SASOL LIMITED
("Sasol" or "the company")

NON-BINDING ADVISORY RESOLUTION FILED BY SASOL SHAREHOLDERS AEON INVESTMENT MANAGEMENT AND JUST SHARE NPC

Shareholders request that Sasol Limited ("the company") commission and disclose, in its 2026 suite of reports: an independent third-party report on the cumulative external costs of the climate and air pollution impacts of the company's Secunda Operations, in particular, mortality and health impacts for the most vulnerable populations affected by its operations, including the children, women and the elderly whose rights are negatively affected by these impacts, and the costs to the economy (for example working and school days lost) as a result of these impacts. The report to cover the cumulative external costs of impacts during the period from 10 May 2025, the date on which the company announced its "revised emission reduction roadmap", until 31 December 2030, the date by which the company has committed to achieve its 2030 targets.

Supporting statement

Investors are concerned about the financial, health, environmental - including climate - and reputational risks associated with Sasol Limited's operations.

Although Sasol regularly publicises that it has extensive positive impacts on South Africa's economy, the external costs and negative impacts of its operations, all of which are imposed on society, particularly the most vulnerable – and the risks that these pose to Sasol, to investors, and to society at large - have largely not been quantified or disclosed. This includes risks associated with the external costs and impacts of Sasol's operations by virtue of its significant emissions both of greenhouse gases (GHGs) and toxic air pollutants, including sulphur dioxide and hydrogen sulphide.

In September 2021, Sasol unveiled an emission reduction roadmap (ERR) for the initial stages of a decarbonisation strategy to support the company's "ambition" to achieve net zero GHG emissions by 2030.[1] The original ERR included the target to reduce scope 1 and 2 emissions from Sasol's Energy Business by 30% by 2030. In May 2025, less than four years later and having achieved only a very small reduction in emissions, Sasol presented to shareholders a new "optimised" ERR at its Capital Markets Day, which substantially amended key elements of the 2021 ERR.

As Sasol largely failed to fulfil the commitments that it made to shareholders in the 2021 ERR, there is a credible risk that it will also fail to implement the commitments made in the 2025 "optimised" ERR. This would leave the company in a precarious position in 2030, in which it has not adequately addressed or managed the severe climate and air pollution-related risks that its operations pose, both to the company and to society.

Sasol has not demonstrated that its optimised ERR is a credible transition plan that will enable it to meet its own emission reduction commitments. As set out in Just Share's 4 June 2025

[1] In 10 April 2025 correspondence to Just Share, in response to Just Share correspondence seeking clarity on its various decarbonisation plans, Sasol stated "we reiterate in the interest of clarity, that Sasol's longer-term ambition for the Group remains climate net zero, which is incorrectly referred to in the abovementioned letter as a target".

briefing document,[2] the risks associated with non-achievement of the 2025 ERR are heightened by the fact that the new plan envisages **increased** production at Secunda Operations, and that insufficient information has been provided to shareholders about the feasibility of Sasol's increased renewable energy ambition, and the extent of its planned reliance on carbon offsets (Sasol had previously committed **not** to use carbon offsets as part of its 2030 decarbonisation plan, a commitment on which it now apparently intends to renege).

Neither Sasol's original ERR nor its "optimised" ERR have integrated the climate- and air quality-related impacts and costs of its operations, either for Sasol or for the South African economy and broader society. This is a gap of significant relevance to the company's shareholders, because it means that significant financial and other risks related to the company are absent from investor decision-making.

Among other things, Sasol has not undertaken and published an independent assessment of the external costs of the climate and air pollution impacts from the company's Secunda Operations, and the resultant costs to the South African economy, for example in the form of increased health burden on the state, lost productivity etc. Emissions from Sasol's Secunda Operations constitute by far the bulk of the company's GHG emissions and its emissions from toxic air pollutants (including nitrogen oxides, sulphur oxides, volatile organic compounds and particulates).[3]

A failure by Sasol to consider and integrate all risks and costs that it faces may place investor capital at substantial risk.

Given the credible risk of non-delivery by the company on the commitments in the optimised ERR, and to ensure well-informed investment decisions, it is important for shareholders and other stakeholders to have full details not only of Sasol's plans to ensure that it can meet its decarbonisation targets, but also to better understand the broader impacts of the company on the South African economy and on society and the risks that these pose.

Background

Sasol is the biggest private emitter of GHGs in South Africa, and one of the biggest corporate emitters of GHGs on earth. The March 2025 update of the Carbon Majors database - which includes emissions of the world's largest oil, gas, coal, and cement producers over the period 1854-2023 - ranks Sasol 51st out of 180 producers (169 active and 11 inactive entities).[4]

The Secunda coal-to-liquids facility is the world's largest single point source of GHGs.[5] Sasol's decarbonisation strategy and targets, and whether it achieves them, are crucial to the decarbonisation trajectory of the country.

After Eskom, Sasol is also the biggest emitter of toxic air pollutants in South Africa.[6]

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[2] Unanswered questions about Sasol's "optimised emission reduction roadmap" - Just Share

[3] Sasol Performance Data 2024 pages 3-5. In 2024, Secunda's GHG emissions made up 88.5% of Sasol Energy scope 1 emissions (which totalled 57 805 CO_2-eq); 70% if its scope 2 emissions (which totalled 4674 CO_2-eq) and 87% of its scope 3 emissions (which totalled 62 479 CO_2-eq). Secunda's nitrogen oxide (NO_X) emissions made up 87% of Sasol Energy's NO_X emissions (which totalled 112.41 kilotons); its sulphur oxide (SO_X) emissions made up 81.4% of its SO_X emissions (which totalled 160.82 kilotons); its particulate (PM) emissions made up of 91% of its PM emissions (which totalled 7.55 kilotons); and 100% of Sasol Energy's volatile organic compound emissions (11.92 kilotons) were from its Secunda Operations.

[4] https://carbonmajors.org/briefing/The-Carbon-Majors-Database-2023-Update-31397; https://carbonmajors.org/Entity/Sasol-139

[5] Sasol Sustainability Report 2020 page 8.

[6] https://justshare.org.za/wp-content/uploads/2022/11/221122_Sasol_Air-quality-briefing_final.pdf

Climate and air quality impacts

Sasol makes regular statements about its positive impacts on the economy and for South African society, including in relation to tax, economic development and job creation. However, its operations also result in significant negative impacts; including those from its emissions of both GHGs and toxic air pollutants.

There are some health impact assessments of Sasol's operations; including those commissioned by Sasol itself to support various applications to seek postponement of and other leniency from South Africa's weak minimum emission standards (MES) (which aim to limit harmful air pollution by prescribing the bare minimum pollution standards for different types of toxic pollutants), and those commissioned to oppose such applications.[7]

Other health impact assessments have been prepared to support litigation,[8] and, for example, in the preparation of the air quality management plans for South Africa's air pollution "priority areas".[9] Other studies have been commissioned by government itself, but not made public.[10] All studies demonstrate that Sasol's emissions have a significant impact on human health.

However, there has not been a public study of the cumulative external costs of the climate and air pollution impacts from the company's Secunda Operations, and the costs to the economy as a result of these impacts.

Changing decarbonisation strategies

At its 22 September 2021 Capital Markets Day, Sasol announced its 2030 GHG emission reduction roadmap (ERR), which included the following three GHG emission reduction targets:

- To reduce scope 1 and 2 emissions from its Energy Business by 30% (off a 2017 baseline) by 2030;
- To reduce scope 1 and 2 emissions from its Chemical Business by 30% (off a 2017 baseline) by 2030; and
- To reduce scope 3 emissions from its Energy Business by 20% (off a 2019 baseline) by 2030.[11]

It also announced that, by 2030, 10-15% of its total capex from 2021 would be "sustainability capex", which it defined as "capital associated with sustaining through lower-carbon feedstocks, transforming the existing portfolio and investments in new sustainable businesses". This amounted to R25-R35 billion cumulative total capital "inclusive of gas feedstock and the Energy Business roadmap costs (Transform capital)".[12]

[7] https://justshare.org.za/wp-content/uploads/2023/08/Summary-Sasol-Limited-approach-to-SO2-MES.pdf
[8] https://cer.org.za/news/the-struggle-to-breathe-clean-air-in-mpumalanga-goes-to-court; https://cer.org.za/wp-content/uploads/2019/06/Andy-Gray-Report.pdf
[9] https://justshare.org.za/wp-content/uploads/2022/11/221122_Sasol_Air-quality-briefing_final.pdf
[10] https://www.engineeringnews.co.za/article/eskom-sasol-pollution-harms-children-government-studies-find-2023-12-06
[11] https://www.youtube.com/watch?v=aYXJPkILhA0; https://www.sasol.com/sites/default/files/2022-06/consolidated-presentation.pdf.
[12] Sasol Climate Change Report 2021 pages 2-4, 10.

Sasol indicated that it would achieve these targets by reducing production (turning down its boilers), energy efficiency measures, introducing liquefied natural gas (LNG) as a replacement feedstock for coal,[13] and increasing its use of renewable energy.[14]

In September 2023, Sasol stated that its ERR was contingent on the 17 coal-fired boilers at Secunda Operations being regulated through an alternative load-based boiler sulphur dioxide (SO_2) limit instead of the concentration limit prescribed in legislation governing the MES.[15] This statement relates to an application made by Sasol in 2022, and refused by the National Air Quality Officer (NAQO) in July 2023, for a load-based SO_2 limit for these boilers.[16]

Sasol then appealed this refusal to the Minister of Forestry, Fisheries and the Environment. Despite evidence of the significant health impacts that would result from Sasol continuing to emit SO_2 at the levels then permitted in its atmospheric emission licence and despite the multiple other instances of leniency already granted to Sasol in relation to South Africa's weak MES,[17] its appeal was largely successful.[18] In April 2024, the Minister granted Sasol the load-based limit it had requested until 31 March 2030, and this was combined with the concentration-based limit already in its licence, now extended for five years until 31 March 2030.[19]

However, the SO_2 MES appeal was granted subject to a number of conditions. These include that 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".[20] In other words, if Sasol does not also achieve its committed GHG emission reductions, the SO_2 leniency should be withdrawn, potentially leading to the company operating unlawfully, an offence which could, in addition to criminal penalties and directors' liability, lead to the withdrawal of its atmospheric emission licence.

Sasol is also required, as a condition of the SO_2 leniency, to submit monthly reports to the NAQO - which assess compliance with the load-based and concentration-based standards, and to publish these on its website. As at 18 August 2025, only one compliance report has been published, for April 2025.[21]

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[13] The Intergovernmental Panel on Climate Change's Sixth Assessment Report finds that coal use would need to fall to 75% below 2019 levels by 2030 and to 95% below 2019 levels by 2050, in order to limit global average temperature rise to 1.5°C (https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_FullReport.pdf p 24 and 71; https://www.carbonbrief.org/in-depth-qa-the-ipccs-sixth-assessment-on-how-to-tackle-climate-change/).

[14] https://www.sasol.com/ceo-stakeholder-letter

[15] Sasol 2023 Climate Change Report 2023 page 17; Sasol Integrated Report 2023 page 24; Sasol Form 20-F 2023 page 40.

[16] https://justshare.org.za/media/news/just-share-opposes-sasols-appeal-against-compliance-with-air-pollution-laws/

[17] https://justshare.org.za/wp-content/uploads/2023/08/Summary-Sasol-Limited-approach-to-SO2-MES.pdf

[18] 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/

[19] 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/

[20] 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/

[21] https://www.sasol.com/esg/environment/air-quality/atmospheric-emissions-licences-disclaimer

At its 10 May 2025 Capital Markets Day, Sasol announced its "plan to strengthen, grow and transform its business, in line with its previously communicated strategy".[22] It stated that its "optimised" ERR will achieve the same 30%-by-2030 emission reduction targets, but now at a fraction of the cost (R4-7 billion, although this amount appears to exclude Sasol's estimated R2-4 billion in capex for its increased renewable energy target). It claims to be able to do so with no feedstock replacement (coal to LNG) and **increased** production levels.

In short, Sasol's new decarbonisation plan is to increase its renewable energy ambition by 800MW to 2GW. It has abandoned its plans to use LNG as a replacement feedstock and to reduce production at its Secunda Operations, stating that the SO_2 emissions leniency it was granted allows it "to keep more boilers running, preserving steam capacity while meeting compliance requirements. We are no longer cutting back on gasifiers, and will maximise Secunda's production".[23]

Sasol also referred, at its May 2025 Capital Markets Day, to the use of carbon offsets. In 2021, however, it had stated that it did **not** intend to rely on offsets to meet its 2030 targets, unless mitigation measures were unsuccessful,[24] or "to achieve last mile decarbonisation or greater ambition" if technology changes do not "occur at the pace and scale required".[25] In 2023, Sasol confirmed that, "Our decarbonisation approach does not rely on utilising carbon offsets to meet our interim, 2030, targets".[26]

Sasol's progress on its GHG emissions reduction

It is not clear if and how Sasol's optimised ERR and related resource commitments can reasonably achieve its 2030 emissions reduction targets and its air quality commitments, or whether additional resources, plans or commitments are necessary.

Sasol's scope 1 and 2 emissions have increased in the last two years,[27] and **in the four years since the 2021 ERR announcement, it has reduced its scope 1 and 2 GHG emissions by only 2% (a reduction of 1,45 Mt)**.[28]

Sasol must still reduce its GHG emissions by 16 Mt by 2030 if it is to achieve its 30% reduction target for Sasol Energy. However, not only have its emissions gone up in the last two years, but it now plans to increase production levels at Secunda, which will also result in higher emissions.[29]

In short, there are multiple unanswered questions in relation to Sasol's optimised ERR announced in May 2025.[30]

As set out above, the credibility and feasibility of Sasol's optimised ERR is also relevant in relation to its emissions of toxic air pollutants such as SO_2.

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[22] https://www.sasol.com/investor-centre/capital-markets-day
[23] https://www.sasol.com/investor-centre/capital-markets-day
[24] Sasol Climate Change Report 2021, page 16.
[25] Sasol Climate Change Report 2021, page 20.
[26] Sasol Climate Change Report 2023, page 44.
[27] https://justshare.org.za/mailpoet/sasol-still-optimising-the-execution-of-its-emission-reduction-roadmap-while-emissions-continue-to-rise/
[28] https://justshare.org.za/wp-content/uploads/2025/06/250604-Sasol-CMD-2025-questions.pdf
[29] https://justshare.org.za/wp-content/uploads/2025/06/250604-Sasol-CMD-2025-questions.pdf
[30] https://justshare.org.za/wp-content/uploads/2025/06/250604-Sasol-CMD-2025-questions.pdf

Conclusion

The Intergovernmental Panel on Climate Change's (IPCC) has repeatedly reported that immediate and significant emission reductions are required to stave off the worst consequences of climate change.[31]

In South Africa, like all of sub-Saharan Africa, the impacts of climate change will be disproportionately felt by poor and marginalised communities, exacerbating the country's already extreme poverty, inequality and unemployment.

Air pollution is the world's largest environmental health risk. It has profound effects on health, especially for vulnerable individuals, including children, the elderly, pregnant women, and those suffering from asthma, heart, and lung disease.[32]

Sasol's emissions contribute significantly to climate change and air pollution. The extent and consequences of this impact must be determined, including to evaluate Sasol's susceptibility to litigation and its stranded asset risk.

Filed on: 18 AUGUST 2025

[31] https://www.ipcc.ch/assessment-report/ar6/

[32] See, for example: https://www.oecd.org/environment/air-pollution/; https://www.unep.org/explore-topics/air.