sasol

SASOL LIMITED
ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2021

PLANET
PEOPLE
PROFIT

Purpose
Innovating for a better world

AFS

Purpose

Innovating for a better world

Our purpose is our reason for being. It captures the essence of our 'can-do' spirit that pushes us to always strive for excellence and adopt new approaches, to continuously evolve and improve.

Innovating speaks to doing things differently and in new ways, touching every aspect of Sasol – our technologies, our products, how we run our plants, how we serve our customers and communities, build our brand and unleash the full potential of our people and business.

Sasol is a global chemicals and energy company. We harness our knowledge and expertise to integrate sophisticated technologies and processes into world-scale operating facilities.

We safely and sustainably source, produce and market a range of high-quality products in 27 countries, creating value for stakeholders. Our purpose "Innovating for a better world" compels us to deliver on triple bottom line outcomes of People, Planet and Profit, responsibly and always with the intent to be a force for good.

We have prioritised four relevant SDGs to ensure our business is environmentally, socially and economically sustainable.

Our values

Sasol is a values-driven, high-performing organisation. We believe in our people and for all of us, safety is a priority. We understand and are responsive to our stakeholders. We accept accountability for our behaviour and performance, while acting with integrity and striving for excellence in all we do.

Values

- We always place the safety of our people first
- We care deeply for our people, planet, communities
- We foster inclusivity in all we do, our employees, our customers and stakeholders
- We own our results
- We boldly adapt to change and embrace agility

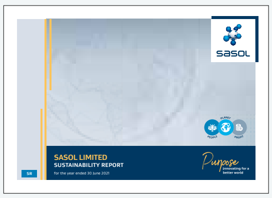
OUR SUITE OF REPORTS

These reports are available on our website, www.sasol.com, or on request from Investor Relations. Contact details are on page 160.

IR

Integrated Report

Concise communication about how Sasol's strategy, governance, performance and outlook lead to the creation of value over the short, medium and long term.



SR

Sustainability Report

Communication about Sasol's environmental, social and governance (ESG) performance.

CONTENTS

1 Financial overview

Message from our Group CFO	2

2 Consolidated financial statements

Report of the Audit Committee	3
Approval of the financial statements	11
Chief Executive Office and Chief Financial Officer's internal financial control responsibility statement	12
Certificate of the Company Secretary	12
Independent auditor's report	13
Shareholders' information	18
Share ownership	18
Directors' report	20
Report of the Remuneration Committee	23
Income statement	49
Statement of comprehensive income	50
Statement of financial position	51
Statement of changes in equity	52
Statement of cash flows	54
Segment information	56
Geographic segment information	56
Reporting segments	58
Statement of compliance	60
Going concern	64
Earnings generated from operations	65
Operating and other activities	66
Taxation	81
Sources of capital	86
Equity	87
Funding activities and facilities	88
Capital allocation and utilisation	94
Investing activities	95
Working capital	104
Cash management	106
Provisions and reserves	108
Provisions	109
Reserves	119
Other disclosures	122

3 Sasol Limited Company

Statement of financial position	143
Income statement	143
Statement of comprehensive income	144
Statement of changes in equity	144
Statement of cash flows	145
Notes to the financial statements	146

4 Other

Report on assurance engagement on the pro forma financial information	159
Contact information	160

Basis of preparation

The Annual Financial Statements (AFS) of Sasol Limited have been audited in compliance with section 30 of the South African Companies Act. Paul Victor CA(SA), Chief Financial Officer is responsible for this set of AFS and has supervised the preparation thereof in conjunction with the Senior Vice President, Financial Controlling & Governance: Feroza Syed CA(SA).

The AFS are reviewed by management, the Sasol Disclosure Working Group, the Sasol Limited Audit Committee and the Board and are audited by the external auditors of the Group.

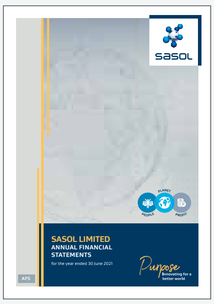
Internal control framework

The Group follows a combined assurance model in assessing internal controls which is led by Internal Audit in terms of an assurance plan approved by the Audit Committee.

CCR

Climate Change Report

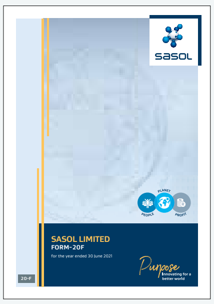
Information about Sasol's climate change risk management process, response strategy and summary of work underway to address our climate change risks.



AFS

Annual Financial Statements

Contains full analysis of the Group's financial results, with detailed financial statements, as well as the full Remuneration Report together with the report of the Audit Committee.



20-F

Form 20-F

Our Annual Report filed with the United States Securities and Exchange Commission (SEC), in line with the requirement of our New York Stock Exchange listing.

MESSAGE FROM OUR GROUP CFO

"Team Sasol delivered an excellent performance in 2021, leading to a strong balance sheet and solid cash flow generation. As we continue with our business transformation programme, we are excited at Future Sasol's prospects as a greener, more sustainable business that protects and grows shareholder value in a lower-carbon world."

Paul Victor
Chief Financial Officer

KEY MESSAGE

- Strong financial results delivered
- Significant progress in resetting the balance sheet
- Maintaining focus on the factors within our control

Performance overview

Sasol's earnings before interest and tax (EBIT) of R16,6 billion increased compared to the prior year loss before interest and tax (LBIT) of R112 billion. The 2021 EBIT includes remeasurement items of R23 billion compared to R112 billion in the prior year. Excluding remeasurement items, EBIT increased by more than 100%, supported by the combined impact of higher Brent crude oil and chemicals prices particularly in the second half of the year, lower depreciation, gains on hedging and derivatives and translation effects offset by higher cost. Significant non-recurring operational items include net impairments of R28,7 billion, gains on disposal of assets of R5,6 billion and gains on financial instruments and derivative contracts of R2,3 billion. The net impairments include an impairment of R24,5 billion on the Secunda liquid fuels refinery cash generating unit (CGU), largely due to a stronger forecasted rand/US dollar exchange rate which impacted negatively on the forecasted Basic Fuel Price.

In 2021 Oil prices continued to strengthen, up from US$43/bbl in July 2020 to US$73/bbl by June 2021 and averaged US$54,20/bbl for the year. This was however partly offset by a decline in refining margins and a strengthening in the average rand/US dollar exchange rate which averaged R15,40 compared to R15,69 in the prior year. Chemical prices have continued to strengthen into 2021 due to a combination of improved demand, higher oil prices and reduced market supply resulting from weather-related events in the USA and global supply chain challenges impacted by the continued COVID-19 pandemic. A notable gross margin recovery was recorded in the second half of the financial year, supported by the combined impact of higher Brent crude oil and chemicals prices.

Our financial position

At 30 June 2021, the balance sheet saw an improvement in the gearing ratio to 61,5% from 117% in 2020 and Net debt: EBITDA of 1,5 times, well below the re-instated June 2021 covenant level of 3,0 times. This was achieved through the repayment of debt with the realisation of cash from asset disposals as well as cash conservation initiatives as per our response plan strategy. We delivered over US$1 billion of cash conservation savings in financial year 2020, and once again exceeded the target in financial year 2021 by more than 100%.

As at 30 June 2021, our liquidity headroom was in excess of US$5,8 billion, well above our outlook to maintain liquidity in excess of US$1 billion. We continue to assess our mix of funding instruments to ensure that we have funding from a range of sources and a balanced maturity profile. We have no significant debt maturities before November 2022 when the US$1 billion bond becomes due.

Outlook for 2022

The current economic climate continues to remain highly volatile and uncertain. Oil and chemical prices, the impacts of the continued COVID-19 pandemic, gross domestic product growth and foreign exchange movements are outside our control and may impact our results. We remain focused on managing factors within our control, including volume growth, cash fixed cost, further deleveraging of the balance sheet and focused financial risk management. This is essential to ensure business sustainability and position us to deliver value to all our stakeholders.

REPORT OF THE AUDIT COMMITTEE

"Maintaining a sound control environment was paramount for the Audit Committee as the group undertook a substantial reorganisation."

Colin Beggs
Chairman of the Audit Committee

FOCUS AREAS

- Oversight of the Sasol 2.0 transformation programme and repositioning the business
- Assessing management conclusion regarding going concern assumption, including financial liquidity risks and balance sheet management
- Considering accounting matters, with specific focus on management's conclusions on the recoverable value of assets
- Assessing management's conclusion on the NERSA maximum gas price provision
- Resolution on accounting and control environment matters relating to Lake Charles Chemical Project (LCCP)
- Oversight on significant asset disposals including 50% of the US LCCP Base Chemical business
- Assessing the accounting impact of increasing environmental regulatory pressures on Sasol's operations
- Oversight and mandate support for hedging activities

Introduction

In 2021, the Audit Committee (the Committee) faced with the ongoing unprecedented circumstances caused by the COVID-19 pandemic, continued to monitor the integrity of financial reporting systems and disclosures through the review of judgements, estimates and accounting for significant transactions.

Areas of special focus that the Committee provided oversight on included:

- The Sasol 2.0 transformation programme to enable the repositioning of the business. This programme commenced in financial year 2021, together with the introduction of a new operating model consisting of a global chemicals business and a Southern Africa energy business, supported by a lean corporate centre. The transition to this new operating model commenced on 1 November 2020. As a consequence of the change in operating model, the business segments were refined and the Committee reviewed the restated segment results;
- Management's conclusion on going concern through a review of their assessment on liquidity, the debt covenants and arrangements held with financial institutions and the financial leverage of the Company. At 30 June 2021, the balance sheet saw a significant improvement in the gearing at 61,5% and Net debt: EBITDA of 1,5 times, well below the re-instated June 2021 covenant level of 3,0 times. The Committee oversaw the issue of bonds of US$1,5 billion (R21,4 billion) in the US capital market;
- Reviewed the judgement applied by management on accounting matters, considering the volatility and uncertainty of the current environment, particularly as it relates to the impairment and recoverability of the carrying value of assets;
- Reviewed management's conclusion on the R1,4 billion provision relating to the retrospective application of the National Energy Regulator (NERSA) ruling on the maximum gas price. NERSA published a final decision on the maximum gas prices for Sasol Gas (Pty) Ltd, a subsidiary of Sasol South Africa Limited, on 6 July 2021, which determines the maximum prices for piped-gas sold in South Africa;
- Oversight of the process relating to material asset disposals including the accounting implications. During the year disposals relating to 50% of the US LCCP Base Chemical assets, our interest in Gemini HDPE LLC, 16 of our Air Separation units, our Gabon exploration assets and other smaller disposals were concluded;
- Concluding on the material weakness related to the LCCP. In relation to the project cost overruns identified during the FY19 financial year, the Committee concluded that the remediation efforts have been successful in addressing the material weakness; and
- Accounting provisions made relating to environmental regulatory requirements.

In responding to these challenges during 2021, the Committee reviewed all significant financial risks and associated appetite statements and metrics and assessed the adequacy of controls and the combined assurance provided over these identified risks. It monitored the effectiveness of the control environment through the review of reports from internal audit, management and the external auditor, and ensured the quality of financial reporting through review of the interim financial statements and the 2021 annual financial statements.

The Committee is responsible for overseeing the:

- Quality and integrity of the Company's integrated reporting, including its financial statements and public announcements in respect of the financial results;
- Appointment, remuneration, independence and performance of the external auditor and the integrity of the audit process, including the approval of non-audit services by the external auditor;

- Effectiveness of the Group's internal audit function, the Group's finance function, Sasol's internal financial controls and systems of internal control and risk management;
- Compliance with legal and regulatory requirements to the extent that it might have an impact on the financial statements; and
- Systems in place to enable concerns to be raised by Sasol employees about possible improprieties in financial reporting or other issues and for those matters to be investigated.

The Committee considered scenarios that might impact the Company's viability, stress testing the Sasol business against pertinent factors including global oil prices and chemical prices' volatility, the impacts of the COVID-19 pandemic and rand/US$ exchange rates, and identifying contingency actions for these scenarios.

The Committee continued to monitor key risks identified and mitigated, and how business segments and functions are performing to achieve the Company's strategy.

Composition and meeting

Members of the Committee are independent non-executive directors, all of whom are financially skilled and have extensive audit committee experience. The members are Messrs C Beggs, S Westwell, S Subramoney and Mss GMB Kennealy, NNA Matyumza and KC Harper. Mr S Subramoney was appointed as a member of the Committee effective 1 March 2021. We believe that the experience of the Committee members gives perspective and insight to the Committee's considerations and decisions.

The members gained further knowledge and experience of the business through management presentations and various site visits since their respective appointments. Mr C Beggs was designated as the Audit Committee financial expert in accordance with the US Securities and Exchange Commission (SEC) rules. None of the members serve on audit committees of more than three listed companies.

Ms GMB Kennealy has been appointed as chairman of the audit committee with effect from 1 September 2021 upon the retirement of Mr C Beggs on 31 August 2021. With the appointment of Ms Kennealy as chairman, the Board has designated her as the Audit Committee financial expert in accordance with the SEC rules.

The Committee met eight times during the financial year. All Committee members attended all meetings and were joined at these meetings by the Chairman of the Board, the President and Chief Executive Officer and the Chief Financial Officer. The Chairman reports to the Board on key matters arising after each of these meetings. At each meeting, the Committee meets separately during closed sessions with the President and Chief Executive Officer, management, internal audit and external audit.

Statutory duties

The Committee is constituted as a statutory committee of Sasol Limited in line with the Companies Act and accountable in this regard to both the Board and Sasol's shareholders. It is a committee of the Board in respect of all other duties the Board and US legislation assigns to it, and has been delegated extensive powers to perform its functions in accordance with the Companies Act and US corporate governance requirements. The Committee fulfilled all its statutory duties as required by section 94(7) of the Companies Act. The Committee also acts as the audit committee for all South African companies within the Sasol Group.

The Committee confirms that it has executed the responsibilities set out in section 3.84(g) of the JSE Listing Requirements.

A copy of the Committee's terms of reference is available on the Sasol website (www.sasol.com).

Significant financial statement reporting issues

Assumptions and estimates or judgements are a significant part of the financial reporting process and are evaluated carefully by the Committee ahead of the finalisation of Sasol's results announcements. The Committee reviewed in detail the main judgements and assumptions made by management, relevant sensitivity analyses performed, and the conclusions drawn from the available information and evidence, with the main areas of focus during the year set out below. Where appropriate, the Committee seeks input and views from the external auditor and encourages rigorous challenge on control, accounting and disclosure matters.

In addition to these main areas of focus, the Committee also covered matters relating to cost savings programmes, budgeting and forecasting, taxation and accounting policy choices.

Significant matters considered by the Committee

Key Issues	Judgments in Financial Reporting	Audit Committee Review	Conclusions
Fair, balanced and understandable reporting		• The Committee considered assurance from management that disclosures in Sasol's financial statements were fair, balanced and understandable. • The Committee evaluated the outputs of Sasol's Sarbanes Oxley Act section 404 (SOX) internal control process and reviewed issues on control deficiencies and remediation efforts. • Established via reports that there were no indications of fraud relating to financial reporting matters. • Assessed disclosure controls and procedures. • Considered matters of accounting, tax and disclosure issues raised by the external auditors. • The Committee obtained assurance on the skills and capabilities of resources.	• Having assessed all of the available information and the assurances provided by management, the Committee concluded that the processes underlying the preparation of Sasol's published financial statements were appropriate. • This included an assessment of progress made on the remediation of material deficiencies identified in the previous financial year, considering the results of the internal and external auditors' confirmation thereof.
Impairment and recoverability of assets carrying values	• Judgements and assumptions are applied by management in calculating the recoverable amount of the Cash Generating Units (CGUs) and determining the on-going appropriateness of the CGUs being used for the purpose of impairment testing. • These include assumptions on future pricing, future feedstock costs, net cash inflows and discount rates. • Judgements are also required in assessing the recoverability of overdue receivables and in deciding whether impairments are appropriate.	• The Committee assessed the appropriateness of the review of impairment triggers. • The Committee reviewed the discount rates for impairment testing and examined the assumptions including long-term oil and gas prices, refining margins, chemical prices and exchange rates. The pricing assumptions were benchmarked against external consultant views to ensure that they are reasonable and relevant. • For impairment reversals identified in the current year, the Committee assessed whether there has been a change in the underlying economic circumstances which caused the initial impairment. • Key impairment assessments and reversals reviewed by the Committee includes: – The Southern Africa integrated value chain assets including the prior period errors identified by management as described in note 1; – The US Phenolics assets; – The Ethylene Oxide / Ethylene Glycol (EO/EG) assets in North America; and – Shale gas assets in Canada.	• The Committee also supported management's recommendation to impair CGUs within the South African integrated value chain to the amount of R33,4 billion due to a significant strengthening of the ZAR/US$ exchange rate outlook and lower volumes. • Other impairments, including a full impairment of the US Phenolics business of R460 million. • In respect of the EO/EG assets, the Committee supported management's recommendation to reverse previous impairments of R4,9 billion, resulting from the re-assessment of CGUs to combine the EO/EG CGU with the Alcohol & Alumina CGU. • In respect of the Sasol Canada shale gas assets, the Committee supported management's recommendation to reverse previous impairments of R521 million, in order to measure the carrying value of the disposal group at its fair value less cost to sell. • The Committee considered management's assessment that the Company's assets are fairly valued in relation to its market value. • The Committee reviewed management's sensitivity analyses of recoverable amounts to obtain comfort on impairment results as described in note 10. • The Committee reviewed management's assessment relating to the prior period errors and concluded that the correction did not have a material impact on, nor require amendment of, any of the Company's previously issued or filed financial statements taken as a whole. • The Committee monitored the position of any material overdue receivables and any associated provisions.

Key Issues	Judgments in Financial Reporting	Audit Committee Review	Conclusions
Accounting for provisions	• **Post-retirement benefit obligations** Valuation of the post-retirement benefit obligation requires the use of assumptions in relation to uncertain future factors i.e. inflation rates, discount rates, salary increases and mortality rates. Judgement is also required in the measurement of the fair value of certain pension assets. • **Rehabilitation provisions** Provisions are recognised for the full future restoration and rehabilitation of production facilities to the end of its economic lives. Most of these activities will occur in the long-term and the requirements that will have to be met in future might be uncertain. Judgement is required in estimating future cost and cash outflows, discount rates, settlement dates, technology and legal requirements.	• The Committee received an update on the status of funding, investment and governance of pensions and other retirement benefits provided to current and former employees of Sasol. In addition, the Committee examined the assumptions used by management as part of its annual reporting process. • The Committee received briefings on the Group's rehabilitation provisions and asset retirement obligations, environmental remediation strategies, including the key assumptions used, the governance framework applied (covering accountabilities and controls), discount rates and the movement in provisions over time. • Considered the external auditors' assurance process which included the use of their Specialists in pension and environmental matters.	• The Committee reviewed the net post-retirement benefit assets in South Africa and Europe and the related surpluses. The Committee reconfirmed that Sasol is entitled to these surpluses in terms of the pension fund rules and supported the recognition thereof. The valuations are performed by qualifying independent third parties. • The Committee reviewed the rehabilitation provisions for compliance with legislation and consistent application of the accounting policy.
Accounting for financial instruments (in conjunction with the board's Capital Investment Committee)	• **Derivative financial instruments** Valuation of derivatives requires the use of assumptions in relation to uncertain future factors i.e. forward curves, volatility assumptions and discount curves. • **Hedge accounting** Designated hedge relationships are evaluated for effectiveness at each reporting period. Judgement is required in the measurement of effectiveness, and the methodologies utilised to calculate the effectiveness.	• The Committee reviewed the assumptions in the calculations, and critically assessed the competence, independence and objectivity of the financial instrument's specialists engaged to perform the valuations. • The Committee obtains updates at each reporting date as to the effectiveness of designated hedges, as well as risk factors for potential future ineffectiveness.	• The Committee reviewed the valuations undertaken by the external financial instrument's specialists, which supported the accounting entries. • The Committee reviewed the adequacy of the disclosures relating to derivative financial instruments.

Key Issues	Judgments in Financial Reporting	Audit Committee Review	Conclusions
Accounting for Income taxes	• Computation of the Group's Income tax expense and liability, provisions for potential tax liabilities, and recognition of deferred tax assets in terms of the Group's taxation policy. • Recognition of deferred tax assets in respect of accumulated tax losses and the assessment as to whether an entity can generate future taxable income, specifically in the areas where impairments were recognised, are underpinned by management judgement.	• The Committee reviewed the judgements exercised on tax provisions as part of its annual review of key provisions. • In relation to the recognition of the deferred tax assets, the Committee challenged management's expectations for future taxable income, specifically in the areas where impairments were recognised and in considering management's position, the Committee took into account the work and views of external audit. • The Committee reviewed adherence to the Group taxation policy including transparency and due regard to commercial and reputational risks. The effective tax rate is analysed by country to ensure accuracy and completeness. • The Committee considered management's assessment of the Group's tax exposures and the appropriateness of provisions recognised.	• A focus of the Committee was on tax litigation claims related to Sasol Financing International Limited. Following advice from external legal advisors and conclusions by management, as well as external audit, the Committee agreed with the accounting treatment and disclosures set out in note 13. • The Committee reviewed a report during the year from management on the Group's tax policy, approach to tax management and status of compliance. • The Committee requested and received a report from management detailing the key tax exposures across the Group against which provisions had been made and the methodologies used to determine the appropriate level of each provision based on management's assessment of the facts, circumstances and advice from our external tax and legal advisers.
Going concern assessment	• The conclusion by the Board to prepare the annual financial statements on a going concern basis requires management judgement on issues which include uncertain future forecasts of net group cash inflows, management's ability to achieve targets set as part of the comprehensive response plan strategy, net debt and financing facilities available and utilised by the Group, debt structure, debt maturity profile and covenants. The assessment was done for the foreseeable future based on current assumptions and stress tested against several scenarios.	• The Committee assessed the liquidity of Sasol based on the latest projected future cash flows and stress tested it using lower oil and product prices and stronger exchange rates. These projections were compared with cash balances and committed facilities available to the Group, after considering the Committee's assessment of management's ability to achieve targets set as part of the comprehensive response plan strategy, net debt and financing facilities utilised by the Group, debt structure, debt maturity profile and covenants.	• After examining the forecast and stress tested scenarios along with Sasol's ability to generate capital and raise funding in current market conditions, the Committee concluded that Sasol's liquidity and capital position was adequate to meet its obligations over the ensuing year and that the going concern basis of accounting is appropriate. • The external auditors have confirmed that the going concern basis is appropriate. • Accordingly, the Committee recommended to the Board the adoption by the Group of the going concern basis of preparation of the annual financial statements.

Report of the Audit Committee continued

Key Issues	Judgments in Financial Reporting	Audit Committee Review	Conclusions
Internal controls over financial reporting	• Management's conclusion relating to the effectiveness of internal controls over financial reporting require a certain degree of judgement. • A separate Board committee, the Capital Investment Committee reviews the implementation of the digital roadmap for Sasol and the security control environment. The Capital Investment Committee overseas the IT control environment. • The Capital Investment Committee reviews investment decisions, reports on capital expenditure and progress on projects against budgets.	• On a quarterly basis, the Committee assesses feedback from management on the status of the effectiveness of internal controls over financial reporting. This provides the Committee with an opportunity to directly challenge and question management on open and remediated material control issues and emerging risks. • The Committee scrutinises the status of specific material control issues and their associated remediation plans.	• Considering the results of combined assurance findings, the Committee considered responses to any fraudulent activity, results of SOX reviews and the remediation of weaknesses and the findings of internal and external audit. • The Committee reviewed the progress by management towards remediating the material weakness related to the LCCP control environment reported for FY19, and concluded that the remediation efforts have been successful in addressing the material weakness. • The Committee also reviewed the progress by management towards remediating the material weakness reported for FY20 in respect of the controls over the impairment assessment process, isolated to the assessment of the Southern Africa Energy value chain assets. • The Committee also noted that the FY20 material weakness has been expanded in respect of the controls over the impairment assessment process, relating to the Southern Africa integrated value chain assets.

Executing on our statutory duties and other areas of responsibilities

The Committee confirmed the going concern assumption as the basis of preparation of the interim and annual financial statements

- The Committee reviewed the interim financial results and annual financial statements and is satisfied that they fairly present the consolidated and separate results of operations, cash flows, the financial position of Sasol Limited and the Group and comply, in all material respects, with the relevant provisions of the Companies Act, International Financial Reporting Standards (IFRS) and Interpretations of IFRS as issued by the International Accounting Standards Board.
- Together with the going concern assessment, the Committee reviewed the Group's policies on risk assessment and risk appetite as they pertain to financial reporting and found them to be sound.
- The Committee considered the solvency and liquidity tests undertaken for specific transactions and distributions and considered and made recommendations to the Board in this regard.
- The Committee considered whether any reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 2005, and determined that there were none.

The Committee oversees the process relating to the quality and integrity of Sasol's integrated reporting

- The Committee guides the integrated reporting process, which includes reporting on all material matters including sustainability matters, having regard to all factors and risks, including any significant legal and tax matters and any concerns identified that may impact on the integrity of the integrated report or could have a material impact on the financial statements.
- The Committee relies on management, the external auditor, internal audit as well as the Group's independent ethics reporting telephone line and email to highlight any concerns, complaints or allegations relating to internal financial controls, the content of the financial statements and potential violations of the law or questionable accounting or auditing practices. Separate meetings are also held with management, the external auditor and internal audit every quarter.

The Committee is satisfied with the reporting process and confirms that where matters were raised by stakeholders, management has responded promptly

- With regards to the LCCP, the Committee is of the opinion that the remediation efforts have been successful in addressing the weaknesses identified within the project's capital cost estimation controls and procedures, and related oversight, and the proposed control improvements. The material weakness is considered closed at 30 June 2021.
- With regards to a material weakness that was identified in FY20 in respect of the controls over the impairment assessment process of the Southern Africa Energy value chain, the Committee has reviewed the remediation plan. While significant progress has been made to remediate the material weakness, as of 30 June 2021, the Company is still in the process of implementing some of the longer-term remediation controls. The Committee noted that during the execution of the remediation plan further errors were identified by management, resulting in a revision of the financial results of the prior periods, refer to note 1 of the annual financial statements. The FY20 material weakness has as a result been expanded to include the additional errors identified by management. The Committee will continue to monitor the additional remediation actions to be implemented closely and believes that management's actions will be effective in remediating the material weakness, as they continue to devote significant time and attention to these efforts.
- The material weakness will not be considered remediated until the design and implementation of the longer-term remediation controls are embedded and operate for a sufficient period and management has concluded, through testing, that these controls are operating effectively.

The Committee reviewed compliance with legal and regulatory requirements to the extent that it might have an impact on financial statements and is satisfied that all matters with a material impact have been disclosed appropriately

- The Committee considered the views of internal and/or external counsel and management in considering legal and ethics matters that could have a material impact on the Group.
- The Committee reviewed reports on the Group's tax position, status of tax litigation claims and the status of the Group's tax compliance globally and relevant fiscal developments impacting the Group.
- Together with the Nomination and Governance Committee, the Committee reviewed the adequacy and effectiveness of the Group's procedures to ensure compliance with financial, legal and regulatory responsibilities.

The Committee is satisfied that our external auditor, PwC, is qualified and independent of the Group

- The Committee has nominated the external auditor for re-appointment by the shareholders for the following financial year. Their appointment complies with the Companies Act, JSE listings requirements and all other applicable legal and regulatory requirements. PwC has been the auditor since 2014 and is in compliance with the relevant external audit partner JSE qualification and the rotation rules, whereby the lead engagement partner is required to rotate every five years. The current lead partner, Johan Potgieter, was appointed since 2019.
- Independence by the Independent Regulatory Board for Auditors and international regulatory bodies, PwC confirmed in an annual written statement that their independence has not been impaired.
- The Committee was assured that no member of the external audit team was hired by the Company or any other company within the Group in a financial reporting oversight role during the year under review.
- The auditor's independence was not impaired by any consultancy, advisory or other work undertaken by them for the Company or any previous appointment as auditor of the company or any other company within the Group.
- The auditor does not, except as external auditor, or in rendering of permitted non-audit services, receive any direct or indirect remuneration or other benefit from the Company or any other company within the Group. Permitted non-audit services are approved in line with and to the extent permitted by the policy on permitted non-audit services.
- The Committee satisfied itself that PwC, as well as the individual auditor determined by PwC to be responsible for performing the functions of auditor, were duly accredited as such on the JSE's list of auditors.
- PwC submitted reports relating to quality assessment reviews undertaken internally and by the Independent Regulatory Board for Auditors and the Public Company Accounting Oversight Board, together with progress on any remedial actions necessary. There are no significant matters to report to the shareholders.
- The quality of the external audit process was reviewed, and the Committee concluded it to be satisfactory. It was confirmed that no unresolved issues of concern exist between the Group and the external auditors.

Report of the Audit Committee continued

The Committee assessed the adequacy of the performance of the internal audit function and the adequacy of the available internal audit resources and found them to be satisfactory

- The Committee reviewed the assurance services charter and approved the risk-based integrated internal audit plan. We evaluated the independence, effectiveness, skills and experience and performance of the internal audit function and compliance with its charter and the Committee concluded these to be satisfactory.
- The Committee is satisfied with the effectiveness of the Chief Assurance Officer.

The Committee assessed the Company's internal controls over financial reporting as of 30 June 2021.

- The Committee gave attention to management's evaluation of the effectiveness of the Group's disclosure controls and procedures. Other than the material weaknesses noted below, Sasol has designed such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- The Committee considered the reports of the internal and external auditors on the Group's systems of internal control, including financial controls, enterprise risk management and maintenance of effective internal control systems. Significant issues raised and the adequacy of corrective action in response thereto, was reviewed.
- The Committee reviewed the plans and outputs of the internal and external auditors and concluded that these were adequate to address all significant financial risks facing the business.

Relating to the Group as a whole:

- Management has determined that the Company's internal control over financial reporting was ineffective due to remediation still being in progress on the material weakness identified in the South African integrated value chain impairment process. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of financial statements will not be prevented or detected on a timely basis. The material weakness will not be considered remediated until the applicable remedial controls are embedded and operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Notwithstanding the material weakness, the Committee believes that the consolidated annual financial statements present fairly, in all material respects, the Company's and Group's financial position, results of operations and cash flows as of and for the periods presented in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

The Committee assessed the finance function and Chief Financial Officer

- Our detailed assessment included the various specialist areas across the Group's finance function, and the Committee concluded that it is satisfied with the appropriateness of the expertise and experience of the Chief Financial Officer and the expertise, resources, succession plans and experience of Sasol's finance function.

Conclusion

The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference, as well as its statutory and other responsibilities for the 2021 financial year.

Having had regard to all material risks and factors that may impact on the integrity of the annual financial statements and following appropriate review, the Committee recommended the Company and Group annual financial statements of Sasol Limited for the year ended 30 June 2021 for approval to the Board.

On behalf of the Audit Committee

Colin Beggs
Chairman of the Audit Committee

16 August 2021

APPROVAL OF THE FINANCIAL STATEMENTS

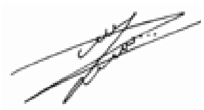
The Annual Financial Statements of the group and the company are the responsibility of the directors of Sasol Limited. In discharging this responsibility, the directors rely on the management of the group to prepare the consolidated and separate Annual Financial Statements presented on pages 20 to 158 in accordance with, and in compliance, in all material respects, with International Financial Reporting Standards (IFRS) and the Companies Act No 71 of 2008. As such, the consolidated and separate Annual Financial Statements include amounts based on judgements and estimates made by management.

The directors accept responsibility for the preparation, integrity and fair presentation of the consolidated and separate Annual Financial Statements and are satisfied that the systems and internal financial controls implemented by management are effective, including controls over the security over the group and company website and electronic distribution of annual reports and other financial information. Refer to the Directors' report on page 20.

Based on forecasts and available cash resources, the directors believe that the group and company is solvent and has adequate resources to continue operations as a going concern in the ensuing year. The Annual Financial Statements support the viability of the group and the company. These results were made public on 16 August 2021.

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the consolidated and separate Annual Financial Statements. The directors believe that all representations made to the independent auditors during their audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 13.

The consolidated and separate Annual Financial Statements were approved by the Board of Directors on 16 August 2021 and were signed on its behalf by:



Sipho Nkosi
Chairman

Fleetwood Grobler
President and Chief Executive Officer

Paul Victor
Chief Financial Officer

16 August 2021

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER'S INTERNAL FINANCIAL CONTROL RESPONSIBILITY STATEMENT

In line with paragraph 3.84(k) of the JSE Limited (JSE) Listings Requirements, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) hereby confirm that:

- the annual financial statements set out on pages 37 to 158, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- no facts have been omitted, or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the annual financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.
- we have assessed the effectiveness of internal control over financial reporting as of 30 June 2021. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control – Integrated Framework";
- we wish to draw attention to the existence of a material weakness in internal control over financial reporting. Refer to the Report of the Audit Committee page 3;
- notwithstanding this material weakness, management concluded that the financial information included in the Group's consolidated financial statements, present fairly, in all material respects, Sasol's financial position, results of operations and cash flows as of and for the periods presented in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

Fleetwood Grobler
President and Chief Execurive Officer

Paul Victor
Chief Financial Officer

16 August 2021

CERTIFICATE OF THE COMPANY SECRETARY

In my capacity as the Company Secretary, I hereby confirm, in terms of the Companies Act, 71 of 2008, that for the year ended 30 June 2021, Sasol Limited has lodged with the Companies and Intellectual Property Commission, all such returns and notices as are required of a public company in terms of the Companies Act, 71 of 2008, and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up-to-date.

M du Toit

16 August 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sasol Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sasol Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Sasol Limited's consolidated and separate financial statements set out on pages 37 to 158 comprise:

- the consolidated and company statements of financial position as at 30 June 2021;
- the consolidated and company income statements for the year then ended;
- the consolidated and company statements of comprehensive income for the year then ended;
- the consolidated and company statements of changes in equity for the year then ended;
- the consolidated and company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Certain required disclosures have been presented elsewhere in the document titled "Sasol Limited Annual Financial Statements for the year ended 30 June 2021", rather than in the notes to the financial statements. These are cross-referenced from the consolidated and separate financial statements and are identified as audited.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Our audit approach

Overview

Materially

Overall group materiality

- Overall group materiality: R1 357 million, which represents 4% of consolidated earnings before tax, adjusted for remeasurement items.

Group scoping

Group audit scope

- We conducted full scope audit procedures at 12 business units and limited scope audit procedures at a further 14 business units.

Key audit matter

Key audit matter

- Impairment assessment of property, plant and equipment and investments in subsidiaries.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality

R1 357 million

How we determined it

4 % of consolidated earnings before tax, adjusted for the following remeasurement items:

- Impairments and impairment reversals of property, plant and equipment and other assets; and
- Profit on disposal of assets and businesses.

Rationale for the materiality benchmark applied

We chose consolidated earnings before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. Consolidated earnings before tax is adjusted for impairments, reversals of impairments as well as profit on disposal of assets and businesses. These adjustments are not considered to be part of the Group's sustainable operating performance. We chose 4% which is less than the quantitative materiality thresholds used for profit-orientated companies in this sector, due to the impact of the volatile macro-economic environment on the Group's results.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

In scope business units were identified based on scoping benchmarks such as the business unit's contribution to key financial statement line items (consolidated earnings before tax, consolidated turnover and consolidated total assets), risk associated with the business unit and known accounting matters related to the business unit. We conducted full scope audit procedures at 12 business units and limited scope audit procedures at a further 14 business units.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group engagement team, or component auditors from other PwC network firms or other networks operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

The audits undertaken for group reporting purposes are in respect of the key reporting business units of the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of property, plant and equipment and investments in subsidiaries This key audit matter relates to both the consolidated and separate financial statements. Refer to note 10 (Remeasurement items affecting operating profit) and note 20 (Property, plant and equipment) to the consolidated financial statements, and to note 1 (Investments) and note 12 (Remeasurement items affecting operating profit) to the separate financial statements. At 30 June 2021, the consolidated statement of financial position includes property, plant and equipment amounting to R198 021 million, while the statement of financial position within the separate financial statements includes investments in subsidiaries amounting to R128 260 million. The Company's and Group's financial performance for the year ended 30 June 2021 improved compared to the prior year, mainly due to higher Brent crude oil and chemical prices, offset by a stronger rand/US dollar exchange rate, the continued impact of the COVID-19 pandemic and adverse weather events in North America. Continued macroeconomic, hydrocarbon and chemical price volatility, as well as higher long-term natural gas cost resulted in impairment indicators and impacted the Company and Group's assessment of the recoverable amounts of its assets. A significant part of the Group's operations and plants in Southern Africa and North America are, by design, integrated. Significant processes throughout the value chain, from feedstock to end products, are interdependent and linked. Amongst others, management performed impairment assessments for the South African Integrated Value Chain ("SAIVC") cash-generating units ("CGUs") and the Sasol North American Operations ("SNAO") CGUs, as disclosed in note 10 to the consolidated financial statements. Impairments of R33 413 million were recognised in total for the SAIVC CGUs, while a reversal of impairment of R4 934 million was recognised on the Ethylene Oxide/Ethylene Glycol ("EO/EG") CGU in the SNAO. In the separate financial statements, no impairments or impairment reversals were recognised as disclosed in note 12 to the separate financial statements. The impairment of property, plant and equipment and investments in subsidiaries was considered to be a matter of most significance to the current year audit for the following reasons: • The identification of CGUs within the Southern African and North American value chains and the related active market assessments as outlined in the Group's principal accounting policies in note 10 to the consolidated financial statements incorporate significant judgement; • The assets (and/or CGUs) and their related recoverable amounts are impacted by their own operational performance and the main assumptions and estimates used by management (such as crude oil prices, gas prices, chemical prices, growth rates, exchange rates and weighted average cost of capital ("WACC")), global economic conditions and market trends; • The impact of assets sold during the year or classified as a disposal group held-for-sale on the recoverable amount of the CGU; and • The magnitude of the current year's impairment charges and impairment reversals recognised.	**Identification of CGUs within the Southern African and North American value chains.** We assessed the appropriateness of management's defined CGUs within the Southern African and North American integrated value chains with reference to whether active markets exist for the output produced by the assets or groups of assets, the markets' ability to absorb products produced and access to the markets. We discussed the significant processes throughout the value chains with management in each of the business units to assess whether the markets available for feedstock and end products were consistent with our understanding of the business. We assessed the changes in regulatory environment, interdependence and integration of units within the SNAO, which formed the basis of management's reassessment of CGUs within the SNAO in the current year. Based on the work that we performed, we accepted management's defined CGUs within the Southern African and North American integrated value chains. **Impairment assessments of property, plant and equipment for all CGUs and investments in subsidiaries.** We benchmarked management's main assumptions used in the impairment calculations against external market and third party data and found management's assumptions to be comparable with such data. Management engaged external and internal experts to assess the reserves and resources used in the impairment calculations for reasonability. Through inspection of CVs, membership certificates from professional bodies and competent persons reports, we assessed the objectivity, competence and experience of management's experts. Making use of our corporate finance and financial modelling expertise: • we assessed the Company and Group's valuation models used in management's impairment assessments and found they were materially consistent with best practice; and • we independently recalculated management's WACC with reference to relevant third party sources and found management's WACC to be within an acceptable range. We assessed the mathematical accuracy of the cash flow models and agreed relevant data to the latest long-term business plans used by management to manage and monitor the performance of the business, whilst also performing a retrospective comparison of forecasted cash flows to actual past performance and previous forecasts. Furthermore, we assessed the impact of assets sold during the year or classified as disposal groups held-for-sale on the latest long-term business plans. We noted no material differences. We tested the operating effectiveness of internal controls relating to management's impairment of property plant and equipment and investments in subsidiaries. These procedures included, amongst others, controls over: • management's budgeting process to prepare, review and approve the long-term business plans; and • management's impairment trigger assessment and the preparation, review and approval of the impairment calculation. In addition to our overall response to impairment risk described above, we performed the following additional procedures over the Company's investments in subsidiaries: • Following a similar approach as described above, we assessed the appropriateness of management's identification of CGUs and which legal entities these form part of, and noted no exceptions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sasol Limited Annual Financial Statements for the year ended 30 June 2021", which includes the Directors' Report, the Report of the Audit Committee and the Certificate of the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the documents titled "Sasol Limited Integrated Report for the year ended 30 June 2021", "Sasol Limited Sustainability Report for the year ended 30 June 2021" and "Sasol Limited Climate Change Report for the year ended 30 June 2021", which are expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Sasol Limited for eight years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Johan Potgieter
Registered Auditor
Johannesburg, South Africa

16 August 2021

SHAREHOLDERS' INFORMATION

Shareholders' diary

Financial year-end	30 June 2021
Annual General Meeting	Friday, 19 November 2021

Dividends

Dividend payments are a fundamental part of shareholder returns. However, given the risk of a prolonged period of economic uncertainty, the Board believes that it would be prudent to continue with the suspension of dividends for financial year 2021. Refer to the Directors' Report on page 20.

SHARE OWNERSHIP
at 30 June 2021

Public and non-public shareholding of Sasol ordinary shares	Number of shareholders	% of shareholders	Number of shares	% of ordinary shares
Public[1]	153 696	99,98	515 636 543	82,12
Non-public	27	0,02	112 276 446	17,88
Directors and their associates	3		37 466	
Directors of subsidiaries and their associates	19		102 275	
The Sasol Khanyisa Employee Share Ownership Plan	1		265 910	
Sasol Employee Share Savings Trust	1		516 774	
Sasol Share Savings Trust	1		1 931 655	
Sasol Pension Fund	1		2 030 908	
Government Employees Pension Fund	1		107 391 458	
	153 723	100	627 912 989	100

1 The Sasol Foundation Trust forms part of Public.

Public and non-public shareholding of Sasol BEE ordinary shares*	Number of shareholders	% of shareholders	Number of shares	% of Sasol BEE ordinary shares
Public[1]	202 036	100,00	6 215 336	98,17
Non-public	7	–	116 011	1,83
Directors and their associates	3		211	
Directors of subsidiaries and their associates	2		236	
The Sasol Khanyisa Employee Share Ownership Plan	1		6 402	
Sasol Share Savings Trust	1		109 162	
	202 043	100	6 331 347	100

* The Sasol BEE Ordinary shares were listed on the JSE with effect from 7 February 2011.
1 The Sasol Foundation Trust forms part of Public.

There have been no change in directors' interests since 30 June 2021 and the date of these financial statements.

Major categories of shareholders	Number of shares	% of total issued securities[1]
Category		
Unit trusts	125 343 364	19,76
Pension and provident funds	166 950 995	26,32
Government of South Africa	53 266 887	8,40
Sovereign wealth funds	29 568 797	4,66
Insurance companies	26 625 961	4,20
American Depository Receipt holders	38 357 534	6,05
Black Economic Empowerment transaction participants[2]	6 331 347	1,00

1 Includes 627 912 989 Sasol Ordinary shares and 6 331 347 Sasol BEE Ordinary shares.

2 Comprises Sasol BEE Ordinary shares held by the public, The Sasol Khanyisa Employee Share Ownership Plan Trust and The Sasol Foundation Trust.

Major shareholders

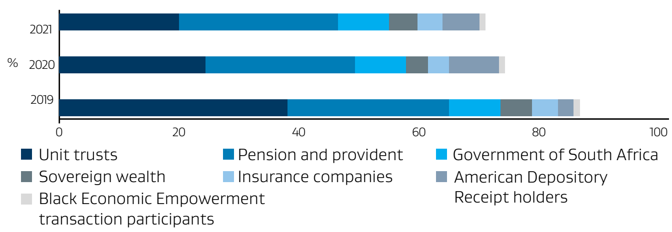
Pursuant to Section 56(7) of the South African Companies Act, 2008, the following beneficial shareholdings equal to or exceeding 5% as at 30 June 2021 were disclosed or established from enquiries:

Major categories of shareholders	Number of shares	% of total issued securities
Government Employees Pension Fund	107 391 458	16,93
Industrial Development Corporation of South Africa Limited	53 266 887	8,40

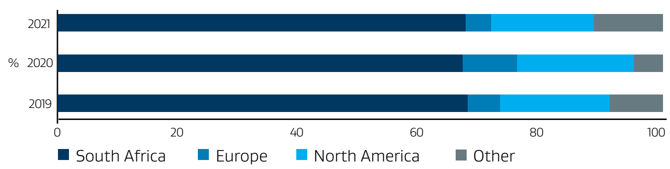
Furthermore, the directors have ascertained that some of the shares registered in the names of nominee holders are managed by various fund managers and that, at 30 June 2021, the following fund managers were responsible for managing investments of 3% or more of the share capital of Sasol Limited.

Fund Manager	Number of shares	% of total issued securities
PIC Equities	88 753 411	13,99
Industrial Development Corporation of South Africa Limited	53 266 887	8,40
Allan Gray Investment Counsel	35 084 445	5,53
Prudential Investment Managers	31 030 641	4,89
Ninety One SA (Pty) Ltd	28 971 455	4,57
Old Mutual Limited	25 424 212	4,01
Black Rock Incorporated	20 895 281	3,29
The Vanguard Group Incorporated	20 133 548	3,17
Sanlam Investment Management	19 252 626	3,04

Beneficial ownership by fund type



Beneficial ownership by geographic region



DIRECTORS' REPORT

(Sasol Limited: Company registration number 1979/003231/06)

Dear stakeholder,

The board of directors is pleased to present the annual financial statements of Sasol Limited for the year ended 30 June 2021.

The Board continued to closely consider Sasol's strategic direction and longer-term decisions to ensure that we preserve and enhance the value of Sasol and, in so doing, protect the interests of all our stakeholders.

Nature of business

Sasol Limited, listed on the JSE Limited (JSE) on 31 October 1979 and on the New York Stock Exchange (NYSE) on 9 April 2003[1], is incorporated and domiciled in the Republic of South Africa and is the ultimate holding company of the Group.

Sasol is a global integrated chemicals and energy company. Through our talented people, we use selected technologies to safely and sustainably source, produce and market chemical and energy products competitively to create superior value for our customers, shareholders and other stakeholders.

More detail on the nature of our business and the businesses of our significant operating subsidiaries and incorporated joint arrangements (set out on pages 99 to 103) can be found in our Integrated Report.

Group results

Sasol delivered a strong set of results for the year ended 30 June 2021. Earnings before interest and tax (EBIT) of R16,6 billion increased by more than 100% compared to the prior year. This performance was underpinned by a strong cost, working capital and capital expenditure performance, despite the continued impacts of the COVID-19 pandemic and adverse weather events that impacted our operations in North America and South Africa. A notable gross margin recovery was recorded in the second half of the financial year, supported by the combined impact of higher Brent crude oil and chemicals prices, offset by a stronger rand/US dollar exchange rate.

The Chemicals business benefitted from higher chemical basket prices, which were 17% higher compared to the prior year. This resulted in a 6% revenue increase compared to the prior year. Sales volumes were only 3% lower compared to the prior year, notwithstanding adverse weather events and the divestments of the US base chemicals assets.

EBIT for the Chemicals business increased by more than 100% to R19,8 billion compared to a loss of R95,5 billion in the prior year, with significantly lower remeasurement items recorded in the financial year. Remeasurement items for the financial year include impairments related to our Wax (R7,9 billion) and Chlor-Vinyls (R1,1 billion) cash-generating units (CGUs). These were offset by a reversal of a prior year impairment of R4,9 billion, (US$0,3 billion), relating to the US Ethylene Oxide/Ethylene Glycol (EO/EG) CGU. Excluding remeasurement items, our EBIT increased by more than 100% compared to the prior year.

The Energy business saw a strong recovery in liquid fuels demand following the easing of lockdown restrictions in South Africa and higher Brent crude oil prices in the second half of the financial year. EBIT was impacted by an impairment of R24,5 billion on our Secunda liquid fuels refinery, resulting in a loss of R8,3 billion for the financial year, compared to the prior year loss of R3,3 billion. Excluding remeasurement items, EBIT increased 63% compared to the prior year, supported by improved sales volumes, higher average oil prices and derivative gains recorded in current year which were partially offset by the impact of a stronger Rand/US dollar exchange rate and softer refining margins.

Earnings were mainly impacted by the following non-cash adjustments of which the net amounted to R15,4 billion:

- Net impairments of R28,7 billion mainly due to adjustments to our long-term exchange rate outlook and higher cost to procure gas in the longer term;
- Net profit on disposal of businesses of R2,2 billion, including the Air Separation Units;
- R3,4 billion gain on the realisation of the foreign currency translation reserve (FCTR), mainly on the divestment of 50% interest in the LCCP Base Chemicals Business;
- Gains of R5,5 billion on the translation of monetary assets and liabilities due to a 18% strengthening of the closing rand/US dollar exchange rate compared to June 2020; and
- Gains of R2,3 billion on the valuation of financial instruments and derivative contracts.

Financial results

Cash generated by operating activities increased by 6% to R45,1 billion compared to the prior year. This, together with the asset divestment programme, enabled the repayment of approximately R81 billion of debt, including the settlement of our ZAR banking facilities of approximately R4 billion.

Actual capital expenditure amounted to R16,4 billion compared to R35,2 billion during 2020. The reduction in capital expenditure was not at the expense of maintaining our asset integrity through an optimised asset risk management process.

Our Net debt to EBITDA ratio at 30 June 2021, based on the Revolving Credit facility and US dollar Term Loan covenant definition, was 1,5 times, significantly below the agreed threshold level. Although this ratio meets our targeted net debt to EBITDA level, we will continue in our efforts to reduce leverage and absolute debt levels further. This will create valuable financial flexibility as we execute our Future Sasol strategy in the midst of an uncertain macro-economic environment. Our objective remains to steer the balance sheet metrics toward restoration of our investment grade levels. Full details of our updated capital allocation framework will be shared at our upcoming Capital Markets Day presentation.

During the year bonds of US$1,5 billion (R21,4 billion) were issued and listed on the New York Stock Exchange. As at 30 June 2021, our total debt was R102,9 billion compared to R189,7 billion as at 30 June 2020. During the year, we utilised proceeds from our asset divestments to repay the US Dollar syndicated loan, a portion of our Revolving credit facility (RCF) and term loans, reducing our US dollar denominated debt by almost R76 billion (US$5 billion).

Our gearing decreased from 117,0% at 30 June 2020 to 61,5% at 30 June 2021 mainly due to repayment of US dollar debt and a stronger closing rand/US dollar exchange rate.

As at 30 June 2021, our liquidity headroom was R84 billion (US$5,9 billion) well above our outlook to maintain liquidity in excess of US$1 billion, with available Rand and US dollar-based funds improving as we advance our focused management actions. We continue to assess our mix of funding to ensure that we have funding from a range of sources and a balanced debt maturity profile. We have no significant debt maturities before November 2022 when the US$1 billion bond becomes due.

We continue to manage the balance sheet with the objective of maintaining a healthy liquidity position and a balanced debt maturity profile.

Year under review

COVID-19

COVID-19 was declared a global pandemic in March 2020. Management's response to the pandemic has been guided by the relevant national authorities and international guidelines issued by the World Health Organization. The Group continues to operate under strict conditions across all operations. Management's efforts to mitigate the COVID-19 pandemic have resulted in minimal disruption across all our operations this year. Management continues to prioritise the health and safety of all employees.

Asset disposals

The following asset disposals were completed during the year:

US LCCP Base Chemicals

The divestment of 50% of our US LCCP Base Chemicals business for approximately R30 billion (US$2 billion). The transaction successfully closed on 1 December 2020 and the 50/50 Louisiana Integrated Polyethylene joint venture ("JV") with LyondellBasell was established, where LyondellBasell operates the JV assets on behalf of the JV and markets the polyethylene products.

Gemini HDPE LLC

Divestment of our 50% equity interest in the Gemini HDPE LLC for a consideration of R5,9 billion (US$404 million). This was successfully closed on 31 December 2020.

Air Separation Units (ASUs)

The sale of Sasol’s sixteen air separation units (ASUs) and associated business in Secunda to Air Liquide Large Industries South Africa Proprietary Limited ("Air Liquide") for a consideration of approximately R8,1 billion. The transaction successfully closed on 24 June 2021 and Air Liquide has taken full ownership and overall responsibility for managing the ASUs to maintain the agreed quantity and quality of gases supplied to Sasol.

Gabon oil producing assets

The Company disposed of Sasol’s 27,8% working interest in the Etame Marine block offshore Gabon (producing asset with proven reserves), as well as Sasol’s 40% non-operated participating interest in Block DE-8 offshore Gabon (exploration permit). The Etame transaction closed on 25 February 2021 and the DE-8 transaction closed on 4 May 2021 with a total cash consideration for both assets of R663 million (US$44 million) including a US$5 million contingent payment related to the Etame transaction.

A number of assets were furthermore classified as disposal groups held for sale at 30 June 2021, refer to note 12 of the financial statements.

Share capital

Share repurchase programme

No shares were repurchased during the year.

Shares held in reserve

680 163 235 (2020: 682 041 814) authorised but unissued ordinary shares of the company are held in reserve.

Note 16 of the consolidated financial statements provides further details regarding the share capital of Sasol Limited.

American depositary shares

At 30 June 2021, Sasol’s ADR program (managed by J.P. Morgan Chase Bank, and listed on the NYSE) had 38 357 534 (2020 – 52 112 426) American depositary shares (ADS) in issue. Each ADS represents one ordinary share.

Share schemes

Note 36 provides detail on the various share-based payment schemes in place, including the Sasol Share Incentive schemes and Sasol Khanyisa transaction.

Details on the material shareholdings for the group, including any shareholdings of directors, are provided under shareholder’s information on pages 18 to 19.

Directors' report continued

Dividends
Dividend payments are an important part in the Group's capital allocation framework. However, given risk of a prolonged period of economic uncertainty, the Board believes that it would be prudent to continue with the suspension of dividends. This will allow us to continue to protect our liquidity in the short-term and focus on reducing leverage in order to create a firm platform to execute our strategy and drive long term shareholder returns. We expect the balance sheet to regain flexibility following the implementation of our comprehensive response plan.

Going concern
Based on the going concern assessment (refer to note 2), the Board is of the view that the company and group have adequate resources to continue in operation for the foreseeable future and accordingly, the annual financial statements have been prepared on a going concern basis.

Subsequent events
During July 2021, social unrest and widespread protest action flared in certain parts of South Africa impacting the movement of product from refineries, warehouses and the national ports. The impact of this unrest in South Africa resulted in a delay in shipments impacting the timing of sales over July and August 2021.

In addition, Transnet, who is a key service provider that manage the South African rail, port and pipeline infrastructure was the target of a ransomware cyber-attack that compromised all their systems. As a result, the supply chain activities contracted to Transnet were impacted for the duration of their systems being offline. The cyber-attack on Transnet primarily affected operations at several container terminals and interrupted cargo movement. These issues have subsequently been resolved.

Change in directorate
Mr S Subramoney was appointed as independent non-executive director and member of the Audit Committee with effect from 1 March 2021 and the Company announced the appointment of Ms GMB Kennealy, an independent non-executive director, as Chairman of the Audit Committee with effect on 1 September 2021 upon the retirement of Mr C Beggs as independent non-executive director and Chairman of the Audit Committee on 31 August 2021.

Auditors
PricewaterhouseCoopers Inc. (PwC) was the external auditor of Sasol Limited and its significant subsidiaries for the financial year ended 30 June 2021.

At the Annual General Meeting of 19 November 2021, shareholders will be requested to re-appoint PwC as auditor of Sasol Limited and to note that Mr J Potgieter will be the individual responsible for performing the functions of the auditor, following the Audit Committee's decision to nominate the firm PwC as its independent auditor for the financial year commencing 1 July 2021.

Company Secretary
The company secretary of Sasol Limited is Ms M du Toit. Her business and postal addresses appear on the inside back cover.

REMUNERATION REPORT | CHAIRMAN'S LETTER

> "The Committee's key task is to ensure that executive remuneration is aligned with stakeholder value creation in the context of the short, medium and long-term strategy. On the back of a much improved set of business results, we believe that this alignment has been achieved."

Mpho Nkeli
Chairman of Remuneration Committee

KEY MESSAGES

- Acting on stakeholder feedback at the AGM
- Reviewing our Remuneration Policy in the context of continual value creation for all stakeholders and our Future Sasol strategy
- COVID-19's continuing impact on business results and resultant reward outcomes

Dear stakeholder

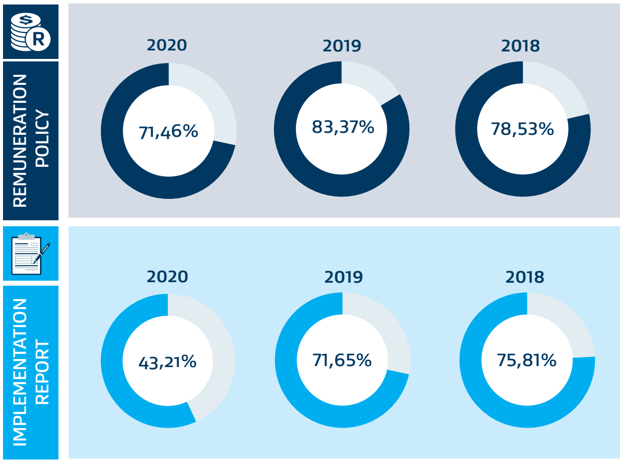
This report provides an overview of Sasol's Remuneration Policy, the incentive targets that support the Group's priorities as well as the reward outcomes for Executive Directors and Prescribed Officers informed by performance against targets.

It also details the feedback received from shareholders in 2021 and the actions the Committee took to address these, as well as the impact of COVID-19 on remuneration decisions. The past financial year has proven to be yet another challenging year due to the continued impact of COVID-19 on our employees, our customers, the communities in which we operate and the global economy. Although the demand for our products improved during the second half of the financial year, extreme weather events in the US Gulf Coast and in South Africa disrupted our operations during the FY21 year. Despite these devastating impacts, our business results have steadily improved over the reporting period showing our resilience during adverse times. The Committee is grateful to all Sasol people for their support and understanding of actions taken in 2020 and for their focused delivery of our priorities in 2021.

Shareholder feedback

At our Annual General Meeting (AGM) in November 2020, support for the Remuneration Policy dropped to 71,46% from 83,37% in 2019. But more disappointing was the fact that only 43,21% of shareholder votes were in support of the non-binding advisory resolution on the Implementation Report, compared to 71,65% in 2019.

To address this sharp reduction in support, Sasol invited shareholders via a SENS announcement and email invitations to the 40 largest investors to virtually meet with me to discuss their concerns and reasons for their dissenting votes. I am grateful for the time that many of our investors devoted to these online meetings, for their transparent feedback and suggestions, certain of which are reflected in policy changes that the Committee subsequently made, remaining mindful of the impact of its decisions on all stakeholders.



Focus areas in 2021

- Simplification of the short-term incentive (STI) formula with only one group incentive scorecard;
- Review of target incentive awards. Target LTI awards for the CEO and CFO were reduced;
- Extension of minimum shareholding requirements (MSRs) to Prescribed Officers;
- Review of the LTI plan design principles to include some restricted shares for Prescribed Officers and Executive Directors with a five-year vesting period;
- Review of all STI and LTI targets to align with Future Sasol priorities and include a holistic focus on sustainability matters;
- Review of the peer group to include a balance of South African listed companies, energy and chemicals companies that represent our product range of mining, chemicals, fuel and gas, geographical footprint and enterprise value;
- Delayed special salary adjustments for certain categories of employees; and
- Review of Non-Executive Director (NED) fee structure.

Details of the policy changes are in the policy section of this report. The following table summarises the concerns raised as well as Sasol's responses:

Shareholder concerns	Sasol's responses
• STI and LTI targets not directly related to the reduction of greenhouse gasses.	We will improve our climate change targets as we implement projects that will directly reduce emissions. These projects will align with our Climate Change Roadmap and long-term ambition.
• The peer group used for remuneration benchmarking does not include enough chemicals companies or SA-listed entities.	We again reconsidered the peer group and have approved a combination of JSE listed, chemicals and energy companies (see page 33).
• Short-term incentive (STI) targets should continue to be relevant as the business transitions to the Future Sasol strategy.	The Committee annually reviews the STI and LTI targets to ensure ongoing relevance as well as appropriate stretch to incentivise achievement across a range of financial and non-financial targets which are informed by the group's key priorities ensuring value creation for our stakeholders.
• Return on Invested Capital (ROIC) should be reconsidered as a LTI target.	We will reconsider the use of ROIC as we annually review all targets in our LTI plan. For FY22, we believe that a return on capital invested into large scale projects is still an appropriate metric.
• NED Fees are too high in relation to the company market capitalisation.	We revised the fee structure for NEDs. This will be tabled for shareholder approval at the 2021 AGM.
• Mutual separation packages agreed to for previous Joint-CEOs.	The Board had considered the terms of the mutual separation agreements with the Joint-CEOs to have been appropriate in the circumstances; however, understands and acknowledges the views of shareholders on this matter.

COVID-19 and its impacts

Tragically, by 30 June, 2021, 63 Sasol employees had succumbed to COVID-19. We mourn their loss and extend our sincere condolences to their families, friends and colleagues. Sasol continues to provide various forms of COVID-19 support to employees, including access to emotional wellbeing programmes, supplying them with hand sanitizers and face masks and amending work practices and shifts to ensure social distancing wherever possible. The Group continues to encourage those employees who can work from home to do so. Those exposed to COVID-19 or who fall ill from the disease are granted paid leave for the period of absence. No employees have had to claim from the South African government's COVID-19 relief fund to replace salaries lost because of suspended operations nor had to take unpaid leave.

The spread of COVID-19, the oil price collapse and volatility in chemical prices in 2020 came at a time when Sasol's balance sheet was at peak gearing. This necessitated a reset of Sasol's strategy and a revision of its operating model. In November 2020, the Group launched Sasol 2.0, a plan to get to Future Sasol which included a revised purpose and refreshed values. The new operating model required a review of the organisational design, a process which was completed in the last quarter of 2021. Mindful of the impact that all this change would have on employees, Sasol management further increased its engagement with employees, ensuring comprehensive and regular communications.

Preserving jobs was a key objective during the year. There were 1 355 employees who were displaced, or impacted by divestitures and 766 voluntary severance packages were approved. Sasol provided impacted employees with access to emotional and financial planning support programmes to assist them in their transition. As far as possible, the Group worked to ensure that those employees transferred to new entities were offered remuneration and benefits similar to those offered by Sasol.

The Committee's most difficult decision in August 2020 was to waive salary increases and short-term incentives for most employees to conserve cash and protect jobs. This was even though the Group had met some of the incentive targets in 2020 which would have ordinarily resulted in a pay-out of incentives in September 2020. However, in the last quarter of 2021, in recognition of the delivery against the Sasol 2.0 targets, the Committee approved limited salary increases on a partial retroactive basis for those employees in role categories below Leadership; Senior and Executive Management were excluded from this process.

The Board also resolved to extend until November 2021, the 20% Board fee sacrifice agreed to by NEDs in May 2020 and resident NED fees were not increased to the approved levels.

Reward outcomes | 2021

For 2021, the Committee made no changes to inflight LTI awards nor to the STI or LTI plan targets that were set for this financial year, nor have the outcomes been adjusted for COVID-19 related impacts.

Performance against the STI targets were mostly at or ahead of target with a total score of 117% of the maximum of 150%. This was after the application of a 3% penalty due to the tragic loss of one of our employees due to a work-related accident at Natref. The Committee was particularly pleased with the management of costs and the excellent progress made with the asset disposal programme to avoid a Rights Issue. The High severity injury rate was exceptional and we are satisfied with the delivery of the Climate Change Road maps.

The Committee believes that this outcome is a fair representation of the excellent results which were achieved in 2021 across all financial and non-financial metrics.

The vesting of LTIs which were issued in 2018, subject to performance targets over the period 1 July 2018 – 30 June 2021, will for members of the GEC, subject to further service criteria being met, vest at 44,7%. This represents ~17% of the original award value due to the share price depreciation and low level of vesting.

The year-on-year increase in remuneration totals on the single figure tables is as a result of the termination of the salary and pension contribution sacrifice in 2021, which was introduced in May 2020 and the STI which was awarded for the first time since 2018.

The Committee will propose to shareholders a revised non-executive director (NED) fee structure. For NEDs domiciled outside of the UK, Europe or North America, a cost of living factor and a fixed exchange rate will be applied.

Independent advice

Alvarez & Marsal Taxand, UK (A&M) continued to act as independent external advisors to the Committee. A&M provided information on global reward trends and market insights into discussions on executive reward matters. A&M does not provide any other services to Sasol.

An external review of the remuneration policy was also conducted for management by Mr Martin Hopkins, Head: Reward Advisory Services, Bowmans Law, which confirmed that the Remuneration policy complies with statutory and governance requirements, are aligned with peer groups and more importantly, our short-term and long-term priorities.

The Committee was satisfied with the advisors' independence.

Looking forward

Many changes have been made to the reward policy in the past two years and the Committee feels that it should now allow time for these changes to be implemented. We will continue to ensure that ESG issues receive the necessary attention, and to this end, incentive targets for 2022 have a more specific focus on Sasol's drive to reduce carbon emissions and adopt a holistic approach in the incentive plans on ESG matters balanced with the requirement to continue to deliver financial returns to our shareholders.

Decarbonising our operations is a cornerstone of our strategy and is carefully balanced with other priorities to ensure a sustainable future. Key interventions which will result in step change reductions in our emissions will be incentivised as appropriate.

Because the Group has high levels of debt, it is focused on cash fixed cost management and prudent capital allocation. To motivate employees to work together to stabilise the new operating model, the Committee has agreed to re-introduce the Business Unit scorecard in the STI calculation for 2022.

As most employees did not receive a full increase, nor any STI in 2020, the Committee approved annual salary increases for employees in 2021. These are aligned with forecast salary market movements in relevant Sasol jurisdictions. There is also a renewed focus on the retention of key employees. Therefore, a portion of the LTIs to Group Executive Committee members will continue to be in restricted shares with a five-year vesting period also enabling them to work towards meeting the minimum shareholding requirements. Incentive targets have been reviewed and will align closely with our strategic priorities for 2022.

In closing

The Committee remains committed to ensuring that Sasol's Remuneration Policy and the implementation thereof is fair and responsible, enabling the achievement of the Group's strategic priorities including value creation for our shareholders, clients, communities and employees. The Committee is satisfied that the policy meets the agreed objectives and that the remuneration outcomes for this year reflect alignment between performance and rewards and, are appropriate and fair considering what was achieved over the past year. Ultimately, our success will be reflected in the Sasol share price which significantly contributes to the reward outcomes of our executive team.

I would like to thank our shareholders for engaging with me and look forward to their endorsement of the advisory votes on our Remuneration Policy and Implementation Report at the 2021 AGM. I would also like to extend my personal thanks to the Committee members for their support, input and guidance over the past year.

Mpho Nkeli
Chairman of the Remuneration Committee

10 August 2021

Report of the Remuneration Committee continued

This first part of the report describes the roles and responsibilities of management at Sasol and provides an overview of Sasol's remuneration philosophy and policy as well as remuneration elements.

Remuneration Policy

Our Remuneration Policy is a crucial enabler of Sasol's strategy. A sustainable, high-performance and values-driven culture remains the key objective. The policy design strives to provide competitive, market-aligned pay while balancing the need for cost containment, risk management and value creation to stakeholders.

Remuneration Philosophy

- Sasol's Remuneration Philosophy is to use internally equitable and externally competitive yet affordable salary, benefits and incentive structures to attract, retain and motivate qualified, skilled and engaged employees to work towards achieving Group strategic objectives in a values-driven manner and to create stakeholder value responsibly and sustainably.
- We strive to offer a balanced mix of remuneration programmes to all employees benchmarked on average to the market median with actual distribution around the median based on performance.
- Executive remuneration has a strong link to shareholder interests, particularly the design of variable pay structures.
- In setting incentive metrics, we consider value drivers which are mostly within management's control.
- The remuneration mix depends on the position in the organisational structure as well as geographical market practices.
- Entry-level salaries are either determined by the company, negotiated through collective bargaining or determined by national legislation. Our minimum wage is higher than what is considered a living wage for each jurisdiction and is enhanced by benefits offered under our employee value proposition.
- No form of unfair discrimination will be tolerated, and salary differentials are substantiated through defensible principles included in our Remuneration Policy.
- Rewards offered is a cornerstone of our employee value proposition and well-integrated with the total employment offering.
- Appropriate approval processes are in place to prevent conflicts of interest and to mitigate risks that may unintentionally result from our remuneration programmes.
- The Committee is empowered to intervene in exceptional circumstances when formulaic outcomes appear to be inappropriate and/or not aligned with business performance.

For clarity, the following terms are used for reporting purposes:

Role category[1]	President and CEO	GEC – CFO, other Directors and Prescribed Officers	Senior Vice Presidents (SVP) – Group leadership	Vice Presidents (VP) – leadership	Senior Management
Description	Enterprise-wide accountability for the Group, reporting to the Board.	The GEC has the ultimate authority within the organisation to set the strategy and direction for the Group, to be approved by the Board.	SVPs have global or end-to-end responsibility for an operating model entity/large Business Segment/Regional Business Platforms/ Group function, to ensure that their area of accountability aligns strategically with the Business Unit (BU) or Group's direction. Develops and sets strategic BU or OME guidelines, policy and frameworks.	VPs have regional, sector or function-specific responsibility for a portion of a BU or Group function. VPs contribute to strategy formulation and then translates this into tactical plans, policies and processes.	Experienced professionals, specialists and experienced tactical leaders who drive performance through specific areas of specialisation or the management of resources.
Number in 2021 (2020)	1 (1)	7 (8)	26 (36)	149 (195)	1 023 (1 061)

1. We occasionally refer to Top Management in the report, which includes the President and CEO, GEC and Senior Vice Presidents.

Remuneration Committee governance

Sasol complies with the relevant remuneration governance codes and statutes that apply in the various jurisdictions within which it operates.

The Committee is appointed by the Board to assist in ensuring that the Group remunerates its employees fairly, responsibly and transparently by implementing affordable, competitive and fair reward practices to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term. The Committee's Terms of Reference and the Group Remuneration Policy are available at www.sasol.com.

The President and CEO, the EVP: Human Resources and Stakeholder Relations, and the VP: Global Rewards and Human Resources Information System (HRIS) attend Committee meetings by invitation. Members of management are recused from meetings when their own remuneration is discussed. In all meetings, the Committee discusses and confirms all decisions taken, without management present. A&M Managing Director Mr David Tuch acts as an independent advisor for the Committee.

The President and CEO tables the performance of all Prescribed Officers to the Committee to inform the decisions to award annual increases and incentive pay-outs. The Chairman of the Board tables the performance outcomes and proposed rewards for the Executive Directors at the Committee which recommends it for approval to the Board.

All incentive pay-outs, as well as the vesting of LTIs will vest subject to the performance period ending June 2021, and were approved on the basis of actual performance against previously approved metrics.

Regulatory compliance

Our reporting aligns with:

- South African Companies Act requirements;
- Principles and recommended practices of King IV™;
- Requirements of the Securities and Exchange Commission (SEC) for secondary issuers; and
- The Johannesburg Stock Exchange (JSE) Listings Requirements.

The following table provides an overview of the remuneration elements and strategic intent of each component:

Fixed pay – Policy and strategic intent	Fixed pay – Application	Outcomes 2021
Base salary or Total Guaranteed Package (TGP) depending on location. Broad pay bands set with reference to location and sector median benchmarks that reflect the complexity, scope and scale of our business to ensure that we attract and retain the employees required to drive the Group's key objectives. The Committee approves the cost of annual increases after considering market and economic data as well as affordability. Mandates are provided for salary increase negotiations with recognised trade unions and works councils. **Strategic intent:** • Attraction and retention of key employees • Internal equity and external competitiveness • Affordability • Recognition of competence and/or individual performance	Employees in countries other than South Africa and employees in the South African bargaining sectors are paid a base salary rather than a TGP. In South Africa, the minimum wage we pay is compared with the living wage for a family as provided by Trading Economics. The total employment cost of salaries, benefits, allowances and incentives for the lowest level mining employee with 3 dependants on the medical scheme, is R275 904 per annum. Salaries are paid monthly to all employees except for those in the United States and Canada who receive bi-weekly payments. Employees who are promoted are considered for salary adjustments where justified. For employees outside the collective bargaining sectors, annual increases are processed with effect from 1 October. These typically comprise of an across-the-board increase and a portion at management's discretion. Other employees receive across-the-board increases with effect from 1 July. Outside of South Africa, annual salary increases are also negotiated with trade unions and works councils in the US, Germany and Italy.	No annual salary increases were approved for employees in July/October 2020. However, in some jurisdictions such as the US and Germany, multi-year agreements had to be honoured. The Committee however agreed during H2/2021 to increase the salaries of employees below Leadership in recognition of the outstanding efforts to achieve the Sasol 2.0 targets. The increase was linked to the market movement in salaries over the period and was effective 1 January 2021 for employees covered by collective bargaining agreements and on 1 April 2021 for supervisory and managerial employees, provided that the employee had been in service since 1 January 2020 and had not received any interim or promotional adjustment since. No member of Leadership or Executive management benefited from this increase. From 1 May to 31 July 2020, 6 900 employees took a salary sacrifice of 10% to 24%, depending on their roles and 11 500 agreed to a pension fund employer contribution sacrifice realising ~R460m in cash fixed cost savings.

Report of the Remuneration Committee continued

Benefits and allowances – Policy and strategic intent	Benefits and allowances – Application	Outcomes 2021
Benefits include, but are not limited to, membership of a retirement plan, healthcare and risk cover to which contributions are made by both Sasol and the employee. In South Africa, these apply to employees outside of collective bargaining structures. Allowances are paid in terms of statutory compliance or as are applicable in a sector/jurisdiction. A number of special allowances including housing, cost of living, home-leave and child education are included in the Group's Expatriate Policy. **Strategic intent:** • Compliance with legislation or co-determination agreements. • Strengthening of the employee value proposition where benefits are offered as a general market practice. • To protect cost of living for employees on expatriate assignments.	Benefits are offered for retirement, for reasons of sickness, disability or death. Beneficiaries of employees who pass away while in service receive an additional insurance pay-out. The quantum depends on which retirement plan they belonged to. Allowances are linked to roles within specific locations and are paid together with salaries. Expatriate benefits and allowances are offered in terms of country and assignment policies. Employee wellbeing is the cornerstone of labour stability. Sasol continues to roll out psychosocial, physical and safety culture interventions especially during this time of COVID-19 stress and related issues such as online meeting fatigue and dealing with the bereavement of a loved one.	Sasol uses different options to provide healthcare to employees and their families by means of medical insurance and/or public health plans, as well as additional insurance in countries where appropriate. All employees have healthcare cover in the event they are infected with COVID-19. Sasol introduced special leave categories to accommodate lockdown periods in various jurisdictions. No employees were asked to take unpaid leave because of lockdowns or the shutdown of operations due to COVID-19. The Committee confirmed that, in all countries where employees participate in private retirement funds, the governance of these funds meets fiduciary requirements and all defined benefit fund liabilities are appropriately detailed in the Sasol's Statement of Financial Position. Where employer contributions were suspended to retirement funds, this applied for the period May 2020 – July 2020. They were then reinstated due to Sasol's improved liquidity position at the time.

STI – Policy and strategic intent	STI – Application	Outcomes 2021
For the majority of our permanent employees across the world, we apply a single STI structure. Approved pay-outs are processed with the September salary. Most non-managerial mining employees earn a production bonus which is processed bi-weekly, subject to safe production against mining targets. Target incentives align with the market median. Typically the STI structure consists of Group, BU or Function and individual performance targets set in advance of every financial year. The Committee can exercise its discretion to vary incentive outcomes as deemed appropriate, and based on affordability.	Every quarter, the Committee reviews YTD performance against the Group STI scorecard to ensure ongoing relevance of targets and performance against these. An individual performance multiplier is used in a range of 0% – 150% to recognise individual performance. No BU or Functional STI scorecards were used during 2021.	The Committee approved a Group STI scorecard focused on achieving the Future Sasol priorities. Individual performance outcomes are applied to calculate the final incentive pay out. Safety and sustainability metrics, are measured at Group and Individual levels. In line with our commitment to actively reduce carbon emissions, we included relevant incentive targets in the Group and Individual scorecards which align with our Climate Change Roadmap. Where appropriate and within line of sight, we included the following targets in individual performance scorecards: • safe transportation of hazardous chemicals; • occupational health measures; • carbon emissions; and • leaks or spills of hazardous materials. These metrics balance safety, environmental sustainability, financial and operational performance criteria. Any fatality reduces the final incentive score by 3 percentage points. Group STI performance outcomes for 2021 are set out on page 38.

LTI plan – Policy and strategic intent	LTI plan – Application	Outcomes 2021
Equity- or cash-settled awards are granted annually or upon promotion to an eligible level, where the underlying value is tied to the market value of a Sasol ordinary share (or American Depository Receipts (ADR) for international participants), subject to vesting conditions. Annual awards are made with reference to a percentage of base salary or TGP, which is level dependent, the eligible employee's performance over the preceding year and the organisation's requirement for skills retention. Vesting of awards is subject to the achievement of corporate performance targets (CPTs) and/or service criteria. The vesting period is three years for participants in Leadership and Senior Management. A split vesting period of three to five years applies to participants in Top Management. **Strategic intent:** • Attraction and retention of senior employees and scarce and critical skills. • Alignment with shareholders' long-term interests with reference to the Sasol share price and the underlying performance metrics.	LTIs form an important part of our reward mix and target awards are reviewed annually to ensure ongoing market competitiveness. Participants may sell or retain the vested shares once vesting conditions are met. Minimum shareholding requirements are in place for Executive Directors and Prescribed Officers. The Committee annually reviews the LTI targets to ensure continued alignment with key priorities.	100% of the LTIs awarded to members of the GEC in 2018 are subject to the achievement of performance metrics over the period 2018 – 2021, of which 50% of the vested award became available in September 2021. The overall performance of the 2018 LTI awards to the GEC was 44,7%. 22,3% of the award granted in 2018 will vest in September 2021 and the balance will vest in 2023. Participants who leave the Group for reasons other than retirement, retrenchment, death, disability or ill health, or for any other reason approved by the Committee, will forfeit unvested awards. To retain top talent, the Committee decided that 35% of the annual award made to GEC members in December 2020 should be time based only in the form of restricted shares, with a vesting period of five years. The rest of the on-target award (65%) will vest on achievement of time and performance conditions, over a three- and five-year vesting period. The introduction of restricted share awards reduced the maximum potential outcome of LTIs. The target awards, for the CEO and the CFO, were reduced considering the introduction of restricted shares in the LTI portfolio. The introduction of restricted shares also supports the requirement for minimum shareholding requirements which were introduced for all Prescribed Officers from 2021. This requirement was previously only in place for Executive Directors. Details on the 2021 metrics are set out on page 39.

The following table illustrates the alignment between the Group's key priorities and the targets set for 2021 and 2022 STI and LTI awards. The combination of financial and non-financial metrics allows for value to be created for our shareholders, clients, employees and communities in a sustainable manner. This means that we will be able to:

- Provide chemicals and energy products in a responsible way;
- Respecting people, their health and safety and the environment; and
- Contribute to the socio-economic development of the countries within which we operate.

	2021 Group Strategic Priorities:	2021 Key Performance Indicators:
SHORT-TERM INCENTIVES	• Strengthen our financial position • Deliver LCCP • Advance sustainability • Transition to Future Sasol • Pursue zero harm	• Reduction in cash fixed costs • Achievement of sales volume targets • Reduction in non-sustenance capital expenditure • Effective disposal of unprofitable or non-core assets • Improved net working capital • Reduced environmental footprint • Achievement of key milestones towards realising Future Sasol through the implementation of the revised operating model and the implementation of sustainable free cash flow targets. • Health and Safety of our employees and our communities STI outcomes are detailed on page 38 of the Implementation Report
LONG-TERM INCENTIVES	• Decarbonisation of our operations as committed to in the Climate Change Roadmap • Sustainable returns to our shareholders in respect of capital investments, capital allocation, timely project completion and well managed operations • Total Shareholders' Return (TSR) measuring the value delivered to shareholders over time relative to the peer group, in the form of share price appreciation and dividends declared	• Carbon emission reduction through the delivery of 200MW of renewable energy by 30 June 2023 • Return on invested capital (excluding AUC) split as follows: – Rest of Sasol: ROIC of 14,5% – US business: ROIC of 8,5% • 100% vesting when TSR is at the 60th percentile of the peer group

2022 Key Performance Indicators: STI and LTI plans		2022 Group Strategic Priorities:
STI: • Process safety • Occupational safety **LTI:** • Holistic focus on Environment, Social and Governance (ESG) matters to improve our Dow Jones Sustainability Index (DJSI) ranking (also under planet)	PEOPLE	• Pursue zero harm through relentless focus on preventing high severity injuries and eliminating fatalities • Rebuild trust and create shared value • Promote diversity and inclusion
STI: • Energy efficiency improvement • Delivery of PPAs/VPPAs (or equivalent) to procure renewable energy (RE) • Projects that will reduce emissions over the medium to long-term **LTI:** • Delivery of Renewable Energy to global operations • Reduction in Scope 1 and 2 emissions • Reaching our ambition to be included in the DJSI	PLANET	• Advance sustainability through the delivery of our roadmaps and the identification of opportunities to grow and participate in sustainable products and gain access to emerging future value pools
STI: • Sales volumes • Cash fixed costs • Net working Capital • Sustenance and growth capital **LTI:** • Return on Invested Capital > WACC • EBITDA growth > CPI + 2%	PROFIT	• Deliver and maximise value through the delivery of our Sasol 2.0 commitments, to strengthen our balance sheet and to drive reliable and predictable feedstock supply and operations

Pay gaps

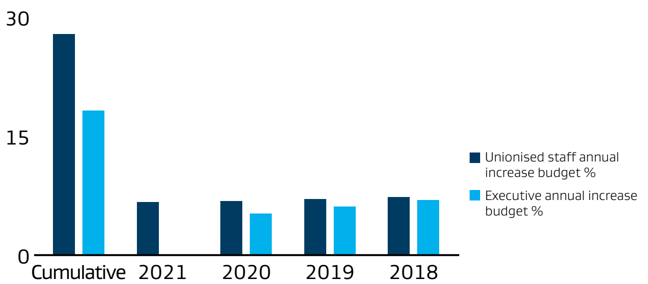
Globally, there is an increased focus on pay gap reporting as many consider this to be a measure that promotes a fairer and more equal society. Many countries have made the disclosure of pay gaps and the CEO pay ratio obligatory, however not yet in South Africa (SA). In 2020, the Committee approved a methodology to track internal pay equity on a level, group, race and gender basis, by country where we employ more than 250 employees on a permanent basis and where the data is available considering personal data privacy laws.

The Sasol methodology compares the median total target remuneration (TTR) of the 10% of highest Sasol earners per country, with the median TTR of the lowest 10% Sasol earners per country. This is similar to the methodology used in form EEA4 which has to be submitted annually to the South African Department of Employment and Labour. Target remuneration is used as opposed to actual remuneration for year-on-year comparisons to be made on the ratios as the impact of macroeconomic factors on the LTI in particular, are excluded.

The Committee again reviewed the pay ratios. The larger pay gap in SA can be explained due to the large number of unskilled and semi-skilled workers in our mining business. Sasol does not employ unskilled workers in other jurisdictions.

The Committee understands the importance of ensuring that the wages of our most junior employees are sufficient to accommodate a decent standard of living and will continue to track the pay gap from this perspective. Over the past number of years, higher percentage annual salary increases have been awarded to employees covered by collective bargaining units than to top management as is evident in the following graph:

Average increase budgets approved: F18 – FY21 (SA)



Risk management

The Committee ensures effective risk management oversight in relation to material remuneration risks within its scope and will exercise its discretion within the Group's overall risk framework. The following processes mitigate against unintended outcomes:

- The Remuneration Policy is transparent to all stakeholders.
- All executive reward policy exceptions are approved by the Committee, or by the Board, as appropriate.
- Incentive plan design principles and targets as well as the reward mix are reviewed annually.
- The vesting of LTI plans is subject to performance and/or time-based criteria and awards are never backdated.
- Executives do not approve their own benefits or remuneration and are recused from all discussions relating to their own remuneration.
- The maximum incentive awards, on the basis of performance outcomes, are capped by a pre-approved formula.
- The Committee retains discretion to alter any reward outcome.
- MSRs are implemented for Prescribed Officers and Executive Directors.
- A comprehensive Clawback and Malus policy is in place.
- There is no accelerated vesting of LTIs at retirement and the vesting periods of 3 and 5 years continue post the date of retirement allowing for continued exposure to the share price performance as well as the application of the Clawback and Malus policy if required.

Details of key remuneration components

The use and application of remuneration benchmarks

We use benchmark data from the approved peer group to develop pay bands and incentive plans as well as for the comparison of employee benefits. One of the Committee's key tasks is to preserve the relevance, integrity and consistency of benchmarking. Management also consults survey reports from various large remuneration firms.

For the remuneration of GEC members and the NED fees, we select a peer group of companies which includes those with a broadly similar geographic footprint and/or product suite and/or size.

In 2021, we used the following peer group for executive remuneration benchmarking purposes as well as for the Total Shareholders' Return (TSR) measurement in our LTI award:

AkzoNobel	Continental Resources	Evonik Industries	Impala Platinum	Origin Materials
Albemarle	Covestro	Exxaro	Imperial Logistics	Repsol
Celanese	Devon Energy	Gold Fields	Kumba Iron Ore	Sibanye Stillwater
Clariant	Eastman	Hess Corp	Noble energy	Solvay

We again reviewed the peer group and agreed that a balanced combination of companies that have a primary listing on the JSE Ltd, international chemicals and energy companies would be a sound approach to compile the benchmark peer group. There are limited companies in South Africa that resemble Sasol's complexity, business model and geographical footprint. We considered the contribution of our chemicals, fuel, gas and mining businesses to EBITDA and Gross Margin and agreed to not include companies from the retail or financial services sectors. With regard to chemicals and energy companies, market capitalisation, product mix, geographical footprint and enterprise value formed part of the criteria for inclusion. The following peer group was adopted effective 1 July 2021:

JSE Primary Listed companies	Chemicals Companies	Energy Companies
Anglo American Platinum	Albemarle	Continental Resources
AngloGold Ashanti	Covestro	Devon Energy Corporation
Gold Fields	Eastman	Hess Corporation
Impala Platinum Holdings	Evonik Industries	Imperial Oil
MTN Group	Lanxess	Origin Energy
Sibanye Stilwater	Solvay	Repsol

The Committee will however consider the inclusion of larger competitors for purposes of determining relative total shareholder return on awards made under the 2022 LTI plan.

Base salary/total guaranteed package (TGP) and benefits

South African employees who are not covered by collective bargaining agreements receive a TGP which includes employer contributions towards retirement, risk and healthcare benefits. In terms of this model, all changes to benefit contribution levels are cost neutral to Sasol. Increases in the benefit pricing of employee and employer contributions reduce the net cash salary of employees. All other employees receive a base salary with Sasol's contributions to benefit funds being calculated and paid over. In some jurisdictions, a thirteenth cheque is payable. Salaries are benchmarked to the market median with distribution around the market median based on performance, competence and scarcity of skill.

Variable pay plans

STI plan

For 2021, Sasol adopted a group incentive scorecard. The formulae to be applied in the final incentive outcome is as follows:

STI target % of base salary/TGP
Target percentage is linked to the role category of the position

X

Group performance factor (0% to 150%)
Performance measured against group financial and non-financial targets informed by the Group's key priorities

X

Individual performance factor (0% to 150%)
Assessment of individual performance against project milestones, personal, business unit or functional targets

LTI plan

The LTI plan gives participating employees the opportunity, subject to the vesting conditions, to receive Sasol ordinary shares or ADRs. After the vesting period, which varies between three and five years, participants may sell or retain the shares. Accelerated vesting principles in cases of termination for 'good leavers' do not apply to Top Management. A service penalty is applied for participants whose services are terminated under 'good leaver' conditions before the end of the performance period. In jurisdictions where we do not offer an equity-settled award due to legislative restrictions or where we choose not to make an equity-settled award, eligible employees may participate in a cash-settled LTI plan with the same conditions that are applicable to equity instruments, except that they are settled with cash.

The current equity-settled plan was approved by shareholders in 2016, for implementation of all awards made since 2014 (i.e. previous cash-settled awards were converted to equity-settled awards). The maximum number of shares to be made available for awards to eligible participants equated to less than 5% of the issued shares of the Group at the time.

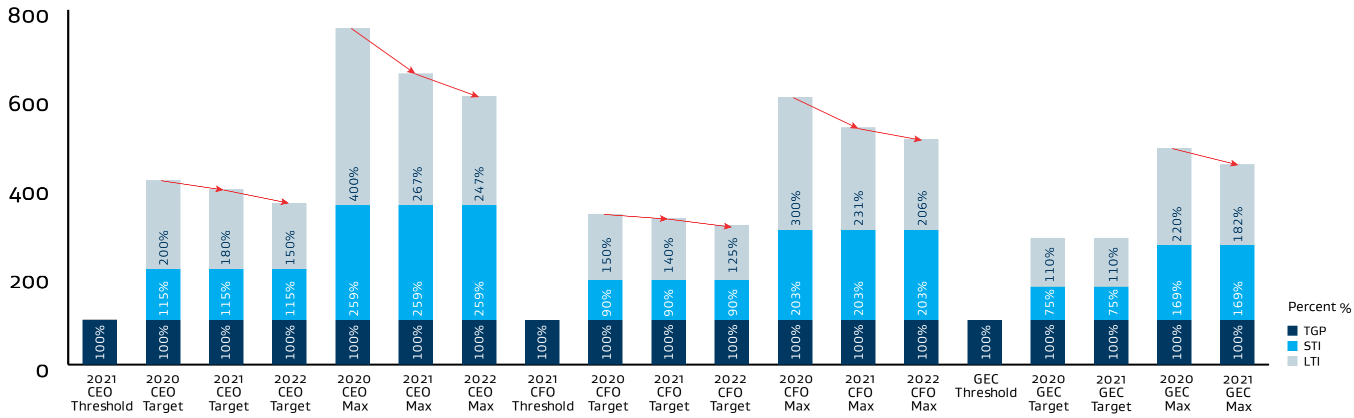
Minimum Shareholding Requirements (MSRs)

In August 2020, the Committee extended the MSR to all Prescribed Officers to be achieved within a period of six years effective 4 December 2020. Executive Directors have a MSR which is to be achieved within five years of their appointment date. The MSR enhance the alignment of interests with shareholders with a focus on long-term company performance.

• President and Chief Executive Officer:	300% of annual pensionable remuneration
• Chief Financial Officer:	200% of annual pensionable remuneration
• Other Executive Directors:	100% of annual pensionable remuneration
• Prescribed Officers:	100% of annual pensionable remuneration

Pay mix: minimum, on-target, and maximum performance for executive management

The threshold, target and maximum reward outcomes for 2020 and 2021 for Executive Directors and Prescribed Officers are illustrated in the following graph:



*Only TGP or Base salary will be payable in the event of below threshold performance on the variable pay plans. GEC includes "other directors".

The graph indicates a balanced portfolio of the total remuneration mix for the Group executive team. It indicates rewards allocated in terms of base salary/TGP, STIs and LTIs, which are subject to the achievement of Group and individual targets to ensure a sustained focus on the Group's objectives. The target and maximum potential LTI awards for the President and CEO and CFO were reduced over a two-year period. Apart from a reduction in the maximum LTI award, no changes will be implemented for other members of the GEC for 2022.

Special retention awards and sign-on or buy-out awards

The sign-on payment and retention policy may be used in the recruitment of candidates in specialised or scarce skill positions, mostly in senior levels, or to retain critical skills. Cash retention payments are linked to retention periods of at least two years. Retention shares may be granted under the LTI plan.

Executive service contracts

- The President and CEO's contract was originally set to end in November 2022. By Board resolution it was extended to 31 December 2024, resulting in a five-year contract term.
- Members of the GEC have permanent employment contracts with notice periods of three to six months. The contracts provide for salary and benefits as well as participation in incentive plans on the basis of Group and individual performance and as approved by the Board. EVPs who are members of the South African Sasol Pension Fund are required to retire from the Group and as directors from the Board at the age of 60, unless they are requested by the Board to extend their term. Perquisites available to the members of the GEC are disclosed in the Implementation Report.

Termination arrangements applicable to GEC members

Remuneration policy component	Voluntary termination i.e. resignation	Involuntary termination i.e. retrenchment, redundancy, retirement or other reasons included under the definition of 'good leaver'
Base salary	Payable up to the last day of service including the notice period either in exchange for service or in lieu of the notice period.	Payable up to the last day of service including a three- to six-month notice period.
Health insurance	Benefit continues up to the last day of service.	Benefit continues up to the last day of service; employees who qualify for a post-retirement subsidy continue to receive the employer's contribution post retirement.
Retirement and risk plans	Employer contributions are paid up to the last day of service. In most countries, the employee is entitled to the full value of the investment fund credit and any returns thereon.	
Other benefits	Not applicable.	A severance package equal to three weeks' salary per completed year of service is offered which may be increased for voluntary retrenchments or mutually agreed terminations.
STI	If the executive resigns on or after 30 June and before 30 September, there is an entitlement for consideration of the STI which may be approved for the previous financial year, subject to the achievement of performance targets. No pro-rata incentive is due if the executive leaves prior to the end of the financial year for reasons of dismissal, resignation or mutual separation.	A pro-rata incentive may be considered for the period in service during the financial year subject to the meeting of performance targets and only if approved for the rest of employees.
LTI	All vested Share Appreciation Rights (SARs) to be exercised by the last date of service. All unvested LTIs are forfeited.	The original vesting period remains unchanged up to the normal date of retirement and then vests subject to the achievement of CPTs and time-based vesting targets. A service penalty for the period not worked during the performance period is typically applied. No accelerated vesting is implemented.

NED fees

NEDs are appointed to the Sasol Limited board based on their competencies as well as insight and experience appropriate to assist the Group in setting the long-term strategy, providing independent oversight in respect of performance against key priorities and holding executives accountable to deliver business results over the short, medium and long term. Consequently, fees are set at levels to attract and retain the calibre of directors necessary to contribute to a highly effective board of a complex, multi-dimensional and multi-national organisation. NEDs do not receive STIs, nor do they participate in LTI plans. No arrangement exists for compensation in respect of loss of office.

NEDs are paid a fixed annual fee in respect of their Board membership and supplementary fees for committee membership or chairmanship. The annual fee is divided by four and a quarterly fee is paid at the end of every board cycle regardless of the number of meetings held in that quarter. A travel allowance was approved by shareholders in 2018 compensating for time lost due to international travel; however, this has not yet been implemented.

Board fees tabled at the 2020 AGM for shareholder approval, were unchanged from what was previously approved by shareholders in 2018. The 2018 structure was intended for a phased implementation over the 2018 – 2021 period. However, following the devastating effects of COVID-19 and 2020 macroeconomic developments on Sasol's financial results, we paused the implementation of further fee adjustments for South Africa-domiciled directors. Furthermore, directors agreed to a sacrifice of at least 20% of board and committee fees for the period May to September 2020 and a sacrifice of 20% on board fees for the period October 2020 to November 2021.

During 2021, we reconsidered the approach towards setting NED fees. Following extensive review, the Committee agreed to table for shareholder approval at the November 2021 AGM a revised fee proposal where a cost-of-living (COL) factor is applied to the fees payable to NEDs who live outside of Europe, UK and North America and to fix the exchange rate that will be used to convert the US$ fees to the denomination used for payment in order to eliminate significant exchange rate variances. The intention to pay a travel allowance will no longer be pursued.

Annual NED fees: actual vs approved vs proposed:

			Non-SA-domiciled fees Actual fees[2, 6, 7]		SA-domiciled fees Actual fees[2, 6]		Proposed Chairman fees 2022[12, 13] UK, Europe, North America		Proposed Board member fees 2022[12, 13]	
	Chairman Approved fees[1, 2]	Board member Approved fees[2, 3]	Chair	Member	Chair	Member	Domiciled in UK, Europe, North America	Domiciled outside UK, Europe, North America	Domiciled in UK, Europe, North America	Domiciled outside UK, Europe, North America
Board	$445 000	$150 000	–	$138 000[8, 11]	$351 805[9]	$112 000[10]	$345 000	$285 000	$120 000	$100 000
Audit Committee	$25 000	$20 000	–	$31 050	$25 000	$20 000	$35 000	$30 000	$24 000	$20 000
Remuneration Committee	$20 000	$12 000	–	$23 575	$20 000	$12 000	$24 000	$20 000	$14 500	$12 000
Capital Investment Committee	$16 000	$11 000	$42 550	$21 275	–	$11 000	$24 000	$20 000	$14 500	$12 000
Nomination and Governance Committee	$16 000	$11 000	–	$21 275	–	$11 000	$24 000	$20 000	$14 500	$12 000
Safety, Social and Ethics Committee	$16 000	$11 000	$42 550	$21 275	–	$11 000	$24 000	$20 000	$14 500	$12 000
Other Committees[14]	$16 000	$11 000	–	$21 275	–	$11 000	$24 000	$20 000	$14 500	$12 000
Lead Independent Director	–	$40 000	–	$60 375	–	–	–	–	$48 000	$40 000
Travel allowance – Less than 10 hours travel[4]	–	$5 000	–	–	–	–	–	n/a	–	n/a
Travel allowance – Between 10 and 15 hours travel[4]	–	$10 000	–	–	–	–	–	n/a	–	n/a
Travel allowance – More than 15 hours travel[4]	–	$15 000	–	–	–	–	–	n/a	–	n/a
Special purpose ad hoc Committees – per meeting[5]	$2 000	$2 000	$2 000	$2 000	$2 000	$2 000	–	–	–	–

1. Chairman of the board fee, inclusive of all fees payable for attendance or membership of board Committees and directorship of the company.
2. Fees including VAT were intended for a phased implementation over the period 2018 – 2021.
3. For the fee structure applicable from 16 November 2018 for non-SA-resident NEDs, the following rules apply: where the total prior year fees inclusive of VAT (on a like-for-like basis) are higher than the new structure, the previous fee will be retained to ensure that the NED is not financially worse off with the implementation of the new fee structure. Therefore, these fees are still higher than the fees paid to SA domiciled NEDs.
4. Travel allowance was intended for implementation when international travel is required but never implemented.
5. Special ad hoc committees approved by the Board to provide oversight over strategic matters of a temporary nature.
6. Fee sacrifice agreed on board fees as per 18 November 2020 SENS announcement.
7. VAT is not applicable. NEDs who were appointed on the 2016 approved fee structure, whose fees would be negatively impacted by the 2018 fees, were grandfathered.
8. Fee sacrifice applied. Approved fee incl VAT is $172,500.
9. Fee sacrifice applied. Approved fee incl VAT is $445,000.
10. Fee sacrifice applied. Approved fee incl VAT is $140,000.
11. Board fee for non-SA-domiciled members who joined the Board from 1 April 2020 is $142,500 incl VAT with the 20% sacrifice applied.
12. Fees to be tabled for approval by shareholders at the November 2021 AGM and effective from 1 January 2022. Fees stated exclusive of VAT for consistent reporting purposes. A COL factor applied to the NED fees for directors domiciled outside of Europe, UK and North America. A fixed exchange rate will be applied when converted for payment to the relevant currency. An annual inflationary linked increase to be applied after 12 months.
13. Where NEDs are required to travel to a meeting location, associated travel and accommodation costs are covered by Sasol.
14. Other Committees will be paid on a quarterly basis for any Committee meetings approved by the Board but not specified in this table.

Implementation Report

This section provides an overview of the implementation of the Remuneration Policy. It also sets out the relationship between company performance and Executive Directors' and Prescribed Officers' remuneration outcomes as well as progress against the minimum shareholding requirement.

The tables in this section provide information on all amounts received or receivable by members of the GEC for 2021 (including the President and CEO, other Directors and Prescribed Officers).

The structure of the Implementation Report, is as follows:

Incentive outcomes	• Group performance for 2021 • Performance vs Corporate Performance Targets in respect of LTIs that are due to vest in 2022, as at the end of the performance period 30 June 2021, an overview of the performance against the CPTs for the past financial years and unvested LTIs still in issue
Executive Directors and Prescribed Officers (tabulated separately)	• Remuneration and benefits paid disclosed in terms of the single total figure methodology including the STI amounts awarded for 2021 and an estimated value relating to the vesting of LTIs in September 2021, in respect of the performance period ended 30 June 2021 • Outstanding LTI holdings • Progress against MSR
NEDs	• Fees paid during 2021

Report of the Remuneration Committee continued

Short-term incentive outcomes

The following table provides the outcomes against the 2021 group performance targets that were set for the STI plan:

		KPI – Key Performance Indicator	Unit of Measure	Weightings: GEC	Threshold (Rating = 0%)	Target (Rating = 100%)	Stretch (Rating = 150%)	Achievement	Weighted Achievement
TRANSFORMATION	12.5%	Sasol of the Future (Sasol 2.0)	Restructure of the global organisation enabling the new operating model and effective implementation of structures, processes and governance frameworks	4,0%	Filling of at least 80% of positions in GEC 3 by 28 February 2021	Filling of at least 80% of positions in GEC 3 by 31 December 2020	Qualitative assessment by the Remcom on how well Sasol 2.0 was executed across all areas of the operation and contributed to improved liquidity[7]	89% placements by 31/12/2020	6,00%
				4,5%	Filling of at least 80% of positions in GEC 4+ by 30 June 2021	Filling of at least 80% of positions in GEC 4+ by 30 April 2021		>80% placements by 30/04/2021	6,75%
			Longer term Cost Reduction Plans	4,0%	Sustainable free cash flow target for FY22-FY25 approved in May 2021 Board cycle	Sustainable free cash flow target for FY22-FY25 approved in Feb 2021 Board cycle		Approved in November 2020	6,00%
FINANCIAL	67.5%	Sales Volumes	Sales volumes[1]	12,5%	2% below budgeted sales volumes	Budget sales volumes	2% above budgeted sales volumes	5% below budget	0,00%
		Cash cost optimisation	Absolute Cash Fixed Costs (CFC)[2, 3]	15%	FY21 Budget CFC + R2bn	FY21 Budget CFC = R60,5bn	FY21 Budget CFC – R2bn	R5bn below budget	22,50%
		Capital deployment	Capital expenditure[3]	15%	Capital expenditure = R22bn	Capital expenditure = R20bn	Capital expenditure = R18bn	R3,6bn below budget	22,50%
		Asset disposals	Deliver asset disposals	15%	FY21 = $1,5bn	Target for FY21 = $2,5bn	FY21 = $3,5bn	Total SPAs[6] signed of US$3,6bn	22,50%
		Working capital	Net Working Capital to Turnover	10%	NWC% = 17%	NWC% = 15%	NWC% = 12%	14,5%	10,83%
ESG MEASURES	20%	Environment and Safety	High severity injury (HSI) rate	5%	HSI rate = FY20	20% improvement on the FY20 HSI rate (from 17,13 to 14)	30% improvement on the FY20 HSI rate (from 17,13 to 12)	9,38%	7,50%
			Significant fires, explosions and releases (FERs)	5%	FERs ≥ 23	FERs = 19	FERs ≤ 17	FERs = 20	3,75%
			Climate change programmes[4]	10%	Deliver the 2030 GHG Emission Reduction Roadmap (ERR) by 30 September 2020 (5%)	Deliver the 2030 GHG Emission Reduction Roadmap (ERR) by 30 September 2020 + Energy efficiency improvement from FY20 to FY21 = 1% (5%)	Deliver the 2050 Long-Term ambition and road map (2%) Deliver the 600 MW renewables business construct (3%)	1. 2030 GHG Road map delivered (5%) 2. Energy Efficiency: 0,4% (2,2%) 3. 2050 LT ambition delivered (2%) 4. Business construct partly achieved – contracts not yet negotiated (2%)	11,17%
100%		Safety adjustment[5] – penalty for fatalities							(3,00%)
		Final score[7]							116,50% (out of a maximum of 150%)

1. Group consolidated/external sales volumes in fuel equivalent tonnes. Adjusted for any disposals, acquisitions, or other events impacting sales volumes outside of management's control. Including external coal sales at Mining.
2. Normalised for the impact of the exchange rate (R337m), the maximum price ruling on gas (R367m) asset disposals not in the budget (–R1 307m), once off exceptional items such as the workforce transitioning costs (R965m), disposal costs (R863m) and the costs related to a potential Rights Issue (R602m).
3. Excluding growth cost (i.e. LCCP).
4. Achievement of all objectives linked to the delivery of our GHG emission reduction roadmap.
5. Penalty applied for fatalities of 3 percentage points deducted from final score for every fatality up to 20% maximum penalty.
6. Sales and Purchase Agreements.

Note 7: The Committee has considered the excellent outcomes of the Sasol 2.0 programme considering the scale and complexity of the global group restructuring and the avoidance of a Rights Issue which would have been extremely dilutive to shareholders. The Sasol 2.0 global restructuring was completed in record time with mostly improved diversity statistics despite the reduction in headcount. Management also endeavoured to save as many jobs as possible through the restructuring process and the majority of severances were through the voluntary process. The Committee therefore agreed to award the maximum outcome of 150% on the three Sasol 2.0 measures, increasing the total score from 110,25%

(after the 3% fatality penalty) to 116,50% out of the maximum award of 150%. Asset disposals, strict management of cash fixed costs and prudent allocation of capital mainly ensuring ongoing reliability of our operations, were excellent outcomes. On capex: Actual capital expenditure amounted to R16,4 billion compared to R35,2 billion during 2020. The reduction in capital expenditure was not at the expense of maintaining our asset integrity and was achieved through an optimised asset risk management process. In addition, the progression of the PSA to FID stage was a key milestone for us in 2021.

On asset disposals: Of the transactions either concluded, or where SPAs have been signed to the value of $3,5bn, transactions completed with funds received amounted to $3,1bn. The bulk of the proceeds were received by December 2020 and the closing of the ASUs at 30 June 2021 was the last transaction of FY 21 to be closed. Guarantees have been received in respect of the Rompco sale. The disposals have been challenging due to the individual complexities with protracted negotiations and regulatory approvals requiring significant work to close off.

On Cash Fixed Costs: The organisation rallied as the business suffered cash flow constraints following the drop in crude oil prices and lower demand for our fuels and chemicals following the COVID-19 spread across the numerous markets we operate in. The salary sacrifice and postponement of annual salary increases were significant personal costs to Team Sasol and in addition strict cost discipline helped us deliver R2,5bn reduction in fixed costs.

The sales volume target was set in anticipation of a quicker recovery of global demand and was not achieved. No normalisation in respect of the impact of COVID-19 on the STI outcomes, was applied. The Committee was disappointed with the one fatality in Natref, but very satisfied with the safety performance. The Committee was overall very comfortable with the STI outcome being representative of the business results and agreed that the rounded score of 117% be applied in the calculation of the short-term incentives for the members of the GEC.

For comparative purposes the following tables set out the Group's performance on a weighted basis against STI targets that were set the previous two years.

Period	Growth in headline earnings	Production volumes	Growth in cash fixed costs	Project delivery	Safety and environment	Preferential procurement and employment equity	Total
2020	0,0%	0,0%	30,0%	3,0%	7,0%	6,0%	**46%**
2019	45,0%	0,0%	0,0%	0,0%	12,5%	8,2%	**66%**

No short-term incentives have however been paid out to members of the GEC for 2019 and 2020 despite some of the performance targets having been achieved.

Long-term incentive outcomes

The following table provides the outcomes against the corporate performance targets (CPTs) which were linked to the 2019 Long-Term incentive awards, which are due to vest in 2022. The vesting percentage is determined by the Group's performance against CPTs over the performance period 1 July 2018 – 30 June 2021.

Measure	Weighting	Threshold	Target (100%)	Stretch Target (200%)	Achievement	Weighted Achievement
Increase in tons produced/head	25%	1% Compound improvement on base	2% Compound improvement on base	3% Compound improvement on base	2,8% compound growth over three years[4]	**44,7%**
Return on Invested Capital (ROIC)	25%	3-year average ROIC (excl AUC)[3] at 1 x WACC (as at 30/6/2018)	3-year average ROIC (excl AUC)[3] at 1,3 x WACC (as at 30/6/2018)	3-year average ROIC (excl AUC)[3] at 1,5 x WACC (as at 30/6/2018)	-10% 3 year average	**0,0%**
TSR MSCI World Energy Index	25%	Below the 40th percentile of the index	60th percentile of the index	75th percentile of the index	Below threshold	**0,0%**
TSR MSCI Chemicals Index	25%	Below the 40th percentile of the index	60th percentile of the index	75th percentile of the index	Below threshold	**0,0%**
Achievement						**0 – 200% range[1] = 44,7%**
						40% – 160% range[2] = 66,8%

1. In respect of LTIs issued to members of the group executive committee including the executive directors, 100% of the award was subject to the achievement of CPTs. Of the vested portion, 50% will be released in 2022 and the balance in 2024.
2. In respect of LTIs issued to SVPs and lower where 60% of the award was subject to CPTs and the balance to time-based vesting criteria ranging between three and five years.
3. AUC = Assets under construction.
4. The Committee approved that the production volumes/headcount be normalised for the impact of severe weather impacts in the US and in Sasolburg which caused electricity outages for extended period of time and a resultant loss in production volumes of 442kT, which were completely out of management's control.

Outstanding unvested LTI awards | 2020 and 2021

For members of the GEC including executive directors, 65% of the LTIs awarded during 2021, are subject to the achievement of the following CPTs in addition to time based vesting criteria of between three and five years. The balance of the award (35%) is subject to a five year time based vesting criteria. The following table sets out the performance targets for outstanding unvested performance related LTI awards that are in issue and where the performance will be assessed over the following two financial years.

Metrics: 2021 LTI awards	Threshold (0%)[2]	Target (100%)	Stretch (200%)	Weighting
Climate Change	Deliver 150 MW of renewable energy by 30 June 2023	Deliver 200 MW of renewable energy by 30 June 2023	Deliver 300 MW of renewable energy by 30 June 2023	25%
ROIC Rest of Sasol	ROIC (excl AUC)[1] at SA WACC of 13,5% per annum	ROIC (excl AUC)[1] at SA WACC of 13,5% + 1% = 14,5% per annum	ROIC of 15,5% per annum	35%
ROIC US	ROIC (excl AUC)[1] at US WACC of 8% per annum	ROIC (excl AUC)[1] at US WACC 8% + 0,5% = 8,5% per annum	ROIC of 9% per annum	10%
Relative TSR measured against the peer group	Below 50^{th} percentile of the peer group	60^{th} percentile of the peer group	75^{th} percentile of the peer group	30%

1. AUC = Assets under Construction.
2. Threshold is 0% for all targets except rTSR where 50% vesting is achieved @ Threshold.

For members of the GEC including executive directors, 100% of the LTIs awarded during 2020, are subject to the achievement of the following CPTs in addition to time based vesting criteria of between three and five years.

The performance targets for the 2020 award are as follows:

Metrics	Target (100%)	Weighting
Increase in tons produced/head	2% Compound improvement on baseline	30%
ROIC (Rest of Sasol)	Rest of Sasol ROIC (excl AUC)[1] at SA WACC 13,5% + 1% = 14,5% per annum	20%
ROIC (US)	US ROIC (excl AUC)[1] at US WACC 8% + 0,5% = 8,5% per annum	10%
Relative TSR vs MSCI World Chemicals index	60^{th} percentile of the index	20%
Relative TSR vs MSCI World Energy index	60^{th} percentile of the index	20%

1. AUC = Assets under Construction.

Determining the IPFs

The Committee has the duty to assess the performance of the members of the Group Executive Committee (GEC) every year. We apply the outcome of the assessment, in the form of an Individual Performance Factor (in the range of 0% – 150%), as a multiplier in calculating short-term incentives. The Committee then approves the performance outcomes for the Prescribed Officers and makes a recommendation to the Board, for its final decision, in respect of the performance outcomes of the Executive Directors.

In assessing the performance outcomes, the Committee considers the following: business results in the specific areas of responsibility; leadership displayed both in and outside the area of responsibility; values displayed; relationships; and collaboration in and outside the organisation.

For 2021, we were particularly mindful of the fact that members of the GEC have had to apply an extraordinary effort over the past 18 – 24 months. This was required to turn the Company around; maintain reliable and stable operations despite the devastating impacts of COVID-19; stabilise the balance sheet; introduce the new operating model; regain the trust of our investors; and retain and motivate employees to perform at their best during this very volatile and uncertain period.

In recent years, GEC members have made financial sacrifices through sacrifices in their salaries as well as pension contributions. On average, they have forfeited 50% of the total target reward for the past three years due to the non-payment of the short-term incentive, no salary increase in the past financial year, the weakening of the share price and the low level of vesting of long-term incentives (which has been at an average of 44% over the past four years).

The Committee is satisfied that over the past few years the Remuneration Policy has delivered reward results that have aligned with the business results (including downward moderation of incentive outcomes at the Committee's discretion). However, we recognise that in better times, rewards should also be commensurate with the better business results. Therefore, we agreed that the individual performance outcomes for leadership be in excess of 100% considering Sasol's excellent business results in 2021. The leadership has done a sterling job in leading the organisation through the perfect storm that Sasol faced during 2020 and 2021 not only because of the impacts of COVID-19, but also because of the macroeconomic environment which severely impacted Sasol's financial viability.

The unlocking of $6 billion of cash in record time was exceptional; Sasol avoided having to carry out a rights issue; rating agencies declared no further downgrades after June 2020; and the business did not breach debt covenant levels (the target was 4x net debt:EBITDA in December 2020 and the 30 June 2021 result was 1,5x net debt:EBITDA). The GEC and Sasol's leadership implemented the new operating model less than 12 months after it was approved, and did so without impacting business operations and continuity; there was no labour unrest; our safety results improved significantly; and there was a reduction in the complexity of our governance and approval structures. Sasol also ensured the full remediation of SOX material weaknesses in relation to the LCCP. The leadership team's focus can now shift to introducing innovation and automation; building confidence with investors; and enhancing Sasol's efforts to decarbonise our operations.

On the back of the exceptional results, the Committee considered on the basis of relative performance and contribution to the group results, the individual performance factor for the members of the GEC, in the range of 100% to 130%.

The following section illustrates how these performance outcomes informed the reward decisions for Executive Directors:

Executive Directors

a. Remuneration and benefits approved for payment in respect of 2021 for Executive Directors

	FR Grobler[3,4]			P Victor[5,7]		VD Kahla[6,7]		
Executive Directors	**2021 R'000**	2020 (as Exec director) R'000	2020 (as Prescribed officer) R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 (as Exec director) R'000	2020 (as Prescribed officer) R'000
Salary	**10 032**	7 114	3 113	**7 481**	6 678	**6 708**	4 143	2 047
Risk and Retirement funding	**373**	501	295	**360**	919	**345**	428	245
Vehicle benefit	**–**	57	77	**100**	100	**–**	–	–
Healthcare	**95**	130	64	**77**	100	**101**	68	32
Vehicle insurance fringe benefit	**6**	4	2	**6**	6	**6**	4	2
Security benefits	**133**	–	–	**–**	–	**534**	484	–
Other benefits	**1 923**	2 176	552	**1**	31	**2**	1	–
Total salary and benefits	**12 562**	9 982	4 103	**8 025**	7 834	**7 696**	5 128	2 326
Annual short-term incentive[1]	**18 366**	–	–	**11 174**	–	**7 670**	–	–
Long-term incentive gains[2]	**1 255**	725	–	**2 243**	1 143	**1 326**	789	–
Total annual remuneration	**32 183**	10 707	4 103	**21 442**	8 977	**16 692**	5 917	2 326

1. Short-term incentives approved based on the Group results for 2021 and payable in the 2022 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2021 x Group STI achievement x Individual Performance Achievement.
2. Long-term incentives for 2021 represent the award made on 3 September 2018. The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved (GEC: 44,7%; SVP: 66,8%) x average share price for June 2021. The actual vesting date for the annual awards is 3 September 2021 subject to the company being in an open period. Dividend equivalents accrue at the end of the vesting period, to the extent that the LTIs vest. 50% of the vested LTIs and accrued dividends will be released on 3 September 2021 and the balance in September 2023, subject to the rules of the LTI plan. As there are no further performance conditions attached to the balance of the 50%, the full amount is disclosed in the single figure table.
3. Mr Grobler agreed to a voluntary contribution of 30% of his salary to the South Africa Solidarity Fund for the period May 2020 – July 2020.
4. Other benefits for Mr Grobler include tax corrections on pension fund contributions made over the period of the previous expatriate assignment (R1 518 846), tax assistance rendered in respect of his previous expatriate assignment to Germany (R403 374) and subsidised business transport (R770).
5. Other benefits for Mr Victor include subsidised business transport.
6. Other benefits for Mr Kahla include a long service award (R2 000).
7. Messrs Victor and Kahla have voluntarily agreed to a salary sacrifice of 20% for the period May 2020 – July 2020. In addition, there was a suspension of employer contributions to the pension fund for the same period. The increase in salaries in 2021 is as a result of the sacrifice only being applied for one month in 2021 as opposed to two months in 2020. In addition, Messrs Victor and Kahla opted to reduce their contribution to the SA pension fund and allocate the contribution to their salary.

b. Unvested LTI holdings (number)

Executive Directors	Cumulative balance at the beginning of the year	Granted in 2021[1]	Effect of corporate performance targets	Dividend equivalents	Long-term incentives settled[2]	Cumulative balance at the end of the year
FR Grobler	136 222	**145 855**	(11 921)	862	(7 614)	263 404
P Victor	122 740	**88 191**	(18 794)	1 125	(6 868)	186 394
VD Kahla	83 246	**103 382**	(12 986)	961	(8 762)	165 841
Total	342 208	**337 428**	(43 701)	2 948	(23 244)	615 639

1. LTIs granted on 6 October 2020 as an on-appointment award for Mr Kahla as executive director and the balance as annual LTI awards on 4 December 2020.
2. 50% of the award that vested in 2021 is still subject to a continued employment period of two years.

c. Unvested LTI holdings (Intrinsic value)

Executive Directors	Intrinsic cumulative value at beginning of year[2] '000	Intrinsic value of awards made during the year[1] '000	Change in intrinsic value for the year[3] '000	Effect of corporate performance targets '000	Dividend equivalents '000	LTIs settled[4] '000	Intrinsic cumulative value at end of year[2] '000
FR Grobler	R18 009	R19 545	R22 675	(R2 013)	R146	(R937)	R57 425
P Victor	R16 225	R11 818	R16 422	(R3 174)	R190	(R845)	R40 636
VD Kahla	R11 005	R13 443	R14 816	(R2 193)	R162	(R1 078)	R36 155

1. LTIs granted on 6 October 2020 (on-appointment) and 4 December 2020 (annual LTI award).
2. Intrinsic values at the beginning and end of the year have been determined using the closing price of:
   30 June 2021 R218,01
   30 June 2020 R132,20
3. Change in intrinsic value for the year results from changes in share price.
4. Long-term incentives settled represent long-term incentives that vested with reference to the group results for 2020 that was settled in the 2021 financial year. Difference between the long-term incentive gains disclosed in 2020 and the amount settled in 2021 is due to difference in actual share price at vesting date and the share price at date of disclosure.

d. Share appreciation right (SAR) holding – outstanding (vested)[1]

Executive Directors	Balance at beginning of year (number)	SARs expired (number)	Balance at end of year (number)
FR Grobler	35 413	(17 884)	17 529
Total	**35 413**	**(17 884)**	**17 529**

1. Plan closed since 2015.

e. Fair Value of share appreciation right holding[1]

Executive Directors	Fair value at beginning of year[2] R'000	Change in fair value for the year[3] R'000	Effect of change in Executive Directors R'000	Fair value at end of year[2] R'000
FR Grobler	374	(328)	(39)	7
Total	**374**	**(328)**	**(39)**	**7**

1. Plan closed since 2015.
2. Fair values at the beginning and end of year have been determined using the IFRS 2 option values on 30 June 2020 and 30 June 2021.
3. Change in fair value for the year results from changes in share price.

f. Share appreciation rights (SARs) exercised

No SARs were exercised by Executive Directors during the year.

g. Progress against minimum shareholding requirement (MSR):

							Vested shares subject to continued employment only until 2022/2025 (excluding accrued dividend equivalents, including RLTIs)			
Beneficial Shareholding	**Minimum Shareholding Requirement (MSR)**	**MSR Achievement period (CY)**	**Beneficial share-holding – 30 June 2021**	**Post tax vestings – September 2021[1,2]**	**Beneficial shareholding value (including September 2021 post tax vesting)**	**% MSR Achieved**	**Number of shares to vest – 22 September 2022**	**Number of shares to vest-2023/2025**	**Total number of vested shares subject only to continued employment**	**Pre-tax value of vested shares subject only to continued employment[3]**
FR Grobler	R22 050 000	2024	R7 415 081	R1 433 296	R8 848 377	40%	2 094	53 654	55 748	**R12 656 495**
P Victor	R8 680 000	2024	R4 463 896	R3 245 376	R7 709 273	89%	3 301	35 523	38 824	**R8 814 202**
VD Kahla	R5 098 706	2025	R2 136 333	R1 460 249	R3 596 581	71%	2 281	24 395	26 676	**R6 056 143**

1. Includes the 2nd tranche of the award made in September 2016. The CPT applied to this award was 47%
2. Includes the 1st tranche of the award made on 22 September 2018. The CPT applied to this award is 44,7%.

The following section illustrates how the performance outcomes informed the reward decisions for Prescribed Officers:

Prescribed Officers

a. Remuneration and benefits approved and paid in respect of 2021 for Prescribed Officers

	HC Brand[4]		BE Klingenberg[5]		BP Mabelane[6, 7]		CK Mokoena[8]	
Prescribed officers	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000
Salary[3]	**4 200**	2 789	**6 046**	5 885	**5 606**	–	**5 459**	4 954
Risk and Retirement funding	**1 472**	1 770	**1 966**	1 958	**392**	–	**324**	736
Vehicle benefit	**234**	234	**212**	212	**–**	–	**–**	–
Healthcare	**86**	89	**114**	100	**44**	–	**93**	23
Vehicle insurance fringe benefit	**6**	6	**6**	6	**–**	–	**–**	–
Security benefit	**20**	–	**391**	384	**–**	–	**12**	71
Other benefits	**–**	502	**10**	–	**5 001**	–	**5**	774
Redundancy payment	**–**	–	**–**	–	**–**	–	**–**	–
Total salary and benefits	**6 018**	5 390	**8 745**	8 545	**11 043**	–	**5 893**	6 558
Annual short-term incentive[1]	**6 852**	–	**8 940**	–	**7 698**	–	**6 300**	–
Long-term incentive gains[2]	**940**	709	**1 583**	942	**–**	–	**1 212**	357
Total annual remuneration	**13 810**	6 099	**19 268**	9 487	**18 741**	–	**13 405**	6 915

	M Radebe[9, 10]		JR Harris[11, 12, 13]		BV Griffith[14, 15]	
Prescribed officers	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000
Salary[3]	**1 192**	4 849	**5 612**	9 831	**7 425**	4 804
Risk and Retirement funding	**166**	755	**325**	516	**441**	279
Vehicle benefit	**66**	264	**27**	319	**–**	–
Healthcare	**25**	100	**141**	223	**305**	218
Vehicle insurance fringe benefit	**2**	6	**–**	–	**–**	–
Security benefit	**22**	44	**1**	12	**–**	–
Other benefits	**784**	110	**1 762**	2 622	**349**	268
Redundancy payment	**–**	–	**1 019**	–	**–**	–
Total salary and benefits	**2 257**	6 128	**8 887**	13 523	**8 520**	5 569
Annual short-term incentive[1]	**–**	–	**3 642**	–	**8 022**	–
Long-term incentive gains[2]	**980**	618	**1 135**	764	**885**	811
Total annual remuneration	**3 237**	6 746	**13 664**	14 287	**17 427**	6 380

1. Short-term incentives approved based on the Group results for the 2021 financial year and payable in the 2022 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2021 multiplied by the Group STI performance and the Individual Performance Factor.
2. Long-term incentives for 2021 represent the award made on 3 September 2018. The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved (GEC: 44,7%; SVP: 66,8%) x average share price for June 2021. The actual vesting date for the annual awards is 3 September 2021 subject to the company being in an open period. Dividend equivalents accrue at the end of the vesting period, to the extent that the LTIs vest. 50% of the vested LTIs and accrued dividends will be released on 3 September 2021 and the balance in September 2023, subject to the rules of the LTI plan. As there are no further performance conditions attached to the balance of the 50%, the full amount is disclosed in the single figure table.
3. Prescribed Officers have voluntarily agreed to a salary sacrifice of at least 20% for the period of May 2020 – July 2020. This was in addition to the suspension of employer contributions to the pension fund for the same period.
4. Mr Brand opted to reduce employer contributions to the pension fund and allocate the contribution to his salary.
5. Other benefits for Mr Klingenberg include subsidised business transport (R666) and a long service award (R9 545).
6. Ms Mabelane was appointed as Executive Vice President: Energy Business with effect from 1 September 2020.
7. Other benefits for Ms Mabelane include subsidised business transport (R1 040), sign-on/buy-out award partially compensating for the loss of incentives and shares when she resigned from her previous employer (R5 000 000). This amount is the first tranche of her staggered sign-on/buy-out award of R11 000 000. The first tranche is subject to the fulfilment of a 24-month service period and is repayable in full if this period is not fulfilled. The balance will be paid out over a further two-year period subject to continued service and further retention periods.
8. Ms Mokoena opted to reduce employer contributions to the pension fund and allocate the contribution to her salary. Other benefits for Ms Mokoena include subsidised business transport (R5 267).
9. Other benefits for Mr Radebe include encashment of unused accrued leave (R775 237) and subsidised business transport (R8 617).
10. No short- term incentive payable to Mr Radebe as he retired from Sasol before 1 October of the current financial year.
11. Mr Harris's position was declared redundant effective 18 January 2021 and a severance payment of R1 019 263 was paid out to him.
12. Other benefits for Mr Harris include relocation expenses (R892 014), tax on expatriate benefits and allowances (R718 916), private accommodation (R11 573), tax consulting (R65 333), utility allowance (R2 687) and accommodation (R71 685).
13. Mr Harris received a pro rata STI in respect of service during 2021.
14. Other benefits for Mr Griffith include tax advisory services in respect of previous expatriate assignments (R98 583) and employer contributions to US statutory funds (R250 628).
15. Mr Griffith received a market related adjustment effective 1 January 2021 in recognition of his larger portfolio after the implementation of the new operating model. Comparative data for 2020 on a pro-rata period only since his appointment to the GEC, on 1 November 2019.

Report of the Remuneration Committee continued

b. Unvested LTI holdings (number)

Prescribed Officers	Cumulative balance at beginning of year	Granted in 2020[2]	Effect of corporate performance targets	Dividend equivalents	Long-term incentives settled	Effect of change in Prescribed Officers	Cumulative balance at the end of the year
HC Brand	74 002	51 781	(3 222)	626	(5 117)	–	118 070
BV Griffith	63 515	60 532	(3 776)	655	(5 498)	–	115 428
JR Harris	74 267	–	(12 872)	616	(2 876)	(59 135)	–
BE Klingenberg	93 213	72 072	(15 501)	1 138	(10 243)	–	140 679
BP Mabelane[1]	–	88 393	–	–	–	–	88 393
CK Mokoena	58 662	50 790	(5 874)	2 113	(6 668)	–	99 023
M Radebe	65 447	–	(10 158)	776	(7 390)	(48 675)	–
Total	**429 106**	**323 568**	**(51 403)**	**5 924**	**(37 792)**	**(107 810)**	**561 593**

1. On-appointment award on 6 October 2020.
2. Apart from the on-appointment award to Ms Mabelane, the numbers refer to the annual LTI award made on 4 December 2020.

c. Unvested LTI holdings (Intrinsic value)

Prescribed Officers	Cumulative intrinsic value at beginning of year[3] '000	Intrinsic value of awards made during the year[2] '000	Change in intrinsic value for the year[4] '000	Effect of corporate performance targets '000	Dividend equivalents '000	LTIs settled[5] '000	Effect of change in Prescribed Officers '000	Cumulative intrinsic value at end of year[3] '000
HC Brand	R9 783	R6 939	R10 099	(R544)	R106	(R643)	–	R25 740
BV Griffith	$490	$541	$816	($42)	$7	($42)	–	$1 770
JR Harris[1]	$573	–	$492	($144)	$7	($21)	($907)	$0
BE Klingenberg	R12 323	R9 658	R12 373	(R2 617)	R192	(R1 260)	–	R30 669
BP Mabelane[1]	–	R11 845	R7 426	–	–	–	–	R19 271
CK Mokoena	R7 755	R6 806	R8 482	(R992)	R357	(R820)	–	R21 588
M Radebe[1]	R8 652	–	R4 453	(R1 715)	R131	(R909)	(10 612)	R0

1. M Radebe and JR Harris left Sasol's employment on 30 September 2020 and 17 January 2021 respectively. P Mabelane was appointed to the GEC on 1 September 2020.
2. LTIs granted on 4 December 2020, in respect of the annual LTI award; or on-appointment award to Ms Mabelane on 6 October 2020.
3. Intrinsic values at the beginning and end of the year have been determined using the closing price of:
   30 June 2021 R218,01 ($15,33)
   30 June 2020 R132,20 ($7,71)
4. Change in intrinsic value for the year results from changes in share price.
5. Long-term incentives settled represent long-term incentives that vested with reference to the group results for 2020 that was settled in the 2021 financial year. Difference between the long-term incentive gains disclosed in 2020 and the amount settled in 2021 is due to difference in actual share price at vesting date and the share price at date of disclosure.

d. Share appreciation right (SAR) holdings – outstanding (vested)[1]

Prescribed Officers	Balance at beginning of year (number)	Effect of SARs expired (number)	Balance at end of year (number)
HC Brand	16 724	(4 711)	12 013
BV Griffith	21 988	–	21 988
BE Klingenberg	83 442	(52 245)	31 197
Total	**122 154**	**(56 956)**	**65 198**

1. Plan closed since 2015.

e. Fair value of share appreciation right holdings[1]

Prescribed Officers	Fair value at beginning of year[2] R'000	Change in fair value for the year[3] R'000	Effect of SARs expired R'000	Fair value at end of year[2] R'000
HC Brand	238	(226)	(8)	4
BV Griffith	421	(413)	–	8
BE Klingenberg	689	(585)	(92)	12
Total	**1 348**	**(1 224)**	**(100)**	**24**

1. Plan closed since 2015.
2. Fair values at the beginning and end of year have been determined using the IFRS 2 option values on 30 June 2020 and 30 June 2021.
3. Change in fair value for the year results from changes in share price.

f. Share appreciation rights (SARs) exercised

No SARs were exercised by Prescribed Officers during the year.

g. Progress against minimum shareholding requirement (MSR):

							Vested shares subject to continued employment only until 2022/2025 (excluding accrued dividend equivalents, including RLTIs)			
Beneficial Shareholding	Minimum Shareholding Requirement (MSR)	MSR Achievement period (CY)	Beneficial share-holding – 30 June 2021	Post tax vesting – September 2021[1,2]	Beneficial shareholding value (including September 2021 post tax vesting)	% MSR Achieved	Number of shares to vest – 22 September 2022	Number of shares to vest-2023/2025	Total number of vested shares subject only to continued employment	Pre-tax value of vested shares subject only to continued employment
HC Brand	R4 270 000	2026	R4 593 749	R782 091	R5 375 840	126%	2 050	20 076	22 125	R5 023 076
BV Griffith	$465 000	2026	–	$107 695	$107 695	23%	2 402	23 048	25 450	$416 355
BE Klingenberg	R5 943 147	2026	–	R1 770 542	R1 770 542	30%	2 723	28 512	31 235	R7 091 201
BP Mabelane	R5 075 000	2026	–	–	–	–	–	–	–	–
CK Mokoena	R4 188 219	2026	R787 340	R457 640	R1 244 980	30%	2 982	20 291	23 273	R5 283 658

1. Includes the 2nd tranche of the award made on 26 September 2016. The CPT applied to this award was 47% (EVP – Klingenberg) and 68,19% (SVP-Brand & Griffith).
2. Includes the 1st tranche of the award made on 3 September 2018. The CPT applied to this award is 44,7% (EVP – Klingenberg & Mokoena) and 66,8% (SVP – Brand & Griffith).

h. Beneficial shareholding (number of shares)

Beneficial shareholding[1]	**2021** Total beneficial shareholding	2020 Total beneficial shareholding
Executive directors		
FR Grobler[2]	**20 402**	16 441
P Victor[2]	**12 507**	8 739
VD Kahla[2]	**4 557**	–
Non-executive directors		
SA Nkosi	**–**	6
MBN Dube[3]	**24**	24
ZM Mkhize[3]	**181**	181
NNA Matyumza	**6**	–
Total	**37 677**	25 391

Beneficial shareholding[1]	**2021** Total beneficial shareholding	2020 Total beneficial shareholding
Prescribed officers		
HC Brand[2]	**19 091**	17 700
CK Mokoena[2]	**3 468**	–
Total	**22 559**	17 700

1. There have been no changes to directors' interests between the end of the financial year and the date of approval of the Annual Financial Statements.
2. Comprises Sasol Ordinary Shares.
3. Comprises Sasol BEE Ordinary Shares.

Remuneration and benefits for the former Joint CEOs and Presidents

	SR Cornell		B Nqwababa	
Executive Directors	**2021 R'000**	2020 R'000	**2021 R'000**	2020 R'000
Salary	–	20 808	–	8 470
Risk and Retirement funding	–	10 773	–	909
Vehicle benefit	–	400	–	–
Healthcare	–	453	–	76
Vehicle insurance fringe benefit	–	–	–	5
Security benefit	–	1 008	–	588
Other benefits	–	11 698	–	909
Mutual separation	–	21 658	–	14 389
Total salary and benefits	–	66 798	–	25 346
Annual short-term incentive	–	–	–	–
Long-term incentive gains	**3 238**	1 861	**2 944**	1 904
Total annual remuneration	**3 238**	68 659	**2 944**	27 250

j. Non-Executive Directors' remuneration

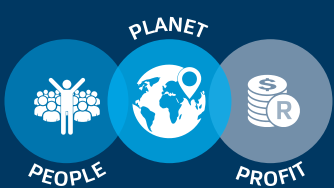
Non-Executive directors	**Board Meeting Fees** 1, 2, 3, 4, 5 **R'000**	**Lead Independent Director Fees** 1, 3, 4, 5 **R'000**	**Committee fees** 1, 3, 4, 5 **R'000**	**Ad Hoc or special purpose board committee** 1, 3, 4, 5 **R'000**	**Total 2021 R'000**	**Total 2020 R'000**
SA Nkosi (Chairman)	5 326	–	–	–	**5 326**	4 756
MSV Gantsho (former Chairman)[6]	–	–	–	–	**–**	2 672
S Westwell (new Lead Independent Director)	1 691	707	1 360	202	**3 960**	4 310
MJN Njeke (former Lead Independent Director)[7]	–	–	–	–	**–**	1 385
C Beggs	1 696	–	515	259	**2 469**	3 262
MJ Cuambe	2 089	–	609	–	**2 698**	3 032
MBN Dube	1 817	–	794	–	**2 611**	3 055
M Flöel	1 817	–	822	122	**2 762**	3 085
K Harper	1 580	–	249	26	**1 855**	528
GMB Kennealy	1 637	–	430	–	**2 067**	2 475
NNA Matyumza	1 696	–	458	141	**2 294**	2 693
ZM Mkhize	1 696	–	157	–	**1 853**	2 232
MEK Nkeli	1 696	–	601	–	**2 296**	2 769
PJ Robertson	1 733	–	790	209	**2 733**	3 489
S Subramoney[8]	522	–	93	–	**616**	–
Total	24 996	707	6 878	959	**33 540**	39 743

1. Members of the Board agreed to a voluntary reduction on all fees for Q1 2021 of at least 20%.
2. Members of the Board agreed to a voluntary reduction of Board fees effective 01 November 2020 of at least 20%.
3. No change to non-executive director fees for 2021.
4. Fees include VAT where applicable.
5. Board and Committee fees are based in USD, thus impacted by USD/ZAR foreign exchange rates at date of payment for resident non-executive directors.
6. Mr Gantsho retired from the Board on 27 November 2019.
7. Mr Njeke retired from the Board on 27 November 2019.
8. Mr Subramoney joined the board on 1 March 2021.

SASOL LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2021



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CONTENTS

Page	
49	Income statement
50	Statement of comprehensive income
51	Statement of financial position
52	Statement of changes in equity
54	Statement of cash flows
55	Notes to the financial statements

INCOME STATEMENT
for the year ended 30 June

2019* Restated US$m	2020* Restated US$m	2021* US$m		Note	2021 Rm	2020 Restated** Rm	2019 Restated** Rm
14 336	12 133	**13 111**	**Turnover**	3	**201 910**	190 367	203 576
(6 380)	(5 743)	**(5 543)**	Materials, energy and consumables used	4	**(85 370)**	(90 109)	(90 589)
(552)	(535)	**(521)**	Selling and distribution costs		**(8 026)**	(8 388)	(7 836)
(720)	(669)	**(787)**	Maintenance expenditure		**(12 115)**	(10 493)	(10 227)
(2 108)	(1 955)	**(2 133)**	Employee-related expenditure	5	**(32 848)**	(30 667)	(29 928)
(47)	(39)	**(19)**	Exploration expenditure and feasibility costs		**(295)**	(608)	(663)
(1 254)	(1 422)	**(1 146)**	Depreciation and amortisation		**(17 644)**	(22 327)	(17 814)
(1 344)	(1 745)	**(428)**	Other expenses and income		**(6 589)**	(27 376)	(19 097)
43	(417)	**358**	Translation gains/(losses)	6	**5 510**	(6 542)	604
(1 387)	(1 328)	**(786)**	Other operating expenses and income	7	**(12 099)**	(20 834)	(19 701)
76	(22)	**53**	Equity accounted profits/(losses), net of tax		**814**	(347)	1 074
2 007	3	**2 587**	**Operating profit before remeasurement items**		**39 837**	52	28 496
(1 413)	(7 137)	**(1 508)**	Remeasurement items affecting operating profit	10	**(23 218)**	(111 978)	(20 062)
594	(7 134)	**1 079**	**Earnings/(loss) before interest and tax (EBIT/(LBIT))**		**16 619**	(111 926)	8 434
55	59	**56**	Finance income	8	**856**	922	787
(88)	(465)	**(439)**	Finance costs	8	**(6 758)**	(7 303)	(1 253)
561	(7 540)	**696**	**Earnings/(loss) before tax**		**10 717**	(118 307)	7 968
(197)	1 682	**(12)**	Taxation	13	**(185)**	26 390	(2 803)
364	(5 858)	**684**	**Earnings/(loss) for the year**		**10 532**	(91 917)	5 165
			Attributable to				
239	(5 848)	**587**	Owners of Sasol Limited		**9 032**	(91 754)	3 389
125	(10)	**97**	Non-controlling interests in subsidiaries		**1 500**	(163)	1 776
364	(5 858)	**684**			**10 532**	(91 917)	5 165
US$	US$	**US$**			**Rand**	Rand	Rand
			Per share information				
0,39	(9,46)	**0,95**	Basic earnings/(loss) per share	9	**14,57**	(148,49)	5,50
0,38	(9,46)	**0,93**	Diluted earnings/(loss) per share	9	**14,39**	(148,49)	5,46

* Supplementary non-IFRS information. US dollar convenience translation, converted at average exchange rate of R15,40/US$1 (2020 – R15,69/US$1; 2019 – R14,20/US$1).

The income statement has been translated from rand to US dollar for convenience purposes in order to enable offshore shareholders to interpret the financial performance in a universally measured currency. This constitutes pro forma financial information in terms of the JSE Listings Requirements and should be read in conjunction with the basis of preparation refer to note 1.

**The results have been restated for prior period errors in the calculation of South African value chain impairments, refer to note 1.

The notes on pages 55 to 141 are an integral part of these Consolidated Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June

	2021 Rm	2020 Restated* Rm	2019 Restated* Rm
Earnings/(loss) for the year	**10 532**	(91 917)	5 165
Other comprehensive income, net of tax			
Items that can be subsequently reclassified to the income statement	**(16 246)**	24 123	1 353
Effect of translation of foreign operations	**(13 741)**	26 720	1 533
Effect of cash flow hedges[1]	**1 072**	(2 192)	(287)
Foreign currency translation reserve on disposal of business reclassified to the income statement[2]	**(3 388)**	(801)	–
Tax on items that can be subsequently reclassified to the income statement[3]	**(189)**	396	107
Items that cannot be subsequently reclassified to the income statement	**623**	(205)	(265)
Remeasurement on post-retirement benefit obligation	**834**	(147)	(531)
Fair value of investments through other comprehensive income	**(12)**	(112)	136
Tax on items that cannot be subsequently reclassified to the income statement	**(199)**	54	130
Total comprehensive (loss)/income for the year	**(5 091)**	(67 999)	6 253
Attributable to			
Owners of Sasol Limited	**(6 578)**	(67 865)	4 468
Non-controlling interests in subsidiaries	**1 487**	(134)	1 785
	(5 091)	(67 999)	6 253

* The results have been restated for prior period errors in the calculation of South African value chain impairments, refer to note 1.

1 Refer to note 40 for detailed disclosure on the interest rate swap.

2 Includes the reclassification of the foreign currency translation reserve relating to the divestment of 50% of our US LCCP Base Chemicals business, the divestment of our 50% equity interest in Gemini HDPE LLC, the divestment of our 50% equity interest in Sasol Chevron Holdings Limited (SCHL), the sale of Sasol's 27,8% working interest in the Etame Marin block offshore Gabon (producing asset with proven reserves), as well as Sasol's 40% non-operated participating interest in Block DE-8 offshore Gabon (exploration permit).

3 The amount is mainly on the cash flow hedge.

The notes on pages 55 to 141 are an integral part of these Consolidated Financial Statements.

STATEMENT OF FINANCIAL POSITION
at 30 June

1 July 2019* Restated US$m	2020* Restated US$m	2021* US$m		Note	2021 Rm	2020 Restated** Rm	1 July 2019 Restated** Rm
			Assets				
25 396	13 136	**13 867**	Property, plant and equipment	20	**198 021**	227 645	357 582
–	797	**904**	Right of use assets	18	**12 903**	13 816	–
238	162	**174**	Goodwill and other intangible assets		**2 482**	2 800	3 357
701	682	**710**	Equity accounted investments	22	**10 142**	11 812	9 866
88	111	**133**	Other long-term investments		**1 896**	1 926	1 248
91	27	**41**	Post-retirement benefit assets	35	**591**	467	1 274
449	371	**296**	Long-term receivables and prepaid expenses	21	**4 224**	6 435	6 317
1	–	**57**	Long-term financial assets	40	**809**	–	15
608	1 827	**1 716**	Deferred tax assets	15	**24 511**	31 665	8 563
27 572	17 113	**17 898**	**Non-current assets**		**255 579**	296 566	388 222
2 105	1 604	**2 083**	Inventories	25	**29 742**	27 801	29 646
52	313	**78**	Tax receivable	14	**1 113**	5 419	730
2 029	1 448	**2 166**	Trade and other receivables	26	**30 933**	25 097	28 578
45	37	**106**	Short-term financial assets	40	**1 514**	645	630
1 128	2 005	**2 187**	Cash and cash equivalents	29	**31 231**	34 739	15 877
5 359	5 407	**6 620**	**Current assets**		**94 533**	93 701	75 461
182	4 862	**744**	Assets in disposal groups held for sale	12	**10 631**	84 268	2 554
33 113	27 382	**25 262**	**Total assets**		**360 743**	474 535	466 237
			Equity and liabilities				
15 428	8 712	**10 258**	Shareholders' equity		**146 489**	150 976	217 224
418	285	**419**	Non-controlling interests		**5 982**	4 941	5 885
15 846	8 997	**10 677**	**Total equity**		**152 471**	155 917	223 109
9 045	8 512	**6 802**	Long-term debt	17	**97 137**	147 511	127 350
529	913	**974**	Lease liabilities	18	**13 906**	15 825	7 445
1 251	1 261	**1 132**	Long-term provisions	33	**16 164**	21 857	17 622
902	848	**931**	Post-retirement benefit obligations	35	**13 297**	14 691	12 708
66	49	**28**	Long-term deferred income		**400**	842	924
102	324	**141**	Long-term financial liabilities	40	**2 011**	5 620	1 440
1 885	1 105	**546**	Deferred tax liabilities	15	**7 793**	19 154	26 541
13 780	13 012	**10 554**	**Non-current liabilities**		**150 708**	225 500	194 030
269	2 508	**514**	Short-term debt***	19	**7 337**	43 468	3 783
233	127	**355**	Short-term provisions	34	**5 064**	2 202	3 289
74	38	**56**	Tax payable	14	**806**	665	1 039
2 803	2 063	**2 568**	Trade and other payables	27	**36 670**	35 757	39 466
15	34	**41**	Short-term deferred income		**576**	579	210
54	247	**221**	Short-term financial liabilities	40	**3 162**	4 271	765
4	37	**17**	Bank overdraft	29	**243**	645	58
3 452	5 054	**3 772**	**Current liabilities**		**53 858**	87 587	48 610
35	319	**259**	Liabilities in disposal groups held for sale	12	**3 706**	5 531	488
33 113	27 382	**25 262**	**Total equity and liabilities**		**360 743**	474 535	466 237

* Supplementary non-IFRS information. US dollar convenience translation, converted at a closing exchange rate of R14,28/US$1 (2020 – R17,33/US$1; 2019 – R14,08/US$1).

The statement of financial position has been translated from rand to US dollar for convenience purposes in order to enable offshore shareholders to interpret the financial performance in a universally measured currency. This constitutes pro forma financial information in terms of the JSE Listings Requirements and should be read in conjunction with the basis of preparation refer to note 1.

** The results have been restated for prior period errors in the calculation of South African value chain impairments, refer to note 1.

*** Includes short-term portion of long-term debt and lease liabilities.

The notes on pages 55 to 141 are an integral part of these Consolidated Financial Statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June

	Share capital Note 16 Rm	Share-based payment reserve Rm	Investment fair value reserve Rm	Foreign currency translation reserve Rm	Cash flow hedge accounting reserve Rm	Remeasurement on post-retirement benefits Rm	Retained earnings Rm	Shareholders' equity Rm	Non-controlling interests Rm	Total equity Rm
Balance at 30 June 2018	**15 775**	**(4 021)**	**43**	**28 500**	**180**	**(1 844)**	**184 352**	**222 985**	**5 623**	**228 608**
Impact of prior period adjustment	–	–	–	–	–	–	(1 777)	**(1 777)**	–	**(1 777)**
Restated balance at beginning of period	**15 775**	**(4 021)**	**43**	**28 500**	**180**	**(1 844)**	**182 575**	**221 208**	**5 623**	**226 831**
Disposal of business	–	–	–	(52)	–	–	–	**(52)**	–	**(52)**
Movement in share-based payment reserve	–	1 552	–	–	–	–	–	**1 552**	–	**1 552**
Share-based payment expense	–	707	–	–	–	–	–	**707**	–	**707**
Sasol Khanyisa transaction	–	952	–	–	–	–	–	**952**	–	**952**
Deferred tax	–	(107)	–	–	–	–	–	**(107)**	–	**(107)**
Unwind of Sasol Inzalo transaction	(5 887)	3 452	–	–	–	–	1 063	**(1 372)**	–	**(1 372)**
Repurchase of shares	(5 887)	5 887	–	–	–	–	–	**–**	–	**–**
Final distribution to Sasol Inzalo Public	–	–	–	–	–	–	(1 372)	**(1 372)**	–	**(1 372)**
Share-based payment reserve to retained earnings	–	(2 435)	–	–	–	–	2 435	**–**	–	**–**
Long-term incentives vested and settled	–	(573)	–	–	–	–	573	**–**	–	**–**
Total restated comprehensive income for the year	–	–	89	1 530	(180)	(360)	3 389	**4 468**	1 785	**6 253**
restated profit	–	–	–	–	–	–	3 389	**3 389**	1 776	**5 165**
other comprehensive income for the year	–	–	89	1 530	(180)	(360)	–	**1 079**	9	**1 088**
Dividends paid	–	–	–	–	–	–	(8 580)	**(8 580)**	(1 523)	**(10 103)**
Restated balance at 30 June 2019	**9 888**	**410**	**132**	**29 978**	**–**	**(2 204)**	**179 020**	**217 224**	**5 885**	**223 109**
Adjustment on initial application of IFRS 16, net of tax*	–	–	–	–	–	–	(290)	**(290)**	–	**(290)**
Restated balance at beginning of period	**9 888**	**410**	**132**	**29 978**	**–**	**(2 204)**	**178 730**	**216 934**	**5 885**	**222 819**
Movement in share-based payment reserve	–	1 938	–	–	–	–	–	**1 938**	–	**1 938**
Share-based payment expense	–	878	–	–	–	–	–	**878**	–	**878**
Sasol Khanyisa transaction	–	1 068	–	–	–	–	–	**1 068**	–	**1 068**
Deferred tax	–	(8)	–	–	–	–	–	**(8)**	–	**(8)**
Long-term incentives vested and settled	–	(614)	–	–	–	–	614	**–**	–	**–**
Restated total comprehensive (loss)/income for the year	–	–	(83)	25 871	(1 771)	(128)	(91 754)	**(67 865)**	(134)	**(67 999)**
restated loss	–	–	–	–	–	–	(91 754)	**(91 754)**	(163)	**(91 917)**
other comprehensive income for the year	–	–	(83)	25 871	(1 771)	(128)	–	**23 889**	29	**23 918**
Dividends paid	–	–	–	–	–	–	(31)	**(31)**	(810)	**(841)**
Restated balance at 30 June 2020	**9 888**	**1 734**	**49**	**55 849**	**(1 771)**	**(2 332)**	**87 559**	**150 976**	**4 941**	**155 917**
Liquidation of businesses	**–**	**–**	**–**	**–**	**–**	**–**	**148**	**148**	**–**	**148**
Taxation impact on disposal of investment	**–**	**–**	**–**	**–**	**–**	**–**	**44**	**44**	**–**	**44**
Movement in share-based payment reserve	**–**	**1 945**	**–**	**–**	**–**	**–**	**–**	**1 945**	**–**	**1 945**
Share-based payment expense (refer note 36)	**–**	**1 927**	**–**	**–**	**–**	**–**	**–**	**1 927**	**–**	**1 927**
Deferred tax	**–**	**18**	**–**	**–**	**–**	**–**	**–**	**18**	**–**	**18**
Long-term incentives vested and settled	**–**	**(890)**	**–**	**–**	**–**	**–**	**890**	**–**	**–**	**–**
Sasol Khanyisa Tier 1 transaction vested and settled	**–**	**(1 889)**	**–**	**–**	**–**	**–**	**1 889**	**–**	**–**	**–**
Total comprehensive (loss)/income for the year	**–**	**–**	**(10)**	**(17 097)**	**864**	**633**	**9 032**	**(6 578)**	**1 487**	**(5 091)**
profit	**–**	**–**	**–**	**–**	**–**	**–**	**9 032**	**9 032**	**1 500**	**10 532**
other comprehensive loss for the year	**–**	**–**	**(10)**	**(17 097)**	**864**	**633**	**–**	**(15 610)**	**(13)**	**(15 623)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(46)**	**(46)**	**(446)**	**(492)**
Balance at 30 June 2021	**9 888**	**900**	**39**	**38 752**	**(907)**	**(1 699)**	**99 516**	**146 489**	**5 982**	**152 471**

* The adjustment on initial application of IFRS 16 'Leases' relates to the derecognition of the IAS 17 finance lease of Oxygen Train 17 and the recognition of the embedded derivative in the Oxygen Train 17 agreement with Air Liquide. Refer to note 40, page 137.

The results have been restated for prior period errors in the calculation of South African value chain impairments, refer to note 1.

The notes on pages 55 to 141 are an integral part of these Consolidated Financial Statements.

STATEMENT OF CASH FLOWS
for the year ended 30 June

	Note	2021 Rm	2020 Rm	2019 Rm
Cash receipts from customers		**194 712**	196 798	203 613
Cash paid to suppliers and employees		**(149 598)**	(154 414)	(152 215)
Cash generated by operating activities	30	**45 114**	42 384	51 398
Dividends received from equity accounted investments	22	**37**	208	1 506
Finance income received	8	**837**	792	682
Finance costs paid*	8	**(6 173)**	(7 154)	(6 222)
Tax paid	14	**(5 280)**	(5 659)	(3 946)
Cash available from operating activities		**34 535**	30 571	43 418
Dividends paid	32	**(46)**	(31)	(9 952)
Dividends paid to non-controlling shareholders in subsidiaries		**(446)**	(810)	(1 523)
Cash retained from operating activities		**34 043**	29 730	31 943
Additions to non-current assets		**(18 214)**	(41 935)	(56 734)
additions to property, plant and equipment	20	**(15 945)**	(35 145)	(55 781)
additions to other intangible assets		**(3)**	(19)	(19)
decrease in capital project related payables		**(2 266)**	(6 771)	(934)
Cash movements in equity accounted investments		**–**	(284)	66
Proceeds on disposals and scrappings	11	**43 214**	4 285	567
Additions to assets held for sale**		**(427)**	–	–
Acquisition of interest in equity accounted investments	22	**–**	(512)	–
Purchase of investments		**(124)**	(121)	(222)
Proceeds from sale of investments		**168**	483	142
Decrease/(increase) in long-term receivables		**476**	(466)	(231)
Cash received from/(used in) investing activities		**25 093**	(38 550)	(56 412)
Proceeds from long-term debt	17	**26 057**	36 487	93 884
Repayment of long-term debt	17	**(61 454)**	(28 335)	(69 655)
Payment of lease liabilities	18	**(2 180)**	(2 061)	(345)
Repayment of debt held for sale		**(980)**	–	–
Proceeds from short-term debt	19	**9**	19 998	977
Repayment of short-term debt	19	**(19 717)**	(977)	(1 730)
Cash (used in)/generated by financing activities		**(58 265)**	25 112	23 131
Translation effects on cash and cash equivalents		**(2 916)**	3 607	162
(Decrease)/increase in cash and cash equivalents		**(2 045)**	19 899	(1 176)
Cash and cash equivalents at the beginning of year		**34 094**	15 819	17 039
Reclassification to disposal groups held for sale and other long-term investments		**(1 061)**	(1 624)	(44)
Cash and cash equivalents at the end of the year	29	**30 988**	34 094	15 819

* Included in finance costs paid are amounts capitalised to assets under construction a class of Property, plant and equipment. Refer note 8.

** Relates to additions to the Air Separation Units disposal group held for sale at 30 June 2020, refer note 11.

The notes on pages 55 to 141 are an integral part of these Consolidated Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

Page

56 ■ Segment information
56 ■ Geographic segment information
58 ■ Reporting segments
60 ■ Statement of compliance
64 ■ Going concern

65 Earnings generated from operations

Operating and other activities
66 ■ Turnover
67 ■ Materials, energy and consumables used
67 ■ Employee-related expenditure
68 ■ Translations (losses)/gains
68 ■ Other operating expenses and income
69 ■ Net finance costs
69 ■ Earnings/(loss) and dividends per share
72 ■ Remeasurement items affecting operating profit
77 ■ Disposals and scrapping
79 ■ Disposal groups held for sale

Taxation
81 ■ Taxation
83 ■ Tax paid
83 ■ Deferred tax

86 Sources of capital

Equity
87 ■ Share capital

Funding activities and facilities
88 ■ Long-term debt
91 ■ Leases
93 ■ Short-term debt

Page

94 Capital allocation and utilisation

Investing activities
95 ■ Property, plant and equipment
98 ■ Long-term receivables and prepaid expenses
99 ■ Equity accounted investments
101 ■ Interest in joint operations
102 ■ Interest in significant operating subsidiaries

Working capital
104 ■ Inventories
104 ■ Trade and other receivables
105 ■ Trade and other payables
105 ■ (Increase)/decrease in working capital

Cash management
106 ■ Cash and cash equivalents
106 ■ Cash generated by operating activities
107 ■ Cash flow from operations
107 ■ Dividends paid

108 Provisions and reserves

Provisions
109 ■ Long-term provisions
110 ■ Short-term provisions
111 ■ Post-retirement benefit obligations

Reserves
119 ■ Share-based payment reserve

122 Other disclosures

123 ■ Contingent liabilities
125 ■ Related party transactions
127 ■ Subsequent events
128 ■ Financial risk management and financial instruments

SEGMENT INFORMATION

	Mining			Gas			Fuels			Chemicals Africa****		
	2021 Rm	2020 Rm	2019 Rm	2021 Rm	2020 Rm	2019 Rm	2021 Rm	2020 Rm	2019 Rm	2021 Rm	2020 Restated Rm	2019 Restated Rm
Income statement*												
External turnover	**2 025**	1 343	3 222	**7 321**	8 350	8 316	**59 393**	60 816	76 985	**58 260**	51 600	52 607
Total turnover	**21 704**	19 891	20 876	**10 990**	12 419	12 665	**60 649**	62 553	78 624	**60 597**	54 310	54 817
Intersegmental turnover	**(19 679)**	(18 548)	(17 654)	**(3 669)**	(4 069)	(4 349)	**(1 256)**	(1 737)	(1 639)	**(2 337)**	(2 710)	(2 210)
Equity accounted profits, net of tax	**(3)**	(2)	–	**–**	–	–	**742**	(347)	908	**83**	21	37
Earnings/(loss) before interest and tax	**3 227**	2 756	4 701	**6 656**	5 527	3 948	**(18 170)**	(11 609)	10 769	**6 957**	(17 035)	3 474
Remeasurement items**	**46**	113	45	**(655)**	(30)	1 977	**23 196**	11 990	447	**7 889**	24 122	3 928
Depreciation and amortisation	**2 223**	2 080	1 805	**1 463**	2 002	2 100	**3 401**	4 809	4 832	**4 461**	5 649	5 577
Statement of cash flows*												
Additions to non-current assets***	**2 704**	2 859	2 912	**711**	1 539	1 165	**3 549**	5 232	7 415	**5 508**	6 845	8 748

	Chemicals America			Chemicals Eurasia			Corporate Centre			Total****		
	2021 Rm	2020 Rm	2019 Rm	2021 Rm	2020 Rm	2019 Rm	2021 Rm	2020 Rm	2019 Rm	2021 Rm	2020 Restated Rm	2019 Restated Rm
Income statement*												
External turnover	**29 358**	28 721	21 419	**45 539**	39 537	40 967	**14**	–	60	**201 910**	190 367	203 576
Total turnover	**29 360**	28 809	21 424	**46 038**	39 989	41 423	**26**	30	78	**229 364**	218 001	229 907
Intersegmental turnover	**(2)**	(88)	(5)	**(499)**	(452)	(456)	**(12)**	(30)	(18)	**(27 454)**	(27 634)	(26 331)
Equity accounted profits, net of tax	**–**	–	–	**1**	–	147	**(9)**	(19)	(18)	**814**	(347)	1 074
Earnings/(loss) before interest and tax	**8 116**	(77 556)	(15 382)	**4 680**	(894)	3 100	**5 153**	(13 115)	(2 176)	**16 619**	(111 926)	8 434
Remeasurement items**	**(7 336)**	73 166	13 765	**(86)**	2 387	(104)	**164**	230	4	**23 218**	111 978	20 062
Depreciation and amortisation	**3 637**	5 085	1 532	**1 687**	1 821	1 244	**772**	881	724	**17 644**	22 327	17 814
Statement of cash flows*												
Additions to non-current assets***	**1 152**	15 654	31 866	**1 796**	2 158	2 841	**528**	877	853	**15 948**	35 164	55 800

* Comparative financial results have been restated to reflect the revised composition of the group's reportable segments under the Sasol 2.0 operating model.
** Excludes equity accounted investments.
*** Excludes capital project related payables.
**** Chemicals Africa results for 2019 and 2020 have been restated for the correction of the prior period errors. Refer note 1.

GEOGRAPHIC SEGMENT INFORMATION

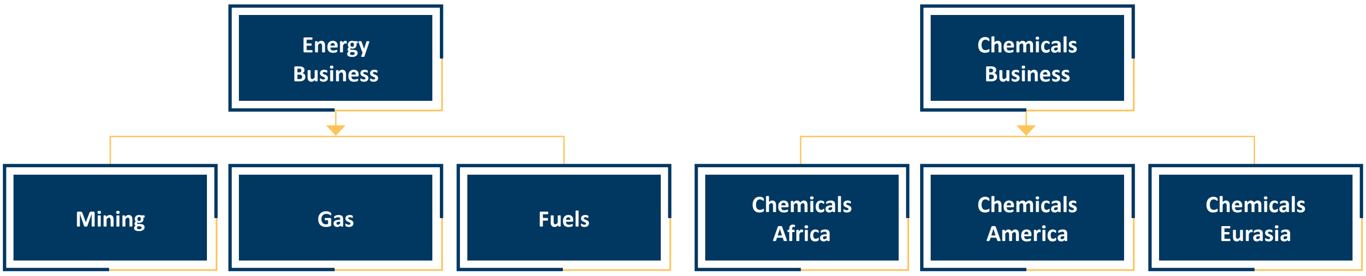
	South Africa			Rest of Africa			United States		
	2021 Rm	2020 Rm	2019 Rm	2021 Rm	2020 Rm	2019 Rm	2021 Rm	2020 Rm	2019 Rm
External turnover*	**84 844**	84 528	100 955	**8 853**	7 776	8 814	**31 247**	28 295	24 452
Earnings/(loss) before interest and tax**	**(7 523)**	(37 029)	17 313	**4 541**	1 821	707	**9 616**	(75 827)	(15 022)
Tax paid	**6 622**	3 138	933	**955**	1 607	1 548	**(3 340)**	20	5
Non-current assets***	**76 070**	106 922	143 957	**14 116**	18 896	19 323	**113 088**	106 371	188 380

	Rest of North America			Europe			Rest of World			Total operations		
	2021 Rm	2020 Rm	2019 Rm	2021 Rm	2020 Rm	2019 Rm	2021 Rm	2020 Rm	2019 Rm	2021 Rm	2020 Rm	2019 Rm
External turnover*	**4 183**	3 758	3 285	**48 529**	44 280	45 202	**24 254**	21 730	20 868	**201 910**	190 367	203 576
Earnings/(loss) before interest and tax**	**646**	(481)	(2 721)	**5 354**	105	5 017	**3 985**	(515)	3 140	**16 619**	(111 926)	8 434
Tax paid	**–**	–	1	**997**	854	1 398	**46**	40	61	**5 280**	5 659	3 946
Non-current assets***	**–**	1 329	1 180	**16 748**	18 948	15 944	**10 455**	11 968	9 601	**230 477**	264 434	378 385

* The analysis of turnover is based on the location of the customer.
** Includes equity accounted profits/(losses) remeasurement items.
*** Excludes deferred tax assets and post-retirement benefit assets.

REPORTING SEGMENTS

The group's operating model comprises of two distinct businesses, Energy and Chemicals. The Energy Business manages the marketing and sales of all fuel, coal, gas and oil products in Southern Africa. The Chemicals Business includes the marketing and sales of all chemical products in Africa, America and Eurasia. The operating model structure reflects how the results are reported to the Chief Operating Decision Maker (CODM). The CODM for Sasol is the President and Chief Executive Officer. The Energy Business reportable segments are operating segments that are differentiated by the activities that each undertakes and the products they manufacture and market. The Chemicals Business reportable segments are differentiated by the regions in which they operate. The group has six main reportable segments that reflect the structure used by the President and Chief Executive Officer to make key operating decisions and assess performance. The group evaluates the performance of its reportable segments based on earnings before interest and tax (EBIT).



Energy Business

The Energy Business operates integrated value chains with feedstock sourced from the Mining and Gas operating segments and processed at our operations in Secunda, Sasolburg and Natref. There are also associated assets outside South Africa which include the Pande-Temane Petroleum Production Agreement (PPA) in Mozambique and ORYX GTL (gas to liquids) in Qatar.

Mining

Mining is responsible for securing coal feedstock for the Southern African value chain, mainly for gasification, but also to generate electricity and steam. Coal is sold for gasification and utility purposes to Secunda Operations, for utility purposes to Sasolburg Operations and to third parties in the export market. Coal is supplied to Secunda Operations on arms-length terms and to Sasolburg operations based on a long-term supply contract with inflation linked escalation. The price of export coal is based on the Free on Board Richards Bay index.

The date of delivery related to Mining is determined in accordance with the contractual agreements entered into with customers. These are summarised as follows:

Delivery terms	Control passes to the customer
On delivery	At the point in time when the coal is delivered to the customer.
Free on Board	At the point in time when the coal is loaded onto the vessel at Richards Bay Coal Terminal; the customer is responsible for shipping and handling costs.

Gas

The Gas segment reflects the upstream feedstock, transport of gas through the ROMPCO pipeline, and external natural and methane rich gas sales.

Mozambican gas is sold under long-term contracts to both the Secunda and Sasol operations and to external customers. Condensate is sold on short-term contracts. In South Africa, gas is sold under long-term contracts at a price determinable from the supply agreements in accordance with the pricing methodology used by the National Energy Regulator of South Africa (NERSA). Analysis of gas and tests of the specifications and content are performed prior to delivery. Canadian gas is sold into the market at spot prices. Turnover from all gas sales is recognised on delivery.

Delivery terms	Control passes to the customer
On-delivery	At the point in time when the: • Gas reaches the inlet coupling of the customer's pipeline. • Condensate is loaded onto the customer's truck. These are the points when the customer controls the gas, condensate or oil, or directs the use of it. The customer is responsible for transportation and handling costs in terms of gas, condensate and oil.

Fuels

The Fuels segment comprises the sales and marketing of liquid fuels produced in South Africa. Sasol supplies approximately 40% of South Africa's domestic fuel need through retail and wholesale channels. Liquid fuels are blended from fuel components produced by the Secunda Operations, crude oil refined at Natref, as well as some products purchased from other refiners. Liquid fuel products are sold under both short- and long-term agreements for both retail sales and commercial sales, including sales to other oil companies.

Liquid fuel prices are mainly driven by the Basic Fuel Price (BFP). Sales through wholesale is at BFP plus costs such as transportation and storage. For commercial sales and sales to other oil companies, the prices are fixed and determinable according to the specific contract, with periodic price adjustments.

Turnover is recognised as follows:

Delivery terms	Control passes to the customer:
On-delivery	At the point in time when the fuel is delivered onto the rail tank car, road tank truck or into the pipeline.
Free Carrier	At the point in time when the goods are unloaded to the port of shipment; Sasol is not responsible for the freight and insurance.
Carriage Paid To	Products: At the point in time when the product is delivered to a specified location or main carrier. Freight: Over the period of transporting the goods to the customer's nominated place – where the seller is responsible for freight costs, which are included in the contract.

The Fuels business also develops, implements and manages the group's international business ventures based on Sasol's proprietary gas-to-liquids (GTL) technology. Sasol holds 49% in ORYX GTL in Qatar.

Chemicals Business

Chemical products are grouped into Advanced Materials, Base Chemicals, Essential Care Chemicals and Performance Solutions.

The Chemicals Businesses sell the majority of their products under contracts at prices determinable from such agreements. Turnover is recognised in accordance with the related contract terms, at the point at which control transfers to the customer and prices are determinable and collectability is probable.

The point of delivery is determined in accordance with the contractual agreements entered into with customers which are as follows:

Delivery terms	Control passes to the customer:
Ex-tank sales	At the point in time when products are loaded into the customer's vehicle or unloaded from the seller's storage tanks.
Ex-works	At the point in time when products are loaded into the customer's vehicle or unloaded at the seller's premises.
Carriage Paid To (CPT); Cost Insurance Freight (CIF); Carriage and Insurance Paid (CIP); and Cost Freight Railage (CFR)	Products – CPT: At the point in time when the product is delivered to a specified location or main carrier.
	Products – CIF, CIP and CFR: At the point in time when the products are loaded into the transport vehicle.
	Carriage, freight and insurance: Over the period of transporting the products to the customer's nominated place – where the seller is responsible for carriage, freight and insurance costs, which are included in the contract.
Free on Board	At the point in time when products are loaded into the transport vehicle; the customer is responsible for shipping and handling costs.
Delivered at Place	At the point in time when products are delivered to and signed for by the customer.
Consignment Sales	As and when products are consumed by the customer.

Corporate Centre

The Corporate Centre includes head office and centralised treasury operations.

1 Statement of compliance

The consolidated financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the South African Companies Act, 2008. The consolidated financial statements were approved for issue by the Board of Directors on 16 August 2021 and will be presented to shareholders at the Annual General Meeting on 19 November 2021.

Basis of preparation of financial results

The consolidated financial statements are prepared using the historic cost convention except that, certain items, including derivative instruments, liabilities for cash-settled share-based payments, financial assets at fair value through profit or loss and financial assets designated at fair value through other comprehensive income, are stated at fair value. The consolidated financial results are presented in rand, which is Sasol Limited's functional and presentation currency, rounded to the nearest million.

The consolidated financial statements are prepared on the going concern basis. Refer to note 2.

Certain additional disclosure has been provided in respect of the current year, as described on page 161 "Pro forma financial information". To the extent practicable, comparative information has also been provided.

Change in reportable segment information

The reportable segment information has been aligned to the group's new operating model which came into effect on 1 June 2021. Our new operating model enables improved decision-making in our two businesses, Energy and Chemicals. The new operating model structure reflects how the results are reported to the Chief Operating Decision Maker (CODM). Refer to the Segment information on page 56 for more information.

Change in revenue disaggregation

Pursuant to the change in our operating model, the Chemicals Business has been re-organised into three regional operating segments i.e. Africa, America and Eurasia, supported by four divisions comprising Advanced Materials, Base Chemicals, Essential Care Chemicals and Performance Solutions. All internal and external reporting relating to the Chemicals Business have been rearranged accordingly. Revenue, which was previously disaggregated according to the grouping of product lines under the old operating model, has been updated to reflect the new divisional product lines. The disaggregation of revenue for the Energy segments did not change materially. The comparative figures have also been aligned to the new format. Refer to note 3.

Change in presentation of assets under construction (reclassification)

Assets under construction were previously presented as a separate class of assets on the statement of financial position. From the current year, assets under construction are classified as a separate class of property, plant and equipment. Over the last two years, the LCCP units reaching beneficial operation has resulted in a significant decrease in the balance of assets under construction. Accordingly, the separate classification of assets under construction is no longer relevant to understanding the group's financial position. The accounting policies in respect of assets under construction have not been amended. The comparative figures have been reclassified. For this financial reporting period the group has presented a third statement of financial position by including a set of numbers as at the beginning of the preceding period to assist with the impact of the reclassification.

Errors in calculation of the South African integrated value chain impairments (restatement)

During the year, the Company identified the following prior period errors relating to its impairment calculations:

As part of an independent management review of the South African integrated value chain it was determined that a portion of the gas feedstock purchase cost has erroneously been omitted from the South African integrated value chain impairment assessment since 2015, leading to an overstated valuation of the Company's gas dependent value chains and therefore the incorrect calculation of impairments to be recognised. This error mainly impacts the Polyethylene, Chlor Vinyls, Chemical Work Up & Heavy Alcohols, Methanol, Ammonia and Wax value chains. Impairments recognised since the 2017 financial year are impacted by this error and are accounted for by correcting the 1 July 2019 opening retained earnings.

During the current year it was determined that the Ammonia CGU carrying value used in the 2020 impairment assessment was understated as a result of an error in the carrying value calculation. The resulting impairment charge was therefore also understated by R1,3 billion, (R937 million, net of tax). The error only impacted the 2020 financial year.

In order to assess the impact of the prior period errors identified, the Company applied SEC Staff Accounting Bulletin ("SAB") No 108, 'Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements'. SAB No 108 states that registrants must quantify the impact of correcting all misstatements on all periods presented, including both the carryover (iron curtain method) and reversing (rollover method) effects of prior year misstatements on the current year financial statements, and by evaluating the misstatement measured under each method in light of quantitative and qualitative factors. Under SAB No 108, prior year misstatements which, if corrected in the current year would be material to the current year, must be corrected by adjusting prior year financial statements, even though such correction previously was and continues to be immaterial to the prior year financial statements. Correcting prior year financial statements for such immaterial errors does not require previously issued or filed financial statements to be amended.

In accordance with SAB No 99 'Materiality', the Company evaluated the effect of the prior period errors, both quantitatively and qualitatively, and concluded that the correction did not have a material impact on, nor require amendment of, any of the Company's previously issued or filed financial statements taken as a whole. However, if the adjustments to correct the cumulative errors had been recorded in 2021, the Company believes the impact would have been material to the 2021 annual results and would have impacted comparisons to prior periods.

The conclusions above in terms of SAB No 99 and SAB No 108 are consistent with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', as well as principles of IFRS.

Accordingly, the Company has revised its previously reported results and related disclosures as follows:

for the year ended 30 June	As reported on 30 June 2019 Rm	Reclassification Rm	Restatement Rm	As restated on 1 July 2019 Rm
Statement of financial position				
Property, plant and equipment	**233 549**	127 764	(3 731)	**357 582**
Assets under construction	**127 764**	(127 764)	–	**–**
Non-current assets	**391 953**	–	(3 731)	**388 222**
Deferred tax liability	**27 586**	–	(1 045)	**26 541**
Non-current liabilities	**195 075**	–	(1 045)	**194 030**
Statement of changes in equity				
Retained earnings*	**181 416**	–	(2 686)	**178 730**
Total equity	**225 795**	–	(2 686)	**223 109**
Income statement				
Depreciation and amortisation	**(17 968)**	–	154	**(17 814)**
Operating profit before remeasurement items	**28 342**	–	154	**28 496**
Remeasurement items	**(18 645)**	–	(1 417)	**(20 062)**
Earnings before interest and tax (EBIT)	**9 697**	–	(1 263)	**8 434**
Taxation	**(3 157)**	–	354	**(2 803)**
Earnings for the year	**6 074**	–	(909)	**5 165**
Statement of comprehensive income				
Total comprehensive income for the year	**7 162**	–	(909)	**6 253**

	Rand	Rand	Rand	Rand
Basic earnings per share	**6,97**	–	(1,47)	**5,50**
Headline earnings per share	**30,72**	–	0,18	**30,90**
Dilute earnings per share	**6,93**	–	(1,47)	**5,46**
Diluted headline earnings per share	**30,54**	–	0,17	**30,71**

* Cumulative error of R1 777 million for financial years preceding 2019 have been corrected by restating the 1 July 2019 opening retained earnings.

1 Statement of compliance continued

for the year ended 30 June	As reported on 30 June 2020 Rm	Reclassification Rm	Restatement* Rm	As restated on 30 June 2020 Rm
Statement of financial position				
Property, plant and equipment	**204 470**	27 802	(4 627)	**227 645**
Assets under construction	**27 802**	(27 802)	–	**–**
Non-current assets	**301 193**	–	(4 627)	**296 566**
Deferred tax liability	**20 450**	–	(1 296)	**19 154**
Non-current liabilities	**226 796**	–	(1 296)	**225 500**
Statement of changes in equity				
Retained earnings**	**90 890**	–	(3 331)	**87 559**
Total equity	**159 248**	–	(3 331)	**155 917**
Income statement				
Depreciation and amortisation	**(22 575)**	–	248	**(22 327)**
Operating (loss)/profit before remeasurement items	**(196)**	–	248	**52**
Remeasurement items	**(110 834)**	–	(1 144)	**(111 978)**
Loss before interest and tax (LBIT)	**(111 030)**	–	(896)	**(111 926)**
Taxation	**26 139**	–	251	**26 390**
Loss for the year	**(91 272)**	–	(645)	**(91 917)**
Statement of comprehensive income				
Total comprehensive loss for the year	**(67 354)**	–	(645)	**(67 999)**

	Rand	Rand	Rand	Rand
Basic loss per share	**(147,45)**	–	(1,04)	**(148,49)**
Headline loss per share	**(11,79)**	–	0,29	**(11,50)**
Dilute loss per share	**(147,45)**	–	(1,04)	**(148,49)**
Diluted headline loss per share	**(11,79)**	–	0,29	**(11,50)**

* Including impact of 2019 error. The impact of the Ammonia error was R1,3 billion (R937 million net of tax).

** Cumulative error of R1 777 million for financial years preceding 2019 have been corrected by restating the 1 July 2019 opening retained earnings.

The restatement had no impact on earnings attributable to non-controlling shareholders. The reclassification and restatement are non-cash adjustments and therefore do not impact any other line items on the statement of cash flows. The restatement impacted the results of the Chemicals Africa segment which have been restated accordingly, refer to page 56.

Accounting policies

The accounting policies applied in the preparation of these consolidated financial statements are in terms of IFRS and are consistent with those applied in the consolidated annual financial statements for the year ended 30 June 2020, except for the adoption of certain amendments to existing standards as detailed below. These accounting policies are consistently applied throughout the group.

Accounting standards, interpretations and amendments to published accounting standards

In the prior financial year, the group early adopted the Interest Rate Benchmark Reform Phase 1 Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' (Phase 1). These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the group has elected to early adopt the Interest Rate Benchmark Reform – Phase 2 Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' (Phase 2) which was issued in August 2020. In accordance with the transition provisions, the amendments have been adopted retrospectively to hedging relationships and financial instruments. The adoption of the amendments had no impact on the comparative period, and therefore comparative amounts have not been restated, which resulted in no impact on the current period opening reserves amounts on adoption.

Both the Phase 1 and Phase 2 amendments are relevant to the group as the group has exposure to the variable US dollar London Interbank Overnight Rate (LIBOR) through various instruments including term loans, revolving credit facilities, as well as an interest rate swap which has been designated as a hedging instrument in a cash flow hedge.

As a result of the Phase 2 amendments:

- When the contractual terms of the group's borrowings are amended as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the basis immediately preceding the change, the group changes the basis for determining the contractual cash flows prospectively by revising the effective interest rate. If additional changes are made, which are not directly related to the reform, the applicable requirements of IFRS 9 are applied to the other amendments.
- When changes are made to the hedging instruments, hedged item and hedged risk as a result of the interest rate benchmark reform, the group will update the hedge documentation without discontinuing the hedging relationship and the cumulative gain or loss in the cash flow hedge accounting reserve will be deemed to be based on the alternative benchmark rate.

The group is still assessing its approach to implementing the transition. As at 30 June 2021 no modifications to any of the group's derivative or non-derivative financial instruments have been made in response to the reform. Negotiations with counterparties on appropriate changes and resetting of rates are expected to continue in the following months. Management expects that the transition will be concluded on an economically equivalent basis.

The following table contains details of all of our financial instruments at 30 June 2021 which reference the US LIBOR and have not yet transitioned to an alternative interest rate benchmark:

	2021 Rm
Financial liabilities measured at amortised cost	
US$ term loan	20 699
US$ Revolving credit facility	9 878
Derivative liability	
Interest rate swap	2 103
	32 680

Furthermore, the Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks tasked globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank ("SARB") has indicated their intention to move away from Johannesburg Interbank Average Rate (JIBAR) and to create an alternative reference rate for South Africa. This reform is at various stages globally, a suitable alternative for South Africa is only expected to be announced in a few years' time. Accordingly, there is uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the group. Management is monitoring developments in this reform.

The following amendments to IFRS were mandatorily effective for the first time from 1 July 2020:

- Amendments to IFRS 3 'Business Combinations' on the definition of a 'business'; and
- Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' on the definition of 'material'.

The following amendments to IFRS were early adopted by the group effective from 1 July 2020:

- Amendments to IFRS 16 'Leases' to extend the optional relief with regards to COVID-19-related rent concessions;
- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 with regards to the disclosure of accounting policies;
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' relating to the definition of 'accounting estimates'; and
- Amendments to IAS 12 'Income Taxes' relating to deferred tax on assets and liabilities arising from a single transaction.

The adoption of these amendments had no material impact on the consolidated financial statements.

Accounting standards, interpretations and amendments not yet effective

IFRS 17 'Insurance Contracts'

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. IFRS 17 supersedes IFRS 4 'Insurance Contracts'. IFRS 17 is effective for the group from 1 July 2023, will be applied prospectively and is not expected to significantly impact the group.

Amendments to IAS 1 'Presentation of Financial Statements'

The amendments provide guidance on the classification of liabilities as current or non-current in the statement of financial position and does not impact the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They clarify that the classification of liabilities as current or non-current should be based on rights that are in place at the end of the reporting period which enable the reporting entity to defer settlement by at least twelve months. The amendments further make it explicit that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments are effective for the group from 1 July 2023, will be applied retrospectively and are not expected to significantly impact the group.

2 Going concern

Introduction

In determining the appropriate basis of preparation of the annual financial statements, the directors are required to consider whether the Sasol Group (Group) and Sasol Limited (Company) can continue in operational existence for the foreseeable future.

Solvency and Liquidity

Solvency

At 30 June 2021, after impairments, the valuations of the Group's assets indicate that their recoverable amount exceed their carrying values as well as the external debt. The asset base of the Group comprises mainly tangible assets with significant value, reflected in the records of the underlying businesses.

As such, the Board is of the view that given the sufficient headroom in the recoverable amount of the assets over the fair value of the liabilities (including contingent liabilities), the Group is solvent as at 30 June 2021 and at the date of this report.

At 30 June 2021, the balance sheet saw an improvement in the gearing at 61,5% (30 June 2020: 117%) and Net debt: EBITDA of 1,5 times (30 June 2020: 4,3 times) (based on the Revolving Credit facility and US dollar term loan covenant definition), well below the re-instated June 2021 covenant level of 3,0 times. The Group is targeting Net debt: EBITDA to remain within our covenant levels in the foreseeable future. The Group will achieve this through cash generated from operations as well as proceeds from the accelerated asset divestment programme.

Liquidity management

At 30 June 2021, the Group had cash and cash equivalents of R31,0 billion, (30 June 2020: R34,1 billion) and available facilities of R54,7 billion, (30 June 2020: R10,5 billion).

Increased cash generation, through delivery of Sasol's self-help measures and asset disposals contributed to balance sheet deleveraging and complying with debt covenant levels at 30 June 2021.

Conclusion

The events and conditions described above indicate considerable improvement in the liquidity position of the Group at 30 June 2021 compared to 30 June 2020.

Based on the above, the Directors are therefore of the opinion that the going concern assumption is appropriate in the preparation of the consolidated and separate financial statements.

EARNINGS GENERATED FROM OPERATIONS

Page

66 Operating and other activities

66 ■ Turnover
67 ■ Material, energy and consumables used
67 ■ Employee-related expenditure
68 ■ Translation gains/(losses)
68 ■ Other operating expenses and income
69 ■ Net finance costs
69 ■ Earnings/(loss) and dividends per share
72 ■ Remeasurement items affecting operating profit
77 ■ Disposals and scrapping
79 ■ Disposal groups held for sale

81 Taxation

81 ■ Taxation
83 ■ Tax paid
83 ■ Deferred tax

OPERATING AND OTHER ACTIVITIES

for the year ended 30 June	2021 Rm	2020 Rm	2019 Rm
3 Turnover			
Revenue by major product line			
Energy business	**65 676**	67 415	85 536
Coal[1]	**2 025**	1 343	3 222
Liquid fuels and crude oil[2]	**58 265**	60 119	76 328
Gas (methane rich and natural gas) and condensate[3]	**5 386**	5 953	5 986
Chemicals business	**133 136**	119 840	114 832
Advanced materials[4]	**7 380**	7 200	7 349
Base chemicals[5]	**45 684**	40 262	34 967
Essential care[6]	**44 314**	40 112	41 084
Performance solutions[7]	**35 758**	32 266	31 432
Other (Technology, refinery services)[9]	**2 288**	2 313	2 308
Revenue from contracts with customers	**201 100**	189 568	202 676
Revenue from other contracts[8]	**810**	799	900
	201 910	190 367	203 576

1 Derived from Mining segment.
2 Derived from Fuels segment.
3 Derived from Gas segment.
4 Approximately 37% (2020 – 29%; 2019 – 28%) of revenue from advanced materials is derived from Chemicals Africa while 52% (2020 – 56%; 2019 – 57%) is derived from Chemicals Eurasia and the remaining revenue is derived from Chemicals America.
5 Approximately 59% (2020 – 59%; 2019 – 74%) of revenue from base chemicals is derived from Chemicals Africa while 33% (2020 – 29%; 2019 – 18%) is derived from Chemicals America and the remaining revenue is derived from Chemicals Eurasia.
6 Approximately 70% of revenue from essential care products is derived from Chemicals Eurasia and approximately 30% is derived from Chemicals America for all three years presented.
7 Approximately 70% of revenue from performance solutions is derived from Chemicals Eurasia and approximately 15% from Chemicals America and Chemicals Africa each for all three years presented.
8 Relates to the Fuels segment and includes franchise rentals, use of fuel tanks and fuel storage.
9 Relates to the Gas and Fuels segments.

The disaggregation of revenue was updated in the current year and comparatives have been restated – refer to note 1.

Accounting policies:

Revenue from contracts with customers is recognised when the control of goods or services has transferred to the customer through the satisfaction of a performance obligation. Group performance obligations are satisfied at a point in time and over time, however the group mainly satisfies its performance obligations at a point in time. For further information on revenue recognition, refer to Segment information on pages 58 to 59.

Revenue recognised reflects the consideration that the group expects to be entitled to for each distinct performance obligation after deducting indirect taxes, rebates and trade discounts and consists primarily of the sale of fuels, oil, natural gas and chemical products, services rendered, license fees and royalties. The group allocates revenue based on stand-alone selling prices.

The group enters into exchange agreements with the same counterparties for the purchase and sale of inventory that are entered into in contemplation of one another. When the items exchanged are similar in nature, these transactions are combined and accounted for as a single exchange transaction. The exchange is recognised at the carrying amount of the inventory transferred.

Revenue from arrangements that are not considered contracts with customers, mainly pertaining to franchise rentals, use of fuel tanks and fuel storage, is presented as revenue from other contracts.

The period between the transfer of the goods and services to the customer and the payment by the customer does not exceed 12 months and the group does not adjust for time value of money.

for the year ended 30 June	2021 Rm	2020 Rm	2019 Rm

4 Materials, energy and consumables used

	2021 Rm	2020 Rm	2019 Rm
Cost of raw materials	**71 016**	78 030	79 774
Cost of energy and other consumables used in production process	**14 354**	12 079	10 815
	85 370	90 109	90 589

Costs relating to items that are consumed in the manufacturing process, including changes in inventories and distribution costs up until the point of sale.

Purchase commitments

for the year ended 30 June	2021 Rm	2020 Rm	2019 Rm
Contractual obligations			
Within one year	**27 459**	23 121	25 760
One to five years	**35 182**	32 430	24 030
More than five years	**69 351**	74 295	9 869
	131 992	129 846	59 659

The group enters into off-take agreements in the ordinary course of business, the most significant of which relates to oxygen supply agreements for Secunda Operations of R85 013 million (2020: R36 998 million) and ORYX GTL of R1 748 million (2020: R1 739 million) for a contracted minimum off-take gas volume. The Oxygen Train 17 oxygen supply agreement runs to 2037, with an option to renew the contract to 2050. The renewal option is not taken into account in the calculation of the commitments. The Oxygen Trains 1 – 16 arrangement is managed through various agreements, including the Gas Sales Agreement (GSA), Utilities Agreement and a suite of other contracts. 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.

5 Employee-related expenditure

for the year ended 30 June	Note	2021 Rm	2020 Rm	2019 Rm
Analysis of employee costs				
Labour		**31 683**	30 266	30 706
salaries, wages and other employee-related expenditure		**29 786**	27 964	28 665
post-retirement benefits*		**1 897**	2 302	2 041
Share-based payment expenses		**1 905**	1 741	1 219
equity-settled	36	**1 927**	1 946	1 659
cash-settled		**(22)**	(205)	(440)
Total employee-related expenditure		**33 588**	32 007	31 925
Costs capitalised to projects		**(740)**	(1 340)	(1 997)
Per income statement		**32 848**	30 667	29 928

* Employer contributions to the retirement funds were suspended for the period 1 May 2020 to 31 July 2020. These were then reinstated due to Sasol's improved liquidity position.

The total number of permanent and non-permanent employees, in approved positions, including the group's share of employees within joint operation entities and excluding contractors, joint ventures' and associates' employees, is analysed below:

for the year ended 30 June	2021 Number	2020 Number	2019 Number
Permanent employees	**28 725**	30 670	31 112
Non-permanent employees	**224**	331	317
	28 949	31 001	31 429

Employee numbers were impacted by business disposals including employees transferred to Enaex Africa (968 employees) and LyondellBasell (401 employees).

for the year ended 30 June	2021 Rm	2020 Rm	2019 Rm
6 Translation gains/(losses)			
Arising from			
Trade and other receivables	**(1 233)**	1 275	98
Trade and other payables	**158**	(891)	(372)
Foreign currency loans*	**6 318**	(6 946)	965
Other	**267**	20	(87)
	5 510	(6 542)	604

* Relates to intergroup exposure on foreign currency loans. A portion of the LCCP has been financed with US dollar funds through intergroup loans.

for the year ended 30 June	2021 Rm	2020 Rm	2019 Rm
7 Other operating expenses and income			
Rentals[1]	**–**	–	1 845
Insurance	**739**	681	514
Computer costs	**2 563**	2 469	2 155
Hired labour	**565**	844	786
Audit remuneration	**136**	144	97
Derivative (gains)/losses (including foreign exchange contracts)[2]	**(2 282)**	6 997	2 465
Professional fees	**2 828**	2 067	2 226
Enablement of digital and continuous improvement initiatives	**434**	333	454
Other[3]	**2 394**	1 734	1 772
Changes in rehabilitation provisions[4]	**(361)**	(2 078)	1 096
Expected credit losses (released)/raised	**(87)**	418	470
Other expenses[5]	**10 022**	10 738	9 410
Other operating income[6]	**(2 024)**	(1 446)	(1 363)
	12 099	20 834	19 701

1 Relates to the application of IFRS 16, as leases previously classified as operating leases under IAS 17 are now capitalised.

2 Relates mainly to the group's hedging activities. Refer to page 137.

3 The 2021 increase relates mainly to standby underwriters fees, legal fees and other cost incurred in relation to the potential rights issue which was announced on 17 March 2020.

4 R674 million (2020 – R1,3 billion; 2019 – R688 million) relates to the change in discount rates applied in calculating the rehabilitation provision, while R412 million relates to additional provisions and changes to existing provisions.

5 The 2020 increase relates to R586 million for the Oxygen Train 17 oxygen supply agreement with Air Liquide, which was recognised as a finance lease under IAS 17. With the adoption of IFRS 16 the agreement was recognised as a service agreement.

6 The 2021 increase relates to income from emission right sales in Germany and Italy.

for the year ended 30 June	Note	2021 Rm	2020 Rm	2019 Rm
8 Net finance costs				
Finance income				
Dividends received from investments		**–**	44	42
Notional interest received		**4**	102	–
Interest received on		**852**	776	745
other long-term investments		**40**	28	27
loans and receivables		**199**	293	334
cash and cash equivalents		**613**	455	384
Per income statement		**856**	922	787
Less: notional interest		**(4)**	(102)	–
Less: interest received on tax		**(15)**	(28)	(105)
Per the statement of cash flows		**837**	792	682
Finance costs				
Debt		**5 238**	8 226	6 088
debt		**4 855**	8 090	6 044
interest rate swap – net settlements		**383**	136	44
Preference share dividends		**–**	–	116
Interest on lease liabilities		**1 488**	1 465	871
Other[1]		**84**	52	(462)
		6 810	9 743	6 613
Amortisation of loan costs	17	**160**	135	725
Notional interest	33	**668**	945	857
Total finance costs		**7 638**	10 823	8 195
Amounts capitalised to assets under construction a class of Property, plant and equipment[2]	20	**(880)**	(3 520)	(6 942)
Per income statement		**6 758**	7 303	1 253
Total finance costs before amortisation of loan costs and notional interest		**6 810**	9 743	6 613
Add: modification (loss)/gain	17	**–**	(1 193)	109
Less: interest accrued on long-term debt, lease liabilities and short-term debt		**(637)**	(1 412)	(1 025)
Less: interest reversed on tax payable		**–**	16	525
Per the statement of cash flows		**6 173**	7 154	6 222

1 Interest accrued on tax payable in 2019 relates mainly to our tax litigation claim.
2 Finance costs capitalised decreased due to the LCCP units reaching beneficial operation.

for the year ended 30 June	2021 Rand	2020 Restated Rand	2019 Restated Rand
9 Earnings/(loss) and dividends per share			
Attributable to owners of Sasol Limited			
Basic earnings/(loss) per share	**14,57**	(148,49)	5,50
Headline earnings/(loss) per share	**39,53**	(11,50)	30,90
Diluted earnings/(loss) per share	**14,39**	(148,49)	5,46
Diluted headline earnings/(loss) per share	**39,03**	(11,50)	30,71
Dividends per share	**–**	–	5,90
interim	**–**	–	5,90
final	**–**	–	–

9 Earnings/(loss) and dividends per share continued

Earnings per share (EPS)

Earnings per share is derived by dividing attributable earnings by the weighted average number of shares, after taking the long-term incentives (LTIs) and the Sasol Khanyisa share transactions into account. Appropriate adjustments are made in calculating diluted, headline and diluted headline earnings per share.

for the year ended 30 June		2021	2020 Restated	2019 Restated
Weighted average number of shares	million	**619,9**	617,9	616,6
Earnings/(loss) attributable to owners of Sasol Limited	Rm	**9 032**	(91 754)	3 389
Basic earnings/(loss) per share	Rand	**14,57**	(148,49)	5,50

Headline earnings/(loss) per share (HEPS)

for the year ended 30 June	2021 million	2020 million	2019 million
Weighted average number of shares	**619,9**	617,9	616,6

for the year ended 30 June	Note	2021 Rm	2020 Restated Rm	2019 Restated Rm
Headline earnings/(loss) is determined as follows:				
Earnings/(loss) attributable to owners of Sasol Limited		**9 032**	(91 754)	3 389
Adjusted for:				
Effect of remeasurement items for subsidiaries and joint operations, net of tax	10	**15 448**	84 648	15 648
remeasurement items before tax		**23 218**	111 978	20 062
tax effect and non-controlling interest effect		**(7 770)**	(27 330)	(4 414)
Effect of remeasurement items for equity accounted investments	10	**23**	–	15
Headline earnings/(loss)		**24 503**	(7 106)	19 052

for the year ended 30 June	2021 Rand	2020 Restated Rand	2019 Restated Rand
Headline earnings/(loss) attributable to owners of Sasol Limited			
Headline earnings/(loss) per share	**39,53**	(11,50)	30,90

Diluted earnings per share (DEPS) and diluted headline earnings per share (DHEPS)

DEPS and DHEPS are calculated considering the potential dilution that could occur if all of the group's long-term incentives (LTIs) had vested, if all outstanding share options were exercised and the effect of all dilutive potential ordinary shares resulting from the Sasol Khanyisa Tier 1 share transactions.

The number of shares outstanding is adjusted to show the potential dilution if the LTI's and Sasol Khanyisa Tier 1 were settled in Sasol Limited shares.

The Sasol Khanyisa Tier 2 and Khanyisa Public are anti-dilutive for EPS and HEPS in 2021, 2020 and 2019.

for the year ended 30 June	2021 million	2020 million	2019 million
	Number of shares		
Weighted average number of shares	**619,9**	617,9	616,6
Potential dilutive effect of long-term incentive scheme	**3,8**	2,6	2,9
Potential dilutive effect of Sasol Khanyisa Tier 1	**4,1**	1,8	0,8
Diluted weighted average number of shares for DEPS and DHEPS*	**627,8**	622,3	620,3

* Due to the net loss attributable to shareholders in 2020, the inclusion of the long-term incentive scheme and Khanyisa Tier 1 share options as potential ordinary shares had an anti-dilutive effect on the loss per share and were therefore not taken into account in the 2020 calculation of DEPS and HEPS.

for the year ended 30 June	2021 Rm	2020 Restated Rm	2019 Restated Rm
Diluted earnings/(loss) is determined as follows:			
Earnings/(loss) attributable to owners of Sasol Limited	**9 032**	(91 754)	3 389
Diluted earnings/(loss) attributable to owners of Sasol Limited	**9 032**	(91 754)	3 389
Diluted headline earnings/(loss) is determined as follows:			
Headline earnings/(loss) attributable to owners of Sasol Limited	**24 503**	(7 106)	19 052
Diluted headline earnings/(loss) attributable to owners of Sasol Limited	**24 503**	(7 106)	19 052

for the year ended 30 June	2021 Rand	2020 Restated Rand	2019 Restated Rand
Diluted earnings/(loss) per share	**14,39**	(148,49)	5,46
Diluted headline earnings/(loss) per share	**39,03**	(11,50)	30,71

10 Remeasurement items affecting operating profit

for the year ended 30 June	Note	2021 Rm	2020 Restated Rm	2019 Restated Rm
Effect of remeasurement items for subsidiaries and joint operations				
Impairment of		**34 200**	112 736	19 868
property, plant and equipment	20	**33 973**	108 575	19 850
right of use assets	18	**35**	3 322	–
other intangible assets		**80**	839	11
equity accounted investment		**112**	–	–
other assets		**–**	–	7
Reversal of impairment of		**(5 468)**	–	(949)
property, plant and equipment	20	**(5 440)**	–	(949)
right of use assets	18	**(2)**	–	–
other intangible assets		**(26)**	–	–
(Profit)/loss on	11	**(5 520)**	(715)	1 109
disposal of property, plant and equipment		**(96)**	25	(32)
disposal of other intangible assets		**(130)**	–	–
disposal of other assets		**52**	148	–
disposal of businesses		**(5 615)**	(1 684)	(267)
disposal and scrapping of property, plant and equipment		**269**	796	1 408
Write-off of unsuccessful exploration wells	20	**6**	(43)	34
Remeasurement items per income statement		**23 218**	111 978	20 062
Tax effect		**(7 771)**	(26 399)	(4 409)
Non-controlling interest effect		**1**	(931)	(5)
Total remeasurement items for subsidiaries and joint operations, net of tax		**15 448**	84 648	15 648
Effect of remeasurement items for equity accounted investments		**23**	–	15
Total remeasurement items for the group, net of tax		**15 471**	84 648	15 663

Impairment/reversal of impairments

The group's non-financial assets, other than inventories and deferred tax assets, are assessed for impairment indicators at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverable amounts are estimated for individual assets or, where an individual asset cannot generate cash inflows independently, the recoverable amount is determined for the larger cash generating unit to which it belongs.

Impairment calculations

The recoverable amount of the assets reviewed for impairment is determined based on the higher of the fair value less costs to sell or value-in-use calculations. Key assumptions relating to this valuation include the discount rate and cash flows. Future cash flows are estimated based on financial budgets covering a five year period and extrapolated over the useful life of the assets to reflect the long term plans for the group using the estimated growth rate for the specific business or project. Where reliable cash flow projections are available for period longer than five years, those budgeted cash flows are used in the impairment calculation. The estimated future cash flows and discount rate are post-tax, based on the assessment of current risks applicable to the specific entity and country in which it operates. Discounting post-tax cash flows at a post-tax discount rate yields the same results as discount pre-tax cash flows at a pre-tax discount rate, assuming there are no significant temporary tax differences.

Main assumptions used for impairment calculations

		2021	2020	2019
Long-term average crude oil price (Brent) (nominal)*	US$/bbl	**70,09**	59,69	71,17
Long-term average ethane price (nominal)*	US$c/gal	**37,18**	32,79	39,04
Long-term average ammonia price*	Rand/ton	**5 297,00**	4 664,32	4 258,54
Long-term average Southern African gas purchase price (real)*	US$c/Gj	**8,41**	7,10	4,86
Long-term average refining margin (nominal)*	US$/bbl	**9,67**	9,43	10,16
Long-term average exchange rate*	Rand/US$	**14,57**	15,20	14,29

* Assumptions are provided on a long-term average basis. Oil and ammonia prices and exchange rate assumptions are calculated based on a five year period, while the ethane price is based on a ten year period. The refining margin is calculated until 2034, linked to the Sasolburg refinery's useful life. The Southern African gas purchase price is calculated until 2050, linked to the South African integrated value chain's useful life.

		South Africa %	United States of America %	Europe %
Growth rate – long-term Producer Price Index	**2021**	**5,50**	**2,00**	**2,00**
Weighted average cost of capital*	**2021**	**14,03**	**7,70**	**7,70 – 9,05**
Growth rate – long-term Producer Price Index	2020	5,50	2,00	2,00
Weighted average cost of capital*	2020	14,22	7,66	7,66 – 9,79
Growth rate – long-term Producer Price Index	2019	5,50	2,00	2,00
Weighted average cost of capital*	2019	13,12	7,18	7,18 – 9,48

* Calculated using spot market factors on 30 June.

Areas of judgement:

Management determines the expected performance of the assets based on past performance and its expectations of market developments. By their very nature, cash flow projections involve inherent risks and uncertainties which have been further aggravated by the effect of COVID-19. The group adjusted cash flow projections and budgets accordingly. These adjustments took into account the impact of the pandemic on revenue and margins as well as the expected periods of recovery from the pandemic for each individual cash generating unit.

The weighted average growth rates used are consistent with the increase in the geographic segment long-term Producer Price Index. Estimations are based on a number of key assumptions such as volume, price and product mix which will create a basis for future growth and gross margin. These assumptions are set in relation to historic figures and external reports. The continued impact of the COVID-19 pandemic is incorporated in our pricing assumptions through the use of the average June 2021 views obtained from two independent consultancies that reflect their current views on market development. If necessary, these cash flows are then adjusted to take into account any changes in assumptions or operating conditions that have been identified subsequent to the preparation of the budgets.

Climate related risks such as carbon tax and the cost of energy have been incorporated in the cash flow projections where reasonable and supportable.

The weighted average cost of capital rate (WACC) is derived from a pricing model. The variables used in the model are established on the basis of management judgement and current market conditions. Management judgement is also applied in estimating future cash flows and defining of cash-generating units. These values are sensitive to the cash flows projected for the periods for which detailed forecasts are not available and to the assumptions regarding the long-term sustainability of the cash flows thereafter.

Determining as to whether, and by how much, cost incurred on a project is abnormal and needs to be scrapped involves judgement. The factors considered by management include the scale and complexity of the project, the technology being applied and guidance from experts in terms of what constitute abnormal wastage on the project.

10 Remeasurement items affecting operating profit continued

Significant impairment/(reversal of impairment) of assets in 2021

Segment and Cash-generating unit (CGU)	Property, plant and equipment 2021 Rm	Right of use assets 2021 Rm	Other intangible assets 2021 Rm	Other 2021 Rm	Total 2021 Rm	Recoverable amount* 2021 Rm
Fuels Segment						
Secunda liquid fuels refinery	24 456	–	–	–	24 456	23 232
Chemicals Africa segment						
Southern Africa Wax value chain	7 863	–	–	–	7 863	2 748
Chlor Alkali and PVC	1 094	–	–	–	1 094	393
Chemicals America segment						
US Phenolics assets	351	30	79	–	460	–
US Ziegler Alcohols Ethylene Oxide/Ethylene Glycol (EO/EG)	(4 906)	(2)	(26)	–	(4 934)	110 113
Gas segment						
Sasol Canada – Shale gas assets	(521)	–	–	–	(521)	357
Other	196	5	1	112	314	–
	28 533	33	54	112	28 732	

* The recoverable amounts reflect the CGU's contribution to the integrated value chain and have been determined as described in the accounting policies below.

Other than for the CGU's specifically mentioned, all of the remaining CGU's have sufficient headroom and no reasonable changes to assumptions applied would result in any impairment or reversal of impairment.

Description of impairment and sensitivity to changes in assumptions:

Management has considered the sensitivity of the impairment calculations to various key assumptions such as crude oil and gas prices, commodity prices and exchange rates. These sensitivities have been taken into consideration in determining the required impairments and reversals of impairments. The following assets are particularly impacted by changes in key assumptions:

Secunda liquid fuels refinery

The Secunda liquid fuels refinery saw a significant decrease in its recoverable amount largely due to higher cost to procure gas in the longer term as well as a stronger forecasted rand/US dollar exchange rate and lower long-term oil price outlook over the remaining life of the CGU which impacted negatively on the forecasted Basic Fuel Price (BFP), despite the short-term recovery in oil prices. The performance of the CGU is highly sensitive to changes in the discount rate, crude oil prices, the rand/US$ exchange rate and the cost to procure gas in the long-term. A 1% increase (or decrease) in the discount rate would decrease (or increase) the recoverable amount by approximately R1,7 billion (or R2,0 billion). A US$1 decrease in the price of Dated Brent will decrease the recoverable amount of the CGU by approximately R2,8 billion. A R0,10/US$ strengthening in the exchange rate would decrease the recoverable amount by R1,5 billion. A US$1/Gj increase in the longer term cost of natural gas would decrease the recoverable amount by R942 million.

Southern Africa Wax value chain

The impairment on the Wax value chain was driven by higher cost to procure gas in the longer term, lower sales volumes and prices due to reduced gas availability in 2022 and 2023 as well as a stronger forecasted rand/US dollar exchange rate. The performance of this CGU is highly sensitive to changes in the discount rate and cost to procure gas in the long term. A 1% increase (or decrease) in the discount rate would decrease (or increase) the recoverable amount by approximately R370 million (or R403 million). A US$1/Gj increase in the longer term cost of natural gas would decrease the recoverable amount by R1,7 billion.

Chlor Alkali and Polyvinyl Chloride (PVC) value chain

The impairment is as a result of the stronger forecasted rand/US dollar exchange rate and the impact of the pending sale of the Sodium Cyanide business. The performance of this CGU is highly sensitive to the Rand/US$ exchange rate, product sales prices and changes in the discount rate. A R0,10/US$ strengthening in the exchange rate would decrease the recoverable amount of the CGU by approximately R240 million while a US$10 per ton movement in sales prices would impact the recoverable amount by approximately R364 million. The recoverable amount will be reduced (or increase) by approximately R264 million (or R306 million) if the discount rate were to increase (or decrease) by 1%.

US Ziegler Alcohols Ethylene Oxide/Ethylene Glycol (EO/EG)

The Ziegler Alcohols Unit (Ziegler) reached Beneficial Operation (BO) in June 2020. Ziegler delivers alcohol feed to the Ethoxylates (ETO) unit. In previous CGU assessments, the Ethylene Oxide and Ethylene Glycol (EO/EG) plant together with the ETO plant were considered to be a separate CGU from the Alcohol units (Ziegler and Guerbet). During 2021 with all units associated with LCCP having reached beneficial operation, rates at Ziegler were constrained due to weather events and negatively impacted on the ability of the EO and ETO plants to run due to reduced Ziegler feed. Given the ETO dependency on Ziegler for alcohol feed and the integration between the EO and ETO units as well as the change in regulatory environment surrounding EO, the CGUs were reassessed and now considered to be one integrated CGU. The impairment assessment of the combined CGU showed significant headroom resulting in the full 2019 impairment of the EO/EG CGU being reversed in the current year. No reasonably possible change in assumptions applied in estimating the recoverable amount of the combined CGU will significantly impact the amount of the reversal.

Sasol Canada – Shale gas assets

Sasol signed an agreement to divest of all our interests in Canada. Previous impairments of CAD45 million (R521 million) were reversed at 30 June 2021 to measure the carrying value of the disposal group at its fair value less cost to sell.

Significant impairment of assets in prior periods

Segment and Cash-generating unit (CGU)	Description	2020 Restated Rm
Fuels segment		
Sasolburg liquid fuels refinery	The impairment is mainly due to lower refining margins over the long-term and an increase in the WACC rate.	8 594
Secunda liquid fuels refinery	The impairment is mainly due to lower crude oil prices, an increase in the WACC rate and a higher cost to procure gas in the longer term.	3 834
Chemicals America		
LLDPE & LDPE	At 30 June 2020, assets and liabilities relating to a combination of assets within Sasol Chemicals USA have been classified as held for sale. An impairment was recognised to reduce the carrying value of the disposal group down to its fair value less cost to sell, including any portion that Sasol might retain in the disposal group.	72 558
Chemicals Africa		
Ammonia value chain*	The impairment is mainly due to lower international ammonia selling prices and a decrease in volumes based on reduced market demand and a reduction in gas allocated to the value chain.	2 736
Acrylates & Butanol value chain	The impairment is mainly due to significantly lower selling prices coupled with a long expected recovery period as operating rates are only expected to recover to pre-COVID-19 levels by 2027. The CGU was also impacted by an increase in the WACC rate and a higher cost to procure gas in the longer term.	6 766
Polyethylene value chain*	The impairment is mainly due to depressed selling prices caused by polyethylene overcapacity, worsened by the impact of COVID-19, and higher feedstock costs.	5 814
Chlor Vinyls value chain*	The impairment is mainly due to significant lower selling prices which were only partly offset by the weakening in the rand.	1 979
Chemical Work Up & Heavy Alcohols value chain*	The impairment is mainly due to significantly lower selling prices and an increase in the WACC rate. Overall Solvents prices decreased by 12% compared to the prior year.	1 668
Southern Africa Wax value chain*	The impairment is mainly due to lower wax selling prices, an increase in the WACC rate and the higher cost to procure gas in the longer term.	3 777
Chemicals Eurasia		
Wax	The impairment is mainly due to lower wax selling prices, driven by the negative macro-economic conditions as well as increased market competition experienced from low cost paraffin wax producers. This was partly offset by increased volumes in the wax emulsion market.	2 838
Other		2 172
		112 736

* Impairment results for 2020 for these CGU's have been restated.

Segment and Cash-generating unit (CGU)	Description	2019 Restated Rm
Chemicals America		
Tetramerization value chain (LCCP)	The impairments were driven by an increase in capital cost for the Lake Charles Chemicals Project (LCCP) and lower US ethylene and global mono-ethylene glycol price assumptions as at 30 June 2019.	7 403
Ethylene Oxide/Ethylene Glycol (EO/EG)	The upstream ethane cracker is a corporate asset and the increase in its capital cost has an impact on the downstream derivative units. All cash generating units linked to the LCCP were assessed for impairment.	5 460
Sasol Canada – Shale gas assets	The impairment was resulted from the depressed Canadian gas price environment.	1 947
Chemicals Africa		
Ammonia value chain	The impairment was as a result of lower international ammonia sales price assumptions in the short- to medium-term and increased gas feedstock prices in the longer term.	3 509
Other (net of reversal of impairment)		600
		18 919

10 Remeasurement items affecting operating profit continued

Accounting policies:

Remeasurement items are amounts recognised in profit or loss relating to any change (whether realised or unrealised) in the carrying amount of non-current assets or liabilities that are less closely aligned to the normal operating or trading activities of the group such as the impairment of non-current assets, profit or loss on disposal of non-current assets including businesses and equity accounted investments, and scrapping of assets. The group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. An impairment test is performed on all goodwill, intangible assets not yet in use and intangible assets with indefinite useful lives at each reporting date.

The recoverable amount of an asset is defined as the amount that reflects the greater of the fair value less costs of disposal and value-in-use that can be attributed to an asset as a result of its ongoing use by the entity. Value-in-use is estimated using a discounted cash flow model. The future cash flows are adjusted for risks specific to the asset and is adjusted where applicable to take into account any specific risks relating to the country where the asset or cash-generating unit is located. The rate applied in each country is reassessed each year. The recoverable amount may be adjusted to take into account recent market transactions for a similar asset.

Some assets are an integral part of the value chain but are not capable of generating independent cash flows because there is no active market for the product streams produced from these assets, or the market does not have the ability to absorb the product streams produced from these assets or it is not practically possible to access the market due to infrastructure constraints that would be costly to construct. Product streams produced by these assets form an input into another process and accordingly do not have an active market. These assets are classified as corporate assets in terms of IAS 36 when their output supports the production of multiple product streams that are ultimately sold into an active market.

The group's corporate assets are allocated to the relevant cash-generating unit based on a cost or volume contribution metric. Costs incurred by the corporate asset are allocated to the appropriate cash generating unit at cost. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the cash-generating unit to which the corporate asset belongs.

In Southern Africa, the coal value chain starts with feedstock mined in Secunda and Sasolburg and continues along the integrated processes of the operating business units, ultimately resulting in fuels and chemicals-based product lines. Similarly, the gas value chain starts with the feedstock obtained in Mozambique and continues along the conversion processes in Secunda and Sasolburg, ultimately resulting in fuels and chemicals-based product lines.

The groups of assets which support the different product lines, including corporate asset allocations, are considered to be separate cash-generating units.

In the US, the ethylene value chain results in various chemicals-based product lines, sold into active markets. The assets which support the different chemicals-based product lines, including corporate asset allocations, are considered to be separate cash-generating units.

In Europe, the identification of separate cash-generating units is based on the various product streams that have the ability to be sold into active markets by the European business units.

Certain products are sometimes produced incidentally from the main conversion processes and can be sold into active markets. When this is the case, the assets that are directly attributable to the production of these products, are classified as separate cash-generating units. The cost of conversion of these products is compared against the revenue when assessing the asset for impairment.

Exploration assets are tested for impairment when development of the property commences or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration assets carrying amount exceeds their recoverable amount.

for the year ended 30 June	Note	2021 Rm	2020 Rm	2019 Rm
11 Disposals and scrapping				
Property, plant and equipment	20	**7 064**	1 431	1 560
cost		**12 183**	7 184	8 097
accumulated depreciation and impairment		**(5 119)**	(5 753)	(6 537)
Goodwill and other intangible assets		**947**	179	112
cost		**1 073**	276	336
accumulated amortisation and impairment		**(126)**	(97)	(224)
Equity accounted investments		**370**	437	–
Assets in disposal groups held for sale		**67 662**	2 563	94
Inventories		**814**	–	–
Trade and other receivables		**174**	–	–
Cash and cash equivalents		**57**	–	–
Liabilities in disposal groups held for sale		**(2 577)**	(414)	(38)
Long-term debt		**(2 673)**	–	–
Long-term financial liabilities		**(477)**	–	–
Trade and other payables		**(67)**	175	–
		71 294	4 371	1 728
Total consideration		**73 426**	4 285	567
consideration received		**43 214**	4 285	567
consideration still receivable		**116**	–	–
establishment of Joint operation*		**30 096**	–	–
		2 132	(86)	(1 161)
Realisation of accumulated translation effects		**3 388**	801	52
Net profit/(loss) on disposal		**5 520**	715	(1 109)
Consideration received comprising				
Chemicals America – US LCCP Base Chemicals business		**29 894**	–	–
Fuels & Chemiclas Africa – Air separation units		**8 051**	–	–
Chemicals America – interest in Gemini HDPE LLC		**3 456**	–	–
Gas – Gabon oil producing assets		**424**	–	–
Chemicals Eurasia – ARG Investment		**316**	–	–
Chemicals Africa – Share in Enaex Africa		**175**	–	–
Chemicals Eurasia – Investment in Sasol Huntsman GmbH & co KG		**–**	1 506	–
Chemicals Africa – Partial disposal of Explosives business		**–**	991	–
Energy – Investment in Escravos GTL (EGTL)		**–**	875	–
Chemicals Eurasia – Sasol Wilmar Alcohol Industries		**–**	235	–
Chemicals Eurasia – Heat Transfer Fuels (HTF) business		**–**	–	271
Other		**898**	678	296
Consideration received		**43 214**	4 285	567

Significant disposals and scrappings in 2021

US LCCP Base Chemicals business*

On 1 December 2020 the sale of 50% of our interest in the US LCCP Base Chemicals business was successfully concluded through the creation of the 50/50 owned Louisiana Integrated Polyethylene JV LLC (LIP). The proceeds on the disposal was approximately R30 billion (US$2 billion), resulting in a loss on disposal of R1,1 billion, the loss was mainly attributable to further clarification of the transaction perimeter subsequent to the held for sale classification. This did not impact the value of the remaining business materially. A corresponding gain on the reclassification of foreign currency translation reserve of R3,1 billion was also recognised. Sasol's 50% interest in LIP is accounted for as a joint operation and Sasol's share of assets and liabilities held jointly, revenue from the sale of its share of output and expenses are reflected within the Sasol results from 1 December 2020 in terms of IFRS 11 'Joint Arrangements. Refer note 23.

Air separation units

The sale of Sasol's sixteen air separation units (ASU's) and associated business located in Secunda was concluded on 24 June 2021, resulting in a profit on disposal of R2 726 million. As part of the transaction, the Group entered into a supply contract for the supply of gas for 15 years. In determining whether the gas supply agreement was a lease or a supply contract, management applied judgement. The most significant judgement is that Air Liquide has taken full ownership and overall responsibility for managing the ASUs to maintain the agreed quantity and quality of gases supplied to Sasol.

11 Disposals and scrapping continued

Interest in Gemini HDPE LLC

The divestment of our 50% equity interest in the Gemini HDPE LLC successfully closed on 31 December 2020. Sasol recognised a profit on disposal of R683 million and a corresponding gain on reclassification of foreign currency translation reserve of R246 million.

Gabon oil producing assets

The sale of Sasol's 27,8% working interest in the Etame Marin block offshore Gabon (producing asset with proven reserves), as well as Sasol's 40% non-operated participating interest in Block DE-8 offshore Gabon (exploration permit) was concluded on 25 February 2021 and 4 May respectively. Sasol recognised a profit on disposal of R145 million and a corresponding gain on reclassification of foreign currency translation reserve of R132 million.

Share in Enaex Africa

The sale of 26% of Sasol's 49% interest in Enaex Africa (Pty) Ltd to Afris Subco (Pty) Ltd, resulting in a loss of R115 million. After the transaction, Sasol's remaining interest in Enaex Africa (Pty) Ltd is 23%.

Significant disposals and scrappings in prior periods

Investment in Sasol Huntsman GmbH & co KG

The divestment from our 50% equity interest in the Sasol Huntsman maleic anhydride joint venture was concluded on 30 September 2019, resulting in a profit on disposal of R936 million, including the reclassification of the foreign currency translation reserve of R475 million.

Explosives business

Sasol has concluded the transaction to sell a 51% share in the explosive business to Enaex, and on 1 July 2020, Enaex Africa in association with Sasol, officially started operating in South Africa and on the African Continent. Sasol recognised a loss on the disposal of R46 million.

Sasol Wilmar Alcohol Industries

The sale of Sasol's share in Sasol Wilmar Alcohol Industries was concluded in December 2019, resulting in a profit on disposal of R47 million, including the reclassification of the foreign currency translation reserve of R56 million.

Escarvos GTL (EGTL)

Sasol sold its indirect beneficial interest in EGTL plant in Nigeria to Chevron. The transaction released Sasol from associated company guarantees and other obligations. A profit on disposal of R705 million was recognised, including the reclassification of the foreign currency translation reserve of R268 million. Sasol will continue to support Chevron in the performance of the EGTL plant through ongoing catalyst supply, technology and technical support.

Heat Transfer Fuels (HTF) business

In 2019, we disposed of our HTF business with the producing assets located within the Marl facility in Germany.

Lake Charles Chemicals Project

In 2019, we scrapped R682 million (US$48 million) of cost incurred on the LCCP, mainly relating to rework required. Refer note 10.

for the year ended 30 June		2021 Rm	2020 Rm

12 Disposal groups held for sale

Assets in disposal groups held for sale	Segment	2021 Rm	2020 Rm
Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)	Gas	**6 085**	5 951
Central Térmica de Ressano Garcia S.A. (CTRG)	Gas	**3 034**	–
Canadian shale gas assets	Gas	**1 181**	–
US Base Chemicals Assets	Chemicals America	**–**	71 001
Secunda Operations Air Separation Units	Fuels and Chemicals Africa	**–**	5 675
Other	Chemicals America, Chemicals Eurasia, Chemicals Africa, Fuels and Mining	**331**	1 641
		10 631	84 268

Liabilities in disposal groups held for sale	Segment	2021 Rm	2020 Rm
Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)*	Gas	**(1 771)**	(2 604)
Central Térmica de Ressano Garcia S.A. (CTRG)	Gas	**(1 109)**	–
Canadian shale gas assets	Gas	**(824)**	–
US Base Chemicals Assets	Chemicals America	**–**	(2 425)
Secunda Operations Air Separation Units	Fuels and Chemicals Africa	**–**	(38)
Other	Chemicals America, Chemicals Eurasia, Fuels and Mining	**(2)**	(464)
		(3 706)	(5 531)

* Reduction relates mainly to debt repaid during the year.

Refer to notes 17, 18, 20, 29 and 33 for disposal groups transferred to held for sale.

Significant disposal groups held for sale in 2021

Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)

Sasol concluded a sale and purchase agreement in terms of which it agreed to dispose of a 30% interest in ROMPCO. Sasol will retain a 20% shareholding in ROMPCO and will continue to operate and maintain the pipeline in terms of the commercial agreement between Sasol and ROMPCO. Sasol's interest in ROMPCO will be sold for a consideration comprising an initial amount of R4,145 billion and a deferred payment of up to R1 billion payable if certain agreed milestones are achieved by 30 June 2024. Two of the existing shareholders, the South African Gas Development Company Limited (iGas) and Companhia Moçambicana de Gasoduto S.A.R.L. (CMG), have recently exercised their pre-emptive right to acquire 30% of Sasol's equity in ROMPCO. The sale will therefore now be concluded with iGas and CMG. This process is well underway, and will be subject to a few conditions precedent, including the standard regulatory approvals. It is expected that the sale will become effective during the second half of calendar year 2021.

Central Térmica de Ressano Garcia S.A. (CTRG)

Sasol entered into a Sale Securities Purchase Agreement for the divestment of our full shareholding in CTRG, the gas-to-power plant located in Ressano Garcia, Mozambique. The transaction is subject to a number of conditions precedent. The assets and liabilities of CTRG were classified as held for sale at 30 June 2021. The divestment is expected to be concluded in the next 12 months.

Canadian shale gas assets

Sasol signed an agreement to divest of all our interests in Canada. The transaction closed on 29 July 2021. R521 million, (CAD 45 million) of the previous impairments was reversed at 30 June 2021 to measure the carrying value of the disposal group at its fair value less cost to sell.

Significant disposal groups held for sale in prior periods

US Base Chemicals Assets

On 17 March 2020, we announced as part of the response plan that we would explore the potential for partnering options at our Base Chemicals assets in the US. This process has seen strong global interest and is now at an advanced stage and a number of non-binding offers were received coupled with the decision to undertake a partnering process. The assets and liabilities relating to our Base Chemicals portfolio within Sasol Chemicals USA were classified as disposal groups held for sale at 30 June 2020. An impairment of R72,6 billion (US$4,2 billion), has been recognised, reducing the carrying value of the disposable asset down to its fair value less cost to sell.

12 Disposal groups held for sale continued

Secunda Air Separation Unit

Prior to year end, the Group commenced a process to dispose of its sixteen air separation units and this was approved by the appropriate Board Committee and Sasol South Africa board.

On 28 July 2020, Sasol South Africa Limited ("SSA"), announced that an exclusive negotiation agreement had been signed with Air Liquide for the sale of its sixteen air separation units and associated business located in Secunda.

Definitive Agreements for the divestment are in the process of being negotiated. The proceeds of approximately R8,5 billion (R5,525 billion plus EUR147,5 million, translated at Closing to US$) will be received after fulfilment of various conditions, including Competition Commission approval. Assets and liabilities associated with the air separation units were classified as held for sale on 30 June 2020.

Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)

The Group has commenced a process to divest from some or all of its shareholding in ROMPCO. ROMPCO owns and operates the natural gas transmission pipeline between Temane in Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa. The assets and liabilities of ROMPCO were classified as held for sale as at 30 June 2020 following approval by the Board to continue with the divestment process.

Accounting policies:

A non-current asset or disposal group (a business grouping of assets and their related liabilities) is designated as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The classification as held for sale of a non-current asset or disposal group occurs when it is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable if management is committed to a plan to sell the non-current asset or disposal group, an active divestiture programme has been initiated, the non-current asset or disposal group is marketed at a price reasonable to its fair value and the disposal will be completed within one year from classification.

Where a disposal group held for sale will result in the loss of control or joint control of a subsidiary or joint operation, respectively, all the assets and liabilities of that subsidiary or joint operation are classified as held for sale, regardless of whether a non-controlling interest in the former subsidiary or an ongoing interest in the joint operation is to be retained after the sale.

Where a disposal group held for sale will result in the loss of joint control of a joint venture or significant influence of an associate, the full investment is classified as held for sale. Equity accounting ceases from the date the joint venture or associate is classified as held for sale.

Before classification of a non-current asset or disposal group as held for sale, it is reviewed for impairment. The impairment loss charged to the income statement is the excess of the carrying amount of the non-current asset over its expected fair value less costs to sell.

No depreciation or amortisation is provided on non-current assets from the date they are classified as held for sale.

TAXATION

for the year ended 30 June	Note	2021 Rm	2020 Restated Rm	2019 Restated Rm
13 Taxation				
South African normal tax		**7 430**	2 140	3 206
current year		**7 478**	2 542	3 804
prior years		**(48)**	(402)	(598)
Dividend withholding tax		**–**	2	–
Foreign tax		**2 079**	(1 212)	2 640
current year		**2 106**	2 242	2 544
prior years*		**(27)**	(3 454)	96
Income tax		**9 509**	930	5 846
Deferred tax – South Africa	15	**(9 779)**	(9 324)	1 732
current year**		**(9 464)**	(9 724)	1 715
prior years		**(315)**	400	17
Deferred tax – foreign	15	**455**	(17 996)	(4 775)
current year***		**339**	(20 375)	(4 831)
prior years*		**124**	2 375	55
tax rate change		**(8)**	4	1
		185	(26 390)	2 803

* 2020 relates mainly to the relief provided to companies in the United States under the Coronavirus Aid, Relief, and Economic Security Act, (CARES Act) allowing taxpayers to carry back losses incurred during 2018 to 2020 for five years.

** The decrease from 2019 to 2020 relates to impairments accounted for in the 2020 financial year.

*** Increase in the prior year relates mainly to tax losses incurred at our US operations where we anticipate sufficient profits to be generated in future to utilise the deferred tax asset against.

Contingent liability

Sasol Financing International (SFI)/SARS

Following a request by SARS for information on Sasol Financing International Plc (SFI) which performs an off-shore treasury function for Sasol, SARS proceeded with an audit over a number of tax years. This audit culminated in the issuance of a final audit letter on 16 February 2018. Consequently, revised assessments were issued by SARS in respect of the 2002 to 2012 tax years. Sasol objected to these revised assessments. The dispute relates to the place of effective management of SFI.

After the submission of Sasol's objection to the disputed assessments and following requests for further information by SARS at the end of 2018, SARS rejected Sasol's objection. On 17 April 2019, Sasol appealed the decision to the Tax Court in terms of the relevant provisions of the Tax Administration Act. The parties have agreed to suspend the litigation in the Tax Court pending the outcome of the legal review application.

In addition to the objection to the revised assessments, Sasol has also launched a judicial review application against the SARS decision to register SFI as a South African taxpayer. The Tax Court does not have jurisdiction to determine the first ground of Sasol's objection, namely that the disputed assessments constitute unlawful, substantially unreasonable and procedurally unfair administrative action. Accordingly, a further review application has been filed in the High Court.

In respect of this review application the Parties are in dispute about the non-disclosure by SARS of documentation and the necessary interlocutory processes to resolve this dispute are ongoing. Sasol's application to compel SARS to disclose additional documents was heard on 19 February 2020 and judgement was delivered on 14 July 2020, which was materially found in SFI's favour thereby ordering SARS to disclose specific additional documents which SARS submitted on 28 July 2020.

All pleadings were exchanged relating to the 1st judicial review and a court hearing date is imminent. Further pleadings are being exchanged relating to the 2nd judicial review after which a court hearing date will be set. A contingent liability of R2,58 billion (2020 – R2,5 billion) (including interest and penalties) is reported in respect of this matter as at 30 June 2021.

13 Taxation continued

	2021 %	2020 Restated %	2019 Restated %
Reconciliation of effective tax rate			
The table below shows the difference between the South African enacted tax rate (28%) compared to the effective tax rate in the income statement. Total income tax expense differs from the amount computed by applying the South African normal tax rate to profit before tax. The reasons for these differences are:			
South African normal tax rate	**28,0**	28,0	28,0
Increase/(decrease) in rate of tax due to:			
disallowed preference share dividends	**–**	–	0,4
disallowed expenditure[1]	**11,4**	(1,0)	10,9
disallowed share-based payment expenses[2]	**2,3**	(0,3)	3,3
different tax rates[3]	**0,5**	(3,6)	15,3
share of profits of equity accounted investments	**–**	(0,1)	–
tax losses not recognised[4]	**–**	(2,0)	9,9
prior year adjustments	**–**	–	2,3
other adjustments	**–**	(0,5)	2,3
	42,2	20,5	72,4
(Decrease)/increase in rate of tax due to:			
exempt income[5]	**(10,0)**	0,7	(2,0)
share of profits of equity accounted investments	**(2,1)**	–	(3,8)
effect of tax litigation matters[6]	**–**	–	(9,5)
utilisation of tax losses[7]	**(20,9)**	–	(0,3)
investment incentive allowances	**(0,4)**	–	(20,0)
translation differences	**(1,9)**	–	(1,1)
prior year adjustments	**(2,2)**	0,9	–
capital gains and losses[8]	**(1,8)**	–	–
other adjustments	**(1,2)**	0,3	(0,5)
Effective tax rate	**1,7**	22,4	35,2

1 Includes non-deductible expenses incurred not deemed to be in the production of taxable income mainly relating to non-productive interest in our treasury function and project costs.

2 This relates to the share based payment expense on the Sasol Khanyisa transaction.

3 2019 mainly relates to the impact of lower tax rate in the US on the increases in tax losses incurred during the year.

4 Tax losses not recognised in 2019 mainly relate to the R1,9 billion (2018 – R2,8 billion) impairment of the Canadian shale gas asset for which no deferred tax asset was raised.

5 Mainly relates to the Foreign Currency Translation Reserve (FCTR) reclassified on the disposal of business.

6 2019 includes reversal of tax and interest pertaining to Sasol Oil.

7 Tax losses utilised in the current year which are allowed to be set off against 2021 foreign exchange gains. Refer note 6.

8 Relates mainly to the disposal of the Air Separation Units.

for the year ended 30 June	Note	2021 Rm	2020 Rm	2019 Rm

14 Tax paid

for the year ended 30 June	Note	2021 Rm	2020 Rm	2019 Rm
Net amounts (receivable)/payable at beginning of year		**(4 754)**	309	(984)
Disposal of businesses		**40**	–	(1)
Net interest and penalties on tax[1]		**(17)**	(41)	(630)
Income tax per income statement	13	**9 509**	930	5 846
Reclassification to held for sale[2]		**(304)**	29	6
Foreign exchange differences recognised in income statement		**(14)**	48	4
Translation of foreign operations		**513**	(370)	14
		4 973	905	4 255
Net tax receivable/(payable) per statement of financial position		**307**	4 754	(309)
tax payable		**(806)**	(665)	(1 039)
tax receivable[3]		**1 113**	5 419	730
Per the statement of cash flows		**5 280**	5 659	3 946
Comprising				
Normal tax				
South Africa		**6 622**	3 131	933
Foreign		**(1 342)**	2 526	3 013
Dividend withholding tax		**–**	2	–
		5 280	5 659	3 946

1 2019 relates to the reversal of interest pertaining to the Sasol Oil matter.

2 Mainly due to Rompco tax payable that was transferred to liabilities held for sale.

3 2020 relates mainly to the relief provided to companies in the United States under the Coronavirus Aid Relief and Economic Security Act 9 (CARES Act) allowing taxpayers to carry back losses incurred during 2018 – 2020 for five years.

15 Deferred tax

for the year ended 30 June	Note	2021 Rm	2020 Restated Rm
Reconciliation			
Balance at beginning of year		**(12 511)**	17 978
Current year charge		**(8 956)**	(27 873)
per the income statement	13	**(9 324)**	(27 320)
per the statement of comprehensive income		**368**	(553)
Reclassification from/(to) held for sale		**424**	(880)
Disposal of investment[1]		**(85)**	–
Foreign exchange differences recognised in income statement		**(103)**	142
Translation of foreign operations		**4 513**	(1 878)
Balance at end of year		**(16 718)**	(12 511)
Comprising			
Deferred tax assets		**(24 511)**	(31 665)
Deferred tax liabilities		**7 793**	19 154
		(16 718)	(12 511)

1 Taxation related to the disposal of our investment in Aethylen-Rohrleitungs-Gesellschaft mbH & Co. KG.

Deferred tax assets and liabilities are determined based on the tax status and rates of the underlying entities. The decrease in deferred tax assets relates mainly to our US operations. We anticipate sufficient profits to be generated in future to utilise the deferred tax asset against. These US tax losses do not expire.

The decrease in the deferred tax liability relates mainly to the impairments within the South African Integrated value chain.

15 Deferred tax continued

for the year ended 30 June	2021 Rm	2020 Restated Rm
Attributable to the following tax jurisdictions		
South Africa	**3 169**	12 676
United States of America	**(18 556)**	(22 865)
Germany	**(1 085)**	(1 651)
Mozambique	**323**	699
Other	**(569)**	(1 370)
	(16 718)	(12 511)
Deferred tax is attributable to temporary differences on the following:		
Net deferred tax assets:		
Property, plant and equipment	**6 287**	(5 285)
Right of use assets	**1 024**	1 103
Short- and long-term provisions	**(3 731)**	(4 065)
Calculated tax losses	**(24 097)**	(18 768)
Financial liabilities	**(1 324)**	(2 238)
Other	**(2 670)**	(2 412)
	(24 511)	(31 665)
Net deferred tax liabilities:		
Property, plant and equipment	**13 392**	25 423
Right of use assets	**1 370**	1 150
Current assets	**(1 124)**	(894)
Short- and long-term provisions	**(3 948)**	(3 371)
Calculated tax losses	**(11)**	(448)
Financial liabilities	**135**	(517)
Other	**(2 021)**	(2 189)
	7 793	19 154

Deferred tax assets have been recognised for the carry forward amount of unutilised tax losses relating to the group's operations where, among other things, some taxation losses can be carried forward indefinitely and there is compelling evidence that it is probable that sufficient taxable profits will be available in the future to utilise all tax losses carried forward.

for the year ended 30 June	2021 Rm	2020 Rm
Calculated tax losses		
(before applying the applicable tax rate)		
Available for offset against future taxable income	**105 428**	100 301
Utilised against the deferred tax balance	**(102 890)**	(79 294)
Not recognised as a deferred tax asset[1]	**2 538**	21 007
Calculated tax losses carried forward that have not been recognised:		
Expiry within 1 year	**3**	–
Expiry between one and five years	**1 150**	1 201
Expiry thereafter	**608**	19 090
Indefinite life	**777**	716
	2 538	21 007

1 Included in 2020 are calculated tax losses of R18,5 billion relating to Sasol Canada which was classified as held for sale at 30 June 2021. The Group disposed of its investment in Sasol Canada in July 2021.

Areas of judgement:

Sasol companies are involved in tax litigation and tax disputes with various tax authorities in the normal course of business. A detailed assessment is performed regularly on each matter and a provision is recognised where appropriate. Although the outcome of these claims and disputes cannot be predicted with certainty, Sasol believes that open engagement and transparency will enable appropriate resolution thereof.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilised. This includes the significant tax losses incurred at our US operations where we anticipate sufficient profits to be generated in future to utilise the deferred tax asset against. These losses do not expire. The provision of deferred tax assets and liabilities reflects the tax consequences that would follow from the expected recovery or settlement of the carrying amount of its assets and liabilities.

Unremitted earnings at end of year that would be subject to foreign dividend withholding tax and after tax effect if remitted

Deferred tax liabilities are not recognised for the income tax effect that may arise on the remittance of unremitted earnings by foreign subsidiaries, joint operations and incorporated joint ventures. It is management's intention that, where there is no double taxation relief, these earnings will be permanently re-invested in the group.

for the year ended 30 June	2021 Rm	2020 Rm
Unremitted earnings at end of year that would be subject to dividend withholding tax	**26 662**	27 750
Europe	**20 051**	19 943
Rest of Africa	**1 933**	2 807
Other	**4 678**	5 000
Tax effect if remitted	**455**	380
Europe	**277**	133
Rest of Africa	**155**	225
Other	**23**	22

Dividend withholding tax

Dividend withholding tax is payable at a rate of 20% on dividends distributed to shareholders. Dividends paid to companies and certain other institutions and certain individuals are not subject to this withholding tax. This tax is not attributable to the company paying the dividend but is collected by the company and paid to the tax authorities on behalf of the shareholder.

On receipt of a dividend, the company includes the dividend withholding tax in its computation of the income tax expense.

for the year ended 30 June	2021 Rm	2020 Rm
Undistributed earnings at end of year that would be subjected to dividend withholding tax withheld by the company on behalf of Sasol Limited shareholders	**99 061**	90 508
Maximum withholding tax payable by shareholders if distributed to individuals	**19 812**	18 102

Accounting policies:

The income tax charge is determined based on net income before tax for the year and includes current tax, deferred tax and dividend withholding tax.

The current tax charge is the tax payable on the taxable income for the financial year applying enacted or substantively enacted tax rates and includes any adjustments to tax payable in respect of prior years.

Deferred tax is provided for using the liability method, on all temporary differences between the carrying amount of assets and liabilities for accounting purposes and the amounts used for tax purposes and on any tax losses using enacted or substantively enacted tax rates at the reporting date that are expected to apply when the asset is realised or liability settled.

Deferred tax assets and liabilities are offset when the related income taxes are levied by the same taxation authority, there is a legally enforceable right to offset and there is an intention to settle the balances on a net basis.

SOURCES OF CAPITAL

Page

87 Equity

87 ■ Share capital

88 Funding activities and facilities

88 ■ Long-term debt
91 ■ Leases
93 ■ Short-term debt

EQUITY

for the year ended 30 June	2021 Rm	2020 Rm	2019 Rm
16 Share capital			
Issued share capital (as per statement of changes in equity)*	**9 888**	9 888	9 888

	Number of shares		
for the year ended 30 June	2021	2020	2019
Authorised			
Sasol ordinary shares of no par value	**1 127 690 590**	1 127 690 590	1 127 690 590
Sasol preferred ordinary shares of no par value	**28 385 646**	28 385 646	28 385 646
Sasol BEE ordinary shares of no par value	**158 331 335**	158 331 335	158 331 335
	1 314 407 571	1 314 407 571	1 314 407 571
Issued			
Shares issued at beginning of year	**632 365 757**	631 028 318	645 560 928
Issued in terms of the employee share schemes	**1 878 579**	1 337 439	1 566 581
Repurchase and cancellation of shares**	**–**	–	(16 085 199)
Issued in terms of Sasol Khanyisa	**–**	–	(13 992)
Shares issued at end of year	**634 244 336**	632 365 757	631 028 318
Comprising			
Sasol ordinary shares of no par value	**627 912 989**	626 034 410	624 696 971
Sasol BEE ordinary shares of no par value	**6 331 347**	6 331 347	6 331 347
	634 244 336	632 365 757	631 028 318
Unissued shares			
Sasol ordinary shares of no par value	**499 777 601**	501 656 180	502 993 619
Sasol preferred ordinary shares of no par value	**28 385 646**	28 385 646	28 385 646
Sasol BEE ordinary shares of no par value	**151 999 988**	151 999 988	151 999 988
	680 163 235	682 041 814	683 379 253

* At 30 June 2021, 10 469 584 shares (2020 – 13 969 621 shares) were held by the Sasol Foundation Trust and the Sasol Khanyisa Employee Share Ownership Plan.

** On 7 September 2018, 16 085 199 preferred ordinary shares were repurchased from Inzalo Public Funding (RF) Proprietary Limited at a purchase price of R542,11 per share as per the shareholders authorisation obtained at the Annual General Meeting held on 17 November 2017, which had the effect that these shares were cancelled and restored to authorised share capital.

Accounting policies:

When Sasol Limited's shares are repurchased by a subsidiary, the amount of consideration paid, including directly attributable costs, is recognised as a deduction from shareholders' equity. Repurchased shares are classified as treasury shares and are disclosed as a deduction from total equity. Where such shares are subsequently reissued, any consideration received is included in the statement of changes in equity.

FUNDING ACTIVITIES AND FACILITIES

17 Long-term debt

for the year ended 30 June	2021 Rm	2020 Rm
Total long-term debt	**102 643**	167 197
Short-term portion	**(5 506)**	(19 686)
	97 137	147 511
Analysis of long-term debt		
At amortised cost		
Secured debt[1]	**108**	4 608
Unsecured debt[2]	**102 974**	163 216
Unamortised loan costs	**(439)**	(627)
	102 643	167 197
Reconciliation		
Balance at beginning of year	**167 197**	129 569
Transfer of operating lease straight-lining under IAS 17 on initial application of IFRS 16	**–**	(1 027)
Adjusted amount	**167 197**	128 542
Loans raised[3]	**26 057**	36 487
Loans repaid[2]	**(61 454)**	(28 335)
Modification loss[4]	**–**	1 193
Interest accrued	**305**	1 003
Amortisation of loan costs	**160**	135
Disposal of business[5]	**(2 673)**	–
Transfer to disposal groups held for sale[1]	**(939)**	(1 551)
Translation of foreign operations	**(26 010)**	29 723
Balance at end of year	**102 643**	167 197
Interest-bearing status		
Interest-bearing debt	**102 643**	167 197
Maturity profile		
Within one year	**5 506**	19 686
One to five years	**64 495**	133 179
More than five years	**32 642**	14 332
	102 643	167 197

1 Reduction in secured debt is mainly due to the disposal of Sasol's 50% interest in Gemini HDPE LLC and the transfer of CTRG debt to liabilities held for sale at 30 June 2021. Refer note 12.

2 Decrease relates mainly to the repayments on the revolving credit facility (RCF) in Sasol Financing International Limited of R55,4 billion ($3,6 billion) (2020: R23,5 billion, US$1,5 billion) as well as repayment of term loans R5,4 billion (US$350 million).

3 Loans raised relate mainly to the R23,1 billion (US$1,5 billion) bonds issued in March 2021.

4 2020 relates to the loan covenant amendment. Refer to page 90.

5 Relates to the disposal of Sasol's 50% interest in Gemini HDPE LLC.

In terms of Sasol Limited's memorandum of incorporation, the group's borrowing powers are limited to twice the sum of its share capital and reserves (2021 – R305 billion; 2020 – R309 billion).

Terms of repayment	Security	Business	Currency	Interest rate at 30 June 2021*	2021 Rm	2020 Rm
Secured debt						
Repayable in quarterly instalments ending August 2024**	Secured by property, plant and equipment (2020 carrying value – R4 999 million)	Chemicals North America	US dollar		**–**	3 209
Repayable in bi-annual instalments ending 31 August 2030***	Secured by shares, property, plant and equipment (2020 carrying value – R1 821 million)	Gas (CTRG)	US dollar		**–**	1 226
		Various	Various	**Various**	**108**	173
					108	4 608

* Unless specified interest rate remained unchanged year-on-year.

** Relates to Sasol's portion of the Gemini HDPE LLC debt. Sasol disposed of its interest in this entity in the current year.

*** The Central Termica De Ressane Garcia S.A. (CTRG) debt was transferred to disposal groups held for sale at 30 June 2021.

Terms of repayment	Business	Currency	Interest rate at 30 June 2021*	2021 Rm	2020 Rm
Unsecured debt					
Various repayment terms ending June 2026	Various	Various	**Various**	**599**	949
Various repayment terms	Fuels	Rand	**Fixed 8%**	**588**	659
Repayable in August 2022	Corporate Centre (Sasol Financing)	Rand	**Variable 3 months Jibar + 1,3%**	**2 191**	2 197
Repayable November 2022[1]	Corporate Centre (Sasol Financing International)	US dollar	**Fixed 4,5%**	**14 359**	17 428
Repayable in November 2024[2,3]	Corporate Centre (Sasol Financing International and Sasol Financing USA)	US dollar	**Libor + 1,60%**	**7 788**	68 109
Repayable June 2024[4]	Corporate Centre (Sasol Financing USA)	US dollar	**Variable Libor + 1,60%**	**2 143**	2 601
Repayable June 2024[4]	Corporate Centre (Sasol Financing USA)	US dollar	**Variable Libor + 2,00%**	**20 954**	28 997
Various repayment terms from March 2024 to March 2031[5]	Corporate Centre (Sasol Financing USA)	US dollar	**Fixed 4,4% to 6,5% (2020 – Fixed 5,8% to 6,5%)**	**54 352**	39 603
Repayable in November 2024[6]	Corporate Centre (Sasol Financing USA)	US dollar	**2020 – Libor 2,90%**	**–**	2 673
Total unsecured debt				**102 974**	163 216
Total long-term debt				**103 082**	167 824
Unamortised loan costs (amortised over period of debt using the effective interest rate method)				**(439)**	(627)
				102 643	167 197
Short-term portion of long-term debt				**(5 506)**	(19 686)
				97 137	147 511

* Unless specified interest rate remained unchanged year-on-year.

1 Included in this amount is the US$1 billion (R14 billion) bond, with a fixed interest rate of 4,5% which is listed on the New York Stock Exchange and is recognised in Sasol Financing International Limited, a 100% owned subsidiary of the group. Sasol Limited has fully and unconditionally guaranteed the bond. There are no restrictions on the ability of Sasol Limited to obtain funds from the finance subsidiary by dividend or loan.

2 The variable interest rate debt relates to the US$3,8 billion (R54,2 billion) revolving credit facility.

3 During the year Sasol Financing International Limited, repaid R55 billion ($3,6 billion) on the revolving credit facility.

4 The variable interest rate debt relates to the US$1,45 billion (R20,7 billion) term loan and US$150 million (R2,1 million) revolving credit facility.

5 Included in this amount is the US$2,25 billion (R32,1 billion) bonds with additional $1,5 billion (R21,4 billion) issued during the year, with fixed interest rates of between 4,38% and 6,5% which are listed on the New York Stock Exchange and is recognised in Sasol Financing USA LLC, a 100% owned subsidiary of the group. Sasol Limited has fully and unconditionally guaranteed the bonds. There are no restrictions on the ability of Sasol Limited to obtain funds from the finance subsidiary by dividend or loan.

6 Repaid during the year.

17 Long-term debt continued

30 June 2021	Expiry date	Currency	Contract amount million	Total Rand equivalent Rm	Utilised facilities Rm	Available facilities Rm
Banking facilities and debt arrangements						
Group treasury facilities						
Commercial paper (uncommitted)[1]	None	Rand	8 000	8 000	2 176	5 824
Commercial banking facilities	None	Rand	8 500	8 500	–	8 500
Revolving credit facility[2]	November 2024	US dollar	3 367	48 064	7 737	40 327
Revolving credit facility	June 2024	US dollar	150	2 141	2 141	–
Debt arrangements						
US Dollar Bond	November 2022	US dollar	1 000	14 275	14 275	–
US Dollar Bond	March 2024	US dollar	1 500	21 413	21 413	–
US Dollar Bond	September 2028	US dollar	750	10 706	10 706	–
US Dollar Bond	March 2026	US dollar	650	9 279	9 279	–
US Dollar Bond	September 2031	US dollar	850	12 134	12 134	–
US Dollar term loan	June 2024	US dollar	1 450	20 699	20 699	–
Other Sasol businesses						
Specific project asset finance						
Energy – Clean Fuels II (Natref)	Various	Rand	993	993	993	–
Debt arrangements						
Other debt arrangements		Various	–	–	742	–
					102 295	54 651
Available cash excluding restricted cash						29 224
Total funds available for use						83 875
Total utilised facilities						102 295
Accrued interest						1 090
Unamortised loan cost						(439)
Total debt including accrued interest and unamortised loan cost						102 946
Comprising						
Long-term debt						97 137
Short-term debt						5 566
Short-term debt						60
Short-term portion of long-term debt						5 506
Bank overdraft						243
						102 946

1 In August 2019, Sasol issued its inaugural paper to the value of R2 176 million in the local debt market under the current Domestic Medium Term Note (DMTN) programme, at 130 basis points above 3 month Jibar, repayable in August 2022.

2 The RCF is available until November 2024, with total availability reducing to US$3,495 billion by November 2022 and to US$2,845 billion by November 2023.

Loan covenant amendment

For the year ended 30 June 2020 lenders agreed to waive Sasol's Net Debt : Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) covenant, and for the period ended 31 December 2020 lenders agreed to increase the maximum Net Debt : EBITDA covenant to 4,0 times, whereafter the covenant reverted to the prior level of 3,0 times. These amendments were subject to certain conditions that remained in place until a certificate was issued certifying compliance with the Net Debt : EBITDA covenant, which occurred on 2 March 2021. Consistent with these conditions Sasol committed to use proceeds from disposals and debt issuance to prepay, and in some instances proportionally cancel, the Revolving Credit Facility until the facility amount was reduced to R40,6 billion, (US$2,845 billion).

Accounting policies:

Debt, which constitutes a financial liability, includes short-term and long-term debt. Debt is initially recognised at fair value, net of transaction costs incurred and is subsequently stated at amortised cost. Debt is classified as short-term unless the borrowing entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Debt is derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the income statement as finance expenses based on the effective interest rate method. A debt modification gain or loss is recognised immediately when a debt measured at amortised cost has been modified.

for the year ended 30 June	Note	2021 Rm	2020 Rm

18 Leases

Amounts recognised on balance sheet

Lease liabilities			
Non-current		**13 906**	15 825
Current		**1 771**	1 894
		15 677	17 719
Right of use assets			
Land		**241**	184
Buildings and improvements		**5 153**	6 446
Plant, equipment and vehicles		**7 508**	7 179
Mineral assets		**1**	7
		12 903	13 816
Additions to right of use assets		**1 899**	3 466

The deceases in the lease liabilities and right of use assets are mainly due to foreign exchange movements as a result of the strengthening of the rand (2021: R1,2 billion, 2020: R1,7 billion), as well as a reassessment of the likelihood to exercise an extension option relating to the Sandton office lease (R561 million) and other movements (R281 million). In 2020 R2,2 billion was classified as held for sale, refer note 12. As a result of the expected long-term impact of the COVID-19 pandemic, the group no longer considers it reasonably certain to exercise an option to extend the term of the lease.

for the year ended 30 June	2021 Rm	2020 Rm	2019 Rm
Amounts recognised in income statement			
Interest expense (included in net finance cost)	**1 488**	1 465	871
Expense relating to short-term leases*	**423**	757	–
Expense relating to leases of low-value assets that are not shown above as short-term leases*	**65**	33	–
Expense relating to variable lease payments not included in lease liabilities (included in other operating expenses and income)*	**58**	64	–
Impairment of right of use assets	**33**	3 322	–
Depreciation of right of use assets			
Land	**11**	25	–
Buildings and improvements	**694**	662	–
Plant, equipment and vehicles	**1 607**	1 605	–
Mineral assets	**5**	2	–
	2 317	2 294	–
Amounts recognised in statement of cash flows			
Total cash outflow on leases	**3 882**	4 048	1 108

* Included in cash paid to suppliers and employees in the statement of cash flows.

The group leases a number of assets as part of its activities. These primarily includes corporate office buildings in Sandton and Houston, rail yard, rail cars, retail convenience centres and storage facilities. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. A maturity analysis of lease liabilities is provided in note 40.

18 Leases continued

Areas of judgement:

Various factors are considered in assessing whether an arrangement contains a lease including whether a service contract includes the implicit right to substantially all of the economic benefits from assets used in providing the service and whether the group directs how and for what purpose such assets are used. In performing this assessment, the group considers decision-making rights that will most affect the economic benefits that will be derived from the use of the asset such as changing the type, timing, or quantity of output that is produced by the asset.

Incorporating optional lease periods where there is reasonable certainty that the option will be extended is subject to judgement and has an impact on the measurement of the lease liability and related right of use asset. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option, including consideration of the significance of the underlying asset to the operations and the expected remaining useful life of the operation where the leased asset is used.

The incremental borrowing rate that the group applies is the rate that the group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. The estimation of the incremental borrowing rate is determined for each lease contract using the risk-free rate over a term matching that of the lease, adjusted for other factors such as the credit rating of the lessee, a country risk premium and the borrowing currency. A higher incremental borrowing rate would lead to the recognition of a lower lease liability and corresponding right of use asset.

The range of incremental borrowing rates applied were as follows:

Southern Africa	6,19 – 15,35% (2020: 6,25 – 16,58%)
North America	2,15 – 5,64% (2020: 2,15 – 5,64%)
Eurasia	0,38 – 6,35% (2020: 1,00 – 5,00%)

Accounting policies:

At contract inception all arrangements are assessed to determine whether it is, or contains, a lease. At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised;
- payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate; and
- lease payments to be made under reasonably certain extension options.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are capitalised as part of the cost of inventories or assets under construction) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. The incremental borrowing rate is the rate that the group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The group applies the recognition exemptions to short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses over the lease term.

Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset's useful life. The depreciation charge is recognised in the income statement unless it is capitalised as part of the cost of inventories or assets under construction.

The right of use assets are also subject to impairment. Refer to the accounting policies in the note on Remeasurement items affecting profit or loss.

for the year ended 30 June	Note	2021 Rm	2020 Rm

19 Short-term debt

Short-term debt[1]		**60**	21 888
Short-term portion of			
long-term debt[2]	17	**5 506**	19 686
lease liabilities	18	**1 771**	1 894
		7 337	43 468

1 The decrease in 2021 relates to the repayments of R19 717 million, ($1 billion syndicated loan and commercial banking facilities), translation gains of R1 958 million and transfer of R197 million to disposal groups held for sale. Sasol secured the R17 billion (US$1 billion) syndicated loan facility in November 2019.

2 At 30 June 2020 R17 billion (US$1 billion) of the RCF was classified as short-term in anticipation of proceeds from asset disposals being used to repay debt in accordance with the covenant waiver agreement. This was repaid during the current year. Refer note 17.

CAPITAL ALLOCATION AND UTILISATION

Page

95 Investing activities

95 Property, plant and equipment
98 Long-term receivable and prepaid expenses
99 Equity accounted investments
101 Interest in joint operations
102 Interest in significant operating subsidiaries

104 Working capital

104 Inventories
104 Trade and other receivables
105 Trade and other payables
105 (Increase)/decrease in working capital

106 Cash management

106 Cash and cash equivalents
106 Cash generated by operating activities
107 Cash flow from operations
107 Dividends paid

20 Property, plant and equipment

for the year ended 30 June	Land Rm	Building and improvements Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Assets under construction* Rm	Total Rm
Restated carrying amount at 30 June 2020[1]	5 591	11 954	152 255	30 043	27 802	**227 645**
Additions	18	4	1 063	43	14 894	**16 022**
to sustain existing operations	18	–	948	43	13 792	**14 801**
to expand operations	–	4	115	–	1 102	**1 221**
Net reclassification (to)/from other assets	(2)	56	(750)	20	722	**46**
Reduction in rehabilitation provisions capitalised (note 33)	–	(4)	(55)	(1 401)	(965)	**(2 425)**
Establishment of joint operation[2]	325	1 097	28 079	–	62	**29 563**
Disposal of business[3]	(1 399)	(632)	(4 544)	(1)	(31)	**(6 607)**
Finance costs capitalised	–	–	–	–	880	**880**
Projects capitalised	73	837	11 918	2 654	(15 952)	**(470)**
Reclassification from/(to) held for sale (note 12)	98	349	(711)	(981)	(444)	**(1 689)**
Translation of foreign operations	(775)	(1 457)	(18 327)	98	(573)	**(21 034)**
Disposals and scrapping	(2)	(19)	(184)	(49)	(203)	**(457)**
Current year depreciation charge	–	(537)	(11 080)	(3 303)	–	**(14 920)**
Net impairment of property, plant and equipment (note 10)	(56)	(94)	(28 678)	353	(58)	**(28 533)**
Carrying amount at 30 June 2021	**3 871**	**11 554**	**128 986**	**27 476**	**26 134**	**198 021**

* Includes intangible assets under construction,

1 Refer to note 1 for details.

2 Refer to note 11 for details.

3 Relates mainly to the disposal of our 50% equity interest in Gemini HDPE LLC.

20 Property, plant and equipment continued

for the year ended 30 June	Land Rm	Building and improvements Rm	Plant, equipment and vehicles Restated Rm	Mineral assets Rm	Assets under construction Rm	Total Restated Rm
Carrying amount at 30 June 2019	4 202	15 434	185 235	28 678	127 764	361 313
Impact of correction of error (refer note 1)	–	–	(3 731)	–	–	(3 731)
Restated carrying amount at 1 July 2019	4 202	15 434	181 504	28 678	127 764	357 582
Transfer of finance lease assets to right of use assets on initial application of IFRS 16	(6)	(1 475)	(5 936)	–	(71)	(7 488)
Adjusted carrying amount at 1 July 2019	4 196	13 959	175 568	28 678	127 693	350 094
Additions	34	59	1 039	1 230	35 730	38 092
to sustain existing operations	34	42	825	1 230	19 017	21 148
to expand operations	–	17	214	–	16 713	16 944
Net reclassification (to)/from other assets	(11)	(295)	447	(4)	(17)	120
Reduction in rehabilitation provisions capitalised (note 33)	–	–	(23)	(160)	–	(183)
Finance costs capitalised	–	–	–	–	3 520	3 520
Projects capitalised	920	3 035	120 616	3 378	(128 492)	(543)
Reclassification to held for sale (note 12)	(112)	(2 350)	(61 754)	–	(9 497)	(73 713)
Translation of foreign operations	842	2 091	23 761	230	12 876	39 800
Disposals and scrapping	(268)	(6)	(484)	(18)	(655)	(1 431)
Current year depreciation charge (restated)	–	(720)	(15 568)	(3 291)	–	(19 579)
Net impairment of property, plant and equipment (restated) (note 10)	(10)	(3 819)	(91 347)	–	(13 356)	(108 532)
Restated carrying amount at 30 June 2020	5 591	11 954	152 255	30 043	27 802	227 645

Up to and including financial year 2019, Sasol recognised lease assets that were classified as finance leases under IAS 17 Leases as part of Property, Plant and Equipment. From financial year 2020 assets recognised under IFRS 16 Leases are disclosed separately in note 18, Leases.

for the year ended 30 June	Land Rm	Building and improvements Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Assets under construction Rm	Total Rm
2021						
Cost	**4 145**	**20 462**	**334 432**	**47 606**	**26 134**	**432 779**
Accumulated depreciation and impairment	**(274)**	**(8 908)**	**(205 446)**	**(20 130)**	**–**	**(234 758)**
	3 871	**11 554**	**128 986**	**27 476**	**26 134**	**198 021**
2020						
Cost	5 844	21 418	325 837	84 822	27 802	465 723
Accumulated depreciation and impairment (restated)	(253)	(9 464)	(173 582)	(54 779)	–	(238 078)
	5 591	11 954	152 255	30 043	27 802	227 645
2019						
Cost	4 403	23 034	316 548	74 769	127 764	546 518
Accumulated depreciation and impairment (restated)	(201)	(7 600)	(135 044)	(46 091)	–	(188 936)
	4 202	15 434	181 504	28 678	127 764	357 582

for the year ended 30 June	2021 Rm	2020 Rm	2019 Rm
Additions to property, plant and equipment (cash flow)			
Current year additions	**16 022**	38 092	55 862
Adjustments for non-cash items	**(77)**	(2 947)	(81)
movement in environmental provisions capitalised	**(77)**	(2 947)	(1 924)
movement in long-term debt	**–**	–	(117)
LCCP investment incentives	**–**	–	1 960
Per the statement of cash flows	**15 945**	35 145	55 781

for the year ended 30 June	2021 Rm	2020 Rm
Capital commitments (excluding equity accounted investments)		
Capital commitments, excluding capitalised interest, include all projects for which specific board approval has been obtained. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:		
Authorised and contracted for	**33 196**	260 620
Authorised but not yet contracted for	**33 297**	21 136
Less expenditure to the end of year	**(26 605)**	(249 806)
	39 888	31 950
to sustain existing operations	**25 591**	26 305
to expand operations	**14 297**	5 645
Estimated expenditure		
Within one year	**21 393**	15 578
One to five years	**18 495**	16 372
	39 888	31 950

Significant capital commitments and expenditure at 30 June comprise mainly of:

Project	Project location	Business segment	Capital commitments 2021 Rm	Capital commitments 2020 Rm	Capital expenditure 2021 Rm	Capital expenditure 2020 Rm
Projects to sustain operations						
Shutdown and major statutory maintenance	Various	Various	**6 439**	3 247	**2 583**	5 221
Environmental projects	Various	Various	**3 033**	1 007	**1 806**	2 800
Clean fuels II	Secunda	Fuels	**1 483**	1 375	**237**	355
Projects to expand operations						
Mozambique exploration and development	Mozambique	Gas	**10 786**	3 353	**234**	211
Lake Charles Chemical Project	United States	Chemicals America	**798**	1 297	**684**	13 807

Areas of judgement:

The depreciation methods, estimated remaining useful lives and residual values are reviewed at least annually. The estimation of the useful lives of property, plant and equipment is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management.

The following depreciation rates apply in the group:

Buildings and improvements	1 – 17%, units of production over life of related reserve base
Retail convenience centres	3 – 5 %
Plant	2 – 50 %
Equipment	3 – 91 %
Vehicles	5 – 33 %
Mineral assets	Units of production over life of related reserve base
Life-of-mine coal assets	Units of production over life of related reserve base

20 Property, plant and equipment continued

Accounting policies:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated.

When plant and equipment comprises major components with different useful lives, these components are accounted for as separate items.

Depreciation of mineral assets on producing oil and gas properties is based on the units-of-production method calculated using estimated proved developed reserves.

Life-of-mine coal assets are depreciated using the units-of-production method and is based on proved and probable reserves assigned to that specific mine (accessible reserves) or complex which benefits from the utilisation of those assets. Other coal mining assets are depreciated on the straight-line method over their estimated useful lives.

Depreciation of property acquisition costs, capitalised as part of mineral assets in property, plant and equipment, is based on the units-of-production method calculated using estimated proved reserves.

Property, plant and equipment, other than mineral assets, is depreciated to its estimated residual value on a straight-line basis over its expected useful life.

Assets under construction

Assets under construction include land and expenditure capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment. The cost of self-constructed assets includes expenditure on materials, direct labour and an allocated proportion of project overheads. Cost also includes the estimated costs of dismantling and removing the assets and site rehabilitation costs to the extent that they relate to the construction of the asset as well as gains or losses on qualifying cash flow hedges attributable to that asset. When regular major inspections are a condition of continuing to operate an item of property, plant and equipment, and plant shutdown costs will be incurred, an estimate of these shutdown costs are included in the carrying value of the asset at initial recognition. Land acquired, as well as costs capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment are classified as part of assets under construction.

Finance expenses in respect of specific and general borrowings are capitalised against qualifying assets as part of assets under construction. Where funds are borrowed specifically for the purpose of acquiring or constructing a qualifying asset, the amount of finance expenses eligible for capitalisation on that asset is the actual finance expenses incurred on the borrowing during the period less any investment income on the temporary investment of those borrowings.

Where funds are made available from general borrowings and used for the purpose of acquiring or constructing qualifying assets, the amount of finance expenses eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on these assets. The capitalisation rate of 4,6% (2020 – 4,9%) is calculated as the weighted average of the interest rates applicable to the borrowings of the group that are outstanding during the period, including borrowings made specifically for the purpose of obtaining qualifying assets once the specific qualifying asset is ready for its intended use. The amount of finance expenses capitalised will not exceed the amount of borrowing costs incurred.

21 Long-term receivables and prepaid expenses

for the year ended 30 June	2021 Rm	2020 Rm
Total long-term receivables[1]	**4 956**	7 411
Impairment of long-term receivables*	**(91)**	(442)
Short-term portion	**(986)**	(1 170)
	3 879	5 799
Long-term prepaid expenses	**345**	636
	4 224	6 435
Comprising:		
Long-term receivables (interest-bearing) – joint operations	**605**	1 608
Long-term loans	**2 517**	2 822
LCCP investment incentives	**757**	1 369
	3 879	5 799

1 Reduction in long-term receivables and impairment of long-term receivables relate mainly to CTRG that transferred to disposal groups held for sale refer note 12.

* Impairment of long-term loans and receivables

Long-term loans and receivables are considered for impairment under the expected credit loss model. Refer to note 40 for detail on the impairments recognised.

22 Equity accounted investments

At 30 June, the group's interest in equity accounted investments and the total carrying values were:

Name	Country of incorporation	Nature of activities	Interest %	2021 Rm	2020 Rm
Joint ventures					
ORYX GTL Limited	Qatar	GTL plant	**49**	**9 329**	10 511
Sasol Dyno Nobel (Pty) Ltd	South Africa	Manufacturing and distribution of explosives	**50**	**260**	255
Sasol Chevron Holdings Limited[1]	Bermuda	Marketing of Escravos GTL products	**–**	**–**	159
Associates					
Enaex Africa (Pty) Ltd[2]	South Africa	Manufacturing and distribution of explosives	**23**	**295**	512
Other equity accounted investments			**Various**	**258**	375
Carrying value of investments				**10 142**	11 812

1 On 3 June 2021 Sasol sold its 50% shareholding in Sasol Chevron Holdings Limited.

2 On 1 May 2021 Sasol sold 26% of its shareholding in Enaex Africa (Pty) Ltd.

There are no significant restrictions on the ability of the joint ventures or associate to transfer funds to Sasol Limited in the form of cash dividends or repayment of loans or advances.

Impairment testing of equity accounted investments

Based on impairment indicators at each reporting date, impairment tests in respect of investments in joint ventures and associates are performed. The recoverable amount of the investment is compared to the carrying amount, as described in note 10, to calculate the impairment.

Summarised financial information for the group's share of equity accounted investments which are not material*

for the year ended 30 June	2021 Rm	2020 Rm
Operating profit/(loss)	**128**	(674)
Profit/(loss) before tax	**140**	(665)
Taxation	**(45)**	(20)
Profit/(loss) for the year**	**95**	(685)

* The financial information provided represents the group's share of the results of the equity accounted investments.

** Included in the 2020 results is an operating loss pertaining to the Group's investment in Escravos GTL. The group disposed of this investment in June 2020.

Capital commitments relating to equity accounted investments	2021 Rm	2020 Rm
Capital commitments, excluding capitalised interest, include all projects for which specific board approval has been obtained up to the reporting date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:		
Authorised and contracted for	**622**	1 936
Authorised but not yet contracted for	**713**	1 089
Less: expenditure to the end of year	**(348)**	(1 748)
	987	1 277

Areas of judgement:

Joint ventures and associates are assessed for materiality in relation to the group using a number of factors such as investment value, strategic importance and monitoring by those charged with governance.

ORYX GTL is considered to be material as it is closely monitored by and reported on to the decision makers and is considered to be a strategically material investment.

22 Equity accounted investments continued

Summarised financial information for the group's material equity accounted investments

In accordance with the group's accounting policy, the results of joint ventures and associates are equity accounted. The information provided below represents the group's material joint venture. The financial information presented includes the full financial position and results of the joint venture and includes intercompany transactions and balances.

	Joint venture	
	ORYX GTL Limited	
for the year ended 30 June	2021 Rm	2020 Rm
Summarised statement of financial position		
Non-current assets	**13 149**	17 236
Deferred tax asset	**212**	636
Current assets	**7 989**	7 217
Total assets	**21 350**	25 089
Other non-current liabilities	**742**	974
Other current liabilities	**1 178**	2 663
Tax payable	**391**	–
Total liabilities	**2 311**	3 637
Net assets	**19 039**	21 452
Summarised income statement		
Turnover	**8 538**	7 279
Depreciation and amortisation	**(1 759)**	(1 424)
Other operating expenses	**(4 513)**	(4 707)
Operating profit before interest and tax	**2 266**	1 148
Finance income	**6**	31
Finance cost	**(48)**	(84)
Profit before tax	**2 224**	1 095
Taxation	**(758)**	(492)
Profit and total comprehensive income for the year	**1 466**	603
The group's share of profits of equity accounted investment	**719**	338
49% share of profit before tax	**1 090**	536
Taxation	**(371)**	(198)
Reconciliation of summarised financial information		
Net assets at the beginning of the year	**21 452**	16 893
Profit before tax for the year	**2 224**	1 095
Taxation	**(758)**	(483)
Foreign exchange differences	**(3 879)**	3 947
Net assets at the end of the year	**19 039**	21 452
Carrying value of equity accounted investment	**9 329**	10 511

The year-end for ORYX GTL Limited is 31 December, however the group uses the financial information at 30 June.

The carrying value of the investment represents the group's interest in the net assets thereof.

Contingent liabilities

There were no contingent liabilities at 30 June 2021 relating to our joint ventures or associates.

Accounting policies:

The financial results of associates and joint ventures are included in the group's results according to the equity method from acquisition date until the disposal date. Associates and joint ventures whose financial year-ends are within three months of 30 June are included in the consolidated financial statements using their most recently audited financial results. Adjustments are made to the associates' and joint ventures financial results for material transactions and events in the intervening period.

23 Interest in joint operations

At 30 June, the group's interest in material joint operations were:

Name	Country of incorporation	Nature of activities	% of equity owned 2021 %	% of equity owned 2020 %
Louisiana Integrated Polyethylene JV LLC[1]	United States of America	Manufactures high density polyethylene chemicals	**50**	–
Gemini HDPE LLC[2]	United States of America	Manufactures high density polyethylene chemicals	**–**	50
Sasol Canada[3]	Canada	Development of shale gas reserves and production and marketing of shale gas	**50**	50
Natref	South Africa	Refining of crude oil	**64**	64

1 Upon successful completion of the divestment of 50% of Sasol's commodity chemicals units at our Lake Charles facility in December 2020, the 50/50 Louisiana Integrated Polyethylene joint venture ("JV") with LyondellBasell was established. LyondellBasell operates the JV assets on behalf of the JV. The joint operation operates as a tolling arrangement and Sasol retains control to the goods during the toll processing, for which a fee is paid, and only recognises revenue when the finished goods are transferred to a final customer. Sasol and Equistar, a subsidiary of LyondellBasell, have entered into a marketing agreement pursuant to which Equistar is appointed as an independent agent to exclusively market and sell, in consideration for a fee, all of Sasol's Linear low-density polyethylene (LLDPE) and Low-density polyethylene (LDPE) produced by the joint operation to customers.

2 The Group sold it's investment in Gemini HDPE LLC on 31 December 2020.

3 The Group has classified the assets and liabilities of the Canada joint operation as held for sale at 30 June 2021. The disposal subsequently closed on 29 July 2021. Refer to note 12.

The information provided is Sasol's share of joint operations (excluding unincorporated joint operations) and includes intercompany transactions and balances.

for the year ended 30 June	Louisiana Integrated Polyethylene JV LLC Rm	Sasol Canada* Rm	Natref Rm	Other** Rm	Total 2021 Rm	Total 2020 Rm
Statement of financial position						
External non-current assets	27 226	–	3 421	–	**30 647**	12 917
External current assets	665	1 379	319	2 509	**4 872**	1 682
Intercompany current assets	–	–	1	1	**2**	40
Total assets	27 891	1 379	3 741	2 510	**35 521**	14 639
Shareholders' equity	27 484	478	360	432	**28 754**	3 614
Long-term liabilities	62	–	2 457	3	**2 522**	9 224
Interest-bearing current liabilities	38	–	184	3	**225**	764
Non-interest-bearing current liabilities	187	901	414	1 105	**2 607**	557
Intercompany current liabilities	120	–	326	967	**1 413**	480
Total equity and liabilities	27 891	1 379	3 741	2 510	**35 521**	14 639

* The Group has classified the assets and liabilities of the Canada joint operation as held for sale at 30 June 2021. The disposal subsequently closed on 29 July 2021. Refer to note 12.

** Includes Central Térmica de Ressano Garcia (CTRG), which has been classified as held for sale at 30 June 2021. Refer to note 12.

At 30 June 2021, the group's share of the total capital commitments of joint operations amounted to R717 million (2020 – R700 million).

24 Interest in significant operating subsidiaries

Sasol Limited is the ultimate parent of the Sasol group of companies. Our wholly-owned subsidiary, Sasol Investment Company (Pty) Ltd, a company incorporated in the Republic of South Africa, holds primarily our interests in companies incorporated outside of South Africa. The following table presents each of the group's significant subsidiaries (including direct and indirect holdings), the nature of activities, the percentage of shares of each subsidiary owned and the country of incorporation at 30 June 2021.

There are no significant restrictions on the ability of the group's subsidiaries to transfer funds to Sasol Limited in the form of cash dividends or repayment of loans or advances.

			% of equity owned	
Name	Country of incorporation	Nature of activities	2021	2020
Significant operating subsidiaries				
Direct				
Sasol Mining Holdings (Pty) Ltd	South Africa	Holding company of the group's mining interests	**100**	100
Sasol Technology (Pty) Ltd	South Africa	Engineering services, research and development and technology transfer	**100**	100
Sasol Financing Limited	South Africa	Management of cash resources, investments and procurement of loans (for South African operations)	**100**	100
Sasol Investment Company (Pty) Ltd	South Africa	Holding company for foreign investments	**100**	100
Sasol South Africa Limited[1]	South Africa	Integrated petrochemicals and energy company	**100**	100
Sasol Middle East and India (Pty) Ltd	South Africa	Develop and implement international GTL and CTL ventures	**100**	100
Sasol Africa (Pty) Ltd	South Africa	Exploration, development, production, marketing and distribution of natural oil and gas and associated products	**100**	100
Sasol Oil (Pty) Ltd	South Africa	Marketing of fuels and lubricants	**75**	75
Sasol New Energy Holdings (Pty) Ltd	South Africa	Developing lower-carbon energy solutions	**100**	100

1 Sasol Khanyisa shareholders indirectly have an 18,4% shareholding in Sasol South Africa Limited. Once the Khanyisa funding is settled, the Sasol Khanyisa ordinary shares will be exchanged for Sasol BEE Ordinary (SOLBE1) shares listed on the empowerment segment of the JSE.

Name	Country of incorporation	Nature of activities	% of equity owned 2021	2020
Significant operating subsidiaries				
Indirect				
The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)[1]	South Africa	Owning and operating of the natural gas transmission pipeline between Temane in Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa	**50**	50
Sasol Financing International Limited	South Africa	Management of cash resources, investment and procurement of loans (for our foreign operations)	**100**	100
Sasol Germany GmbH	Germany	Production, marketing and distribution of chemical products	**100**	100
Sasol Italy SpA	Italy	Trading and transportation of oil products, petrochemicals and chemical products and derivatives	**100**	100
Sasol Mining (Pty) Ltd	South Africa	Coal mining activities	**90**	90
Sasol Canada Holdings Limited[2]	Canada	Exploration, development, production, marketing and distribution of natural oil and gas and associated products in Canada	**100**	100
Sasol Chemicals (USA) LLC	United States of America	Production, marketing and distribution of chemical products	**100**	100
Sasol Financing USA LLC	United States of America	Management of cash resources, investment and procurement of loans (for our North American operations)	**100**	100

1 Through contractual arrangements Sasol exercises control over the relevant activities of Rompco. The Group has classified the assets and liabilities of Rompco as held for sale at 30 June 2020. Refer to note 12.

2 The Group has classified the assets and liabilities of Sasol Canada Holdings Limited as held for sale at 30 June 2021. Refer to note 12.

Our other interests in subsidiaries are not considered significant.

Non-controlling interests

The group has a number of subsidiaries with non-controlling interests, however none of them were material to the Statement of Financial position.

Areas of judgement:

The disclosure of subsidiaries is based on materiality taking into account the contribution to turnover, assets of the group, and the way the business is managed and reported on.

Control is obtained when Sasol is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through our power over the subsidiary.

The financial results of all entities that have a functional currency different from the presentation currency of their parent entity are translated into the presentation currency. Income and expenditure transactions of foreign operations are translated at the average rate of exchange for the year except for significant individual transactions which are translated at the exchange rate ruling at that date. All assets and liabilities, including fair value adjustments and goodwill arising on acquisition, are translated at the rate of exchange ruling at the reporting date. Differences arising on translation are recognised as other comprehensive income and are included in the foreign currency translation reserve.

WORKING CAPITAL

for the year ended 30 June	2021 Rm	2020 Rm
25 Inventories		
Carrying value		
Crude oil and other raw materials	**4 269**	3 513
Process material	**1 834**	1 868
Maintenance materials	**5 585**	6 376
Work in progress	**2 560**	2 108
Manufactured products	**15 315**	13 681
Consignment inventory	**179**	255
	29 742	27 801

The impact of lower sales prices resulted in a net realisable value write-down of R83 million in 2021 (2020 – R384 million).

Inventory of R1 118 million (2020 – R3 294 million) is held at net realisable value.

Accounting policies:

Inventories are stated at the lower of cost and net realisable value. Cost includes expenditure incurred in acquiring, manufacturing and transporting the inventory to its present location. Manufacturing costs include an allocated portion of production overheads which are directly attributable to the cost of manufacturing such inventory. The allocation is determined based on the greater of normal production capacity and actual production. The costs attributable to any inefficiencies in the production process are charged to the income statement as incurred.

By-products are incidental to the manufacturing processes, are usually produced as a consequence of the main product stream, and are immaterial to the group. Revenue from sale of by-products is offset against the cost of the main products.

Cost is determined as follows:

Crude oil and other raw materials	First-in-first-out valuation method (FIFO)
Process, maintenance and other materials	Weighted average purchase price
Work-in-progress	Manufacturing costs incurred
Manufactured products including consignment inventory	Manufacturing costs according to FIFO

for the year ended 30 June	2021 Rm	2020 Rm
26 Trade and other receivables		
Trade receivables	**23 692**	18 247
Other receivables	**3 786**	4 310
Related party receivables – equity accounted investments	**255**	215
Impairment of trade and other receivables	**(515)**	(706)
Trade and other receivables	**27 218**	22 066
Duties recoverable from customers	**263**	366
Prepaid expenses and other	**1 860**	1 605
Value added tax	**1 592**	1 060
	30 933	25 097

Impairment of trade receivables

Trade receivables are considered for impairment under the expected credit loss model. Trade receivables are written off when there is no reasonable prospect that the customer will pay. Refer to note 40 for detail on the impairments recognised.

No individual customer represents more than 10% of the group's trade receivables.

Collateral

The group holds no collateral over the trade receivables which can be sold or pledged to a third party.

Accounting policies:

Trade and other receivables are recognised initially at transaction price and subsequently stated at amortised cost using the effective interest rate method, less impairment losses. A simplified expected credit loss model is applied for recognition and measurement of impairments in trade receivables, where expected lifetime credit losses are recognised from initial recognition, with changes in loss allowances recognised in profit and loss. The group did not use a provisional matrix. Trade and other receivables are written off where there is no reasonable expectation of recovering amounts due. The trade receivables do not contain a significant financing component.

27 Trade and other payables

for the year ended 30 June	2021 Rm	2020 Rm
Trade payables	**17 197**	13 535
Capital project related payables*	**960**	3 516
Accrued expenses	**4 323**	3 837
Related party payables	**157**	276
third parties	**155**	88
equity accounted investments	**2**	188
Trade payables	**22 637**	21 164
Other payables**	**9 074**	7 188
Duties payable to revenue authorities	**4 785**	7 086
Value added tax	**174**	319
	36 670	35 757

* Decrease as a result of reduced activity on the LCCP project as units reach beneficial operation.

** Other payables include employee-related payables.

Accounting policies:

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost. Capital project related payables are excluded from working capital, as the nature and risks of these payables are not considered to be aligned to operational trade payables.

28 (Increase)/decrease in working capital

	2021 Rm	2020 Rm	2019 Rm
(Increase)/decrease in inventories	**(4 872)**	3 397	(829)
(Increase)/decrease in trade receivables	**(7 198)**	6 431	37
Increase/(decrease) in trade payables	**4 916**	(3 990)	3 202
(Increase)/decrease in working capital	**(7 154)**	5 838	2 410

for the year ended 30 June	2021 Rm	2020 Rm

29 Cash and cash equivalents

	2021 Rm	2020 Rm
Cash and cash equivalents	**31 231**	34 739
Bank overdraft	**(243)**	(645)
Per the statement of cash flows	**30 988**	34 094
Cash by currency		
Rand	**14 994**	14 281
Euro	**2 159**	2 602
US dollar	**12 787**	15 520
Other currencies	**1 048**	1 691
	30 988	34 094

Included in cash and cash equivalents:

Cash in respect of various special purpose entities in the Group for use within those entities amounted to R513 million (2020 – R187 million) and cash in respect of short-term rehabilitation commitments amounted to R106 million (2020 – R99 million).

Cash in respect of joint operations can only be utilised for the business activities of the joint operations. This includes the Louisiana Integrated Polyethylene plant in North America of R245 million (2020 – Rnil) and R69 million (2020 – R105 million) relating to exploration and other ventures. Sasol's interests in the power plant in Mozambique (CTRG) is held for sale at 30 June 2021, R658 million (2020 – R617 million) was transferred to assets held for sale.

Other cash restricted for use of R1 318 million (2020 – R799 million) includes cash deposits serving as collateral for bank guarantees.

Accounting policies:

Cash and cash equivalents comprises cash on hand, cash restricted for use, bank overdraft, demand deposits and other short-term highly liquid investments with a maturity period of three months or less at date of purchase. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Bank overdrafts are offset against cash and cash equivalents in the statement of cash flows.

Cash restricted for use comprises cash and cash equivalents which are not available for general use by the group, including amounts held in escrow, trust or other separate bank accounts.

for the year ended 30 June	Note	2021 Rm	2020 Restated Rm	2019 Restated Rm

30 Cash generated by operating activities

	Note	2021 Rm	2020 Restated Rm	2019 Restated Rm
Cash flow from operations	31	**52 268**	36 546	48 988
(Increase)/decrease in working capital	28	**(7 154)**	5 838	2 410
		45 114	42 384	51 398

for the year ended 30 June	Note	2021 Rm	2020 Restated Rm	2019 Restated Rm
31 Cash flow from operations				
Earnings/(loss) before interest and tax (EBIT)		**16 619**	(111 926)	8 434
Adjusted for				
share of (profits)/losses of equity accounted investments	22	**(814)**	347	(1 074)
equity-settled share-based payment	36	**1 927**	1 946	1 659
depreciation and amortisation		**17 644**	22 327	17 814
effect of remeasurement items	10	**23 218**	111 978	20 062
movement in long-term provisions				
income statement charge	33	**(3)**	(2 208)	430
utilisation	33	**(388)**	(734)	(1 099)
movement in short-term provisions		**2 839**	39	(3)
movement in post-retirement benefits		**880**	733	635
translation effects		**(5 047)**	6 098	(199)
write-down of inventories to net realisable value		**83**	384	371
movement in financial assets and liabilities		**(4 225)**	3 990	864
movement in other receivables and payables		**(240)**	3 057	601
other non-cash movements		**(225)**	515	493
		52 268	36 546	48 988

for the year ended 30 June	2021 Rm	2020 Rm	2019 Rm
32 Dividends paid			
Final dividend – prior year	**16**	10	6 269
Interim dividend – current year	**30**	21	3 683
	46	31	9 952

The Board did not declare a final or interim dividend during the year. Dividends paid relate to dividends distributed by Sasol South Africa Limited to Sasol Khanyisa participants.

PROVISIONS AND RESERVES

Page

109 Provisions

109 ■ Long-term provisions
110 ■ Short-term provisions
111 ■ Post-retirement benefit obligations

119 Reserves

119 ■ Share-based payment reserve

for the year ended 30 June	Environ-mental Rm	Share-based payments Rm	Other Rm	Total Rm
33 Long-term provisions				
Balance at beginning of year	21 790	51	1 064	**22 905**
Capitalised to property, plant and equipment*	(2 425)	–	–	**(2 425)**
Reduction in rehabilitation provision capitalised	77	–	–	**77**
Transfer to held for sale liabilities**	(1 310)	–	–	**(1 310)**
Per the income statement	(293)	(22)	312	**(3)**
additional provisions and changes to existing provisions	412	(22)	313	**703**
reversal of unutilised amounts	(31)	–	(1)	**(32)**
effect of change in discount rate	(674)	–	–	**(674)**
Notional interest	664	–	4	**668**
Utilised during year (cash flow)	(271)	–	(117)	**(388)**
Foreign exchange differences recognised in income statement	(1 495)	1	(18)	**(1 512)**
Translation of foreign operations	(541)	(1)	(109)	**(651)**
Balance at end of year	**16 196**	**29**	**1 136**	**17 361**

* Decrease in rehabilitation provision capitalised in 2021 relates to a reassessment of the provision based on discount rates and cost estimates.

** Relates to rehabilitation provisions of the Canadian shale gas assets classified as held for sale, refer note 12 and the Gabon oil producing assets that were disposed of during the year.

for the year ended 30 June	Note	2021 Rm	2020 Rm
Expected timing of future cash flows			
Within one year		**1 197**	1 048
One to five years		**5 287**	5 324
More than five years		**10 877**	16 533
		17 361	22 905
Short-term portion	34	**(1 197)**	(1 048)
Long-term provisions		**16 164**	21 857
Estimated undiscounted obligation*		**92 109**	96 033

* Decrease relates mainly to Canada which was classified as held for sale at 30 June 2021 and the Gabon oil producing assets that were disposed of during the year.

Environmental provisions

In accordance with the group's published environmental policy and applicable legislation, a provision for rehabilitation is recognised when the obligation arises, representing the estimated actual cash flows in the period in which the obligation is settled.

The environmental obligation includes estimated costs for the rehabilitation of coal mining, oil, gas and petrochemical sites. The amount provided is calculated based on currently available facts and applicable legislation.

The total environmental provision at 30 June 2021 amounted to R16 196 million (2020 – R21 790 million). In line with the requirements of the legislation of South Africa, the utilisation of certain investments is restricted for mining rehabilitation purposes. These investments amounted to R676 million (2020 – R661 million). In addition, indemnities of R2 190 million (2020 – R2 190 million) are in place.

33 Long-term provisions continued

The following risk-free rates were used to discount the estimated cash flows based on the underlying currency and time duration of the obligation.

for the year ended 30 June	2021 %	2020 %
South Africa	**4,2 to 10,3**	3,6 to 9,4
Europe	**0,0 to 0,5**	–
United States of America	**0,2 to 1,8**	0,2 to 0,9
Canada	**0,5 to 2,3**	0,5 to 1,4

for the year ended 30 June	2021 Rm	2020 Rm
A 1% point change in the discount rate would have the following effect on the long-term provisions recognised		
Increase in the discount rate	**(4 352)**	(3 836)
amount capitalised to property, plant and equipment	**(1 250)**	(2 767)
income recognised in income statement	**(3 102)**	(1 069)
Decrease in the discount rate	**5 266**	4 297
amount capitalised to property, plant and equipment	**1 787**	3 115
expense recognised in income statement	**3 479**	1 182

Share Appreciation Rights scheme

All rights issued in terms of the Share Appreciation Rights scheme (SARs) have vested and will be settled in cash when exercised. As at 30 June 2021 there were 2,2 million vested rights not yet exercised with an intrinsic value of R0 (2020: R0). The final rights awarded under the scheme will expire in September 2022.

34 Short-term provisions

for the year ended 30 June	Note	2021 Rm	2020 Rm
Other provisions*		**3 370**	649
Short-term portion of			
long-term provisions	33	**1 197**	1 048
post-retirement benefit obligations	35	**497**	505
		5 064	2 202

* Increase mainly relates to the National Energy Regulator of South Africa's final decision on the maximum gas price methodology for Sasol Gas. A provision of R1,4 billion was raised in this regard. Refer note 37.1. It also includes employee related provisions of approximately R950 million.

Accounting policies:

Estimated long-term environmental provisions, comprising pollution control, rehabilitation and mine closure, are based on the group's environmental policy taking into account current technological, environmental and regulatory requirements. The provision for rehabilitation is recognised as and when the environmental liability arises. To the extent that the obligations relate to the construction of an asset, they are capitalised as part of the cost of those assets. The effect of subsequent changes to assumptions in estimating an obligation for which the provision was recognised as part of the cost of the asset is adjusted against the asset. Any subsequent changes to an obligation which did not relate to the initial construction of a related asset are charged to the income statement. The increase in discounted long-term provisions as a result of the passage of time is recognised as a finance expense in the income statement.

The estimated present value of future decommissioning costs, taking into account current environmental and regulatory requirements, is capitalised as part of property, plant and equipment, to the extent that they relate to the construction of the asset, and the related provisions are raised. These estimates are reviewed at least annually.

Deferred tax is recognised on the temporary differences in relation to both the asset to which the obligation relates to and rehabilitation provision.

Termination benefits are recognised as a liability at the earlier of the date of recognition of restructuring costs or when the group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits that are expected to be wholly settled more than 12 months after the end of the reporting period are discounted to their present value.

Areas of judgement:

The determination of long-term provisions, in particular environmental provisions, remains a key area where management's judgement is required. Estimating the future cost of these obligations is complex and requires management to make estimates and judgements because most of the obligations will only be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions could also be influenced by changing technologies and political, environmental, safety, business and statutory considerations as well as the period in which it will be settled.

It is envisaged that, based on the current information available, any additional liability in excess of the amounts provided will not have a material adverse effect on the group's financial position, liquidity or cash flow.

35 Post-retirement benefit obligations

for the year ended 30 June	Note	Non-current 2021 Rm	Non-current 2020 Rm	Current 2021 Rm	Current 2020 Rm	Total 2021 Rm	Total 2020 Rm
Post-retirement healthcare obligations	35.1						
South Africa		**3 238**	2 778	**218**	214	**3 456**	2 992
United States of America		**236**	359	**21**	26	**257**	385
		3 474	3 137	**239**	240	**3 713**	3 377
Pension obligations	35.2						
Foreign – post-retirement benefit obligation		**9 823**	11 554	**258**	265	**10 081**	11 819
Total post-retirement benefit obligations		**13 297**	14 691	**497**	505	**13 794**	15 196
Pension assets	35.2						
South Africa – post-retirement benefit asset		**(46)**	(467)	**–**	–	**(46)**	(467)
Foreign – post-retirement benefit asset		**(545)**	–	**–**	–	**(545)**	–
Total post-retirement benefit assets		**(591)**	(467)	**–**	–	**(591)**	(467)
Net pension obligations		**9 232**	11 087	**258**	265	**9 490**	11 352

for the year ended 30 June	Note	Loss/(gain) recognised in the income statement 2021 Rm	2020 Rm	2019 Rm	Loss/(gain) recognised in other comprehensive income 2021 Rm	2020 Rm	2019 Rm
Post-retirement benefit obligations							
Post-retirement healthcare obligations	35.1	**407**	467	485	**201**	(1 040)	(460)
Pension benefits – projected benefit obligation	35.2	**7 248**	7 073	6 371	**5 715**	(6 921)	1 360
Pension benefits – plan asset of funded obligation	35.2	**(5 758)**	(5 238)	(4 815)	**(7 419)**	7 507	(514)
Net movement on asset limitation and reimbursive right		**–**	–	–	**669**	601	145
		1 897	2 302	2 041	**(834)**	147	531

The group provides post-retirement medical and pension benefits to certain of its retirees, principally in South Africa, Europe and the United States of America. Generally, medical cover provides for a specified percentage of most medical expenses, subject to pre-set rules and maximum amounts. Pension benefits are payable in the form of retirement, disability and surviving dependent pensions. The medical benefits are unfunded. The pension benefits in South Africa are funded. In the United States of America certain of our Pension Funds are funded.

35 Post-retirement benefit obligations continued

Accounting policies:

The group operates or contributes to defined contribution pension plans and defined benefit pension plans for its employees in certain of the countries in which it operates. These plans are generally funded through payments to trustee-administered funds as determined by annual actuarial calculations.

Defined contribution pension plans are plans under which the group pays fixed contributions into a separate legal entity and has no legal or constructive obligation to pay further amounts. Contributions to defined contribution pension plans are charged to the income statement as an employee expense in the period in which the related services are rendered by the employee.

The group's net obligation in respect of defined benefit pension plans is actuarially calculated separately for each plan by deducting the fair value of plan assets from the gross obligation for post-retirement benefits. The gross obligation is determined by estimating the future benefit attributable to members in return for services rendered to date.

This future benefit is discounted to determine its present value, using discount rates based on government bonds for South African obligations, and corporate bonds in Europe and the US, that have maturity dates approximating the terms of the group's obligations and which are denominated in the currency in which the benefits are expected to be paid. Independent actuaries perform this calculation annually using the projected unit credit method.

Defined contribution members employed before 2009 have an option to purchase a defined benefit pension with their member share. This option gives rise to actuarial risk, and as such, these members are accounted for as part of the defined benefit fund and are disclosed as such.

Past service costs are charged to the income statement at the earlier of the following dates:

- when the plan amendment or curtailment occurs; and
- when the group recognises related restructuring costs or termination benefits.

Actuarial gains and losses arising from experience adjustments and changes to actuarial assumptions, the return on plan assets (excluding amounts included in net interest on the defined benefit liability/(asset)) and any changes in the effect of the asset ceiling (excluding amounts included in net interest on the defined benefit liability/(asset)) are remeasurements that are recognised in other comprehensive income in the period in which they arise.

Where the plan assets exceed the gross obligation, the asset recognised is limited to the lower of the surplus in the defined benefit plan and the asset ceiling, determined using a discount rate based on government bonds.

Surpluses and deficits in the various plans are not offset.

The entitlement to healthcare benefits is usually based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued on a systematic basis over the expected remaining period of employment, using the accounting methodology described in respect of defined benefit pension plans above. Independent actuaries perform the calculation of this obligation annually.

	Healthcare benefits	Pension benefits
Last actuarial valuation – South Africa	**31 March 2021**	**31 March 2021**
Last actuarial valuation – United States of America	**30 June 2021**	**30 June 2021**
Last actuarial valuation – Europe	**n/a**	**1 April 2021**
Full/interim valuation	**Full**	**Full**
Valuation method adopted	**Projected unit credit**	**Projected unit credit**

The plans have been assessed by the actuaries and have been found to be in sound financial positions.

Principal actuarial assumptions

Weighted average assumptions used in performing actuarial valuations determined in consultation with independent actuaries.

	South Africa		United States of America		Europe	
at valuation date	2021 %	2020 %	2021 %	2020 %	2021 %	2020 %
Healthcare cost inflation	**7,5**	7,5	**n/a***	n/a*	**n/a**	n/a
Discount rate – post-retirement medical benefits	**11,6**	13,3	**2,7**	2,3	**n/a**	n/a
Discount rate – pension benefits	**11,1**	12,2	**2,0**	2,2	**1,2**	1,4
Pension increase assumption	**5,2**	6,1	**n/a****	n/a**	**1,8**	1,8
Average salary increases	**5,5**	5,5	**4,2**	4,2	**2,8**	2,8
Weighted average duration of the obligation – post-retirement medical obligation	**13 years**	14 years	**12 years**	11 years	**n/a**	n/a
Weighted average duration of the obligation – pension obligation	**12 years**	12 years	**7 years*****	14 years	**18 years**	18 years

Assumptions regarding future mortality are based on published statistics and mortality tables.

* The healthcare cost inflation rate in respect of the plans for the United States of America is capped. All additional future increases due to the healthcare cost inflation will be borne by the participants.

** There are no automatic pension increases for the United States of America pension plan.

*** The decrease in 2021 is as a result of the large number of employees transferring to the Louisiana Integrated Polyethylene Joint Venture. Refer to note 23.

35.1 Post-retirement healthcare obligations

In South Africa, certain healthcare and life assurance benefits are provided to South African employees hired prior to 1 January 1998, who retire and satisfy the necessary requirements of the medical fund.

Reconciliation of the total post-retirement healthcare obligation recognised in the statement of financial position

	South Africa		United States of America		Total	
for the year ended 30 June	2021 Rm	2020 Rm	2021 Rm	2020 Rm	2021 Rm	2020 Rm
Total post-retirement healthcare obligation at beginning of year	**2 992**	3 825	**385**	268	**3 377**	4 093
Movements recognised in the income statement:	**413**	440	**(6)**	27	**407**	467
current service cost	**26**	45	**18**	18	**44**	63
interest cost	**387**	395	**7**	9	**394**	404
curtailments and settlements	**–**	–	**(31)**	–	**(31)**	–
Actuarial (gains)/losses recognised in other comprehensive income:	**237**	(1 085)	**(36)**	45	**201**	(1 040)
arising from changes in financial assumptions	**539**	(1 026)	**(12)**	44	**527**	(982)
arising from changes in demographic assumptions	**–**	–	**–**	(3)	**–**	(3)
arising from changes in actuarial experience	**(302)**	(59)	**(24)**	4	**(326)**	(55)
Benefits paid	**(186)**	(180)	**(23)**	(22)	**(209)**	(202)
Transfer to disposal groups held for sale	**–**	(8)	**–**	–	**–**	(8)
Translation of foreign operations	**–**	–	**(63)**	67	**(63)**	67
Total post-retirement healthcare obligation at end of year	**3 456**	2 992	**257**	385	**3 713**	3 377

35 Post-retirement benefit obligations continued

35.1 Post-retirement healthcare obligations continued

The sensitivity analysis is performed in order to assess how the post-retirement healthcare obligation would be affected by changes in the actuarial assumptions underpinning the calculation.

	South Africa		United States of America	
for the year ended 30 June	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm
1% point change in actuarial assumptions:				
Increase in the healthcare cost inflation	**411**	325	**– ***	– *
Decrease in the healthcare cost inflation	**(344)**	(280)	**– ***	– *
Increase in the discount rate	**(329)**	(264)	**(25)**	(38)
Decrease in the discount rate	**399**	310	**34**	47

* A change in the healthcare cost inflation for the United States of America will not have an effect on the above components or the obligation as the employer's cost is capped and all future increases due to the healthcare cost inflation are borne by the participants. There are no automatic pension increases for the United States pension plan.

A change in the pension increase assumption will not have an effect on the above obligation. In South Africa the post-retirement benefit contributions are linked to medical aid inflation and based on a percentage of income or pension. Where pension increases differ from medical aid inflation, the difference will need to be allowed for in a change in the percentage of income or pension charged. The are no automatic pension increase for the United states pension plan.

The sensitivities may not be representative of the actual change in the post-retirement healthcare obligation, as it is unlikely that the changes would occur in isolation of one another, and some of the assumptions may be correlated.

Healthcare cost inflation risk

Healthcare cost inflation is consumer price index inflation plus two percentage points over the long term. An increase in healthcare cost inflation will increase the obligation of the plan.

Discount rate risk

The discount rate is derived from prevailing bond yields. A decrease in the discount rate will increase the obligation of the plan.

Pension increase risk

The South African healthcare plan is linked to pension benefits paid, which are to some extent linked to inflation. Accordingly, increased inflation levels represent a risk that could increase the cost of paying the funds committed to benefits.

Other

Changes in other assumptions used could also affect the measured liabilities. There is also a regulatory risk as well as foreign funds under the jurisdiction of other countries. To the extent that governments can change the regulatory frameworks, there may be a risk that minimum benefits or minimum pension increases may be instituted, increasing the associated cost for the fund.

35.2 Pension benefits

South African operations

Background

In 1994, all members were given the choice to voluntarily transfer to the newly established defined contribution section of the pension fund and approximately 99% of contributing members chose to transfer to the defined contribution section.

Defined benefit option for defined contribution members

In terms of the rules of the fund, on retirement, employees employed before 1 January 2009 have an option to purchase a defined benefit pension with their member share. Should a member elect this option, the group is exposed to actuarial risk. In terms of IAS 19, the classification requirements stipulate that where an employer is exposed to any actuarial risk, the fund must be classified as a defined benefit plan.

Fund assets

The assets of the fund are held separately from those of the company in a trustee administered fund, registered in terms of the South African Pension Funds Act, 1956. Included in the fund assets at 31 March 2021 are 2 082 248 (2020 – 2 079 248) Sasol ordinary shares valued at R454 million (2020 – R275 million) at year-end purchased under terms of an approved investment strategy, and property valued at R1 521 million (2020 – R1 555 million) that is currently occupied by Sasol.

Membership

A significant number of employees are covered by union sponsored, collectively bargained, and in some cases, multi-employer defined contribution pension plans. Information from the administrators of these plans offering defined benefits is not sufficient to permit the company to determine its share, if any, of any unfunded vested benefits.

Pension fund assets

The assets of the pension funds are invested as follows:

at 30 June	South Africa 2021 %	South Africa 2020 %	United States of America 2021 %	United States of America 2020 %
Equities	**54**	47	**30**	35
resources	**7**	5	**4**	5
industrials	**2**	2	**3**	4
consumer discretionary	**11**	9	**4**	4
consumer staples	**9**	9	**2**	2
healthcare	**5**	5	**4**	5
information technologies	**6**	6	**6**	7
telecommunications	**4**	3	**2**	3
financials (ex real estate)	**10**	8	**5**	5
Fixed interest	**16**	17	**50**	49
Direct property	**11**	15	**6**	6
Listed property	**2**	2	**–**	–
Cash and cash equivalents	**4**	7	**–**	–
Third party managed assets	**12**	12	**–**	–
Other	**1**	–	**14**	10
Total	**100**	100	**100**	100

The pension fund assets are measured at fair value at valuation date. The fair value of equity has been calculated by reference to quoted prices in an active market. The fair value of property and other assets has been determined by performing market valuations and using other valuation techniques at the end of each reporting period.

Investment strategy

The trustees target the plans' asset allocation within the following ranges within each asset class:

Asset classes	South Africa[1] Minimum %	South Africa[1] Maximum %	United States of America Minimum %	United States of America Maximum %
Equities				
local	**30**	**45**	**–**	**100**
foreign	**15**	**30**	**–**	**100**
Fixed interest	**5**	**25**	**–**	**100**
Property	**10**	**25**	**–**	**100**
Other	**–**	**15**	**–**	**100**

1 Members of the defined contribution scheme have a choice of four investment portfolios. The targeted allocation disclosed represents the moderate balanced investment portfolio which the majority of the members of the scheme have adopted. The total assets of the fund under these investment portfolios are R272 million, R58 010 million, R1 027 million and R2 040 million for the low risk portfolio, moderate balanced portfolio, aggressive balanced portfolio and money market portfolio, respectively. Defined benefit members' funds are invested in the moderate balanced portfolio. The money market portfolio is restricted to active members from age 55.

The trustees of the respective funds monitor investment performance and portfolio characteristics on a regular basis to ensure that managers are meeting expectations with respect to their investment approach. There are restrictions and controls placed on managers in this regard.

35 Post-retirement benefit obligations continued

35.2 Pension benefits continued

Reconciliation of the projected net pension liability/(asset) recognised in the statement of financial position

	South Africa		Foreign		Total	
for the year ended 30 June	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm	**2021 Rm**	2020 Rm
Projected benefit obligation (funded)	**57 054**	47 228	**3 240**	4 757	**60 294**	51 985
defined benefit portion	**25 119**	20 860	**3 240**	4 757	**28 359**	25 617
defined benefit option for defined contribution members	**31 935**	26 368	**–**	–	**31 935**	26 368
Plan assets	**(60 671)**	(50 618)	**(3 732)**	(4 502)	**(64 403)**	(55 120)
defined benefit portion	**(28 736)**	(23 020)	**(3 732)**	(4 502)	**(32 468)**	(27 522)
defined benefit option for defined contribution members	**(31 935)**	(27 598)	**–**	–	**(31 935)**	(27 598)
Projected benefit obligation (unfunded)	**–**	–	**10 028**	11 564	**10 028**	11 564
Asset not recognised due to asset limitation	**3 571**	2 923	**–**	–	**3 571**	2 923
Net liability/(asset) recognised	**(46)**	(467)	**9 536**	11 819	**9 490**	11 352

The increase of R648 million in the asset limitation (2020 – R604 million) was recognised as a loss in other comprehensive income.

The obligation which arises for the defined contribution members with the option to purchase into the defined benefit fund is limited to the assets that they have accumulated until retirement date. However, after retirement date, there is actuarial risk associated with the members as full defined benefit members.

Based on the latest actuarial valuation of the fund and the approval of the trustees of the surplus allocation, the company has an unconditional entitlement to only the funds in the employer surplus account and the contribution reserve. As part of the group's continued cash conservation measures in the current financial year, the employer surplus account was utilised to fund the employer contributions towards the retirement fund. The remaining estimated surplus due to the company amounted to approximately R46 million (2020 – R467 million) and has been included in the pension asset recognised in the current year.

Investment risk

The actuarial valuation assumes certain asset returns on invested assets. If actual returns on plan assets are below the assumption, this may lead to a strain on the fund, which, over time, may lead to a plan deficit. In order to mitigate the concentration risk, the fund assets are invested across equity securities, property securities and debt securities. Given the long-term nature of the obligations, it is considered appropriate that investment is made in equities and real estate to improve the return generated by the fund. These may result in improved pension benefits to members.

Pension increase risk

Benefits in these plans are to some extent linked to inflation so increased inflation levels represent a risk that could increase the cost of paying the funds committed to benefits. This risk is mitigated as pension benefits are subject to affordability.

Discount rate risk

The discount rate is derived from prevailing bond yields. A decrease in the discount rate used will increase the obligation of the plan.

Other

Changes in other assumptions used could also affect the measured liabilities. There is also a regulatory risk as well as foreign funds under the jurisdiction of other countries. To the extent that governments can change the regulatory frameworks, there may be a risk that minimum benefits or minimum pension increases may be instituted, increasing the associated cost for the fund.

Reconciliation of projected benefit obligation

	South Africa		Foreign		Total	
for the year ended 30 June	2021 Rm	2020 Rm	2021 Rm	2020 Rm	2021 Rm	2020 Rm
Projected benefit obligation at beginning of year	**47 228**	51 241	**16 321**	12 565	**63 549**	63 806
Movements recognised in income statement:	**6 571**	6 218	**677**	855	**7 248**	7 073
current service cost	**923**	1 150	**579**	572	**1 502**	1 722
past service cost	**–**	–	**–**	39	**–**	39
curtailments and settlements	**–**	–	**(129)**	–	**(129)**	–
interest cost	**5 648**	5 068	**227**	244	**5 875**	5 312
Actuarial (gains)/losses recognised in other comprehensive income:	**6 093**	(7 938)	**(378)**	1 017	**5 715**	(6 921)
arising from changes in demographic assumptions	**–**	–	**(1)**	16	**(1)**	16
arising from changes in financial assumptions	**303**	(1 105)	**(452)**	742	**(149)**	(363)
arising from change in actuarial experience	**5 790**	(6 833)	**75**	259	**5 865**	(6 574)
Member contributions	**503**	504	**–**	–	**503**	504
Benefits paid	**(3 341)**	(2 797)	**(1 070)**	(988)	**(4 411)**	(3 785)
Transferred to held for sale assets	**–**	–	**–**	–	**–**	–
Translation of foreign operations	**–**	–	**(2 282)**	2 872	**(2 282)**	2 872
Projected benefit obligation at end of year	**57 054**	47 228	**13 268**	16 321	**70 322**	63 549
unfunded obligation*	**–**	–	**10 028**	11 564	**10 028**	11 564
funded obligation	**57 054**	47 228	**3 240**	4 757	**60 294**	51 985

* Certain of the foreign defined benefit plans have reimbursement rights under contractually agreed legal binding terms that match the amount and timing of some of the benefits payable under the plan. This reimbursive right has been recognised in long-term receivables at fair value of R218 million (2020 – R270 million). A decrease of R22 million (2020 – increase of R2 million) has been recognised as a loss in other comprehensive income in respect of the reimbursive right.

Reconciliation of plan assets of funded obligation

	South Africa		Foreign		Total	
for the year ended 30 June	2021 Rm	2020 Rm	2021 Rm	2020 Rm	2021 Rm	2020 Rm
Fair value of plan assets at beginning of year	**50 618**	54 115	**4 502**	4 270	**55 120**	58 385
Movements recognised in income statement:	**5 678**	5 120	**80**	118	**5 758**	5 238
interest income	**6 035**	5 352	**80**	118	**6 115**	5 470
interest on asset limitation	**(357)**	(232)	**–**	–	**(357)**	(232)
Actuarial gains/(losses) recognised in other comprehensive income:	**6 660**	(7 481)	**759**	(26)	**7 419**	(7 507)
arising from return on plan assets (excluding interest income)	**6 660**	(7 481)	**759**	(26)	**7 419**	(7 507)
Plan participant contributions*	**503**	504	**–**	–	**503**	504
Employer contributions*	**553**	1 157	**53**	20	**606**	1 177
Benefit payments	**(3 341)**	(2 797)	**(869)**	(795)	**(4 210)**	(3 592)
Translation of foreign operations	**–**	–	**(793)**	915	**(793)**	915
Fair value of plan assets at end of year	**60 671**	50 618	**3 732**	4 502	**64 403**	55 120
Actual return on plan assets	**12 338**	(2 361)	**839**	93	**13 177**	(2 268)

* Contributions, for the defined contribution section, are paid by the members and Sasol at fixed rates.

35 Post-retirement benefit obligations continued

35.2 Pension benefits continued

Contributions

Funding is based on actuarially determined contributions. The following table sets forth the projected pension contributions of funded obligations for the 2022 financial year.

	South Africa	Foreign
	Rm	Rm
Pension contributions	**527**	**247**

Sensitivity analysis

A sensitivity analysis is performed in order to assess how the post-retirement pension obligation would be affected by changes in the actuarial assumptions underpinning the calculation.

	South Africa		Foreign	
for the year ended 30 June	2021 Rm	2020 Rm	2021 Rm	2020 Rm
1% point change in actuarial assumptions				
Increase in average salaries increase assumption	**9**	9	**470**	676
Decrease in average salaries increase assumption	**(8)**	(9)	**(446)**	(479)
Increase in the discount rate	**(1 474)**	(1 425)	**(1 833)**	(2 269)
Decrease in the discount rate	**1 748**	3 237	**2 360**	3 133
Increase in the pension increase assumption	**1 821**	3 309	**1 353***	1 446*
Decrease in the pension increase assumption	**(1 566)**	(1 491)	**(1 102)***	(1 179)*

* This sensitivity analysis relates only to the Europe obligations as there are no automatic pension increases for the United States of America pension plan, and thus it is not one of the inputs utilised in calculating the obligation.

The sensitivities may not be representative of the actual change in the post-retirement pension obligation, as it is unlikely that the changes would occur in isolation of one another, and some of the assumptions may be correlated.

for the year ended 30 June	Note	2021 Rm	2020 Rm	2019 Rm

36 Share-based payment reserve

During the year, the following share-based payment expense was recognised in the income statement relating to the equity-settled share-based payment schemes:				
Sasol Khanyisa Employee Share Ownership Plan (ESOP)	36.1	**885**	1 068	952
Tier 1 – Eligible Inzalo participants		**567**	642	628
Tier 2 – Qualifying employees		**318**	426	324
Long-term incentives	36.2	**1 042**	878	707
Equity-settled – recognised directly in equity		**1 927**	1 946	1 659

36.1 The Sasol Khanyisa share transaction

Sasol Khanyisa was implemented on 1 June 2018. Sasol Khanyisa has been designed to comply with the revised B-BBEE legislation in South Africa and seeks to ensure on-going and sustainable B-BBEE ownership credentials for Sasol Limited.

Sasol Khanyisa contains a number of elements structured at both a Sasol Limited and at a subsidiary level, Sasol South Africa Limited (SSA) which is a wholly-owned subsidiary of Sasol Limited and houses the majority of the group's South African operations.

At the end of 10 years, or earlier if the underlying funding has been settled, the participants will exchange their SSA shareholding on a fair value-for-value basis for SOLBE1 shares to the extent of any value created during the transaction term.

SOLBE1 shares can only be traded between Black Persons on the Empowerment Segment of the JSE. This transaction will therefore ensure evergreen B-BBEE ownership credentials for Sasol Limited.

Remaining components of the transaction:

Tier 1 – Eligible Inzalo participants

Former Inzalo Employee Scheme participants, who were still actively employed by Sasol during May 2018 were granted rights in SOL shares or SOLBE1 Shares, at no cost to them, to the value of R100 000, all of which vests after a three year service period. Black employees were able to choose to receive the award in SOL or SOLBE1 shares, whilst employees who are not black people received an award in SOL shares, as SOLBE1 shares may only be held by qualifying black people. Employees received dividends on these shares throughout the 3 year vesting period. This award was recognised on a straight line basis over the three year vesting period.

The Tier 1 options vested on 1 June 2021. An amount of R1,9 billion was reclassified from the share-based payments reserve to retained earnings upon vesting.

Tier 2 – SSA qualifying employees

Qualifying black employees participate via the Khanyisa Employee Share Ownership plan (Khanyisa ESOP) through a beneficial interest, funded wholly by Sasol (vendor funding), in approximately 9,2% in SSA. As dividends are declared by SSA, 97,5% of these will be utilised to repay the vendor funding, as well as the related financing cost, calculated at 75% of prime rate. 2,5% of dividends will be distributed to participants as a trickle dividend and accounted for as a non-controlling interest. At the end of the 10 year transaction term, or earlier, if the vendor funding is repaid, the net value in SSA shares will be exchanged for SOLBE1 shares on a fair value-for-value basis which will be distributed to participants. Any vendor funding not yet settled by the end of the transaction term will be settled using the SSA shares, and will reduce any distribution made to participants. Since any ultimate value created for participants will be granted in the form of SOLBE1 shares, the accounting for this transaction is similar to an option over Sasol shares granted for no consideration.

36 Share-based payments reserve continued

36.1 Sasol Khanyisa share transaction continued

for the year ended 30 June		Tier 1[1] SOL shares 2021	Tier 1[1] SOLBE shares 2021	Tier 2[2] Khanyisa shares 2021
Grant date	Date	1 June 2018	1 June 2018	25 May 2018
Class of shares		SOL shares	SOLBE1 shares	Khanyisa shares
Shares	Number	2 082 520	2 396 048	27 136 679
Weighted average fair value on grant date	Rand	481,50	370,00	64,53
IFRS expense recognised for the year	Rm	304	263	318

1 The Tier 1 options vested on 1 June 2021.

2 The Tier 2 options have a staggered vesting period with portions vesting from 3 years, and then each year until the end of the transaction term, being 10 years. The outstanding options at 30 June 2021 have a weighted average remaining vesting period of 2,6 years. The weighted average fair value price is derived from the Monte-Carlo option pricing model. The estimated strike price value for Tier 2 is R290,52 and represents the remaining vendor funding per share at 30 June 2021.

Accounting policies:

To the extent that an entity grants shares or share options in a BEE transaction and the fair value of the cash and other assets received is less than the fair value of the shares or share options granted, such difference is charged to the income statement in the period in which the transaction becomes effective. Where the BEE transaction includes service conditions the difference will be charged to the income statement over the period of these service conditions. Trickle dividends paid to participants during the transaction term are taken into account in measuring the fair value of the award. As the funds to pay the trickle dividend are leaving the Company, a corresponding share of earnings will be allocated to the non-controlling shareholders.

Areas of judgement:

The measurement of the Khanyisa SSA share based payment is subject to estimation and judgment, as there are a number of variables affecting the Monte-Carlo option pricing model used in the calculation of the share based payment. The value of the share based payment is determined with reference to the extent the fair value of SSA and any dividends declared by SSA is expected to exceed any outstanding vendor financing at the end of the transaction period.

- Equity value attributable to participants:

  The value attributable to the participants by virtue of their shareholding in SSA was calculated with reference to the expected future cash flows and budgets of the SSA Group. The underlying macroeconomic assumptions utilised for this valuation are based on latest forecast and estimates and include brent crude oil prices, US$/Rand exchange rates and pricing assumptions.
- Forecasted dividend yield:

  The forecasted dividend yield of the SSA Group was calculated based on a benchmarked EBITDA multiple, and the available free cash flow anticipated over the term of the transaction of 10 years.
- Other assumptions:

  Impacts of non-transferability and appropriate minority and liquidity discounts have also been taken into account. Discount rates applied incorporate the relevant debt and equity costs of the group, and are aligned to the WACC rates for the entity.
- A zero-coupon Rand interest rate swap curve was constructed and utilised as an appropriate representation of a risk-free interest rate curve.
- A Rand prime interest rate curve was estimated utilising the historical Rand Prime Index and the 3 month Johannesburg Interbank Agreed Rate.

36.2 Sasol Long-term Incentive Scheme

The objective of the Sasol Long-term Incentive (LTI) scheme is to provide qualifying employees the opportunity of receiving an incentive linked to the value of Sasol Limited ordinary shares and to align the interest of employees with the interest of shareholders. The LTI scheme allows certain senior employees to earn a long-term incentive amount linked to certain Corporate Performance Targets (CPTs). Allocations of the LTI are linked to the performance of both the group and the individual. The employer companies make a cash contribution to an independent service provider to enable this ownership plan.

On resignation, LTIs which have not yet vested will lapse. On death, retirement and retrenchment, the LTIs vest immediately, calculated to the extent that the CPTs are anticipated to be met, and are settled within 40 days from the date of termination. Accelerated vesting does not apply to top management. In November 2016, the scheme was converted from cash-settled to equity-settled. All the vesting conditions and all other terms and conditions of the scheme remain the same, including the standard vesting period of three years, with the exception of top management, who have a three and five year vesting period for 50% of the awards respectively.

The maximum number of shares issued under the equity-settled LTI scheme may not exceed 32,5 million representing 5% of Sasol Limited's issued share capital at the time of approval.

Movements in the number of incentives outstanding	Number of incentives	Weighted average fair value Rand
Balance at 30 June 2019	6 619 597	422,20
LTIs granted	6 424 377	275,61
LTIs exercised	(1 380 689)	368,28
Effect of CPTs and LTIs forfeited	(754 973)	378,19
Balance at 30 June 2020*	**10 908 312**	**345,74**
LTIs granted	**5 957 275**	**146,58**
LTIs exercised	**(1 940 848)**	**352,18**
Effect of CPTs and LTIs forfeited	**(1 452 069)**	**345,14**
Balance at 30 June 2021*	**13 472 670**	**256,68**

* The incentives outstanding as at 30 June 2021 have a weighted average remaining vesting period of 1,9 years. The exercise price of these options is Rnil.

for year ended 30 June	2021 Rand	2020 Rand
Average weighted market price of LTIs vested	**134,25**	254,70

Average fair value of incentives granted		2021	2020
Model		**Monte-Carlo**	Monte-Carlo
Risk-free interest rate – Rand	(%)	**3,99 – 5,90**	6,07 – 7,04
Risk-free interest rate – US$	(%)	**0,17 – 0,28**	0,39 – 0,81
Expected volatility	(%)	**98,34**	45,28
Expected dividend yield	(%)	**3,49**	4,34
Expected forfeiture rate	(%)	**5**	5
Vesting period – top management		**3/5 years**	3/5 years
Vesting period – all other participants		**3 years**	3 years

The risk-free rate for periods within the contractual term of the rights is based on the Rand and US$ swap curve in effect at the time of the valuation of the grant.

The expected volatility in the value of the rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the rights granted is determined using expected dividend payments of the Sasol ordinary shares.

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

Accounting policies:

The equity-settled schemes allow certain employees the right to receive ordinary shares in Sasol Limited after a prescribed period. Such equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is charged as employee costs, with a corresponding increase in equity, on a straight-line basis over the period that the employees become unconditionally entitled to the shares, based on management's estimate of the shares that will vest and adjusted for the effect of non-market-based vesting conditions. These equity-settled share-based payments are not subsequently revalued.

OTHER DISCLOSURES

Page

122 Other disclosures

123 Contingent liabilities
125 Related party transactions
127 Subsequent events
128 Financial risk management and financial instruments

OTHER DISCLOSURES

37 Contingent liabilities

37.1 Litigation

Claimed compensation for lung diseases – Sasol Mining (Pty) Ltd

On 2 April 2015, 22 plaintiffs (at that time 1 current and 21 former employees) instituted action against Sasol Mining (Pty) Ltd at the High Court in Gauteng, South Africa, for allegedly having contracted lung diseases while working at its collieries. The plaintiffs inter alia allege that they were exposed to harmful quantities of coal dust while working underground for Sasol Mining and that the company failed to comply with various sections of the Mine Health and Safety Act, 1996. All of which the plaintiffs allege, increased the risk for workers to contract coal dust related lung diseases. This lawsuit is not a class action but rather 22 individual cases, each of which will be judged on its own merits. The plaintiffs seek compensation for damages relating to past and future medical costs and loss of income amounting to R82,5 million in total plus interest. Two plaintiffs have since passed away and their claims have been formally withdrawn. The total amount of the remaining claims is R67,2 million plus interest.

Sasol Mining is defending the claim. The merits of each single claim are not clear yet since Sasol is awaiting the plaintiffs' response to Sasol's request for further particulars. A date for a hearing has not been set yet. Therefore, it is not possible at this stage to make an estimate of the likelihood that the plaintiffs will succeed with their claim and if successful, what the quantum of damages would be that the court will award.

Therefore, no provision has been created for the litigation matter as at 30 June 2021.

Construction disputes – Fischer Tropsch Wax Expansion Project in Sasolburg (FTWEP)

After the conclusion of construction of FTWEP at the Sasol One site in Sasolburg, a number of contractual claims were instituted by some contractors who were involved in the construction and project management relating to this project. Certain of these claims have already been resolved, either through settlement between the parties or through the contractual dispute resolution process. The Fluor SA (Pty) Ltd matter is still ongoing.

Fluor SA (Pty) Ltd – FTWEP

Fluor claimed a total amount of R486 million plus interest. This claim is based on the nature and quantification of Fluor's alleged entitlement to a change to the prices and completion dates for delayed access. The claim was referred to adjudication. The adjudicator rejected Fluor's entire claim. Subsequently, Fluor has referred its claim for Arbitration.

The Parties have agreed on the appointment of the arbitrator as well as the time schedule for the filing of pleadings in the Arbitration matter. Fluor filed its Statement of Claim on 14 December 2016 and Sasol was scheduled to file its Statement of Defence during May 2017.

However, Sasol raised certain objections to the Fluor Statement of Claim as Fluor included certain elements in the claim which were not part of the adjudication of the claim. These objections were adjudicated on 21 June 2017. The Arbitrator ruled that Sasol is not allowed to proceed with the formal objections but that they should be dealt with in Sasol's Statement of Defence.

Sasol filed its Statement of Defence and instead of Fluor filing its replication (and despite Sasol's previous objections), Fluor amended its Statement of Claim once again. This amendment was filed without notice or leave from the Arbitrator. The amendments made changes to the way in which Fluor now argues the matter. The amendment also changes the capital amount claimed to a lesser amount, being R448 million plus interest. Sasol filed its objection to this late amendment on 22 January 2018. The objection hearing was held on the 12 March 2018. The Arbitrator dismissed the objection by Sasol. Sasol accordingly filed its amended Statement of Claim on 26 April 2018.

On the 12 March 2019, Fluor filed and served a further amendment to its Statement of Claim in terms of which a further reduction in the quantum is being claimed. Fluor now claims an amount of R384 million (alternatively the amount of R 407 million based on an alternative assessment of its claim). The expert report filed shortly after the amended statement of claim indicated a further reduction in the amount claimed by Fluor. Based on the expert report the quantum claimed by Fluor reduced to R305 million alternatively R306 million. The Arbitration commenced in October 2020 however the hearing did not conclude. Hearing of Sasol's expert evidence took place on the 12th and 13th of April 2021. Fluor advised that the presentations constitute new evidence not previously addressed and or raised during the expert engagements and Fluor is prejudiced by not having been able to prepare for cross examination on the "new evidence". The Arbitration hearing was accordingly stayed until 28 June 2021 to provide Fluor the opportunity to prepare for Cross Examination of Sasol's experts. During the second week of the Arbitration hearing, we were advised that Fluor's counsel would not be able to continue with his cross examination of Sasol's expert witness. The hearing could therefore not conclude, and the parties are in a process of agreeing on new dates for the Arbitration hearing to recommence. It is anticipated that the hearing will only recommence during November 2021.

Sasol believes that Fluor's original claim, including the amended claims are not justified. This view is supported by Sasol's independent experts.

Accordingly, no provision was created at 30 June 2021.

Dispute of dismissal during unprotected strike – Sasol Mining (Pty) Ltd

During 2009, the applicants in this matter were charged for participating in an unprotected sit-in, threatening and forcing others to participate in an unprotected strike and for assaulting or attempting to assault others and sitting in underground during an unprotected strike and subsequently dismissed. The applicants disputed their dismissal.

37 Contingent liabilities continued

37.1 Litigation continued

The Labour Court gave judgment in this matter on 19 September 2019 and ruled against Sasol Mining. It was directing the employer to reinstate the employees based on substantial unfairness and procedural fairness. Retrospective payment of remuneration was ordered in different categories, ranging from one to two years' back-pay. The legal team and external counsel received a mandate from management to appeal the judgment and papers were filed on 11 October 2019 in this regard.

Sasol Mining has successfully applied for leave to appeal the ruling. The appeal was heard on 24 March 2021. The Labour Appeal Court has not yet ruled on the matter but requested the parties to attempt to reach a settlement. Sasol Mining presented a settlement proposal which provided for a lump sum payment in full and final settlement of all claims which was rejected by the Respondents. The Respondents' counteroffer was subsequently rejected by Sasol Mining insofar as it required reinstatement of certain employees, payment of 24 months' salary to the Respondents as well as the Respondents' Inzalo benefits. The Labour Appeal Court was informed that the parties were unable to settle the matter and the Labour Appeal Court's ruling is now being awaited.

In due of the above circumstances a provision in the amount of R88 million was accounted for at 30 June 2021.

Dispute by Solidarity Trade Union relating to Sasol Khanyisa share scheme

Solidarity referred a dispute relating to the Sasol Khanyisa share scheme to the Commission for Conciliation, Mediation and Arbitration (CCMA) on 17 December 2017, where after conciliation proceedings commenced on 11 January 2018. On 5 February 2018, Sasol received a letter from Solidarity demanding a payment to their members (non-qualifying employees for Phase 2 of Khanyisa) equal to "the market value of the Sasol Khanyisa shares which qualifying employees will be entitled to within seven days after such entitlement (2028) or payment to each member of R500 000 by the end of December 2018." A second referral to the CCMA was received on 8 March 2018, conciliation was attempted on two occasions, on 9 and 25 May 2018, but was unsuccessful and a certificate to this effect was issued on 14 June 2018. This would entitle Solidarity to conduct a lawful strike provided picketing rules are in place.

On 25 October 2018, Solidarity served Sasol with its referral of the dispute to the CCMA in terms which Solidarity seeks the dispute be conciliated as an unfair discrimination matter. If unsuccessfully conciliated by the CCMA, it will be referred to the Labour Court for adjudication. This process was originally proposed by Sasol, but unheeded by Solidarity. The matter was referred to the CCMA and was subsequently certified as unresolved in February 2019. On 6 May 2019, Sasol received Solidarity's statement of claim filed with the Labour Court in Johannesburg. Sasol filed its replying documentation to Solidarity's statement of claim on the last day of July 2019. Subsequently the Judge President of the Labour Court invited Sasol and three other respondents (PPC, ArcelorMittal and Minopex) in three other cases where Solidarity is the Applicant on similar grounds, to meet. The purpose of the meeting was to make attempts to consolidate the disputes and set a stated case (combined version setting out the dispute) to afford the court to save time by hearing similar matters simultaneously. The various legal teams gathered at a meeting during the first week of October 2019 and a draft Statement of Case was prepared. The Labour Court was scheduled to hear the matter on 17 September 2020 in Johannesburg.

A few weeks prior to this hearing, the prepared Statement of Case formulation was amended by Solidarity and the other parties unsuccessfully objected to the amended wording. Sasol and the parties, save for PPC who had the date of 17 September 2020 allocated to them originally, decided to withdraw and apply for separate dates to foster their cases individually. No new date has been received yet, and since Solidarity is the applicant in this matter, it will be responsible for the application of dates.

No provision has been created at 30 June 2021.

Legal review of Sasol Gas National Energy Regulator of South Africa (NERSA) maximum price decision and NERSA gas transmission tariff application (March 2013)

Pursuant to the 2013 NERSA decisions approving the Sasol Gas maximum gas prices and transmission tariffs, Sasol Gas implemented a standardised pricing mechanism in its supply agreements with customers in compliance with the applicable regulatory and legal framework. NERSA approved further maximum gas prices and transmission tariffs based on the same pricing and tariff mechanisms in November 2017.

Seven of Sasol Gas's largest customers initiated a judicial review of the 2013 NERSA decisions relating to its maximum price and tariff methodologies and NERSA's decision on Sasol Gas's maximum price and transmission tariff applications. On 15 July 2019, the Constitutional Court overturned the 2013 NERSA maximum price decisions and ordered NERSA to revise its decisions. The new decision by NERSA regarding the maximum gas price to be approved for Sasol will apply retrospectively from 26 March 2014 when the original decisions (now overturned) became effective.

During May 2020, the Industrial Gas Users Association of Southern Africa, an industry association whose members include several large gas customers, launched an application to review and overturn the November 2017 NERSA maximum gas price decision approving maximum gas prices for Sasol Gas for the period from 1 July 2017 to 30 June 2020. This NERSA decision was overturned on 3 May 2021 and accordingly, the new decision by NERSA regarding the maximum gas price will apply to this period as well.

Following the above mentioned outcome of the appeal to the Constitutional Court, NERSA must approve new maximum gas prices for Sasol in terms of the provisions of the Gas Act. After a public consultation process in which Sasol participated, NERSA, during April 2020, adopted a new maximum gas price methodology, which was published by NERSA in June 2020. After the adoption of the new maximum gas price methodology NERSA engaged with licensees and affected stakeholders on the intended application of the methodology. Pursuant to the Sasol Gas price application submitted to NERSA in December 2020, NERSA, on 6 July 2021 published its maximum gas price decision in which it approved maximum gas prices for Sasol Gas for the period from 2014 up to 2021 and determined how the maximum prices are to be determined for 2022 and 2023.

The future implementation of the new NERSA approved maximum gas price could have a material adverse effect on our business, operating results, cash flows and financial condition. Because the new maximum gas prices approved by NERSA for the period of the overturned decision is lower than the actual price charged to a large number of Sasol Gas' customers, a retrospective liability may arise for Sasol Gas when customers institute claims for compensation based on the differences between the new approved maximum gas prices and actual gas prices historically charged by Sasol Gas.

Sasol Gas raised a provision of R1.4 billion as at 30 June 2021 in respect of these anticipated claims.

Securities class action against Sasol Limited and some of its current and former executive directors

A class action lawsuit was filed against Sasol Limited and several of its current and former officers in a Federal District Court in New York (the Court).

The lawsuit alleges that Sasol violated U.S. federal securities laws by allegedly making false or misleading public statements regarding the LCCP between 2015 and 2020, specifically with respect to timing, costs, and control procedures, (refer to the Group's annual financial statements for the year ended 30 June 2020).

The Court dismissed the claims based on alleged misrepresentations about the effectiveness of internal controls over financial reporting and the management of the LCCP but found that the portions of the case related to the allegations of violations of U.S. securities laws based on alleged misrepresentations about LCCP cost estimates and schedules could move forward.

On 30 October 2020, Sasol filed a Motion for Reconsideration of the Court's order denying Sasol's Motion to Dismiss. On 15 December 2020 Sasol filed a supplemental brief in support of its Motion. Plaintiffs filed an opposition on 19 January 2021, and Sasol filed a reply on 1 February 2021. On 7 July 2021 the Court denied Sasol's motion and ordered the parties to file a revised proposed scheduling order as to the discovery. The Discovery Schedule was submitted on 9 August 2021 to the Court for its approval.

The plaintiff has not specified any amount of damages to date. In the amended complaint, a compensatory claim for damages for the members of the class was left for the trial to be determined. Therefore, no potential loss can be reliably estimated at this stage. Consequently, no provision has been recognised at 30 June 2021. In this context, it is important to also note that Sasol's Directors and Officers insurance has indicated coverage under the policy for this matter.

Other litigation and tax matters

From time to time, Sasol companies are involved in other litigation and similar proceedings in the normal course of business.

A detailed assessment is performed on each matter and a provision is recognised where appropriate. Although the outcome of these proceedings and claims cannot be predicted with certainty, the company does not believe that the outcome of any of these cases would have a material effect on the group's financial results.

37.2 Competition matters

Sasol continuously evaluates its compliance programmes and controls in general, including its competition law compliance programmes and controls. As a consequence of these compliance programmes and controls, including monitoring and review activities, Sasol has adopted appropriate remedial and/or mitigating steps, where necessary or advisable, lodged leniency applications and made disclosures on material findings as and when appropriate. These ongoing compliance activities have already revealed, and may still reveal, competition law contraventions or potential contraventions in respect of which we have taken, or will take, appropriate remedial and/or mitigating steps including lodging leniency applications.

37.3 Environmental orders

Sasol's environmental obligation accrued at 30 June 2021 was R16 196 million compared to R21 790 million at 30 June 2020.

Although Sasol has provided for known environmental obligations that are probable and reasonably estimable, the amount of additional future costs relating to remediation and rehabilitation may be material to results of operations in the period in which they are recognised. It is not expected that these environmental obligations will have a material effect on the financial position of the group.

38 Related party transactions

Parties are considered to be related if one party directly or indirectly has the ability to control or jointly control the other party or exercise significant influence over the other party or is a member of the key management of the reporting entity (Sasol Limited). In particular, this relates to joint ventures and associates. Disclosure in respect of joint ventures and associates is provided in note 22.

Group companies, in the ordinary course of business, entered into various purchase and sale transactions with associates and joint ventures. The effect of these transactions is included in the financial performance and results of the group. Terms and conditions are determined on an arm's length basis. Amounts owing (after eliminating intercompany balances) to related parties are disclosed in the respective notes to the financial statements for those statement of financial position items. No impairment of receivables related to the amount of outstanding balances is required.

Material related party transactions

The following table shows the material transactions that are included in the annual financial statements using the equity method for associates and joint ventures.

for the year ended 30 June	2021 Rm	2020 Rm	2019 Rm
Sales and services rendered from subsidiaries to related parties			
Joint ventures	**2 635**	672	1 474
Purchases by subsidiaries from related parties			
Joint ventures	**8**	691	718
Associates	**100**	78	95
	108	769	813

38 Related party transactions continued

Identity of related parties with whom material transactions have occurred

Except for the group's interests in joint ventures and associates, there are no other related parties with whom material individual transactions have taken place.

Key management remuneration

Key management comprises of Executive and Non-executive Directors as well as other members of the Group Executive Committee (GEC)/Prescribed Officers. Refer to page 37 to 46 of the audited Remuneration Report for full details of remuneration of key management personnel and Non-executive Directors, as well as the former Joint CEOs and Presidents.

	Salary R'000	Retirement funding R'000	Other benefits R'000	Annual incentives[2] R'000	**Total 2021[1] R'000**	Total 2020[1] R'000	Total 2019[1] R'000
Executive Directors	24 221	1 078	2 984	37 210	**65 493**	22 944	46 948

1 Total remuneration for the financial year excludes gains derived from the long-term incentive schemes which are separately disclosed.

2 Short-term incentives approved based on the Group results for the 2021 financial year and payable in the 2022 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2021 multiplied by the Group STI performance and the Individual Performance Factor.

Gains on Long-term incentives previously awarded to the Executive Directors' and former Executive Directors' vested after the performance period ended 30 June 2021, are as follows:

	Long-term incentive rights vested[1] R'000	**Total 2021 R'000**	Total 2020 R'000	Total 2019 R'000
Executive Directors	4 824	**4 824**	2 657	25 025

1 Long-term incentives for the 2021 financial year represent incentives approved on the group results for the performance period ended 30 June 2021, settled in the 2022 financial year.

Remuneration and benefits paid and short-term incentives approved for the Prescribed Officers were as follows:

	Salary R'000	Retirement funding R'000	Other benefits R'000	Annual incentives[2] R'000	**Total 2021[1] R'000**	Total 2020[1] R'000	Total 2019[1] R'000
Prescribed Officers	35 540	5 086	10 737	41 454	**92 817**	52 142	67 488
Number of Prescribed Officers					**7**	6	8

1 Total remuneration for the financial year excludes gains derived from the long-term incentive schemes which are separately disclosed.

2 Short-term incentives approved based on the Group results for the 2021 financial year and payable in the 2022 financial year. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2021 multiplied by the Group STI performance and the Individual Performance Factor.

Gains on Long-term incentives previously awarded to the Prescribed Officers vested after the performance period ended 30 June 2021, are as follows:

	Long-term incentive rights vested[1] R'000	**Total 2021 R'000**	Total 2020 R'000	Total 2019 R'000
Prescribed Officers	6 735	**6 735**	4 201	68 559

1 Long-term incentives for the 2021 financial year represent incentives approved on the group results for the performance period ended 30 June 2021, settled in the 2022 financial year.

Gains on Long-term incentives previously awarded to the former Joint CEOs and Presidents and vested after the performance period ended 30 June 2021, are as follows:

	Long-term incentive rights vested[1] R'000	Total 2021 R'000	Total 2 020 R'000
Former Joint CEOs and Presidents	6 182	**6 182**	3 765

1 Long-term incentives for the 2021 financial year represent incentives approved on the group results for the performance period ended 30 June 2021, settled in the 2022 financial year.

The total IFRS2 charge for LTI's awarded to the Executive Directors and the Prescribed Officers in 2021 amounted to R26 million and R36 million.

Non-executive Directors' emoluments for the year was as follows:

	Board meeting fees R'000	Lead Director fees R'000	Committee fees R'000	Ad Hoc Special Board – Committee Meeting R'000	**Total 2021 R'000**	Total 2020 R'000	Total 2019 R'000
Non-executive Directors	24 996	707	6 878	959	**33 540**	39 743	32 455

39 Subsequent events

During July 2021, social unrest and widespread protest action flared in certain parts of South Africa impacting the movement of product from refineries, warehouses and the national ports. The impact of this unrest in South Africa resulted in a delay in shipments impacting the timing of sales over July and August 2021.

In addition, Transnet, who is a key service provider that manage the South African rail, port and pipeline infrastructure was the target of a ransomware cyber-attack that compromised all their systems. As a result, the supply chain activities contracted to Transnet were impacted for the duration of their systems being offline. The cyber-attack on Transnet primarily affected operations at several container terminals and interrupted cargo movement. These issues have subsequently been resolved.

40 Financial risk management and financial instruments

Financial instruments overview

The following table summarises the group's classification of financial instruments.

	Note	Carrying value				
		At fair value through profit and loss Rm	Designated hedging instrument at fair value	Designated at fair value through other comprehensive income Rm	Amortised cost Rm	Fair value Rm
2021						
Financial assets						
Investments in listed securities		–	–	466	–	466
Investments in unlisted securities		–	–	8	–	8
Other long-term investments		–	–	–	1 422	1 422
Long-term receivables	21	–	–	–	3 879	3 879
Long- and short-term financial assets		2 323	–	–	–	2 323
Trade and other receivables**	26	–	–	–	27 218	27 218*
Cash and cash equivalents	29	–	–	–	31 231	31 231*
Financial liabilities						
Listed long-term debt (Bonds issued)⁺	17	–	–	–	68 405	68 405
Unlisted long-term debt⁺	17	–	–	–	34 238	34 238
Lease liabilities	18	–	–	–	15 677	
Short-term debt and bank overdraft		–	–	–	303	303*
Long- and short-term financial liabilities		3 070	2 103	–	–	5 173
Trade and other payables	27	–	–	–	22 637	22 637*

	Note	Carrying value				
		At fair value through profit and loss Rm	Designated hedging instrument at fair value	Designated at fair value through other comprehensive income Rm	Amortised cost Rm	Fair value Rm
2020						
Financial assets						
Investments in listed securities		–	–	498	–	498
Investments in unlisted securities		–	–	13	–	13
Other long-term investments		–	–	–	1 415	1 415
Long-term receivables	21	–	–	–	5 799	5 799
Long- and short-term financial assets		645	–	–	–	645
Trade and other receivables**	26	–	–	–	22 066	22 066*
Cash and cash equivalents	29	–	–	–	34 739	34 739*
Financial liabilities						
Listed long-term debt (Bonds issued)⁺	17	–	–	–	56 760	50 701
Unlisted long-term debt⁺	17	–	–	–	110 437	109 724
Lease liabilities	18	–	–	–	17 719	
Short-term debt and bank overdraft		–	–	–	22 533	22 533*
Long- and short-term financial liabilities		5 748	4 143	–	–	9 891
Trade and other payables	27	–	–	–	21 164	21 164*

* The fair value of these instruments approximates carrying value, due to their short-term nature.
** Trade and other receivables includes employee-related and insurance-related receivables.
⁺ Includes unamortised loan costs.

The group is exposed in varying degrees to a number of financial instrument related risks. The Group Executive Committee (GEC) has the overall responsibility for the establishment and oversight of the group's risk management framework. The GEC established the Risk and Safety, Health and Environment Committee, which is responsible for providing the board with the assurance that significant business risks are systematically identified, assessed and reduced to acceptable levels. A comprehensive risk management process has been developed to continuously monitor and assess these risks. Based on the risk management process Sasol refined its hedging policy and the Sasol Limited Board appointed, the Audit Committee that meets regularly to review and, if appropriate, approve the implementation of hedging strategies for the effective management of financial market related risks.

The group has a central treasury function that manages the financial risks relating to the group's operations.

Capital allocation

The group's objectives when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to grow shareholder value sustainably.

The group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The group monitors capital utilising a number of measures, including the gearing ratio. The group's targeted gearing (net debt to shareholders' equity) ratio has been lifted to a range of 55% to 65% for 2021 and thereafter will be managed down to the long-term target of between 20% and 40%. Gearing takes into account the group's substantial capital investment and susceptibility to external market factors such as crude oil prices, exchange rates and commodity chemical prices. The group's gearing level for 2021 is 61,5% (2020 – 117%; 2019 – 56,3%).

Financing risk

Financing risk refers to the risk that financing of the group's net debt requirements and refinancing of existing borrowings could become more difficult or more costly in the future. The group's ability to obtain financing on favourable terms may be significantly impacted by increased regulation from governmental and regulatory authorities and the lending policies adopted by financial institutions and the actions of non-governmental organisations as a result of the environmental impacts of the group's activities. This risk can be decreased by managing the group within the targeted gearing ratio, maintaining an appropriate spread of maturity dates, and managing short-term borrowings within acceptable levels.

The group's target for long-term borrowings include an average time to maturity of at least two years, and an even spread of maturities.

Credit rating

Moody's Investors Service (Moody's) on 5 March 2020 revised Sasol's credit rating from Baa3, negative to Ba1 stable and on 31 March 2020 further revised it to Ba2 and placed the company under review for a downgrade on the back of oil price volatility and the impact of the COVID-19 pandemic on the global economy. On 15 October 2020 Moody's concluded the review by confirming Sasol's Ba2 credit rating with the outlook changing from ratings under review for downgrade to negative. Sasol's A1.za national issuer scale rating was also confirmed.

Risk profile

Risk management and measurement relating to each of these risks is discussed under the headings below (sub-categorised into credit risk, liquidity risk, and market risk) which entails an analysis of the types of risk exposure, the way in which such exposure is managed and quantification of the level of exposure in the statement of financial position.

Credit risk

Credit risk is the risk of financial loss due to counterparties not meeting their contractual obligations. Credit risk is deemed to be low when, based on the forward available information, it is highly probable that the customer will service its debt in accordance with the agreement throughout the period.

How we manage the risk

The risk is managed by the application of credit approvals, limits and monitoring procedures. Where appropriate, the group obtains security in the form of guarantees to mitigate risk. Counterparty credit limits are in place and are reviewed and approved by the respective subsidiary credit management committees. The central treasury function provides credit risk management for the group-wide exposure in respect of a diversified group of banks and other financial institutions. These are evaluated regularly for financial robustness especially in the current global economic environment. Management has evaluated treasury counterparty risk and does not expect any treasury counterparties to fail in meeting their obligations. The group maximum exposure is the outstanding carrying amount of the financial asset.

For all financial assets measured at amortised cost, the group calculates the expected credit loss based on contractual payment terms of the asset. The contractual payment terms for receivables vary from 30 days to 120 days. The exposure to credit risk is influenced by the individual characteristics, the industry and geographical area of the counterparty with whom we have transacted. Financial assets at amortised cost are carefully monitored and reviewed on a regular basis for expected credit loss and impairment based on our credit risk policy.

40 Financial risk management and financial instruments continued

40.1 Financial risk management

Expected credit loss is calculated as a function of probability of default, loss given default and exposure at default. The group allocates probability of default based on external and internal information. The major portion of the financial assets at amortised cost consists of externally rated customers and the group uses the average of Moody's, Fitch and S&P Corporate and Sovereign probability of defaults, depending on whether the customer or holder of the financial asset is corporate or government related. No changes were made to the majority of formal credit ratings as these credit ratings were obtained close to year-end and therefore already incorporate the current negative economic environment, as well as an entity's specific circumstances, financial strength and outlook. For customers or debtors that are not rated by a formal the rating agency, the group allocates internal credit ratings and default rates taking into account forward looking information, based on the debtors profile and financial status. Loss given default (LGD) is based on the Basel model. Until 2019, the group used a 45% LGD for unsecured financial assets and 35% for secured financial assets. Basel II, however, requires that LGD parameters reflect economic downturn conditions, meaning that entities' credit exposures need to reflect the losses entities would expect to incur if all defaults occur during the downturn part of an economic cycle. Based on the continued economic downturn the group, therefore, applied the Board of Governors of the Federal Reserve System's formula for deriving downturn LGD to be used for 2021 and 2020, namely 50% for unsecured financial assets and 40% for secured financial assets. Credit enhancement is only taken into account if it is integral to the asset. Trade receivables expected credit loss is calculated over lifetime. Other financial assets expected credit loss is measured over 12 months when the credit risk is low and over lifetime where the credit risk has increased significantly. The group considers credit risk to have increased significantly when the customer's credit rating has been downgraded to a lower grade (e.g. A grade to B grade). The group considers customers to be in default when the receivable is more than 30 days overdue or the customer has failed to honour a repayment arrangement.

No single customer represents more than 10% of the group's total turnover or more than 10% of total trade receivables for the years ended 30 June 2021, 2020 and 2019. Approximately 42% (2020 – 44%; 2019 – 50%) of the group's total turnover is generated from sales within South Africa, while about 24% (2020 – 23%; 2019 – 22%) relates to European sales and 18% (2020 – 17%; 2019 – 14%) relates to sales within the US. The concentration of credit risk within geographic regions is largely aligned with the geographic regions in which the turnover was earned.

Detail of allowances for credit losses:

	Lifetime ECL				12-month ECL	
	Significant increase in credit risk since initial recognition Rm	**Simplified approach for trade receivables Rm**	**Credit-impaired Rm**	**Total lifetime ECL Rm**	**No significant increase in credit risk since initial recognition Rm**	**Total expected credit loss Rm**
2021						
Long-term receivables	**50**	**–**	**41**	**91**	**–**	**91**
Trade receivables	**–**	**9**	**192**	**201**	**–**	**201**
Other receivables	**7**	**–**	**275**	**282**	**32**	**314**
	57	**9**	**508**	**574**	**32**	**606**

	Lifetime ECL				12-month ECL	
	Significant increase in credit risk since initial recognition Rm	Simplified approach for trade receivables Rm	Credit-impaired Rm	Total lifetime ECL Rm	No significant increase in credit risk since initial recognition Rm	Total expected credit loss Rm
2020						
Long-term receivables	349	–	47	396	46	442
Trade receivables	–	64	299	363	–	363
Other receivables	12	–	330	342	1	343
	361	64	676	1 101	47	1 148

The expected credit losses relating to cash and cash equivalents as well as restricted cash included in other long-term investments are immaterial. The decrease in expected credit losses mainly resulted from financial assets classified as held for sale (R317 million) and translation differences (R148 million).

Overview of the credit risk profile of financial assets measured at amortised cost is as follows:

	2021			2020		
	AAA to A- %	**BBB to B- %**	**CCC+ and – below %**	AAA to A- %	BBB to B- %	CCC+ and – below %
Long-term receivables	**58**	**39**	**3**	40	20	40
Trade receivables	**72**	**25**	**3**	69	26	5
Other receivables	**68**	**27**	**5**	72	10	18
Cash and cash equivalents*	**21**	**79**	**–**	19	78	3

* Including restricted cash included in other long-term investments.

Liquidity risk

Liquidity risk is the risk that an entity in the group will be unable to meet its obligations as they become due.

The COVID-19 pandemic together with the oil price volatility during the first half of the year continued to impact the group's operations and results. The lower oil price environment also impacted negatively on chemical prices across most of the group's sales regions and products. The group experienced a notable gross margin recovery in the second half of the financial year, supported by the combined impact of higher Brent crude oil and chemicals prices, offset by a stronger rand/US dollar exchange and further underpinned by a strong cost, working capital and capital expenditure performance, despite the continued impacts of the COVID-19 pandemic and adverse weather events in North America and South Africa.

How we manage the risk

The group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows, making use of a central treasury function to manage pooled business unit cash investments and borrowing requirements. Currently the group is maintaining a positive liquidity position, conserving the group's cash resources through continued focus on working capital improvement, cost savings and capital reprioritisation especially in the light of the current economic environment.

The group meets its financing requirements through a mixture of cash generated from its operations and, short and long-term borrowings and strives to maintain adequate banking facilities and reserve borrowing capacities.

Increased cash generation, through delivery of Sasol's self-help measures and asset disposals contributed to balance sheet de-leveraging and meeting of re-instated debt covenant levels at 30 June 2021. To manage cash generated from operations management enhanced its hedging programmes aimed to protect margins at several of its operations and exceeded its targets in respect of its US$2 billion cash conservation programme.

From a financing perspective, the group currently has sufficient undrawn borrowing facilities. Refer to note 17. The next material maturity is the $1 billion bond due in November 2022.

40 Financial risk management and financial instruments continued

40.1 Financial risk management continued

Our exposure to and assessment of the risk

The maturity profile of the undiscounted contractual cash flows of financial instruments at 30 June were as follows:

	Note	Contractual cash flows* Rm	Within one year Rm	One to three years Rm	Three to five years Rm	More than five years Rm
2021						
Financial assets						
Non-derivative instruments						
Long-term receivables	21	3 970	–	1 098	908	1 964
Trade and other receivables	26	27 218	27 218	–	–	–
Cash and cash equivalents (excluding restricted cash)	29	27 559	27 559	–	–	–
Investments through other comprehensive income		474	474	–	–	–
Other long-term investments		1 422	–	–	–	1 422
		60 643	55 251	1 098	908	3 386
Derivative instruments						
Foreign exchange contracts		8 169	8 169	–	–	–
Crude oil put options		46	46	–	–	–
Foreign exchange zero cost collars		1 150	1 150	–	–	–
Ethane swap options		156	156	–	–	–
Other commodity derivatives		9	9	–	–	–
Other currency derivatives		1 727	107	231	241	1 148
		71 900	64 888	1 329	1 149	4 534
Financial liabilities						
Non-derivative instruments						
Long-term debt	17	(119 921)	(8 997)	(66 190)	(6 698)	(38 036)
Lease liabilities	18	(31 679)	(2 997)	(5 067)	(4 226)	(19 389)
Short-term debt	17	(60)	(60)	–	–	–
Trade and other payables	27	(22 637)	(22 637)	–	–	–
Bank overdraft	29	(243)	(243)	–	–	–
Financial guarantees**		(313)	(313)	–	–	–
		(174 853)	(35 247)	(71 257)	(10 924)	(57 425)
Derivative instruments						
Foreign exchange contracts		(8 134)	(8 134)	–	–	–
Interest rate swap options		(2 234)	(668)	(960)	(513)	(93)
Crude oil put options		(46)	(46)	–	–	–
Crude oil zero cost collar		(1 126)	(1 126)	–	–	–
Crude oil swap options		(1 175)	(1 175)	–	–	–
Crude oil futures		(20)	(20)	–	–	–
Other currency derivatives		(5 422)	–	–	–	(5 422)
Other commodity derivatives		(49)	(49)	–	–	–
		(193 059)	(46 465)	(72 217)	(11 437)	(62 940)

* Contractual cash flows include interest payments.

** Issued financial guarantees contracts are all repayable on default, however the likelihood of default is considered remote.

The shortfall beyond one year will be funded through cash generated from operations, proceeds from the accelerated asset divestment programme, utilisation of available facilities and the refinancing of existing debt.

	Note	Contractual cash flows* Rm	Within one year Rm	One to three years Rm	Three to five years Rm	More than five years Rm
2020						
Financial assets						
Non-derivative instruments						
Long-term receivables	21	5 799	–	2 191	1 064	2 544
Trade and other receivables	26	22 090	22 090	–	–	–
Cash and cash equivalents (excluding restricted cash)	29	32 932	32 932	–	–	–
Investments through other comprehensive income		511	511	–	–	–
Other long-term investments		1 415	1 415	–	–	–
		62 747	56 948	2 191	1 064	2 544
Derivative instruments						
Foreign exchange contracts		9 185	9 185	–	–	–
Crude oil put options		113	113	–	–	–
Ethane swap options		104	104	–	–	–
Other commodity derivatives		11	11	–	–	–
		72 160	66 361	2 191	1 064	2 544
Financial liabilities						
Non-derivative instruments						
Long-term debt***	17	(188 940)	(24 213)	(38 748)	(109 111)	(16 868)
Lease liabilities	18	(38 187)	(3 051)	(5 120)	(4 199)	(25 817)
Short-term debt	17	(21 888)	(21 888)	–	–	–
Trade and other payables	27	(21 164)	(21 164)	–	–	–
Bank overdraft	29	(645)	(645)	–	–	–
Financial guarantees**		(913)	(913)	–	–	–
		(271 737)	(71 874)	(43 868)	(113 310)	(42 685)
Derivative instruments						
Foreign exchange contracts		(8 770)	(8 770)	–	–	–
Interest rate swap options		(4 143)	(780)	(1 466)	(1 165)	(732)
Foreign exchange zero cost collars		(2 861)	(2 861)	–	–	–
Crude oil zero cost collar		(174)	(174)	–	–	–
Ethane swap options		(230)	(230)	–	–	–
Crude oil futures		(66)	(66)	–	–	–
Other currency derivatives		(10 990)	(45)	(74)	(63)	(10 808)
Other commodity derivatives		(103)	(103)	–	–	–
		(299 074)	(84 903)	(45 408)	(114 538)	(54 225)

* Contractual cash flows include interest payments.

** Issued financial guarantees contracts are all repayable on default, however the likelihood of default is considered remote.

*** Of the amounts due in one to five years, R126 billion relates to the repayment of the bonds, the revolving credit facility and the term loan.

Market risk

Market risk is the risk arising from possible market price movements and their impact on the future cash flows of the business. The market price movements that the group is exposed to:

Foreign currency risk

Foreign currency risk is a risk that earnings and cash flows will be affected due to changes in exchange rates.

How we manage the risk

The Audit Committee sets broad guidelines in terms of tenor and hedge cover ratios specifically to assess future currency exposure, which have the potential to materially affect our financial position. These guidelines and our hedging policy are reviewed from time to time. This hedging strategy enables us to better predict cash flows and thus manage our liquidity and key financial metrics more effectively. Foreign currency risks are managed through the group's hedging policy and financing policies and the selective use of various derivatives.

40 Financial risk management and financial instruments continued

40.1 Financial risk management continued

Our exposure to and assessment of the risk

The group's transactions are predominantly entered into in the respective functional currency of the individual operations. The construction of the LCCP has largely been financed through funds obtained in US dollar, with a small portion of funds obtained from Rand sources. A large portion of our turnover and capital investments are significantly impacted by the rand/US$ and rand/EUR exchange rates. Some of our fuel products are governed by the BFP, of which a significant variable is the rand/US$ exchange rate. Our export chemical products are mostly commodity products whose prices are largely based on global commodity and benchmark prices quoted in US dollars and consequently are exposed to exchange rate fluctuations that have an impact on cash flows. These operations are exposed to foreign currency risk in connection with contracted payments in currencies not in their individual functional currency. The most significant exposure for the group exists in relation to the US dollar and the Euro. The translation of foreign operations to the presentation currency of the group is not taken into account when considering foreign currency risk.

Zero-cost collars

In line with the risk mitigation strategy, the group hedges a significant portion of its estimated foreign currency exposure in respect of forecast sales and purchases over the following 12 months. The group uses zero-cost collars to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Foreign exchange contracts

Foreign exchange contracts (FECs) are utilised throughout the group to hedge the risk of currency depreciation on committed and highly probable forecast transactions. Transactions hedged with FECs include capital and goods purchases (imports) and sales (exports).

Refer to the summary of our derivatives below.

The following significant exchange rates were applied during the year:

	Average rate		Closing rate	
	2021 Rand	2020 Rand	**2021 Rand**	2020 Rand
Rand/Euro	**18,38**	17,34	**16,93**	19,46
Rand/US dollar	**15,40**	15,69	**14,28**	17,33

The table below shows the significant currency exposure where entities within the group have monetary assets or liabilities that are not in their functional currency, have exposure to the US dollar or the Euro. The amounts have been presented in rand by converting the foreign currency amount at the closing rate at the reporting date.

	2021		2020	
	Euro Rm	**US dollar Rm**	Euro Rm	US dollar Rm
Long-term receivables	**–**	**323**	–	427
Trade and other receivables	**831**	**2 265**	394	3 218
Cash and cash equivalents	**1 895**	**1 121**	1 476	964
Net exposure on assets	**2 726**	**3 709**	1 870	4 609
Long-term debt (including lease liabilities)	**–**	**–**	(119)	(718)
Trade and other payables	**(296)**	**(1 523)**	(268)	(1 674)
Net exposure on liabilities	**(296)**	**(1 523)**	(387)	(2 392)
Exposure on external balances	**2 430**	**2 186**	1 483	2 217
Net exposure on balances between group companies*	**(2 559)**	**(8 064)**	(2 046)	(31 894)
Total net exposure	**(129)**	**(5 878)**	(563)	(29 677)

* The US$ decrease results from the repayment of the loan provided by Sasol Investment Company to Sasol Financing International for the partial funding of the LCCP.

Sensitivity analysis

The following sensitivity analysis is provided to show the foreign currency exposure of the individual entities at the end of the reporting period. This analysis is prepared based on the statement of financial position balances that exist at year-end, for which there is currency risk, before consideration of currency derivatives, which exist at that point in time. The effect on equity is calculated as the effect on profit and loss. The effect of translation of results into presentation currency of the group is excluded from the information provided.

A 10% weakening in the group's significant exposure to the foreign currency at 30 June would have increased either the equity or the profit by the amounts below, before the effect of tax. This analysis assumes that all other variables, in particular, interest rates, remain constant, and has been performed on the same basis for 2020.

	2021		2020	
	Euro Rm	US Dollar Rm	Euro Rm	US Dollar Rm
Equity	**(13)**	**(511)**	(56)	(2 968)
Income statement	**(13)**	**(511)**	(56)	(2 968)

A 10% movement in the opposite direction in the group's exposure to foreign currency would have an equal and opposite effect to the amounts disclosed above.

Interest rate risk

Interest rate risk is the risk that the value of short-term investments and financial activities will change as a result of fluctuations in the interest rates.

Fluctuations in interest rates impact on the value of short-term investments and financing activities, giving rise to interest rate risk. The group has significant exposure to interest rate risk due to the volatility in South African, European and US interest rates.

How we manage the risk

Our debt is comprised of different instrument notes, which by their nature either bear interest at a floating or a fixed rate. We monitor the ratio of floating and fixed interest in our loan portfolio and manage this ratio, by electing to incur either bank loans, bearing a floating interest rate, or bonds, which bear a fixed interest rate. We may also use interest rate swaps, where appropriate, to convert some of our debt into either floating or fixed rate debt to manage the composition of our portfolio.

In respect of financial assets, the group's policy is to invest cash at floating rates of interest and cash reserves are to be maintained in short-term investments (less than one year) in order to maintain liquidity, while achieving a satisfactory return for shareholders.

Our exposure to and assessment of the risk

At the reporting date, the interest rate profile of the group's interest-bearing financial instruments, including the effect of the interest rate swap was:

	Carrying value	
	2021 Rm	2020 Rm
Variable rate instruments		
Financial assets	**30 062**	36 140
Financial liabilities	**(7 898)**	(97 531)
	22 164	(61 391)
Fixed rate instruments		
Financial assets	**1 788**	525
Financial liabilities	**(110 803)**	(109 919)
	(109 015)	(109 394)
Interest profile (variable: fixed rate as a percentage of total financial assets)	**94:6**	99:1
Interest profile (variable: fixed rate as a percentage of total financial liabilities)	**7:93**	47:53

Cash flow sensitivity for variable rate instruments

Financial instruments affected by interest rate risk include borrowings, deposits, derivative financial instruments, trade receivables and trade payables. A change of 1% in the prevailing interest rate in a particular currency at the reporting date would have increased/(decreased) earnings by the amounts shown below before the effect of tax. The sensitivity analysis has been prepared on the basis that all other variables, in particular foreign currency rates, remain constant and has been performed on the same basis for 2020. The sensitivity has been calculated including consideration of the effect of existing interest rate swap derivative instruments. Interest is recognised in the income statement using the effective interest rate method. The US interest rate swap is designated as a hedge instrument, the cash flow hedge reserve will be reclassified to profit and loss on a similar basis.

40 Financial risk management and financial instruments continued

40.1 Financial risk management continued

	Income statement – 1% increase			
	South Africa Rm	Europe* Rm	United States of America* Rm	Other Rm
30 June 2021	**166**	**19**	**25**	**12**
30 June 2020	110	15	(761)	21

* A decrease of 1% in interest rates for the United States of America and Europe will not have an effect on the income statement as it is not considered reasonably possible that the repo interest rates will decrease below 0%.

A 1% decrease in interest rates would have an equal and opposite effect to the amounts disclosed above.

The group has exposure to the variable US dollar London Interbank Overnight Rate (LIBOR) through the USD term loan and revolving credit facility. The group has entered into the US interest rate swap to convert a portion of the group's exposure to the variable LIBOR to a fixed rate. It was designated as the hedging instrument in a cash flow hedge.

Hedge effectiveness was determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments, to ensure that an economic relationship exists between the hedged item and hedging instrument. A regression analysis method is employed for assessing the effectiveness of each designated hedging relationship.

Possible sources of hedge ineffectiveness include:

- Differences in critical terms between the interest rate swaps and interest payments, including future payment date mismatches;
- A significant change in the credit risk of either party to the hedging relationship during the period of the hedge; and
- The effects of the forthcoming IBOR reform, because changes might take effect at a different time and have a different impact on the hedged item (the floating-rate debt) and the hedging instrument (the interest rate swap used to hedge the debt).

The interest rate swap in Mozambique relates to the group's interest in CTRG. This interest rate swap is not classified as a cash flow hedge and was classified as held for sale in the current year along with the other assets and liabilities associated with the entity. Refer to note 12.

		North America	
		2021	2020
Carrying value included in short and long-term financial liabilities	Rm	**2 103**	4 058
Fair value (gain)/loss recognised in other comprehensive income	Rm	**(1 072)**	2 192
Fair value loss recognised in other operating expenses	Rm	**89**	4
Balance of hedge reserve – continuing hedge relationships	Rm	**(801)**	(1 771)
Balance of hedge reserve – discontinued hedge relationships*	Rm	**(106)**	–
Nominal amount	Rm	**1 751**	1 854
Expiry		**December 2026**	December 2026
Average fixed rate	%	**2,82**	2,82
Hedge ratio		**1:1**	1:1
Change in continuing hedging instrument fair value used as the basis for recognising hedge ineffectiveness – (gain)/loss	US$m	**(32)**	148
Change in hedged item fair value used as the basis for recognising hedge ineffectiveness – (gain)/loss	US$m	**(38)**	151

* The group traded a total of seven interest rate swaps on 25 July 2019 with various counterparty banks. During the year a novation of one of the interest rate swaps was concluded. All the terms and conditions of the novated interest rate swap remained the same as the original interest rate swap. Following the novation, the original hedge relationship was discontinued and the novated interest rate swap was designated as a hedging instrument in a new hedging relationship. The balance of the hedge reserve relating to the discontinued interest rate swap will be released to profit or loss over the original remaining term of the contract.

Commodity price risk

Commodity price risk is the risk of fluctuations in our earnings as a result of fluctuation in the price of commodities.

How we manage the risk

Crude oil and coal price

The group makes use of derivative instruments, including options and commodity swaps as a means of mitigating price movements and timing risks on crude oil purchases and sales and ethane purchases. The group entered into hedging contracts which provide downside protection against decreases in commodity prices. Refer to the summery of our derivatives below.

Our exposure to and assessment of the risk

A substantial proportion of our turnover is derived from sales of petroleum and petrochemical products. Market prices for crude oil fluctuate because they are subject to international supply and demand and political factors. Our exposure to the crude oil price centres primarily around the selling price of the fuel marketed by our Energy business which is governed by the Basic Fuel Price (BFP) formula, the crude oil related raw materials used in our Natref refinery and certain of our offshore operations including where chemical prices are linked to the crude oil price. Key factors in the BFP are the Mediterranean and Singapore or Mediterranean and Arab Gulf product prices for petrol and diesel, respectively.

Dated Brent Crude prices applied during the year:

	Dated Brent Crude	
	2021 US$	2020 US$
High	**76,44**	69,96
Average	**54,20**	51,22
Low	**36,21**	13,24

Summary of our derivatives

In the normal course of business, the group enters into various derivative transactions to mitigate our exposure to foreign exchange rates, interest rates, and commodity prices Derivative instruments used by the group in hedging activities include swaps, options, forwards and other similar types of instruments.

	Financial asset	Financial liability	Financial asset	Financial liability	Income statement gain/(loss)		
	2021 Rm	**2021 Rm**	2020 Rm	2020 Rm	**2021 Rm**	2020 Rm	2019 Rm
Derivative financial instruments							
Interest rate swap options	**–**	**(2 103)**	–	(4 143)	**(37)**	(101)	(1 475)
Crude oil put options	**46**	**(46)**	113	–	**(1 545)**	(153)	(498)
Crude oil zero cost collars	**–**	**(1 126)**	–	(174)	**(1 871)**	(157)	–
Crude oil swap options	**–**	**(1 175)**	–	–	**(1 267)**	(160)	–
Crude oil futures	**–**	**(20)**	–	(66)	**(774)**	538	265
Ethane swap options	**156**	**–**	104	(230)	**680**	(732)	(462)
Coal swap options	**–**	**–**	–	–	**–**	–	91
Other commodity derivatives	**9**	**(49)**	11	(103)	**–**	–	–
Foreign exchange contracts	**75**	**(40)**	417	(1)	**1 011**	(372)	(794)
Foreign exchange zero cost collars	**1 150**	**–**	–	(2 861)	**4 027**	(4 298)	323
Other foreign exchange derivatives*	**887**	**(514)**	–	(2 183)	**2 058**	(1 562)	85
	2 323	**(5 073)**	645	(9 761)	**2 282**	(6 997)	(2 465)
Non-derivative financial instruments							
Financial guarantees	**–**	**(100)**	–	(130)			
	2 323	**(5 173)**	645	(9 891)			

* Mainly relates to a US dollar derivative that is embedded in long-term oxygen supply contracts to our Secunda Operations.

40 Financial risk management and financial instruments continued

40.1 Financial risk management continued

		Contract/Notional amount*					Average price**			
		Open 2021 Million	Settled 2021 Million	Open 2020 Million	Settled 2020 Million		Floor 2021	Cap 2021	Floor 2020	Cap 2020
Derivatives financial instruments										
Crude oil put options purchased***	barrels	**10,0**	**(32,5)**	5,5	1,0	US$/bbl	**40,5**	**–**	34,5	–
Crude oil put options sold****	barrels	**(10,0)**	**–**	–	–	US$/bbl	**43,2**	**–**	–	–
Crude oil zero cost collars	barrels	**24,0**	**5,1**	3,1	–	US$/bbl	**60,1**	**72,0**	31,8	39,9
Crude oil swap options	barrels	**18,0**	**–**	–	5,0	US$/bbl	**67,2**			
Crude oil futures	US$	**108**	**–**	36	–					
Ethane swap options	barrels	**4,0**	**26,2**	21,5	17,4	US$ c/gal	**23,2**	**–**	19,8	–
Foreign exchange contracts	US$	**262**	**–**	481	–					
Foreign exchange zero cost collars	US$	**2 800**	**5 370**	5 370	4 725	R/US$	**14,54**	**17,52**	14,80	17,77

* The notional amount is the sum of the absolute value of all contracts for both derivative assets and liabilities.

** For open positions,

*** Total premium paid for contracts entered into in the year US$93,8 million (2020: US$17,4).

**** Oil put hedges of 23,5 million barrels for financial year 2022 have been restructured and replaced by a zero cost collar hedging structure. Put options for 13,5 million barrels have been terminated while put options for 10,0 million barrels have been sold.

40.2 Fair value

Various valuation techniques and assumptions are utilised for the purpose of calculating fair value.

The group does not hold any financial instruments traded in an active market, except for the investment in listed equity instruments. Fair value is determined using valuation techniques as outlined below. Where possible, inputs are based on quoted prices and other market determined variables.

Fair value hierarchy

The following table is provided representing the assets and liabilities measured at fair value at reporting date, or for which fair value is disclosed at reporting date.

The calculation of fair value requires various inputs into the valuation methodologies used.

The source of the inputs used affects the reliability and accuracy of the valuations. Significant inputs have been classified into the hierarchical levels in line with IFRS 13, as shown below.

There have been no transfers between levels in the current year. Transfers between levels are considered to have occurred at the date of the event or change in circumstances.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).

Level 3 Inputs for the asset or liability that are unobservable.

Financial instrument	Fair value 30 June 2021	Fair value 30 June 2020	Valuation method	Significant inputs	Fair value hierarchy of inputs
Financial assets					
Non-derivative instruments					
Investments in listed securities	**466**	498	Quoted market price for the same instrument	Quoted market price for the same instrument	Level 1
Investments in unlisted securities	**8**	13	Discounted cash flow	Forecasted earnings, capital expenditure and debt cash flows of the underlying business, based on the forecasted assumptions of inflation, exchange rates, commodity prices etc. Appropriate WACC for the region.	Level 3
Other long-term investments	**–**	25	Discounted cash flow	Market related interest rates.	Level 3
	1 422	1 390	[2]	[2]	Level 1[2]
Long-term receivables	**3 879**	5 799	Discounted cash flow	Market related interest rates.	Level 3
Derivative instruments					
Commodity and currency derivative assets	**1 436**	645	Forward rate interpolator model, appropriate currency specific discount curve, discounted expected cash flows, numerical approximation	Forward exchange contracted rates, market foreign exchange rates, forward contract rates, market commodity prices, crude oil prices	Level 2
Embedded derivative[3,4]	**887**	–	Forward rate interpolator model, , discounted expected cash flows, numerical approximation, as appropriate	US PPI index, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate, interpolated EUR/ZAR forward rate	Level 3
Trade and other receivables	**27 218**	22 066	Discounted cash flow	Market related interest rates.	Level 3[1]
Cash and cash equivalents	**31 231**	34 739	[2]	[2]	Level 1[2]
Financial liabilities					
Non-derivative instruments					
Listed long-term debt	**72 226**	50 701	Quoted market price for the same instrument	Quoted market price for the same instrument	Level 1
Unlisted long-term debt	**34 274**	109 724	Discounted cash flow	Market related interest rates	Level 3
Short-term debt and bank overdraft	**303**	22 533	Discounted cash flow	Market related interest rates	Level 3[1]
Trade and other payables	**22 637**	21 164	Discounted cash flow	Market related interest rates	Level 3[1]
Derivative instruments					
Commodity and currency derivative liabilities	**2 456**	3 435	Forward rate interpolator model, discounted expected cash flows, numerical approximation	Forward exchange contracted rates, coal prices, market foreign exchange rates	Level 2
Interest rate swap	**2 103**	4 143	Discounted net cash flows, using a swap curve to infer the future floating cash flows	US$ Overnight Indexed Swap (OIS) curve, recovery probabilities	Level 2
Embedded derivatives[3]	**514**	2 183	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate	Level 3

1 The fair value of these instruments approximates their carrying value, due to their short-term nature.

2 The carrying value of cash is considered to reflect its fair value.

3 The group entered into two long-term gas supply agreements to our Secunda Operations commencing in 2018 and 2021 respectively. In terms of these agreements, Sasol pays a fixed fee over the duration of the agreement for the supply of oxygen and other gasses. A portion of the fixed fee is payable in US dollar and escalates based on US labour and inflation indices. This resulted in two embedded derivatives being separately recognised as a financial asset (R256 million) and financial liability (R514 million; 2020 – R2 183 million) measured at fair value through profit or loss. The decrease in the derivative liability compared to 2020 is as a result of the strengthening of the rand.

4 Relating to the long-term gas supply agreement entered into in 2021, a portion of this fixed fee is determined with reference to the ZAR/EUR exchange rate on the effective date of the agreement. Thereafter this fixed fee does not escalate and it will be payable in rand over the term of the contract. Sasol's exposure to foreign currency fluctuations from the date of signing the sales agreement up to the effective date of the sale when the EUR fixed fee was fixed is separately recognised as an embedded derivative at fair value through profit or loss. The carrying value of the derivative at 30 June 2021 was R631 million.

There were no transfers between levels for recurring fair value measurements during the year. There was no change in valuation techniques compared to the previous financial year.

40 Financial risk management and financial instruments continued

40.2 Fair value continued

Sensitivity analysis

The fair value of significant derivatives held for trading is impacted by a number of market observable variables at valuation date. The sensitivities provided below reflect the impact on fair value as a result of movements in the significant input variables utilised for valuation purposes:

		Volatility		Ethane price		Crude oil price		Rand/US$*		US$ Libor curve**
30 June 2021		**+2%**	**-2%**	**+USD 2 c/gal**	**-USD 2 c/gal**	**+USD 2 /bbl**	**-USD 2 /bbl**	**+R1/ US$**	**-R1/ US$**	**-0,5%**
Crude oil swap options	Rm					**(385)**	**385**			
Ethane swap options	Rm			**14**	**(14)**					
Foreign exchange zero cost collars	Rm	**86**	**(86)**					**(1 702)**	**1 702**	
Crude oil zero-cost collar	Rm	**(29)**	**29**			**(382)**	**382**			
Interest rate swap	Rm									**559**

		Volatility		Ethane price		Crude oil price		Rand/US$*		US$ Libor curve**
30 June 2020		+2%	-2%	+USD 2 c/gal	-USD 2 c/gal	+USD 2 /bbl	-USD 2 /bbl	+R1/US$	-R1/US$	-0,5%
Crude oil put options	Rm					(45)	55			
Ethane swap options	Rm			329	(329)					
Foreign exchange zero cost collars	Rm	(196)	209					(2 504)	2 172	
Crude oil zero-cost collar	Rm	(12)	14			(81)	72			
Interest rate swap	Rm									811

* A weakening of the Rand/US$ spot exchange rate of R3,24 will likely result in the spot price falling within the corridor of the cap and floor rates of the zero-cost collars. No gain or loss will be made if these derivatives are settled at a spot price between the cap and floor. The exchange rate would have to weaken by at least R3,24/US$, up to the cap of R17,52, before losses are incurred on the derivatives.

** Sensitivities on the downward shift has been limited by the low US$ Libor at 30 June 2021.

		US$/Rand Spot price		US$ Swap curve		Rand Swap curve	
30 June 2021		**+R1/US$**	**-R1/US$**	**+0,1%**	**-0,1%**	**+1,0%**	**-1,0%**
Oxygen supply contract embedded derivative	Rm	**(601)**	**601**	**98**	**(99)**	**(825)**	**955**

		US$/Rand Spot price		US$ Swap curve		Rand Swap curve	
30 June 2020		+R1/US$	-R1/US$	+0,1%	-0,1%	+1,0%	-1,0%
Oxygen supply contract embedded derivative	Rm	(506)	506	117	(120)	(724)	860

The fair value of the embedded derivative financial instrument contained in a long-term oxygen supply contract to our Secunda Operations is impacted by a number of observable and unobservable variables at valuation date. The sensitivities provided above reflect the impact on fair value as a result of movements in the significant input variables utilised for valuation purposes.

Accounting policies:

Derivative financial instruments and hedging activities

The group is exposed to market risks from changes in interest rates, foreign exchange rates and commodity prices. The group uses derivative instruments to hedge its exposure to these risks.

All derivative financial instruments are initially recognised at fair value and are subsequently stated at fair value at the reporting date. Attributable transaction costs are recognised in the income statement when incurred. Resulting gains or losses on derivative instruments, excluding designated and effective hedging instruments, are recognised in the income statement.

To the extent that a derivative instrument has a maturity period of longer than one year, the fair value of these instruments will be reflected as a non-current asset or liability.

Hedge accounting

The group continues to apply the hedge accounting requirements of IAS 39 'Financial Instruments: Recognition and Measurement'.

Where a derivative instrument is designated as a cash flow hedge of an asset, liability or highly probable forecast transaction that could affect the income statement, the effective part of any gain or loss arising on the derivative instrument is recognised as other comprehensive income and is classified as a cash flow hedge accounting reserve until the underlying transaction occurs. The ineffective part of any gain or loss is recognised in the income statement. If the hedging instrument no longer meets the criteria for cash flow hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

If the forecast transaction results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is transferred from the cash flow hedge accounting reserve, as other comprehensive income, to the underlying asset or liability on the transaction date. If the forecast transaction is no longer expected to occur, then the cumulative balance in other comprehensive income is recognised immediately in the income statement as reclassification adjustments. Other cash flow hedge gains or losses are recognised in the income statement at the same time as the hedged transaction occurs.

Economic hedges

When derivative instruments, including forward exchange contracts, are entered into as fair value hedges, no hedge accounting is applied. All gains and losses on fair value hedges are recognised in the income statement.

CONTENTS

Page

143 ■ Statement of financial position
143 ■ Income statement
144 ■ Statement of comprehensive income
144 ■ Statement of changes in equity
145 ■ Statement of cash flows
146 ■ Notes to the financial statements

STATEMENT OF FINANCIAL POSITION
at 30 June

	Note	2021 Rm	2020 Rm
Assets			
Investments in subsidiaries	1	**128 260**	103 059
Investment in security	1	**8**	8
Long-term receivables	2	**46 945**	47 630
Deferred tax asset	3	**206**	372
Non-current assets		**175 419**	151 069
Other receivables and prepaid expenses	4	**365**	862
Tax receivable		**4**	–
Cash and cash equivalents	5	**1 369**	5 753
Current assets		**1 738**	6 615
Total assets		**177 157**	157 684
Equity and liabilities			
Shareholders' equity		**176 286**	155 974
Non-current liabilities			
Long-term financial liabilities	6	**461**	872
Short-term financial liabilities	6	**273**	456
Short-term provision	7	**2**	1
Tax payable		**–**	9
Trade and other payables	8	**135**	372
Current liabilities		**410**	838
Total equity and liabilities		**177 157**	157 684

INCOME STATEMENT
for the year ended 30 June

	Note	2021 Rm	2020 Rm
Revenue	13	**16 177**	7 587
Other expenses (net)		**(908)**	(8 142)
Translation gains/(losses)	9	**72**	(145)
Expected credit losses released/(raised)	10	**16**	(7 316)
Other operating expenses	11	**(1 034)**	(684)
Other operating income		**38**	3
Remeasurement items	12	**–**	(36 508)
Net finance income		**3 917**	4 983
Finance income	14	**4 012**	5 236
Finance costs	15	**(95)**	(253)
Earnings/(loss) before tax		**19 186**	(32 080)
Taxation	16	**(248)**	(126)
Earnings/(loss) for the year		**18 938**	(32 206)

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June

	2021 Rm	2020 Rm
Earnings/(loss) for the year	**18 938**	(32 206)
Other comprehensive income, net of tax		
Items that can be subsequently reclassified to the income statement		
Fair value of investment in security	**–**	1
Total comprehensive income/(loss) for the year	**18 938**	(32 205)

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June

	Note	2021 Rm	2020 Rm
Share capital			
Balance at beginning of year	17	**9 888**	9 888
Balance at end of year		**9 888**	9 888
Share-based payment reserve			
Balance at beginning of year		**6 538**	5 206
Unwind of Sasol Khanyisa Tier 1 transaction[1]		**(1 889)**	–
Sasol incentive schemes vested and settled		**(890)**	(614)
Share-based payment expense	18	**1 927**	1 946
Balance at end of year		**5 686**	6 538
Retained earnings			
Balance at beginning of year		**139 541**	171 761
Earnings/(loss) for the year		**18 938**	(32 206)
Sasol Khanyisa Tier 1 transaction vested and settled[1]		**1 889**	–
Sasol incentive schemes vested and settled		**886**	608
Khanyisa Tier 1 vesting		**(549)**	(622)
Balance at end of year		**160 705**	139 541
Investment fair value reserve			
Balance at beginning of year		**7**	6
Total comprehensive income for year		**–**	1
Balance at end of year		**7**	7
Total shareholders' equity		**176 286**	155 974

1 The Khanyisa Tier 1 options fully vested on 1 June 2021.

STATEMENT OF CASH FLOWS
for the year ended 30 June

	Note	2021 Rm	2020 Rm
Cash generated by operating activities	19	**15 416**	7 153
Finance income received	14	**871**	1 002
Finance cost paid	15	**–**	(94)
Tax paid		**(95)**	(61)
Cash retained from operating activities		**16 192**	8 000
Additional investments in subsidiaries	21	**(21 277)**	(1 527)
Repayment of long-term receivables		**699**	33
Cash used in investing activities		**(20 578)**	(1 494)
Repayment of loan from subsidiary		**–**	(4 700)
Prepayment relating to funding activities		**–**	(365)
Cash utilised in financing activities		**–**	(5 065)
(Decrease)/increase in cash and cash equivalents		**(4 386)**	1 441
Cash and cash equivalents at beginning of year		**5 756**	4 315
Cash and cash equivalents at end of year	5	**1 370**	5 756

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June

1 Investments

	2021 Rm	2020 Rm
Investment in subsidiaries		
Reflected as non-current assets		
Shares at cost	**157 992**	132 206
Shareholder loan to subsidiary	**525**	525
Share-based payment expense	**7 004**	7 589
Impairment (net of reversals) of investment in subsidiary	**(37 261)**	(37 261)
	128 260	103 059
Investment in security	**8**	8

Investments in subsidiaries increased due to additional investments in Sasol Investment Company (Pty) Ltd. Investments in subsidiaries are accounted for at cost less impairment losses.

Impairment

The prior year impairment of R36,5 billion relates to the investment in Sasol South Africa Limited (SSA). Since the inception of Sasol Khanyisa transaction an annual valuation of the Sasol South Africa Group is performed. For the main assumptions informing the SSA valuation refer to note 10, page 73 of the Group Financial Statements. The investment in Sasol South Africa in the prior year was written down to the fair value of the SSA Group. The fair value of Sasol South Africa decreased significantly as a result of the impact of the lower oil price, depressed chemical market and the impact of COVID-19. The investment in the prior year was impaired to a recoverable amount of R3,3 billion.

The valuation of the Sasol South Africa Group has increased in the current year due to economic recovery as well an improvement in chemical prices and a higher demand for solvents and other chemical products. The higher valuation indicated a potential reversal of the prior year impairment. The SSA valuation is extremely sensitive to macroeconomic changes, mainly oil price and US$ exchange rate, (2021 – R33,0 billion; 2020 – R4,0 billion; 2019 – R121,4 billion). The prior impairment was therefore not reversed due to the valuation sensitivity, uncertainty over the timing and extent of the continued price recovery.

2 Long-term receivables

	2021 Rm	2020 Rm
Sasol South Africa Limited [1]	**46 877**	46 877
Sasol Khanyisa Fundco (RF) Ltd [2]	**7 883**	8 622
Other	**57**	17
Total long-term receivables	**54 817**	55 516
Less: Expected credit loss [3]	**(7 872)**	(7 886)
	46 945	47 630

The long-term receivables are measured at amortised cost.

The long-term receivables consist of:

1) Funding to Sasol South Africa Limited (SSA) to purchase the investment in Sasol Gas (Pty) Ltd. The loan attracts interest at 0% and Sasol Limited has no intent of demanding payment in the next 12 months.
2) Loan to Sasol Khanyisa Fundco (Fundco) to fund the preference share subscription for the Khanyisa Public Participants. The ability of Fundco to repay the loan is dependent on dividends received from SSA. The loan attracts interest at 75% of prime and Sasol Limited has no intent of demanding payment in the next 12 months.
3) A specific expected credit loss of R7,7 billion was recognised on the Sasol Khanyisa Fundco long-term receivable. Refer to note 23 for details on expected credit loss calculation.

	2021	2020
Interest-bearing status		
Sasol South Africa Limited	**0,0%**	0,0%
Sasol Khanyisa Fundco (RF) Ltd	**5,3%**	5,4%

	2021 Rm	2020 Rm
Maturity profile		
More than five years	**46 945**	47 630

3 Deferred tax asset

	Note	2021 Rm	2020 Rm
Reconciliation			
Balance at beginning of year		**372**	359
Current year charge per the income statement	16	**(166)**	13
Balance at end of year		**206**	372

A deferred tax asset has been recognised to the extent that it is probable that the entity will generate future taxable income against which this temporary difference can be utilised and consists mainly of movements in financial liabilities.

4 Other receivables and prepaid expenses

	Note	2021 Rm	2020 Rm
Related party receivables – intercompany receivables	22	**304**	498
Other receivables		**62**	–
		366	498
Less: Expected credit loss[1]		**(1)**	(1)
		365	497
Prepaid expenses[2]		**–**	365
		365	862

1 Refer to note 23 for details on expected credit loss calculation.
2 Prepaid expenses in the prior year relate mainly to standby underwriters fees, legal fees and other cost incurred in relation to a potential rights issue as announced on 17 March 2020.

Fair value of other receivables

The carrying amount approximates fair value due to the short period to maturity of these receivables.

5 Cash and cash equivalents

	2021 Rm	2020 Rm
Cash	**7**	1
Cash – deposit with Group Treasury	**1 363**	5 755
Cash – Per the statement of cash flows	**1 370**	5 756
Less: Expected credit loss*	**(1)**	(3)
	1 369	5 753

* Refer to note 23 for details on expected credit loss calculation.

Fair value of cash

The carrying amount of cash approximates fair value.

6 Long-term financial liabilities

	2021 Rm	2020 Rm
Non-derivative instruments		
Financial guarantees recognised	**1 466**	1 387
Expected credit loss adjustment	**(44)**	60
Translation difference	**(161)**	263
Less: amortisation of financial guarantees	**(527)**	(382)
	734	1 328
Less: short-term portion of financial guarantees	**(273)**	(456)
Arising on long-term financial instruments	**461**	872
Guarantees – maximum exposure	**116 718**	200 193

6 Long-term financial liabilities continued

	2021 Rm	2020 Rm
Measurement of long-term financial guarantees		
Initial fair value is calculated by reference to the expected loss model where three factors are considered:		
The notional amount of the guarantee, the probability of default and the loss given default. A premium of WACC is then applied to determine the minimum level of return required. Subsequently at each reporting period the financial guarantee contract is measured at the higher of the amount initially recognised less cumulative adjustments relating to amortisation; and expected credit loss. Refer to note 23 for details on expected credit loss.	**734**	1 328

The long-term financial liabilities consist of guarantees issued for related party debt:

	2021		2020	
	Maximum exposure Rm	Liability included in statement of financial position Rm	Maximum exposure Rm	Liability included in statement of financial position Rm
Financial guarantees				
Revolving credit facility – various banks[1]	**7 740**	**23**	67 336	285
Bank of America Merril Lynch[3]	**22 869**	**177**	31 214	287
US Bond Holders (2024 Notes)[2]	**21 749**	**161**	26 388	267
US Bond Holders (2022 Notes)[4]	**14 325**	**39**	17 428	82
Bank of America Merril Lynch[3]	**–**	**–**	17 362	52
US Bond Holders (2028 Notes)[2]	**10 892**	**195**	13 215	270
US Bond Holders (2026 Notes)[2]	**9 399**	**27**	–	–
US Bond Holders (2031 Notes)[2]	**12 331**	**36**	–	–
ABSA Bank Limited – banking facility[5]	**2 000**	**5**	6 507	19
Citibank[6]	**2 856**	**8**	3 465	10
Nedbank Limited – banking facility[5]	**2 500**	**7**	3 000	9
FirstRand Bank Limited – banking facility[5]	**3 000**	**8**	3 000	9
Eskom Holdings Limited[7]	**2 448**	**8**	2 713	8
Mizuho Bank of Europe N.V[8]	**–**	**–**	2 604	8
Noteholders of Commercial Paper[9]	**2 191**	**6**	2 197	9
Saudi Aramco[10]	**1 000**	**22**	1 213	4
The Standard Bank of South Africa Limited – banking facility[5]	**–**	**–**	1 030	3
Investec Bank Limited – banking facility[5]	**1 000**	**3**	1 000	3
ABSA Bank Limited – Natref debt[11]	**365**	**8**	432	2
Nedbank Limited – Natref debt[11]	**32**	**1**	64	1
Nedbank Limited – Sasol Oil[12]	**21**	**–**	25	–
	116 718	**734**	200 193	1 328

1 Guarantee issued to various banks over the joint revolving credit facility of Sasol Financing International Limited, Sasol Financing Limited and Sasol Financing (USA) LLC maximum exposure amounting to US$542 million.

2 Guarantees issued for the US$ bonds issued by Sasol Financing (USA) LLC, maximum exposure of US$3 807 million including accrued interest of US$57 million. The 2026 and 2031 notes were issued on 18 March 2021.

3 Guarantees issued to Bank of America Merril Lynch over the term loan of Sasol Financing (USA) LLC, maximum exposure amounting to US$1 601 million including accrued interest of US$1 million. The syndicated loan was fully settled in December 2020 and Sasol Limited was released from the guarantee.

4 Guarantee issued for the US$ bond issued by Sasol Financing International Limited, maximum exposure US$1 003 million including accrued interest of US$3 million.

5 Sasol Limited has issued guarantees of R8 500 million to various banks in relation to central treasury credit facilities available to Sasol Financing Limited. The Standard Bank credit facility was fully repaid and the guarantee will be cancelled in due course.

6 Guarantee issued to Citibank over the joint Letter of Credit facility of Sasol Financing International Limited and Sasol International Services Limited, maximum exposure of US$200 million.

7 Sasol Limited issued a number of guarantees on behalf of Sasol South Africa Limited to Eskom relating to the construction of power substations and a financial guarantee of R1 786 million over the Eskom electricity account.

8 Sasol was released from the guarantee issued to Mizuho Bank Europe N.V over the Credit facility of Sasol Financing International Limited, as the loan was fully settled on 21 February 2021.

9 Guarantee of paper to the value of R2 176 million issued in the local debt market under the current Domestic Medium Term Note (DMTN) programme.

10 Guarantee issued on behalf of Sasol Oil, who took over the guaranteed party from Sasol International Services Limited, maximum exposure amounting to US$70 million.

11 Guarantee issued over the debt of National Petroleum Refiners of South Africa (Pty) Ltd.

12 Guarantee issued over the debt of Sasol Oil (Pty) Ltd.

	Note	2021 Rm	2020 Rm

7 Short-term provision

	Note	2021 Rm	2020 Rm
Comprising share-based payment			
Balance at beginning of year		**1**	23
Per the income statement	18	**1**	(22)
Balance at end of year		**2**	1

8 Trade and other payables

	Note	2021 Rm	2020 Rm
Related party payables – intercompany payables	22	**57**	193
Trade payables		**40**	149
Employee-related payables		**38**	30
		135	372
Age analysis of trade payables			
Not past due date		**40**	149

Fair value of trade and other payables

The carrying value approximates fair value because of the short period to settlement of these obligations.

9 Translation gains/(losses)

	2021 Rm	2020 Rm
Arising from:		
Guarantees	**161**	(263)
Intercompany receivables	**(1)**	–
Intercompany payables	**2**	(2)
Deposit with Group Treasury	**(90)**	120
	72	(145)

Differences arising on the translation of monetary assets and liabilities from one currency into the functional currency of the company at a different exchange rate.

10 Expected credit losses

	Note	2021 Rm	2020 Rm
Net expected credit losses (released)/raised			
Long-term receivables	2	**(14)**	7 313
Cash and cash equivalents	5	**(2)**	3
		(16)	7 316

11 Other operating expenses

	Note	2021 Rm	2020 Rm
Other operating expenses includes:			
Management fee paid to Sasol South Africa Limited		**139**	142
Professional fees[1]		**716**	166
Employee-related expenditure		**125**	134
salary and related expenses		**58**	131
share-based payment expense	18	**67**	3
Donations		**–**	167
Other		**54**	75
		1 034	684

1 Professional fees relate mainly to standby underwriters fees, legal fees and other cost incurred in relation to the potential rights issue which was announced on 17 March 2020.

12 Remeasurement items affecting operating profit

	2021 Rm	2020 Rm
Effect of remeasurement items		
Impairment of investment in subsidiary	**–**	(36 508)

Remeasurement items 2021

The valuation of the Sasol South Africa Group has increased in the current year due to economic recovery as well an improvement in chemical prices and a higher demand for solvents and other chemical products. The higher valuation indicated a potential reversal of the prior year impairment. The SSA valuation is extremely sensitive to macroeconomic changes, mainly oil price and US$ exchange rate, (2021 – R33,0 billion; 2020 – R4,0 billion; 2019 – R121,4 billion). The prior impairment was therefore not reversed due to the valuation sensitivity, uncertainty over the timing and extent of the continued price recovery.

Remeasurement items 2020

Impairment of investment in subsidiary

The company's investment in Sasol South Africa Limited Ltd has been impaired to fair value, based on the results of an internal valuation of Sasol South Africa Limited performed at 30 June 2020. The lower valuation of the entity is mainly due to the impact of the lower oil price, depressed chemical market and the impact of COVID-19. The investment was impaired to a recoverable amount of R3,3 billion.

13 Revenue

	2021 Rm	2020 Rm
Dividends received from subsidiaries – recognised in revenue	**16 177**	7 587
Cash dividends received – per statement of cash flows	**16 173**	7 587

	2021 Rm	2020 Rm
14 Finance income		
Interest accrued and received (refer to note 22)	**452**	622
Guarantee fees received – indirect subsidiaries (refer to note 22)	**419**	380
Notional interest received	**3 141**	4 234
Finance income	**4 012**	5 236
Cash interest received – per statement of cash flows	**871**	1 002
Notional interest	**3 141**	4 234
	4 012	5 236

	Note	2021 Rm	2020 Rm
15 Finance costs			
Debt – direct subsidiary	22	**–**	(94)
Other		**–**	–
Cash interest paid – per statement of cash flows		**–**	(94)
Notional interest		**(95)**	(159)
Per income statement		**(95)**	(253)

	2021 Rm	2020 Rm
16 Taxation		
South African normal tax	**(82)**	(139)
current year	**(89)**	(139)
prior years	**7**	–
Deferred tax – South Africa	**(166)**	13
current year	**(166)**	13
	(248)	(126)

Reconciliation of effective tax rate

The table below shows the difference between the South African enacted tax rate (28%) compared to the tax rate in the income statement. Total income tax expense differs from the amount computed by applying the South African normal tax rate to earnings before tax. The reasons for these differences are:

	2021 %	2020 %
South African normal tax rate	**28,0**	28,0
Increase in rate of tax due to:		
exempt income	**–**	10,5
disallowed expenditure	**1,5**	–
	29,5	38,5
Decrease in rate of tax due to:		
exempt income	**(28,2)**	–
disallowed expenditure	**–**	(7,0)
other adjustments*	**–**	(31,9)
Effective tax rate	**1,3**	(0,4)

* Other adjustments in the prior year relate to the impairment of investment in subsidiaries.

	Number of shares 2021	Number of shares 2020
17 Share capital		
Authorised	**1 314 407 571**	1 314 407 571
Issued	**634 244 336**	632 365 757

For further details of share capital, refer to note 16 in the consolidated Annual Financial Statements.

	2021 Rm	2020 Rm
18 Share-based payment		
18.1 Share-based payment expense		
During the year, the following share-based payment expenses were recognised in the income statement regarding share-based payment arrangements that existed:		
Cash-settled – recognised in share-based payment provision		
Sasol Share Appreciation Rights Scheme	**–**	(22)
Equity-settled – recognised in share-based payment reserve		
Sasol Long-term Incentive Scheme	**67**	25
	67	3
18.2 Share-based payment reserve		
Equity-settled		
Sasol Khanyisa share transaction	**885**	1 068
Sasol Long-term Incentive Scheme	**1 042**	878
	1 927	1 946

For further details of the Sasol Khanyisa transaction, refer to note 36 in the consolidated Annual Financial Statements.

	Note	2021 Rm	2020 Rm
19 Cash generated by operating activities			
Cash flow from operations	20	**15 156**	7 024
Decrease in working capital		**260**	129
		15 416	7 153

20 Cash flow from operations

	Note	2021 Rm	2020 Rm
Earnings/(loss) before tax		**19 186**	(32 080)
Adjusted for			
finance income	14	**(4 012)**	(5 236)
finance costs	15	**95**	253
translation on guarantees	9	**(161)**	263
equity-settled share-based payment expense	18	**67**	25
effect of remeasurement items	12	**–**	36 508
movement in provision		**1**	(22)
income statement charge	7	**1**	(22)
utilisation	7	**–**	–
expected credit losses on long and short-term receivables	10	**(16)**	7 316
other non-cash movements		**(4)**	(3)
		15 156	7 024

21 Additional investments in subsidiaries and long-term receivables movements

	Note	2021 Rm	2020 Rm
(Increase)/decrease in investments per statement of financial position	1	**(25 201)**	29 833
Adjusted for			
notional interest		**2 613**	3 851
long-term incentive scheme		**1 311**	1 297
impairment of investment in subsidiary		**–**	(36 508)
Per statement of cash flows		**(21 277)**	(1 527)

22 Related party transactions

During the year, the company in the ordinary course of business, entered into various transactions with its direct and indirect subsidiaries. The effect of these transactions is included in the financial performance and results of the company.

Material related party transactions were as follows:

	Note	2021 Rm	2020 Rm
Other income statement items to related parties			
Management fee to subsidiary			
Sasol South Africa Limited	11	**139**	142
Donation to			
Sasol Siyakha Enterprise and Supplier Development Trust		**–**	122
Revenue – dividends from subsidiaries			
Sasol Mining Holdings (Pty) Ltd		**3 159**	1 308
Sasol South Africa Limited		**10 835**	5 877
Sasol Financing Limited		**535**	–
Sasol Technology (Pty) Ltd		**22**	–
Sasol Oil (Pty) Ltd		**75**	105
Sasol Middle East and India (Pty) Ltd		**683**	–
Sasol Africa (Pty) Ltd		**864**	297
		16 173	7 587
Finance income – interest from subsidiaries			
Sasol Khanyisa Fundco (RF) Ltd		**452**	613
Sasol South Africa Limited		**2 614**	3 851
Sasol Financing International Limited		**–**	7
		3 066	4 471
Finance income – guarantee fees from subsidiaries			
Sasol Chemicals (USA) LLC*		**–**	(166)
Sasol Chemicals North America LLC		**–**	81
Sasol International Services Limited		**9**	11
Sasol Financing USA LLC		**398**	446
Sasol South Africa Limited		**10**	7
Sasol Oil (Pty) Ltd		**2**	1
		419	380
Finance cost paid to subsidiary			
Sasol Financing Limited		**–**	94
Amounts reflected as non-current assets			
Investments in subsidiaries at cost	1	**157 992**	132 206
Shareholder loan to subsidiaries			
Sasol Mining (Pty) Ltd	1	**525**	525
		158 517	132 731
Long-term receivables relating to subsidiaries			
Sasol South Africa Limited	2	**46 877**	46 877
Sasol Khanyisa Fundco (RF) Ltd	2	**7 883**	8 622
		54 760	55 499

* The prior year includes credit notes issued in respect of prior year guarantee fees.

	2021 Rm	2020 Rm
Long-term receivables relating to indirect subsidiaries		
Sasol Foundation Trust	**40**	–
Sasol Khanyisa Warehousing Trust	**17**	17
	57	17
Amounts reflected as current assets		
Other receivables relating to direct subsidiaries		
Sasol Investment Company (Pty) Ltd	**91**	183
Sasol Oil (Pty) Ltd	**–**	1
Sasol South Africa Limited	**–**	6
Other receivables relating to indirect subsidiaries		
Sasol Chemicals North America LLC	**–**	42
Sasol Financing USA LLC	**195**	246
Other	**18**	20
	304	498
Short-term payables relating to direct and indirect subsidiaries		
Sasol Holdings Netherlands B.V.	**3**	3
Sasol South Africa Limited	**13**	22
Sasol Chemicals North America LLC	**28**	–
Sasol Chemicals (USA) LLC	**11**	168
Other	**2**	–
	57	193

An analysis of other related party transactions is provided in:

Note 6 – Long-term financial liabilities

Note 12 – Remeasurement items affecting operating loss

23 Financial risk management and financial instruments

Introduction

The company is exposed in varying degrees to a variety of financial instrument related risks. Refer to note 40 in the consolidated financial statements for more information.

Credit risk

Credit risk, or the risk of financial loss due to counterparties not meeting their contractual obligations. Credit risk is deemed to be low when based on the forward available information it is highly probable that the customer will service its debt in accordance with the agreement throughout the period.

How we manage the risk

The risk is managed by review of credit status, credit limits and other monitoring procedures. Where appropriate, the company obtains security in the form of guarantees to mitigate risk. Counterparty credit limits are in place and are reviewed and approved by management prior to granting credits. Management has evaluated counterparty risk and does not expect any treasury counterparties to fail in meeting their obligations. The company's maximum exposure is the outstanding carrying amount of the financial asset.

For all financial assets measured at amortised cost, the company calculates the expected credit loss based on contractual payment terms of the asset. The exposure to credit risk is influenced by the individual characteristics, the industry and geographical area of the counterparty with whom we have transacted. Financial assets at amortised cost are carefully monitored and reviewed on a regular basis for expected credit loss and impairment based on our credit risk policy.

A credit rating of 'BB' to 'BB-' is assigned to long-term receivables measured at amortised cost.

Expected credit loss is calculated as a function of probability of default, loss given default and exposure at default. The company determines the probability of default based on the forward-looking external information such as chemical prices and exchange rates and internal information such as budgets and customer financial profile analysis. Loss given default is based on the Basel model. The Basel model assumes 40% loss given default for secured financial assets and 50% for unsecured financial assets. Credit enhancement is only taken into account if it is integral to the asset. Financial assets' expected credit loss is measured over 12 months when the credit risk is low and over lifetime where the credit risk has increased. When the financial asset reflects impairment indicators such as fair value of the asset being less than the carrying amount, or the customer is in liquidation, a specific expected credit loss is calculated based on management's view of what is considered as less probable to be received. Refer to note 40 "credit risk" in group financial statements.

Credit risk is the risk of financial loss due to counterparties not meeting their contractual obligations. Credit risk is deemed to be low when, based on the forward available information, it is highly probable that the customer will service its debt in accordance with the agreement throughout the period.

23 Financial risk management and financial instruments continued

	2021			2020		
	Life time Rm	12 months Rm	Expected credit loss Rm	Life time Rm	12 months Rm	Expected credit loss Rm
Long-term receivables*	**7 746**	**126**	**7 872**	7 746	140	7 886
Other receivables	**–**	**1**	**1**	–	1	1
Cash and cash equivalents	**–**	**1**	**1**	–	3	3
	7 746	**128**	**7 874**	7 746	144	7 890

* An internal valuation of Sasol South Africa Limited performed in the prior year, resulted in the Sasol Khanyisa Fundco long-term receivable carrying amount being higher than its fair value. As a result, a specific expected credit loss of R7,7 billion was recognised at 30 June 2020. The valuation at 30 June 2021 has increased due to economic recovery and an increase in chemical prices and demand for products, however due to the uncertainty over the timing and extent of the continued price recovery, a reversal of the prior year specific expected credit loss was not recognised.

Liquidity risk

The company has provided guarantees for the financial obligations of subsidiaries and joint ventures. The outstanding guarantees at 30 June 2021 are provided in note 6.

The maturity profile of the undiscounted contractual cash flows of financial instruments at 30 June were as follows:

	Note	Contractual cash flows* Rm	Within one year Rm	One to five years* Rm	More than five years Rm
2021					
Financial assets					
Non-derivative instruments					
Investment in security	1	**8**	**–**	**–**	**8**
Long-term receivables		**58 149**	**–**	**–**	**58 149**
Other receivables	4	**366**	**366**	**–**	**–**
Cash	5	**1 370**	**1 370**	**–**	**–**
		59 893	**1 736**	**–**	**58 157**
Financial liabilities					
Non-derivative instruments					
Trade and other payables	8	**(135)**	**(135)**	**–**	**–**
Financial guarantees[1]	6	**(116 718)**	**(116 718)**	**–**	**–**
		(116 853)	**(116 853)**	**–**	**–**

	Note	Contractual cash flows* Rm	Within one year Rm	One to five years Rm	More than five years Rm
2020					
Financial assets					
Non-derivative instruments					
Investment in security	1	8	–	–	8
Long-term receivables		60 054	–	–	60 054
Other receivables	4	498	498	–	–
Cash	5	5 756	5 756	–	–
		66 316	6 254	–	60 062
Financial liabilities					
Non-derivative instruments					
Trade and other payables	8	(372)	(372)	–	–
Financial guarantees[1]	6	(200 193)	(200 193)	–	–
		(200 565)	(200 565)	–	–

* Contractual cash flows include interest payments.

1 Issued financial guarantee contracts are all repayable on default, however the likelihood of default is considered remote. Refer to note 6.

Market risk

Market risk is the risk arising from possible market price movements and their impact on the future cash flows of the business. The market price movements that the company is exposed to include foreign currency exchange rates. The company has developed policies aimed at managing the volatility inherent in these exposures which are discussed in the risks below.

Foreign currency risk

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2021	2020	**2021**	2020
Rand/US dollar	**15,40**	15,69	**14,28**	17,33

The most significant exposure of the company's financial assets and liabilities to currency risk is as follows:

	2021 US dollar Rm	2020 US dollar Rm
Other receivables	**50**	–
Other payables	**–**	(86)
Net exposure on balances between group companies	**846**	453
Total net exposure	**896**	367

Sensitivity analysis

The following sensitivity analysis is provided to show the foreign currency exposure of the individual entities at the end of the reporting period. This analysis is prepared based on the statement of financial position balances that exist at year-end, for which there is currency risk. The effect on equity is calculated as the effect on profit and loss.

A 10 percent strengthening of the rand on the company's exposure to foreign currency risk at 30 June would have increased either the equity or the income statement by the amounts below before the effect of tax. This analysis assumes that all other variables, in particular interest rates, remain constant and has been performed on the same basis for 2020.

	2021		2020	
	Equity Rm	**Income statement Rm**	Equity Rm	Income statement Rm
US dollar	**(90)**	**(90)**	(37)	(37)

A 10 percent weakening in the rand against the above currency at 30 June would have the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

Fluctuations in interest rates impact on the value of short-term investments and financing activities, giving rise to interest rate risk. Exposure to interest rate risk is particularly with reference to changes in South African interest rates.

At the reporting date, the interest rate profile of the company's interest-bearing financial instruments was:

	Carrying value before ECL	
	2021 Rm	2020 Rm
Variable rate instruments		
Financial assets	**9 253**	14 378
	9 253	14 378
Fixed rate instruments		
Financial assets	**46 877**	46 877
	46 877	46 877
Interest profile (variable: fixed rate as a percentage of total interest bearing)	**16:84**	23:77

23 Financial risk management and financial instruments continued

Cash flow sensitivity for variable rate instruments

Financial liabilities affected by interest rate risk include borrowings and deposits. A change of 1% in the prevailing interest rate in that region at the reporting date would have increased/(decreased) earnings by the amounts shown below before the effect of tax. The sensitivity analysis has been prepared on the basis that all other variables, in particular foreign currency exchange rates, remain constant and has been performed on the same basis for 2020.

	Income statement – 1% increase
	South Africa Rm
30 June 2021	**93**
30 June 2020	144

A 1% decrease in the interest rate at 30 June would have the equal but opposite effect for rand exposure.

24 Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and Interpretations of those standards, as issued by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council and the South African Companies Act, 2008. The financial statements were approved for issue by the Board of Directors on 16 August 2021.

25 Basis of preparation of financial results

The financial statements are prepared using the historic cost convention except that, as set out in the notes above, certain items, including derivative instruments, liabilities for cash-settled share-based payment schemes, financial assets at fair value through profit or loss and investment in security, are stated at fair value.

The financial statements are prepared on the going concern basis, refer note 2 in the Group financial statements.

Except as otherwise disclosed, these accounting policies are consistent with those applied in previous years.

26 Going concern

Refer to note 2 in the Group annual financial statements.

27 Subsequent events

Refer to note 39 in the Group annual financial statements.

28 Other

For further information regarding the remuneration of directors and key management personnel, refer to the audited Report of the Remuneration Committee on pages 37 to 46.

For information on major shareholders, refer to page 19.

Information on contingencies is contained in Note 37 of the consolidated Annual Financial Statements.

To the Directors of Sasol Limited

Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information included in the Sasol Limited Annual Financial Statements for the year ended 30 June 2021

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Sasol Limited (the "Company") by the directors. The pro forma financial information, as set out on pages 47 to 161 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2021, consist of selected financial information translated into US Dollar for convenience purposes. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are specified in the JSE Limited (JSE) Listings Requirements and described in the basis of preparation and accompanying footnotes on pages 49, 51, 60 and 161 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2021.

The pro forma financial information has been compiled by the directors to enable offshore shareholders to interpret the financial performance in a universally measured currency. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 30 June 2021, on which an audit report has been published.

Directors' responsibility

The directors of the Company are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the basis of preparation and accompanying footnotes on pages 49, 51, 60 and 161 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2021.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the basis of preparation and accompanying footnotes on pages 49, 51, 60 and 161 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2021 based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to present the financial performance in a universally measured currency to enable offshore shareholders to interpret the financial performance. Accordingly, we do not provide any assurance that the actual financial information would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in the basis of preparation and accompanying footnotes on pages 49, 51, 60 and 161 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2021.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Johan Potgieter
Registered Auditor
Johannesburg, South Africa

16 August 2021

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Direct purchase plan

J.P. Morgan offers a convenient way for you to buy ADRs through the GID Program ("Program"). If you wish to participate or review the Program brochure, please visit adr.com/shareholder. At the bottom of the page click on View All Plans and select Sasol Limited to request an enrollment kit or you can call 1-800-990-1135 or 1-651-453-2128.

With the Program, you can:

- Purchase ADSs without a personal broker
- Increase your ADS ownership by automatically reinvesting your cash dividends
- Purchase additional ADSs at any time or on a regular basis through optional cash investments
- Own and transfer your ADSs without holding or delivering paper certificates

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Disclaimer – Forward-looking statements

Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, the impact of the novel coronavirus (COVID-19) pandemic on Sasol's business, results of operations, financial condition and liquidity and statements regarding the effectiveness of any actions taken by Sasol to address or limit any impact of COVID-19 on its business; statements regarding exchange rate fluctuations, changing crude oil prices, volume growth, changes in demand for Sasol's products, increases in market share, total shareholder return, executing our growth projects, oil and gas reserves, cost reductions, legislative, regulatory and fiscal development, our climate change strategy and business performance outlook. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour", "target", "forecast" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors and others are discussed more fully in our most recent annual report on Form 20-F filed on 24 August 2020 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Pro-forma financial information

US dollar convenience translations included in these financial statements constitutes pro forma financial information in terms of the JSE Listing Requirements.

The pro forma financial information is the responsibility of the board of directors and is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present Sasol's financial position, changes in equity, results of operations or cash flows. The underlying information, used in the preparation of the pro forma financial information, has been prepared using accounting policies which comply with IFRS and are consistent with those applied in the published group consolidated annual financial statements for the year ended 30 June 2021.

This pro forma information has been reported on by the group's auditors, being PricewaterhouseCoopers Inc. Their unqualified reporting accountant's report prepared in terms of ISAE 3420 is available on page 159.

Please note: One billion is defined as one thousand million, bbl – barrel, bscf – billion standard cubic feet, mmscf – million standard cubic feet, oil references brent crude, mmboe – million barrels oil equivalent. All references to years refer to the financial year ended 30 June. Any reference to a calendar year is prefaced by the word "calendar".

Comprehensive additional information is available on our website: www.sasol.com

Abbreviations

bbl –barrels

mm bbl – million barrels

mm tons – million tons

bscf – billion standard cubic feet

mmscf – million standard cubic feet

mmboe – million barrels oil equivalent

m bbl – thousand barrels

oil – references brent crude

ktpa – thousand tons per annum

Rm – rand millions

one billion –one thousand million

$/ton – US dollar per ton

mm³ –million cubic meters

BFP – Basic Fuel Price

BPEP – Business Performance Enhancement Programme

EGTL – Escravos Gas-to-Liquid

LCCP – Lake Charles Chemicals Project

RP – Response Plan

PSA – Production Sharing Agreement

GTL – Gas-to-Liquids

US – United States of America

B-BBEE – Broad-Based Black Economic Empowerment

CGUs – Cash Generating Units

SARS – South African Revenue Services

JSE – Johannesburg Stock Exchange Limited

IFRS – International Financial Reporting Standards

HEPS – Headline Earnings per Share

DEPS – Dilluted Earnings per share

CHEPS – Core headline earnings per share

EPS – Earnings per share

EBIT – Earnings before interest and tax

WACC – Weighted average cost of capital

LTIs – Long-term incentives

SARs – Share Appreciation Rights scheme

CPTs – Corporate Performance Targets

Net debt : EBITDA – EBITBA as defined in the loan agreements www.sasol.com