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## Driving a credible and just transition at Sasol

## Executive summary

Sasol Limited's transition presents material climate, social, health, regulatory and governance risks that investors would do well to manage proactively. Sasol is a critical part of South Africa's economy, supporting substantial employment, industrial activity and energy and chemical supply chains. At the same time, it is the country's largest private greenhouse-gas emitter, and its Secunda Operations are a major source of toxic air pollution. The company's transition has implications well beyond the company's own balance sheet: a delayed and disorderly transition could destroy shareholder value while also affecting workers, communities, suppliers and other companies across the economy. Conversely, a credible and well-managed transition could reduce long-term regulatory, environmental and operational risks while positioning Sasol for new sources of value.

This briefing brings together research on Sasol's current socioeconomic contribution, the health and environmental impacts of its operations, the credibility of its climate strategy and disclosures, and key aspects of its governance. The research positions Sasol's significant presence in the South African economy alongside the accompanying risks to local communities, shareholders and all stakeholders in Sasol's value chain.

None of these issues can be assessed in isolation. Climate risk can become financial and regulatory risk; environmental harm can create health, litigation and reputational risks; a poorly-managed transition can undermine socioeconomic resilience; and weak governance and disclosure make all of these risks harder for investors to assess and price.

The central investment question is thus, not whether Sasol can return shareholder value in the short-term, but whether it has a credible transition plan, sufficiently transparent disclosure and internal capacity to continue creating long-term value without shifting material costs and risks onto stakeholders and the wider economy.

### **Sasol's environmental and socioeconomic risks are interconnected, and the costs are not adequately reflected in the investment case**

Sasol's economic contribution is substantial, but its concentrated footprint also creates significant transition vulnerability in communities and supply chains that depend on its operations. At the same time, the health and environmental costs associated with its operations remain insufficiently quantified and integrated into decision-making. Independent research estimates substantial health impacts from Sasol Secunda's air pollution, while Sasol continues to face regulatory and compliance challenges and has sought continued flexibility in relation to environmental standards. The precise scale of some estimated impacts can reasonably be debated, but the underlying exposure is material.

Investors therefore need to consider not only the cost of decarbonisation, but also the financial consequences of continued pollution, regulatory intervention, litigation, reputational damage and a declining social licence.

## Sasol's transition remains insufficiently credible and increasingly back-end loaded

Sasol has retained its 30% Scope 1 and 2 emission reduction targets for 2030, but FY26 emissions increased as production recovered, and the company expects production to increase further. Delivering the targets now requires accelerated emission abatement within the next four years. The company must achieve this at a time when Sasol appears to be placing less reliance on measures previously identified as important to its pathway, including boiler turndown and a shift from coal to gas. Furthermore, the company does not provide sufficient process-level detail, annual milestones or quantified contributions from individual abatement measures to demonstrate how this reduction will be achieved.

The shift from the original 2021 emission reduction roadmap towards a lower-capital-intensity strategy, greater reliance on renewable energy and market mechanisms, and continued high utilisation of coal-based assets raises a fundamental question for investors: Is Sasol committed to structural decarbonisation of the underlying business?

## The longer-term pathway currently provides stronger evidence of carbon lock-in than structural transformation

Sasol retains a 2050 net-zero ambition and is pursuing initiatives in areas such as green hydrogen and sustainable aviation fuels. However, its latest disclosures provide considerably more clarity on extending the life and utilisation of existing coal-based gasification assets into the 2040s than on how those assets will subsequently be replaced. This creates a material post-2030 risk: the company may defer the capital and operational changes required for structural decarbonisation while becoming increasingly exposed to carbon pricing, regulatory requirements and the eventual cost of replacing its existing production model.

For investors, the key issue is whether Sasol is building a credible pathway to transform its core business, or extending the economic life of a carbon-intensive model while relying on future technologies and policy conditions to resolve the resulting transition risk. In other words, does Sasol's strategy reduce climate risk, or simply depend on key risks not materialising?

## Governance, policy influence and disclosure remain important constraints on investors' ability to assess and manage these risks

Sasol has strengthened elements of its formal climate governance framework, but investors still lack sufficient clarity on its board climate and sustainability competence, accountability for the emission reductions and the relationship between executive incentives and absolute emissions targets. Its policy engagement presents a similar tension: Sasol supports policies that enable renewable energy and new transition investments, while also advocating for flexibility around carbon budgets, carbon pricing and environmental regulation to reduce the constraints on existing high-emitting assets.

The issue is not whether Sasol should engage with policymakers, but whether the outcomes it seeks are consistent with the policy environment required for a credible transition. These governance and policy issues make it harder for investors to distinguish between formal commitments and effective accountability for delivery.

### The case for active ownership

It is evident that a shift is required, from monitoring Sasol's disclosures to actively engaging and stewarding the risks the disclosures reveal. Sasol is not beyond transition; rather, the quality of its transition will determine whether its substantial economic contribution can be preserved while reducing its environmental and climate footprint. Monitoring whether Sasol meets its stated targets will not, on its own, resolve the underlying information gaps, influence capital allocation or ensure that policy engagement supports the transition. Therefore, investors have an interest in using their ownership rights and influence to test the credibility of Sasol's strategy and seek evidence of delivery.

Engagement should seek to ensure that material risks are identified, disclosed and managed in a way that protects long-term value while supporting a credible and responsible transition. This is particularly important given the interconnected nature of Sasol's risks: delayed decarbonisation can increase regulatory and financial exposure; continued pollution can increase health, legal and reputational risks; and a poorly-managed transition can undermine the socioeconomic contribution on which both Sasol and its host communities depend.

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*Investors should seek evidence that Sasol is moving from broad commitments towards measurable, financially credible delivery. Given the company's scale and systemic importance, active ownership is not simply an ESG preference; it is a means of managing material long-term investment risk.*

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## Investor engagement priorities:



### Credible climate transition

Require a detailed, engineering-based pathway showing how the 2030 targets will be achieved, including annual milestones, the contribution of each abatement lever, key assumptions and dependencies, and the implications of capital-allocation decisions for post-2030 transition risk.



### Socio-economic resilience

Seek a credible just-transition strategy with measurable outcomes for reskilling, redeployment, economic diversification and community resilience, rather than reporting expenditure or training activity alone.



### Health and environmental responsibility

Seek better disclosure of air-quality impacts, regulatory performance and pollution-reduction commitments, alongside greater transparency on the health consequences of operations and the use of regulatory flexibility.



### Policy alignment

Require greater transparency on lobbying and industry association activity, and evidence that Sasol's policy positions support rather than weaken the carbon-price, carbon-budget and environmental-regulatory framework required for its stated transition.



### Transparency and accountability

Seek clear board and committee accountability for the optimised emission reduction roadmap, transparent evidence of relevant board competence, and remuneration structures that link executive incentives to material and measurable transition outcomes, particularly absolute emissions reduction.

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## Abbreviations and Acronyms

|                   |                                                       |
|-------------------|-------------------------------------------------------|
| AAQS              | Ambient air quality standards                         |
| AEL               | Atmospheric emission licence                          |
| AGM               | Annual general meeting                                |
| API               | American Petroleum Institute                          |
| ASUs              | Air separation units                                  |
| AQMP              | Air Quality Management Plan                           |
| BBL               | Barrel                                                |
| BUSA              | Business Unity South Africa                           |
| CAPS              | Climate Advocacy and Policy Supplement                |
| CIC               | Capital Investment Committee                          |
| CIPC              | Companies and Intellectual Property Commission        |
| CO <sub>2</sub> e | Carbon dioxide equivalent                             |
| CTL               | Coal-to-liquids                                       |
| CREA              | Centre for Research on Energy and Clean Air           |
| DFFE              | Department of Forestry, Fisheries and the Environment |
| DJSI              | Dow Jones Sustainability Index                        |
| EE                | Energy efficiency                                     |

|                     |                                              |
|---------------------|----------------------------------------------|
| ERR                 | Emission Reduction Roadmap                   |
| FFSA                | Fossil Free South Africa                     |
| FT                  | Fischer-Tropsch                              |
| GEC                 | Group Executive Committee                    |
| GHG                 | Greenhouse gas                               |
| GJ                  | Gigajoule                                    |
| GTL                 | Gas-to-liquids                               |
| GW                  | Gigawatt                                     |
| HPA                 | Highveld Priority Area                       |
| KPI                 | Key Performance Indicator                    |
| KtCO <sub>2</sub> e | Kilotonnes of carbon dioxide equivalent      |
| LNG                 | Liquefied Natural Gas                        |
| LTi                 | Long-term incentives                         |
| MES                 | Minimum emission standards                   |
| mg/Nm <sup>3</sup>  | Milligrams per normal cubic metre            |
| Mt                  | Megatonne                                    |
| MtCO <sub>2</sub> e | Megatonnes of carbon dioxide equivalent      |
| Mtpa                | Million tonnes per annum                     |
| MW                  | Megawatt                                     |
| NAQO                | National Air Quality Officer                 |
| NEMA                | National Environmental Management Act        |
| NEMWA               | National Environmental Management: Waste Act |
| NO <sub>x</sub>     | Oxides of nitrogen                           |
| NPA                 | National Prosecuting Authority               |
| OMIG                | Old Mutual Investment Group                  |
| PPA                 | Power Purchase Agreement                     |
| PM                  | Particulate matter                           |
| RE                  | Renewable energy                             |
| REC                 | Renewable Energy Certificate                 |
| SAEC                | Southern Africa Energy and Chemicals         |
| SAF                 | Sustainable Aviation Fuel                    |

|                    |                                     |
|--------------------|-------------------------------------|
| SBTi               | Science Based Targets initiative    |
| SCA                | Supreme Court of Appeal             |
| SSEC               | Safety, Social and Ethics Committee |
| STI                | Short-term incentives               |
| SO <sub>2</sub>    | Sulphur dioxide                     |
| tCO <sub>2</sub> e | Tonnes of carbon dioxide equivalent |
| TPI                | Transition Pathway Initiative       |
| t/d                | Tonnes per day                      |

## 1. Why Sasol matters to investors

► **Investor takeaway:** Sasol's scale creates both material investment opportunity and material transition risk. Its socioeconomic importance makes the credibility and quality of its transition particularly significant. Investors therefore need to assess not only what the company reports, but also how its strategy affects emissions (both of greenhouse gases (GHGs) and toxic air pollutants), communities, policy and long-term value, and whether the company provides enough information for investors to hold it accountable.

### A case study in both opportunity and risk

Sasol occupies an unusual position in the South African economy. It is one of the country's largest industrial companies, a major producer of fuels and chemicals, putting it at the heart of several domestic industrial value chains. It is also a significant employer. Its operations support substantial economic activity well beyond the company's own workforce and facilities. Sasol's own economic impact assessment estimates that its South African operations contributed just under ZAR 300 billion to GDP and supported 450 000 jobs across the economy in 2021.<sup>1</sup> Sasol supplies ~30% of South Africa's fuel demand, and a significant amount of chemical intermediates, where it is often the sole domestic supplier in Southern Africa.<sup>2</sup>

This scale is of consequence to investors. But Sasol's performance affects more than its shareholders. Its operations have consequences for workers, suppliers, communities, energy security, industrial capacity and public finances. At the same time, Sasol is the biggest private emitter of GHGs in South Africa, and it is one of the biggest corporate emitters of GHGs on earth.<sup>3</sup> Its Secunda facility is the world's largest single point source of GHGs.<sup>4</sup>

In 2021, Sasol made various emission reduction commitments.<sup>5</sup> It "[optimised" this emission reduction roadmap \(ERR\)](#) in 2025. Sasol's decarbonisation strategy and targets, and whether it achieves them, are crucial to the decarbonisation trajectory of the country. In July 2025 to June 2026, Sasol Limited reported total GHG emissions of ~62 000 kilotonnes (kt), expressed as carbon dioxide equivalent (CO<sub>2</sub>e), with the Secunda complex accounting for roughly 84% thereof.<sup>6</sup> Sasol's annual emissions are higher than those of many entire countries; including: Serbia, Mali, Ghana, Tunisia, Bahrain and Denmark.<sup>7</sup> Sasol's emissions have increased since last year and it intends to continue to ramp up production, which will result in further emissions increases.

<sup>1</sup> FTI Consulting, Contributions of Sasol South Africa to National and Local Municipalities, 2024.

<sup>2</sup> Sasol Limited Business Overview Document 2026, p11.

<sup>3</sup> [Carbon Majors](#) and [Climate Action100+](#).

<sup>4</sup> Sasol Sustainability Report 2020, p 8.

<sup>5</sup> Sasol's emission reduction targets are set out in Appendix B.

<sup>6</sup> Sasol Performance Data 2026, p 5.

<sup>7</sup> [Climate Trace](#).

Sasol therefore sits at the intersection of two competing narratives. Its existing business provides substantial economic and social value, while also generating significant climate, environmental and health costs. Its transition away from a carbon-intensive business model could reduce those costs and create new sources of long-term value. But a poorly-managed transition could also put jobs, local economies, communities and shareholder value at risk.

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*This makes Sasol's transition more than a question of emissions reduction. It is a question of whether the company can transform its business while preserving and creating sustainable economic value.*

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## **A company at the centre of South Africa's transition**

Sasol's position makes it particularly important to South Africa's response to climate change. Its Secunda Operations are deeply integrated into the country's energy and industrial system, while its chemicals businesses supply products used across the economy.

Decarbonising Sasol's operations is essential to reducing South Africa's emissions, but the scale and complexity of those operations mean that the transition cannot happen through a single intervention. It requires changes to energy supply, production processes, capital allocation, technology, infrastructure and ultimately the composition of the business itself.

For investors, this creates significant transition risk – but also significant opportunity. A credible transition could protect the value of Sasol's existing businesses while positioning the company to participate in emerging low-carbon markets. Conversely, delays, unrealistic assumptions, or poorly-managed restructuring could increase financial, regulatory, operational and reputational risks.

This goes beyond whether or not Sasol has a climate strategy. The question is whether that strategy is sufficiently credible to protect long-term value while managing the consequences of transition for the people and communities that depend on the company.

## **Looking beyond conventional ESG assessment**

In such a case, conventional ESG assessment can fall short.

An investor looking only at Sasol's published targets, emissions performance or sustainability ratings may miss important dimensions of the investment case. Relying on external ESG ratings is increasingly problematic due to Sasol's pattern of inconsistent reporting, metric restatements, and unfulfilled sustainability ambitions. In 2021, Sasol explicitly set a goal to improve its ESG ratings annually to achieve inclusion in the S&P Corporate Sustainability Assessment for the Dow Jones

Sustainability Index (DJSI). Having failed to secure DJSI inclusion, Sasol quietly removed all mention of its DJSI ambitions and overall ratings progress from its 2025 and 2026 disclosures. Furthermore, Sasol's reporting of third-party ESG ratings reveals significant data gaps and volatility:

- Reputable rating providers previously featured in corporate disclosures, including FTSE4Good, Moody's Analytics, and IRAS, were inexplicably excluded from Sasol's 2025 and 2026 reporting suite.
- Scores from remaining agencies show stagnant or worsening risk profiles. Sasol's S&P Global score deteriorated to 56 out of 100 in 2026 (following confusing restatements of its 2024 score down from 67 to 62 and its 2025 score from 56 to 62). Similarly, its Sustainalytics score deteriorated to 35.0, remaining firmly in the "high risk" category (again following confusing restatements of its 2025 score from 35.6 to 34.4).
- EcoVadis medal levels for international entities (Sasol China, Germany, and Italy) saw downgrades, which Sasol attributed to "continuous tightening" of scoring methods and "recalibration of thresholds", while Sasol South Africa scored a weak 40 out of 100.<sup>8</sup>

Climate strategy cannot be assessed independently of the socioeconomic consequences of transition. Environmental performance cannot be assessed without considering the health costs associated with pollution. And a company's stated climate commitments cannot be assessed fully without considering how it uses its influence in the policy environment in which those commitments must be delivered.

This is not simply a reporting issue. Investors need enough information to understand how material strategic decisions will affect the company's future emissions, assets, earnings and stakeholder relationships. However, Sasol's transaction with Air Liquide (see chapter 7) is a case in point: significant changes to the structure of the business can alter the distribution of risks and responsibilities while making it harder for investors to assess the company's overall transition trajectory.

The investment question becomes:

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*Is Sasol's transition strategy credible, sufficiently transparent and capable of creating long-term value without simply shifting costs and risks onto workers, communities, the environment, or other parts of the economy?*

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This briefing brings together research that examines this question from several perspectives.

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<sup>8</sup> Sasol IR 2026, p 91 & 113.

## An evidence base for investor engagement

We assess the resilience of Sasol's positive socioeconomic contribution and the risks to that contribution as the company changes its business model. We examine the health implications of emissions from the Secunda complex, bringing into view costs that are not captured by the conventional measures of economic contribution. We assess Sasol's climate strategy and latest sustainability reporting, including the extent to which its targets, performance and disclosures provide evidence of a credible transition. We evaluate Sasol's governance arrangements to determine whether the board has the expertise, oversight and accountability mechanisms required to deliver its transition. We examine the company's lobbying and policy engagement, including its positions on climate change and air-quality regulation, to assess whether its influence is aligned with its public commitments. Finally, we consider the Air Liquide transaction as a case study in the transparency investors need when assessing strategic transition risk.

The research does not suggest that Sasol's economic contribution should be discounted, or that the company can simply disengage from the communities and economies that depend on it. Rather, we highlight the need to understand the full picture.

For long-term investors, the importance of these interconnected risks cannot be overemphasised.

Sasol's significance creates a clear case then for investor attention. The scale of its contribution means that investors have a material interest in the company's long-term resilience. The scale of its environmental and social footprint means that investors also need to scrutinise how that resilience is being achieved.

Simply put:

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*Sasol is too important to monitor only from a distance. Its transition needs to be tested, challenged and actively influenced.*

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## 2. The socioeconomic footprint and value at risk

► **Investor takeaway:** Sasol is not just a company, it is a systemic engine for South Africa, driving vast shares of national GDP, 30% of liquid fuels, and the supply chains for over 1,700 chemical and plastic SMEs. However, this economic dominance is tethered to a massive carbon footprint, ~57.6 megatonnes of carbon dioxide equivalent (MtCO<sub>2</sub>e) of annual operational emissions,<sup>9</sup> or ~11% of the national total. For investors, Sasol's decarbonisation path is not a routine ESG metric, it is a core exercise in risk management. A delayed or unmanaged shift risks stranded assets, compounding regulatory fines and other consequences, and severe feedstock constraints that could force a disorderly, value-destroying contraction.

Beyond equity losses, Sasol's transition could present a portfolio-wide inflection point. Because Sasol's footprint is sectorally and geographically concentrated in host municipalities such as Govan Mbeki (Secunda) and Metsimaholo (Sasolburg), where baseline community unemployment already exceeds 60% and Sasol accounts for well over half of local GDP, an abrupt downsizing would trigger widespread socio-economic instability, deep job losses, and ripple effects across several industries.

Navigating Sasol's decarbonisation smoothly is essential to preserving both company valuation and broad-market stability across South Africa. If Sasol fails to navigate its transition while maintaining socioeconomic resilience, investors face severe secondary fallout across banking, manufacturing, agriculture, and logistics portfolios, alongside escalating regulatory consequences and social instability.

### Sasol's social and economic benefits

Analysis of Sasol South Africa's value chain demonstrates its role as a national, regional and sectoral economic anchor. The scale of this national dependency (for 2021) has been quantified as shown below.

Table 1: Sasol South Africa fiscal and labour impact (FY2021)<sup>10</sup>

| Macro-economic indicator      | Total supported value | % Share of SA national total |
|-------------------------------|-----------------------|------------------------------|
| <b>GDP contribution</b>       | ZAR 299.53 billion    | 4.84%                        |
| <b>Supported employment</b>   | 452,683 jobs          | 3.07%                        |
| <b>Labour remuneration</b>    | ZAR 94.18 billion     | 3.26%                        |
| <b>Government tax revenue</b> | ZAR 125.74 billion    | 10.06%                       |

<sup>9</sup> Emissions from Sasol's Southern Africa Energy and Chemicals (SAEC) business, comprising Secunda, Sasolburg, Mining and Pipelines. Sasol Performance Data 2026, p 4.

<sup>10</sup> FTI Consulting, Contributions of Sasol South Africa to National and Local Municipalities, 2024.

Sasol's contributions span several other key socio-economic pillars:<sup>11</sup>

- **Transformation:** Sasol drives economic transformation through extensive support of black-owned enterprises, women-led businesses and SMMEs through its procurement and provision of funding.
- **Education, skills development and human capital:** Sasol's education and skills programme invests heavily in science, technology, engineering, mathematics (STEM) education. Sasol also invests in talent development through its Bridge-to-Work (BtW) skills programme, investing up to ZAR 123 million annually in vocational, technical and agricultural training.
- **Healthcare and social safety nets:** Sasol provides direct community investments in its host communities such as deploying mobile clinics to provide access to mental and physical healthcare, supporting local NPOs.
- **Community infrastructure:** Sasol has funded upgrades and refurbishments of critical municipal infrastructure, including upgrades to water and wastewater treatment works, public health clinics and roads.

## Geographic concentration and value chain dependency

A review of national scale risks understating extreme, place-based dependencies.

Sasol is the single dominant employment and municipal tax anchor in Mpumalanga and the Free State. Regionally, the concentration of supported employment is exceptionally high.<sup>12</sup> Therefore, transition risk at Sasol is place-based, geographically-concentrated, and directly transmitted to municipal budgets, small businesses, and households. Any delayed or disorderly transition would not diffuse evenly but would accumulate in these specific localities, triggering severe socioeconomic distress in communities where baseline unemployment already exceeds 60%.<sup>13</sup>

Table 2: Sasol South Africa regional concentration (FY2021)<sup>14</sup>

| Indicator                    | Govan Mbeki Local Municipality<br>(Secunda hub) | Metsimaholo Local Municipality<br>(Sasolburg hub) |
|------------------------------|-------------------------------------------------|---------------------------------------------------|
| Share of local GDP supported | 65.2%                                           | 81.5%                                             |
| Share of local employment    | 55.0% (56 837 jobs)                             | 74.3% (33 538 jobs)                               |
| Share of labour remuneration | 44.7%                                           | 57.3%                                             |

<sup>11</sup> TIPS, Sasol South Africa - The Just Transition: Jobs, Justice, and Prospects, 2026.

<sup>12</sup> Meridian Economics, Transitioning SA's Petrochemical Value Chain, 2023.

<sup>13</sup> FTI consulting, Contributions of Sasol South Africa to National and Local Municipalities, 2024.

<sup>14</sup> FTI consulting, Contributions of Sasol South Africa to National and Local Municipalities, 2024.

## Sectoral linkages and downstream dependency

Sasol's integration across the economy creates a "systemic channel" where corporate transition failure could initiate broader industrial contagion. This is driven by its concentration effects and critical forward linkages:

- **Liquid fuels & energy security:** Sasol supplies approximately 30% of South Africa's inland liquid fuel requirements (petrol, diesel, and aviation jet fuel). It has also been the sole domestic transmitter and supplier of natural gas via the Republic of Mozambique Pipelines Investments Company (ROMPCO) pipeline from Mozambique.
- **Plastics and polymer industry:** Sasol supplies polymers to around 1 700 downstream plastic converting firms, which employ 50 000 to 58 000 workers directly and support an estimated 92 000 jobs through indirect and induced jobs effects across packaging, automotive, construction, and consumer goods.<sup>15</sup>
- **Chemical, agriculture and mining:** Sasol produces essential chemical intermediates where it is frequently the sole or significant domestic manufacturer in the country, including synthetic ammonia and nitrates for domestic fertiliser production, ammonium nitrate for industrial explosives, sodium cyanide for gold extraction, and chlorine and caustic soda, industrial solvents, waxes, and specialised polymers for manufacturing and water treatment.<sup>16</sup>

This means that disruption or carbon-price pass-through at Sasol has the potential to translate directly into earnings revisions for institutional portfolios across the manufacturing, agriculture, and mining sectors.

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*The socio-economic footprint is not a defence for regulatory leniency; it is a measure of the systemic value at risk if the transition is delayed.*

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## Precarity of contributions and a shrinking transition window

Financial sustainability is essential for Sasol's decarbonisation transition, but its balance sheet remains in high-cost repair.

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<sup>15</sup> TIPS, Sasol South Africa - The Just Transition: Jobs, Justice, and Prospects, 2026.

<sup>16</sup> Meridian Economics, Transitioning SA's Petrochemical Value Chain, 2023.

Although geopolitical tension temporarily drove crude prices above USD 100 per barrel (bbl), boosting Secunda's synthetic fuel margins, driving FY2026-adjusted EBITDA up 17% to ZAR 61 billion, and raising net profit to ZAR 14.5 billion, this windfall provided only a marginal, temporary structural improvement. While net debt fell 11% (from USD 3.7 billion to USD 3.3 billion), lowering solvency risks, it remains above Sasol's USD 3 billion threshold required to sustainably resume dividends.<sup>17</sup> As leadership acknowledges, these supportive market conditions are transient, and cash flow risks reverting to baseline constraints once oil prices normalise.<sup>18</sup>

In February 2026, Sasol reported that it had cut capital spending by 43% to preserve cash.<sup>19</sup> The [ERR budget was slashed](#) from ZAR 15–25 billion to a mere ZAR 4–7 billion, indicating the company's inability to maintain its ageing plant and invest in lower-carbon capacity simultaneously.

By delaying deep decarbonisation to preserve short-term cash flow, Sasol is deepening its carbon lock-in. This creates a *non-linear, back-end loaded*<sup>20</sup> risk profile that requires steep emission cuts just as South Africa's carbon tax approaches USD 30 per tonne of CO<sub>2</sub>e (t/CO<sub>2</sub>e) by 2030. Prioritising debt repair over structural adaptation shifts risk onto future solvency and leaves Sasol vulnerable to a disorderly transition as technological substitution windows close.

According to Sasol, “sustainability is safe and responsible operations that balance economic growth with social equity and environmental stewardship, aiming for a resilient future aligned with global sustainability goals. This underscores the Group's commitment to creating long-term value, addressing the challenges of climate change and resource management, and minimising Sasol's environmental impact while enhancing social wellbeing”.<sup>21</sup> However, this statement, Sasol's large socio-economic benefits, and current headwinds contrast sharply with the company's environmental and climate performance, as well as the lack of a funded, ring-fenced workforce transition plan for Secunda. Despite routine reporting on training activities, actual redeployment outcomes remain opaque, and the absence of dedicated funding for the 450 000+ supported jobs presents a critical execution risk.

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*Ultimately, while Sasol remains a vital driver of South Africa's economy, its lack of a detailed, transparent execution strategy prevents investors from accurately pricing its long-term systemic risks.*

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<sup>17</sup> [Sasol Website: Short Form Announcement: Audited Financial Results for the Year Ended 30 June 2026.](#)

<sup>18</sup> [Sasol Website: Short Form Announcement: Audited Financial Results for the Year Ended 30 June 2026.](#)

<sup>19</sup> [Sasol Website: Sasol strategic initiatives progressing and tracking CMD targets.](#)

<sup>20</sup> In Sasol's decarbonisation framework, "non-linear" and "back-end loaded" describe an emission reduction trajectory where progress is not a steady year-on-year decline, but rather stays flat or increases in the short term before dropping sharply closer to the 2030 target deadline.

<sup>21</sup> Sasol IR 2026, p 20.

### 3. The hidden costs: health and environmental impacts

► **Investor takeaway:** Sasol's operations create significant external costs which are not adequately costed nor reflected in its disclosures. These impacts not only affect Sasol's social licence, but have crucial implications for its long-term operational, regulatory and reputational risk. The failure by Sasol to consider and integrate all risks and costs that it faces places investor capital at substantial risk.

Sasol's operations have significant environmental and social impacts, including impacts on climate change, air quality, water, land, biodiversity and surrounding communities. The scale of these impacts warrants clear, comprehensive and decision-useful disclosure. Sasol's GHG emissions are substantial, while its emissions of toxic air pollutants are also significant. Together with Eskom, Sasol is among the largest emitters in South Africa - and on the continent - of toxic air pollutants that are not GHGs.

There is a material gap between the scale of these impacts and the extent to which their external costs, associated risks and broader economic and social consequences are quantified and disclosed. Addressing this gap would strengthen Sasol's accountability to stakeholders and, importantly, enable investors and other stakeholders to make decisions based on more complete understanding of the risks facing the business and the communities in which it operates.

For example, neither Sasol's original, 2021 ERR nor its "optimised" 2025 ERR have integrated the climate-related and air-quality-related impacts and costs of its operations, either for Sasol or for the South African economy and broader society. These impacts are relevant not only from a social and environmental perspective, but also to Sasol's long-term risk profile, stakeholder relationships and the resilience of the communities and economy on which its operations ultimately depend. A more systematic assessment of these impacts would therefore complement, rather than sit outside, conventional financial and enterprise-risk analysis.

In this context, the [2025 shareholder-proposed resolution](#) calling for an independent report covering the period from May 2025 to 31 December 2030 on Secunda Operations' mortality and health impacts affecting vulnerable populations, including children, women and older people, and associated economic costs, such as lost working and school days, raised issues that merit serious consideration. The proposal was not tabled. Regardless of the outcome of that particular proposal, the underlying information gap remains relevant.

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*Stakeholders would benefit from credible, independently assessed information that enables the scale and distribution of Sasol's impacts to be better understood.*

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## Air pollution and health

Air pollution is the world's largest environmental health risk. It has profound effects on health, especially for vulnerable populations.<sup>22</sup> In South Africa, the Highveld Priority Area (HPA) has been formally identified as an area requiring targeted air-quality management because of persistent air pollution. In 2022, the High Court in the *Deadly Air* judgment found that the poor air quality in the HPA, where Sasol's Secunda Operations are located, was inconsistent with residents' constitutional right to an environment that is not harmful to their health or well-being.<sup>23</sup> This was confirmed on appeal.<sup>24</sup>

2026 research by the Centre for Research on Energy and Clean Air (CREA) estimates that air pollution from Sasol Secunda contributes to approximately 1 000 premature deaths every year.<sup>25</sup> Sasol Secunda's emissions also contribute to chronic disease, respiratory illness, adverse birth outcomes and reduced quality of life across exposed communities. The facility's emissions are estimated to cause nearly half a million lost workdays each year, affecting workers, households and the wider economy. Children are among those most affected, with the facility's emissions increasing the burden of childhood asthma and harming health before birth through increased risks of low birthweight and preterm birth. The cumulative health impacts of the pollution are estimated to cost the South African economy USD 1.03 billion, equivalent to approximately ZAR 19 billion, each year.<sup>26</sup> To put that in context, this is about 122 times the ZAR 156.2 million that Sasol reports was invested *globally*, in 2024 to 2025, to "improve the quality of life in local communities by enhancing access to quality health systems and community service infrastructure, reaching over 300 000 beneficiaries".<sup>27</sup>

The precise value of the estimated health impacts may reasonably be debated, but the existence of significant air-pollution exposure and the potential for associated health and economic consequences are material issues regardless of the precise estimate. Independent analysis of these impacts could therefore provide value to both Sasol and its stakeholders, particularly if it helps establish a common evidence base for future emissions-reduction and community-engagement decisions.

The issue is particularly relevant at Secunda because of the scale of the facility and the regulatory arrangements governing its emissions.

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<sup>22</sup> See, for example: <https://www.oecd.org/environment/air-pollution/>; <https://www.unep.org/explore-topics/air>.

<sup>23</sup> *Trustees for the Time Being of the GroundWork Trust and Another v Minister of Environmental Affairs and Others* (39724/2019) [2022] ZAGPPHC 208 (18 March 2022).

<sup>24</sup> *Minister of Environmental Affairs v Trustees for the Time Being of Groundwork Trust and Others* [2025] ZASCA 43; 2025 (4) SA 98 (SCA).

<sup>25</sup> CREA (2026), [The hidden cost of coal-to-liquids in South Africa: Health impacts of air pollution from Sasol Secunda](#). The full table of health impacts and costs is in Appendix A.

<sup>26</sup> These figures are modelled estimates rather than directly observed deaths attributable to Sasol, relying on assumptions about emissions, atmospheric dispersion, source attribution, and exposure-health relationships. Sasol has indicated that it will commission a third-party review of the CREA report. Sasol has acknowledged the importance of and the public interest in understanding the health and economic impacts of its emissions ([Sasol's response to the Centre for Research on Energy and Clean Air \(CREA\) Report, 21 September 2026](#)).

<sup>27</sup> Sasol in Society 2025, p 19.

## Minimum emission standards and sulphur dioxide alternative emission limits

Sasol's significant air-pollution impacts have been accompanied by continued efforts by the company to obtain regulatory flexibility where it argues that meeting environmental standards presents operational challenges.

Despite [already receiving various forms of minimum emission standards \(MES\) leniency](#),<sup>28</sup> Sasol sought an alternative sulphur dioxide (SO<sub>2</sub>) emission limit for its 17 coal boilers at Secunda. Its [appeal was granted](#) in 2024, allowing an alternative regime from 1 April 2025 to 31 March 2030, subject to conditions. Sasol is required to "continue to implement its integrated solution and must achieve the reductions in emissions of all pollutants as undertaken in its application and appeal". The [second appeal decision](#) refused Sasol's request to retain the very weak SO<sub>2</sub> concentration limit in its atmospheric emission licence (AEL), but the limits granted on appeal do not require Sasol to reduce SO<sub>2</sub> pollution.

Just Share [opposed this appeal](#), disputing that Sasol was legally permitted to obtain further leniency beyond 31 March 2025, and highlighting that granting Sasol's appeal would result in approximately [50-130% higher negative health impacts than MES compliance](#).

Sasol has also indicated that it may seek further SO<sub>2</sub> leniency after March 2030 and is pursuing litigation concerning emission-reduction requirements under the HPA Air Quality Management Plan (AQMP).<sup>29</sup> [Pending legislative amendments](#) would prohibit this. If Sasol does not comply with its committed GHG emission reduction targets and/or the reductions of particulate matter (PM), oxides of nitrogen (NOx) or SO<sub>2</sub> it has undertaken to achieve, its SO<sub>2</sub> leniency should be withdrawn. Non-compliance with an AEL is a criminal offence.<sup>30</sup>

Sasol's own reporting indicates that sulphur oxides have increased overall this year: for Secunda Operations, the 19% increase was the result of higher coal throughput and increased sulphur content in coal.<sup>31</sup>

*More information on environmental and health impacts, and on Sasol's engagement with the MES is available in Appendix A.*

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<sup>28</sup> The MES were set in a multi-stakeholder, multi-year process in which polluting facilities – including Sasol – were active and vocal participants. The National Environmental Management: Air Quality Act, 2004 was published in the Government Gazette in February 2005. Section 21 of the Act prescribes a list of activities for which MES must be set and which require an atmospheric emission licence. The List of Activities was published on 31 March 2010 and section 21 commenced on 1 April 2010, requiring listed activities to comply with one set of MES by 1 April 2015, and a stricter set by 1 April 2020.

<sup>29</sup> Sasol Form 20-F 2026, p 43; <https://www.sasol.com/index.php/media-centre/media-releases/sasol-seeks-regulatory-clarity-highveld-priority-area-air-quality-management-plan>.

<sup>30</sup> Section 51 National Environmental Management: Air Quality Act, 2004.

<sup>31</sup> Sasol Performance Data 2026, p 5; Sasol IR 2026, p 91 & 103. Sasol states that its increased nitrogen oxide emissions are due to an expanded reporting boundary.

## Environmental non-compliance and consequences

Sasol faces various “compliance challenges”, “significant” environmental incidents, and monitoring and enforcement action by relevant authorities at many of its operations.<sup>32</sup> Allegations of Sasol’s non-compliance with environmental legislation have also been discussed in Parliament.<sup>33</sup>

Following the service of fresh warrants on it in August 2026, Sasol also faces the re-introduction of criminal charges relating to allegations against it that include unauthorised disposal of waste; significant environmental pollution; victimisation of a whistleblower; and conducting activities without environmental authorisation. *See Appendix A for more detail on the charges.*

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*On conviction, these offences could attract significant consequences; including monetary penalties; damages; extended criminal liability for directors, managers, agents and employees of Sasol; and/or imprisonment.*<sup>34</sup>

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<sup>32</sup> Sasol IR 2026, p 108-110.

<sup>33</sup> See, for example: <https://pmg.org.za/committee-meeting/42790/> and <https://pmg.org.za/committee-meeting/43418/>.

<sup>34</sup> Schedule 3, section 34(1)–(7) and section 34C of the National Environmental Management Act, 1998 (NEMA).

## 4. Can investors assess Sasol's climate transition plan?

► **Investor takeaway:** Investors lack the information they need to assess the credibility of the proposed transition plan. The company's declining transparency has made this information gap worse, leaving investors to make decisions with greater uncertainty and risk than they would face if the company consistently provided decision-useful information.

### The starting point

Sasol's operational model presents a distinct decarbonisation challenge within the global energy and chemicals sector. Unlike conventional oil and gas producers that primarily extract and refine liquid crude, Sasol relies heavily on its unique synthetic fuels technology. The company's primary manufacturing hub at Secunda operates an integrated coal-to-liquids (CTL) process utilising Fischer-Tropsch (FT) chemistry.

Because coal gasification is inherently more carbon-intensive than refining light crude oil, Sasol's baseline GHG footprint is significantly higher than traditional integrated energy peers. Gasification of coal to produce synthesis gas requires substantial energy inputs and yields concentrated carbon dioxide stream releases during processing.

This structural dependency creates a challenging baseline for short- and medium-term decarbonisation. Traditional oil and gas transition strategies, such as flaring reduction or field electrification, do not address the fundamental carbon intensity of coal gasification. For institutional investors, assessing Sasol's climate strategy requires evaluating how the company manages this structural process intensity while attempting to lower absolute operational emissions.

### The goal

Sasol's primary short-term climate commitment is a 30% absolute reduction in Scope 1 and Scope 2 emissions for its Southern Africa Energy and Chemicals (SAEC) business by 2030, measured against an FY17 baseline of 63 001 ktCO<sub>2</sub>e. The target covers major operational footprints in South Africa, including the Secunda and Sasolburg operations, mining infrastructure, and regional pipelines. It excludes Natref, Mozambique and Air Liquide operations. *Sasol's various targets are set out in Appendix B.*

To achieve its 2030 SAEC emissions target of 44.1 MtCO<sub>2</sub>e, Sasol must reduce emissions by an average of 5.9% per year from 2026 onwards.

This is a significant challenge, which will require deliberate effort to address, given that between 2005 and 2023, Sasol Group's GHG emissions decreased at an average annual reduction rate of approximately 0.6%, and the fact that this was driven largely by operational downtime and lower production volumes rather than structural process changes.

Recent reporting highlights short-term emissions trajectory volatility.

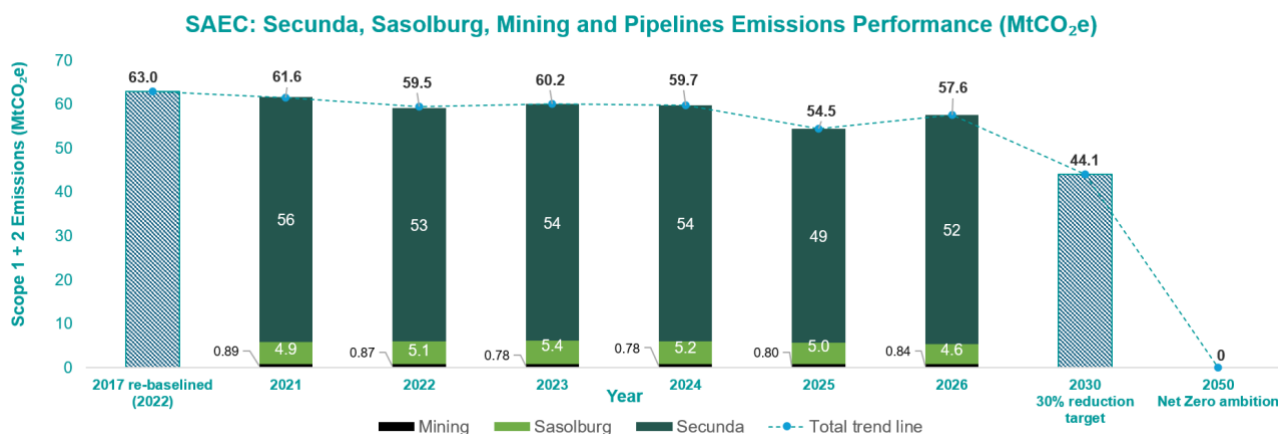


Figure 1: Sasol SAEC's performance on its 2030 emission reduction target<sup>35</sup>

#### Note

- Sasol's 30% Scope 1 and 2 emission reduction target was set in 2021 against an FY17 baseline (re-baselined in 2022) of ~63.0 MtCO<sub>2</sub>e. It applies to the SAEC business, excluding Natref, Mozambique and Air Liquide operations. The 2030 target is therefore approximately 44.1 MtCO<sub>2</sub>e.
- Emissions are disaggregated into Secunda, Sasolburg and Mining for the respective years. The total figures in the graph above include emissions from Sasol's pipelines, which are not disclosed as an absolute figure in its reporting suite.
- The annual figures represent absolute Scope 1 and 2 emissions for these operations and exclude market mechanisms (which Sasol now includes in its "optimised" ERR).

- FY25 reporting:** Sasol reported a gross GHG emission level of 54.5 MtCO<sub>2</sub>e for its SAEC Scope 1 and 2 footprint, reflecting a 13.5% gross reduction relative to the FY17 baseline.
- FY26 trajectory:** SAEC emissions rebounded to 57.6 MtCO<sub>2</sub>e, reducing the net variance from the FY17 baseline to an 8.5% reduction. Sasol attributed this increase directly to higher operational output at Secunda Operations, where production expanded from 6.7 Mt in FY25 and to 7.26 Mt in FY26.
- FY27–FY28 outlook:** Disclosures indicate that SAEC emissions are projected to rise further in the near term. Production at Secunda is targeted to expand to between 7.2 Mt and 7.4 Mt in FY27 – despite a planned phase shutdown in the first half of the year, with volume recovery targeted above 7.4 Mt by FY28 under a USD 50/bbl oil breakeven operating model.

<sup>35</sup> Graph based on Sasol's annually-reported emissions.

Sasol describes its operational transition roadmap as "non-linear and back-end loaded." Under this framework, near-term emissions are expected to fluctuate or increase in line with operational recovery, while the majority of absolute abatement is planned closer to the 2030 compliance deadline.

To hit the 30%-by-2030 SAEC absolute reduction target, operational emissions must fall to approximately 44.1 MtCO<sub>2</sub>e by 2030. Achieving this requires abating roughly 13.5 MtCO<sub>2</sub>e from FY26 levels within a four-year period.

The disclosures omit a clear operational decoupling strategy that explains how absolute emissions can fall by 13.5 MtCO<sub>2</sub>e while Secunda production scales beyond 7.4 Mt. Presenting a back-end loaded trajectory without annual milestones leaves investors unable to determine whether the projected reductions rely on future technological breakthroughs, uncommitted capital, or operational curtailment, and what proportion Sasol instead intends to "offset". Furthermore, tracking overall performance remains difficult due to [changing baseline reporting practices and the aggregation of distinct operating units and targets](#).

## Shift from structural abatement in the short term

Between 2021 and 2025, Sasol modified its operational transition model. The initial strategy, introduced under the "Future Sasol" framework and 2021 ERR, included structural feedstock substitution. In 2023, Sasol provided the approximate percentage emission reduction contribution it expected from the levers it planned to use to reach its 30%-by-2030 target: 6% coming from integrating renewable energy (RE), 12% from boiler turndown and energy efficiency (EE) and 12% from "transition feedstock" - aiming to reduce its coal feedstock by about 25% (or 10 million tons) by 2030.<sup>36</sup>

By 2025, Sasol pivoted to an ["optimised" ERR, which represents a significant shift](#) towards preserving cash, minimising capital expenditure, and ramping-up CTL production rates at Secunda. Sasol presents this shift as a pragmatic approach that balances environmental commitments with affordability, cash flow protection, and regional energy security. However, extended reliance on coal feedstocks maintains carbon lock-in at Secunda, exposing the asset base to transition risks post-2030 as South African carbon tax allowances phase down and mandatory carbon budgets apply, with "punitive" carbon tax payable for emissions that exceed budgets.

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<sup>36</sup> [Sasol CEO Stakeholder Letter: Balancing People, Planet, Profit on our pathway to Net Zero](#).

## Feedstock substitution strategy

The initial ERR aimed to reduce Sasol's coal feedstock by about 25% (or 10 million tons) by 2030 by importing 40–60 petajoules (PJ) a year of Liquefied Natural Gas (LNG), enabling the systematic turn-down of coal-fired boilers at Secunda. However, the strategy has shifted towards maintaining CTL production rates at Secunda into the 2040s through full gasifier utilisation and mine-contracted coal supply. Additionally, the company has determined that large-scale LNG imports are techno-economically unfeasible under prevailing market and infrastructure conditions.

## Energy efficiency

EE improvements form a core pillar of Sasol's internal abatement strategy, though disclosures lack specific percentage attributions toward the 30%-by-2030 reduction goal. Group-wide energy savings rose to 57 182 thousand gigajoules (GJ) in FY26, up from 55 140 thousand GJ in FY25. Performance gains were driven primarily by efficiency programmes at Sasolburg Operations and within the International Chemicals division.<sup>37</sup>

## Renewable energy procurement and integration

Sasol has scaled its RE ambition from 1.2 gigawatts (GW) - shared with Air Liquide - to over 2 GW by 2030 to serve internal captive demand. Sasol reports making meaningful progress towards this goal, having already secured access to 1.37 GW of RE through self-built projects and Power Purchase Agreements (PPAs).<sup>38</sup> This has made Sasol the largest private procurer of RE in South Africa.<sup>39</sup> This comprises ~920 megawatts (MW) previously secured by FY25, together with an additional ~450 MW RE secured in FY26, which includes 600 megawatt-hours (Mwh) of Battery Energy Storage Systems (BESS). A portion of this is jointly procured with Air Liquide.<sup>40</sup> 510 MW of this capacity is currently online, with multiple assets across construction, commissioning and operation.

Sasol reports that it is progressively scaling its RE portfolio to transition the renewable arm into a profitable, standalone commercial power business. The company has also partnered with Discovery Green to launch Ampli Energy, which will provide RE for Sasol's internal use and also provide access to external commercial and industrial off-takers – 15 MW of internal allocation and an additional 150 MW is planned to come online in 2028.<sup>41</sup>

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<sup>37</sup> Sasol IR 2026, p 94.

<sup>38</sup> Sasol IR 2026, p 49.

<sup>39</sup> Sasol IR 2026, p 10.

<sup>40</sup> Sasol IR 2026, p 62.

<sup>41</sup> Sasol IR 2026, p 62.

## Market mechanisms

The pivot away from coal substitution has led Sasol to incorporate greater use of market-based mechanisms into its emissions-compliance planning. While the 2021 ERR undertook not to use carbon offsets as a means of meeting its 2030 targets,<sup>42</sup> the updated 2025 roadmap envisages using carbon credits and Renewable Energy Certificates (RECs) to address part of the remaining emissions gap, alongside increased operational integration of RE.

The scale of this reliance is not yet sufficiently clear to investors. Sasol does not disclose the precise proportion of its approximately 13.5 MtCO<sub>2</sub>e abatement gap that is expected to be addressed through direct operational emission reductions, RE procurement, carbon credits, RECs or other market-based mechanisms. This makes it difficult for investors to assess the extent to which Sasol's 2030 targets represent structural decarbonisation of its operations versus the acquisition of instruments that compensate for or reattribute remaining emissions. Greater disclosure of the expected contribution of each mechanism would allow investors to better assess both the credibility and cost of the pathway.

Sasol's expenditure on verified carbon credits also shows the financial impact of this issue.



Spending on carbon credits increased from ZAR 580 million in FY2024 to ZAR 723 million in FY2025 and ZAR 952 million in FY2026.

In FY2026, Sasol retired 3.84 million verified carbon offsets against its domestic carbon-tax obligations. The company is also refining its market-based Scope 2 accounting to incorporate wheeled PPA credits; it reports that these generated a 0.37 MtCO<sub>2</sub>e market-based reduction in FY2026, although this was excluded from primary emissions reporting pending formalisation of the accounting methodology.<sup>43</sup>

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*For investors, the key question is how much of Sasol's emissions reduction will ultimately depend on market mechanisms and at what cost. If a substantial share of the remaining gap continues to be addressed through credits rather than reductions in the underlying emissions intensity of Sasol's operations, the company could face rising costs as the volume and price of required credits rises. On the other hand, investment in structural emissions reductions could require significant upfront capital but reduce Sasol's longer-term exposure to recurring purchases of carbon credits and carbon-tax liabilities.*

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<sup>42</sup> Sasol stated that "well-vetted offsets could be considered if mitigation measures are unsuccessful" and that "should technology changes not occur at the pace and scale required, we might leverage offsetting to achieve last-mile decarbonisation or greater ambition". Sasol Climate Change Report 2021, p 16 & 20.

<sup>43</sup> Sasol IR 2026, p 62.

## Capital allocation realignment

At its September 2021 Capital Markets Day, Sasol estimated the capital cost of its ERR at ZAR 15–25 billion and stated that it would not rely on offsets to meet its 2030 targets. By May 2025, with Scope 1 and 2 emissions reduced by only 2%, Sasol had “optimised” the ERR to deliver the same 30%-by-2030 target, but now at ZAR 4–7 billion - although this amount appears to exclude a further ZAR 2–4 billion of capex for its increased RE target. Sasol described this as a “reset to materially lower capital intensity, avoid Secunda turndown and better align decarbonisation with value protection”.<sup>44</sup>

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*Shareholders must actively test whether Sasol’s strategy genuinely reduces transition risk or simply bets on critical market, carbon tax, and feedstock risks not materialising.*

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## The long-term plan

Uncertainty remains regarding Sasol’s long-term decarbonisation. In its latest reporting suite, Sasol stated that it “continues to assess options to address these emissions in line with its long-term strategic direction and 2050 net zero ambition”.<sup>45</sup> However, little detail is provided on how this ambition will be achieved.

The post-2030 decarbonisation requires a complete, structural transformation of Sasol’s core feedstock and chemical process operations. Under the 2021 ERR, proprietary FT technology is repurposed from a CTL engine into a green synthesis platform to produce Sustainable Aviation Fuels (SAF) and green chemicals. However, under the “optimised” 2025 ERR, and Sasol’s more recent disclosures, there is a stronger commitment to sustaining coal-based production and maximising gasifier utilisation well beyond 2030, with Sasol indicating that gasifiers could operate at high utilisation rates into the 2040s. This provides greater clarity on the intended longevity of the existing operating model, but considerably less detail on how and when it would subsequently be transformed.

Sasol itself has previously acknowledged that its 2050 pathway is less certain because many of the required technologies are not yet economically available or deployed at scale.<sup>46</sup>

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<sup>44</sup> Sasol IR 2026, p 41.

<sup>45</sup> Sasol IR 2026, p 96.

<sup>46</sup> [Sasol CEO Stakeholder Letter: Balancing People, Planet, Profit on our pathway to Net Zero.](#)

There are encouraging developments, including continued work on green hydrogen and SAF. However, the pathway from these initiatives to economy-wide transformation of the Secunda value chain remains difficult to assess. For example, after marking South Africa's first commercial-scale green hydrogen output in June 2023 by repurposing an existing electrolyser, the Sasolburg green hydrogen programme has just entered the design-study stage in partnership with Envision Energy in August 2026, with investment decisions dependent on its outcome.<sup>47</sup> Similarly, Sasol and Topsoe announced in 2026 that they would wind down their Zaffra SAF joint venture while continuing their technology and licensing collaboration.<sup>48</sup> These developments do not mean that the technologies are unviable, but they illustrate the distance between potential future applications and commercially-scaled decarbonisation.

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*The evolution of Sasol's disclosures suggests that, while the company retains a long-term ambition to decarbonise, the post-2030 pathway currently provides stronger evidence of carbon lock-in than of a defined structural transition away from coal-based production. The increasing clarity around the continued operation and high utilisation of existing gasification assets into the 2040s effectively extends the life of the current carbon-intensive production model, while the corresponding pathway for replacing that model with low-carbon feedstocks and processes is still less developed. While it is possible that green hydrogen, SAF and other emerging technologies may eventually become central components in a low-carbon operating model for Sasol, the current disclosures do not yet establish a sufficiently detailed sequence of investment, technology deployment and asset transformation through which these technologies would displace the existing coal-based system at the required scale.*

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## Sasol's transition risks and the disclosure gap

Independent climate benchmarks highlight a gap between Sasol's transition strategy and global climate-alignment expectations.

Sasol has not obtained target validation from Science Based Targets Initiative (SBTi), citing structural limitations in the SBTi's methodologies for "*integrated energy chemicals businesses like Sasol, particularly those operating hard-to-abate value chains such as FT production, where fuels and chemicals are co-produced and emissions cannot be disaggregated using current SBTi methodologies.*"<sup>49</sup>

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<sup>47</sup> [Sasol media release: Sasol and Envision Advance Green Hydrogen Design Collaboration for Sasolburg.](#)

<sup>48</sup> [Sasol website: Sasol and Topsoe to refocus SAF partnership as Zaffra JV prepares for wind-down.](#)

<sup>49</sup> Sasol IR 2026, p 93.

The Transition Pathway Initiative (TPI) found Sasol's target to reduce Scope 1 and 2 emissions by 30% by 2030 to be insufficient. The TPI has categorised Sasol's short- and medium-term operational carbon performance as "Not Aligned" with international benchmarks, though TPI recognises Sasol's ultimate 2050 target as moving "Below 2 Degrees."<sup>50</sup> In its 2025 Net Zero Company Benchmark, Climate Action 100+ similarly found that Sasol's targets lack full alignment with a 1.5°C pathway and highlighted the absence of quantified contributions from individual abatement measures.<sup>51</sup>

These assessments point to a broader disclosure gap. Sasol does not provide a sufficiently detailed, engineering-based roadmap showing how individual abatement measures will deliver its targets, including quantified process-level contributions, timelines and execution milestones. This limits investors' ability to independently assess the pace, feasibility and credibility of emissions reductions. The concern is reinforced by investor scrutiny, including [opposition from major institutional investors](#) to Sasol's 2023 "say on climate" resolution over weakened coal phase-down commitments, back-ended reductions and limited visibility on how medium-term targets would be achieved.

Overall, Sasol's disclosures provide a formal transition framework but insufficient decision-useful detail to independently assess its execution credibility. Rigorous technical evaluation of Sasol's 2021 to 2026 reporting suites demonstrates a structural disconnect between formal reporting compliance and substantive risk transparency.

Under a weighted disclosure-index analysis conducted by DNA Economics (Annexure 1), Sasol maintains an "adequate" overall score (~69 out of 100), performing reasonably well on formal governance structures (Risk Management index) and high-level risk identification (Risk Identification index). However, Sasol's disclosures fall significantly short in substantive Environmental and Labour Risk (ELR) transparency, where scores consistently sit in the "minimal" to "basic" range (scoring 1 or 2 out of 4).<sup>52</sup> This is reflected in the figure below.

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<sup>50</sup> [Transition Pathway Initiative, Sasol, 2026.](#)

<sup>51</sup> [Climate Action 100+ 2025 Sasol Assessment.](#) At the time of finalisation of this briefing, Climate Action 100+'s 2026 Net Zero Company benchmark had not been published.

<sup>52</sup> DNA Economics, 2026 – available on request. See Annexure 1.

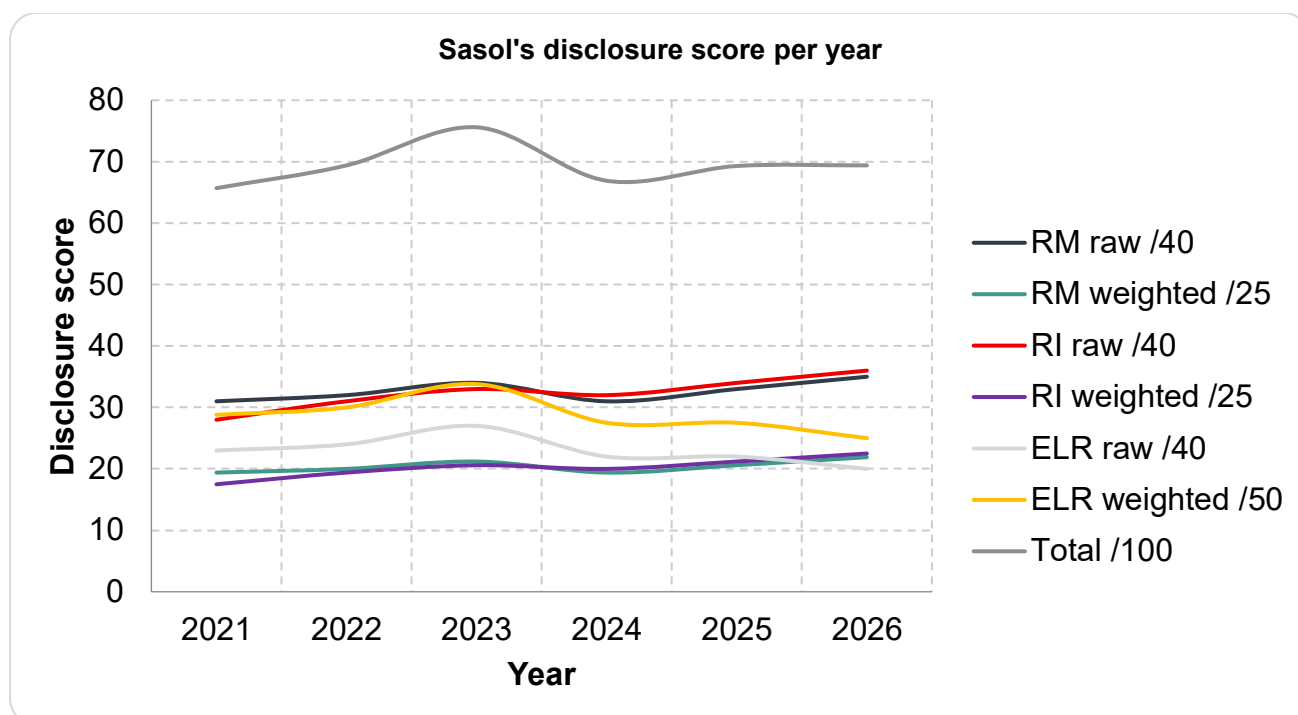


Figure 2: DNA Economics' assessment of Sasol's disclosures (2021-2026)<sup>53</sup>

<sup>53</sup> DNA Economics, 2026 – available on request.

## 5. Where the buck stops: climate and environmental governance

► **Investor takeaway:** Sasol has strengthened its formal climate-governance structures, but investors still lack the transparency needed to assess whether the board has the expertise, oversight and accountability mechanisms required to deliver its transition. Unclear committee responsibilities, unverified claims of board competence and executive incentives that do not consistently align with absolute emissions targets raise questions about whether management is being rewarded for delivering Sasol's stated climate commitments. Investors need clearer evidence that governance structures translate into measurable emissions reductions and accountability for delivery.

### Oversight

Sasol has strengthened its formal climate-governance architecture, including by introducing a broader board competency framework covering sustainability, energy transition and decarbonisation. However, material gaps remain in transparency over who is accountable for delivering the “optimised” ERR, whether the board has the necessary expertise, and how that expertise is applied to oversight.

It is not straightforward to establish which directors currently sit on the committee responsible for overseeing implementation of the ERR. Further, while Sasol says its board possesses the requisite sustainability and decarbonisation competencies, it does not disclose the underlying proficiency criteria, assessment results, assessor or independent validation. This makes the board's assertion of competence difficult for investors to test. The issue is particularly relevant because the director whose climate expertise Sasol previously identified in its CDP report no longer sits on either the Safety, Social and Ethics Committee (SSEC) or the Capital Investment Committee (CIC), both of which have responsibilities relevant to the ERR and energy transition. Sasol's 2026 Notice of AGM includes a resolution proposing that Muriel Dube be appointed to the SSEC. As is addressed in Appendix C, Dube does have climate-related experience.

### Incentives

Climate accountability through executive remuneration is similarly difficult to assess because of a lack of transparency, alignment and consistency between Sasol's stated climate commitments and its incentive structures.

The weighting given to emissions-related measures is limited and has changed over time, while the relationship between the various short-term incentive (STI) and long-term incentive (LTI) metrics and Sasol's absolute 2030 emissions targets is not always clear.

The FY26 CEO and CFO scorecards included climate- and carbon-related measures for which the underlying targets and performance measures were not disclosed, while the FY27 STI framework reduces the weighting of EE and removes individual performance measures that previously applied to executives.

In the LTI scheme, the Chemicals decarbonisation target was excluded from assessment following a substantial reduction in the associated capital programme, with its weighting redistributed to other ESG targets. For awards from FY25 onwards, the principal emissions metric measures Secunda emissions intensity, rather than absolute Group emissions, despite Sasol's 2030 targets being expressed in absolute Scope 1 and 2 terms. This creates a disconnect between what executives are rewarded for and the actual delivery of Sasol's stated transition pathway.

## Transparency

There are also important inconsistencies between Sasol's different disclosures. Its CDP response describes a broader set of climate-linked incentive measures, including absolute emissions reductions and implementation of climate-transition initiatives, that cannot readily be reconciled with the metrics disclosed in recent STI and LTI scorecards. Sasol also reports climate change as a standing board agenda item and says directors receive relevant training, yet the FY26 integrated report does not identify climate change or the ERR among the board's key discussion themes. Taken together, these inconsistencies make it difficult to determine how climate performance is actually governed, how responsibility is allocated, and how failure to deliver the ERR affects executive accountability.

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*For investors and other stakeholders, these governance gaps have direct implications for execution credibility. Sasol's transition requires substantial capital, operational changes and sustained management attention over several years. Investors therefore need confidence that the board has demonstrable expertise, that responsibility for implementation is clearly allocated, and that executive incentives reward genuine and measurable progress toward the company's stated emissions targets rather than narrower or potentially easier-to-achieve proxies.*

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Greater transparency on committee responsibilities, climate competence, incentive methodologies, target-setting and actual performance would allow investors to distinguish between formal governance commitments and effective accountability for delivery. It would also provide stakeholders with greater confidence that Sasol's climate and environmental commitments are embedded in decision-making rather than treated primarily as reporting or compliance matters. *See Appendix C for more information on governance.*

## 6. Lobbying and policy influence

► **Investor takeaway:** Sasol's lobbying is a material investor issue. The company says its transition depends on “enabling” public policy, and investors need to assess whether its advocacy supports the policies required to deliver that transition – including where those policies impose costs or constraints on its existing business. The objective should be a stable, future-proof market, not the protection of any one company's short-term interests.

Sasol sets out the importance of policy in its Climate Advocacy and Policy Supplement (CAPS): *“If policy frameworks do not evolve in a coordinated and enabling manner, there is a risk of structural misalignment between Sasol’s transition pathway and both domestic and international policy environments.”*

The implication is clear: Sasol considers the direction of policy and regulation a material risk to its transition. Its lobbying must therefore be assessed against the outcomes needed to achieve that transition, not simply against the company's stated support for climate action.

### Why lobbying matters to investors

Carbon pricing, carbon budgets, electricity-market reform, environmental regulation and policies supporting low-carbon technologies will all affect the pace and economics of Sasol's transition.

The company acknowledges that advocacy is “an important enabler of Sasol's transition”<sup>54</sup> and identifies stable carbon pricing, carbon-tax recycling, electricity-market reform, hydrogen and sustainable-fuels policy, carbon markets and industrial and trade policy as important policy enablers.<sup>55</sup>

There are legitimate reasons for Sasol to advocate for infrastructure, electricity-market reform and policies that make lower-carbon technologies commercially viable. The concern arises when advocacy seeks to delay, weaken or secure exemptions from the measures designed to reduce emissions and protect human health.

Just Share's 2025 report, [The Obstruction Playbook](#), traces two decades of corporate interventions in South African climate policy. It identifies Sasol, alongside major industry associations, as a key player in the lobbying that contributed to significant concessions and delays in the Carbon Tax Act, 2019 and Climate Change Act, 2024. The cumulative effect has been to weaken the regulatory framework intended to compel and incentivise large emitters to decarbonise.

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<sup>54</sup> Sasol CAPS 2026.

<sup>55</sup> Sasol CAPS 2026.

Sasol's 2026 disclosures make the tension more explicit. The company identifies inadequate policy support as a risk to low-carbon investment, while also warning that stronger carbon prices, carbon budgets and environmental requirements could impose material costs on its business.

Sasol's advocacy continues to emphasise competitiveness, jobs, energy security and South Africa's developmental circumstances, alongside the need for a "pragmatic" or "appropriately paced" transition. Its stated priorities include post-2030 emissions pathways, flexibility in carbon-budget setting, reinvestment of carbon-tax liabilities and alignment between environmental regulations.

These considerations can legitimately inform transition policy. The question is whether Sasol uses them to support an effective transition or to justify concessions that preserve high-carbon production. Its 2026 disclosures show support for some important enablers, particularly RE investment and electricity-market reform. But investors must also scrutinise its advocacy on carbon pricing, carbon budgets and air-pollution regulation, where the financial consequences of stronger policy are more direct.

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*The key test is whether Sasol's policy engagement, taken as a whole, supports emissions reductions at the pace required by South Africa's climate commitments – including where this imposes material costs on its existing business.*

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## Carbon pricing

Carbon pricing provides a clear example of the tension between enabling transition investment and weakening the incentives to reduce emissions.

Sasol says it supports "carbon pricing that enables an effective and efficient transition to a lower-carbon economy, including the recycling of carbon tax liabilities into energy transition investments." During the 2025–26 legislative cycle, it formally proposed a mechanism that would allow companies to reinvest carbon-tax liabilities in RE, gas transition, sustainable fuels and other emissions-reduction projects.<sup>56</sup>

There are two concerns with this proposal. First, the carbon tax is intended to discourage high-emitting activities and ensure that emitters bear more of the social costs of their emissions, rather than transferring those costs to the public.<sup>57</sup>

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<sup>56</sup> Sasol CAPS 2026.

<sup>57</sup> The "polluter pays" principle holds that those who cause pollution should bear the costs of preventing, controlling and mitigating its effects, rather than those costs being passed on to society.

Second, allowing emitters to determine which projects qualify for tax relief risks undermining that purpose. Investment in gas, for example, should not automatically qualify as an emissions-reduction measure simply because it forms part of a company's preferred transition pathway.

This proposal must also be considered against Sasol's historical advocacy. Over almost two decades, Sasol and industry associations [repeatedly sought lower effective carbon-tax rates, continued allowances and delayed implementation](#). The resulting tax has imposed a substantially lower effective carbon price than its headline rate suggests.

Sasol's latest financial disclosures illustrate the distinction. The headline carbon-tax rate rose from ZAR 120/tCO<sub>2</sub>e in 2019 to ZAR 308/tCO<sub>2</sub>e in 2026, but allowances and other mechanisms continue to reduce the amount payable. Sasol reports a gross 2025 carbon-tax liability of ZAR 1.77 billion before offsets, with the balance settled after carbon offsets and electricity-levy set-offs. It also reports net carbon-tax payments of ZAR 2.1 billion in 2026 and purchases of carbon credits worth ZAR 952 million.<sup>58</sup>

The question for investors is whether Sasol's proposed recycling mechanism would deliver additional emissions reductions or further weaken the financial incentive to decarbonise. Any concession should be assessed against clear eligibility criteria, independently-verified emissions reductions and evidence that it delivers more than the company would have done anyway.

## Carbon budgets: the consequences of “alignment”

Sasol's advocacy on carbon budgets raises a related concern. Historically, the company and industry associations argued that carbon budgets and the carbon tax needed to be “aligned”. This debate contributed to delays in mandatory carbon budgets and to the removal of initial proposals to criminalise exceeding a budget. The framework instead provides for a higher carbon-tax rate on emissions exceeding carbon budgets, alongside enforcement provisions for non-compliance with approved mitigation plans.

Despite these changes, Sasol continues to lobby on mandatory carbon budgets. Its 2026 Form 20-F states that it “continues to engage with the government on the imposition of mandatory carbon budgets”, with a focus on the “alignment of mitigation instruments”.<sup>59</sup> The CAPS also identifies “feasibility and flexibility” in carbon-budget setting as one of Sasol's four industrial-policy priorities.

The financial implications are material. Sasol notes that emissions exceeding a mandatory carbon budget could attract a higher carbon-tax rate of R640/tCO<sub>2</sub>e, alongside enforcement for non-compliance with an approved mitigation plan. Its Form 20-F warns that the combined risk of rising carbon prices and mandatory budgets would increase if the fiscal instruments were not effectively aligned.<sup>60</sup>

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<sup>58</sup> Sasol AFS 2026, p 41.

<sup>59</sup> Sasol Form 20-F 2026, p 49.

<sup>60</sup> Sasol Form 20-F 2026, p 33.

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*Alignment between policy instruments is a legitimate objective. But the historical record shows that the argument has also been used to reduce the regulatory and financial burden on large emitters. Investors need greater detail on the changes Sasol is seeking, their implications for the incentives to reduce emissions and their consistency with South Africa's climate goals and the Paris Agreement.*

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## Environmental regulation: continued reliance on concessions

Sasol's 2026 reporting also raises questions about its approach to air pollution regulation.

As set out in chapter 3, Sasol has secured permission for SO<sub>2</sub> emissions from its Secunda boilers to be regulated under an alternative load-based limit from April 2025 to March 2030. Its 2026 Form 20-F confirms that it has also sought to extend this concession beyond March 2030. Its integrated ERR depends on continued load-based regulation, and Sasol warns that it will likely need a further SO<sub>2</sub> "dispensation" and could face compliance challenges without one.<sup>61</sup> Proposed amendments to the legislation governing MES would prevent Sasol from seeking further leniency.

A second development is Sasol's September 2025 High Court application concerning the HPA AQMP and the regulations governing its implementation and enforcement. Sasol seeks clarity on whether the plan's 40% emissions-reduction target is binding on individual emitters. If the court finds that it is, Sasol says it will seek to have the plan reviewed and set aside.<sup>62</sup> *More information on Sasol's engagement with air quality policies is set out in Appendix A.*

These actions sit uneasily alongside Sasol's stated support for policies that translate price signals into lower-carbon investment and innovation through the use of existing industrial assets. They suggest that Sasol's transition pathway depends not only on enabling investment in lower-carbon technologies, but also on continued regulatory accommodation of existing high-polluting assets.

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*For investors, this raises questions about the credibility and resilience of Sasol's transition plan. A pathway that depends on regulatory concessions carries risks if those concessions are withdrawn, rejected or become politically untenable. It also leaves unresolved the wider costs of pollution to communities and the public.*

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<sup>61</sup> Sasol Form 20-F 2026, p 43.

<sup>62</sup> Sasol Form 20-F 2026, p 43; <https://www.sasol.com/index.php/media-centre/media-releases/sasol-seeks-regulatory-clarity-highveld-priority-area-air-quality-management-plan>.

## Gas: a policy position with commercial implications

Sasol identifies gas-to-power as an area of policy engagement between 2023 and 2026. Its proposed carbon-tax recycling mechanism also includes investment in “gas transition” among the projects that could qualify for reinvested liabilities.

This advocacy needs to be assessed against Sasol’s commercial exposure to gas. Its 2026 Form 20-F records substantial continuing gas interests in Mozambique and South Africa, as well as a ZAR 3.82 billion impairment relating partly to delays in producing and monetising excess Mozambican gas in South Africa.<sup>63</sup>

These interests make the policy treatment of gas commercially material. Investors should distinguish between advocacy that addresses genuine transition needs and advocacy that creates favourable conditions for extending gas-related investment without demonstrating its consistency with a credible decarbonisation pathway.

## Transparency: can investors assess alignment?

Sasol’s 2026 CAPS is an improvement on its previous disclosure, last published in 2023. It identifies major areas of direct advocacy, lists specific submissions, discloses industry-association memberships and fees, explains its alignment methodology, and uses InfluenceMap as an external benchmark. It also describes an escalation process under which identified misalignment could ultimately lead to changes in participation or reconsideration of membership.

However, important gaps remain. The 2026 review covers 26 associations and reveals significant differences between Sasol’s assessments and those of InfluenceMap. Sasol considers Business Unity South Africa (BUSA) and the Energy Council of South Africa “aligned” with its Climate Advocacy Principles, while InfluenceMap rates them C and D+ respectively, indicating partial alignment.

These differences raise questions about Sasol’s methodology. It assesses alignment against its own Climate Advocacy Principles rather than directly testing whether its advocacy supports a 1.5°C pathway. The principles also contain broad qualifications<sup>64</sup> that could allow Sasol to classify its advocacy as aligned even where it opposes policies needed to meet the Paris Agreement’s temperature goal.

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<sup>63</sup> Sasol Form 20-F 2026, p 71.

<sup>64</sup> These relate to national circumstances, energy security, economic development, social impacts, customer demand and business resilience.

InfluenceMap's 2026 assessment similarly concludes that Sasol's framework assesses advocacy against high-level company principles rather than directly against the 1.5°C goal.<sup>65</sup> It also found that the framework had historically failed to identify policy interventions that InfluenceMap considered misaligned with that pathway. Although the assessment predates Sasol's latest CAPS, the underlying methodological concern remains.

The CAPS also provides summaries rather than the full text of formal submissions and does not offer a complete record of bilateral meetings, correspondence and technical engagement. This matters because *The Obstruction Playbook* identifies less visible forms of engagement as an important channel through which companies influence South African policymaking.

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*Investors therefore need more than a list of engagements and a company-defined alignment assessment. They need sufficient information to judge the substance of Sasol's policy positions, the outcomes it seeks and whether those outcomes support a credible transition.*

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## The role of industry associations

Industry associations provide Sasol with another channel to influence climate and energy policy. The CAPS confirms that Sasol participates through memberships, working groups, committees and boards, using these platforms to "contribute to the development and evolution of public policy and regulatory frameworks".

Sasol's financial contributions and leadership roles indicate the scale of this involvement. It is a board member of BUSA, paying approximately ZAR 246 000 in annual membership fees. It is a founding member of the Energy Council of South Africa, paying approximately ZAR 672 000 a year, and a board member of the Chemical and Allied Industries' Association (CAIA), with disclosed annual membership fees of approximately ZAR 6.92 million.

Its influence within the Energy Council extends beyond ordinary membership. Sasol chairs the board and co-chairs its standing committee on policy and regulation. The council coordinates the energy sector's engagement with the Presidency and the Department of Electricity and Energy, served as secretariat to business structures supporting the National Energy Crisis Committee (NECOM) and has a formal memorandum of understanding with the department.

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<sup>65</sup> The [InfluenceMap assessment](#) was completed before the new CAPS was available, as it states that Sasol had not published a Climate Advocacy Report since 2023. The new CAPS was approved on 28 August 2026 and contains materially more information, including associations that InfluenceMap had previously identified as omitted. Nevertheless, the information giving rise to InfluenceMap's finding on this issue has not changed.

These roles make association-level advocacy an important part of assessing Sasol's policy influence. Disclosure of membership fees and formal alignment assessments is a useful starting point, but investors also need to understand the positions these associations advance on Sasol's behalf, where those positions diverge from a credible climate pathway and what action Sasol takes when misalignment arises.

## The investor test: commitment versus conduct

Sasol's 2026 disclosures offer greater visibility into its policy advocacy, but disclosure alone does not establish alignment with a credible transition. Investors need to assess the substance of the policies it supports, the concessions it seeks and the positions advanced through its industry associations.

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*The test is whether Sasol uses its influence to accelerate emissions reductions and support South Africa's climate commitments, or to preserve the economics of its existing high-carbon operations. That distinction matters not only for climate accountability, but also for the long-term resilience of Sasol's business and the credibility of its transition plan.*

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The table below presents an overview of Sasol's stated commitments and corresponding engagement activities or positions with respect to various components of a credible transition strategy.

Table 3: Questions that arise from Sasol's position on elements of a credible transition strategy<sup>66</sup>

| Issue          | Sasol's 2026 position                                                                                            | Evidence from policy engagement / conduct                                                                                                                | Investor question                                                                                                 |
|----------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Carbon pricing | Supports effective carbon pricing and says it should incentivise innovation and lower-carbon investment.         | Proposes recycling carbon-tax liabilities into company transition investments; historically sought lower effective burdens and continued allowances.     | Would Sasol's proposed reforms strengthen the carbon price incentive, or reduce its effective cost?               |
| Carbon budgets | Supports climate regulation but calls for "feasibility and flexibility" and alignment of mitigation instruments. | Continues to engage government on alignment of carbon budgets and tax; warns of the combined financial impact of mandatory budgets and higher tax rates. | Does the position preserve a binding emissions constraint consistent with the nationally determined contribution? |

<sup>66</sup> Just Share analysis, 2026.

| Issue                    | Sasol's 2026 position                                                                                                 | Evidence from policy engagement / conduct                                                                                                                                                                                | Investor question                                                                                                                          |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Environmental regulation | Calls for environmental regulation that enables an “appropriately paced” transition using brownfield assets.          | Secured alternative SO <sub>2</sub> limits to 31 March 2030; says its ERR depends on similar treatment beyond 2030; is challenging the interpretation of the HPA 40% reduction target and may seek to have it set aside. | How much of the transition strategy depends on continued regulatory accommodation of existing assets?                                      |
| Renewable electricity    | Supports electricity reform, RE investment.                                                                           | Has advocated for electricity market reform and infrastructure supporting renewables.                                                                                                                                    | What forms of oversight and/or incentives exist to ensure implementation of the ERR?                                                       |
| Gas                      | Treats gas as part of its transition pathway and potential recipient of recycled carbon-tax funding.                  | Engages on gas-to-power policy while retaining material commercial interests in gas production and demand.                                                                                                               | Is Sasol advocating for a limited transitional role for gas, or policy and infrastructure that could create long-term fossil fuel lock-in? |
| Industry associations    | Says it assesses associations against responsible advocacy principles and uses InfluenceMap as an external benchmark. | Sasol assesses bodies including BUSA and the Energy Council as aligned despite InfluenceMap assessing them as only partially aligned.                                                                                    | Are Sasol's own criteria sufficiently demanding to identify substantive policy misalignment?                                               |
| Transparency             | Says advocacy is transparent and decision-useful.                                                                     | 2026 CAPS improves disclosure, but provides selected engagements and summaries rather than a comprehensive public record or full submissions.                                                                            | How can investors independently test Sasol's account of its lobbying against the positions actually put to government?                     |

## 7. The Air Liquide transaction: a test of transparency

► **Investor takeaway:** Investors cannot fully assess the strategic and sustainability implications of this material transaction without better disclosure. The sale of Sasol's air separation units (ASUs) to Air Liquide forms a critical part of Sasol's decarbonisation strategy, yet Sasol's transition pathway remains linked to infrastructure it no longer owns or directly controls. This raises questions about emissions accountability, capital allocation and the distinction between reported and actual emissions reductions.

### The transaction

In 2021, Sasol sold its 16 ASUs at Secunda to Air Liquide for approximately ZAR 8.5 billion. Despite the sale, Sasol remains operationally dependent on oxygen supplied by Air Liquide for its Secunda Operations.

Sasol's 2026 financial statements disclose approximately ZAR 195 billion in minimum oxygen off-take commitments whereby *"in terms of the Utilities Agreement, Sasol is contractually bound to buy oxygen and other derivative gasses from Air Liquide annually, while Air Liquide is bound to buy utilities from Sasol for the same amount for 15 years."*<sup>67</sup>

As detailed in Just Share's 2026 briefing [Hidden Emissions: The Air Liquide–Sasol Transaction and the Case for Greater Transparency](#), this arrangement separates ownership of the infrastructure from dependence on its output. Air Liquide owns and operates the assets, while Sasol's production continues to rely on them.

### The conditions

The Competition Tribunal approved the transaction subject to conditions intended to deliver public interest and environmental benefits. These include:

- A 30% reduction in emissions from the ASUs within ten years, required of Air Liquide.
- Joint procurement by Sasol and Air Liquide of 900 MW of RE.
- Specified investments by Air Liquide to upgrade the ASUs, with at least 50% of the investment to be spent within the first five years.<sup>68</sup>

The parties must report to the Competition Commission and the Department of Trade, Industry and Competition on their compliance with these conditions. These commitments provide a basis for investors to assess whether the transaction is delivering genuine decarbonisation.

<sup>67</sup> Sasol Annual Financial Statements 2026, p 41.

<sup>68</sup> [Competition Tribunal merger approval, 2021](#).

## The transparency and accountability gap

Investors and other stakeholders cannot readily verify whether the commitments are being met. The companies submit compliance reports to South African authorities, but these remain confidential. The public must therefore rely largely on corporate statements without access to the underlying evidence.

The emissions accounting adds to this uncertainty. Following the sale, Sasol removed the associated Scope 2 emissions from its 2017-2021 inventory and re-baselined its emissions accordingly.<sup>69</sup> These changes illustrate how shifts in reporting boundaries can reduce reported emissions without necessarily reducing emissions from the underlying production system.

Just Share has engaged Air Liquide, South African authorities and other stakeholders to obtain information needed to assess compliance. At Air Liquide's 2026 annual general meeting (AGM) in France, [following questions co-filed by French institutional investors](#), the company disclosed that emissions from the Secunda assets were 6.56 MtCO<sub>2</sub>e in the relevant baseline year. This provides a concrete reference point against which to measure the required 30% reduction. However, better disclosure is required for stakeholders to establish whether the reduction has been achieved.

There are also unanswered questions about oversight. Air Liquide has confirmed to Just Share that its global leadership does not review the compliance reports submitted to South African regulators. Its South African subsidiary has maintained that it is on track to meet the conditions but has not committed to publishing the reports, referring disclosure questions to the relevant authorities.

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*It remains unclear who is ultimately responsible for monitoring and communicating progress against these commitments.*

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The companies should publish regular updates against the 6.56 MtCO<sub>2</sub>e baseline, covering actual emissions reductions, RE capacity brought into operation, capital expenditure and plans for the seven steam-driven ASUs. They should also clarify how they attribute RE procurement, integration and emissions reductions between them. Without this information, investors cannot distinguish genuine decarbonisation from the transfer of emissions between corporate balance sheets.

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<sup>69</sup> Sasol Climate Change Report 2022, p 11. Sasol's revised 2017 baseline reflects a 3.2% reduction in reported emissions following the removal of data associated with the sold ASUs, alongside a 1.9% recalculation and update to the baseline resulting from improvements to GHG calculation methodologies, and a further 0.1% adjustment. from minor restatements.

## The implications for Sasol's transition strategy

The transaction raises three important questions for investors: 1. whether reported emissions reductions reflect physical changes; 2. whether RE procurement is translating into lower emissions; and 3. who will determine the ASUs' long-term configuration.

### Reported emissions versus actual reductions

Sasol reported total annual emissions of the ASUs as 7 MtCO<sub>2e</sub> per year in its 2021 CDP report.<sup>70</sup> It also explicitly stated that the disposal of the ASUs and the resulting accounting reclassification would not count toward its previous 10%-by-2030 emission reduction target from its original 2017 baseline.<sup>71</sup>

This is an important distinction. Air Liquide now owns and operates all 17 ASUs at Secunda, which supply approximately 45 000 tonnes of oxygen per day to Sasol's CTL process.<sup>72</sup> The infrastructure continues to support Sasol's production, regardless of who owns it.

Seven of the 17 ASUs are coal-steam driven, generating Scope 1 emissions, while the remaining ten are electrified and create Scope 2 exposure through South Africa's coal-intensive grid.<sup>73</sup> Yet site-level emissions data for Secunda is not regularly disclosed, while compliance reports remain non-public.

Investors therefore need to understand how much of Sasol's reported emissions reduction reflects genuine changes in the production system and how much results from changes in ownership and accounting boundaries – and which company is accountable for each outcome.

### Renewable energy procurement versus delivery

Sasol and Air Liquide have confirmed that responsibility for the 900 MW requirement is split equally between them.<sup>74</sup> Publicly-reported procurement has exceeded the Tribunal agreement at approximately 987.5 MW. However, only around 100 MW of RE was operational by February 2026.<sup>75</sup>

Procurement alone does not establish that emissions have fallen. Air Liquide's group-level average wind power load factor is 30–35%. Because Secunda operates continuously, renewable generation at full contracted capacity would still leave the site reliant on Eskom for approximately 65–80% of operating hours.<sup>76</sup> The electrified ASUs would therefore remain substantially exposed to the coal-intensive grid.

<sup>70</sup> Sasol CDP 2021, p 61.

<sup>71</sup> Sasol Climate Change Report 2021, p 11.

<sup>72</sup> [Air Liquide 2018, South Africa: Air Liquide starts up the world's largest oxygen production unit.](#)

<sup>73</sup> Just Share, *Hidden Emissions: The Air Liquide–Sasol Transaction and the Case for Greater Transparency*, 2026, p 8.

<sup>74</sup> [AEP 2021, Sasol, Air Liquide seek to procure 900 MW of renewables in South Africa.](#)

<sup>75</sup> [A Great Milestone in our South African Decarbonization Journey.](#)

<sup>76</sup> Just Share, *Hidden Emissions: The Air Liquide–Sasol Transaction and the Case for Greater Transparency*, 2026, p 12.

## Control over the long-term transition pathway

Air Liquide has indicated to Just Share that it does not need to electrify the seven steam-driven ASUs to meet its commitment to reduce emissions by 30% against the specified baseline. However, Sasol's operational dependence on the units means that decisions about their longer-term configuration cannot be separated from Sasol's production strategy.

This creates a gap between asset ownership and operational dependence. Air Liquide controls the infrastructure, but Sasol's production remains reliant on its continued operation. Investors need greater clarity on how the two companies will make decisions about the units' future configuration, allocate capital and deliver emissions reductions.

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*For Sasol, the transaction illustrates a broader challenge in assessing its transition strategy. The sale reduces its reported Scope 1 and 2 emissions, but its core CTL production remains dependent on the ASUs. Investors must therefore look beyond reported emissions and ownership structures to assess whether Sasol's transition is reducing emissions from the underlying production system.*

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## 8. What Sasol's engagement with investors has taught us

► **Investor takeaway:** Years of engagement have yet to deliver sufficient improvements in Sasol's climate disclosures or meaningful reductions in its environmental externalities. Sasol has refused to table eight shareholder-proposed resolutions, including resolutions seeking only better disclosure, while itself inviting shareholders to vote on its climate strategy on four occasions. This limits shareholders' ability to scrutinise the company independently. With Sasol planning to increase production, only four years remaining to meet its 2030 emissions targets and just 8.5% of the way towards its 30%-by-2030 emissions reduction goal, investors need to reconsider their approach.

### Engagement without sufficient progress

Just Share has engaged with Sasol over several years through company meetings, [AGMs](#), results presentations and stakeholder roundtables. We have also published [several investor briefings](#) and [written extensively](#) on Sasol's climate strategy, air pollution and lobbying on climate and environmental policy.

Yet Sasol's climate-related disclosure has declined markedly. The company stopped publishing standalone climate reports after 2023, when its report ran to almost 80 pages. Climate-specific disclosure subsequently fell to 12 pages in its 2024 integrated report, eight pages in 2025 and just seven pages in 2026.

This decline matters because investors need sufficient information to assess Sasol's transition strategy, test its progress against stated targets and hold the company accountable for its environmental performance.

### Shareholder resolutions refused

Since 2017, Just Share has co-filed or supported [various shareholder-proposed resolutions](#) at Sasol, primarily seeking better disclosure of its climate strategy. We are aware of eight such resolutions, all of which Sasol has refused to table.

One notable example was a [first-of-its-kind collaboration in 2019](#), when Old Mutual Investment Group (OMIG), Sanlam Investment Managers, Abax Investments, Coronation Fund Managers, Aeon Investment Management and Mergence Investment Managers asked Sasol to report on how its GHG emissions reduction strategy aligned with the goals of the Paris Agreement.

Sasol's central argument for refusing shareholder-proposed resolutions is that the board cannot table them without violating established company law principles. It maintains that the board must manage and direct the company's affairs and that resolutions on these matters would improperly instruct directors in the exercise of their duties.

Just Share disputes this interpretation. Together with Aeon Investment Management and Fossil Free South Africa (FFSA), we have [instituted litigation in the Commercial Court](#) seeking clarity on sections 65(3) and 62(3)(c) of the Companies Act, 2008, which govern shareholders' rights to propose resolutions. The Companies and Intellectual Property Commission (CIPC) is also a party to the proceedings. The case is set down for hearing on 8 February 2027.<sup>77</sup>

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*The case has implications beyond Sasol. A ruling will help clarify shareholders' rights to propose resolutions and guide companies and the CIPC in handling similar disputes.*

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Sasol's position also raises a question of consistency: If shareholder-proposed resolutions on climate strategy fall outside the scope of matters that shareholders can address through resolutions, why does Sasol invite shareholders to vote on its own climate strategy? The subject matter of those resolutions also falls within the company's business and affairs.

## Sasol's "say on climate" resolutions

Sasol has invited shareholders to vote on its climate change mitigation and adaptation strategy on four occasions: 2021, 2022, 2023 and 2025. Although every resolution has passed, shareholder participation has declined and opposition has grown.

In 2023, both OMIG<sup>78</sup> and Ninety One<sup>79</sup> indicated in advance that they would not support Sasol's resolution. Almost 30% of shares voted in both 2023 and 2025 either opposed the resolution or abstained.

The 2025 vote attracted the lowest participation of the four voting rounds. The proportion of shares voted fell from 72.9% in 2021 to 56.9% in 2025, a decline of 16 percentage points. The proportion of votes cast against the resolution also rose from 3.4% in 2021 to 22.6% in 2023, before falling to 14.7% in 2025. Abstentions reached 15.2% in 2025.

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<sup>77</sup> All papers filed to date are available [here](#).

<sup>78</sup> [OMIG's pre-declaration](#).

<sup>79</sup> [Ninety One's pre-declaration](#).

Table 4: Results from Sasol's "say on climate" votes (2021, 2022, 2023 and 2025)<sup>80</sup>

| Year | Shares voted | For   | Against | Abstained |
|------|--------------|-------|---------|-----------|
| 2021 | 72.9%        | 96.6% | 3.4%    | 1.3%      |
| 2022 | 68.3%        | 94.1% | 6.0%    | 1.6%      |
| 2023 | 67.3%        | 77.4% | 22.6%   | 6.3%      |
| 2024 | -            | -     | -       | -         |
| 2025 | 56.9%        | 85.3% | 14.7%   | 15.2%     |

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*These results suggest that shareholders are increasingly reluctant to endorse Sasol's approach without qualification. Yet Sasol's own resolutions give investors limited control over the scope of scrutiny: shareholders can vote on the company's strategy, but cannot require it to disclose information through a resolution that Sasol has refused to table.*

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The terms of Sasol's 2025 resolution further limit the frequency of this process. Sasol stated that, unless it materially changed its climate strategy and management approach, the resolution would remain in effect for three years, from 2025 to 2028, with annual reporting on progress. Sasol did not propose a new climate-related resolution in its 2026 Notice of AGM.

## What this means for investors

Sasol's engagement history points to a structural problem. The company controls the information it discloses, has refused to table shareholder-proposed resolutions seeking greater transparency and has limited the frequency with which shareholders can vote on its climate strategy.

Its own climate resolutions do not resolve this problem. A vote on a company-designed strategy is not a substitute for shareholders' ability to propose resolutions that address specific gaps in disclosure and accountability.

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<sup>80</sup> Table based on annual Sasol AGM results for the "say on climate" vote.

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*With Sasol planning to increase production and its 2030 emission reduction target approaching, investors need to consider whether repeated engagement through existing channels is sufficient.*

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Investors should press for more complete disclosure, clearer accountability for emissions reductions and a credible plan to meet the company's stated targets. They should also consider how to use their voting rights and other available mechanisms when engagement fails to deliver meaningful progress.

## 9. The investor case for active ownership

► **Investor takeaway:** Sasol's transition risks are interconnected and material to long-term value. Monitoring disclosures alone will not resolve information gaps, influence corporate conduct or ensure that the company's strategy delivers on its stated ambitions. Given Sasol's economic significance and the scale of its environmental and social footprint, long-term investors have both a material interest in and a powerful reason to pursue active ownership.

The case for engagement is precisely because Sasol is not beyond transition. It is that the quality of that transition matters – and investors have a role in shaping it.

### Why monitoring is no longer enough

Sasol presents investors with an unusual combination of scale, complexity and transition risk. Its operations generate substantial economic and socioeconomic value, while also creating significant climate, environmental and health risks. The company is attempting to navigate this tension through its decarbonisation strategy, operational transformation and investment in new lower-carbon businesses. But our analysis suggests that material questions remain about the pace and credibility of this transition, the durability of Sasol's socioeconomic contribution, the health costs associated with its operations, the alignment of its policy engagement with its climate commitments and the transparency of important strategic decisions.

These issues should not be assessed separately. They are interconnected. A slower or less credible transition can increase regulatory and financial risk. Continued exposure to air pollution can create health, environmental, legal and reputational risks. A poorly-managed transition can undermine the economic activity and employment on which communities depend. Policy engagement that delays or weakens environmental regulation can increase transition risk while undermining the credibility of Sasol's stated climate commitments. And inadequate disclosure makes it harder for investors to assess all of these risks and to determine whether management is responding effectively.

Sasol itself recognises many of these interdependencies. Its FY2026 reporting identifies climate and energy transition, regulatory change, stakeholder expectations, socioeconomic transformation, environmental stewardship and the execution of its strategy as material matters. The company states that these risks can affect its ability to create and preserve value over time and that risk considerations are integrated into strategy, capital allocation and business decision-making.<sup>81</sup>

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<sup>81</sup> Sasol IR 2026, p 31.

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*For investors, this creates an important distinction between monitoring risk and managing risk.*

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Monitoring Sasol's sustainability disclosures can tell investors whether the company has met a target or disclosed a particular metric. It cannot, on its own, address weaknesses in strategy, improve disclosure, influence capital allocation or ensure that the company's policy positions support its stated transition. Those outcomes require engagement.

## **Climate transition risk**

Sasol's transition is material to long-term shareholder value. The company has made tangible progress in areas such as RE and operational emissions reductions, but its pathway remains dependent on a range of assumptions, technologies, partnerships and market mechanisms. Investors therefore need to test whether the company's targets represent genuine transformation of the underlying business or whether material risks are being deferred. This requires engagement on the substance of the transition plan: the pace of emissions reduction, the role of market mechanisms, capital allocation, the treatment of Scope 3 emissions, the future of carbon-intensive assets and the assumptions underpinning the pathway to 2050.

## **Socioeconomic risk**

The scale of Sasol's socioeconomic contribution creates another material investment consideration. A transition that fails to manage its consequences for workers, suppliers and communities could erode the very economic value that Sasol seeks to preserve. International and domestic refining closures are already demonstrating the severe risks of delaying transition planning until assets become unviable.<sup>82</sup>

Investors therefore have a legitimate interest in understanding how Sasol intends to maintain economic resilience as its business model changes. This means looking beyond corporate social investment and procurement expenditure towards the structural resilience of local economies, the future of employment and the company's plans for communities and workers affected by the transition.

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<sup>82</sup> See DNA Economics, 2026 – available on request. See Annexure 2.

## Health and environmental risk

The health impacts associated with Sasol's Secunda Operations demonstrate why environmental risk cannot be treated as separate from financial and social risk. The costs of pollution are borne most directly by people living and working around the company's operations, but they can also translate into regulatory, litigation, operational and reputational risks for the company.

Investors need sufficient information to understand the scale of these risks and the effectiveness of Sasol's response. Engagement can push the company to improve disclosure, strengthen mitigation and demonstrate that health and environmental considerations form part of operational and strategic decision-making rather than sitting alongside it.

## Policy and regulatory risk

Sasol operates in a rapidly-changing regulatory environment. Its own reporting recognises the need to manage evolving policy and regulatory requirements and identifies regulatory uncertainty as a material risk. That makes Sasol's policy engagement relevant to investors. A company's transition strategy does not operate in a vacuum. The regulatory environment can determine the cost, pace and feasibility of transition.

Investors therefore need to understand whether Sasol's lobbying and policy positions are consistent with its public commitments, and importantly, with the goal of restricting global temperature rise to 1.5°C. Where they are not, this can create both transition and reputational risk. Active ownership provides investors with a means to ask for greater transparency and alignment between the company's public commitments and its policy influence.

## Disclosure and governance risk

The final issue cuts across all the others. Investors cannot effectively manage risks they cannot see. Sasol describes governance as the mechanism through which the board oversees strategy, risk, capital allocation and long-term value creation. It also states that the board considers the interdependencies between the business model, material matters, principal risks and opportunities.

This creates a clear accountability expectation. If climate, socioeconomic, health, environmental and regulatory issues are material to long-term value, investors should be able to understand how the board is considering them collectively, what trade-offs it is making and how management is being held accountable for outcomes.

The gaps identified in this briefing therefore matter not only because of the underlying risks, but because they limit investors' ability to assess whether Sasol is managing those risks effectively.

## Why disengagement or divestment is not the answer

The scale and strategic importance of Sasol make disengagement an inadequate response for long-term investors.

Sasol's emissions are significant. Its operations are deeply embedded in South African industrial and economic value chains. Its transition will affect workers, communities, suppliers and the broader economy. Its policy influence can shape the regulatory environment in which the transition takes place. And its decisions will have consequences for the value of the company itself.

Selling the shares may change an individual investor's exposure, but it does not change these underlying realities. Nor does it provide investors with an opportunity to improve the company's strategy, disclosure or conduct.

For investors with a long-term interest in Sasol's value, and thus facing significant transition risk, the important question is whether they can use their position to help reduce this risk. This is the central case for active ownership.

Active ownership gives investors a mechanism to:

- test the assumptions underpinning Sasol's transition strategy;
- seek better and more decision-useful disclosure;
- challenge inconsistencies between public commitments and corporate conduct;
- encourage capital allocation that supports long-term transition;
- press for stronger management of health, environmental and socioeconomic risks;
- hold the board accountable for delivery against commitments; and
- escalate where engagement does not produce meaningful progress.

The objective is not to dictate Sasol's strategy or to eliminate all risk. It is to ensure that the company identifies and manages material risks in a way that protects long-term value while supporting a credible and responsible transition.

## From monitoring to influence

The evidence presented in this briefing points to a company that is at a critical point in its transition. Sasol has recognised many of the relevant risks and has begun to respond to them. But recognition is not the same as resolution, and targets are not the same as delivery.

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*For investors, the appropriate response is therefore neither complacency nor disengagement. It is active, informed and persistent ownership.*

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That means moving from asking whether Sasol has a transition strategy to asking whether it is credible, adequately disclosed and being implemented. It means connecting climate performance with socioeconomic resilience, health, environmental responsibility and policy alignment. And it means using the rights and influence available to shareholders to seek evidence of progress and greater accountability when this is not forthcoming.

The next chapter sets out a practical engagement agenda for investors, identifying the areas where investor attention can make the greatest difference and the specific commitments and disclosures investors should seek from Sasol.

## 10. An investor engagement agenda for Sasol

The objective of engagement should be to move Sasol from broad commitments towards **measurable, financially credible delivery**, while recognising the company's operational, financial and socioeconomic constraints.

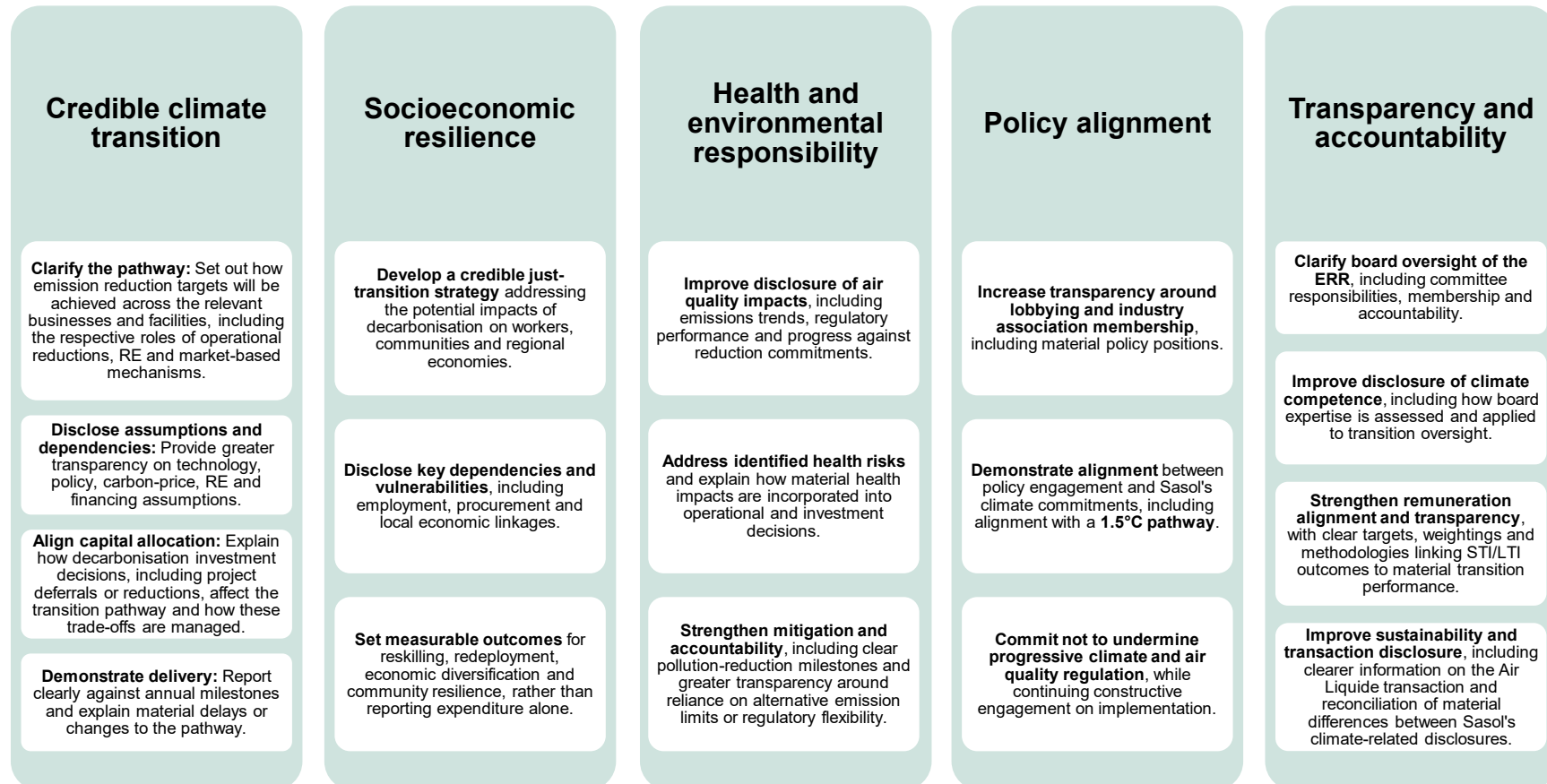


Figure 3: An investor engagement agenda for Sasol<sup>83</sup>

<sup>83</sup> Based on Just Share analysis, 2026.

Investors should escalate their response in line with the significance of the issue and Sasol's progress against agreed commitments and milestones.

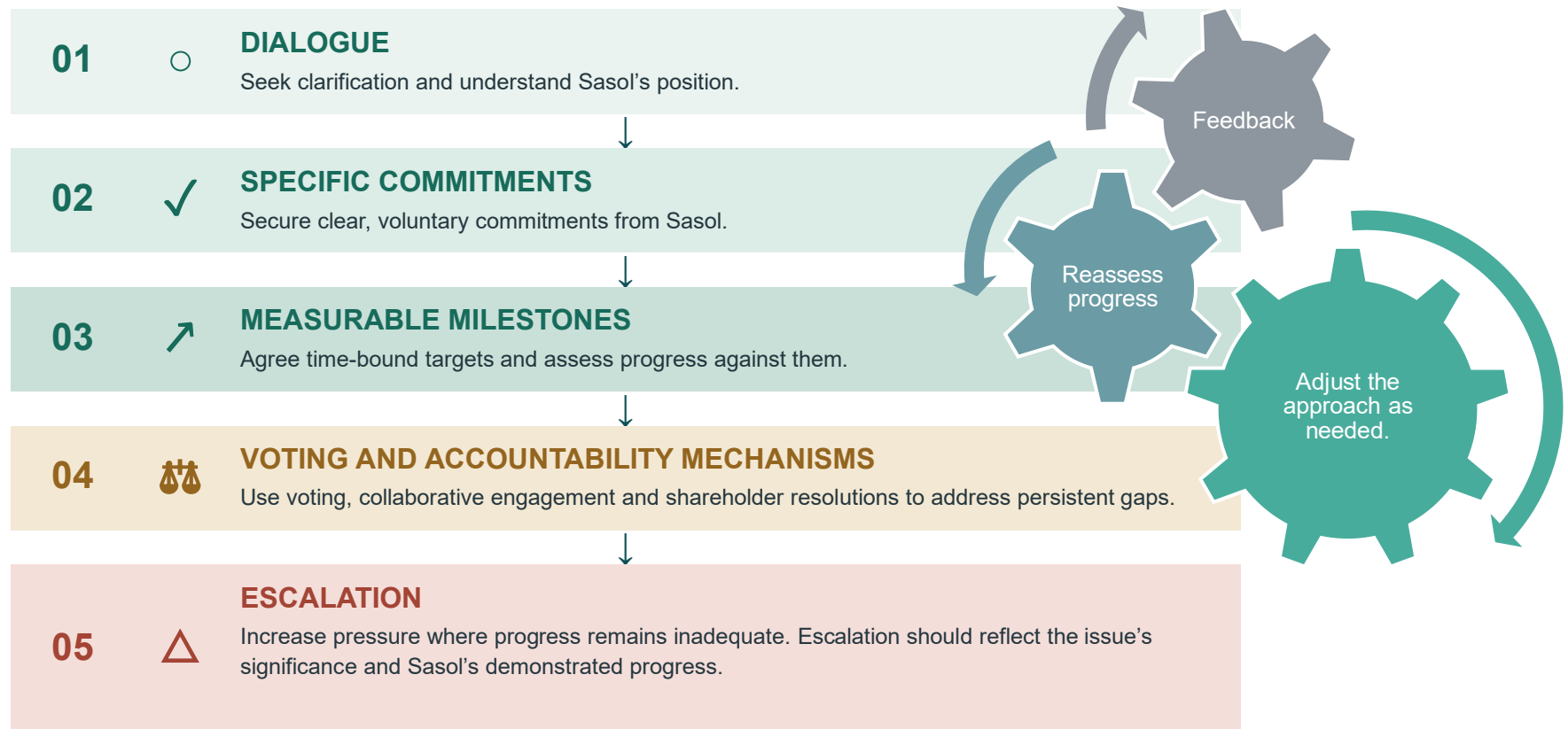


Figure 4: A progressive approach to investor engagement<sup>84</sup>

<sup>84</sup> Based on Just Share analysis, 2026.



## 11. Appendices

### Appendix A. Environmental and health impacts

#### Air pollution and health

South African communities occupying highly-polluted areas are particularly exposed to the severe health and wellbeing impacts of air pollution.<sup>85</sup>

All of Sasol's South African operations are located in so-called air pollution priority areas, which have been so designated in terms of the National Environmental Management: Air Quality Act, 2004 as a result of high levels of air pollution (exceeding health-based ambient air quality standards (AAQS)) and the need to implement specific air quality management action.<sup>86</sup>

In addition to AAQS applicable to various pollutants in the atmosphere, minimum emission standards (MES) aim to limit harmful air pollution and protect human health by prescribing the bare minimum pollution standards for different types of toxic pollutants from various industrial activities (the "List of Activities").<sup>87</sup>

The Mpumalanga Highveld is one of the worst air pollution hotspots in the world.<sup>88</sup> It was designated the Highveld Priority Area (HPA) in 2007, as a result of its dangerous levels of air pollution and AAQS exceedances. Sasol Secunda is located in the HPA and emissions from the facility influence both local and regional air quality. The then Department of Environmental Affairs' 2011 Air Quality Management Plan (AQMP) for the HPA stated that Sasol's Secunda Operations was responsible for 17% of hospital admissions.<sup>89</sup>

A 2016 report found that Sasol Secunda, together with then 12 Eskom coal-fired plants, and the Natref refinery (then a joint venture between Sasol and TotalEnergies) together account for the vast majority of air pollution in the heavily-polluted area. Emissions from these facilities resulted in between 305 and 650 early deaths in and around the area in 2016.<sup>90</sup>

<sup>85</sup> See, for example: SAMRC (2026), [The Impact of Air Pollution on Human Health in the Three Air Pollution Priority Areas in South Africa](#); CREA, GPA (2025) [Unmasking the toll of fine particle pollution in South Africa](#); Lancet (2025), [South Africa: Information sheet on climate change, air pollution, and health](#); David Boyd (2019), [Issue of human rights obligations relating to the enjoyment of a safe, clean, healthy and sustainable environment : report of the Special Rapporteur](#); SAMRC (2025), [Estimating the health impacts among communities living in proximity to coal-fired power stations in South Africa](#); CREA, GPA (2025), [Unmasked: The health and economic cost of delaying coal phase-out in South Africa](#).

<sup>86</sup> Highveld Priority Area (HPA) Air Quality Management Plan (AQMP), 2012; Second Generation HPA AQMP, 2025; Vaal Triangle Air-Shed Priority Area AQMP, 2009.

<sup>87</sup> List of activities which result in atmospheric emissions which have or may have a significant detrimental effect on the environment, including health, social conditions, economic conditions, ecological conditions or cultural heritage, 2013.

<sup>88</sup> <https://www.greenpeace.org/africa/en/press/6600/latest-satellite-data-reveals-mpumalanga-is-the-worlds-largest-power-plant-emission-hotspot-ranked-fourth-overall/>.

<sup>89</sup> HPA AQMP, 2011.

<sup>90</sup> Dr Andy Gray, 2019; Dr Peter Orris, 2019 <https://cer.org.za/news/environmental-groups-take-government-to-high-court-over-violation-of-constitutional-right-to-clean-air>.

In 2022, the *Deadly Air* High Court judgment<sup>91</sup> found that the poor air quality in the HPA is in breach of residents' section 24(a) constitutional right to an environment that is not harmful to their health and well-being. The High Court held that the Minister of Forestry, Fisheries and the Environment had a legal duty to prescribe regulations to implement and enforce the HPA AQMP.

Although disputing a legal duty to do so, the Minister prepared these regulations. The regulations make it an offence, punishable by a ZAR 5 million fine and/or five years' imprisonment, to fail to submit or implement an emission reduction and management plan. The Supreme Court of Appeal (SCA) confirmed that the Minister *did* have a duty to make the regulations.<sup>92</sup> [In its judgment](#), the SCA pointed out that the "very fact that high levels of pollution continue unabated in the HPA despite the dangers they pose to the community, including children, is a clear attestation that the non-binding set of goals contained in the Highveld Plan are insufficient to achieve the substantial reductions in atmospheric emissions that are required in the HPA" (emphasis added).

The SCA referenced a socioeconomic impact assessment by the Department of Forestry, Fisheries and the Environment (DFFE) itself which found that "the main cause of the challenges related to the implementation of the Highveld Plan was the **negative attitudes from major polluters who did not consider the [AQMPs] as binding legal documents**, and that stakeholders could not be held accountable as no punitive measures could be applied" (emphasis added).

In September 2025, [Sasol launched litigation](#) against the Minister and several other respondents, seeking [a court order that it is not required to comply](#) with the emission reduction targets in the Regulations for Implementing and Enforcing AQMPs, 2024, or the Second-Generation HPA AQMP. This case is still to be heard.

2026 research by the Centre for Research on Energy and Clean Air (CREA) estimates that air pollution from Sasol Secunda contributes to: approximately 1 000 premature deaths every year; chronic disease, respiratory illness, adverse birth outcomes; and reduced quality of life across exposed communities. The facility's emissions are estimated to cause nearly half a million lost workdays each year, affecting workers, households and the wider economy. Children are among those most affected, with the facility's emissions increasing the burden of childhood asthma and harming health before birth through increased risks of low birthweight and preterm birth. The cumulative health impacts of the pollution are estimated to cost the South African economy USD 1.03 billion, equivalent to about ZAR 19 billion, each year.<sup>93</sup>

The table below summarises the estimated annual health impacts and costs from Sasol's Secunda emissions.

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<sup>91</sup> *Trustees for the Time Being of the GroundWork Trust and Another v Minister of Environmental Affairs and Others* (39724/2019) [2022] ZAGPPHC 208 (18 March 2022).

<sup>92</sup> *Minister of Environmental Affairs v Trustees for the Time Being of GroundWork Trust and Others* [2025] ZASCA 43; 2025 (4) SA 98 (SCA) (11 April 2025).

<sup>93</sup> CREA (2026), [The hidden cost of coal-to-liquids in South Africa: Health impacts of air pollution from Sasol Secunda](#).

Table 5: Estimated annual health impacts from Sasol Secunda (FY2024/2025)<sup>94</sup>

| Health outcome                              | Annual impacts<br>(95% confidence interval) |
|---------------------------------------------|---------------------------------------------|
| Deaths                                      | 1 000 (600–1 500)                           |
| Years of life lost                          | 23 800 (14 100–37 500)                      |
| Years lived with disability due to COPD     | 600 (300–1 000)                             |
| Years lived with disability due to diabetes | 1 600 (600–3 000)                           |
| Years lived with disability due to stroke   | 400 (200–800)                               |
| Asthma emergency room visits                | 2 030 (1 190–2 870)                         |
| New cases of asthma in children             | 260 (50–620)                                |
| Number of children suffering from asthma    | 1 300 (300–2 800)                           |
| Low birthweight births                      | 820 (260–1 420)                             |
| Preterm births                              | 1 100 (500–1 100)                           |
| Work absences                               | 468 000 (398 000–537 000)                   |
| Economic costs (billion USD)                | 1.0 (0.6–3.0)                               |
| Economic costs (billion ZAR)                | 19 (12–57)                                  |

## Minimum emission standards & sulphur dioxide alternative limits

The MES were first published on 31 March 2010 in the List of Activities,<sup>95</sup> following a multi-year, multi-stakeholder process. Activities in the List of Activities require an atmospheric emission licence (AEL).<sup>96</sup> Sasol undertakes various activities set out in the List of Activities. For its 17 coal boilers at Secunda, MES are set for: particulate matter (PM), sulphur dioxide (SO<sub>2</sub>) and oxides of nitrogen (NO<sub>x</sub>).

The List of Activities stipulates that one set of MES (“existing plant” MES) had to be complied with by 1 April 2015, and a stricter set (“new plant MES”) by 1 April 2020. The List of Activities also made provision for MES compliance to be postponed if certain conditions are met.<sup>97</sup> Prior to this, South Africa had no statutory limits for toxic emissions.

<sup>94</sup> CREA (2026), [The hidden cost of coal-to-liquids in South Africa: Health impacts of air pollution from Sasol Secunda](#).

<sup>95</sup> This is called the “List of activities which result in atmospheric emissions which have or may have a significant detrimental effect on the environment, including health, social conditions, economic conditions, ecological conditions or cultural heritage”. It has been amended on several occasions.

<sup>96</sup> Polluting facilities were active and vocal participants in the multi-year process in which MES were set. The Air Quality Act, 2004 was published in the Government Gazette in February 2005. Section 21 of the Act prescribes a list of activities for which MES must be set and which require an AEL. The List of Activities was published on 31 March 2010 and section 21 commenced on 1 April 2010.

<sup>97</sup> It was later specified that only one postponement, for a maximum of five years each, was permitted for existing plant MES and new plant MES. An opportunity for a once-off suspension of compliance was later introduced for plants to be decommissioned by 31 March 2030, in certain conditions.

Although the 2020 MES are called “new plant” MES, these are significantly weaker than MES even in other developing countries.<sup>98</sup> This despite the fact that air quality is exceptionally poor in various parts of the country, and results in significant adverse health impacts.

Despite their active involvement in setting the MES, in 2013, once the MES’s first compliance deadline was nearing, both Eskom and Sasol initially sought to be completely exempt from the MES. The then Minister refused this request, reiterating that it was not legally permissible to grant exemptions from minimum standards, but that postponements were possible.<sup>99</sup> Subsequent to that failed attempt, both entities have brought multiple applications to the National Air Quality Officer (NAQO) to delay or otherwise evade MES compliance. Most of these applications have been granted.

In May 2014, whilst the first such applications were pending before the NAQO, Sasol and Natref launched High Court review proceedings, seeking to set aside most of the MES.<sup>100</sup> The NAQO very vigorously opposed this application, stating that there was “no doubt” that Sasol’s activities were “already infringing upon the environmental right recognised in section 24(a) of the Constitution”.<sup>101</sup>

When the NAQO granted Sasol’s pending application to postpone MES compliance in February 2015 – including a postponement of the SO<sub>2</sub> new plant MES for its Secunda coal boilers until the end of March 2025 - Sasol withdrew its court application.<sup>102</sup> Sasol’s AEL then permitted it to comply with a 2 000 mg/Nm<sup>3</sup> SO<sub>2</sub> MES limit from 1 April 2020 until 31 March 2025.

In 2022, Sasol applied to the NAQO seeking permission for SO<sub>2</sub> emissions from these boilers “to be regulated by a load-based emission limit (the mass and the rate of the pollutant emissions) instead of a concentration limit (the mass of pollutant per cubic meter of air emitted) as it is currently”.<sup>103</sup> In other words, instead of meeting the already-doubled<sup>104</sup> new plant SO<sub>2</sub> concentration limit of 1 000 mg/Nm<sup>3</sup> five years later than it was first required to do so, Sasol applied for an “alternative emission load” from 1 April 2025 until 31 March 2030 of 503 tonnes per day (t/d) and from 1 April 2030 and apparently indefinitely, of 365 t/d. It relied on paragraph 12A of the List of Activities.

Sasol appealed the NAQO’s July 2023 rejection of its application to the Minister. 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 this alternative SO<sub>2</sub> emission load. It described needing an “integrated solution” to address both toxic air pollutants and GHGs.

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<sup>98</sup> CREA (2026), [The hidden cost of coal-to-liquids in South Africa: Health impacts of air pollution from Sasol Secunda](#); CREA (2025), [South African Minimum Emission Standards \(MES\) lag behind in international comparison](#).

<sup>99</sup> SA government (2015), [Minister Edna Molewa welcomes Sasol decision to withdraw litigation against government](#).

<sup>100</sup> <https://cer.org.za/programmes/pollution-climate-change/litigation/legal-challenges-in-relation-to-the-air-pollution-and-the-minimum-emission-standards/sasol-synfuels-pty-ltd-and-others-v-minister-of-environmental-affairs-and-another>.

<sup>101</sup> <https://cer.org.za/wp-content/uploads/2014/12/Respondents-Answering-Affidavit.pdf>.

<sup>102</sup> SA government (2015), [Minister Edna Molewa welcomes Sasol decision to withdraw litigation against government](#).

<sup>103</sup> Sasol (2022), [Clarification re Secunda Operations’ application for a load-based limit](#).

<sup>104</sup> Despite evidence of significant health impacts of this doubled standard, the Minister published the new SO<sub>2</sub> standard for coal boilers of 1 000 mg/Nm<sup>3</sup> for implementation in March 2020. When the List of Activities was published on 31 March 2010, this limit was 500 mg/Nm<sup>3</sup>. In other words, it was [made half as strong in early 2020](#).

Just Share [opposed this appeal](#), disputing that Sasol was legally permitted to further leniency beyond 31 March 2025, and pointing out that MES compliance would reduce premature deaths and negative health impacts by 40-60%; whereas Sasol's proposed limit – even by 1 April 2030 – would only reduce these impacts by 5%. We argued that granting Sasol's appeal would result in [approximately 50-130% higher negative impacts than MES compliance](#).

On 4 April 2024, the [Minister granted Sasol's appeal](#), allowing it to measure SO<sub>2</sub> emissions in the way that Sasol prefers from 1 April 2025 to 31 March 2030, subject to [certain conditions](#); including that it should also be subject to a daily concentration-based SO<sub>2</sub> limit and share monthly emission reports. The decision requires that if Sasol's emissions of PM and NO<sub>x</sub> do not comply with the relevant MES by 31 March 2025, the alternative SO<sub>2</sub> limits will be withdrawn. In addition, 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". In other words, Sasol is obliged to meet all of its commitments related to both toxic air pollutant reductions and GHG emissions reductions.

The appeal decision emphasised that Sasol had failed to comply with the MES despite having many years to do so. The Minister stated that she did not condone Sasol's continued operation in terms of the alternative load-based SO<sub>2</sub> limit - the additional leniency should be temporary and Sasol should comply with the MES as soon as is reasonably possible. She also noted that the appeal panel had expressed doubts as to Sasol's ability to achieve the claimed benefits in the timeframes given, and recommended that a condition of this further indulgence be that Sasol "timeously implements its integrated solution to achieve the emission reduction outcomes that correspond with the MES".

In submissions on the concentration-based limit, Just Share pointed out that Sasol's 2 000 mg/Nm<sup>3</sup> limit was 30% and 15% above even the highest observed then-current daily concentrations at the east and west stacks, respectively. As a result, allowing it to retain its AEL limit would permit substantial SO<sub>2</sub> emissions *increases*.

The Minister refused Sasol's request to retain its very weak AEL SO<sub>2</sub> concentration limit, but the [limits granted](#) on appeal (1 700 mg/Nm<sup>3</sup> and 1 400 mg/Nm<sup>3</sup> for the west and east boiler stacks, respectively) do not require Sasol to reduce SO<sub>2</sub> pollution.

This year, Sasol's emissions of sulphur oxides have increased overall, and for Secunda Operations, Sasol reports that the 19% increase was the result of higher coal throughput and increased sulphur content in coal.<sup>105</sup>

Sasol continues to state that it is likely to [apply for further SO<sub>2</sub> leniency](#) after 31 March 2030.<sup>106</sup> Proposed amendments to the List of Activities - on which [comment](#) was invited by 28 September 2026 - would make clear that no alternative limits may be granted beyond 31 March 2030. If Sasol does not comply with its committed GHG emission reduction targets and/or the reductions of PM, NO<sub>x</sub> or SO<sub>2</sub> it has undertaken to achieve, its SO<sub>2</sub> leniency should be withdrawn.

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<sup>105</sup> Sasol Performance Data 2026, p 5; Sasol IR 2026, p 91 & 103. Sasol states that its increases in nitrogen oxide emissions are due to an expanded reporting boundary.

<sup>106</sup> Sasol Form 20-F 2026, p 43.

Although Sasol's 2026 integrated report does not mention the potential criminal prosecution relating to allegations of its violation of various environmental legislation, including the National Environmental Management Act, 1998 (NEMA) and the National Environmental Management: Waste Act, 2008 (NEMWA), its Form 20-F does recognise that criminal investigations are ongoing and that there is a "possibility that Sasol may be prosecuted again".<sup>107</sup> The background to these charges is addressed next.

## Criminal case

On 27 July 2022, the National Prosecuting Authority (NPA) served Sasol with a summons instituting criminal proceedings. Sasol faced criminal charges in terms of: NEMWA, NEMA and the National Water Act, 1998. These [charges](#) related to numerous allegations against Sasol in respect of its Secunda facility; including relating to illegal disposal of waste and contaminated water. These are serious offences, some of which are subject to ZAR 10 million fines, ten years' imprisonment, or to both such fines and imprisonment.

In July 2025, the case was provisionally withdrawn. The state took the case off the roll to evaluate 16 new witness statements submitted by a whistleblower and to prepare for elevating the prosecution to a High Court.

On 4 August 2026, while Sasol was appearing before Parliament's Portfolio Committee on Forestry, Fisheries and Environment at a briefing on "alleged failures to enforce environmental laws relating to Sasol's Secunda operations, the alleged victimisation of a whistleblower, and actions taken by relevant institutions in response to protected disclosures",<sup>108</sup> the NPA, and DFFE's **Environmental Management Inspectorate**, accompanied by the **South African Police Service** (SAPS) issued fresh warrants to it. These reportedly aim to substantiate fresh allegations against Sasol as well as potential charges related to providing false or misleading information to inspectors.<sup>109</sup>

In its presentation to the Portfolio Committee, DFFE summarised the allegations against Sasol which are under investigation.<sup>110</sup>

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<sup>107</sup> Sasol Form 20-F 2026, p 46.

<sup>108</sup> <https://pmg.org.za/committee-meeting/43418/>

<sup>109</sup> See, for example: <https://www.dailymaverick.co.za/article/2026-08-04-npa-hits-sasol-with-fresh-warrants-seven-years-after-chemical-contamination-complaint/>; <https://mg.co.za/the-green-guardian/2026-08-06-sasol-halts-answers-to-mps-after-npa-raids-secunda-operations-with-search-warrants/>; <https://businesstech.co.za/news/energy/868734/r118-billion-south-african-giant-under-fire/>

<sup>110</sup> DFFE (2026), [Presentation on SSO](#).

Table 6: Criminal allegations against Sasol<sup>111</sup>

| Count | Allegation                                          | Legislative Provision                                                                  | Summary of Allegation                                                                                                                                                                  |
|-------|-----------------------------------------------------|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1     | Unauthorised disposal of waste                      | Section 26(1)(a) of NEMWA                                                              | Alleged unlawful discharge of waste containing vanadium, diethanolamine and potassium carbonate into the chemical sewer system flowing to the American Petroleum Institute (API) dams. |
| 2     | Significant pollution of the environment            | Section 49A(1)(e) of NEMA                                                              | Alleged pollution arising from elevated levels of vanadium detected in the Klipspruit River below the API dams.                                                                        |
| 3     | Victimisation of a whistleblower                    | Section 49A(1)(j) read with sections 31(4), 31(5)(a)(ii) & (iv), 31(8) and 49B of NEMA | Alleged intimidation, prejudice, disciplinary action, dismissal and/or harassment of a whistleblower who disclosed environmental risks in good faith.                                  |
| 4     | Listed activity without Environmental Authorisation | Section 22(1) read with sections 21 and 29(4) of Environmental Conservation Act (ECA)  | Alleged rehabilitation activities undertaken at the Black Product Area without the required Environmental Authorisation.                                                               |
| 5     | Listed activity without Environmental Authorisation | Section 24F(1)(a) read with section 49A(1)(a) of NEMA                                  | Alleged unlawful construction of effluent, wastewater or sewage treatment facilities without Environmental Authorisation.                                                              |
| 6     | Significant pollution of the environment            | Section 49A(1)(e) of NEMA                                                              | Alleged pollution originating from Dam F on the farm of Vlakspruit 292IS.                                                                                                              |

On conviction, these offences could attract penalties of ZAR 10 million and/or ten years' imprisonment, per offence. Additional consequences of convictions<sup>112</sup> could include: withdrawal of authorisations; disqualifications from obtaining a permit for up to five years;<sup>113</sup> recovery of loss or damage; recovery of monetary value of the advantage gained or remedial measures; and extended criminal liability for directors, managers, agents and employees of Sasol under certain circumstances, which could expose individuals to the same fines, or even imprisonment for up to ten years.<sup>114</sup>

At the August parliamentary briefing, Sasol argued that it was not guilty of the charges and “remains committed to environmental compliance, responsible corporate governance, transparent engagement with regulators and stakeholders, and the protection of employees who raise concerns”.<sup>115</sup>

<sup>111</sup> DFFE (2026), [Presentation on SSO](#).

<sup>112</sup> Listed in Schedule 3 of NEMA.

<sup>113</sup> Section 34C of NEMA.

<sup>114</sup> Section 34(1)-(7) of NEMA.

<sup>115</sup> Sasol (2026), [Engagement with the PCFFE](#).

The Committee required Sasol to submit written responses by 25 August 2026 to questions asked by it “about recurring environmental risks at Sasol's operations, including leaking dams, wastewater quality, infrastructure failures and alleged non-compliance with water-use licences”.<sup>116</sup> In its written response, Sasol disputes that there is a basis to charge it.<sup>117</sup>

Next steps in the criminal matter are awaited.

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<sup>116</sup> <https://pmg.org.za/committee-meeting/43418/>.

<sup>117</sup> [Sasol \(2025\) Response to PCFFE](#); <https://www.dailymaverick.co.za/article/2026-09-01-sasol-claims-innocence-as-npa-gathers-fresh-evidence-in-toxic-dumping-probe/>.

## Appendix B. Sasol's climate targets

Sasol has made various commitments to reduce its greenhouse gas (GHG) emissions and to integrate renewable energy (RE):

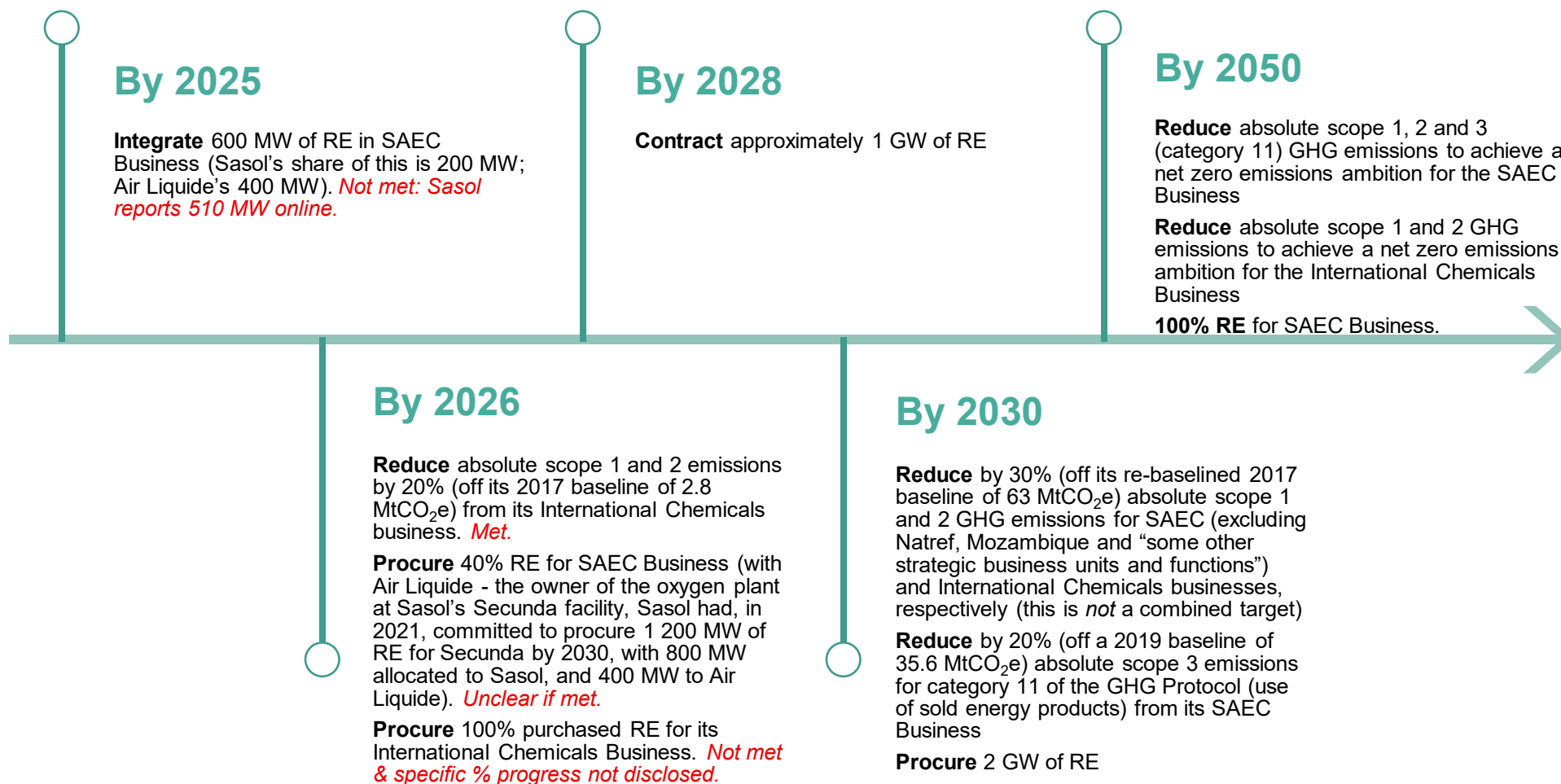


Figure 5: Sasol's climate targets over time

Driving a credible just transition at Sasol

## Appendix C. Governance

It is not straightforward to establish who sits on the committee that oversees Sasol's emission reduction roadmap (ERR).

### Climate competence

Sasol has partially addressed the concern, raised in previous years, that it provided no definition of the sustainability-related skills it claims its directors have. In FY26, the board refreshed its skills matrix and adopted a 15-area competency framework that includes "Sustainability and ESG leadership", "Energy transition and decarbonisation" and "Circular economy and resource efficiency". Directors were assessed against "defined proficiency criteria" for each area, and the board concluded that it "possesses the requisite mix of skills, experience and competencies".<sup>118</sup>

However, Sasol does not disclose the proficiency criteria, the resulting skills matrix or which directors were assessed as competent in energy transition and decarbonisation. Nor does it state who conducted the assessment, or whether it was independently validated.

Shareholders are asked to accept the board's conclusions about its own expertise without the information needed to test it. The director biographies in the integrated report list only qualifications; for career histories, Sasol refers readers to its Form 20-F.<sup>119</sup>

The Form 20-F provides the career detail the integrated report omits.<sup>120</sup> Muriel Dube remains the only board member with clear climate-relevant skills. She holds an MSc in Environmental Change and Management and served as South Africa's chief negotiator in climate change negotiations under the United Nations Framework Convention on Climate Change (UNFCCC). It is assumed that Xikongomelo Maluleke, who founded and currently leads an ESG and sustainability advisory firm,<sup>121</sup> also has some relevant skills.

Sasol's CDP response states that the board has competency on climate change and identifies a single board member with expertise on the issue, whose qualifications – an MSc in environmental change and management and a course certificate in climate change and development – are those disclosed for Dube.<sup>122</sup> This response reports on the year ended 30 June 2024, and is the only disclosure in which Sasol is required to state directly how many of its directors have "environmental expertise".

**It is a concern, however, that Dube, the director whose climate expertise Sasol had identified to CDP, no longer sits on the Safety, Social and Ethics Committee (SSEC), which provides oversight of the implementation of the ERR,<sup>123</sup> or on the Capital Investment Committee (CIC),**

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<sup>118</sup> Sasol IR 2026, p 79.

<sup>119</sup> Sasol IR 2026, p 79.

<sup>120</sup> Sasol Form 20-F 2026, p 81-85.

<sup>121</sup> <https://linkarhi.com/>.

<sup>122</sup> Sasol CDP 2025, p 101.

<sup>123</sup> Sasol's 2026 Notice of AGM includes a resolution proposing that Muriel Dube be appointed to the SSEC.

whose FY26 focus areas included the ERR and energy transition initiatives.<sup>124</sup> The Remuneration Committee, which sets and assesses the emissions metrics in executive incentives, comprises Martina Flöel (chair), Manuel Cuambe, and Stanley Subramoney.<sup>125</sup> It does not include Dube or Maluleke. Rhidwaan Gasant and Mametja Moshe were the only new 2026 appointments to the board. Gasant, a chartered accountant whose executive career was in the oil and gas sector,<sup>126</sup> was appointed effective 1 February 2026 and resigned effective 25 September 2026. On 1 October 2026, Moshe was appointed as an independent non-executive director.

Sasol's CDP response also states that climate change is a standing agenda item at every board meeting, and that directors receive regular training on environmental issues, industry best practice and standards such as the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and the Science Based Targets initiative (SBTi).<sup>127</sup> **The integrated report describes no climate-specific director training, and neither climate change nor the ERR appears among the nine key discussion themes recorded for the board in FY26.**<sup>128</sup>

The contrast with Sasol's treatment of financial competence is clear. In the same Form 20-F, the Nomination and Governance Committee records that all audit committee members have the requisite financial expertise, and the board designates a named director as the audit committee financial expert for the purposes of the Sarbanes-Oxley Act.<sup>129</sup> **Nothing comparable is done for climate competence, where Sasol discloses only the framework without an assessment, criteria or designated expert individuals.**

## Remuneration linked to emissions reductions

Sasol continues to state on its website that it is held accountable for meeting its emission reduction targets through "Executive incentives" that are "linked to short- and long-term emissions performance."<sup>130</sup> Sasol's FY26 incentive outcomes, and the changes it has made for FY27, provide limited support for this statement.

### *Short-term incentives*

As in FY25, the only climate-related metric in Sasol's FY26 group short-term incentive (STI) scorecard was EE, weighted at 10%. This year, Sasol missed the target: it achieved a 0.501% improvement against a target of 1% and scored 5% out of 10% on the scorecard.<sup>131</sup>

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<sup>124</sup> Sasol IR 2026, p 84.

<sup>125</sup> Sasol IR 2026, p 83.

<sup>126</sup> [Sasol, SENS announcement, "Changes to Sasol Limited Board of Directors", 19 January 2026](#)

<sup>127</sup> Sasol CDP 2025, p 97-98 & 100-101.

<sup>128</sup> Sasol IR 2026, p 81.

<sup>129</sup> Sasol Form 20-F 2026, p 108.

<sup>130</sup> [Sasol, Climate FAQs – "How is Sasol held accountable for targets", accessed 15 September 2026.](#)

<sup>131</sup> Sasol IR 2026, p 166.

Sasol now explains that the STI metric measures year-on-year improvement and is therefore not comparable with the group EE figure in its sustainability report, which is measured against an FY05 baseline.<sup>132</sup> That figure is reported as 18% in FY26, compared with 18.3% in FY25, or 16.2% for FY25 on a restated baseline.<sup>133</sup> Sasol does not disclose how the STI figure was calculated, so the two measures cannot be reconciled.

Underperformance on EE did not reduce the overall outcome for the ESG metrics. Both safety metrics, included in ESG, scored at stretch, so the ESG metrics together scored 35% against a target of 30%, while the financial metrics scored 60.5%, missing the target of 70%.<sup>134</sup> As a result, the group STI outcome was 95.5%.

Sasol's policy allows the Remuneration Committee to "moderate" - or apply a downward adjustment to - the non-financial outcomes to the target-level in the event that financial performance falls short, but the Committee decided not to do so.<sup>135</sup> Instead, the group STI outcome was reduced to 89.5% for the Group Executive Committee (GEC) after a fatality penalty.<sup>136</sup> Sasol reported 2 fatalities this year.<sup>137</sup>

The reported fall in hospitalisations, from 65 to 40, coincides with a change in definition: **hospitalisation figures "now exclude individuals admitted solely for observation"**.<sup>138</sup> **Sasol does not disclose how many FY26 cases this excluded, or whether the STI target of 62 hospitalisations was set on the same basis.** This is the second consecutive year in which the treatment of observation admissions has affected the hospitalisations metric.<sup>139</sup> In FY26, the exclusion causes the metric to contribute the full 15% weighting to executives' STI outcomes. **Any cases reclassified out of the hospitalisation metric in this manner therefore had a direct effect on executive pay.**

Climate-related matters also appear in the individual performance scorecards of the executive directors, which carried a 20% weighting in their FY26 STI. The CEO's scorecard included "Emission reduction roadmap delivery" (10%), which was only "partially achieved", and "Sustainability roadmap and carbon tax" (30%). The CFO's scorecard included "Partnerships – Carbon Tax" (20%).<sup>140</sup> **No targets or measures are disclosed for these key performance indicators (KPIs), and all three executive directors received an above-target individual outcome of 110%.** It is not possible to tell whether the carbon tax KPIs reward emission reductions, or the management of carbon tax liabilities, for example through the 3.84 million carbon offsets Sasol retired against its carbon tax obligation in FY26.<sup>141</sup> Nor is it clear what "partnerships" mean in this context. In chapter 6, we address Sasol's lobbying to delay and weaken the carbon tax.

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<sup>132</sup> Sasol IR 2026, note 1.

<sup>133</sup> Sasol IR 2026, p 101.

<sup>134</sup> Sasol IR 2026, p 166. ESG and financial subtotals calculated by Just Share from the scorecard.

<sup>135</sup> Sasol IR 2026, p 165.

<sup>136</sup> Sasol IR 2026, p 164-165.

<sup>137</sup> Sasol IR 2026, p 122.

<sup>138</sup> Sasol IR 2026, p 122.

<sup>139</sup> [Just Share 2025, Sasol climate disclosures, p 25.](#)

<sup>140</sup> Sasol IR 2026, p 167.

<sup>141</sup> Sasol IR 2026, p 29.

The CDP response identifies the General Counsel as the highest management-level position with responsibility for climate change, reporting to the CEO.<sup>142</sup> At Sasol this role sits with the EVP: Commercial and Legal, Vuyo Kahla, whose FY26 individual scorecard includes a 25% KPI described only as “Sustainability – ERP roadmap”.<sup>143</sup> The CDP designation suggests that this refers to the ERR, but the integrated report does not say so.

Looking to FY27, the Remuneration Committee is halving the STI scorecard weighting of EE to 5%, while doubling the scorecard weighting of Secunda Operations volumes to 10%.<sup>144</sup> It is also removing individual performance from the STI calculation for GEC members,<sup>145</sup> so the **individual climate-related KPIs for the CEO and CFO described above will no longer affect their STIs**.

### *Long-term incentives*

The FY24 long-term incentive (LTI) awards will vest in FY27 at 72%.<sup>146</sup> The FY24 scorecard included an emissions metric weighted at 15% and split equally between a target for absolute reduction in Scope 1 and 2 emissions for the Energy business and a target for the Chemicals business to advance its decarbonisation project portfolio to an agreed level of definition (“Gate 4”).<sup>147</sup>

The Remuneration Committee used its discretion to exclude the Chemicals target from the assessment. It explains that a US virtual PPA was postponed and capital was reprioritised in response to cash flow constraints. These decisions reduced the capital requirement of the International Chemicals decarbonisation programme from more than USD 300 million to approximately USD 30 million. It also notes that International Chemicals accounts for 4.4% of group emissions and remains on track for its 2030 target.<sup>148</sup> Sasol reports, however, that 8 of the 24 percentage points of reduction achieved by International Chemicals to date reflect lower asset utilisation rather than abatement measures.<sup>149</sup> In any event, the Committee reallocated the Chemicals target’s weighting (7.5%) across the remaining ESG targets, which raised the weighting of the Energy business target from 7.5% to 10%.<sup>150</sup>

As a result, executives are not penalised for a decision to cut the capital allocated to International Chemicals’ decarbonisation by around 90%; instead, more weight has been placed on targets that were largely exceeded. Sasol does not disclose what the Chemicals target would have scored, but the Committee’s view that the outcome was “not fully reflective of underlying performance” suggests that it was low.<sup>151</sup>

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<sup>142</sup> Sasol CDP 2025, p 103-104.

<sup>143</sup> Sasol IR 2026, p 167.

<sup>144</sup> Sasol IR 2026, p 183.

<sup>145</sup> Sasol IR 2026, p 153.

<sup>146</sup> Sasol IR 2026, p 164.

<sup>147</sup> Sasol IR 2026, p 169.

<sup>148</sup> Sasol IR 2026, p 169.

<sup>149</sup> Sasol IR 2026, p 94 & 96.

<sup>150</sup> Sasol IR 2026, p 169.

<sup>151</sup> Sasol IR 2026, p 168.

The table below sets out the disclosed scorecard figures, together with a counterfactual that shows what the vesting would have been had the Chemicals target retained its original weighting and failed to score anything. The overall vesting would have been approximately 59%, rather than 72%.

Table 7: KPIs' scores and weightings as disclosed and compared with original weighting<sup>152</sup>

| KPI                                             | Original weighting | Adjusted weighting | Approved score | Counterfactual score |
|-------------------------------------------------|--------------------|--------------------|----------------|----------------------|
| Energy business                                 | 7,5%               | 10%                | 20%            | 15%                  |
| Chemicals business                              | 7,5%               | Excluded           | Not assessed   | 0                    |
| Biosludge                                       | 5%                 | 6.67%              | 13.34%         | 10%                  |
| Recyclables diversion                           | 5%                 | 6.67%              | 5.33%          | 4%                   |
| Black women-owned business procurement          | 5%                 | 6.67%              | 13.33%         | 10%                  |
| ROIC – SA                                       | 30%                | 30%                | 20%            | 20%                  |
| ROIC – offshore                                 | 10%                | 10%                | 0              | 0                    |
| Relative total shareholder return vs peer group | 30%                | 30%                | 0              | 0                    |
| <b>Total</b>                                    | <b>100%</b>        | <b>100%</b>        | <b>72%</b>     | <b>59%</b>           |

**Sasol's explanation for the exclusion of the Chemicals target is also internally inconsistent:** its narrative describes the excluded target as a "GHG intensity" target,<sup>153</sup> while the scorecard describes a project-definition target.<sup>154</sup>

The Energy business target was set "for an equivalent production output of 7.6 mtpa". Secunda Operations produced 7 260 kt in FY26.<sup>155</sup> **Sasol states that the stretch target is still met when normalised for actual production but does not disclose the normalised figure.**<sup>156</sup>

The reported Energy business reduction has also fallen, from 13% at the end of FY25<sup>157</sup> to 8.7% at the end of FY26.<sup>158</sup> Sasol attributes the increase in its Southern African emissions in FY26 to higher production volumes as operations stabilised. **This supports the concern raised in 2025 that the**

<sup>152</sup> Scores on p 169 Sasol IR 2026 imply a performance rating for each KPI (score ÷ weighting), where target = 1 and stretch = 2; applying those ratings to the original weightings, with the Chemicals target at 0, gives 59%: Energy business 15%; Chemicals business 0%; circular economy 14%; procurement from Black women-owned businesses 10%; ROIC 20%; relative TSR 0%.

<sup>153</sup> Sasol IR 2026, p 168.

<sup>154</sup> Sasol IR 2026, p 169.

<sup>155</sup> Sasol IR 2026, p 166 & 169.

<sup>156</sup> Sasol IR 2026, note 1.

<sup>157</sup> Sasol IR 2025, p 152.

<sup>158</sup> Sasol IR 2026, p 169.

**emission reductions for which executives were rewarded under the FY23 LTI reflected lower production, rather than the implementation of strategies to reduce emissions.**<sup>159</sup>

One legacy climate-linked award will vest in full. A portion of the FY21 LTI awards was subject to the delivery of 300 MW of renewable energy (RE), with measurement deferred to no later than 31 December 2026. Sasol reports that this condition has been met,<sup>160</sup> and that approximately 510 MW of RE is now operational.<sup>161</sup> **The integrated report does not state the original measurement date, nor why it was deferred.**

For LTI awards made from FY25 onwards, the emissions metric carries a weighting of 25% but measures only the GHG emissions intensity of Secunda Operations. The FY25 metric retains the objective of reducing Sasol's carbon footprint "while increasing our production", with a target of a 0.8% improvement in Scope 1 intensity against FY24.<sup>162</sup> The FY26 metric covers Scope 1 and 2 intensity, with a target of emissions intensity improvement by 1% (stretch: 2%), but does not specify a baseline year.<sup>163</sup> The FY27 LTI framework is "largely unchanged", but its targets have not yet been disclosed.<sup>164</sup>

**These metrics provide weak executive accountability for Sasol's emission reduction targets:**

- An intensity metric can be met while absolute emissions rise.<sup>165</sup>
- The metrics exclude International Chemicals and Sasolburg Operations, both of which fall within the boundary of Sasol's 2030 targets.<sup>166</sup>
- Sasol does not explain how a 1% emissions intensity improvement over three years relates to its target to reduce absolute Scope 1 and 2 emissions by 30% by 2030,<sup>167</sup> or whether it uses gross or net emissions to measure intensity. This matters because Sasol now defines its 2030 targets on a net basis that includes "sustainable market mechanisms" such as carbon credits.<sup>168</sup>

Sasol's account of these incentives to CDP does not match its scorecards. In its most recent CDP response (governing the reporting year-end 30 June 2024), it lists the performance metrics attached to climate-linked executive incentives as including a reduction in absolute emissions, implementation of an emissions reduction initiative, EE improvement, increased supplier compliance with environmental requirements, implementation of an employee awareness campaign, and the board

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<sup>159</sup> Sasol IR 2026, p 94.

<sup>160</sup> Sasol IR 2026, p 150 & 172-173.

<sup>161</sup> Sasol IR 2026, p 63.

<sup>162</sup> Sasol IR 2026, p 170.

<sup>163</sup> Sasol IR 2026, p 171.

<sup>164</sup> Sasol IR 2026, p 183.

<sup>165</sup> Intensity measures emissions per unit of output, not total emissions. If production grows faster than emissions intensity improves, total emissions will rise even though the company reports an improvement in intensity.

<sup>166</sup> Sasol IR 2026, p 94. See Appendix B on Sasol's targets.

<sup>167</sup> Sasol IR 2026, p 96.

<sup>168</sup> Sasol IR 2026, p 94 & 96.

approval, shareholder approval and achievement of its climate transition plan.<sup>169</sup> Of these, only EE is identifiable in Sasol's disclosed scorecards across the past two years. **No absolute emissions metric has been attached to executive incentives since the FY24 LTI award.**

The same CDP report states that 20% of total C-suite and board-level monetary incentives are linked to the management of climate change, while a simultaneous explanation describes this as, "10-25%" after listing the STI and LTI awards.<sup>170</sup> Non-executive directors receive board fees only and do not participate in the STI or LTI schemes,<sup>171</sup> so **no part of board-level remuneration is linked to climate performance.**

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<sup>169</sup> Sasol CDP 2025, p 109-111.

<sup>170</sup> Sasol CDP 2025, p 107-108.

<sup>171</sup> Sasol IR 2026, p 163.

## 12. Annexures

### Annexure 1: Testing Sasol's reporting quality

(Extracted from DNA Economics analysis)<sup>172</sup>

DNA Economics adopted a disclosure-index methodology to test the quality of Sasol's environmental and labour reporting over time. Three indices were used to test whether Sasol discloses enough for shareholders and stakeholders to understand its environmental and labour risks, how they are governed, and what they mean for long-term financial sustainability.

It evaluated whether Sasol disclosures are:

- complete;
- balanced;
- specific;
- quantified;
- updated annually; and
- decision-useful.

#### Three index architecture

Three indices were used to test Sasol's disclosures as follows:

##### 1. Risk Management Index (RM)

- Does Sasol disclose **how** environmental and labour risks are governed, managed, monitored and assured?

##### 2. Risk Identification Index (RI)

- Does Sasol clearly **identify**, describe, quantify and contextualise its material environmental and labour risks and opportunities?

##### 3. Environmental and Labour Risk Disclosure Index (ELR)

- Does Sasol disclose the **full range** of environmental and labour risks that are material to its operations, stakeholders and long-term financial sustainability?

<sup>172</sup> DNA Economics, 2026 – available on request.

## Scoring the disclosure

| Score | Rating             | Meaning                                                                                                                                  | Practical test                                                                                                     |
|-------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 0     | Not disclosed      | Sasol does not disclose the item at all, or disclosure is so vague that it cannot be assessed.                                           | No meaningful information found.                                                                                   |
| 1     | Minimal or generic | Sasol mentions the issue, but only in broad, boilerplate or non-specific terms.                                                          | The reader knows the issue exists, but not its scale, relevance or implications.                                   |
| 2     | Basic or partial   | Sasol provides some useful disclosure, but it is incomplete, weakly quantified, or does not fully address the relevant standard or risk. | Some evidence is provided, but material gaps remain.                                                               |
| 3     | Adequate           | Sasol provides a reasonably complete, specific and standard-aligned disclosure.                                                          | The disclosure covers the issue, gives useful detail, and broadly meets expected requirements.                     |
| 4     | Strong             | Sasol provides a complete, specific, balanced, quantified, updated and decision-useful disclosure.                                       | The reader can understand the issue, its trend, its governance, its consequences and what Sasol is doing about it. |

Sasol's results for all three indices are summarised in the tables below. Its scores were weakest for the Environmental Risk and Labour Index.

## How did they do: Risk Management disclosures

| Item                                          | Disclosure to be tested                                                                                             | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------|------|------|------|------|------|------|
| Governance structure and mandate              | Explanation of who governs environmental, labour, safety, climate and transition risks, including responsibilities. | 4    | 4    | 4    | 4    | 4    | 4    |
| Risk appetite and tolerance                   | Risk appetite/tolerance for environmental, labour, safety, climate and transition risks.                            | 2    | 3    | 3    | 3    | 3    | 3    |
| Strategy and financial alignment              | Link between these risks and strategy, capital allocation, operations and long-term financial sustainability.       | 3    | 3    | 4    | 3    | 4    | 4    |
| Risk culture and embedded systems             | Evidence that risk management is embedded across the organisation, not only at board level.                         | 3    | 3    | 3    | 3    | 3    | 3    |
| Management accountability                     | Executive or management owners for these risks, including CEO, Exco, HR, SHE, sustainability or operations.         | 3    | 3    | 3    | 3    | 4    | 4    |
| Committee expertise and capacity              | Relevant committee independence, skills, experience and use of external advice.                                     | 3    | 3    | 3    | 3    | 3    | 3    |
| Committee focus and reporting discipline      | Committee focus areas, meetings, attendance, key decisions and future priorities.                                   | 3    | 3    | 4    | 3    | 3    | 4    |
| Monitoring, controls and corrective action    | How risks are monitored, controlled and escalated, and action following failures or weaknesses.                     | 3    | 3    | 3    | 3    | 3    | 3    |
| Climate, environmental and social governance  | How climate, environmental and social risks and opportunities are governed and reviewed.                            | 4    | 4    | 4    | 3    | 3    | 4    |
| Resilience, assurance and reporting integrity | Contingency planning and assurance supporting environmental and labour risk information.                            | 3    | 3    | 3    | 3    | 3    | 3    |

## How did they do: Risk Identification disclosures?

| Item                                                         | Disclosure to be tested                                                                                         | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------|------|------|------|------|------|
| Risk-identification process                                  | Processes used to identify and assess environmental, labour and transition risks.                               | 3    | 3    | 3    | 3    | 3    | 3    |
| Principal risks, not generic lists                           | Key/principal risks rather than broad or generic ESG issues.                                                    | 3    | 3    | 3    | 3    | 3    | 3    |
| Company-specific risk context                                | Risks specific to Sasol's assets, operations, geography, workforce, regulatory exposure and transition pathway. | 3    | 3    | 3    | 4    | 4    | 4    |
| Current and emerging risks                                   | Current risks distinguished from emerging, future or escalating risks.                                          | 3    | 4    | 4    | 4    | 4    | 4    |
| Risk direction and time horizon                              | Whether risks are increasing, decreasing or stable, and over what time horizon.                                 | 3    | 3    | 3    | 4    | 4    | 4    |
| Impact and consequence                                       | Operational, financial, legal, reputational, workforce, community or environmental impacts.                     | 3    | 4    | 4    | 4    | 4    | 4    |
| Mitigation and residual risk                                 | Mitigation actions and residual risk after mitigation.                                                          | 3    | 3    | 3    | 3    | 3    | 3    |
| Material changes year-on-year                                | Annual updates to risks, assumptions, targets, mitigation or risk ranking.                                      | 2    | 3    | 3    | 3    | 3    | 4    |
| Integration with business model and financial sustainability | Connection to strategy, business model, capital allocation, performance, going concern or long-term viability.  | 3    | 3    | 4    | 3    | 4    | 4    |
| Risk experience and lessons learnt                           | What happened during the year, how this compared with prior risk reporting, and lessons learnt.                 | 2    | 2    | 3    | 1    | 2    | 3    |

## How did they do: ELR disclosures?

| Item                                                    | Disclosure to be tested                                                                                                                                      | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|------|------|------|------|
| Climate transition, targets and financial connectivity  | Transition risk, decarbonisation targets, delivery milestones, technology dependencies, capital requirements, progress and long-term financial implications. | 3    | 3    | 3    | 2    | 2    | 2    |
| GHG emissions and carbon exposure                       | Scope 1, Scope 2 and material Scope 3 emissions, methodologies, boundaries, baselines, trends, carbon pricing and carbon-tax exposure.                       | 3    | 3    | 3    | 2    | 2    | 2    |
| Physical climate and water risk                         | Acute and chronic climate hazards, water availability, consumption, quality, discharges, operational dependencies and affected stakeholders.                 | 2    | 2    | 2    | 3    | 3    | 2    |
| Air quality, pollution and environmental compliance     | Air-pollution risks, affected locations, permits, breaches, penalties, litigation, mitigation measures and regulatory exposure.                              | 2    | 2    | 2    | 1    | 1    | 1    |
| Waste, land, remediation and biodiversity               | Hazardous waste, contaminated land, rehabilitation, closure, remediation liabilities, biodiversity impacts and ecosystem dependencies.                       | 2    | 2    | 2    | 2    | 2    | 2    |
| Occupational health, safety and process safety          | Fatalities, injuries, occupational disease, contractor safety, major incidents, high-consequence events, controls, lessons and corrective action.            | 3    | 3    | 4    | 3    | 3    | 3    |
| Workforce composition, equity and remuneration fairness | Permanent, temporary and contractor workforce composition, employment equity, inclusion, advancement, wage fairness and pay differentials.                   | 2    | 2    | 3    | 3    | 3    | 3    |
| Skills, restructuring and employment security           | Skills gaps, training, reskilling, redeployment, outsourcing, automation, job-loss risk and workforce readiness for strategic change.                        | 2    | 3    | 3    | 3    | 3    | 2    |
| Labour relations, worker voice and contractor labour    | Union engagement, collective bargaining, disputes, grievances, employee consultation, contractor protections and supply-chain labour risks.                  | 2    | 2    | 3    | 2    | 2    | 2    |
| Just-transition impacts, participation and resources    | Distribution of transition costs and benefits, worker and community consultation, actions, timelines, budgets, responsibilities and measurable outcomes.     | 2    | 2    | 2    | 1    | 1    | 1    |

## Annexure 2: Lessons from comparative asset transitions

(Extracted from DNA Economics analysis)<sup>173</sup>

| Case study                                                 | Asset / sector           | Key strategic lessons for Sasol                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Komati (South Africa)</b>                               | Coal-fired power station | Many, including the Presidential Climate Commission (PCC), <sup>174</sup> reference Komati as a just transition “cautionary tale”. Engagement began late and replacement activity began after closure. Job losses fell mainly on contract workers, on staff who left before the final unit closed and on the local economy. |
| <b>SAPREF (South Africa) &amp; Grangemouth (Scotland)</b>  | Refineries               | Late, unmanaged decline shifts massive liabilities onto the state and causes severe social collapse.                                                                                                                                                                                                                        |
| <b>Baofeng Energy (China)</b>                              | Coal-to-chemicals        | Provides a commercial scale demonstration of green hydrogen integration into coal-to-chemicals production.                                                                                                                                                                                                                  |
| <b>Neste (Finland), Shell (Germany) and Repsol (Spain)</b> | Refineries               | Converting assets while profitable preserves cash flow, skilled jobs, and funds rehabilitation expenses.                                                                                                                                                                                                                    |

### The domestic just transition reference case: Komati power station

Eskom’s **Komati Power Station** shutdown in Mpumalanga serves as the primary South African baseline for coal transitions. Despite a USD 497 million World Bank funding package, Komati’s decommissioning did not meet key Just Transition principles:

- **Sequencing and job delays:** Alternative economic activities and retraining initiatives lagged the plant shutdown by over a year, leaving contractors and community members without income.
- **Financing mismatch:** 84% of the Just Energy Transition (JET) funding package was structured as debt, which appropriately financed revenue-generating renewable generation, but failed to support non-revenue social protection, municipal development, and community reskilling (which received only 2% in grant funding).

<sup>173</sup> DNA Economics, 2026 – available on request.

<sup>174</sup> PCC (2023), [Early lessons and recommendations from Komati’s decommissioning and repurposing project](#); PCC (2025), [Komati’s Just Transition: Assessing progress, challenges, and lessons](#).

For Sasol, the Komati example demonstrates that reskilling without concrete, pre-funded job pathways fails workers and fence-line communities. A credible transition at Secunda requires ring-fenced funding for diversification of local economies, developed in collaboration with municipalities, the state and affected players in Sasol's value chain long before the risks materialise.

## Unmanaged closures and state liability takeover: SAPREF and Grangemouth

When Shell and BP paused upgrades at South Africa's **SAPREF** refinery in 2022, fuel supply was disrupted, leading to state acquisition via the Central Energy Fund for a nominal amount, effectively transferring unquantified historical environmental liabilities onto the public purse.

Similarly, at Scotland's **Grangemouth** refinery, Petroineos announced closure in 2024 before government studies (Project Willow) were commissioned to identify alternative industrial uses. The study revealed that replacement jobs would not materialise until 2040, leaving 400 workers and the surrounding community stranded. Both cases show that delaying planning until asset demise forces panicked state interventions and severe community shocks - a dynamic Sasol must avoid through early, transparent planning.

## Feedstock substitution and asset conversion while profitable: Baofeng, Neste, Shell, and Repsol

Contrary to the argument that heavy industrial assets cannot adapt, peer facilities demonstrate that feedstock substitution and unit conversions can be commercially viable when executed while the core business is still profitable:

- **Baofeng Energy (China):** Operating a coal-to-chemicals gasification plant structurally similar to Secunda, Baofeng integrated a 200 MW solar-powered green hydrogen facility directly into its existing syngas process. This reduced coal consumption by 254 000 tonnes annually while maintaining production output and workforce levels, indicating that green hydrogen integration into coal gasification can be technically feasible at commercial scale.
- **Neste (Finland):** Neste committed EUR 2.5 billion to convert its Porvoo crude refinery entirely to renewable and recycled feedstocks by the mid-2030s. Crucially, Neste initiated this multi-year transformation while its fossil fuel operations were generating strong cash flows, using balance sheet strength to fund the shift.
- **Shell Wesseling (Germany) & Repsol Cartagena (Spain):** Rather than shutting down ageing facilities, Shell converted units at Wesseling to produce high-grade lubricants and green hydrogen, ending crude processing while preserving site infrastructure. Repsol invested EUR 250 million to convert part of its Cartagena refinery into an advanced biofuels facility, reducing 900 000 tonnes of carbon dioxide per year while keeping 1 000 workers employed.

These conversions preserved site cash flows to fund long-tail rehabilitation liabilities. Shell was a 50% shareholder in SAPREF. Over the same period it invested to convert its German refinery and exited SAPREF. The technology available was the same in both cases; the difference was the value of each asset to Shell and the country it was in.