Sasol Climate Change Report 2023.



compliance until 31 March 2025, Sasol wished to comply with one “alternative” limit from April 2025 and another from 1 April 2030. Sasol’s preferred emission limits would result in substantially higher emissions than the MES prescribe.

The MES were first published in March 2010 - following a multi-year, multi-stakeholder process in which Sasol was an influential participant. The MES aim to limit the health impacts of toxic pollutants like SO₂ emitted by industry. Sasol’s appeal was made in circumstances in which:

- it had already received extensive leniency in relation to its emissions;
- South Africa’s MES are already much weaker than those even in developing countries like India and China; and
- Sasol had previously indicated that it could meet the SO₂ MES (which had been made doubly as weak, following extensive lobbying by industry) by 1 April 2025.

Just Share opposed Sasol’s appeal - for reasons that included that such leniency was not legally permissible, and because of the severe health impacts that would result from non-compliance with the MES.¹⁰⁹

Despite evidence of significant health impacts that would result from non-compliance with the MES, Minister Creecy granted Sasol’s requested load-based SO₂ limit from 1 April 2025 to 31 March 2030 subject to the following conditions:

- Sasol must also be subject to a daily concentration-based SO₂ limit.
- If Sasol’s emissions of particulate matter (PM) and oxides of nitrogen (NO_x) do not comply with the relevant PM and NO_x MES by 31 March 2025, the alternative SO₂ limits will be withdrawn.
- **Sasol must “continue to implement its integrated solution and must achieve the reductions in emissions of all pollutants as undertaken in its application and appeal”** (our emphasis).
- The NAQO must monitor and evaluate Sasol’s compliance with the alternative load-based limit.
- Sasol must send stack monitoring data at a 10-minute resolution to the relevant licensing authority weekly.
- Sasol must send a monthly report to the NAQO analysing the data and assessing compliance with the standards. Sasol must also make this report publicly available on its website.
- If there are any exceedances of the standards, Sasol is required to conduct a full atmospheric dispersion assessment to determine likely health incidents.¹¹⁰

¹⁰⁹ <https://justshare.org.za/mailpoet/new-environment-minister-imposes-stricter-sulphur-dioxide-limit-than-sasol-sought-but-company-can-still-pollute-far-above-legislated-limits/> ; <https://justshare.org.za/media/news/just-share-opposes-sasols-appeal-against-compliance-with-air-pollution-laws/>

¹¹⁰ <https://justshare.org.za/media/news/climate-change/minister-grants-sasols-so%E2%82%82-appeal-carbon-majors-database-confirms-sasol-one-of-worlds-largest-carbon-emitters-since-paris-agreement-2/> ; <https://justshare.org.za/media/news/minimum-emission-standards-minimised-again-sasols-air-pollution-appeal-succeeds/>



In other words, if Sasol does not meet its GHG emission reduction commitments, the 12A decision will be withdrawn.

The concentration-based limit imposed by the current DFFE Minister, Dion George - to accompany the load-based limit - was stricter than the one had Sasol had sought, but still significantly exceeds the MES.¹¹¹ As set out above, Sasol had, in addition, asked for a different load-based limit to apply from 1 April 2030 (with no end date). This request was not addressed in the Ministers' decisions.

In its 20-F 2024, Sasol states that "the implementation of the reduction roadmap, as a condition of the decision, is contingent on SO₂ also being regulated on a load-based limit beyond 31 March 2030". It points out that, *"The Minister's decision does not expressly refuse or grant a load-based dispensation beyond 31 March 2030, although this has been requested by Sasol in our initial application and appeal. In light of this open issue and the conditions of the Minister's decision, a further dispensation may be required as available in law, the outcome of which cannot be guaranteed"*.¹¹²

Just Share disputes that Sasol should have been granted this leniency and will oppose future efforts by Sasol to act in further non-compliance with the MES.

The IR 2024 reports on this 12A decision,¹¹³ which it describes as "key to our decarbonisation strategy, particularly at Secunda Operations".¹¹⁴ Sasol states that the "ERR will continue focusing on introducing renewable energy into our operations, by reducing the steam produced from our coal-fired boiler plants. This will allow compliance with SO₂ load-based emission limits and simultaneously lower GHG emissions".¹¹⁵

Sasol reports that, given this appeal outcome, it can now "continue with the implementation of its load-based integrated solution" and that it will apply to the local licensing authority to incorporate the amended limits into its atmospheric emission licence (AEL).¹¹⁶ Just Share has been advised that Sasol is engaging with the municipal licensing authority on the variation of the AEL.

The IR 2024 does not reference Sasol's commitment to turn down a coal boiler by 2025, nor does it confirm that receiving this special dispensation from the Minister has ensured that it will at least achieve the estimated 12% emission reduction it attributed to boiler turndown and energy efficiency. If it does not achieve its GHG emission reduction targets, the 12A decision should be withdrawn.

¹¹¹ <https://justshare.org.za/mailpoet/new-environment-minister-imposes-stricter-sulphur-dioxide-limit-than-sasol-sought-but-company-can-still-pollute-far-above-legislated-limits/>

¹¹² P 38.

¹¹³ P 21, P 58, P 73, P 92 IR 2024.

¹¹⁴ P 21.

¹¹⁵ P 78 IR 2024.

¹¹⁶ P 73 IR 2024.



5.5 Gas

As set out above, Sasol has stated that “transition feedstock” will be responsible for about 12% of its 30% emission reduction target. It aims to reduce its coal feedstock by about 25% (or 10 million tons) by 2030. Specifically, Sasol requires significant quantities of gas to realise its emission reduction ambitions.

It states that it aims to maximise gas supply “to support existing internal and external markets to support the current South African requirements as well as a feedstock during the energy transition.”¹¹⁷ Sasol also supplies the “Sasol gas network in South Africa with natural gas produced from our onshore Pande-Temane Production Agreement (PPA) facilities as well as the [Production Sharing Agreement (PSA)]. Gas is imported from Mozambique via the Rompco pipeline. Within South Africa, our network in KwaZulu-Natal and Witbank-Middelburg is supplied with methane-rich gas produced from Secunda Operations”.¹¹⁸

In the 20-F 2024, Sasol states that the gas resources in Mozambique are “of particular importance as feedstock for our plants in South Africa, as well as for sales of gas into the markets in Mozambique and South Africa”.¹¹⁹ It reports that gas production increased by 6% this year, with natural gas and methane-rich gas sales volumes in South Africa increasing by 4% and 7%, respectively. Sasol expects combined gas production volumes from the PPA and PSA to “increase by 0-5% from 2024”.¹²⁰

In his statement in the IR 2024, Baloyi comments that “natural gas serves as a crucial transition fuel in both Sasol and South Africa’s energy mix. In line with this, we continue to optimise and mature projects in southern Mozambique. These efforts aim to extend our gas plateau, to supply our customers, for as long as feasibly possible. Consequently, we are pleased to confirm that we can continue the supply of natural gas and methane rich gas to our customers up to the end of financial year 2027”.¹²¹

The 20-F 2024 also states that natural gas from the PPA, in operation since 2004, has started to decline. *“However, there are no guarantees that the production plateau can be extended given the inherently uncertain nature of upstream production in accurately forecasting gas recovery, especially at this stage of the asset life. In addition to PPA investments, any investment made in the PSA has significant volume uncertainty given that it is a new development, and additional data is required to improve forecasting. Gas to the domestic market in Mozambique will be prioritised according to existing commitments, and thereafter production will be allocated according to the gas volumes contracted for export to South Africa”.*¹²²

¹¹⁷ P 63 IR 2024.

¹¹⁸ P 58 IR 2024.

¹¹⁹ P 12.

¹²⁰ P 63 IR 2024.

¹²¹ P 21 IR 2024.

¹²² P 12.



Baloyi states that to address the impact of the dwindling gas supplies in the south of Mozambique, “and in response to our country’s energy needs, we are investigating the potential for future liquified natural gas (LNG) supply. A critical factor in enabling LNG supply is securing confirmed demand, which will support the development of an LNG terminal and its associated infrastructure. This terminal will also pave the way for other customers to come online in future”.¹²³ Sasol has also confirmed, in various public statements, that, at current prices, LNG is too expensive for it to use as feedstock in its own operations.

Future options to provide an ongoing gas supply are “more capital intensive” for Sasol. It states that LNG has a three-to-four year lead time, and that it has “started engaging with customers, suppliers and infrastructure developers in co-developing South Africa’s gas and broader energy landscape. This includes the development of indigenous gas supplies. Because of the technical work required to unlock South Africa’s own gas resources, these are likely to follow only after LNG supply is secured”.¹²⁴

Sasol’s 20-F 2024 notes that, “*Competition for suitable opportunities, increasing technical difficulty, stringent regulatory and environmental standards, large capital requirements, lack of strategic enabling infrastructure and existing capital commitments may negatively affect our ability to access, appraise and develop new gas resources in a timely manner, which could adversely impact our ability to support and sustain our current business operations while we transition to Future Sasol*”.¹²⁵

Eskom and Sasol’s agreement to collaborate on gas

An example of what Sasol describes as “[continuing] to actively collaborate with Eskom and other key role players to shape the future of South Africa’s electricity market”,¹²⁶ is the announcement it made with Eskom on 20 September 2024 that the two companies had “signed a Memorandum of Understanding (MoU) to collaboratively explore and research potential future liquified natural gas (LNG) requirements. The collaboration will also enable the country to find a solution for gas users who require longer term certainty of supply beyond this decade”.

Sasol’s media release indicated that the purpose of this collaboration is to “determine the potential volumes that South Africa requires to establish a viable LNG import market along with the enabling infrastructure”. This initiative focuses on “using gas for power generation to provide essential base load electricity and position gas as a key enabler of re-industrialisation, while also ensuring continued supply to the market by unlocking global LNG resources. Furthermore, the collaboration will contribute to enhancing South Africa’s energy mix and enable the country’s energy transition and decarbonisation”.¹²⁷

¹²³ P 21 IR 2024.

¹²⁴ P 60 IR 2024.

¹²⁵ P 12. The 20-F 2024 provides more details about the licence terms of Sasol’s gas interests, reserves, and its gas-related activities, costs, capital and delivery commitments (PP 54-59, PP 65-67; PP 70-71, P 75; G1-G7).

¹²⁶ P 75 IR 2024.

¹²⁷ <https://www.sasol.com/media-centre/media-releases/eskom-and-sasol-sign-agreement-on-exploring-lng-to-unlock-gas-to-power-and-mitigate-imminent-gas-shortage-for-south-africa>



Current domestic demand for gas is not high enough to secure competitively-priced LNG, and the MoU will explore “anchoring” that demand with gas-to-power generation, including at repurposed coal plants close to the Rompco pipeline. Sasol seeks to play a central role in aggregating domestic demand to create the basis for importing LNG.¹²⁸

The idea that “baseload” gas is required for a stable electricity system is not supported by credible analysis and modelling, including by the Presidential Climate Commission, the National Business Initiative, the University of Cape Town’s Energy Systems Research Group and Meridian Economics.¹²⁹ All of these exercises conclude that - even discounting climate costs and other externalities - a least-cost electricity system predominantly comprises renewables, supplemented by storage (batteries or pumped hydro) and peaking support (such as, but not necessarily, gas).

Just Share shares concerns raised by others about this attempt to artificially inflate gas demand to support the availability of gas to meet its own process and decarbonisation needs.¹³⁰

As in previous years, Sasol does not provide a clear plan, with concrete details and timelines, to mitigate the multiple uncertainties in its plan to replace coal feedstock with gas.

6 Lobbying

One of the key reasons that climate action lags significantly behind the pace and scale required to limit the worst impacts of climate change is corporate interference in policymaking and implementation. Anti-climate corporate lobbying refers to efforts by the fossil fuel industry and industry associations to delay and weaken government efforts to respond to the climate crisis, and to shape policy to suit their own interests, instead of those of the broader public.

Apart from non-binding JSE guidance,¹³¹ lobbying in South Africa is unregulated.¹³²

International research has identified corporate climate lobbying in South Africa as a significant threat to effective national climate change policy. Sasol and the industry associations to which it belongs are key players in influencing government climate policy.¹³³

¹²⁸ <https://www.engineeringnews.co.za/article/sasol-and-eskom-to-explore-demand-anchors-for-lng-as-part-of-effort-to-avert-gas-cliff-2024-09-20>; <https://www.news24.com/fin24/climate-future/energy/sas-biggest-emitters-eskom-and-sasol-team-up-to-avoid-a-gas-cliff-and-cut-emissions-20240920>

¹²⁹ See, for example: <https://justshare.org.za/wp-content/uploads/2024/03/240322-IRP-preliminary-comments-final.pdf>

¹³⁰ <https://www.news24.com/fin24/opinion/nick-hedley-why-the-eskom-sasol-partnership-is-concerning-20240930>; <https://ee-business-intelligence.constantcontactsites.com/articles/post/2311453/understanding-the-looming-gas-cliff-in-south-africa-and-the-solutions>

¹³¹ https://www.jse.co.za/sites/default/files/media/documents/JSE%20Climate%20Disclosure%20Guidance_June%202022.pdf;

<https://www.jse.co.za/sites/default/files/media/documents/JSE%20Sustainability%20Disclosure%20Guidance%20June%202022.pdf>

¹³² <https://justshare.org.za/media/news/climate-change/new-just-share-report-introduction-to-corporate-climate-lobbying-in-south-africa/>

¹³³ <https://influenceap.org/report/Climate-Policy-Engagement-in-South-Africa-20575>;

<https://justshare.org.za/media/news/access-to-information-requests-reveal-extensive-corporate-climate-lobbying-dismal-record-keeping-on-private-sector-engagements-with-government/>; <https://justshare.org.za/wp-content/uploads/2022/11/Sasol-Resolution-Briefing-Sep21.pdf>



In order to better understand Sasol's approach to lobbying, in 2021, Just Share and Aeon Investment Management filed two climate-related lobbying resolutions at Sasol. Sasol, however, refused to table the resolutions, as it has refused to table all shareholder-proposed resolutions to date. The lobbying resolutions requested that Sasol, in compliance with the Global Standard on Responsible Climate Lobbying (Global Standard), improve and expand its disclosure of its direct and indirect climate lobbying.

In Just Share's 2023 briefing, we evaluated Sasol's assessment of its lobbying, setting out why we regarded it as incomplete and disingenuous in places. Just Share also pointed out that Sasol has regressed in its transparency on its climate advocacy: in 2023 - having conducted annual reviews for the past three years - Sasol said that, going forward, it would only do so "every three years and, if there is a change, [this will] be considered and assessed based on materiality". Sasol provided no information as to how it will determine materiality.¹³⁴

In 2023, Just Share and amaBhungane submitted a series of access to information requests, in accordance with the Promotion of Access to Information Act (PAIA), asking government and industry stakeholders for details of any closed-door meetings between corporates or their representatives, and policymakers, relating to climate and energy policy. Sasol, as the country's biggest private carbon emitter and a key player in influencing government climate policy, was included, as were three industry associations active in relation to energy policy: Business Unity SA (BUSA), the Minerals Council of South Africa, and the Energy Council of South Africa.

As Sasol reports in 2024, it "agreed to the disclosure of the information, subject to the redaction of certain proprietary and commercially sensitive information aligned with the provisions of PAIA".¹³⁵

The PAIA requests confirmed not only that this lobbying is taking place, but also that there appears to be no attempt to record or preserve the nature or outcomes of these discussions. At best this is evidence of worrying levels of disorganisation. At worst, it represents an unlawful resistance to accountability and transparency on an issue of crucial public importance.

Sasol has, as foreshadowed, not provided any assessment of its "climate advocacy" this year. Its reporting suite, however, includes many examples of its "engagements", "collaboration" and "policy advocacy" with regulators, aimed at shaping government policy to benefit Sasol.

¹³⁴ Paragraph 8: <https://justshare.org.za/wp-content/uploads/2023/11/231102-Just-Share-briefing-Sasol-climate-disclosures.pdf>

¹³⁵ P 130 IR 2024.



Carbon tax

Despite Sasol acknowledging the global trend towards stricter carbon pricing and its potential impact on competitiveness, the company and the industry associations to which it belongs are actively working to weaken and delay South Africa's carbon tax implementation.¹³⁶

In a 2022 "joint position on carbon tax", organised business, including BUSA and Business Leadership South Africa, argued for slower implementation of the carbon tax, citing "low economic growth, energy security and high unemployment". However, this position ignores the costs of delayed climate action, avoids the "polluter pays" principle, and was criticised by National Treasury, which called organised business out for its "lack of vision" and "lack of leadership".

Even with recent increases, the current carbon tax rate remains insufficient to drive meaningful transition to lower-carbon operations. Sasol and others have also successfully delayed climate regulation by arguing for "alignment" between carbon budgets (administered by DFFE) and the carbon tax (implemented by National Treasury in terms of the Carbon Tax Act). This strategy has been instrumental in ensuring multi-year delays both in the implementation of an effective carbon tax and in the promulgation of a robust Climate Change Act (which is still not in force). There is no evidential basis to support this argument.¹³⁷

In relation to the lack of clarity regarding future carbon tax allowances, Baloyi stated at the August 2024 annual results presentation that Sasol is "busy engaging" with Treasury. In 2022, similar engagement - referenced by then-CFO Paul Victor during the company's interim results presentation in February 2022 - influenced Treasury's decision to extend phase 1 of the carbon tax - with its significant allowances - until 2026, significantly weakening its effectiveness. South Africa faces severe climate risk, and the carbon tax is widely recognised as essential for reducing emissions, but Sasol is able to influence the deployment of the tax for its own financial benefit.

Providing further evidence of Sasol's ability to influence regulatory outcomes in its own favour, Baloyi also said: "if I look at how our teams - working with all stakeholders, including the Minister - managed to deal with the 12A, I'm confident that we should be able to get the successful conclusion on that one. But it requires time and we will continue with the engagement".¹³⁸

Baloyi referenced the 12A MES process and outcome as "a great show of what is possible". There is a long history of DFFE buckling to industry pressure to weaken and delay the MES. As set out above, Just Share had opposed Sasol's application for SO₂ leniency, including on the basis that granting Sasol's appeal would result in approximately 50-130% higher negative impacts on human health than if Sasol complied with the legislated SO₂ MES. Sasol's appeal succeeded

¹³⁶ P 13 IR 2024: "Several countries are implementing carbon pricing regulatory reforms through higher taxes, stringent emission trading schemes and border taxes to encourage decarbonisation.... Carbon border adjustment taxes are signalling negative impacts for emerging economies still reliant on fossil fuels and could result in key sectors becoming uncompetitive sooner."

¹³⁷ <https://www.dailymaverick.co.za/opinionista/2023-06-07-without-robust-regulation-the-big-carbon-emission-polluters-wont-pay/>; <https://justshare.org.za/media/news/weak-regulation-of-corporate-carbon-budgets-means-that-polluters-wont-pay/>

¹³⁸ At 51 mins, 02 seconds – 52 minutes, 30 seconds.



notwithstanding these health impacts. Two of the seven members of the appeal panel which advised the Minister were ex-Sasol employees. One resigned, and the other recused himself only after Just Share raised concerns that he is currently employed by the company that ran the Sasol SO₂ MES process that was the subject of the appeal.

Sasol appear to be prioritising protecting itself from the impacts of climate mitigation policies over any purported commitment to climate action, potentially at the expense of the broader economy.

7 Governance

Changes to the board

In addition to the appointment of a new CEO on 1 April 2024, and a new chief financial officer from 1 September 2024, there have been a number of changes to Sasol's board over the last 18 months.¹³⁹ Most recently, Muriel Dube (formerly the lead independent director and chair of the safety, social & ethics committee (SSEC)) was appointed as chair of the board, effective from 13 September.¹⁴⁰

Other recent changes include the retirements of Stephen Westwell (acting chair) on 1 June 2024,¹⁴¹ Mpho Nkeli on 31 August,¹⁴² and Nomgando Matyumza on 8 September;¹⁴³ and the resignations of Andreas Schierenbeck on 31 October 2023 (after just 10 months)¹⁴⁴ and chair Sipho Nkosi on 10 November 2023.¹⁴⁵ Two new directors were appointed to the board in 2024: Tim Cumming on 1 June,¹⁴⁶ and David Eyton on 1 September.¹⁴⁷

Climate competence

Sasol acknowledges that climate change poses a material risk to its business. Shareholders should be concerned that Sasol's board does not contain the appropriate level of climate change-related skills and expertise, including credible and relevant qualifications to help steer strategy, challenge decision-making, identify opportunities and help navigate and mitigate climate risk.

The only director with climate relevant skills is newly-appointed chair Dube. Amongst other qualifications, Dube holds a MSc in Environmental Change and Management from Oxford University and an executive certificate in climate change and development from the Harvard Institute for International Development.

¹³⁹ P 122 IR 2024.

¹⁴⁰ <https://www.sasol.com/sasol-sens/appointment-chairman-sasol-board-lead-independent-director-and-changes-sasol-board>

¹⁴¹ <https://www.sasol.com/sasol-sens/changes-sasol-limited-board-directors>

¹⁴² <https://www.sasol.com/sasol-sens/changes-sasol-limited-board-directors>

¹⁴³ <https://www.sasol.com/sasol-sens/trading-statement-financial-year-ended-30-june-2024-and-retirement-non-executive>

¹⁴⁴ <https://www.sasol.com/sasol-sens/resignation-mr-andreas-schierenbeck-non-executive-director-sasol-limited>

¹⁴⁵ <https://www.sasol.com/sasol-sens/resignation-mr-sipho-nkosi-chairman-and-non-executive-director>

¹⁴⁶ <https://www.sasol.com/sasol-sens/appointment-independent-non-executive-director>

¹⁴⁷ <https://www.sasol.com/sasol-sens/changes-sasol-limited-board-directors>



Dube stepped down as chair and member of the SSEC¹⁴⁸ when she became chair of the board. Sasol has appointed David Eyton - its newest board member - as chair of the SSEC.¹⁴⁹

Concerningly, Eyton appears to lack any relevant qualifications or expertise in the specific area of climate risk. He has “held various positions at BP Plc between 1982 and 2022” and has “extensive experience in the oil and gas sector”. This is a missed opportunity to appoint a climate-competent board member who can provide expertise relevant to steering the company through its greatest challenge.

Although Sasol claims that, as at the time of its IR 2024, 42% of its board has “social, SHE and sustainability” skills,¹⁵⁰ it fails to identify which directors it regards as having these skills. This is also not clear from the directors’ biographies. In addition, no definition or explanation is provided as to what these skills include or what criteria are used to assess them.

End

¹⁴⁸ The SSEC’s terms of reference indicate that it provides “integrated strategic direction on group-wide sustainability, safety, people, social and ethics matters”.

¹⁴⁹ As of 14 September 2024.

¹⁵⁰ P 123.