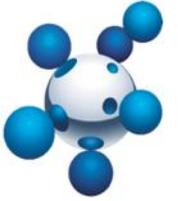


SASOL



# SASOL'S SUBMISSION TO THE PORTFOLIO COMMITTEE ON ENVIRONMENT, FORESTRY AND FISHERIES ON THE PROPOSED CLIMATE CHANGE BILL

20 September 2022



*Purpose*  
Innovating for a  
better world

# Sasol is a strong contributor to the South African economy

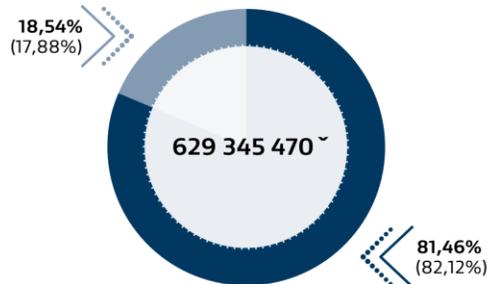


Sasol is South Africa's leading chemicals and energy organisation with a global presence. We are purpose-driven and resolute in our transition to being a sustainable entity while creating shared value for all our stakeholders.

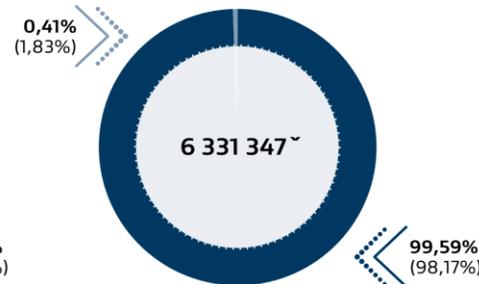
- Turnover**  
R276 billion
- Total assets**  
R420 billion
- Market capitalisation**  
R234 billion
- Reinvested to grow and sustain operations**  
R50 billion
- Significant contributor to South Africa's GDP**

## Shareholders

Sasol ordinary shares



Sasol BEE ordinary shares



■ Public  
■ Non-public (PIC and IDC)  
~ Number of shares

Listed on the Johannesburg Stock Exchange (JSE) and the New York Stock Exchange (NYSE)

**Value shared\***

- R16,2 billion in direct taxes
- R33 billion in wages and benefits
- R743,3 million on social investment initiatives
- R1,2 billion in research and development
- R1,2 billion on skills development

**Our Net Zero emissions ambition by 2050 and interim targets are in support of the Paris Agreement goals**

28 630 employees

Located in 22 countries and market products across 118 countries

**Approved R15-25 billion to decarbonise by 30% by 2030 which supports achievement of the lower end of the NDC. In parallel we are investing in low carbon growth projects such as Boegoebaai and others in the Northern Cape to add further value to the South African economy**

# Sasol is decarbonising for a low-carbon future



## Renewables

- Committed to 1 200 MW renewable power by 2030
- Power Purchasing Agreement close to being concluded for >600MW for introduction into our facilities by 2025
- >5 projects awaiting regulatory approval for solar and wind



## Transition gas

- Mozambique gas supply plateau extended to 2028
- Adjacent exploration acreage
- Creating optionality for gas supply to lower costs
- Mozambican Production Sharing Agreement progressing
- Pursing 40 – 60 PJ additional LNG from 2026



## Low carbon enablers

- Green H<sub>2</sub> from Sasolburg facility available from 2023
- Natref green hybrid refinery concept being developed
- Secunda Sustainable Aviation Fuel production being advanced
- Fine coal solution technology ready to facilitate boiler shutdown



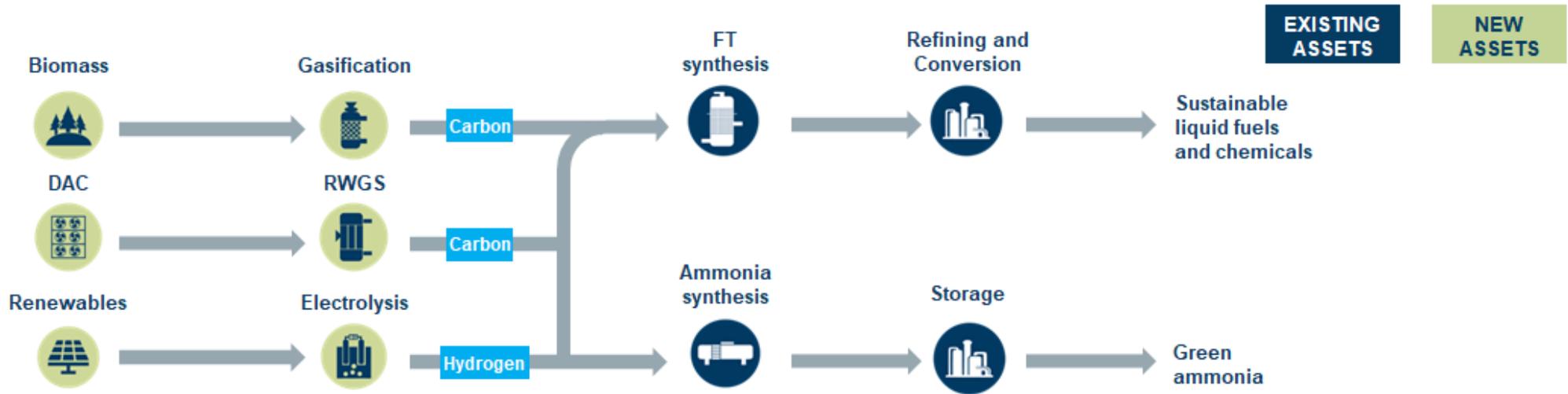
## Just Transition

- A just transition roadmap is under development under the auspices of the Just Transition Office
- Leveraging existing initiatives and low carbon sector development for job creation and economic development
- Advancing development of an ecosystem of partners to achieve economies of scale for decarbonisation and sustainable development

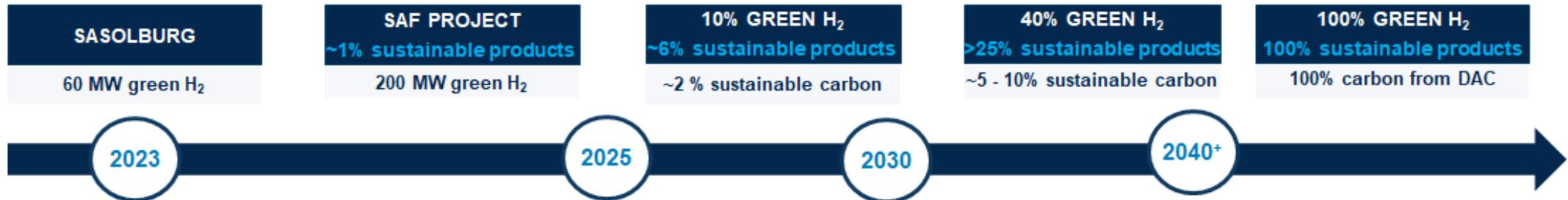
**Significant progress made in 2022 to advance our 30% GHG reduction target by 2030 and Net Zero by 2050**

# The Secunda of tomorrow will look different to the Secunda of today

## LEVERAGING EXISTING ASSETS TO TRANSFORM QUICKER AND MORE COST EFFECTIVELY COMPARED TO COMPETITORS

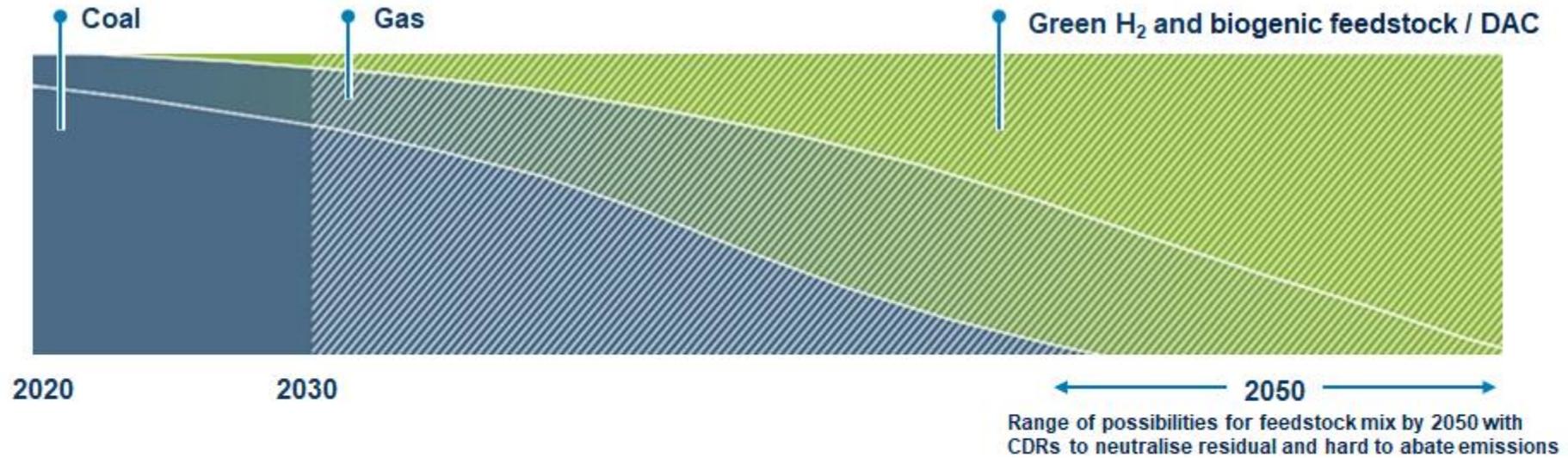


### STEPWISE APPROACH TOWARDS SHIFTING OF OUR PRODUCT SLATE



Our vision envisages zero scope 1 and 2 emissions with a new low carbon compatible product slate with an orderly transition spanning to 2050. This requires time for requisite technologies to come down cost curves

# Transitioning to more sustainable feedstock



## KEY SIGNPOSTS



Technology and renewables cost changes



Regulation changes



Macro-trends



Customer sentiment

**A clearly articulated vision and an enabling policy environment is key. We support the Climate Change Bill and its focus on enabling a just transition - this policy must be urgently enacted**

## Sasol's recognises that the Bill has incorporated several issues previously raised however a few key concerns remain that require addressing



1. **Previous versions of the Bill reflected that the carbon budget will result in a carbon tax penalty** which must be brought back in the Bill.
2. **The Bill does not provide sufficient assurance that sectoral emission targets (SETs) will not negatively impact industry** beyond the requirements set by the applicable carbon budget.
3. **Insufficient recognition and provision in the Bill of mitigation potential** and the feasibility to transition as criteria for allocation of the carbon budget and the availability of economically feasible technology.
4. **Alignment with the carbon budget:** the risk of escalating carbon prices and mandatory carbon budgets will be exacerbated should these instruments lack effective alignment and if out of sync with mitigation being available in this timeframe. We therefore request for the timing of the proposed amendments to the Carbon Tax Act to await clarity on the Climate Change Bill.

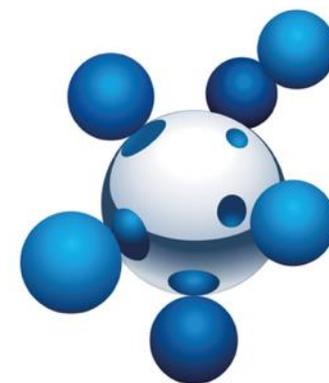
**More can be done to ensure the Bill and other legislative objectives are better aligned to achieve South Africa's climate goals in a just way**

## Proposed recommendations in response to concerns raised

- An **administrative penalty without criminalisation** if a budget is exceeded, supported by positive incentives in the form of an integrated mitigation system.
- An enabling provision must be added to the Bill that ensures the **development of a holistic integrated mitigation system. We are supportive of carbon pricing that enables mitigation and a just transition.**
- Add an enabling provision that ensures SETs and **associated policies and measures (incentives) are developed** to support achievement of carbon budgets held by companies within the relevant sectors similar to the Inflation Reduction Act in the United States and Fit for 55 policy package supporting the European Union member countries
- **Specific criteria for allocating carbon budgets and SETs** that considers mitigation potential and the ability to transition.

**Our just transition is a shared value proposition comprising an inclusive transformation of our business, people and society. Through you Chairperson, Sasol would be available to brief the Committee on our just transition plans**

Thank you



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