AFS

SASOL LIMITED

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2023

Progressing a sustainable **Future Sasol**

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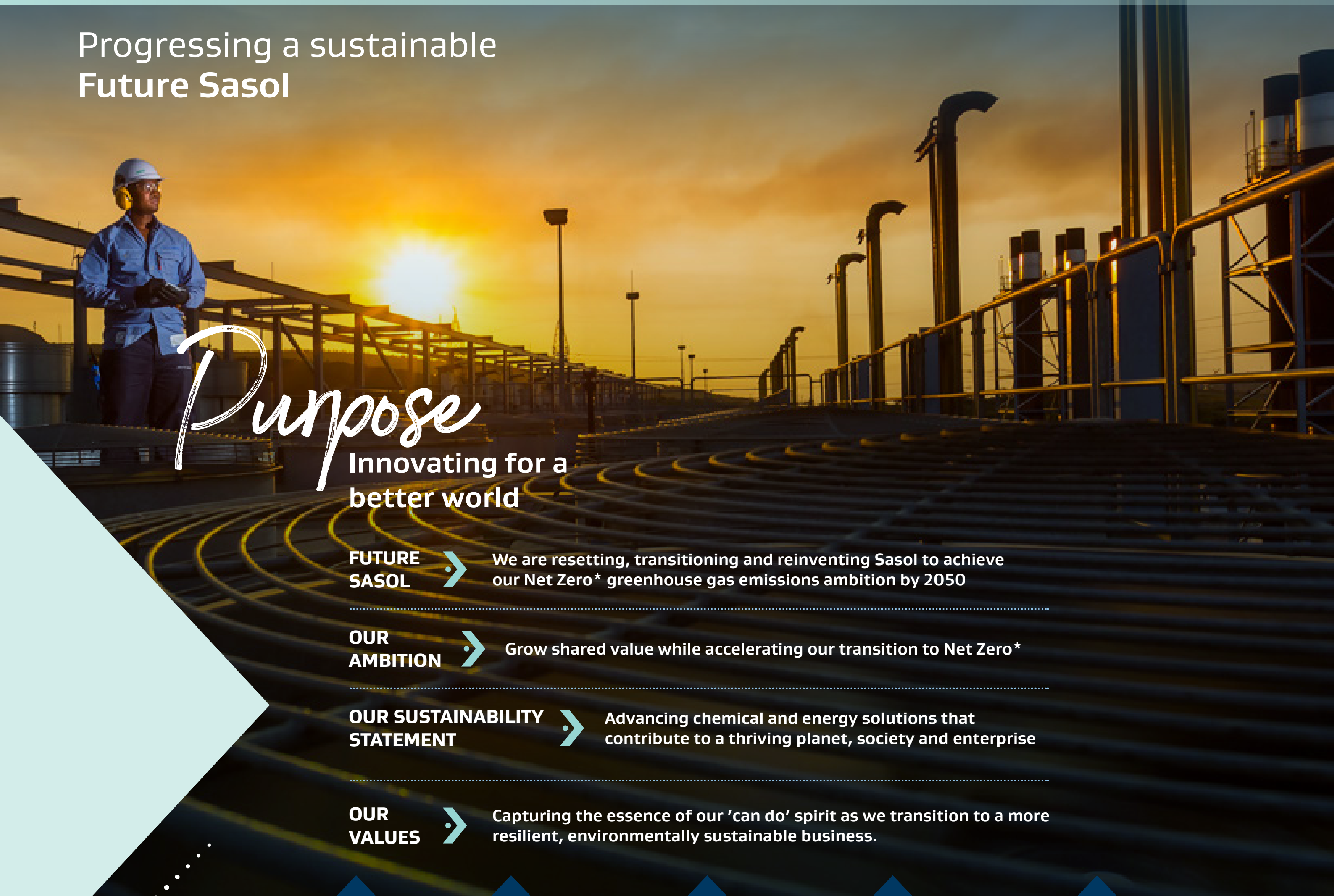


Purpose

Innovating for a better world

FUTURE SASOL — We are resetting, transitioning and reinventing Sasol to achieve our Net Zero* greenhouse gas emissions ambition by 2050

OUR AMBITION — Grow shared value while accelerating our transition to Net Zero*

OUR SUSTAINABILITY STATEMENT — Advancing chemical and energy solutions that contribute to a thriving planet, society and enterprise

OUR VALUES — Capturing the essence of our 'can do' spirit as we transition to a more resilient, environmentally sustainable business.

OUR VALUES

BE SAFE
We always place the safety of people first

BE CARING
We care deeply for our people, planet, and our communities

BE INCLUSIVE
We foster inclusivity in all we do, our employees, our customers and stakeholders

BE ACCOUNTABLE
We own our results

BE RESILIENT
We boldly adapt to change and embrace agility

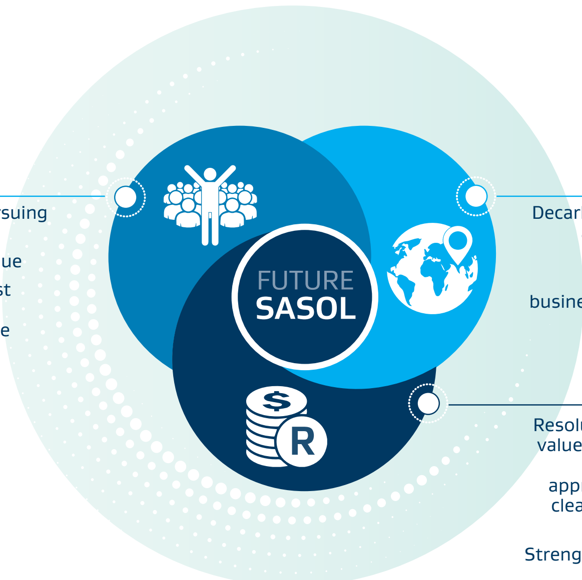
Our Purpose compels us to deliver against the outcomes of People, Planet and Profit; with the intent to be a force for good.

People

Committed to pursuing Zero Harm

Driving shared value

Attracting the best talent and being employer of choice



Planet

Decarbonising operations and transitioning to Future Sasol

New sustainable businesses leveraging our advantages and capabilities

Profit

Resolute about delivering value through a balanced capital allocation approach, supported by clearly defined financial targets

Strengthening our balance sheet to reset our business enabling our transition

* Net Zero for Sasol is to significantly reduce emissions to the point where only hard-to-abate emissions remain or are zero. Any residual emissions will be neutralised using carbon dioxide removal offsets.

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BASIS OF PREPARATION

The Annual Financial Statements (AFS) of Sasol Limited have been audited in compliance with section 30 of the Companies Act, number 71 of 2008 (the Companies Act). Hanré Rossouw, 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 Sasol Limited board of directors (the Board) and are audited by the external auditors of Sasol Limited and its subsidiaries (the Group).

INTERNAL CONTROL FRAMEWORK

The Group follows a combined assurance model in assessing internal controls.

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 strive to safely and sustainably source, produce and market a range of high-quality products globally.

REPORT OF THE AUDIT COMMITTEE

FOCUS AREAS

- Considering accounting matters, with specific focus on management's conclusions on the recoverable amount of assets
- Reviewed and considered significant legal matters that could have a material impact on the financial statements
- Assessing the financial statement impacts of climate change and energy transition
- Assessing processes and accounting impacts relating to debt raised in capital markets
- Assessing management's conclusion on the effectiveness of the internal control environment and progress on material weakness remediation
- Oversight and mandate support for hedging activities
- Assessing management's conclusion regarding going concern assumption

Introduction

In 2023, the Audit Committee (the Committee) continued to monitor the integrity of financial reporting systems and disclosures through reviewing and challenging judgements, estimates and accounting for significant transactions.

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

- 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 the assumptions applied by management pertaining to the Groups' Emission Reduction Roadmap (ERR) as well as certain legal matters, particularly as it relates to the impairment and recoverability of and useful life of long-lived assets;
- Assessed 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 Sasol Limited (the Company) and recommended the outcome to the Board;
- Provided oversight over the process for debt raised in the capital markets and new revolving credit facility obtained to smooth the Group's debt maturity profile including the accounting impact of the convertible bond on the financial statements;
- Assessed the volatile macroeconomic environment and management's proactive responses through hedging and balance sheet management;
- Assessed accounting provisions made relating to environmental regulatory requirements and post retirement benefits obligations;
- Considered management's analysis of the JSE's latest report on the proactive monitoring of financial statements; and
- Led the auditor rotation process.

In responding to these challenges, the Committee reviewed all significant financial risks and associated risk 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 2023 annual financial statements.

The Committee assists the Board in overseeing the:

- Quality and integrity of the Company's integrated reporting, incorporating the financial statements (including the Group financial statements), sustainability reporting, and public announcements in respect of the financial results;
- Qualification and independence of the external auditors for the Company and all Group companies;
- Scope and effectiveness of the external audit function for the Company and all Group companies;
- Effectiveness of the Group's internal controls and internal audit function;
- Effectiveness of the Group's financial risk management; and
- Compliance with legal and regulatory requirements to the extent that it might have an impact on financial statements.

The Committee considered scenarios that might impact the Company's viability, stress testing the Sasol business against pertinent factors including global oil and chemical price volatility, rand/US$ exchange rates, carbon tax and the impacts of the economic recovery following the COVID-19 pandemic and geopolitical tensions.

The Committee continued to monitor key risks and the mitigation thereof, 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 Mss GMB Kennealy, NNA Matyumza, KC Harper and Messrs S Westwell and S Subramoney.

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

The Committee met seven times during the financial year. All members attended all meetings, except for Ms K C Harper who could not attend one of the special meetings due to a prior commitment. The members were joined at most of these meetings by the Chairman of the Board, the President and Chief

Executive Officer and the Chief Financial Officer. The Chairman of the Audit Committee 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 is 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 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 the process to smooth the Group's debt maturity profile, cost savings programmes, budgeting and forecasting, taxation and accounting policy choices.

Significant matters considered by the Committee

Key Issues	Judgements in Financial Reporting	Audit Committee Review	Conclusions
Fair, balanced and understandable reporting	• Judgements and assumptions are applied by management in the preparation of financial statements.	The Committee: • Considered assurance from management that disclosures in Sasol's financial statements were fair, balanced and understandable. • Evaluated the outputs of Sasol's internal control process and reviewed issues on control deficiencies and remediation efforts in terms of section 404 of the Sarbanes Oxley Act (SOX). • Established 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. • Obtained assurance on the skills and capabilities of resources.	• Having assessed all 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 a material weakness identified in the 2020 financial year, considering the results of the internal and external auditors' confirmation thereof.

Key Issues	Judgements in Financial Reporting	Audit Committee Review	Conclusions
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 ongoing appropriateness of the CGUs being used for the purpose of impairment testing. • Macroeconomic conditions, major trends in the industry, and geopolitical factors, including carbon taxes and long-term demand for refined products and chemicals, are considered in developing the outlook for commodity and chemical prices and refining margin assumptions, which are important considerations in asset impairment analyses.	• 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, exchange rates and carbon tax rates. • For impairments and reversals identified in the current year, the Committee considered the outcome of multiple sensitivity scenarios to assess the appropriateness of the calculations. • Key impairment assessments and reversals reviewed by the Committee include: – The South African integrated value chain assets; – The corporate assets and the allocations to the CGUs; – Forecast and budgeted expenditure; and – The impact of the committed greenhouse gas (GHG) reduction targets, including renewables, liquefied natural gas (LNG) procurement and reduction in coal feedstock. • The Committee noted the decision by the National Air Quality Officer (NAQO) in South Africa on 11 July 2023 to decline Sasol's application in terms of Clause 12A of the Minimum Emission Standards (MES) to be regulated on an alternative emission load basis for the sulphur dioxide (SO_2) emissions from the boilers at its Secunda Operations' steam plants from 1 April 2025 onwards. The Committee further noted that Sasol has subsequently appealed the decision to the Minister of Forestry, Fisheries and the Environment. • Also refer to climate change related considerations below.	• The Committee supports management's recommendation to fully impair the Secunda liquid fuels refinery in the South African integrated value chain. • The Committee also supports the full impairments of the Wax and China Essential Care Chemicals (ECC) CGUs in Chemicals Africa and Chemicals Eurasia segments respectively mainly as a result of increased feedstock and input costs and softer demand outlook. • The Committee supports the reversal of the FY19 impairment relating to the Tetramerization CGU in the Chemicals America segment following sustained improvement in plant reliability and the conclusion of several longer-term sales agreements. • The Committee considered management's assessment on the value of the Company in relation to its current low share price, supporting management's conclusion that the Company's assets are fairly valued. • The Committee agrees with the accounting treatment of Sasol's appeal against the NAQO's decision to decline the application under Clause 12A of the MES after assessing management's response and plans to address the matter.

Key Issues	Judgements in Financial Reporting	Audit Committee Review	Conclusions
Climate change	• Climate change and the transition to a low carbon economy may have significant impacts on the judgement applied to reported amounts of the Group's assets and liabilities and on similar assets and liabilities that may be recognised in the future. • Progress made with the Groups ERR and the impact thereof on the recoverability of assets.	• The Committee reviewed energy price assumptions, covering the 2024 to 2025 period. The scope included oil, natural gas, refining margins and carbon tax within a broad range of scenarios. The Committee reviewed and challenged the pricing methodology for oil and gas and discussed with management how the impact of climate change was reflected in the methodology. • The Committee considered management's best estimate of how future changes to key assumptions were likely to affect the future cash flows used in the conclusion of the impairment and reversal of impairment assessments. The committee reviewed management's scenario analysis and the inputs used to determine sensitivity of cash flows to different scenarios. • The Committee reviewed the process for estimating decommissioning liabilities and challenged the assumptions used in determining the liabilities, including the anticipated period over which decommissioning liabilities were expected to be incurred in respect of the pace of transition to a low carbon economy and the alignment to Sasol's targets and ambition to 2030 and beyond. • The Committee considered the impact of energy prices and carbon taxes as part of its assessment of Sasol's going concern evaluation. • The Committee further considered the impact of Sasol's climate transition targets and ambition on the useful lives of property, plant and equipment, capital commitments and the estimates of future profitability used in our assessment of the recoverability of deferred tax assets.	• The Committee is satisfied that the financial statements appropriately address the key accounting judgements and estimates in respect of both the amounts reported and disclosures made and that they appropriately reflect the impact of the Group's climate change transition strategy.

Key Issues	Judgements in Financial Reporting	Audit Committee Review	Conclusions
Accounting for provisions	• **Post-retirement benefit obligations** Valuation of the post-retirement benefit obligations 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 are uncertain. Judgement is required in estimating future cost and cash outflows, discount rates, settlement dates, technology, legal requirements and the impact of climate change.	• 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. • The Committee considered the external auditor's assurance process which included the use of their specialists in pension and environmental matters. • Also refer to climate change related considerations above.	• The Committee reviewed the net post-retirement benefit assets in South Africa and the United States of America and the related surpluses. The Committee is satisfied that Sasol is entitled to these surpluses in terms of the pension fund rules and supported the recognition thereof. The valuations are performed by qualified independent actuaries. • The Committee reviewed the rehabilitation provisions for compliance with legislation and consistent application of the accounting policy.
Accounting for financial instruments	• **Derivative financial instruments** Judgement may be required to determine whether contracts to buy or sell commodities meet the definition of a derivative. Valuation of derivatives requires the use of assumptions in relation to uncertain future factors i.e. forward curves, volatility assumptions and discount curves.	• The Committee reviewed the assumptions in the calculations, and critically assessed the competence, independence and objectivity of the specialists engaged to perform the valuations.	• The Committee reviewed the valuations undertaken by the external financial instrument specialists, which supported the accounting entries. • The Committee reviewed the adequacy of the disclosures relating to derivative financial instruments.
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 require judgement. • 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 pertaining to 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 considered 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.	• The Committee received and reviewed detailed quarterly reports on the Group's tax position including uncertain tax positions, effective tax rates, tax provisions, recoverability of tax receivables, indirect taxes (including any claims from revenue authorities), status of the Group's tax compliance globally and relevant global fiscal developments impacting the Group's tax status.

Key Issues	Judgements in Financial Reporting	Audit Committee Review	Conclusions
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, 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, net debt and financing facilities utilised by the Group, the debt structure, the debt maturity profile and loan covenants.	• After examining the forecast and stress tested scenarios, 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.
Internal controls over financial reporting	• Management's conclusion relating to the effectiveness of internal controls over financial reporting requires a certain degree of judgement. • A separate Board committee, the Capital Investment and Digital Committee oversees the development of digital strategies as well as technology solutions and monitoring cyber security. The Capital Investment and Digital Committee overseas the information technology control environment. • The Capital Investment and Digital 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 previously reported material weakness in respect of the controls over the impairment assessment process of the South 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 (IASB).
- 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 established that no matters were reported in the current financial period.

The Committee assists the Board in overseeing 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 communication channels 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 a material weakness that was identified in FY20 in respect of the controls over the impairment assessment process of the South 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 2023, the Company is still in the process of implementing some of the longer-term remediation controls and the Committee will continue to monitor the additional remedial 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 have operated 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 from the Group

- The Company's auditor, PricewaterhouseCoopers Incorporated (PwC) retired as auditor on 30 June 2023 as a result of auditor rotation, however, will remain in function until the conclusion of the audit for the 2023 financial year. Refer to the section on audit rotation.
- PwC's 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 complies with the relevant external audit partner JSE qualification and the rotation rules, whereby the lead engagement partner is required to rotate every five years. Johan Potgieter has been the lead engagement partner since 2019.
- Taking into consideration the criteria specified for 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.
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- The Committee determined the fees to be paid to the auditor and the auditor's terms of engagement. 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 scope, effectiveness and 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.

The Committee assists the Board in carrying out its information and communication technology responsibilities to ensure ethical and responsible use and compliance

- The Committee monitors the ethical and responsible use of technology and information and compliance with relevant laws.
- The Committee reviewed the appropriateness of the control environment and management of material information and communication technology risks.

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. The Committee evaluated the independence, effectiveness, skills and experience and performance of the internal audit function and compliance with its charter and 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 2023

- The Committee gave attention to management's evaluation of the effectiveness of the Group's disclosure controls and procedures. 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 IFRS.
- 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, were 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 the ongoing remediation of the previously identified material weakness in the South African integrated value chain impairment process. Furthermore, management identified and disclosed to the Audit Committee other deficiencies in the design and operational effectiveness in the Company's internal control over financial reporting.

Notwithstanding the deficiencies in the Company's internal control over financial reporting, 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 IFRS, as issued by the IASB.

The Committee assessed the finance function and Chief Financial Officer

- The Committee's 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.

Auditor rotation

- In line with Sasol's auditor rotation policy, PwC, who has served as the Company's independent auditor since the Company's 2014 financial year, retired as the Company's auditor on 30 June 2023. PwC completed the audit of the annual financial statements for the 2023 financial year and will report to shareholders at the annual general meeting (AGM) scheduled for 17 November 2023.
- Following a comprehensive tender process, the Sasol Audit Committee recommended the appointment of KPMG Incorporated as the Company's independent auditor with effect from 1 July 2023, with Ms Safeera Loonat as the designated audit partner. KPMG will be proposed for appointment by shareholders at the Company's 2023 AGM.

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 2023 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 2023 to the Board for approval.

On behalf of the Audit Committee

Trix Kennealy
Chairman of the Audit Committee

22 August 2023

APPROVAL OF THE FINANCIAL STATEMENTS

The Annual Financial Statements of the Group and the Company are the responsibility of the Board. In discharging this responsibility, the Board relies on the management of the Group to prepare the consolidated and separate Annual Financial Statements presented on pages 22 to 132 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 Board accepts 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 pages 20 and 21.

Based on forecasts and available cash resources, the Board believes that the Group and Company is solvent and has adequate resources to continue operations as a going concern in the coming financial year. The Annual Financial Statements support the viability of the Group and the Company. These results will be published on 23 August 2023.

The independent auditing firm PricewaterhouseCoopers Inc. (PwC), which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board and committees of the Board, has audited the consolidated and separate Annual Financial Statements. The Board believes that all representations made to the independent auditors during their audit were valid and appropriate. PwC's audit report is presented on page 12.

The consolidated and separate Annual Financial Statements were approved by the Board on 22 August 2023 and were signed on its behalf by:

Sipho Nkosi
Chairman

Fleetwood Grobler
President and Chief Executive Officer

Hanré Rossouw
Chief Financial Officer

22 August 2023

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

In accordance with paragraph 3.84(k) of the JSE Limited (JSE) Listings Requirements, each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 22 to 132, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of International Financial Reporting Standards (IFRS);
- to the best of our knowledge and belief, 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 as executive directors with primary responsibility for implementation and execution of controls, where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies;
- we are not aware of any fraud involving directors;
- we wish to draw attention to the existence of a material weakness and other internal financial control deficiencies. Refer to page 9 of the report of the Audit Committee; and
- notwithstanding the deficiencies in internal financial controls, we concluded that the financial information included in the Group's consolidated annual 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 IFRS, as issued by the International Accounting Standards Board (IASB).

Fleetwood Grobler
President and Chief Executive Officer

Hanré Rossouw
Chief Financial Officer

22 August 2023

CERTIFICATE OF THE COMPANY SECRETARY

In my capacity as the Company Secretary, I hereby confirm, in terms of the Companies Act, 71 of 2008 (the Companies Act), that for the year ended 30 June 2023, 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, and that all such returns and notices are, to the best of my knowledge and belief, true, correct and up-to-date.

Michelle du Toit

22 August 2023

SASOL LIMITED GROUP

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 2023, 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 22 to 132 comprise:

- the consolidated and company statements of financial position as at 30 June 2023;
- 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.

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.

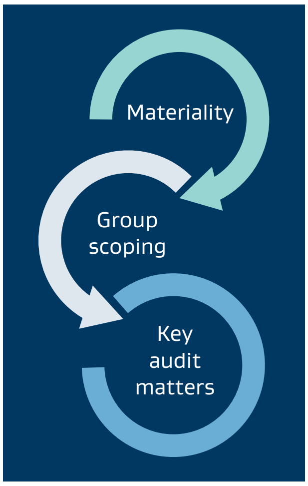
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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



Overall group materiality

- Overall group materiality: R2 400 million, which represents 5% of consolidated earnings before tax, adjusted for remeasurement items.

Group audit scope

- We conducted full scope audit procedures at 10 business units and limited scope audit procedures at a further 11 business units.

Key audit matters

- 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	How we determined it	Rationale for the materiality benchmark applied
R2 400 million	5% of consolidated earnings before tax, adjusted for remeasurement items as disclosed in note 8 to the consolidated financial statements.	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 remeasurement items. These adjustments are not considered to be part of the Group's sustainable operating performance. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

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 10 business units and limited scope audit procedures at a further 11 business units.

In establishing the overall approach to the group audit, we determined the type of work 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 judgement, 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 8 (Remeasurement items affecting operating profit) and note 17 (Property, plant and equipment) to the consolidated financial statements, and to note 1 (Investments) and note 11 (Remeasurement items affecting operating profit) to the separate financial statements. At 30 June 2023, the consolidated statement of financial position includes property, plant and equipment amounting to R225 472 million, while the statement of financial position within the separate financial statements includes investments in subsidiaries amounting to R154 085 million. The Company's and Group's financial performance for the year ended 30 June 2023 continued to be impacted by volatile macro-economic conditions, with the South African Integrated Value Chain ("SA IVC") cash-generating units ("CGU's") being affected by the increasing cost of coal, higher electricity price forecasts, capital investments to implement the Group's Emission Reduction Roadmap ("ERR") and the impact of carbon tax based on the latest Taxation Laws Amendment Act. 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 SA IVC CGU's and the Sasol North American Operations ("SNAO") CGU's, as disclosed in note 8 to the consolidated financial statements. An impairment of R36 248 million was recognised for the SA IVC CGU's during the year, consisting of R35 316 million for the Secunda liquid fuels refinery CGU and R932 million for the South African Wax CGU. An impairment reversal of R3 645 million was recognised for the SNAO Tetramerization CGU. In the separate financial statements, no impairments or impairment reversals were recognised as disclosed in note 11 to the separate financial statements. The impairment assessment 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 CGU's 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 8 to the consolidated financial statements incorporate significant judgement; • The assets (and/or CGU's) 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; and	*Identification of CGU's within the Southern African and North American value chains.* We assessed the appropriateness of management's defined CGU's 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 its 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. Based on the work that we performed, we accepted management's defined CGU's within the Southern African and North American integrated value chains. *Impairment assessments of property, plant and equipment for CGU's and investments in subsidiaries where indicators of impairment / reversal of impairment were identified.* 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 the Group's ERR on the latest long-term business plans. We noted no material differences. We assessed the assumptions underlying the estimated impact of the announced carbon tax rate increases on the recoverable amounts of CGU's within the SA IVC. We found management's carbon tax estimates to be comparable with the latest Taxation Laws Amendment Act.

Key audit matter	How our audit addressed the key audit matter
• The impact of implementing the Group's ERR and estimating the impact of carbon tax based on the latest Taxation Laws Amendment Act.	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 CGU's 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 2023", 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 2023", "Sasol Limited Sustainability Report for the year ended 30 June 2023" and "Sasol Limited Climate Change Report for the year ended 30 June 2023", which is 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 ten years.

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

22 August 2023

SHAREHOLDERS' INFORMATION

Shareholders' diary

Financial year-end	30 June 2023
Annual General Meeting	Friday, 17 November 2023

Dividends

Final dividend

– rand per share	R10,00
– date declared	Wednesday, 23 August 2023
– last date to trade cum dividend	Tuesday, 12 September 2023
– payable	Monday, 18 September 2023

SHARE OWNERSHIP

at 30 June 2023

Public and non-public shareholding of Sasol ordinary shares	Number of shareholders	% of shareholders	Number of shares	% of ordinary shares
Public	153 248	99,98	510 432 468	80,47
Non-public	32	0,02	123 903 797	19,53
Directors and their associates	2		61 718	
Directors of subsidiaries and their associates	25		182 788	
The Sasol Khanyisa Employee Share Ownership Plan	1		122	
Sasol Employee Share Savings Trust	1		380 027	
Sasol Share Savings Trust	1		1 343 754	
Sasol Pension Fund	1		2 030 908	
Government Employees Pension Fund	1		119 904 480	
	153 280	100	634 336 265	100

Public and non-public shareholding of Sasol BEE ordinary shares	Number of shareholders	% of shareholders	Number of shares	% of Sasol BEE ordinary shares
Public	200 049	99,99	6 300 711	99,52
Non-public	12	0,01	30 636	0,48
Directors and their associates	2		2 578	
Directors of subsidiaries and their associates	9		1 961	
Sasol Share Savings Trust	1		26 097	
	200 061	100	6 331 347	100

There have been no change in directors' interests since 30 June 2023 and the date of these financial statements.

Major categories of shareholders	Number of shares	% of total issued securities[1]
Category		
Pension and provident funds	184 282 810	28,76
Unit trusts	134 992 680	21,07
Government of South Africa	53 266 887	8,31
Mutual funds	41 885 007	6,54
Sovereign wealth funds	29 119 584	4,55
Insurance companies	19 125 588	2,99
American Depository Receipt holders	28 816 929	4,50

1 Comprises 634 336 265 Sasol Ordinary shares and 6 331 347 Sasol BEE Ordinary shares.

Major shareholders

Pursuant to Section 56(7) of the Companies Act, the following beneficial shareholdings equal to or exceeding 5% as at 30 June 2023 were disclosed or established from enquiries:

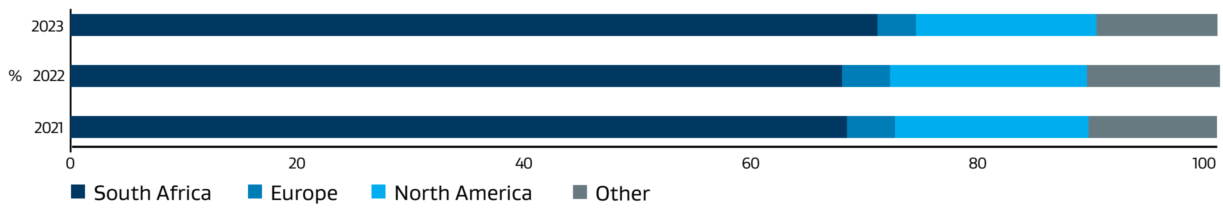
Major categories of shareholders	Number of shares	% of total issued securities
Government Employees Pension Fund	119 904 480	18,72
Industrial Development Corporation of South Africa Limited	53 266 887	8,31

Furthermore, the Board has ascertained that some of the shares registered in the names of nominee holders are managed by various fund managers and that, at 30 June 2023, 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[1]	96 246 841	15,02
M&G plc	38 267 289	5,97
Allan Gray (Pty) Ltd	35 962 572	5,61
The Vanguard Group Incorporated	23 099 514	3,61
Coronation Asset Management (Pty) Ltd	21 411 301	3,34
Black Rock Incorporated	21 214 389	3,31
Old Mutual Limited	19 686 789	3,07

1 Included in this portfolio are 92 million shares managed on behalf of the Government Employees Pension Fund.

Beneficial ownership by geographic region



DIRECTORS' REPORT

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

Dear stakeholder,

The Board is pleased to present the annual financial statements of Sasol Limited for the year ended 30 June 2023.

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), for purposes of our American Depository Receipt programme on 9 April 2003, 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 70 to 75) can be found in our Integrated Report.

Financial results

Sasol's financial results for the year ended 30 June 2023 continued to be impacted by the volatile global economic landscape, including fluctuating oil prices, weaker chemical prices, depressed demand, and heightened inflation. In South Africa, the underperformance of state-owned enterprises and socio-economic issues continue to pose challenges to our business, negatively impacting our volumes and resultant profitability.

Despite benefitting from the elevated brent crude oil price and a weaker rand/US$ exchange rate, our profitability for the year was constrained. Challenges in our South African mining operations and reduced margins in our American and Eurasian segments, driven by unfavourable market conditions, impacted our financial results.

Earnings before interest and tax (EBIT) of R21,5 billion declined compared to the prior year, mainly due to the softening of the Brent crude oil price and refining margin in the latter part of the year, which offset the impact of the improved production performance in the South African value chain. Chemicals basket prices were on a declining trend during 2023, and while we have seen some respite in lower feedstock and energy prices, gross margin and global demand remains depressed particularly in our American and Eurasian operations. In addition, profit on disposal of businesses of R8,5 billion was recorded in 2022 compared to R0,7 billion for 2023.

Earnings benefitted from R6 billion gains on the translation of monetary assets and liabilities and valuation of financial instruments and derivative contracts compared to R17,6 billion losses in 2022, but was impacted by a net loss of R33,9 billion on remeasurement items. These remeasurement items mainly relate to the full impairment of the Secunda liquid fuels refinery CGU of R35,3 billion, the full impairment of the South African wax CGU of R0,9 billion, impairment of the Essential Care Chemicals CGU in Sasol China of R0,8 billion, and reversal of impairment processed in 2019 on the Tetramerisation CGU in Lake Charles of R3,6 billion.

Proactively managing our balance sheet remains a key focus. We successfully refinanced our 2024 debt maturities and we continue to work towards our goal of further reducing debt levels.

At 30 June 2023, our total debt was R125,6 billion (US$6,7 billion) compared to R105,1 billion (US$6,5 billion) at 30 June 2022. Sasol launched and priced an offering of US$750 million guaranteed senior unsecured convertible bonds due in 2027 and issued R2,1 billion in the local debt market under the domestic medium term note (DMTN) programme during the reporting period. The inaugural paper to the value of R2,2 billion under the previous DMTN programme was repaid in August 2022 and the US$1 billion bond was repaid in November 2022. In April 2023 Sasol Financing International Limited and Sasol Financing USA LLC obtained a revolving credit facility (RCF) of US$1 987 million and a term loan of US$982 million respectively. The previous RCF and term loan were repaid. In May 2023, Sasol launched and priced a US$1 billion (R18,8 billion) bond, with a fixed interest rate of 8,75%, due in 2029.

Our net debt to EBITDA at 30 June 2023, based on the RCF and term loan covenant definition, was 1,2 times, significantly below the threshold level of 3 times. Sasol is committed to continue to reduce leverage and absolute debt levels. As at 30 June 2023, our liquidity headroom was R109,6 billion (US$5,8 billion), which is well above our aim of maintaining liquidity in excess of US$1 billion.

Cash generated by operating activities increased by 15% to R64,6 billion compared to the prior year. Capital expenditure, excluding movement in capital project related payables, amounted to R30,9 billion compared to R22,7 billion during the prior year. Capital expenditure is higher in the current financial year due to the scheduled total Synfuels East factory shutdown, and ramp-up of activities in Mozambique as well as compliance programmes (Environmental Compliance Project and Clean Fuels).

Protection of downside risk for the balance sheet remains a key priority for the Company, resulting in the execution of our hedging programme to address price risk related to oil, coal, ethane and foreign currency exposure. A strengthening balance sheet has enabled us to shift to lower hedge cover ratios as well as reverting to the use of put options for oil, replacing zero cost collars.

Year under review

Continued global uncertainty

The global macroeconomic environment has been impacted by major health, economic and geopolitical events in recent years, and uncertainty remains in this regard. The Group has considered the impact of this uncertainty on its significant accounting judgements and estimates. The Group's principal source of estimation uncertainty continues to be in relation to assumptions used for the assessment of impairment of non-current assets where indicators of impairment are identified. No further significant estimates have been identified as a result of the continued global uncertainty, although these factors have increased the level of uncertainty inherent in all future cash flow forecasts.

Share capital

Shares held in reserve

645 354 313 (2022: 678 730 754) authorised but unissued ordinary shares of the Company are held in reserve.

Note 13 of the consolidated annual financial statements provides further details regarding the share capital of Sasol Limited.

American depositary shares

At 30 June 2023, Sasol's American depositary receipt (ADR) program (managed by J.P. Morgan Chase Bank, and trading on the NYSE) had 28 816 929 (2022 – 29 286 507) American depositary shares (ADS) in issue. Each ADS represents one ordinary share.

Share schemes

Note 33 provides detail on the various share-based payment schemes in place, including the Sasol Long-Term Incentive Plan 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 17 to 19.

Dividends

A final gross cash dividend of South African 1 000 cents per share (30 June 2022 – 1 470 cents per ordinary share) has been declared for the year ended 30 June 2023. The cash dividend is payable on the Sasol ordinary shares and the Sasol BEE ordinary shares. The Board is satisfied that the liquidity and solvency of the Company, as well as capital adequacy remaining after payment of the dividend, are sufficient to support the current operations for the coming financial year. The dividend has been declared out of retained earnings (income reserves). The South African dividend withholding tax rate is 20%. At the declaration date, there are 634 336 265 ordinary and 6 331 347 Sasol BEE ordinary shares in issue. The net dividend amount payable to shareholders who are not exempt from the dividend withholding tax, is 800 cents per share, while the dividend amount payable to shareholders who are exempt from dividend withholding tax is 1 000 cents per share.

Going concern

Based on the going concern assessment, 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

Note 36 provides details of the events that occurred subsequent to 30 June 2023.

Change in directorate

Mr HA Rossouw was appointed as executive director and Chief Financial Officer of Sasol Limited on 1 July 2022 and Mr A Schierenbeck was appointed as a non-executive director of Sasol Limited on 1 January 2023.

Auditors

PricewaterhouseCoopers Inc. (PwC) was the external auditor of Sasol Limited and its significant subsidiaries for the financial year ended 30 June 2023.

At the annual general meeting of 17 November 2023, shareholders will be requested to appoint KPMG Inc (KPMG) as auditor of Sasol Limited and to note that Ms S Loonat will be the individual responsible for performing the functions of the auditor, following the Audit Committee's decision to recommend the appointment of KPMG as its independent auditor for the financial year commencing 1 July 2023.

Company Secretary

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

SASOL LIMITED GROUP

Consolidated financial statements
for the year ended 30 June 2023

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INCOME STATEMENT
for the year ended 30 June

2021* US$m	2022* Restated** US$m	2023* US$m		Note	2023 Rm	2022 Restated** Rm	2021 Rm
13 111	17 932	**16 303**	**Turnover**	2	**289 696**	272 746	201 910
(5 543)	(8 152)	**(8 571)**	Materials, energy and consumables used	3	**(152 297)**	(123 999)	(85 370)
(521)	(571)	**(589)**	Selling and distribution costs		**(10 470)**	(8 677)	(8 026)
(787)	(876)	**(848)**	Maintenance expenditure		**(15 076)**	(13 322)	(12 115)
(2 133)	(2 134)	**(1 888)**	Employee-related expenditure	4	**(33 544)**	(32 455)	(32 848)
(1 146)	(925)	**(928)**	Depreciation and amortisation		**(16 491)**	(14 073)	(17 644)
(447)	(2 093)	**(508)**	Other expenses and income***	5	**(9 023)**	(31 834)	(6 884)
53	206	**148**	Equity accounted profits, net of tax	19	**2 623**	3 128	814
2 587	3 387	**3 119**	**Operating profit before remeasurement items**		**55 418**	51 514	39 837
(1 508)	651	**(1 908)**	Remeasurement items affecting operating profit	8	**(33 898)**	9 903	(23 218)
1 079	4 038	**1 211**	**Earnings before interest and tax (EBIT)**		**21 520**	61 417	16 619
56	67	**127**	Finance income	6	**2 253**	1 020	856
(439)	(453)	**(521)**	Finance costs	6	**(9 259)**	(6 896)	(6 758)
696	3 652	**817**	**Earnings before tax**		**14 514**	55 541	10 717
(12)	(912)	**(292)**	Taxation	10	**(5 181)**	(13 869)	(185)
684	2 740	**525**	**Earnings for the year**		**9 333**	41 672	10 532
			Attributable to				
587	2 561	**495**	Owners of Sasol Limited		**8 799**	38 956	9 032
97	179	**30**	Non-controlling interests in subsidiaries		**534**	2 716	1 500
684	2 740	**525**			**9 333**	41 672	10 532

US$	US$	US$			Rand	Rand	Rand
			Per share information				
0,95	4,10	**0,79**	Basic earnings per share	7	**14,00**	62,34	14,57
0,93	4,03	**0,73**	Diluted earnings per share	7	**13,02**	61,36	14,39

* Supplementary non-IFRS information. US dollar convenience translation, converted at average exchange rate of R 17,77/US$1 (2022 – R15,21/US$1; 2021 – R15,40/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 note 1.

** The Group has restated Turnover and Materials, energy and consumables used by R2 992 million for 2022. The error had no impact on earnings, refer note 1.

*** From the current year, certain items which were considered immaterial, namely Exploration expenditure and feasibility costs and Translation gains/(losses), previously presented as separate lines in the Income statement, are presented as part of Other expenses and income. Comparative amounts have been reclassified accordingly. Refer to note 5 for the amounts of Exploration expenditure and feasibility costs and Translation gains/(losses) for the current and preceding two years.

The notes on pages 29 to 115 are an integral part of these Consolidated Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June

	2023 Rm	2022 Rm	2021 Rm
Earnings for the year	**9 333**	41 672	10 532
Other comprehensive income, net of tax			
Items that can be subsequently reclassified to the income statement	**11 909**	(92)	(16 246)
Effect of translation of foreign operations	**12 061**	7 026	(13 741)
Effect of cash flow hedges[1]	**–**	1 110	1 072
Foreign currency translation reserve on disposal of business reclassified to the income statement[2]	**(251)**	(8 024)	(3 388)
Tax on items that can be subsequently reclassified to the income statement	**99**	(204)	(189)
Items that cannot be subsequently reclassified to the income statement	**331**	1 616	623
Remeasurement on post-retirement benefit obligation	**427**	2 415	834
Fair value of investments through other comprehensive income	**23**	(54)	(12)
Tax on items that cannot be subsequently reclassified to the income statement	**(119)**	(745)	(199)
Total comprehensive income/(loss) for the year	**21 573**	43 196	(5 091)
Attributable to			
Owners of Sasol Limited	**21 057**	40 485	(6 578)
Non-controlling interests in subsidiaries	**516**	2 711	1 487
	21 573	43 196	(5 091)

1 Cash flow hedge accounting was discontinued in the prior year. Refer to note 37.

2 Foreign currency translation reserve (FCTR) of R251 million (before minority interest) realised and reclassified to the income statement upon the liquidation of subsidiaries. 2022 includes the reclassification of FCTR relating to the divestment of Canada (R4,9 billion) and the disposal of the European wax business (R2,9 billion).

The notes on pages 29 to 115 are an integral part of these Consolidated Financial Statements.

STATEMENT OF FINANCIAL POSITION

at 30 June

2022* US$m	2023* US$m		Note	2023 Rm	2022 Rm
		Assets			
13 594	**11 974**	Property, plant and equipment	17	**225 472**	221 308
776	**621**	Right of use assets	15	**11 685**	12 629
188	**169**	Goodwill and other intangible assets		**3 191**	3 051
779	**786**	Equity accounted investments	19	**14 804**	12 684
124	**115**	Other long-term investments		**2 164**	2 024
39	**42**	Post-retirement benefit assets	32	**784**	633
197	**161**	Long-term receivables and prepaid expenses	18	**3 040**	3 210
34	**24**	Long-term financial assets	37	**453**	555
1 916	**2 003**	Deferred tax assets	12	**37 716**	31 198
17 647	**15 895**	Non-current assets		**299 309**	287 292
2 525	**2 241**	Inventories	22	**42 205**	41 110
45	**22**	Tax receivable	11	**411**	732
2 867	**1 907**	Trade and other receivables	23	**35 905**	46 671
19	**94**	Short-term financial assets	37	**1 772**	313
2 650	**2 864**	Cash and cash equivalents	26	**53 926**	43 140
8 106	**7 128**	Current assets		**134 219**	131 966
18	**17**	Assets in disposal groups held for sale		**310**	290
25 771	**23 040**	Total assets		**433 838**	419 548
		Equity and liabilities			
11 586	**10 457**	Shareholders' equity		**196 904**	188 623
281	**245**	Non-controlling interests		**4 620**	4 574
11 867	**10 702**	Total equity		**201 524**	193 197
5 068	**5 008**	Long-term debt	14	**94 304**	82 500
876	**764**	Lease liabilities	15	**14 382**	14 266
1 017	**825**	Long-term provisions	30	**15 531**	16 550
618	**602**	Post-retirement benefit obligations	32	**11 343**	10 063
23	**25**	Long-term deferred income		**465**	372
17	**119**	Long-term financial liabilities	37	**2 235**	276
648	**281**	Deferred tax liabilities	12	**5 294**	10 549
8 267	**7 624**	Non-current liabilities		**143 554**	134 576
1 486	**1 687**	Short-term debt**	16	**31 758**	24 184
193	**229**	Short-term provisions	31	**4 319**	3 144
193	**100**	Tax payable	11	**1 876**	3 142
3 289	**2 577**	Trade and other payables	24	**48 518**	53 555
44	**51**	Short-term deferred income		**966**	724
421	**62**	Short-term financial liabilities	37	**1 162**	6 851
11	**8**	Bank overdraft	26	**159**	173
5 637	**4 714**	Current liabilities		**88 758**	91 773
–	**–**	Liabilities in disposal groups held for sale		**2**	2
25 771	**23 040**	Total equity and liabilities		**433 838**	419 548

* Supplementary non-IFRS information. US dollar convenience translation, converted at a closing exchange rate of R18,83/US$1 (2022 – R16,28/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 note 1.

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

The notes on pages 29 to 115 are an integral part of these Consolidated Financial Statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June

	Share capital Note 13 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 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	–	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**
Disposal of businesses	–	–	–	–	–	456	(4)	**452**	(3 141)	**(2 689)**
Other movements	–	–	–	–	–	–	(72)	**(72)**	(119)	**(191)**
Movement in share-based payment reserve	–	1 318	–	–	–	–	–	**1 318**	–	**1 318**
Share-based payment expense (refer note 33)	–	1 164	–	–	–	–	–	**1 164**	–	**1 164**
Deferred tax	–	154	–	–	–	–	–	**154**	–	**154**
Long-term incentives vested and settled	–	(904)	–	–	–	–	904	**–**	–	**–**
Total comprehensive (loss)/income for the year	–	–	(35)	(999)	907	1 656	38 956	**40 485**	2 711	**43 196**
profit	–	–	–	–	–	–	38 956	**38 956**	2 716	**41 672**
other comprehensive (loss)/income for the year	–	–	(35)	(999)	907	1 656	–	**1 529**	(5)	**1 524**
Dividends paid	–	–	–	–	–	–	(49)	**(49)**	(859)	**(908)**
Balance at 30 June 2022	**9 888**	**1 314**	**4**	**37 753**	**–**	**413**	**139 251**	**188 623**	**4 574**	**193 197**
Other movements	**–**	**–**	**–**	**1**	**–**	**(17)**	**61**	**45**	**(37)**	**8**
Movement in share-based payment reserve	**–**	**933**	**–**	**–**	**–**	**–**	**–**	**933**	**–**	**933**
Share-based payment expense (refer note 33)	**–**	**1 033**	**–**	**–**	**–**	**–**	**–**	**1 033**	**–**	**1 033**
Deferred tax	**–**	**(100)**	**–**	**–**	**–**	**–**	**–**	**(100)**	**–**	**(100)**
Long-term incentives vested and settled	**–**	**(1 349)**	**–**	**–**	**–**	**–**	**1 349**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**16**	**11 932**	**–**	**310**	**8 799**	**21 057**	**516**	**21 573**
profit	**–**	**–**	**–**	**–**	**–**	**–**	**8 799**	**8 799**	**534**	**9 333**
other comprehensive income/(loss) for the year	**–**	**–**	**16**	**11 932**	**–**	**310**	**–**	**12 258**	**(18)**	**12 240**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(13 754)**	**(13 754)**	**(433)**	**(14 187)**
Balance at 30 June 2023	**9 888**	**898**	**20**	**49 686**	**–**	**706**	**135 706**	**196 904**	**4 620**	**201 524**

The notes on pages 29 to 115 are an integral part of these Consolidated Financial Statements.

SASOL LIMITED GROUP

STATEMENT OF CASH FLOWS

for the year ended 30 June

	Note	2023 Rm	2022 Restated* Rm	2021 Rm
Cash receipts from customers		**298 698**	263 332	194 712
Cash paid to suppliers and employees		**(234 061)**	(207 194)	(149 598)
Cash generated by operating activities	27	**64 637**	56 138	45 114
Dividends received from equity accounted investments		**3 765**	3 043	37
Finance income received	6	**2 242**	986	837
Finance costs paid[1]	6	**(7 083)**	(5 478)	(6 173)
Tax paid	11	**(13 952)**	(13 531)	(5 280)
Cash available from operating activities		**49 609**	41 158	34 535
Dividends paid	29	**(13 754)**	(49)	(46)
Dividends paid to non-controlling shareholders in subsidiaries		**(433)**	(859)	(446)
Cash retained from operating activities		**35 422**	40 250	34 043
Additions to non-current assets		**(30 247)**	(23 269)	(18 214)
additions to property, plant and equipment	17	**(30 726)**	(22 593)	(15 945)
additions to other intangible assets		**(128)**	(120)	(3)
Increase/(decrease) in capital project related payables		**607**	(556)	(2 266)
Cash movements in equity accounted investments		**(95)**	(67)	–
Proceeds on disposals and scrappings	9	**799**	8 484	43 214
Movement in assets held for sale[2]		**3**	(549)	(427)
Acquisition of interest in equity accounted investments	19	**–**	(56)	–
Purchase of investments		**(243)**	(95)	(124)
Proceeds from sale of investments		**156**	26	168
Decrease in long-term receivables		**1 393**	449	476
Cash (used in)/received from investing activities		**(28 234)**	(15 077)	25 093
Proceeds from long-term debt[3]	14	**95 035**	88	26 057
Repayment of long-term debt	14	**(91 564)**	(12 086)	(61 454)
Payment of lease liabilities	15	**(2 269)**	(2 264)	(2 180)
Repayment of debt held for sale[2]		**–**	(704)	(980)
Proceeds from short-term debt		**1 787**	28	9
Repayment of short-term debt		**(1 801)**	(15)	(19 717)
Cash generated by/(used in) financing activities		**1 188**	(14 953)	(58 265)
Translation effects on cash and cash equivalents		**2 424**	1 759	(2 916)
Increase/(decrease) in cash and cash equivalents		**10 800**	11 979	(2 045)
Cash and cash equivalents at the beginning of year		**42 967**	30 988	34 094
Reclassification to disposal groups held for sale and other long-term investments		**–**	–	(1 061)
Cash and cash equivalents at the end of the year	26	**53 767**	42 967	30 988

* The Group has restated cash receipts from customers and cash paid to suppliers by R2 992 million respectively for 2022, refer note 1.

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

2 Prior years relate to disposal groups held for sale at 30 June, sold during the year.

3 Proceeds from long-term debt includes the issue of a R13,2 billion (US$750 million) convertible bond.

The notes on pages 29 to 115 are an integral part of these Consolidated Financial Statements.

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SEGMENT INFORMATION

	Energy			Chemicals					
	Mining Rm	Gas Rm	Fuels Rm	Africa Rm	America Rm	Eurasia Rm	Corporate Centre Rm	Consolidation Adjustments Rm	**Total Rm**
2023									
Income statement									
External turnover	6 386	7 234	116 235	67 772	44 492	47 577	–	–	**289 696**
Segment turnover	27 666	11 988	118 708	70 586	44 942	48 194	–	(32 388)	**289 696**
Intersegmental turnover	(21 280)	(4 754)	(2 473)	(2 814)	(450)	(617)	–	32 388	**–**
Materials, energy and consumables used	(8 508)	(3 834)	(76 043)	(27 548)	(28 605)	(39 427)	(210)	31 878	**(152 297)**
Selling and distribution costs	–	–	(43)	(4 974)	(3 773)	(1 717)	–	37	**(10 470)**
Maintenance expenditure	(4 056)	(345)	(4 361)	(3 565)	(2 324)	(1 120)	(719)	1 414	**(15 076)**
Employee-related expenditure	(6 743)	(637)	(4 544)	(5 426)	(4 588)	(5 403)	(6 394)	191	**(33 544)**
Depreciation and amortisation	(2 394)	(569)	(2 242)	(4 197)	(4 645)	(1 699)	(745)	–	**(16 491)**
Other expenses and income	(3 441)	(73)	(5 211)	(6 303)	(5 466)	884	11 719	(1 132)	**(9 023)**
Equity accounted profits, net of tax	2	439	2 038	144	–	–	–	–	**2 623**
Remeasurement items affecting operating profit	54	(537)	(35 430)	(1 048)	3 916	(900)	47	–	**(33 898)**
Earnings/(loss) before interest and tax (EBIT/LBIT)	2 580	6 432	(7 128)	17 669	(543)	(1 188)	3 698	–	**21 520**
Statement of cash flows									
Additions to non-current assets[1]	2 979	5 600	8 909	8 202	2 491	1 827	846	–	**30 854**

1 Excludes capital project related payables.

	Energy			Chemicals					
	Mining Rm	Gas Rm	Fuels* Rm	Africa Rm	America Rm	Eurasia Rm	Corporate Centre Rm	Consolidation Adjustments Rm	**Total* Rm**
2022[1]									
Income statement									
External turnover	6 370	7 789	97 996	64 054	41 496	55 011	30	–	**272 746**
Segment turnover	24 386	11 941	99 972	67 275	41 926	55 419	56	(28 229)	**272 746**
Intersegmental turnover	(18 016)	(4 152)	(1 976)	(3 221)	(430)	(408)	(26)	28 229	**–**
Materials, energy and consumables used	(6 063)	(2 055)	(59 525)	(22 681)	(21 243)	(40 094)	(162)	27 824	**(123 999)**
Selling and distribution costs	–	–	(49)	(3 934)	(2 920)	(1 811)	–	37	**(8 677)**
Maintenance expenditure	(3 492)	(728)	(3 602)	(3 063)	(2 078)	(956)	(589)	1 186	**(13 322)**
Employee-related expenditure	(5 826)	(772)	(4 491)	(5 424)	(4 003)	(5 454)	(6 611)	126	**(32 455)**
Depreciation and amortisation	(2 230)	(500)	(1 468)	(3 667)	(3 917)	(1 576)	(715)	–	**(14 073)**
Other expenses and income	(3 090)	(1 759)	(5 704)	(5 867)	(3 977)	(941)	(9 552)	(944)	**(31 834)**
Equity accounted (losses)/profits, net of tax	(1)	(4)	3 043	90	–	–	–	–	**3 128**
Remeasurement items affecting operating profit	(228)	8 499	(217)	1 343	(2 807)	2 965	348	–	**9 903**
Earnings/(loss) before interest and tax (EBIT/LBIT)	3 456	14 622	27 959	24 072	981	7 552	(17 225)	–	**61 417**
Statement of cash flows									
Additions to non-current assets[2]	2 552	2 569	6 325	7 308	1 909	1 402	648	–	**22 713**

* The Group has restated Turnover and Materials, energy and consumables used for the Fuels segment by R2 992 million respectively for 2022. The error had no impact on earnings, refer note 1.

1 The comparative information has been enhanced to include material items of expenses that impact on the profit measure. Comparative amounts have been provided.

2 Excludes capital project related payables.

SEGMENT INFORMATION CONTINUED

	Energy			Chemicals					
	Mining Rm	Gas Rm	Fuels Rm	Africa Rm	America Rm	Eurasia Rm	Corporate Centre Rm	Consolidation Adjustments Rm	Total Rm
2021[1]									
Income statement									
External turnover	2 025	7 321	59 393	58 260	29 358	45 539	14	–	**201 910**
Segment turnover	21 704	10 990	60 649	60 597	29 360	46 038	26	(27 454)	**201 910**
Intersegmental turnover	(19 679)	(3 669)	(1 256)	(2 337)	(2)	(499)	(12)	27 454	**–**
Materials, energy and consumables used	(5 066)	(1 185)	(41 476)	(22 126)	(12 965)	(29 675)	(133)	27 256	**(85 370)**
Selling and distribution costs	–	–	(21)	(3 836)	(2 289)	(1 910)	–	30	**(8 026)**
Maintenance expenditure	(3 104)	(364)	(3 181)	(2 985)	(1 966)	(1 021)	(381)	887	**(12 115)**
Employee-related expenditure	(5 232)	(826)	(4 311)	(6 788)	(4 173)	(6 063)	(5 759)	304	**(32 848)**
Depreciation and amortisation	(2 223)	(1 463)	(3 401)	(4 461)	(3 637)	(1 687)	(772)	–	**(17 644)**
Other expenses and income	(2 803)	(1 151)	(3 975)	(5 638)	(3 550)	(1 089)	12 345	(1 023)	**(6 884)**
Equity accounted (losses)/profits, net of tax	(3)	–	742	83	–	1	(9)	–	**814**
Remeasurement items affecting operating profit	(46)	655	(23 196)	(7 889)	7 336	86	(164)	–	**(23 218)**
Earnings/(loss) before interest and tax (EBIT/LBIT)	3 227	6 656	(18 170)	6 957	8 116	4 680	5 153	–	**16 619**
Statement of cash flows									
Additions to non-current assets[2]	2 704	711	3 549	5 508	1 152	1 796	528	–	**15 948**

1 The comparative information has been enhanced to include material items of expenses that impact on the profit measure. Comparative amounts have been provided.

2 Excludes capital project related payables.

GEOGRAPHIC REGION INFORMATION*

	South Africa** Rm	Mozambique Rm	United States Rm	Europe Rm	Rest of World Rm	Total** Rm
2023						
External turnover[1]	142 804	1 146	46 334	55 996	43 416	**289 696**
Earnings before interest and tax (EBIT)[2]	7 872	1 051	1 899	4 957	5 741	**21 520**
Tax paid	11 516	1 837	12	493	94	**13 952**
Non-current assets[3]	67 389	18 915	143 714	19 708	11 083	**260 809**
2022						
External turnover[1]	130 411	1 921	44 080	58 177	38 157	**272 746**
Earnings before interest and tax (EBIT)[2]	29 305	965	4 644	12 406	14 097	**61 417**
Tax paid	11 739	1 001	36	657	98	**13 531**
Non-current assets[3]	90 524	15 036	123 618	16 161	10 122	**255 461**
2021						
External turnover[1]	84 844	1 799	31 247	48 529	35 491	**201 910**
(Loss)/earnings before interest and tax ((LBIT)/EBIT)[2]	(7 523)	2 323	9 616	5 354	6 849	**16 619**
Tax paid/(received)	6 622	927	(3 340)	997	74	**5 280**
Non-current assets[3]	76 070	14 100	113 088	16 748	10 471	**230 477**

* In the current year, the geographic area information was reorganised to separately disclose information relating to Mozambique (which was previously grouped under Rest of Africa) while information relating to the rest of the countries in Africa and North America were aggregated with countries in the Rest of World column. Comparative amounts have been adjusted accordingly.

** The Group has restated Turnover for South Africa by R2 992 million for 2022. The error had no impact on earnings, refer note 1.

1 The analysis of turnover is based on the location of the customer.

2 Includes equity accounted profits remeasurement items.

3 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 National Petroleum Refiners of South Africa (Pty) Ltd (Natref). There are also associated assets outside South Africa which include the Pande-Temane Petroleum Production Agreement 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 (SO), for utility purposes to Sasolburg Operations and to third parties in the export market. Coal is supplied to SO 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 Republic of Mozambique Pipeline Investments Company (ROMPCO) pipeline, and external natural and methane rich gas sales.

Mozambican gas is sold under long-term contracts to the 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. 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 needs through retail and wholesale channels. Liquid fuels are blended from fuel components produced by the SO, crude oil refined at Natref, as well as some products purchased from other refiners as well as fuel imports. 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 customer 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 segment 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, insurance and freight: 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.

STATEMENT OF COMPLIANCE

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 Companies Act, 2008. The consolidated financial statements were approved for issue by the Board on 22 August 2023 and will be presented to shareholders at the Company's annual general meeting on 17 November 2023.

Basis of preparation of financial results

The consolidated financial statements are prepared using the historic cost convention except that, certain items, including derivative instruments, 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, unless indicated otherwise.

The consolidated financial statements are prepared on the going concern basis.

Certain additional disclosure has been provided in respect of the current year, as described on page 136 "Pro forma financial information". To the extent practicable, comparative information has also been provided.

Error in recording of product exchange contracts

During the year, the Company identified a prior period error relating to purchases and sales of inventory with the same counterparty that are entered into in contemplation of one another to facilitate sales to customers. These transactions were recorded on a gross basis instead of being accounted for as a single exchange transaction. The error relates to the 2022 financial year.

In accordance with SAB No 99 'Materiality', the Company evaluated the effect of the prior period error, 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 for the year ended 30 June 2022, taken as a whole. However, if the error remained uncorrected, the Company believes it would have impacted comparisons between reporting periods.

The conclusion above in terms of SAB No 99 is consistent with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', as well as principles of IFRS. As a result, the Company has revised its previously reported results and disclosures as follows:

for the year ended 30 June	As reported on 30 June 2022 Rm	Restatement Rm	As restated on 30 June 2022 Rm
Income statement			
Turnover	**275 738**	(2 992)	**272 746**
Materials, energy and consumables used	**(126 991)**	2 992	**(123 999)**
Earnings before interest and tax (EBIT)	**61 417**	–	**61 417**
Statement of cash flows			
Cash receipts from customers	**266 324**	(2 992)	**263 332**
Cash paid to suppliers and employees	**(210 186)**	2 992	**(207 194)**
Cash generated by operating activities	**56 138**	–	**56 138**

The restatement had no impact on earnings for the year, the statement of comprehensive income, statement of financial position and statement of changes in equity.

Climate change

Climate change is a defining challenge of our time, with impacts threatening our critical ecosystems, habitats and resources. Sasol supports the Paris Agreement and its calls for higher ambition. In 2021, we launched our 2050 Net Zero emissions ambition ("Net Zero") and Future Sasol strategy, which places us on a trajectory towards a significantly reduced GHG emissions profile. We have plans to deliver significant reductions in scope 1, 2 and 3 (Category 11) emissions by 2030. Future Sasol is premised on producing sustainable fuels and chemicals, using our proprietary technology and expertise, while contributing to a thriving planet, society and enterprise. This will see Sasol transform and decarbonise, in particular our Secunda and Sasolburg Operations as outlined in our roadmaps.

As we progress towards Net Zero by 2050, we have set targets to reduce our absolute scope 1 and 2 emissions by 30% by 2030 for the Sasol Energy and Chemicals Businesses. The Energy Business has a further scope 3 target to reduce Category 11 emissions by 20% by 2030.

Where reasonable and supportable, management has considered the impact of these 2030 targets on a number of key estimates within the financial statements including the estimates of future cash flows used in impairment assessments of non-current assets (refer to note 8), useful lives of property, plant and equipment (refer to note 17), purchase and capital commitments (refer to note 3 and 17), the estimates of future profitability used in our assessment of the recoverability of deferred tax assets (refer to note 12) and the timing and amount of environmental obligations (refer to note 30).

IBOR reform

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as IBOR reform). The Group's remaining exposure to IBORs is concentrated to the Johannesburg Interbank Average Rate (JIBAR) through certain debt instruments. The South African Reserve Bank (SARB) has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. In November 2022, the SARB commenced publishing the South African Rand Overnight Index Average (ZARONIA), the preferred successor rate that will replace JIBAR in future. The ZARONIA is a financial benchmark that reflects the interest rate at which rand-denominated overnight wholesale funds are obtained by commercial banks. ZARONIA is based on actual transactions and calculated as a trimmed, volume-weighted mean of interest rates paid on eligible unsecured overnight deposits.

Market participants are not yet using ZARONIA in financial contracts until such time as the SARB indicate otherwise. The duration of the observation period will be communicated in due time and may depend on the Market Practitioners Group's information needs, transition plans, as well as the SARB's decision regarding the cessation date for JIBAR. 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. The Group's treasury function monitors and manages the transition to ZARONIA and evaluates the extent to which contracts reference JIBAR cash flows, whether such contracts will need to be amended and how to manage communication about the reform with counterparties.

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 2022 except for the retrospective adoption of the following amendments which had an immaterial impact on the Group's financial statements:

- Proceeds before Intended Use (Amendments to IAS 16 'Property, Plant and Equipment'); and
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets').

Amendments to IAS 12 'Income Taxes'

Additionally, the Group applied the amendments to IAS 12 'Income Taxes' which give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The OECD published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. More than 135 countries and jurisdictions representing more than 90% of global gross domestic product have agreed to the Pillar Two model rules.

The amendments introduce:

- a temporary exception to the accounting for deferred taxes arising from jurisdictions implementing the global tax rules; and
- targeted disclosure requirements to help investors better understand a company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

Companies can benefit from the temporary exception immediately but are required to provide the disclosures to investors for annual reporting periods beginning on or after 1 January 2023.

The adoption of the amendments resulted in the Group not having to account for any deferred tax impact as a result of the tax reform at 30 June 2023. Except for Japan (effective years of assessments commencing on or after 1 April 2024), none of the other jurisdictions in which the Group operates have promulgated the Pillar Two model regulations as at 30 June 2023. The Group is currently assessing the future impact of the tax reform and amendments on its financial statements.

Accounting standards, amendments and interpretations issued which are relevant to the Group, but not yet effective

The Group continuously evaluates the impact of new accounting standards, amendments to accounting standards and interpretations. It is expected that where applicable, these standards and amendments will be adopted on each respective effective date as indicated below. The new accounting standards and amendments to accounting standards issued which are relevant to the Group, but not yet effective on 30 June 2023, include:

IFRS 17 'Insurance Contracts'

IFRS 17 supersedes IFRS 4 'Insurance Contracts' which currently permits a wide variety of practices in accounting for insurance contracts. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. IFRS 17 applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance) regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. Certain scope exceptions will apply. The Group has assessed all material contracts where it has potentially accepted significant insurance risk including cell captive insurance arrangements and issued performance guarantees. The Group will continue to apply the requirements of IFRS 9 'Financial Instruments' to issued financial guarantee contracts. The Group has not identified any material contracts in scope of IFRS 17 and implementation of the new standard is not expected to have a material impact on the Group's results. The Group will apply IFRS 17 from 1 July 2023 using the full retrospective approach.

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. The amendments 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 or events after the reporting date. The amendments are effective for the Group from 1 July 2024, will be applied retrospectively and are not expected to significantly impact the Group.

Amendment to IFRS 16 'Leases'

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The amendments are effective for annual reporting periods beginning on or after 1 January 2024, can be early adopted and are not expected to materially impact the Group.

Earnings generated from operations

Operating and other activities 39

Turnover 39
Material, energy and consumables used 40
Employee-related expenditure 40
Other expenses and income 41
Net finance costs 42
Earnings and dividends per share 42
Remeasurement items affecting operating profit 44
Disposals and scrapping 50

Taxation 52

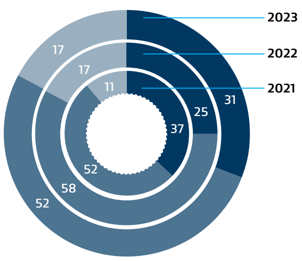
Taxation 52
Tax paid 54
Deferred tax 54

OPERATING AND OTHER ACTIVITIES

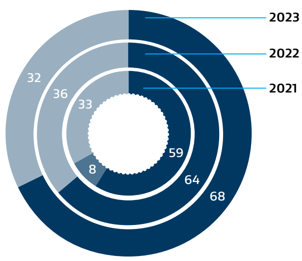
for the year ended 30 June	2023 Rm	2022 Restated Rm	2021 Rm
2 Turnover			
Revenue by major product line			
Energy business	**128 850**	105 998	65 676
Coal[1]	**6 386**	6 370	2 025
Liquid fuels and crude oil[2]	**115 311**	93 044	58 265
Gas (methane rich and natural gas) and condensate[3]	**7 153**	6 584	5 386
Chemicals business	**159 520**	160 407	133 136
Advanced materials[6]	**9 699**	7 249	7 380
Base chemicals[6]	**50 663**	51 223	45 684
Essential care[6]	**63 468**	62 989	44 314
Performance solutions[6]	**35 690**	38 946	35 758
Other (Technology, refinery services)[4]	**1 626**	2 550	2 288
Revenue from contracts with customers	**289 996**	268 955	201 100
Revenue from other contracts[5]	**(300)**	3 791	810
Total external turnover	**289 696**	272 746	201 910

1 Derived from Mining segment.
2 Derived from Fuels segment.
3 Derived primarily from Gas segment.
4 Relates primarily to the Gas, Fuels and Chemicals Eurasia segments.
5 Relates to the Fuels segment and includes franchise rentals, use of fuel tanks, fuel storage and Sasol Oil slate. The current year negative slate revenue is due to a reduction in the slate balance of R1,2 billion as a result of an over recovery in the basic fuel price (BFP) charged to customers for the period 1 July 2022 to 30 June 2023.
6 Chemicals business analysis:

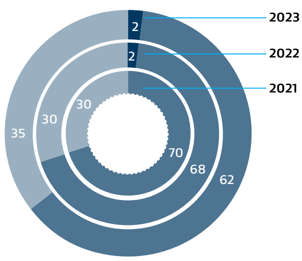
Advanced Materials
%



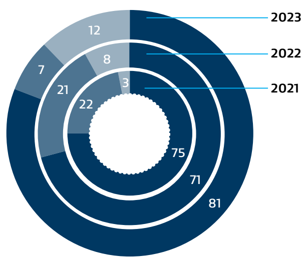
Base chemicals
%



Essential care
%



Performance solutions
%



Chemicals Africa Chemicals Eurasia Chemicals America

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 34 to 35.

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.

Purchases and sales of inventory with the same counterparty that are entered into in contemplation of one another to facilitate sales to customers are combined and recorded on a net basis when the items exchanged are similar in nature.

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	2023 Rm	2022 Restated Rm	2021 Rm
3 Materials, energy and consumables used*			
Cost of raw materials	**126 338**	100 607	71 016
Cost of energy and other consumables used in production process	**25 959**	23 392	14 354
	152 297	123 999	85 370

* Costs relating to items that are consumed in the manufacturing process, including changes in inventories and distribution costs up until the point of sale. A significant increase was noted due to higher basic fuel prices, higher crude oil and other product costs, as well as higher utility prices. Included in materials, energy and consumables used is carbon taxes of R1,7 billion (2022 - R1,2 billion). Under the carbon tax regulations, South African companies are able to buy carbon credits from third parties to offset a portion of their carbon tax liability. To this end, Sasol enters into strategic and cost-effective long term agreements with reputable suppliers for credible high-quality carbon offset credits. The ultimate amount of credits acquired will depend on the development of projects under the applicable standards, delivering the credits within the agreed timeframe, and will be subject to audit/verification by an independent party.

Purchase commitments

The Group enters into off-take agreements as part of its normal operations which have minimum volume requirements (i.e. take or pay contracts). These purchase commitments consist primarily of agreements for procuring raw materials such as coal, gas and electricity.

The most significant commitment relates to minimum off-take oxygen supply agreements for SO of approximately R219 billion (2022: R88 billion). The increase is mainly due to the variable fee portion of the agreements that came into effect in October 2022.

- 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, 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. The ultimate amount of the commitment is dependent on expected future increases in the regulated price of electricity in South Africa and is presented on an undiscounted basis.

Additionally, Sasol South Africa Limited (SSA), together with Air Liquide Large Industries South Africa Proprietary Limited (ALLISA), signed six Power Purchase Agreements (PPAs) to date, with contractual terms of 20 years each, for the procurement of more than 600 MW of renewable energy from Independent Power Producers. The joint procurement of renewable energy by SSA and ALLISA is primarily aimed at the decarbonisation of the SO site.

Subject to financial and grid connection approvals, the projects are expected to reach financial close within the 2024 financial year and commercial operation by 2025.

SSA also signed a 20 year PPA with Msenge Emoyeni Wind Farm Proprietary Limited, for the procurement of 69 MW of wind capacity from the Msenge project, located in the Eastern Cape. The project reached financial close in March 2023, and commercial operation is targeted for early 2024.

Furthermore, Sasol is party to long-term gas purchase agreements of approximately R38 billion (2022: R40 billion) which commits Sasol Gas (Pty) Ltd (Sasol Gas) to purchase a minimum quantity of gas until 2034.

Contractual purchase commitments are taken into account in testing the recoverability of the carrying amounts of property, plant and equipment. At 30 June 2023 and 30 June 2022, there were no onerous contracts relating to these off-take commitments.

for the year ended 30 June	Note	2023 Rm	2022 Rm	2021 Rm
4 Employee-related expenditure				
Analysis of employee costs				
Labour		**33 655**	32 141	31 683
salaries, wages and other employee-related expenditure		**31 415**	30 068	29 786
post-retirement benefits	32	**2 240**	2 073	1 897
Share-based payment expenses		**1 033**	1 139	1 905
equity-settled	33	**1 033**	1 164	1 927
cash-settled		**–**	(25)	(22)
Total employee-related expenditure		**34 688**	33 280	33 588
Costs capitalised to projects		**(1 144)**	(825)	(740)
Per income statement		**33 544**	32 455	32 848

4 Employee-related expenditure continued

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	2023 Number	2022 Number	2021 Number
Permanent employees	**28 657**	28 279	28 725
Non-permanent employees	**416**	351	224
	29 073	28 630	28 949

for the year ended 30 June	2023 Rm	2022 Rm	2021 Rm
5 Other expenses and income*			
Includes:			
Derivative (gains)/losses[1]	**(3 287)**	18 325	(2 282)
Translation (gains)/losses[2]	**(2 728)**	(693)	(5 510)
Trade and other receivables	**(1 436)**	(456)	1 233
Trade and other payables	**171**	(147)	(158)
Foreign currency loans	**161**	785	(6 318)
Other[3]	**(1 624)**	(875)	(267)
Exploration expenditure and feasibility costs	**751**	366	295
Professional fees	**2 455**	1 916	2 828
Expected credit losses raised/(released)	**234**	(39)	(87)

* From the current year certain items were considered immaterial, namely Exploration expenditure and feasibility costs and Translation (gains)/losses. These items were previously presented as separate lines in the Income statement and are now presented as part of Other expenses and income.

1 Relates mainly to the Group's hedging activities and embedded derivatives. Refer to page 103.

2 Relates mainly to the effect of the weakening of the Rand on the translation of foreign operations and intergroup exposure on foreign currency loans.

3 Other translation gains includes translation of intergroup treasury balances which increased during the year.

Research and development expenditure amounting to R1 388 million (2022: R1 160 million; 2021: R1 246 million) was expensed and is included in Employee-related expenditure, Depreciation and amortisation and Other expenses and income in the Income statement.

for the year ended 30 June	Note	2023 Rm	2022 Rm	2021 Rm
6 Net finance costs				
Finance income				
Notional interest received		**–**	29	4
Interest received on		**2 253**	991	852
other long-term investments		**58**	49	40
loans and receivables		**89**	141	199
cash and cash equivalents		**2 106**	801	613
Per income statement		**2 253**	1 020	856
Less: notional interest		**–**	(29)	(4)
Less: interest received on tax		**(11)**	(5)	(15)
Per the statement of cash flows		**2 242**	986	837
Finance costs				
Debt		**7 408**	5 419	5 238
debt		**7 408**	5 066	4 855
interest rate swap – net settlements		**–**	353	383
Interest on lease liabilities		**1 451**	1 357	1 488
Other		**146**	95	84
		9 005	6 871	6 810
Amortisation of loan costs	14	**212**	132	160
Notional interest		**1 116**	633	668
Total finance costs		**10 333**	7 636	7 638
Amounts capitalised to assets under construction, a class of property, plant and equipment	17	**(1 074)**	(740)	(880)
Per income statement		**9 259**	6 896	6 758
Total finance costs before amortisation of loan costs and notional interest		**9 005**	6 871	6 810
Add: modification gain		**–**	74	–
Add: amortisation of modification gain		**194**	–	–
Less: unwinding of loan costs[1]		**(144)**	–	–
Less: interest accrued on long-term debt, lease liabilities and short-term debt		**(1 966)**	(1 463)	(637)
Less: interest raised on tax payable		**(6)**	(4)	–
Per the statement of cash flows		**7 083**	5 478	6 173

1 RCF loan costs expensed upon refinancing of banking facilities.

for the year ended 30 June	2023 Rand	2022 Rand	2021 Rand
7 Earnings and dividends per share			
Attributable to owners of Sasol Limited			
Basic earnings per share	**14,00**	62,34	14,57
Headline earnings per share	**53,75**	47,58	39,53
Diluted earnings per share	**13,02**	61,36	14,39
Diluted headline earnings per share	**50,76**	46,83	39,03
Dividends per share	**17,00**	14,70	–
interim	**7,00**	–	–
final*	**10,00**	14,70	–

* Declared subsequent to 30 June and presented for information purposes only.

Basic earnings per share (EPS) and headline earnings per share (HEPS)

EPS is derived by dividing earnings attributable to owners of Sasol Limited by the weighted average number of shares outstanding during the period. HEPS is derived by dividing the headline earnings attributable to the owners of Sasol Limited by the weighted average number of shares outstanding during the period.

7 Earnings and dividends per share continued

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

DEPS and DHEPS are calculated by dividing the diluted earnings and diluted headline earnings attributable to owners of Sasol Limited by the diluted number of Sasol ordinary shares and Sasol BEE ordinary shares in issue during the year. DEPS and DHEPS are calculated considering the potentially dilutive ordinary shares that could be issued as a result of share options granted to employees under the Sasol Long-Term Incentive (LTI) and Sasol Khanyisa Tier 2 plans (refer to note 33) and as a result of the potential conversion of the US$750 million Convertible Bond (refer to note 14).

The Sasol Khanyisa Tier 2 and Khanyisa Public are anti-dilutive for DEPS and DHEPS in all years presented.

for the year ended 30 June	Note	2023 Rm	2022 Rm	2021 Rm
Earnings and headline earnings				
Earnings attributable to owners of Sasol Limited		**8 799**	38 956	9 032
Total remeasurement items for the Group, net of tax	8	**24 978**	(9 221)	15 471
Headline earnings attributable to owners of Sasol Limited		**33 777**	29 735	24 503

	Number of shares		
for the year ended 30 June	2023 million	2022 million	2021 million
Basic weighted average number of shares			
Issued shares	**640,7**	635,7	634,2
Effect of treasury shares held	**(10,4)**	(10,2)	(9,5)
Effect of long-term incentives exercised	**(1,9)**	(0,5)	(0,7)
Effect of Sasol Khanyisa Tier 2 options exercised	**–**	(0,1)	(4,1)
Basic weighted average number of shares for EPS and HEPS	**628,4**	624,9	619,9

for the year ended 30 June	2023 Rm	2022 Rm	2021 Rm
Diluted earnings			
Earnings attributable to owners of Sasol Limited	**8 799**	38 956	9 032
Impact of convertible bonds	**(179)**	–	–
Diluted earnings attributable to owners of Sasol Limited	**8 620**	38 956	9 032

for the year ended 30 June	2023 Rm	2022 Rm	2021 Rm
Diluted headline earnings			
Headline earnings attributable to owners of Sasol Limited	**33 777**	29 735	24 503
Impact of convertible bonds	**(179)**	–	–
Diluted headline earnings attributable to owners of Sasol Limited	**33 598**	29 735	24 503

	Number of shares		
for the year ended 30 June	2023 million	2022 million	2021 million
Diluted weighted average number of shares			
Weighted average number of shares	**628,4**	624,9	619,9
Potential dilutive effect of convertible bond	**24,2**	–	–
Potential dilutive effect of long-term incentive scheme	**9,3**	9,9	3,8
Potential dilutive effect of Sasol Khanyisa Tier 1	**–**	0,1	4,1
Diluted weighted average number of shares for DEPS and DHEPS	**661,9**	634,9	627,8

for the year ended 30 June	Note	2023 Rm	2022 Rm	2021 Rm
8 Remeasurement items affecting operating profit				
Effect of remeasurement items for subsidiaries and joint operations				
Impairment of assets		**37 298**	77	34 200
property, plant and equipment	17	**36 496**	70	33 973
right of use assets	15	**546**	6	35
other intangible assets		**256**	1	80
equity accounted investment		**–**	–	112
Reversal of impairment of assets		**(3 649)**	(1 520)	(5 468)
property, plant and equipment	17	**(3 649)**	(1 505)	(5 440)
right of use assets	15	**–**	(15)	(2)
other intangible assets		**–**	–	(26)
(Profit)/loss on	9	**(650)**	(8 460)	(5 520)
disposal of property, plant and equipment[1]		**(500)**	(67)	(96)
disposal of other intangible assets		**3**	2	(130)
disposal of other assets		**–**	–	52
disposal of businesses[2]		**(516)**	(11 850)	(5 615)
scrapping of property, plant and equipment		**363**	3 366	269
sale and leaseback transactions		**–**	89	–
Write-off of unsuccessful exploration wells[3]		**899**	–	6
Remeasurement items per income statement		**33 898**	(9 903)	23 218
Tax impact		**(8 951)**	702	(7 771)
impairment of assets		**(9 831)**	(2)	(9 513)
reversal of impairment of assets		**854**	421	1 228
profit/loss on disposals, scrapping and sale and leaseback transactions		**26**	283	516
write-off of unsuccessful exploration wells		**–**	–	(2)
Non-controlling interest effect		**8**	(20)	1
Effect of remeasurement items for equity accounted investments		**23**	–	23
Total remeasurement items for the Group, net of tax		**24 978**	(9 221)	15 471

1 Relates mainly to the Chemicals America segment.

2 Relates mainly to the Gas segment.

3 Relates to the Gas segment. The Production Sharing Agreement (PSA) Inhasorro Deep Prospect (R307 million or $17,2 million), PT5-C Dorado-1 (R423 million or $23,8 million) and A5-A Raia-1 (R169 million or $9,5 million) wells were plugged and abandoned after being declared unsuccessful during the current year.

Impairment/reversal of impairments

The Group's non-financial assets, other than inventories and deferred tax assets, are assessed for impairment indicators, as well as reversal of impairment indicators at each reporting date or whenever events or changes in circumstances indicate that the carrying value may not be recoverable or previous impairment should be reversed. At 30 June 2023, the Group's net asset value exceeding its market capitalisation was identified as an impairment indicator. 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 used to determine the recoverable amount. 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.

8 Remeasurement items affecting operating profit continued

Main assumptions used for impairment calculations

		2023	2022	2021
Long-term average crude oil price (Brent)*	US$/bbl	**88,02**	93,24	70,09
Long-term average ethane price*	US$c/gal	**42,33**	43,15	37,18
Long-term average ammonia price*	Rand/ton	**9 046,19**	10 173,00	5 297,00
Long-term average Southern African gas purchase price (real)*	US$/Gj	**10,93**	8,94	8,41
Long-term average refining margin*	US$/bbl	**12,34**	12,23	9,67
Long-term average exchange rate*	Rand/US$	**17,40**	15,95	14,57

* Assumptions are provided on a long-term average basis in nominal terms unless indicated otherwise. Oil and ammonia price 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 from 2030 until 2050 being the point at which gas from the existing gas fields in Mozambique are fully utilised and is linked to the South African integrated value chain's useful life. The gas price is based on current observable market prices and are not comparable to the production cost of our own field development.

		South Africa %	United States of America %	Europe %
Growth rate – long-term Producer Price Index	**2023**	**5,50**	**2,00**	**2,00**
Weighted average cost of capital*	**2023**	**15,20**	**9,07**	**9,07 – 10,68**
Growth rate – long-term Producer Price Index	2022	5,50	2,00	2,00
Weighted average cost of capital*	2022	14,41	8,13	8,13 – 9,57
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

* Calculated using spot market factors on 30 June.

Significant impairment/(reversal of impairment) of assets in 2023

Segment and Cash-generating unit (CGU)	Property, plant and equipment 2023 Rm	Right of use assets 2023 Rm	Other intangible assets 2023 Rm	Total 2023 Rm
Fuels segment				
Secunda liquid fuels refinery	**34 634**	**436**	**246**	**35 316**
Chemicals Africa				
South African Wax	**928**	**–**	**4**	**932**
Chemicals Eurasia				
China Essential Care Chemicals (ECC)	**766**	**110**	**–**	**876**
Chemicals America				
Tetramerization	**(3 645)**	**–**	**–**	**(3 645)**
Other (net)	**164**	**–**	**6**	**170**
	32 847	**546**	**256**	**33 649**

Other than for the CGUs specifically mentioned, all of the Group's remaining CGUs have significant headroom and reasonable changes to the assumptions applied would not result in any impairment.

8 Remeasurement items affecting operating profit continued

Description of sensitivity to changes in assumptions:

Key sources of estimation uncertainty include discount rates, commodity prices, exchange rates, carbon tax (and related allowances) and chemical prices. Management has considered the sensitivity of the recoverable amount calculations to these key assumptions and these sensitivities have been taken into consideration in determining the required impairments and reversals of impairments in the current period. Except when indicated below, reasonable changes to key assumptions would not result in a materially different outcome.

The following CGUs were impaired or a previous impairment was reversed at 31 December 2022:

SOUTH AFRICAN WAX

The full impairment on the Wax CGU in Southern Africa was driven by higher cost to procure gas and lower sales volumes and prices due to an increasingly challenging market environment. A WACC rate of 14,66% was applied in estimating the recoverable amount of the CGU.

CHEMICALS EURASIA: CHINA ECC

The full impairment on the CGU was driven by a combination of lower unit margins and higher costs resulting from the prolonged impact of COVID-19 on China's economy. A WACC rate of 9,21% was applied in estimating the recoverable amount of the CGU.

CHEMICALS AMERICA: TETRAMERIZATION CGU

The Tetramerization CGU was impaired in 2019. Over the past year, a sustained improvement in plant reliability has resulted in increased volumes available for sale while longer-term contracts signed with several customers improved the overall profitability of the cash-generating unit. A WACC rate of 8,33% was applied in estimating the recoverable amount of the CGU.

The following CGU was impaired at 31 December 2022 and at 30 June 2023:

SECUNDA LIQUID FUELS REFINERY

The Secunda liquid fuels refinery was impaired by R8,1 billion at 31 December 2022 after being negatively impacted by an update in macroeconomic price assumptions including higher electricity price forecasts and lower gas selling prices. The forecasted short-term production was also updated to reflect the production challenges impacted by coal quality. The WACC rate applied in calculating the recoverable amount was 14,66%.

At 30 June 2023, the Group has made further progress with the development of its ERR to achieve a 30% reduction in GHG emissions by 2030 and comply with the requirements of the National Environmental Management: Air Quality Act, 39 of 2004 (Air Quality Act). The ERR involves the turning down of boilers, implementing energy efficiency projects, reducing coal usage and integrating 1 200 MW of renewable energy into our operations by 2030. With no significant additional gas to restore volumes back to historic levels, the ERR assumes lower production volumes of 6,7 mt/a post 2030 (2022: 7,5 mt/a) and as such a full impairment of R27,2 billion was recognised on the liquid fuels component of the Secunda refinery. The increasing cost of coal, capital investment to implement the ERR and cost of compliance were also included in the impairment calculation. Optimisation of the ERR is ongoing and there are a number of technology and feedstock solutions being evaluated to partially recover volume, however the maturity thereof needs to be progressed before it can be incorporated in the impairment calculation. Although the chemical CGUs in the Secunda complex were also negatively impacted, their respective recoverable amounts remained above carrying values given the products' higher derivative value.

Management considered multiple cash flow scenarios in quantifying the recoverable amount of the CGU which is highly sensitive to changes in Brent crude prices, the rand/US$ exchange rate and production volumes. A 10% increase in the price of Brent crude and a R1 weakening in the rand/US$ exchange rate will have a positive impact on the recoverable amount of R25,7 billion and R15,3 billion respectively. A movement in the above mentioned inputs in the opposite direction would result in a similar but negative impact on the recoverable amounts compared to the values disclosed above. An improvement of Secunda volumes of 4% from 2024 to 2029 improves the recoverable amount by approximately R6,4 billion.

These sensitivity analyses do not fully incorporate consequential changes that may arise, such as changes in costs and business plans or absorption of carbon taxes by the market.

8 Remeasurement items affecting operating profit continued

Significant (reversal of impairment)/impairment of assets in prior periods

Segment and Cash-generating unit (CGU)	Description	2022 Rm
Chemicals Africa		
Chemical Work-up & Heavy Alcohols	The CGU recognised impairments of R1,7 billion during 2020 largely due to the reduced-price outlook as a result of the low oil price environment and the COVID-19 pandemic. A higher price outlook on the back of a sustained increase in demand for alcohols into the personal hygiene market during and post the COVID-19 pandemic, resulted in the reversal of impairment at 31 December 2021.	(1 396)
Other (net)		(47)
		(1 443)

Segment and Cash-generating unit (CGU)	Description	2021 Rm
Fuels segment		
Secunda liquid fuels refinery	The impairment was largely due to a stronger forecasted rand/US$ exchange rate which impacted negatively on the forecasted Basic Fuel Price (BFP).	24 456
Chemicals America		
Ethylene Oxide/Ethylene Glycol (EO/EG)	The Ziegler Alcohols Unit (Ziegler) delivers alcohol feed to the Ethoxylates (ETO) unit. In previous CGU assessments, the EO and EG plant together with the ETO plant were considered to be a separate CGU from the Alcohol units (Ziegler and Guerbet). During 2021 the CGUs were reassessed to be one integrated CGU. The impairment assessment of the combined CGU showed significant headroom resulting in the full remaining FY19 impairment of the EO/EG CGU being reversed.	(4 934)
Chemicals Africa		
Chlor Alkali and PVC	The impairment of the Chlor Alkali and PVC CGUs is as a result of the stronger forecast of the rand against the US dollar exchange rate and lower sales volumes. In addition, this CGU was further negatively impacted by the pending sale of the Sodium Cyanide business.	1 094
Southern Africa Wax value chain	The impairment on the Wax value chain was driven by higher future LNG gas imports and SPT gas costs, lower sales volumes and prices due to reduced gas availability in 2022 and 2023 and the strengthening of the rand against the US dollar.	7 863
Gas Segment		
Sasol Canada – Shale gas assets	Sasol signed an agreement to divest of all our interests in Canada to Canadian Natural Resources Limited. Previous impairments of CAD45 million were reversed at 30 June 2021 to measure the carrying value of the disposal group at its fair value less cost to sell.	(521)
Other		774
		28 732

8 Remeasurement items affecting operating profit continued

Areas of judgement:

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.

Determination as to whether, and by how much, an asset, CGU, or group of CGUs is impaired, or whether previous impairment should be reversed, involves management estimates on highly uncertain matters such as the effects of inflation on operating expenses, discount rates, capital expenditure, carbon tax and related allowances, production profiles and future commodity prices, including the outlook for global or regional market supply-and-demand conditions for crude oil, natural gas and refined products. Judgement is also required when determining the appropriate grouping of assets into a CGU or the appropriate grouping of CGUs for impairment testing purposes.

The future cash flows were determined using the assumptions included in the latest budget as approved by the Board. 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.

The weighted average growth rates used are consistent with the increase in the geographic segment long-term Producer Price Index.

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 CGUs. 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.

As a significant emitter of GHG emissions, South Africa made commitments under the Paris Agreement to further reduce GHG emissions and to contribute to global efforts to limit global warming to well below 2°c above pre-industrial levels and to pursue efforts to achieve the 1,5°c temperature goal. The Group is targeting a 30% reduction in GHG emissions by 2030 which will pave the way to a Net Zero ambition by 2050. The Group has a clear roadmap to 2030 with capital and resources allocated to achieve the significant reduction in emissions. Where reasonable, supportable and permissible under IFRS, management has included the costs and capital from these initiatives in its cash flow forecasts.

Phase 1 of the South African Carbon Tax comes to an end in December 2025 with the Climate Change Bill currently undergoing public consultation. Management is required to reflect its best estimate of any expected applicable carbon taxes payable by the Group. This requires judgement of how future changes to relevant carbon tax policies and/or legislation are likely to affect the future cash flows of the Group's CGUs, whether currently enacted or not. The future potential carbon taxes included in the recoverable amount calculations are based on the latest Taxation Laws Amendment Act.

Climate change and the transition to a low carbon economy are also likely to impact the future prices of commodities such as oil and natural gas which in turn may affect the recoverable amount of the Group's property, plant and equipment and other non-current assets. Management has updated its best estimate of oil price assumptions used in determining the recoverable amounts of its CGUs in June 2023. The revised estimates reflect lower real oil price in the longer term as demand is expected to decrease as the transition to a low carbon economy progresses. The revised assumptions are based on the average June 2023 views obtained from two independent consultancies that reflect their views on market development. The energy transition may impact demand for certain refined products in the future.

Management will continue to review price assumptions as the energy transition progresses and this may result in impairment charges or reversals in the future.

8 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 or cash generating unit 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.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Any gain or loss on disposal will comprise that attributed to the portion disposed of and the remeasurement of the portion retained.

for the year ended 30 June	Note	2023 Rm	2022 Rm	2021 Rm
9 Disposals and scrapping				
Property, plant and equipment[1]	17	**632**	3 802	7 064
Goodwill and other intangible assets		**6**	2	947
Equity accounted investments		**–**	–	370
Assets in disposal groups held for sale		**12**	16 586	67 662
Inventories		**–**	–	814
Trade and other receivables		**5**	–	174
Cash and cash equivalents		**–**	–	57
Liabilities in disposal groups held for sale		**–**	(6 321)	(2 577)
Long-term debt		**–**	–	(2 673)
Non-controlling interest		**–**	(3 141)	–
Long-term financial liabilities		**–**	–	(477)
Trade and other payables		**–**	–	(67)
		655	10 928	71 294
Total consideration		**1 054**	11 364	73 426
consideration received		**799**	8 484	43 214
consideration receivable at time of disposal		**255**	127	116
fair value of retained investment		**–**	2 753	–
establishment of Joint operation*		**–**	–	30 096
		399	436	2 132
Realisation of accumulated translation effects		**251**	8 024	3 388
Net profit on disposal		**650**	8 460	5 520
Consideration received comprising				
Gas – Area A5-A offshore exploration license in Mozambique		**26**	–	–
Gas – Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)		**–**	4 129	–
Fuels – Central Térmica De Ressano Garcia S.A (CTRG)		**–**	2 577	–
Gas – Canadian Montney assets		**–**	387	–
Chemicals America – US LCCP Base Chemicals business		**–**	–	29 894
Fuels & Chemicals 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
Other		**773**	1 391	898
Consideration received		**799**	8 484	43 214

1 Refer to note 8 for detail on the scrapping of property, plant and equipment.

Significant disposals in 2023

Area A5-A offshore exploration license in Mozambique

On 27 July 2022 Sasol disposed of 15,5% of its interest in the Area A5-A offshore exploration license in Mozambique. A profit on disposal of R266 million was recognised. The consideration receivable (R255 million) is not settled in cash, but the benefit will be received in the form of a reduction in future cost as the asset is constructed.

Significant disposals in prior periods

Canadian shale gas assets

On 29 July 2021 Sasol divested of all our interests in Canada. A gain of R4,9 billion mainly due to the realisation of the foreign currency translation reserve (FCTR) was recognised.

European wax business

On 1 March 2022 Sasol sold its European wax business based in Hamburg Germany. A gain mainly on the reclassification of the FCTR of R2,9 billion was recognised.

9 Disposals and scrapping continued

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

The divestment of our full shareholding in CTRG, the gas-to-power plant located in Ressano Garcia, Mozambique, to Azura Power Limited for a consideration of R2,6 billion (US$163,8 million). The transaction closed on 28 April 2022. A profit of R156 million has been recognised on the divestment.

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

On 29 June 2022 the sale of 30% of our interest in ROMPCO was successfully completed. The loss of voting and contractual rights associated with the transaction resulted in the Group losing control over ROMPCO and the derecognition of all the assets and liabilities of the subsidiary. Sasol has retained a 20% equity stake in ROMPCO which has been measured at fair value at the transaction date, which references to the transaction price. This is considered a level 3 fair value input. The proceeds on the disposal was an initial amount of R4,1 billion and a contingent consideration of up to R1 billion, which is payable if certain agreed milestones are achieved by 30 June 2024. The fair value of the contingent consideration at transaction date and at 30 June 2023 is valued at zero considering the low probability of meeting the milestones as assessed on the transaction date. A profit of R3,7 billion on the disposal has been recognised of which R1,9 billion relates to the fair value adjustment on retained interest. Refer to note 19.

***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 20.

Air separation units

The sale of Sasol's sixteen air separation units (ASUs) 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.

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%.

TAXATION

for the year ended 30 June	Note	2023 Rm	2022 Rm	2021 Rm
10 Taxation				
South African normal tax		**10 271**	13 399	7 430
current year[1]		**10 671**	13 303	7 478
prior years[2]		**(400)**	96	(48)
Dividend withholding tax		**–**	(24)	–
Foreign tax		**2 654**	2 856	2 079
current year		**2 507**	2 737	2 106
prior years		**147**	119	(27)
Income tax	11	**12 925**	16 231	9 509
Deferred tax – South Africa	12	**(4 721)**	(2 535)	(9 779)
current year[3]		**(5 687)**	(2 356)	(9 464)
prior years[4]		**966**	(108)	(315)
reduction in corporate tax rate[5]		**–**	(71)	–
Deferred tax – foreign	12	**(3 023)**	173	455
current year[6]		**(2 845)**	(132)	339
prior years		**(172)**	306	124
tax rate change		**(6)**	(1)	(8)
		5 181	13 869	185

1 The increase in 2022 year mainly relates to increased profits, as well as capital gains tax on the ROMPCO asset disposal.

2 2023 mainly relates to Section 12L allowances, as well as differences in provisions.

3 The current year number is impacted by impairments. The decrease in 2022 relates to the recognition of a deferred tax asset relating to derivative losses in Sasol Financing International Limited.

4 Current year impacted by a translation difference of R845 million arising from exchange rates applied by the South African Revenue Service (SARS) at the date of assessment.

5 On 23 February 2022, a decrease in the South African corporate tax rate from 28% to 27% was announced, effective from 1 July 2022.

6 The increase in the current year relates mainly to tax losses incurred at our US Operations and Sasol Italy where we anticipate sufficient profits to be generated in future to utilise the deferred tax asset against.

Contingent liability

SASOL FINANCING INTERNATIONAL (SFI)/SARS

As reported previously, SARS conducted an audit over a number of years on SFI which performs an offshore treasury function for Sasol. The audit culminated in the issue by SARS of revised tax assessments, based on the interpretation of the place of effective management of SFI. A contingent liability of R2,75 billion (including interest and penalties) is reported in respect of this matter as at 30 June 2023.

SARS dismissed Sasol's objection to the revised assessments and Sasol appealed this decision to the Tax Court. In parallel Sasol launched a review application in respect of certain elements of the revised assessments in respect of which the Tax Court does not have jurisdiction. Sasol also brought a review application against the SARS decision to register SFI as a South African taxpayer. SFI and SARS have agreed that the Tax Court related processes will be held in abeyance, pending the outcome of the judicial review applications. The two review applications were heard in the High Court on 16 and 17 November 2022. On 1 August 2023, the High Court handed down its decision dismissing both the SFI review applications. SFI intends to appeal the matter to the Supreme Court of Appeal. As mentioned above, the review applications relate to the challenge by SFI of certain administrative decisions of SARS and the High Court decision does not directly affect the merits of the substantive dispute before the Tax Court, which remains in abeyance while the appeal in the review applications continues.

10 Taxation continued

	2023 %	2022 %	2021 %
Reconciliation of effective tax rate			
The table below shows the difference between the South African enacted tax rate 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	**27,0**	28,0	28,0
Increase in rate of tax due to:			
disallowed expenditure[1]	**6,1**	1,1	11,4
disallowed share-based payment expenses[2]	**0,2**	0,1	2,3
different tax rates[3]	**3,1**	0,5	0,5
tax losses not recognised[4]	**4,8**	0,8	–
translation differences[5]	**4,3**	–	–
capital gains and losses[6]	**–**	1,6	–
prior year adjustments	**–**	0,7	(2,2)
other adjustments[7]	**2,1**	0,3	–
Decrease in rate of tax due to:			
exempt income[8]	**(2,7)**	(5,9)	(10,0)
share of profits of equity accounted investments	**(4,9)**	(1,6)	(2,1)
utilisation of tax losses[9]	**(0,7)**	(0,1)	(20,9)
investment incentive allowances[10]	**(1,3)**	(0,1)	(0,4)
translation differences	**–**	(0,3)	(1,9)
capital gains and losses[6]	**(0,2)**	–	(1,8)
change in South African corporate income tax rate	**–**	(0,1)	–
prior year adjustments[11]	**(2,1)**	–	–
other adjustments	**–**	–	(1,2)
Effective tax rate	**35,7**	25,0	1,7

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 Mainly relates to the lower tax rate in the US (23%) on increased tax losses incurred during the current year and the higher tax rate for Sasol Petroleum Temane Limitada in Mozambique (32%) on higher taxable income.

4 Relates mainly to tax losses in Sasol Investment Company (Pty) Ltd, Sasol Mozambique PT5 C Limitada and Sasol China for which no deferred tax asset was raised.

5 Current year impacted by a translation difference of R845 million arising from exchange rates applied by SARS at the date of assessment.

6 2022 capital gains tax payable in South Africa and Mozambique on the disposal of 30% of our equity interest in the ROMPCO pipeline. 2021 related mainly to the disposal of the Air Separation Units.

7 Included in the current year is a taxable gain on the settlement of an intercompany loan as well as controlled foreign companies tax imputations.

8 Current year mainly relates to Italian tax credit for energy and gas consuming companies and FCTR reclassified on the liquidation of businesses. 2022 relates to the FCTR reclassified on the disposal of the Canadian and Wax businesses and the profit on disposal of the ROMPCO pipeline. 2021 related mainly to the FCTR reclassified on the divestment of 50% of our US LCCP Base Chemicals business, our 50% interest in Gemini HDPE LLC, our 50% equity interest in Sasol Chevron Holdings Limited, our 27,8% working interest in the Etame Marin block offshore Gabon, as well as our 40% non-operated participating interest in Block DE-8 offshore Gabon.

9 2021 relates to tax losses utilised which are allowed to be set off against foreign exchange gains on intergroup foreign currency loans.

10 Current year mainly relates to South African research and development incentive and Energy Efficiency allowances.

11 2023 relates mainly to tax return adjustments on provisions.

for the year ended 30 June	Note	2023 Rm	2022 Rm	2021 Rm
11 Tax paid				
Net amounts payable/(receivable) at beginning of year		**2 410**	(307)	(4 754)
Disposal of businesses		**–**	–	40
Net interest and penalties on tax		**(5)**	(1)	(17)
Income tax per income statement	10	**12 925**	16 231	9 509
Reclassification from/(to) held for sale[1]		**–**	34	(304)
Foreign exchange differences recognised in income statement		**104**	25	(14)
Translation of foreign operations		**(17)**	(41)	513
		15 417	15 941	4 973
Net tax (payable)/receivable per statement of financial position		**(1 465)**	(2 410)	307
tax payable		**(1 876)**	(3 142)	(806)
tax receivable		**411**	732	1 113
Per the statement of cash flows		**13 952**	13 531	5 280
Comprising				
Normal tax				
South Africa		**11 500**	11 739	6 622
Foreign		**2 452**	1 860	(1 342)
Dividend withholding tax		**–**	(68)	–
		13 952	13 531	5 280

1 2021 mainly due to ROMPCO tax payable that was transferred to liabilities held for sale.

for the year ended 30 June	Note	2023 Rm	2022 Rm
12 Deferred tax			
Reconciliation			
Balance at beginning of year		**(20 649)**	(16 718)
Current year charge		**(7 624)**	(1 572)
per the income statement	10	**(7 744)**	(2 362)
per the statement of comprehensive income		**120**	790
Reclassification from held for sale[1]		**–**	665
Foreign exchange differences recognised in income statement		**(19)**	23
Translation of foreign operations		**(4 130)**	(3 047)
Balance at end of year		**(32 422)**	(20 649)
Comprising			
Deferred tax assets		**(37 716)**	(31 198)
Deferred tax liabilities		**5 294**	10 549
		(32 422)	(20 649)

1 2022 relates to deferred tax of assets that were classified as held for sale and disposed of, namely our full shareholding in Central Térmica de Ressano Garcia S.A. (CTRG), our European wax business and 30% of our equity interest in the Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO).

Deferred tax assets and liabilities are determined based on the tax status and rates of the underlying entities. The increase in deferred tax assets relates mainly to our US operations which saw an increase as a result of the weakening exchange rate and loss carry-forwards. The deferred tax liability in South Africa decreased as a result of the Synref impairment. We anticipate sufficient profits to be generated in future to utilise the deferred tax asset against. These US and SA tax losses do not expire.

12 Deferred tax continued

for the year ended 30 June	2023 Rm	2022 Rm
Attributable to the following tax jurisdictions		
South Africa	**(5 054)**	447
United States of America	**(27 973)**	(21 462)
Germany	**1 059**	1 084
Mozambique	**(679)**	(400)
Other	**225**	(318)
	(32 422)	(20 649)
Deferred tax is attributable to temporary differences on the following:		
NET DEFERRED TAX ASSETS:		
Property, plant and equipment	**25 974**	13 047
Right of use assets	**1 697**	587
Short- and long-term provisions	**(4 566)**	(811)
Calculated tax losses	**(50 580)**	(37 953)
Financial liabilities	**(270)**	(1 930)
Lease liabilities	**(2 729)**	(911)
Other	**(7 242)**	(3 227)
	(37 716)	(31 198)
NET DEFERRED TAX LIABILITIES:		
Property, plant and equipment	**7 471**	17 963
Right of use assets	**338**	1 617
Current assets	**(604)**	(1 376)
Short- and long-term provisions	**(1 877)**	(5 676)
Calculated tax losses	**(4)**	(47)
Financial liabilities	**107**	206
Lease liabilities	**(481)**	(2 197)
Other	**344**	59
	5 294	10 549

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	2023 Rm	2022 Rm
Calculated tax losses		
(before applying the applicable tax rate)		
Available for offset against future taxable income	**256 462**	164 474
Utilised against the deferred tax balance	**(251 397)**	(160 244)
Not recognised as a deferred tax asset	**5 065**	4 230
Calculated tax losses carried forward that have not been recognised:*		
Expiry within 1 year	**207**	167
Expiry between one and five years	**–**	1 085
Expiry thereafter	**1 307**	763
Indefinite life	**3 551**	2 215
	5 065	4 230

* Included in 2023 are tax losses of R2,8 billion (2022: R1,2 billion) relating to Sasol Investment Company (Pty) Ltd mainly due to intergroup exposure on foreign currency loans.

12 Deferred tax continued

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 and Sasol Financing International Limited where we anticipate sufficient profits to be generated in future to utilise the deferred tax asset against. These losses do not expire. The assumptions used in estimating future taxable profits are consistent with the main assumptions disclosed in note 8. Where appropriate, the expected impact of climate change was considered in estimating the future taxable profits. 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	2023 Rm	2022 Rm
Unremitted earnings at end of year that would be subject to dividend withholding tax	**38 910**	32 268
Europe	**26 123**	22 788
Rest of Africa	**4 984**	2 580
Other	**7 803**	6 900
Tax effect if remitted	**1 012**	724
Europe	**587**	489
Rest of Africa	**399**	206
Other	**26**	29

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	2023 Rm	2022 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	**134 442**	138 275
Maximum withholding tax payable by shareholders if distributed to individuals	**26 889**	27 655

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. The decrease in the South African corporate tax rate is considered substantively enacted and is effective from 1 July 2022.

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.

SASOL LIMITED GROUP

Sources of capital

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Funding activities and facilities 59

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EQUITY

for the year ended 30 June	2023 Rm	2022 Rm	2021 Rm
13 Share capital			
Issued share capital (as per statement of changes in equity)[1]	**9 888**	9 888	9 888

	Number of shares		
for the year ended 30 June	2023	2022	2021
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[2]	**–**	28 385 646	28 385 646
Sasol BEE ordinary shares of no par value	**158 331 335**	158 331 335	158 331 335
	1 286 021 925	1 314 407 571	1 314 407 571
Issued			
Shares issued at beginning of year	**635 676 817**	634 244 336	632 365 757
Issued in terms of the employee share schemes	**4 990 795**	1 432 481	1 878 579
Shares issued at end of year	**640 667 612**	635 676 817	634 244 336
Comprising			
Sasol ordinary shares of no par value	**634 336 265**	629 345 470	627 912 989
Sasol BEE ordinary shares of no par value	**6 331 347**	6 331 347	6 331 347
	640 667 612	635 676 817	634 244 336
Unissued shares			
Sasol ordinary shares of no par value	**493 354 325**	498 345 120	499 777 601
Sasol preferred ordinary shares of no par value[2]	**–**	28 385 646	28 385 646
Sasol BEE ordinary shares of no par value	**151 999 988**	151 999 988	151 999 988
	645 354 313	678 730 754	680 163 235

1 At 30 June 2023, treasury shares amounted to 10 373 430 (2022: 10 243 580; 2021: 10 469 584) shares held largely by the Sasol Foundation Trust.

2 In the current year, the unissued Sasol preferred ordinary shares were cancelled.

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

for the year ended 30 June	2023 Rm	2022 Rm
14 Long-term debt		
Total long-term debt	**124 068**	104 834
Short-term portion	**(29 764)**	(22 334)
	94 304	82 500
Analysis of long-term debt		
AT AMORTISED COST		
Secured debt	**29**	67
Unsecured debt	**124 742**	105 142
Unamortised loan costs	**(703)**	(375)
	124 068	104 834
Reconciliation		
Balance at beginning of year	**104 834**	102 643
Loans raised[1]	**92 946**	88
Loans repaid[2]	**(91 564)**	(12 086)
Interest accrued	**1 673**	936
Amortisation of loan costs	**212**	132
Amortisation of loan modification	**(194)**	–
Translation of foreign operations	**16 161**	13 121
Balance at end of year	**124 068**	104 834
Interest-bearing status		
Interest-bearing debt	**124 068**	104 834
Maturity profile		
Within one year	**29 764**	22 334
One to five years	**44 732**	55 936
More than five years	**49 572**	26 564
	124 068	104 834

1 Relates mainly to the drawdown on the previous revolving credit facility (RCF) of R26,7 billion (US$1,5 billion), R2,1 billion raised under the new Domestic Medium Term Note (DMTN) programme, the issue of a R13,2 billion (US$750 million) convertible bond, R35,5 billion (US$2 billion) drawdown on the new RCF and term loan and R17,8 billion (US$1 billion) bonds issued in May 2023. R11,1 billion proceeds from the convertible bond is included in long-term debt and R2,1 billion is included in long-term financial liabilities. Refer to note 37.

2 Current year relates mainly to the repayment of the previous RCF and term loan of R53,9 billion (US$3,0 billion), repayment of R2,2 billion on the previous DMTN, repayment of R17,8 billion on the US$1 billion bond, as well as repayment of R17,8 billion (US$1 billion) on the new RCF. 2022 relates mainly to repayments on the previous RCF.

14 Long-term debt continued

for the year ended 30 June	Expiry date	Currency	Interest rate %	2023 Contract amount million	2023 Total Rand equivalent Rm	2023 Available facilities Rm	2023 Utilised facilities Rm	2022 Utilised facilities Rm
Banking facilities and debt arrangements								
GROUP TREASURY FACILITIES								
Commercial paper (uncommitted)	None	Rand	3 months Jibar + 1,3%	–	–	–	–	2 176
Commercial paper (uncommitted)[1]	None	Rand	3 months Jibar + 1,44% / 1,59%	15 000	15 000	12 934	2 066	–
Commercial banking facilities	None	Rand	*	8 150	8 150	8 150	–	–
Revolving credit facility	June 2024	US dollar	SOFR+ Credit Adj +2%	–	–	–	–	2 442
Revolving credit facility[2]	April 2028	US dollar	SOFR+ Credit Adj +1.6%	1 987	37 415	37 415	–	–
DEBT ARRANGEMENTS								
US Dollar Bond	November 2022	US dollar	4,50%	–	–	–	–	16 280
US Dollar Bond[3]	March 2024	US dollar	5,88%	1 500	28 245	–	28 245	24 420
US Dollar term loan	June 2024	US dollar	SOFR+ Credit Adj +2%	–	–	–	–	20 919
US Dollar Bond[3]	September 2026	US dollar	4,38%	650	12 240	–	12 240	10 582
US Dollar Convertible Bond[4]	November 2027	US dollar	4,50%	750	14 123	–	14 123	–
US Dollar term loan[2]	April 2028	US dollar	SOFR+ Credit Adj +1.8%	982	18 499	–	18 499	–
US Dollar Bond[3]	September 2028	US dollar	6,50%	750	14 123	–	14 123	12 210
US Dollar Bond[5]	May 2029	US dollar	8,75%	1 000	18 830	–	18 830	–
US Dollar Bond[3]	March 2031	US dollar	5,50%	850	16 006	–	16 006	13 838
Other Sasol businesses								
SPECIFIC PROJECT ASSET FINANCE								
Energy – Clean Fuels II (Natref)	Various	Rand	Various	901	901	–	901	875
DEBT ARRANGEMENTS								
Other debt arrangements		Various	Various	–	–	–	472	712
						58 499	125 505	104 454
Available cash excluding restricted cash						51 055		
Total funds available for use						109 554		
Accrued interest							1 673	1 010
Unamortised loan cost							(703)	(375)
Cumulative fair value gains on convertible bond embedded derivative financial liability							(867)	–
Total debt including accrued interest and unamortised loan cost							125 608	105 089
Comprising								
Long-term debt							94 304	82 500
Short-term debt							29 843	22 416
Short-term debt							79	82
Short-term portion of long-term debt							29 764	22 334
Bank overdraft							159	173
Convertible bond derivative financial liability							1 302	–
							125 608	105 089

* Interest rate only available when funds are utilised.

1 In October 2022 Sasol issued its paper to the value of R2 066 million in the local debt market under the R15 billion DMTN programme. The previous DMTN has been fully repaid.

2 In April 2023 Sasol Financing International Limited and Sasol Financing USA LLC obtained a RCF of US$1 987 million and a term loan of US$982 million respectively.

3 Included in this amount is the US$3,8 billion (R70,6 billion) bonds 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 (SFUSA), 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, SFUSA, by dividend or loan.

14 Long-term debt continued

4 In November 2022, Sasol launched and priced an offering of US$750 million guaranteed senior unsecured convertible bonds due in 2027. The proceeds from the convertible bond were used primarily to repay a portion of the US$ term loan. The convertible bonds, subject to the receipt of the requisite approvals at a general meeting of the shareholders of Sasol, are convertible into ordinary shares of Sasol at the election of the holders if the Sasol share price appreciates above a specified conversion price (representing a conversion premium of 30%) ahead of the maturity of the bond. The convertible bonds can be settled in cash at the election of Sasol.

5 In May 2023, Sasol launched and priced a US$1 billion (R18,8 billion) bond, with a fixed interest rate of 8,75%, due in 2029. The bond is recognised in SFUSA. 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.

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 using the effective interest rate method. 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. The convertible bonds are hybrid financial instruments consisting of a non-derivative host representing the obligation to make interest payments and to deliver cash to the holder on redemption of the bond ('the bond component'); and a conversion feature which is accounted for as an embedded derivative financial liability. The bond component was recognised at fair value at inception date. The fair value was determined by subtracting the fair value attributable to the embedded derivative from the fair value of the combined instrument. The bond component is measured subsequently at amortised cost using the effective interest rate of 8,5%. The option component is recognised as a derivative financial liability, measured at fair value, with changes in fair value recorded in profit or loss and reported separately in the statement of financial position in long-term financial liabilities.

Refer to note 37 for the accounting policies relating to embedded derivatives.

15 Leases

Right of use assets

for the year ended 30 June	Land Rm	Buildings Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Total Rm
Carrying amount at 30 June 2022	217	5 180	7 231	1	**12 629**
Additions	1	410	967	–	**1 378**
Modifications and reassessments	(2)	28	324	–	**350**
Reclassification to assets	–	(65)	(46)	–	**(111)**
Translation of foreign operations	21	185	671	–	**877**
Terminations	–	(14)	(528)	–	**(542)**
Current year depreciation charge	(11)	(647)	(1 692)	–	**(2 350)**
Impairment of right of use assets (note 8)	(99)	(365)	(82)	–	**(546)**
Carrying amount at 30 June 2023	**127**	**4 712**	**6 845**	**1**	**11 685**

15 Leases continued

for the year ended 30 June	Land Rm	Buildings Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Total Rm
Right of use assets					
Carrying amount at 30 June 2021	241	5 153	7 508	1	**12 903**
Additions	1	674	900	2	**1 577**
Modifications and reassessments	–	(5)	(17)	–	**(22)**
Reclassification to held for sale	(28)	(42)	(39)	–	**(109)**
Translation of foreign operations	11	70	451	–	**532**
Terminations	–	(17)	(24)	–	**(41)**
Current year depreciation charge	(11)	(655)	(1 552)	(2)	**(2 220)**
Reversal of impairment of right of use assets (note 8)	3	2	4	–	**9**
Carrying amount at 30 June 2022	**217**	**5 180**	**7 231**	**1**	**12 629**

for the year ended 30 June	Land Rm	Buildings Rm	Plant, equipment and vehicles Rm	Mineral assets Rm	Total Rm
2023					
Cost	**333**	**8 264**	**13 174**	**4**	**21 775**
Accumulated depreciation and impairment	**(206)**	**(3 552)**	**(6 329)**	**(3)**	**(10 090)**
	127	**4 712**	**6 845**	**1**	**11 685**
2022					
Cost	301	7 616	11 842	7	19 766
Accumulated depreciation and impairment	(84)	(2 436)	(4 611)	(6)	(7 137)
	217	5 180	7 231	1	12 629
2021					
Cost	549	7 389	10 763	4	18 705
Accumulated depreciation and impairment	(308)	(2 236)	(3 255)	(3)	(5 802)
	241	5 153	7 508	1	12 903

for the year ended 30 June	Note	2023 Rm	2022 Rm
Lease liabilities			
Total long-term lease liabilities		**14 382**	14 266
Short-term portion (included in short-term debt)	16	**1 915**	1 768
		16 297	16 034
Reconciliation			
Balance at beginning of year		**16 034**	15 677
New lease contracts		**1 385**	1 979
Payments made on lease liabilities		**(2 269)**	(2 264)
Modifications and reassessments		**349**	(23)
Interest accrued		**293**	453
Termination of lease liability		**(517)**	(63)
Transfer to disposal groups held for sale		**–**	(362)
Translation of foreign operations		**1 022**	637
Balance at end of year		**16 297**	16 034

15 Leases continued

for the year ended 30 June	2023 Rm	2022 Rm	2021 Rm
Amounts recognised in income statement			
Interest expense (included in net finance cost)	**1 451**	1 357	1 488
Expense relating to short-term leases*	**596**	474	423
Expense relating to leases of low-value assets that are not shown above as short-term leases*	**87**	79	65
Expense relating to variable lease payments not included in lease liabilities (included in other operating expenses and income)*	**49**	32	58
Amounts recognised in statement of cash flows			
Total cash outflow on leases	**4 159**	3 753	3 882

* 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 include 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 37.

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 of lease contracts entered into during the year are as follows:

Southern Africa	9,33 – 16,91% (2022: 4,96 – 14,38%)
North America	6,33 – 8,86% (2022: 1,46 – 5,77%)
Eurasia	2,33 – 11,73% (2022: 1,12 – 4,73%)

15 Leases continued

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 note 8 on Remeasurement items affecting profit or loss.

Where the Group transfers control of an asset to another entity (buyer-lessor) and leases that same asset back from the buyer-lessor, the Group derecognises the underlying asset and recognises a right-of-use asset at the proportion of the previous carrying amount of the transferred asset that relates to the right of use retained by the Group. The Group also recognises a lease liability measured at the present value of all expected future lease payments with the resulting gain or loss being included in remeasurement items.

for the year ended 30 June	Note	2023 Rm	2022 Rm
16 Short-term debt			
Short-term debt		**79**	82
Short-term portion of			
long-term debt[1]	14	**29 764**	22 334
lease liabilities	15	**1 915**	1 768
		31 758	24 184

1 At 30 June 2023, R28 billion was classified as short-term, relating to the US$1,5 billion US Dollar bond that is repayable in March 2024. At 30 June 2022, R16 billion (US$1 billion) US Dollar bond as well as R2,2 billion relating to the DMTN were classified as short-term, these were repayable in November and August 2022 respectively.

SASOL LIMITED GROUP

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INVESTING ACTIVITIES

17 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
Carrying amount at 30 June 2022	4 010	11 121	150 575	24 980	30 622	**221 308**
Additions	89	32	807	62	29 953	**30 943**
to sustain existing operations	89	32	732	62	23 549	**24 464**
to expand operations	–	–	75	–	6 404	**6 479**
Reduction in rehabilitation provisions capitalised (note 30)	–	–	(265)	(14)	(365)	**(644)**
Finance costs capitalised	–	–	–	–	1 074	**1 074**
Assets capitalised or reclassified	(33)	498	23 502	4 518	(28 697)	**(212)**
Reclassification to held for sale	(8)	(10)	(7)	–	–	**(25)**
Translation of foreign operations	577	1 298	18 817	–	534	**21 226**
Disposals and scrapping	(9)	(41)	(432)	(45)	(1 004)	**(1 531)**
Current year depreciation charge	–	(556)	(10 631)	(2 633)	–	**(13 820)**
Net impairment of property, plant and equipment (note 8)**	(34)	(1 084)	(13 190)	(12 859)	(5 680)	**(32 847)**
Carrying amount at 30 June 2023	**4 592**	**11 258**	**169 176**	**14 009**	**26 437**	**225 472**

* Includes intangible assets under construction.

** The reversal of impairment of the Tetramerization CGU relates predominantly to Plant, equipment and vehicles.

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
Carrying amount at 30 June 2021	3 871	11 554	128 986	27 476	26 134	198 021
Additions	20	80	701	58	21 754	22 613
to sustain existing operations	20	75	671	58	20 091	20 915
to expand operations	–	5	30	–	1 663	1 698
Reduction in rehabilitation provisions capitalised (note 30)	–	–	(33)	(56)	(395)	(484)
Finance costs capitalised	–	–	–	–	740	740
Assets capitalised or reclassified	(170)	(445)	17 482	88	(17 203)	(248)
Reclassification to held for sale	(51)	(22)	(340)	–	(59)	(472)
Translation of foreign operations	407	908	13 527	–	195	15 037
Disposals and scrapping	(10)	(533)	(2 565)	(87)	(607)	(3 802)
Current year depreciation charge	–	(434)	(8 599)	(2 499)	–	(11 532)
Net impairment of property, plant and equipment (note 8)	(57)	13	1 416	–	63	1 435
Carrying amount at 30 June 2022	4 010	11 121	150 575	24 980	30 622	221 308

* Includes intangible assets under construction.

17 Property, plant and equipment continued

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**
2023						
Cost	**5 023**	**24 252**	**399 595**	**53 259**	**26 437**	**508 566**
Accumulated depreciation and impairment	**(431)**	**(12 994)**	**(230 419)**	**(39 250)**	**–**	**(283 094)**
	4 592	**11 258**	**169 176**	**14 009**	**26 437**	**225 472**
2022						
Cost	4 357	21 466	356 420	49 388	30 622	462 253
Accumulated depreciation and impairment	(347)	(10 345)	(205 845)	(24 408)	–	(240 945)
	4 010	11 121	150 575	24 980	30 622	221 308
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

for the year ended 30 June	**2023 Rm**	2022 Rm	2021 Rm
Additions to property, plant and equipment (cash flow)			
Current year additions	**30 943**	22 613	16 022
Adjustments for non-cash items	**(217)**	(20)	(77)
movement in environmental provisions capitalised	**(50)**	(20)	(77)
reduction in Area A5-A receivable (refer note 8)	**(167)**	–	–
Per the statement of cash flows	**30 726**	22 593	15 945

for the year ended 30 June	**2023 Rm**	2022 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	**47 596**	41 892
Authorised but not yet contracted for	**34 246**	35 830
Less expenditure to the end of year	**(34 277)**	(32 438)
	47 565	45 284
to sustain existing operations	**35 749**	30 805
to expand operations	**11 816**	14 479
ESTIMATED EXPENDITURE		
Within one year	**30 941**	27 719
One to five years	**16 624**	17 565
	47 565	45 284

17 Property, plant and equipment continued

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

Project	Project location	Business segment	Capital commitments 2023 Rm	Capital commitments 2022 Rm	Capital expenditure 2023 Rm	Capital expenditure 2022 Rm
Projects to sustain operations						
Shutdown and major statutory maintenance	Various	Various	**8 875**	7 963	**7 785**	6 082
Environmental projects	Various	Various	**6 497**	3 449	**2 295**	1 520
Clean fuels II	Various	Fuels	**3 134**	2 632	**1 284**	893
Projects to expand operations						
Environmental projects	South Africa	Fuels	**–**	640	**389**	–
Mozambique exploration and development	Mozambique	Gas	**10 544**	11 448	**5 465**	1 377

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 the impact of climate change and therefore requires a significant degree of judgement to be applied by management. The remaining useful lives of property, plant and equipment have been reassessed considering the Group's targeted reduction in GHG emissions and remain appropriate.

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 (included in buildings and improvements)	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 (included in mineral assets)	Units of production over life of related reserve base

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.

17 Property, plant and equipment continued

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 6,7% (2022 – 5,5%) 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.

18 Long-term receivables and prepaid expenses

for the year ended 30 June	2023 Rm	2022 Rm
Total long-term receivables	**3 202**	4 230
Impairment of long-term receivables*	**(111)**	(85)
Short-term portion	**(288)**	(1 122)
	2 803	3 023
Long-term prepaid expenses	**237**	187
	3 040	3 210
Comprising:		
Long-term receivables (interest-bearing) – joint operations	**683**	584
Long-term loans	**2 120**	2 016
LCCP investment incentives	**–**	423
	2 803	3 023

The decrease in long-term receivables is as a result of repayments made during the year. There were no significant non-cash movements in long-term receivables and prepaid expenses during the year. Non-cash movements relate largely to foreign exchange differences.

*** 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 37 for detail on the impairments recognised.

19 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 %	2023 Rm	2022 Rm
Joint ventures					
ORYX GTL Limited	Qatar	GTL plant	**49**	**10 693**	8 920
Sasol Dyno Nobel (Pty) Ltd	South Africa	Manufacturing and distribution of explosives	**50**	**304**	267
Associates					
Enaex Africa (Pty) Ltd	South Africa	Manufacturing and distribution of explosives	**23**	**402**	309
The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)	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	**20**	**2 823**	2 753
Other equity accounted investments			**Various**	**582**	435
Carrying value of investments				**14 804**	12 684

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 8, 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	2023 Rm	2022 Rm
Operating profit	**218**	114
Profit before tax	**250**	159
Taxation	**(72)**	(50)
Profit for the year	**178**	109

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

Capital commitments relating to equity accounted investments	2023 Rm	2022 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	**1 357**	688
Authorised but not yet contracted for	**972**	884
Less: expenditure to the end of year	**(981)**	(562)
	1 348	1 010

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 and ROMPCO are considered to be material as they are closely monitored by and reported on to the decision makers and are considered to be strategically material investments.

19 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 and associate. 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	2023 Rm	2022 Rm
Summarised statement of financial position		
Non-current assets	**14 621**	13 723
Deferred tax asset	**423**	292
Cash and cash equivalents	**2 897**	4 208
Other current assets	**7 905**	7 775
Total assets	**25 846**	25 998
Non-current liabilities	**751**	704
Other current liabilities	**1 629**	4 594
Tax payable	**1 642**	2 496
Total liabilities	**4 022**	7 794
Net assets	**21 824**	18 204
Summarised income statement		
Turnover	**13 761**	16 620
Depreciation and amortisation	**(2 148)**	(1 625)
Other operating expenses	**(5 434)**	(5 497)
Operating profit before interest and tax	**6 179**	9 498
Finance income	**154**	33
Finance cost	**(43)**	(42)
Profit before tax	**6 290**	9 489
Taxation	**(2 193)**	(3 329)
Profit and total comprehensive income for the year	**4 097**	6 160
The Group's share of profits of equity accounted investment	**2 007**	3 019
49% share of profit before tax	**3 082**	4 650
Taxation	**(1 075)**	(1 631)
Reconciliation of summarised financial information		
Net assets at the beginning of the year	**18 204**	19 039
Earnings before tax for the year	**6 290**	9 489
Taxation	**(2 193)**	(3 329)
Foreign exchange differences	**2 934**	2 438
Dividends paid[1]	**(3 411)**	(9 433)
Net assets at the end of the year	**21 824**	18 204
Carrying value of equity accounted investment	**10 693**	8 920

1 In 2022 ORYX GTL Limited declared a dividend of R4,6 billion (Sasol's share) of which R3 billion was received by 30 June 2022.

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.

19 Equity accounted investments continued

	Associate	
	The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)	
for the year ended 30 June	2023 Rm	2022 Rm
Summarised statement of financial position		
Non-current assets	**4 334**	3 881
Cash and cash equivalents	**1 070**	1 056
Other current assets	**613**	373
Total assets	**6 017**	5 310
Non-current liabilities	**736**	812
Other current liabilities	**116**	125
Tax payable	**493**	51
Total liabilities	**1 345**	988
Net assets	**4 672**	4 322
Summarised income statement		
Turnover	**4 270**	–
Depreciation and amortisation	**(563)**	–
Other operating expenses	**(266)**	–
Operating profit before interest and tax	**3 441**	–
Finance income	**85**	–
Finance cost	**(10)**	–
Profit before tax	**3 516**	–
Taxation	**(1 330)**	–
Earnings and total comprehensive income for the period	**2 186**	–
The Group's share of profits of equity accounted investment	**437**	–
20% share of profit before tax	**703**	–
Taxation	**(266)**	–
Reconciliation of summarised financial information		
Net assets at the beginning of the year	**4 322**	–
Acquisition	**–**	4 322
Earnings before tax for the year	**3 516**	–
Taxation	**(1 330)**	–
Other movements	**140**	–
Dividends paid	**(1 976)**	–
Net assets at the end of the year	**4 672**	4 322
Carrying value of equity accounted investment[1]	**2 823**	2 753
Historical net asset value	**934**	864
Fair value adjustment on acquisition of investment	**1 889**	1 889

1 Carrying value comprising 20% of historical net asset value, as well as the fair value adjustment on acquisition of investment.

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

Contingent liabilities

ORYX GTL Limited has disclosed a contingent liability for site decommissioning and restoration obligations relating to the leased land on which its facilities are located. Under the lease agreement, the lessor may require the company to remove the facilities from the land and to restore it to the condition in which it was delivered. There were no other contingent liabilities at 30 June relating to our joint ventures or associates.

19 Equity accounted investments continued

for the year ended 30 June	2023 Rm	2022 Rm	2021 Rm
Transactions with joint ventures and associates			
Total sales and services rendered from subsidiaries to joint ventures and associates	**3 667**	2 737	2 635
Total purchases by subsidiaries from joint ventures and associates*	**3 448**	157	108

* Includes purchases from ROMPCO which is accounted for as an associate from 29 June 2022.

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.

20 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 2023 %	2022 %
Louisiana Integrated Polyethylene JV LLC	United States of America	Manufactures ethylene and polyethylene chemicals	**50**	50
Natref	South Africa	Refining of crude oil	**64**	64

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	Natref Rm	Total 2023 Rm	Total 2022 Rm
Statement of financial position				
External non-current assets	35 190	3 846	**39 036**	34 149
External current assets	1 123	414	**1 537**	1 357
Intercompany current assets	187	2	**189**	72
Total assets	36 500	4 262	**40 762**	35 578
Shareholders' equity	35 482	304	**35 786**	31 081
Long-term liabilities	33	2 710	**2 743**	2 454
Interest-bearing current liabilities	12	168	**180**	237
Non-interest-bearing current liabilities	785	703	**1 488**	1 201
Intercompany current liabilities	188	377	**565**	605
Total equity and liabilities	36 500	4 262	**40 762**	35 578

* The joint operation with LyondellBasell operates as a tolling arrangement. Sasol retains control of our portion of 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. Equistar, a subsidiary of LyondellBasell, acts as an independent agent, for a fee, to exclusively market and sell all of Sasol's Linear low-density polyethylene and Low-density polyethylene produced by the joint operation to customers.

At 30 June 2023, the Group's share of the total capital commitments of joint operations amounted to R1 155 million (2022 – R977 million).

Accounting policies:

The Group recognises its share of any jointly held or incurred assets, liabilities, revenues and expenses along with the Group's income from the sale of its share of the output and any liabilities and expenses that the Group has incurred in relation to the joint operation. These have been incorporated in the financial statements under the appropriate headings.

21 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, primarily holds 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 2023.

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	2023	2022
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
Sasol Venture Capital (Pty) Ltd	South Africa	Investment into new emerging technology areas	**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.

			% of equity owned	
Name	Country of incorporation	Nature of activities	2023	2022
Significant operating subsidiaries INDIRECT				
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 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

21 Interest in significant operating subsidiaries continued

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 until there is a disposal of the foreign operation. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal and included in remeasurement items.

WORKING CAPITAL

for the year ended 30 June	2023 Rm	2022 Rm
22 Inventories		
Carrying value		
Crude oil and other raw materials	**5 622**	6 515
Process material	**3 220**	2 079
Maintenance materials	**6 889**	5 636
Work in progress	**2 614**	2 661
Manufactured products	**23 658**	23 988
Consignment inventory	**202**	231
	42 205	41 110

A net realisable value write-down of R948 million was recognised in 2023 (2022 – R451 million).

Inventory of R7 739 million (2022 – R1 803 million) is held at net realisable value. This relates mainly to manufactured products.

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	2023 Rm	2022 Rm
23 Trade and other receivables		
Trade receivables[1]	**27 296**	32 778
Other receivables (financial assets)	**4 082**	4 546
Related party receivables – equity accounted investments[2]	**289**	2 074
Impairment of trade and other receivables*	**(752)**	(462)
	30 915	38 936
Other receivables (non-financial assets)[3]	**355**	2 571
Duties recoverable from customers	**–**	485
Prepaid expenses and other	**2 507**	2 115
Value added tax	**2 128**	2 564
	35 905	46 671

1 Decrease mainly as a result of lower sales volumes and prices at year end.

2 Included in 2022 related party receivables is a dividend receivable from ORYX GTL Limited of R1,6 billion.

3 In 2022 the Sasol Oil Slate balance reflected an under recovery of R2,6 billion mainly as a result of increased international crude oil prices coupled with a weak rand/US$ exchange rate. The slate balance was recovered through the Department of Mineral Resources and Energy's slate levy mechanism (R1,7 billion) and under recoveries due to BFP price changes (R1,2 billion). For 2023 the slate balance is in an over-recovery position and is therefore recognised under Other payables (non-financial liabilities).

*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 37 for detail on the impairments recognised.

23 Trade and other receivables continued

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.

24 Trade and other payables

for the year ended 30 June	2023 Rm	2022 Rm
Trade payables	**26 311**	26 888
Capital project related payables[1]	**1 155**	457
Accrued expenses	**4 712**	4 807
Other payables (financial liabilities)[2]	**2 295**	6 611
Related party payables	**645**	1 110
third parties	**40**	191
equity accounted investments	**605**	919
	35 118	39 873
Other payables (non-financial liabilities)[3]	**9 228**	9 037
Duties payable to revenue authorities	**4 051**	4 172
Value added tax	**121**	473
	48 518	53 555

1 Increase mainly due to ramp up of development cost on the Production Sharing Agreement (PSA) project in Mozambique.

2 In 2022 other payables (financial liabilities) included payables for mainly crude oil derivatives that settled out of the money.

3 Other payables (non-financial liabilities) 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.

25 Decrease/(increase) in working capital

	2023 Rm	2022 Rm	2021 Rm
Decrease/(increase) in inventories	**1 913**	(12 281)	(4 872)
Decrease/(increase) in trade receivables	**9 002**	(9 414)	(7 198)
(Decrease)/increase in trade payables	**(2 865)**	10 159	4 916
Decrease/(increase) in working capital	**8 050**	(11 536)	(7 154)

CASH MANAGEMENT

for the year ended 30 June	2023 Rm	2022 Rm
26 Cash and cash equivalents		
Cash and cash equivalents	**51 214**	40 577
Restricted cash and cash equivalents	**2 712**	2 563
	53 926	43 140
Bank overdraft	**(159)**	(173)
Per the statement of cash flows	**53 767**	42 967
Cash by currency		
Rand	**31 155**	27 122
Euro	**3 457**	2 835
US dollar	**18 478**	12 289
Other currencies	**677**	721
	53 767	42 967

Included in restricted cash and cash equivalents are cash in respect of various special purpose entities and joint operations in the Group for use within those entities.

Accounting policies:

Cash includes cash on hand and demand deposits that can be withdrawn at any time without prior notice or penalty.

Cash equivalents include short-term highly liquid investments with a maturity period of three months or less at date of purchase.

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.

Cash, cash equivalents and cash restricted for use are stated at carrying amount which is deemed to be fair value.

Bank overdrafts that are repayable on demand and that are integral to the Group's cash management are offset against cash and cash equivalents in the statement of cash flows.

The Statement of cash flows is presented on the direct method. Notes are supplied as supplemental information to the Statement of cash flows. Finance income and expenses and dividends received and paid are presented under operating activities in the Statement of cash flows.

for the year ended 30 June	Note	2023 Rm	2022 Rm	2021 Rm
27 Cash generated by operating activities				
Cash flow from operations	28	**56 587**	67 674	52 268
Decrease/(increase) in working capital	25	**8 050**	(11 536)	(7 154)
		64 637	56 138	45 114

28 Cash flow from operations

for the year ended 30 June	Note	2023 Rm	2022 Rm	2021 Rm
Earnings before interest and tax (EBIT)		**21 520**	61 417	16 619
Adjusted for				
share of profits of equity accounted investments		**(2 623)**	(3 128)	(814)
equity-settled share-based payment	33	**1 033**	1 164	1 927
depreciation and amortisation		**16 491**	14 073	17 644
effect of remeasurement items	8	**33 898**	(9 903)	23 218
movement in long-term provisions				
income statement charge	30	**(718)**	643	(3)
utilisation	30	**(811)**	(310)	(388)
movement in short-term provisions		**(261)**	(2 182)	2 839
movement in post-retirement benefits		**381**	443	880
translation effects		**(1 821)**	(886)	(5 047)
write-down of inventories to net realisable value		**948**	451	83
movement in financial assets and liabilities		**(6 708)**	2 760	(4 225)
movement in other receivables and payables		**(5 205)**	3 223	(240)
other non-cash movements		**463**	(91)	(225)
		56 587	67 674	52 268

29 Dividends paid

for the year ended 30 June	2023 Rm	2022 Rm	2021 Rm
Final dividend – prior year	**9 295**	23	16
Interim dividend – current year	**4 459**	26	30
	13 754	49	46
Forecast cash flow on final dividend – current year	**6 407**		

The forecast cash flow on the final dividend is calculated based on the net number of Sasol ordinary shares and BEE ordinary shares in issue at 30 June 2023 of 641 million. The actual dividend payment will be determined on the record date of 12 September 2023.

SASOL LIMITED GROUP

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PROVISIONS

for the year ended 30 June	Environmental 2023 Rm	Other 2023 Rm	**Total 2023 Rm**
30 Long-term provisions			
Balance at beginning of year	17 207	808	**18 015**
Capitalised to property, plant and equipment	50	–	**50**
Reduction in rehabilitation provision capitalised[1]	(644)	–	**(644)**
Per the income statement	(708)	(10)	**(718)**
additional provisions and changes to existing provisions	121	(1)	**120**
reversal of unutilised amounts	(36)	–	**(36)**
effect of change in discount rate	(793)	(9)	**(802)**
Notional interest	1 099	10	**1 109**
Utilised during year (cash flow)	(741)	(70)	**(811)**
Translation of foreign operations	172	88	**260**
Foreign exchange differences recognised in income statement	858	13	**871**
Balance at end of year	**17 293**	**839**	**18 132**

1 Decrease in rehabilitation provision capitalised in 2023 relates primarily to an increase in discount rates.

for the year ended 30 June	Note	**2023 Rm**	2022 Rm
Expected timing of future cash flows			
Within one year		**2 601**	1 465
One to five years		**6 060**	5 429
More than five years		**9 471**	11 121
		18 132	18 015
Short-term portion	31	**(2 601)**	(1 465)
Long-term provisions		**15 531**	16 550
Estimated undiscounted obligation*		**114 986**	105 792

* Increase relates mainly to a reassessment of cost estimates and volumes used in the environmental provisions.

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.

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 R749 million (2022 – R700 million). In addition, indemnities of R2 527 million (2022 – R2 314 million) are in place.

30 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	2023 %	2022 %
South Africa	**8,7 to 10,9**	6,6 to 10,1
Europe	**2,0 to 4,0**	0,6 to 2,4
United States of America	**2,7 to 5,7**	2,2 to 3,3

for the year ended 30 June	2023 Rm	2022 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	**(4 250)**	(4 405)
amount capitalised to property, plant and equipment	**(858)**	(1 237)
income recognised in income statement	**(3 392)**	(3 168)
Decrease in the discount rate	**5 338**	5 474
amount capitalised to property, plant and equipment	**1 518**	1 646
expense recognised in income statement	**3 820**	3 828

31 Short-term provisions

for the year ended 30 June	Note	2023 Rm	2022 Rm
Other provisions[1]		**1 005**	1 126
Short-term portion of			
long-term provisions	30	**2 601**	1 465
post-retirement benefit obligations	32	**713**	553
		4 319	3 144

1 Includes emission right provisions of R605 million (2022 – R609 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.

31 Short-term provisions continued

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. The pace of transition to a low carbon economy will impact the anticipated time period over which decommissioning liabilities are expected to be incurred in future.

		Non-current		Current		Total	
for the year ended 30 June	Note	2023 Rm	2022 Rm	2023 Rm	2022 Rm	2023 Rm	2022 Rm
32 Post-retirement benefit obligations							
Post-retirement healthcare obligations	32.1						
South Africa		**3 286**	3 300	**281**	256	**3 567**	3 556
United States of America		**241**	228	**19**	20	**260**	248
		3 527	3 528	**300**	276	**3 827**	3 804
Pension obligations	32.2						
Foreign – post-retirement benefit obligation		**7 816**	6 535	**413**	277	**8 229**	6 812
Total post-retirement benefit obligations		**11 343**	10 063	**713**	553	**12 056**	10 616
Pension assets	32.2						
South Africa – post-retirement benefit asset		**(84)**	(64)	**–**	–	**(84)**	(64)
Foreign – post-retirement benefit asset		**(700)**	(569)	**–**	–	**(700)**	(569)
Total post-retirement benefit assets		**(784)**	(633)	**–**	–	**(784)**	(633)
Net pension obligations		**7 032**	5 902	**413**	277	**7 445**	6 179

		Loss/(gain) recognised in the income statement			Loss/(gain) recognised in other comprehensive income		
for the year ended 30 June	Note	2023 Rm	2022 Rm	2021 Rm	2023 Rm	2022 Rm	2021 Rm
Post-retirement benefit obligations							
Post-retirement healthcare obligations	32.1	**477**	442	407	**(222)**	(131)	201
Pension benefits – projected benefit obligation	32.2	**9 310**	7 934	7 248	**(1 835)**	(3 184)	5 715
Pension benefits – plan asset of funded obligation	32.2	**(8 259)**	(6 699)	(6 115)	**2 884**	(963)	(7 062)
Interest on asset limitation		**712**	396	357	**–**	–	–
Net movement on asset limitation and reimbursive right		**–**	–	–	**(1 254)**	1 863	669
		2 240	2 073	1 897	**(427)**	(2 415)	(477)

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.

32 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; or
- 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 2023**	**31 March 2023**
Last actuarial valuation – United States of America	**30 June 2023**	**30 June 2023**
Last actuarial valuation – Europe	**n/a**	**30 April 2023**
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.

32 Post-retirement benefit obligations continued

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	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Healthcare cost inflation	**7,5**	7,5	**n/a***	n/a*	**n/a**	n/a
Discount rate – post-retirement medical benefits	**13,0**	12,4	**4,9**	4,3	**n/a**	n/a
Discount rate – pension benefits	**12,9**	12,4	**4,9**	4,2	**3,7**	2,5
Pension increase assumption	**5,8**	5,1	**n/a****	n/a**	**2,2**	2,2
Average salary increases	**5,5**	5,5	**4,2**	4,2	**3,2**	3,2
Weighted average duration of the obligation – post-retirement medical obligation	**13 years**	14 years	**10 years**	10 years	**n/a**	n/a
Weighted average duration of the obligation – pension obligation	**11 years**	12 years	**4 years**	4 years	**15 years**	16 years

* 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.

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

32.1 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	2023 Rm	2022 Rm	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Total post-retirement healthcare obligation at beginning of year	**3 556**	3 456	**248**	257	**3 804**	3 713
Movements recognised in the income statement:	**452**	421	**25**	21	**477**	442
current service cost	**25**	30	**13**	14	**38**	44
interest cost	**427**	391	**12**	7	**439**	398
Actuarial (gains)/losses recognised in other comprehensive income:	**(191)**	(91)	**(31)**	(40)	**(222)**	(131)
arising from changes in financial assumptions	**(197)**	(284)	**(14)**	(41)	**(211)**	(325)
arising from changes in actuarial experience	**6**	193	**(17)**	1	**(11)**	194
Benefits paid	**(250)**	(230)	**(19)**	(22)	**(269)**	(252)
Translation of foreign operations	**–**	–	**37**	32	**37**	32
Total post-retirement healthcare obligation at end of year	**3 567**	3 556	**260**	248	**3 827**	3 804

32 Post-retirement benefit obligations continued

32.1 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	**2023 Rm**	2022 Rm	**2023 Rm**	2022 Rm
1% point change in actuarial assumptions:				
Increase in the healthcare cost inflation	**361**	387	**–** *	– *
Decrease in the healthcare cost inflation	**(310)**	(325)	**–** *	– *
Increase in the discount rate	**(293)**	(309)	**(22)**	(21)
Decrease in the discount rate	**346**	373	**27**	28

* 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 of America 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 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.

32.2 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, 24 of 1956. Included in the fund assets at 31 March 2023 are 2 080 048 (2022 – 2 077 048) Sasol ordinary shares valued at R485 million (2022 – R772 million) at year-end purchased under terms of an approved investment strategy, and property valued at R1 533 million (2022 – R1 533 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.

32 Post-retirement benefit obligations continued

32.2 Pension benefits continued

Pension fund assets

The assets of the pension funds are invested as follows:

	South Africa		United States of America	
at 30 June	2023 %	2022 %	2023 %	2022 %
Equities	**52**	55	**35**	35
resources	**7**	7	**6**	5
industrials	**4**	3	**4**	4
consumer discretionary	**9**	9	**4**	4
consumer staples	**7**	7	**2**	2
healthcare	**5**	5	**4**	4
information technologies	**7**	8	**8**	8
telecommunications	**2**	4	**2**	3
financials (ex real estate)	**11**	12	**5**	5
Fixed interest	**19**	18	**39**	40
Direct property	**11**	10	**9**	9
Listed property	**3**	3	**–**	–
Cash and cash equivalents	**3**	2	**–**	–
Third party managed assets	**11**	11	**–**	–
Other	**1**	1	**17**	16
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:

	South Africa[1]		United States of America	
Asset classes	Minimum %	Maximum %	Minimum %	Maximum %
Equities				
local	**25**	**35**	**–**	**100**
foreign	**25**	**35**	**–**	**100**
Fixed interest	**10**	**25**	**–**	**100**
Property	**10**	**20**	**–**	**100**
Other	**–**	**15**	**–**	**100**

1 Members of the defined contribution scheme have a choice of four investment portfolios. The portion of fund assets invested in each portfolio is R0,4%, 96,8%, 1,9% and 0,9% 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 targeted allocation disclosed represents the moderate balanced investment portfolio which the majority of the members of the scheme have adopted.

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.

32 Post-retirement benefit obligations continued

32.2 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	2023 Rm	2022 Rm	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Projected benefit obligation (funded)	**64 049**	60 478	**3 778**	3 218	**67 827**	63 696
defined benefit portion	**30 632**	29 569	**3 778**	3 218	**34 410**	32 787
defined benefit option for defined contribution members	**33 417**	30 909	**–**	–	**33 417**	30 909
Plan assets	**(69 291)**	(66 284)	**(4 478)**	(3 787)	**(73 769)**	(70 071)
defined benefit portion	**(35 874)**	(35 375)	**(4 478)**	(3 787)	**(40 352)**	(39 162)
defined benefit option for defined contribution members	**(33 417)**	(30 909)	**–**	–	**(33 417)**	(30 909)
Projected benefit obligation (unfunded)	**–**	–	**8 229**	6 812	**8 229**	6 812
Asset not recognised due to asset limitation	**5 158**	5 742	**–**	–	**5 158**	5 742
Net liability/(asset) recognised	**(84)**	(64)	**7 529**	6 243	**7 445**	6 179

The decrease of R1 296 million in the asset limitation (2022 – increase of R1 775 million) was recognised as a gain (2022 – loss) in other comprehensive income while interest expense thereon of R712 million (2022 – R396 million) was recognised in the income statement.

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 Group has an unconditional entitlement to only the funds in the employer surplus account and the contribution reserve. The remaining estimated surplus due to the Company amounted to approximately R84 million (2022 – R64 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.

32 Post-retirement benefit obligations continued

32.2 Pension benefits continued

Reconciliation of projected benefit obligation

for the year ended 30 June	South Africa 2023 Rm	South Africa 2022 Rm	Foreign 2023 Rm	Foreign 2022 Rm	Total 2023 Rm	Total 2022 Rm
Projected benefit obligation at beginning of year	**60 478**	57 054	**10 030**	13 268	**70 508**	70 322
Movements recognised in income statement:	**8 426**	7 326	**884**	608	**9 310**	7 934
current service cost	**1 066**	1 115	**498**	434	**1 564**	1 549
interest cost	**7 360**	6 211	**386**	174	**7 746**	6 385
Actuarial (gains)/losses recognised in other comprehensive income:	**(1 482)**	(533)	**(353)**	(2 651)	**(1 835)**	(3 184)
arising from changes in financial assumptions	**421**	(2 133)	**(562)**	(2 654)	**(141)**	(4 787)
arising from change in actuarial experience	**(1 903)**	1 600	**209**	3	**(1 694)**	1 603
Member contributions	**562**	536	**–**	–	**562**	536
Benefits paid	**(3 935)**	(3 905)	**(450)**	(496)	**(4 385)**	(4 401)
Disposal of business[1]	**–**	–	**–**	(1 223)	**–**	(1 223)
Translation of foreign operations	**–**	–	**1 896**	524	**1 896**	524
Projected benefit obligation at end of year	**64 049**	60 478	**12 007**	10 030	**76 056**	70 508
unfunded obligation[2]	**–**	–	**8 229**	6 812	**8 229**	6 812
funded obligation	**64 049**	60 478	**3 778**	3 218	**67 827**	63 696

1 Relates to the disposal of Sasol's European wax business in Germany in the prior year.

2 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 R137 million (2022 – R135 million). A loss of R42 million (2022 – R88 million) has been recognised as a loss in other comprehensive income in respect of the reimbursive right offset by the translation impact of the weakening Rand.

Reconciliation of plan assets of funded obligation

for the year ended 30 June	South Africa 2023 Rm	South Africa 2022 Rm	Foreign 2023 Rm	Foreign 2022 Rm	Total 2023 Rm	Total 2022 Rm
Fair value of plan assets at beginning of year	**66 284**	60 671	**3 787**	3 732	**70 071**	64 403
Movements recognised in income statement:	**8 084**	6 610	**175**	89	**8 259**	6 699
interest income	**8 084**	6 610	**175**	89	**8 259**	6 699
Actuarial (losses)/gains recognised in other comprehensive income:	**(2 939)**	1 200	**55**	(237)	**(2 884)**	963
arising from return on plan assets (excluding interest income)	**(2 939)**	1 200	**55**	(237)	**(2 884)**	963
Plan participant contributions[1]	**562**	536	**–**	–	**562**	536
Employer contributions[1]	**1 235**	1 172	**71**	27	**1 306**	1 199
Benefit payments	**(3 935)**	(3 905)	**(212)**	(312)	**(4 147)**	(4 217)
Translation of foreign operations	**–**	–	**602**	488	**602**	488
Fair value of plan assets at end of year	**69 291**	66 284	**4 478**	3 787	**73 769**	70 071
Actual return on plan assets	**5 145**	7 810	**231**	(148)	**5 376**	7 662

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

32 Post-retirement benefit obligations continued

32.2 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 2024 financial year.

	South Africa Rm	Foreign Rm
Pension contributions	**1 305**	**75**

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	2023 Rm	2022 Rm	2023 Rm	2022 Rm
1% point change in actuarial assumptions				
Increase in average salaries increase assumption	**5**	6	**297**	312
Decrease in average salaries increase assumption	**(5)**	(6)	**(227)**	(271)
Increase in the discount rate	**(1 251)**	(1 161)	**(1 169)**	(1 199)
Decrease in the discount rate	**1 471**	1 364	**1 445**	1 507
Increase in the pension increase assumption	**1 561**	1 453	**897** *	929 *
Decrease in the pension increase assumption	**(1 354)**	(1 261)	**(690)** *	(737) *

* 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	2023 Rm	2022 Rm	2021 Rm

33 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:

	Note	2023 Rm	2022 Rm	2021 Rm
Long-term incentives	33.1	**909**	1 001	1 042
Sasol Khanyisa Employee Share Ownership Plan (ESOP)	33.2	**124**	163	885
Tier 1 – Eligible Inzalo participants		**–**	–	567
Tier 2 – Qualifying employees		**124**	163	318
Equity-settled – recognised directly in equity		**1 033**	1 164	1 927

33.1 Long-term incentive plans

The objective of the Sasol Long-Term Incentive (LTI) plans is to provide qualifying senior employees the opportunity of receiving an incentive linked to the value of Sasol Limited ordinary shares and to align the interest of participants with the interest of shareholders. The LTI plans allow certain senior employees to earn a long-term incentive amount subject to the achievement of vesting conditions. 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.

In terms of the 2016 plan, LTIs which have not yet vested will lapse on resignation. On death, unvested LTIs vest immediately. For terminations due to retrenchment or retirement, vesting depends on the role category of the participant. Accelerated vesting does not apply to top management. The standard vesting period is three years, with the exception of top management, who have a three and five year vesting period for 50% of the awards respectively. Restricted LTIs offered to members of the Group Executive Committee (GEC), have 5-year vesting period.

In November 2022, shareholders approved the 2022 Sasol LTI plan to replace the 2016 plan. The 2022 plan mirrors the 2016 plan except for the following changes:

- the enforcement of minimum shareholding requirements for Executive Vice Presidents (EVPs);
- the introduction of post-employment shareholding requirements for EVPs;
- the removal of accelerated vesting of awards except in the event of the death of a participant; and
- the removal of the service penalty in respect of good leavers who have been employed for more than 270 days from award date.

The maximum number of shares issued under the 2022 plan may not exceed 32 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 2021	13 472 670	256,68
LTIs granted	3 822 529	246,26
LTIs exercised	(1 488 900)	461,96
Effect of CPTs and LTIs forfeited	(1 544 102)	351,79
Balance at 30 June 2022	**14 262 197**	**222,16**
LTIs granted	**3 179 896**	**322,43**
LTIs exercised*	**(4 862 497)**	**280,69**
Effect of CPTs and LTIs forfeited	**(655 706)**	**244,41**
Balance at 30 June 2023**	**11 923 890**	**223,80**

* LTIs exercised in 2023 include 2 415 744 LTIs that were issued in October 2019 to qualifying employees who did not receive short-term incentives due to cash conservation measures.

** The incentives outstanding as at 30 June 2023 have a weighted average remaining vesting period of 1,3 years (2022: 1,4 years). The exercise price of these options is Rnil.

for year ended 30 June	2023 Rand	2022 Rand
Average weighted market price of LTIs vested	**300,94**	230,48

33 Share-based payments reserve continued

33.1 Long-term incentive plans continued

Average fair value of incentives granted		2023	2022
Model		**Monte-Carlo**	Monte-Carlo
Risk-free interest rate – Rand	(%)	**6,76 - 8,21**	4,96 – 7,28
Risk-free interest rate – US$	(%)	**1,45 - 2,37**	0,32 – 1,45
Expected volatility	(%)	**50,24**	78,67
Expected dividend yield	(%)	**6,37**	2,90
Expected forfeiture rate	(%)	**5**	5
Expected vesting percentage	(%)	**98,65**	97,27
Vesting period – top management		**3/5 years**	3/5 years
Vesting period – all other participants		**3 years**	3 years

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.

Areas of judgement:

The valuation of the share-based payment expense requires a significant degree of judgement to be applied by management.

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 overall expected vesting percentage takes into consideration service, market and non-market conditions.

33.2 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 ongoing 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. Sasol Khanyisa Tier 1 was concluded in 2021.

At the end of 10 years, or earlier if the underlying funding has been settled, the participants in Khanyisa Tier 2, will exchange their SSA shareholding on a fair value-for-value basis for Sasol BEE ordinary shares to the extent that value was created during the transaction term.

Sasol BEE ordinary 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 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 are 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.

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 2023 have a weighted average remaining vesting period of 2,2 years (2022: 2,5 years). The weighted average fair value of the outstanding options is R61,69 (2022: R62,95) and was derived from the Monte-Carlo option pricing model. The estimated strike price value for Tier 2 is R196,19 (2022: R258,85) and represents the remaining vendor funding per share at 30 June 2023.

33 Share-based payments reserve continued

33.2 The Sasol Khanyisa share transaction continued

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 judgement, 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, rand/US$ 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.

SASOL LIMITED GROUP

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OTHER DISCLOSURES

34 Contingent liabilities

34.1 Litigation

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 arbitration was the final disputed matter to be resolved. The matter served before the Arbitrator and in June 2023 the Arbitrator ruled in favour of Sasol dismissing the entirety of Fluor's claim.

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, whereafter 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. The Labour Court issued a directive to prepare a pre-trial minute to be filed with the registrar alternatively to appear before a judge of the Labour Court. The parties filed the pre-trial minute and are awaiting the allocation of the trial date.

Due to the current status of the matter no provision was recognised at 30 June 2023.

Legal review of Sasol Gas National Energy Regulator of South Africa (NERSA) maximum price decision and NERSA gas transmission tariff application (March 2013)

Following the legal review applications in terms of which the 2013 and 2017 NERSA Maximum Gas Price decisions were overturned, NERSA in 2020 adopted a Maximum Gas Price Methodology in terms of which Maximum Gas Prices for Sasol Gas is determined with reference to international benchmark prices. 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. With effect from 1 September 2021 Sasol Gas adopted a revised actual gas price methodology in terms of its supply agreements with customers in order to comply with the new NERSA maximum gas price decision.

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, the risk of a retrospective liability for Sasol Gas was identified in the event that 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. In May 2022 Sasol Gas pro-actively approached its customers with a bespoke settlement offer for each affected customer to resolve this retrospective liability. By 30 June 2023 final and provisional settlements with an aggregate value of R1,5 billion have been reached with customers, which refunds were credited to the customer accounts. The remaining R93 million of the anticipated liability was reflected as an accrued expense as at 30 June 2023.

In December 2021 the Industrial Gas Users Association of Southern Africa (IGUA-SA) launched a legal review application in which it seeks to overturn the 2021 NERSA maximum gas price decision that approved Maximum Gas Prices for Sasol Gas for the period from 2014 – 2023. Both NERSA and Sasol Gas opposed this further litigation. The applicant alleged that the NERSA decision is unreasonable and irrational as the decision does not mimic a competitive market and fails to comply with the directives contained in the abovementioned Constitutional Court decision. The matter was heard by the High Court on 30 and 31 May 2023 and the court decision is pending. If the 2021 NERSA decision is overturned entirely or in part and NERSA determines lower Maximum Gas Prices a potential further retrospective liability may arise for Sasol Gas. Pending the court decision and the NERSA decisions that may follow thereafter, the probability and extent of such further liability (if any) is indeterminable.

34 Contingent liabilities continued

34.1 Litigation continued

During 2022, Sasol Gas was informed of certain complaints by customers to the Competition Commission relating to alleged anticompetitive practices in the market for piped gas supply in South Africa. As part of the proceedings in relation to these investigations, the Competition Commission issued a summons against Sasol Gas for the submission of information to the Commission. Sasol Gas launched a review application in the Competition Appeal Court to overturn the decisions by the Competition Commission relating to its investigation of the complaints as it relates to the gas prices because in terms of the Gas Act, NERSA is the industry regulator with the applicable jurisdiction for the regulation of gas prices in the South African piped gas market as long as there is inadequate competition in the market. This review application is ongoing. On 10 July 2023 the Competition Commission referred the complaint of excessive pricing by Sasol Gas for piped gas to the Competition Tribunal. The outcome of the ongoing review application before the Competition Appeal Court will determine the ability of the Commission to investigate the gas pricing complaints that are the subject of the complaint referral that it made on 10 July 2023.

IGUA-SA during August 2022 filed an application with the Competition Tribunal to interdict and restrain Sasol from increasing its gas prices above the current NERSA approved maximum price applicable to 2022. Sasol Gas opposed this application on the basis that it should not be prevented from charging gas prices that are compliant with valid price decisions by NERSA. On 12 May 2023 the Competition Tribunal issued an order in terms of which Sasol Gas may not increase its gas prices unless it provides IGUA-SA with two months' written notice of the intended gas price and whether the gas price was approved by NERSA.

On 18 July 2023 NERSA published Sasol Gas's Amendment Maximum Gas Price (MGP) Application for the period 1 July 2022 up to 30 June 2023 and published its Consultation Document. It has also published Sasol Gas's MGP application for the period 1 July 2023 to 30 June 2024 together with its Consultation Document. This pricing application has followed the cost plus 2023 MGP methodology, which NERSA published in February 2023. Gas price regulation in terms of the Gas Act is aimed at determining a competitive price for gas and should strike a balance between the interests of gas suppliers and consumers, while fostering the viability of the supply in South Africa and investment in new sources of supply.

Sasol Gas has continued to charge customers at R68.39/GJ from 2022, notwithstanding the additional expenditure and cost increases exceeding 40% that Sasol has faced during this period. To date, Sasol has invested over $300 million in capital expenditure since 2021 to maintain gas supply from Mozambique to 2026. Therefore, Sasol does not agree with the preliminary conclusion by NERSA that the maximum price of R120/GJ for 2023 applied for by Sasol is excessive. Sasol maintains that apart from operational cost increases, NERSA also has to take into account the risk associated with extensive investments which Sasol is currently making to extend supply and the incentives to develop new resources.

Sasol will continue its engagement in the commentary phase of the 2023 price application and trusts that NERSA will duly fulfil its mandate to determine an appropriate, reasonable and competitive gas price for 2023 in the interests of consumers and gas supply in South Africa.

Sasol Oil (Pty) Ltd & Total South Africa (Pty) Ltd v Transnet SOC Ltd – Crude Oil Transportation Tariff dispute

Sasol Oil uses Transnet Pipelines to transport crude oil to NATREF for processing and is charged for this service at a specific crude oil tariff per liter. This tariff was historically determined through a commercial agreement between the Parties, which agreement also included the so-called Variation Agreement relating to the inland nature of the NATREF refinery. After the tariffs started to be determined by NERSA in terms of the Petroleum Pipelines Act, 2003 (Act 60 of 2003) a dispute arose between the parties regarding the tariff applicable to the conveyance of crude oil.

On 18 September 2017, Sasol Oil issued summons against Transnet SOC Limited ("Transnet") for payment in the amount of R1 billion this being the difference between the transportation costs that should have been charged by Transnet in terms of the Variation Agreement compared to the tariffs that were actually charged by Transnet in terms of the NERSA approved tariffs. The NERSA approved tariffs do not distinguish between the tariff for crude oil and the tariff for refined products. Total South Africa (Pty) Ltd (Total) instituted legal proceedings of a similar nature against Transnet in 2013.

Transnet defended the matter. Sasol Oil and Total's actions have been consolidated. Certain issues in the consolidated matter have already been decided by the High Court in 2015 and the Supreme Court of Appeal ("SCA") in 2016.

After certain separated issues in the ongoing litigation were heard by the Court, the High Court on 9 October 2020 made an order in favour of both Sasol Oil and Total. A subsequent appeal by Transnet to the SCA of two of the High Court's findings, namely (i) that the High Court erred in finding that Transnet's termination of the Variation Agreement was invalid and ineffectual and (ii) that the High Court erred in not finding that Sasol's and Total's claims did not disclose a cause of action was dismissed by the SCA in March 2021.

Thereafter, in April 2021, Transnet approached the Constitutional Court with an application for leave to appeal, which both. Sasol Oil and Total opposed. The Constitutional Court handed down judgement on 21 June 2022:

- The Constitutional Court did not grant Transnet leave to appeal on the cause of action issue as it did not engage the Court's jurisdiction of general public importance. In the circumstances, Sasol and Total's contractual damages claims following Transnet's breach of the Variation Agreement remain intact at least until the Variation Agreement was validly terminated, which the Court held was 13 September 2020 (see below);
- The Constitutional Court granted Transnet leave to appeal in respect of the termination issue, allowed Transnet's appeal and declared that the Variation Agreement was terminable, was terminated validly and came to an end on 13 September 2020. The Constitutional Court set aside the High Court's order in so far as it related to the termination issue.

Sasol Oil resumed with the next steps in the legal proceedings to deal with the quantum of its contractual damages claim in the High Court and has amended the amount of its claim to R1 975 million for the period up to and including the termination of the Variation Agreement on 13 September 2020. The matter has been set down for trial from 2 October to 13 October 2023.

34 Contingent liabilities continued

After the High Court judgement mentioned above, Sasol Oil and Total proceeded to apply their own calculation of the corrected crude oil tariff in line with the High Court judgement and made payment for crude oil conveyance from December 2020 in accordance with this calculation. The calculation has been adjusted for each tariff year. These payments are at the reduced tariff and therefore constitute a shortfall to Transnet in respect of the tariff invoiced by Transnet over this period. In July 2022, Transnet instituted legal proceedings against Sasol Oil for payment of the aggregate shortfall in the tariff in the amount of R815.6 million. Sasol Oil is defending these proceedings. Sasol Oil has also delivered its plea and pleads its defence that the tariffs charged by Transnet are unlawful as they do not comply with the Petroleum Pipelines Act 60 of 2003, that Transnet is not obliged to charge the maximum tariff set by NERSA.

Pursuant to Transnet's persistent threats to not accept crude oil orders from Sasol Oil unless Sasol Oil makes payment of the full NERSA tariff on a pre-payment basis, Sasol Oil agreed with Transnet to make payment of Transnet's invoices in full in respect of crude oil conveyance from 1 June 2023, but under protest so as to not compromise the legal proceedings. The Transnet claim is set down for trial from 13 to 22 November 2023.

In June 2023 Sasol Oil also launched a legal review application against the 2023/4 Transnet Tariff approval by NERSA to set the NERSA decision aside in which NERSA persisted with a single tariff and did not differentiate between the tariffs for crude oil and white product conveyance respectively.

An amount of R1 042 million (which includes interest) has been included in trade payables at 30 June 2023.

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.

34.2 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.

34.3 Environmental orders

Sasol's environmental obligation accrued at 30 June 2023 was R17 293 million compared to R17 207 million at 30 June 2022.

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.

35 Related parties

35.1 Transactions with related parties

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 are 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. Disclosure in respect of transactions with joint ventures and associates is provided in note 19.

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.

35.2 Key management remuneration

Key management comprises Directors and members of the Group Executive Committee (GEC), who have been determined to be Prescribed Officers of Sasol Limited.

Executive directors' remuneration and benefits

	FR Grobler		VD Kahla[3]		HA Rossouw[4]		P Victor[5]	
Executive Directors	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
Salary	**13 117**	11 328	**7 762**	7 301	**7 468**	1 737	**–**	8 351
Risk and Retirement funding	**–**	–	**380**	373	**844**	196	**–**	391
Vehicle benefit	**–**	–	**–**	–	**–**	–	**–**	100
Healthcare	**143**	117	**114**	108	**–**	–	**–**	56
Vehicle insurance fringe benefit	**6**	6	**6**	6	**–**	–	**–**	6
Security benefits	**18**	30	**507**	515	**–**	–	**–**	–
Other benefits	**20**	5	**122**	1	**25**	8 001	**–**	1 998
Total salary and benefits	**13 304**	11 486	**8 891**	8 304	**8 337**	9 934	**–**	10 902
Annual short-term incentive[1]	**10 364**	10 008	**4 242**	5 272	**5 060**	–	**–**	7 411
Long-term incentive gains[2]	**17 028**	21 451	**14 681**	9 399	**–**	–	**–**	–
Total annual remuneration	**40 696**	42 945	**27 814**	22 975	**13 397**	9 934	**–**	18 313

1 Short-term incentives approved based on the Group results for FY23 and payable in FY24. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2023 x Group and BU STI achievement (as appropriate) x Individual Performance Achievement.

2 Long-term incentives for 2023 represent the annual award made on 4 December 2020 and Mr Kahla's on-appointment award, in terms of his appointment as an executive director, made on 6 October 2020. The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved where relevant (67,34%) x June 2023 average share price. The vesting date is during FY24, 3 years after the award date in FY21, 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 4 December 2023 and the balance on 4 December 2025, 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 Other benefits for Mr Kahla include the private use of the Company owned accommodation in London (R121 255) on which fringe benefit tax was charged and paid by Mr Kahla.

4 The 2022 disclosed earnings of Mr Rossouw are for the period 4 April to 30 June 2022, in the position of Chief Financial Officer (CFO) designate. From 1 July 2022 Mr Rossouw was appointed as CFO.

Other benefits for Mr Rossouw in 2022 include a buy-out payment of R8 000 000, tied to a retention period of twenty-four months from date of payment, as compensation for incentives forfeited upon resigning from his previous employer.

5 Mr Victor resigned as CFO effective 30 June 2022. Other benefits in the prior year include accrued accumulated leave encashment as well as other additional benefits in line with Sasol's contractual commitment.

35 Related party transactions continued

35.2 Key management remuneration continued

Executive directors' unvested LTI holdings (number & intrinsic value) for 2023

Executive Directors	FR Grobler Number	FR Grobler Intrinsic value[1] R'000	VD Kahla Number	VD Kahla Intrinsic value[1] R'000	HA Rossouw Number	HA Rossouw Intrinsic value[1] R'000
Balance at beginning of the year	**313 344**	116 464	**184 205**	68 465	**–**	–
Awards granted[2]	**57 976**	17 407	**28 728**	8 625	**–**	–
Change in value[1]	**–**	(43 725)	**–**	(25 774)	**–**	(4 531)
Effect of corporate performance targets	**(45 494)**	(13 081)	**(19 934)**	(5 732)	**–**	–
Dividend equivalents	**3 025**	870	**1 391**	400	**–**	–
Awards settled[3]	**(32 156)**	(8 728)	**(15 519)**	(4 261)	**–**	–
Effect of changes in Executive Directors[4]	**–**	–	**–**	–	**32 734**	12 167
Balance at the end of the year	**296 695**	69 207	**178 871**	41 723	**32 734**	7 636

1 Change in intrinsic value for the year results from changes in share price. Intrinsic values at the beginning and end of the year have been determined using the closing price of:
30 June 2023 R233,26
30 June 2022 R371,68
2 LTIs granted on 10 November 2022.
3 LTIs settled represent long-term incentives that vested with reference to the Group results for 2022 that was settled in the 2023 financial year. Difference between the long-term incentive gains disclosed in 2022 and the amount settled in 2023 is due to difference in actual share price at vesting date and the share price at date of disclosure. 50% of the award that vested in 2023 is still subject to a continued employment period of two years.
4 Mr Rossouw was appointed as CFO and Executive Director on 1 July 2022.

Prescribed Officers' remuneration and benefits

Prescribed Officers	S Baloyi[3] 2023 R'000	S Baloyi[3] 2022 R'000	HC Brand[4] 2023 R'000	HC Brand[4] 2022 R'000	BE Klingenberg[5] 2023 R'000	BE Klingenberg[5] 2022 R'000	BP Mabelane[6] 2023 R'000	BP Mabelane[6] 2022 R'000
Salary	**4 773**	956	**5 088**	4 704	**–**	6 647	**7 778**	7 317
Risk and Retirement funding	**1 017**	215	**1 492**	1 487	**–**	2 074	**380**	372
Vehicle benefit	**300**	75	**234**	234	**–**	212	**–**	–
Healthcare	**126**	29	**101**	92	**–**	136	**60**	56
Vehicle insurance fringe benefit	**6**	2	**6**	6	**–**	6	**–**	–
Security benefits	**–**	–	**–**	6	**–**	200	**–**	–
Other benefits	**173**	332	**2 525**	4	**–**	7	**1 008**	5 004
Total salary and benefits	**6 395**	1 609	**9 446**	6 533	**–**	9 282	**9 226**	12 749
Annual short-term incentive[1]	**3 672**	2 494	**3 553**	4 415	**–**	4 390	**4 227**	5 389
Long-term incentive gains[2]	**4 103**	3 687	**6 045**	13 169	**–**	9 912	**15 876**	–
Total annual remuneration	**14 170**	7 790	**19 044**	24 117	**–**	23 584	**29 329**	18 138

1 Short-term incentives approved based on the Group results for FY23 and payable in FY24. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2023 x Group and BU STI achievement (as appropriate) x Individual Performance Achievement.
2 Long-term incentives for 2023 represent the annual award made on 4 December 2020 and Ms Mabelane's on-appointment award made on 6 October 2020. The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved where relevant (67,34%) x June 2023 average share price. The vesting date is during FY24, 3 years after the award date in FY21, 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 4 December 2023 and the balance on 4 December 2025, 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 Other benefits for Mr Baloyi include the taxation gross up of the relocation allowance paid in terms of the Sasol Relocation policy, in the previous financial year and R150 000 toward reimbursement of property transfer fees per relocation policy.
4 Mr Brand retired on 30 June 2023. Other Benefits include a R2 516 801 accumulated leave encashment, paid out in terms of his employment agreement.
5 Mr Klingenberg resigned as member of the GEC on 31 March 2022 but remained in service until 31 August 2022. In the interest of transparency his 2022 remuneration was disclosed for the full financial year.
6 Other benefits for Ms Mabelane include her subsidised business transport (R6 427) and the final payment of her sign-on/buy-out award partially compensating for the loss of incentives and shares when she resigned from her previous employer (R1 000 000).
Other benefits for Ms Mabelane in 2022 include her subsidised business transport (R2 150), sign-on/buy-out award partially compensating for the loss of incentives and shares when she resigned from her previous employer (R5 000 000).

35 Related party transactions continued

35.2 Key management remuneration continued

Prescribed Officers	CK Mokoena 2023 R'000	CK Mokoena 2022 R'000	CF Rademan[3] 2023 R'000	CF Rademan[3] 2022 R'000	BV Griffith[4] 2023 R'000	BV Griffith[4] 2022 R'000
Salary	**6 283**	5 927	**6 753**	2 027	**11 023**	8 745
Risk and Retirement funding	**357**	350	**–**	–	**812**	618
Healthcare	**143**	115	**–**	–	**365**	314
Security benefits	**12**	9	**–**	–	**–**	–
Other benefits	**3**	2	**2**	1 500	**546**	409
Total salary and benefits	**6 798**	6 403	**6 755**	3 527	**12 746**	10 086
Annual short-term incentive[1]	**3 380**	3 740	**3 200**	1 503	**6 087**	6 418
Long-term incentive gains[2]	**5 929**	6 985	**–**	–	**7 169**	11 940
Total annual remuneration	**16 107**	17 128	**9 955**	5 030	**26 002**	28 444

1 Short-term incentives approved based on the Group results for FY23 and payable in FY24. Incentives are calculated as a percentage of total guaranteed package/base salary as at 30 June 2023 x Group and BU STI achievement (as appropriate) x Individual performance achievement.

2 Long-term incentives for 2023 represent the annual award made on 4 December 2020. The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved where relevant (67,34%) x June 2023 average share price. The vesting date is during FY24, 3 years after the award date in FY21, 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 4 December 2023 and the balance on 4 December 2025, 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 Other benefits for Mr Rademan in 2022 include a sign-on payment of R1 500 000 compensating for the incentive which he would have received from his previous employer if he did not resign.

4 Mr Griffith is appointed in the USA. Dollar denominated salary and benefits have been converted to ZAR using the monthly average of daily closing exchange rates. ZAR/USD depreciation contributes to increase in year-on-year totals.

Prescribed Officers' unvested LTI holdings (number & intrinsic value) for 2023

Prescribed Officers	S Baloyi Number	S Baloyi Intrinsic value[1] R'000	HC Brand[4] Number	HC Brand[4] Intrinsic value[1] R'000	BP Mabelane Number	BP Mabelane Intrinsic value[1] R'000
Balance at beginning of the year	**52 040**	19 342	**139 064**	51 687	**120 403**	44 751
Awards granted[2]	**10 681**	3 207	**24 060**	7 224	**28 595**	8 585
Change in value[1]	**–**	(7 393)	**–**	(18 589)	**–**	(18 581)
Effect of corporate performance targets	**(1 943)**	(559)	**(23 152)**	(6 657)	**–**	–
Dividend equivalents	**448**	129	**1 860**	535	**–**	–
Awards settled[3]	**(6 463)**	(1 952)	**(23 346)**	(6 562)	**–**	–
Awards forfeited[4]	**–**	–	**(24 060)**	(5 612)	**–**	–
Effect of changes in Prescribed Officers[4]	**–**	–	**(94 426)**	(22 026)	**–**	–
Balance at the end of the year	**54 763**	12 774	**–**	–	**148 998**	34 755

1 Change in intrinsic value for the year results from changes in share price. Intrinsic values at the beginning and end of the year have been determined using the closing price of:

30 June 2023 R233,26 ($12,38)

30 June 2022 R371,68 ($23,06)

2 LTIs granted on 10 November 2022.

3 LTIs settled represent long-term incentives that vested with reference to the Group results for 2022 that was settled in the 2023 financial year. Difference between the long-term incentive gains disclosed in 2022 and the amount settled in 2023 is due to difference in actual share price at vesting date and the share price at date of disclosure.

4 Mr Brand retired effective 30 June 2023. In terms of the 2022 LTI Plan rules, his 10 November 2022 award lapsed on 30 June 2023 as retirement was within 270 days of the award date. The balance of unvested awards at 30 June 2023 is 94 426 with an intrinsic value of R22 025 809.

35 Related party transactions continued

35.2 Key management remuneration continued

Prescribed Officers' unvested LTI holdings (number & intrinsic value) for 2023 continued

	CK Mokoena		BV Griffith	
Prescribed Officers	Number	Intrinsic value[1] R'000	Number	Intrinsic value[1] US$'000
Balance at beginning of the year	**113 178**	42 066	**144 426**	3 330
Awards granted[2]	**23 598**	7 085	**37 603**	654
Change in value[1]	**–**	(16 069)	**–**	(1 588)
Effect of corporate performance targets	**(14 815)**	(4 260)	**(14 043)**	(228)
Dividend equivalents	**1 001**	288	**1 389**	23
Awards settled[3]	**(10 836)**	(2 955)	**(22 513)**	(373)
Balance at the end of the year	**112 126**	26 155	**146 862**	1 818

1 Change in intrinsic value for the year results from changes in share price. Intrinsic values at the beginning and end of the year have been determined using the closing price of:
30 June 2023 R233,26 ($12,38)
30 June 2022 R371,68 ($23,06)

2 LTIs granted on 10 November 2022.

3 LTIs settled represent long-term incentives that vested with reference to the Group results for 2022 that was settled in the 2023 financial year. Difference between the long-term incentive gains disclosed in 2022 and the amount settled in 2023 is due to difference in actual share price at vesting date and the share price at date of disclosure.

The total IFRS2 charge for LTIs awarded to the Executive Directors and the Prescribed Officers in 2023 amounted to R29 million (2022: R14 million) and R45 million (2022: R32 million).

Non-executive Directors' remuneration

Non-executive Directors	Board meeting fees[1,2,3] R'000	Lead independent Director fees[1,2] R'000	Committee fees[1,2,3] R'000	Ad Hoc or special purpose board committee R'000	VAT R'000	Other R'000	Total 2023[4] R'000	Total 2022 R'000
SA Nkosi (Chairman)	4 394	–	–	–	659	–	**5 053**	5 127
S Westwell (Lead Independent Director)	2 194	878	1 408	–	–	–	**4 480**	3 913
MJ Cuambe[5]	1 829	–	658	–	373	–	**2 860**	2 577
MBN Dube[5]	2 194	–	969	–	–	–	**3 163**	2 701
M Flöel	2 194	–	795	–	–	–	**2 989**	2 494
K Harper[6]	2 194	–	439	–	–	–	**2 633**	1 996
GMB Kennealy	1 542	–	833	–	356	–	**2 731**	2 473
NNA Matyumza	1 542	–	493	–	305	–	**2 340**	2 226
MEK Nkeli	1 542	–	678	–	333	–	**2 553**	2 405
A Schierenbeck[7]	1 152	–	141	–	–	–	**1 293**	–
S Subramoney	1 542	–	493	–	305	–	**2 340**	2 181
C Beggs[8]	–	–	–	–	–	–	**–**	372
ZM Mkhize[8]	–	–	–	–	–	–	**–**	795
PJ Robertson[8]	–	–	–	–	–	–	**–**	1 146
Total	22 319	878	6 907	–	2 331	–	**32 435**	30 406

1 Fees for Q3 and Q4 were adjusted with inflation as per the approved AGM resolution at the November 2021 AGM.

2 Fees exclude VAT.

3 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. For Non-executive directors permanently residing outside of the UK, Europe and North America, effective 1 January 2023, the exchange rate was fixed for the following 12 month period, using the average exchange rate from 1 July 2021 to December 2022. A cost-of-living factor between jurisdictions, account for differences in fees.

4 As the fees are based in USD, the ZAR value of the Non executive director fees increased from FY22 to FY23, mainly due to the CPI increase and significant devaluation of the Rand.

5 Mr Cuambe was appointed to the Remuneration Committee effective 19 November 2021 and Ms Dube to the Nomination Governance committee effective 1 October 2021.

6 In addition to the CPI and exchange rate increase, Ms Harper received the reduced 2018 approved directors fees for Q1 and Q2 of FY22 as she was appointed to the Board after 2018, compared to her peers who remained on the approved 2016 fee (where their fees were higher than those approved in 2018).

7 Mr A Schierenbeck was appointed effective 1 January 2023.

8 Mr C Beggs retired effective 31 August 2021. Messrs ZM Mkhize and PJ Robertson retired from the Board effective 19 November 2021.

36 Subsequent events

Clause 12A application

Sasol's emission sources at our operations in South Africa are regulated in accordance with atmospheric emission licenses which are based on the Minimum Emission Standards (MES) published in terms of section 21 of the National Environmental Management: Air Quality Act. On 11 July 2023, Sasol was informed that the National Air Quality Officer (NAQO) had declined its application of June 2022 in terms of Clause 12A of the MES to be regulated on an alternative emission load basis for the SO_2 emissions from the boilers at its SO's steam plants from 1 April 2025 onwards.

On 31 July 2023, Sasol appealed the decision to the Minister of Forestry, Fisheries and the Environment, as provided for in Section 43(1) of the National Environmental Management Act. The appeal process allows the Minister to consider the application afresh. Clause 12A of the MES permits existing plants to be regulated on an alternative emission load, as opposed to the current concentration-based limit (the mass of pollutant per cubic metre of air emitted) specified in the MES.

As part of its Clause 12A application, Sasol has proposed an integrated air quality and GHG reduction solution ("integrated emission reduction solution") to reduce SO_2 and GHG emissions by approximately 30% by 2030. This is contingent on SO_2 emissions from the boilers at the steam plants of its SO being regulated on an alternative load-based emission limit instead of the concentration limit currently being prescribed in the MES from 1 April 2025 onwards. The integrated emission reduction solution comprises the implementation of multiple projects targeting energy efficiency, reducing coal usage, turning down boilers and integrating 1 200MW of renewable energy. The assumptions applied in compiling the financial statements, and in particular the testing of the recoverability of the Group's non-financial assets (other than inventories and deferred tax assets), are aligned to the integrated emission reduction solution.

Sasol Financing International / SARS

Refer to note 10 for events that occurred subsequent to 30 June 2023 on the SFI tax matter.

NERSA Maximum Gas Price application

Refer to note 34.1 for events that occurred subsequent to 30 June 2023 on the NERSA maximum gas price application.

37 Financial risk management and financial instruments

37.1 Financial instruments classification and fair value measurement

The following table shows the classification, carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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	Note	Carrying value 2023 Rm	Fair value 2023 Rm	Carrying value 2022 Rm	Fair value 2022 Rm	Fair value hierarchy of inputs
Financial assets						
AT AMORTISED COST						
Long-term restricted cash[6]		1 447	1 447	1 531	1 531	Level 1[1]
Long-term receivables	18	2 803	2 803	3 023	3 023	Level 3[2]
Trade and other receivables	23	30 915	30 915	38 936	38 936	Level 3[3]
Cash and cash equivalents	26	53 926	53 926	43 140	43 140	Level 1[1]
AT FAIR VALUE THROUGH PROFIT OR LOSS						
Long-term and short-term financial assets		2 225	2 225	868	868	
Commodity and currency derivative assets		472	472	247	247	Level 2
Oxygen supply contract embedded derivative assets		516	516	621	621	Level 3
Other short-term investments		1 237	1 237	–	–	Level 1[1]
DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME						
Investments in listed securities[6]		701	701	480	480	Level 1[4]
Investments in unlisted securities[6]		12	12	13	13	Level 3[5]
Financial liabilities						
AT AMORTISED COST						
Total long-term debt	14	124 068	116 533	104 834	98 491	
Listed long-term debt (Bonds issued)[7]		90 248	82 768	78 076	71 667	Level 1[4]
Listed convertible bonds		12 238	12 072	–	–	Level 3[8]
Unlisted long-term debt[7]		21 582	21 693	26 758	26 824	Level 3[2]
Lease liabilities	15	16 297		16 034		
Short-term debt and bank overdraft		238	238	255	255	Level 3[3]
Trade and other payables	24	35 118	35 118	39 873	39 873	Level 3[3]
AT FAIR VALUE THROUGH PROFIT OR LOSS						
Long-term and short-term financial liabilities		3 397	3 397	7 127	7 127	
Commodity and currency derivative liabilities		1 102	1 102	6 845	6 845	Level 2
Convertible bond embedded derivative liability		1 302	1 302	–	–	Level 3
Oxygen supply contract embedded derivative liabilities		993	993	282	282	Level 3

1 The carrying value of cash, other short-term deposits and other short-term investments is considered to reflect its fair value.
2 Determined with a discounted cash flow model using market related interest rates.
3 The fair value of these instruments approximates their carrying value, due to their short-term nature.
4 Based on quoted market price for the same instrument.
5 Determined using discounted cash flows modelling forecasted earnings, capital expenditure and debt cash flows of the underlying business, based on the forecasted assumptions of inflation, exchange rates, commodity prices and an appropriate WACC for the region.
6 Presented as part of Other long-term investments on the Statement of financial position.
7 Includes unamortised loan costs.
8 The fair value of the amortised cost component of the US$ Convertible Bond is based on the quoted price of the instrument after separating the fair value of the derivative component.

There were no transfers between levels for recurring fair value measurements during the year.

37 Financial risk management and financial instruments continued

37.1 Financial instruments classification and fair value measurement continued

Commodity and currency derivative assets and liabilities

Valued using forward rate interpolator model, appropriate currency specific discount curve, discounted expected cash flows and numerical approximation as appropriate. Significant inputs include forward exchange contracted rates, market foreign exchange rates, forward contract rates and market commodity prices such as crude oil prices, coal prices and ethane prices. A weakening of the assumed rand/US$ exchange rate will result in additional losses of R964 million.

Oxygen supply contract embedded derivative assets and liabilities

Relates to the US labour and inflation index and ZAR/EUR exchange rate embedded derivatives contained in the SO long-term gas supply agreements. The following table reconciles the opening and closing balance of the net embedded derivative asset/(liability):

for the year ended 30 June	2023 Rm	2022 Rm
Balance at the beginning of the year	**339**	373
Amounts settled during the year	**(22)**	(98)
Fair value loss recognised in other operating expenses and income	**(794)**	64
Balance at the end of the year	**(477)**	339

The fair value of the embedded derivative is impacted by a number of observable and unobservable variables at valuation date. The embedded derivative was valued using a forward rate interpolator model, discounted expected cash flows and numerical approximation, as appropriate. Significant inputs include US PPI index, US labour index, US dollar and ZAR treasury curves, Rand zero swap discount rate, and interpolated EUR/ZAR forward rate. The sensitivities provided below reflect the impact on fair value through profit or loss as a result of movements in the significant input variables utilised for valuation purposes:

		Increase/(decrease) in profit or loss	
Input	Change in input	2023 Rm	2022 Rm
Rand/US$ Spot price	+R1/US$	**(478)**	(513)
	-R1/US$	**478**	513
US$ Swap curve	+0,10%	**87**	86
	-0,10%	**(89)**	(87)
Rand Swap curve	+1,00%	**(734)**	(786)
	-1,00%	**848**	911

Convertible bond embedded derivative liability

Relates to the embedded derivative contained in the US$750 million convertible bond issued on 8 November 2022. The following table reconciles the opening and closing balance of the embedded derivative liability:

for the year ended 30 June	2023 Rm	2022 Rm
Recognition of embedded derivative upon issue of bond	**2 089**	–
Fair value loss recognised in other operating expenses and income	**(867)**	–
Translation of foreign operations	**80**	–
Balance at the end of the year	**1 302**	–

37 Financial risk management and financial instruments continued

37.1 Financial instruments classification and fair value measurement continued

The embedded derivative was valued at 30 June 2023 and at inception date using quoted bond market prices and binomial tree approach. Significant inputs include conversion price (US$19,86; inception: US$20,39), spot share price (R233,26; inception R285,95), converted to USD at the prevailing USD/ZAR FX spot rate (R18,83/US$; inception: R18,23/US$), observable bond market price (94,7% of par; inception: 100% of par), credit spread (460bps; inception: 427bps) and volatility (27,84%; inception 28,44%). Although many inputs into the valuation are observable, the valuation method separates the fair value of the derivative from the quoted fair value of the US$ Convertible Bond by adjusting certain observable inputs. These adjustments require the application of judgement and certain estimates. Changes in the relevant inputs impact the fair value gains and losses recognised. This instrument is most sensitive to changes in the calibrated volatility and credit spread. The sensitivities provided below reflect the impact on fair value through profit or loss as a result of movements in key inputs:

		Increase/(decrease) in profit or loss	
Input	Change in input	2023 Rm	2022 Rm
Credit spread	+100bps	(433)	–
	-100bps	455	–
Calibrated volatility	+5%	(377)	–
	-5%	364	–

There was no change in valuation techniques compared to the previous financial year.

37.2 Financial risk management

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 Safety 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 Board appointed a subcommittee, 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 (net debt to shareholders' equity). 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 2023 increased to 44,7% (2022 – 41,7%; 2021 – 61,5%) largely due to the weaker closing exchange rate.

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. 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.

37 Financial risk management and financial instruments continued

37.1 Financial instruments classification and fair value measurement continued

Credit rating

	Credit rating	
Agency	**2023**	2022
S&P	**BB+ (stable)**	BB (positive)
Moody's	**Ba2 (positive)**	Ba2 (positive)

On 28 October 2022, S&P upgraded Sasol's rating from BB to BB+ on the back of debt reduction, and improved cash flow generation supported by stronger commodity prices and improved efficiency; revising the outlook from positive to stable. The stable outlook reflects that recent debt reduction and supportive oil prices will offset near-term headwinds and allow Sasol to maintain Funds From Operations to debt above 45% on average in the coming years.

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.

Expected Credit Loss (ECL) 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. For customers or debtors that are not rated by a formal 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. World-wide, and especially in South Africa, economies have faced a series of global and local disruptions, including price volatility, elevated energy costs, high inflation, higher cost of debt, etc. As a result the Group applied the Board of Governors of the Federal Reserve System's formula to derive a downturn LGD to be used for 2023 and 2022, 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 2023, 2022 and 2021. Approximately 49% (2022 – 48%; 2021 – 42%) of the Group's total turnover is generated from sales within South Africa, while about 19% (2022 – 21%; 2021 – 24%) relates to European sales and 16% (2022 – 16%; 2021 – 18%) 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.

37 Financial risk management and financial instruments continued

37.2 Financial risk management

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
2023						
Long-term receivables	–	–	49	49	62	111
Trade receivables	–	34	227	261	–	261
Other receivables	102	–	385	487	4	491
	102	34	661	797	66	863

	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
2022						
Long-term receivables	–	–	41	41	44	85
Trade receivables	–	30	101	131	–	131
Other receivables	1	–	272	273	58	331
	1	30	414	445	102	547

The ECL relating to trade and other receivables increased despite decreases in their respective carrying amounts mainly due to allowances against specific defaulting customers.

Overview of the credit risk profile of financial assets measured at amortised cost is as follows:

	2023			2022		
	Low risk	Medium risk	High risk	Low risk	Medium risk	High risk
	AAA to A- %	BBB+ to B- %	CCC+ and below %	AAA to A- %	BBB+ to B- %	CCC+ and below %
Long-term receivables	29	59	12	51	43	6
Trade receivables	77	18	5	73	24	3
Other receivables	82	15	3	83	15	2
Cash and cash equivalents*	20	78	2	18	81	1

* Includes long-term restricted cash.

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 global economic landscape remains volatile, including fluctuating oil and petrochemical prices, an unstable product demand environment and inflationary pressure. In South Africa, the underperformance of state-owned enterprises and socio-economic challenges continues to impact volumes, margins and resultant profitability.

37 Financial risk management and financial instruments continued

37.2 Financial risk management continued

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.

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. Adequate banking facilities and reserve borrowing capacities are maintained. The Group has refinanced its existing banking facilities, due to mature in calendar year 2024, into a new banking facility totaling nearly USD3 billion comprising of a revolving credit facility and term loan facility, both with a five-year maturity and with two extension options of one year each. Refer to note 14. The Group is in compliance with all of the financial covenants per its loan agreements, none of which are expected to present a material restriction on funding or its investment policy in the near future.

Protection of downside risk for the balance sheet was a key priority for the Group during volatile times, resulting in the execution of our hedging programme to address oil price, ethane price and currency exposure.

The net debt to EBITDA (bank definition) at 30 June 2023 was 1,2 times (2022 – 0,8 times), significantly below the covenant threshold level of 3 times.

37 Financial risk management and financial instruments continued

37.2 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	Carrying amount Rm	Contractual cash flows* Rm	Within one year Rm	One to three years Rm	Three to five years Rm	More than five years Rm
2023							
Financial assets							
NON-DERIVATIVE INSTRUMENTS							
Long-term receivables	18	2 803	3 105	–	1 119	273	1 713
Trade and other receivables	23	30 915	30 915	30 915	–	–	–
Cash and cash equivalents	26	53 926	53 926	53 926	–	–	–
Investments through other comprehensive income		713	713	713	–	–	–
Investments through profit or loss		1 237	1 237	1 237	–	–	–
Long-term restricted cash		1 447	1 447	–	–	–	1 447
		91 041	91 343	86 791	1 119	273	3 160
DERIVATIVE INSTRUMENTS							
Forward exchange contracts		133	17 866	17 866	–	–	–
Crude oil put options		253	253	253	–	–	–
Foreign exchange zero cost collars		76	76	76	–	–	–
Other commodity derivatives		10	10	10	–	–	–
Oxygen supply contract embedded derivative		516	891	69	138	138	546
		92 029	110 439	105 065	1 257	411	3 706
Financial liabilities							
NON-DERIVATIVE INSTRUMENTS							
Long-term debt**	14	(124 068)	(160 266)	(36 198)	(13 241)	(56 442)	(54 385)
Lease liabilities	15	(16 297)	(34 111)	(3 261)	(5 364)	(3 559)	(21 927)
Short-term debt	16	(79)	(79)	(79)	–	–	–
Trade and other payables	24	(35 118)	(35 118)	(35 118)	–	–	–
Bank overdraft	26	(159)	(159)	(159)	–	–	–
		(175 721)	(229 733)	(74 815)	(18 605)	(60 001)	(76 312)
DERIVATIVE INSTRUMENTS							
Forward exchange contracts		(353)	(18 086)	(18 086)	–	–	–
Foreign exchange zero cost collars		(579)	(579)	(579)	–	–	–
Ethane swap options		(158)	(158)	(158)	–	–	–
Crude oil futures		(12)	(12)	(12)	–	–	–
Oxygen supply contract embedded derivative		(993)	(3 606)	(64)	(109)	(101)	(3 332)
		(177 816)	(252 174)	(93 714)	(18 714)	(60 102)	(79 644)

* Contractual cash flows include interest payments.

** The repayment of the notional amount of the convertible bonds is included in the one to three years category, in line with the contractual maturity date. The convertible bonds are convertible into ordinary shares of Sasol at the election of the holders if the Sasol share price appreciates above a specified conversion price. Refer to note 14 for more information.

The impact of the refinancing activities can be seen in the significant increase in contractual payments due beyond three years. Current financial assets are sufficient to cover financial liabilities for the next year. The shortfall beyond one year will be funded through cash generated from operations, utilisation of available facilities and the refinancing of existing debt.

37 Financial risk management and financial instruments continued

37.2 Financial risk management continued

	Note	Carrying amount Rm	Contractual cash flows* Rm	Within one year Rm	One to three years Rm	Three to five years Rm	More than five years Rm
2022							
Financial assets							
NON-DERIVATIVE INSTRUMENTS							
Long-term receivables	18	3 023	3 316	–	1 447	777	1 092
Trade and other receivables	23	38 936	38 936	38 936	–	–	–
Cash and cash equivalents	26	43 140	43 140	43 140	–	–	–
Investments through other comprehensive income		493	493	493	–	–	–
Long-term restricted cash		1 531	1 531	–	–	–	1 531
		87 123	87 416	82 569	1 447	777	2 623
DERIVATIVE INSTRUMENTS							
Forward exchange contracts		68	9 005	9 005	–	–	–
Crude oil futures		25	25	25	–	–	–
Foreign exchange zero cost collars		76	76	76	–	–	–
Crude oil zero cost collars		17	17	17	–	–	–
Other commodity derivatives		61	61	61	–	–	–
Oxygen supply contract embedded derivative		621	1 236	69	135	142	890
		87 991	97 836	91 822	1 582	919	3 513
Financial liabilities							
NON-DERIVATIVE INSTRUMENTS							
Long-term debt	14	(104 834)	(123 107)	(25 980)	(51 730)	(14 527)	(30 870)
Lease liabilities**	15	(16 034)	(31 386)	(2 941)	(4 778)	(3 550)	(20 117)
Short-term debt	16	(82)	(82)	(82)	–	–	–
Trade and other payables	24	(39 873)	(39 873)	(39 873)	–	–	–
Bank overdraft	26	(173)	(173)	(173)	–	–	–
		(160 996)	(194 621)	(69 049)	(56 508)	(18 077)	(50 987)
DERIVATIVE INSTRUMENTS							
Forward exchange contracts		(50)	(8 986)	(8 986)	–	–	–
Foreign exchange zero cost collars		(454)	(454)	(454)	–	–	–
Crude oil zero cost collar		(6 176)	(6 176)	(6 176)	–	–	–
Coal swap options		(112)	(112)	(112)	–	–	–
Oxygen supply contract embedded derivative		(282)	(1 850)	(6)	–	–	(1 844)
Other commodity derivatives		(53)	(53)	(53)	–	–	–
		(168 123)	(212 252)	(84 836)	(56 508)	(18 077)	(52 831)

* Contractual cash flows include interest payments.

** During the year a misstatement was identified in the calculation of the contractual cash flows in relation to certain lease liabilities. Contractual cash flows presented as R27 107 million have been revised by R4 279 million to R31 386 million for 2022. The maturity profile was also adjusted accordingly.

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.

37 Financial risk management and financial instruments continued

37.2 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 mainly uses zero-cost collars to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Forward exchange contracts

Forward 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	
	2023 Rand	2022 Rand	**2023 Rand**	2022 Rand
Rand/Euro	**18,62**	17,15	**20,55**	17,07
Rand/US$	**17,77**	15,21	**18,83**	16,28

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.

	2023		2022	
	Euro Rm	**US dollar Rm**	Euro Rm	US dollar Rm
Long-term receivables	**–**	**339**	–	336
Trade and other receivables[1]	**544**	**3 520**	739	4 961
Cash and cash equivalents[1]	**2 835**	**1 872**	2 158	3 359
Net exposure on assets	**3 379**	**5 731**	2 897	8 656
Trade and other payables[2]	**(302)**	**(2 129)**	(166)	(4 552)
Net exposure on liabilities	**(302)**	**(2 129)**	(166)	(4 552)
Exposure on external balances	**3 077**	**3 602**	2 731	4 104
Net exposure on balances between Group companies	**(2 323)**	**8 484**	1 981	8 286
Total net exposure	**754**	**12 086**	4 712	12 390

1 The US$ amounts in 2022 related to proceeds generated through exports from South Africa.

2 The above-average US$ amount in 2022 was due to purchases of crude oil at higher prices which normalised in the current year.

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 2022.

37 Financial risk management and financial instruments continued

37.2 Financial risk management continued

	2023		2022	
	Euro Rm	US dollar Rm	Euro Rm	US dollar Rm
Equity	**75**	**1 209**	325	1 239
Income statement	**75**	**1 209**	325	1 239

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. There were no open interest rate swaps at 30 June 2023 and consequently no hedge accounting was applied in the current year.

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	
	2023 Rm	2022 Rm
Variable rate instruments		
Financial assets	**50 123**	40 250
Financial liabilities	**(20 911)**	(26 094)
	29 212	14 156
Fixed rate instruments		
Financial assets	**7 005**	7 121
Financial liabilities*	**(103 317)**	(78 913)
	(96 312)	(71 792)
Interest profile (variable: fixed rate as a percentage of total financial assets)	**88:12**	85:15
Interest profile (variable: fixed rate as a percentage of total financial liabilities)	**17:83**	25:75

* The increase in fixed exposure is due to the issuance of additional fixed-rate debt in the current period.

37 Financial risk management and financial instruments continued

37.2 Financial risk management continued

Cash flow sensitivity for variable rate instruments

Financial instruments affected by interest rate risk include borrowings, deposits, 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 2022. Interest is recognised in the income statement using the effective interest rate method.

	Income statement – 1% increase			
	South Africa Rm	Europe Rm	United States of America Rm	Other Rm
30 JUNE 2023	**300**	**28**	**(63)**	**26**
30 June 2022	257	22	(153)	16

A 1% decrease in interest rates would have an equal and opposite effect to the amounts disclosed above.

The Group had exposure to the variable US dollar London Interbank Overnight Rate (LIBOR) through the USD term loan and revolving credit facilities. In the prior period, the Group has entered into USD interest rate swaps to convert a portion of the Group's exposure to the variable LIBOR to a fixed rate. The swaps were designated as hedging instruments in a cash flow hedge.

Effective 15 March 2022, the term loan and revolving credit facilities as well as two of the swaps were transitioned to the Secured Overnight Financing Rate (SOFR). The transition also entailed the addition of a fixed credit adjustment spread to the SOFR and new fallback clauses. The fixed credit adjustment spread is based on the rate published by Bloomberg Index Services Limited following the Financial Conduct Authority's Cessation Announcement on 5 March 2021. The Group qualified for and has applied the reliefs provided by IBOR reform Phase 2 that allowed the Group's hedging relationships to continue. For the remaining swaps, the Phase 1 amendments allowed 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.

Throughout 2022, the Group has continued to make significant progress in repaying variable USD debt, to the extent that the forecasted future interest payments over the remaining term of the interest rate swap are largely no longer probable. Hedge accounting was discontinued prospectively from 30 April 2022 and the remaining balance of R1,1 billion in the hedge reserve was reclassified to profit as a derivative gain included in other operating expenses.

The Group's remaining exposure to IBORs relate mainly to loans denominated in JIBAR. Refer to note 1.

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

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 and export coal sales. The Group entered into hedging contracts which provide downside protection against decreases in commodity prices. Refer to the summary 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 oil prices applied during the year:

	Dated Brent Crude	
	2023 US$	2022 US$
High	**124,79**	137,64
Average	**87,34**	92,06
Low	**71,70**	66,17

37 Financial risk management and financial instruments continued

37.2 Financial risk management continued

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)		
	2023 Rm	2023 Rm	2022 Rm	2022 Rm	2023 Rm	2022 Rm	2021 Rm
Commodity and currency derivatives							
Interest rate swap options	**–**	**–**	–	–	**–**	1 029	(37)
Crude oil put options	**253**	**–**	–	–	**(507)**	–	(1 545)
Crude oil zero cost collars	**–**	**–**	17	(6 176)	**3 953**	(11 349)	(1 871)
Crude oil swap options	**–**	**–**	–	–	**–**	(5 140)	(1 267)
Crude oil futures	**–**	**(12)**	25	–	**401**	(1 049)	(774)
Ethane swap options	**–**	**(158)**	–	–	**(272)**	279	680
Coal swap options	**–**	**–**	–	(112)	**1 099**	691	–
Other commodity derivatives	**10**	**–**	61	(53)	**180**	(593)	–
Forward exchange contracts	**133**	**(353)**	68	(50)	**(1 339)**	(677)	1 011
Foreign exchange zero cost collars	**76**	**(579)**	76	(454)	**(301)**	(1 580)	4 027
Embedded derivatives							
Convertible bond embedded derivative	**–**	**(1 302)**	–	–	**867**	–	–
Oxygen supply contract embedded derivatives*	**516**	**(993)**	621	(282)	**(794)**	64	2 058
Non-derivative financial instruments							
Investments at fair value through profit or loss**	**1 237**	**–**	–	–			
	2 225	**(3 397)**	868	(7 127)	**3 287**	(18 325)	2 282

* Relates to a US dollar derivative that is embedded in long-term oxygen supply contracts to our SO.

** Fair value gains and losses are presented in other operating income and expenses, separately from derivative gains and losses.

37 Financial risk management and financial instruments continued

37.2 Financial risk management continued

		Contract/Notional amount*					Average price**			
		Open 2023 Million	**Settled 2023 Million**	Open 2022 Million	Settled 2022 Million		**Floor 2023**	**Cap 2023**	Floor 2022	Cap 2022
Fair value hedges										
Crude oil put options purchased***	barrels	**16,3**	**–**	–	10,0	US$/bbl	**49,4**	**–**	–	–
Crude oil put options sold	barrels	**–**	**–**	–	10,0	US$/bbl	**–**	**–**	–	–
Crude oil zero cost collars	barrels	**–**	**29,0**	29,0	24,0	US$/bbl	**–**	**–**	63,3	96,6
Crude oil swap options	barrels	**–**	**–**	–	18,0	US$/bbl	**–**		–	
Crude oil futures	US$	**2**	**21**	1	29	US$/bbl	**75,0**		109,9	
Ethane swap options	barrels	**3,6**	**1,3**	–	4,0	US$ c/gal	**30,1**	**–**	–	–
Coal swaps	ton	**–**	**0,9**	0,4	1,0	US$/ton	**–**	**–**	293,7	–
Forward exchange contracts	US$	**836**	**–**	334	–	R/US$	**18,61**		16,24	
Forward exchange contracts	EUR	**30**	**–**	70	–	US$/EUR	**1,10**		1,07	
Foreign exchange zero cost collars	US$	**2 760**	**4 400**	4 400	3 900	R/US$	**16,72**	**20,71**	15,04	18,06

* 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$42,0 million (2022: US$nil million).

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. Additionally, there are embedded derivatives that have been bifurcated in certain of the Group's long-term supply agreements and borrowings.

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.

Contracts to buy or sell non-financial items (e.g. gas or electricity) that were entered into and continue to be held for the purpose of the receipt of the non-financial items in accordance with the Group's expected purchase or usage requirements are not accounted for as derivative financial instruments. Purchase commitments relating to these contracts are disclosed in note 3.

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.

SASOL LIMITED COMPANY

Financial statements //
for the year ended 30 June 2023

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STATEMENT OF FINANCIAL POSITION

at 30 June

	Note	2023 Rm	2022 Rm
Assets			
Investments in subsidiaries	1	**154 085**	140 391
Investment in security	1	**7**	8
Long-term receivables	2	**46 848**	46 860
Deferred tax asset	3	**205**	179
Non-current assets		**201 145**	187 438
Other receivables and prepaid expenses	4	**360**	1 115
Cash and cash equivalents	5	**13 848**	2 942
Current assets		**14 208**	4 057
Total assets		**215 353**	191 495
Equity and liabilities			
Shareholders' equity		**214 460**	190 752
Non-current liabilities			
Long-term financial liabilities	6	**428**	329
Non-current liabilities		**428**	329
Short-term financial liabilities	6	**318**	320
Tax payable		**32**	4
Trade and other payables	7	**115**	90
Current liabilities		**465**	414
Total equity and liabilities		**215 353**	191 495

INCOME STATEMENT

for the year ended 30 June

	Note	2023 Rm	2022 Rm
Revenue	12	**29 588**	9 603
Other income/(expenses) (net)		**2 097**	51
Translation gains	8	**685**	43
Expected credit losses released	9	**1 761**	394
Other operating expenses	10	**(382)**	(421)
Other operating income		**33**	35
Remeasurement items	11	**(6)**	1
Net finance income		**5 141**	3 818
Finance income	13	**5 675**	3 965
Finance costs	14	**(534)**	(147)
Earnings before tax		**36 820**	13 473
Taxation	15	**(314)**	(177)
Earnings for the year		**36 506**	13 296

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June

	2023 Rm	2022 Rm
Earnings for the year	**36 506**	13 296
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 for the year	**36 505**	13 296

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June

	Note	2023 Rm	2022 Rm
Share capital			
Balance at beginning of year	16	**9 888**	9 888
Balance at end of year		**9 888**	9 888
Share-based payment reserve			
Balance at beginning of year		**5 946**	5 686
Sasol incentive schemes vested and settled		**(1 349)**	(904)
Share-based payment	17	**1 033**	1 164
Balance at end of year		**5 630**	5 946
Retained earnings			
Balance at beginning of year		**174 911**	160 705
Earnings for the year		**36 506**	13 296
Sasol incentive schemes vested and settled		**1 349**	910
Dividends paid	20	**(13 830)**	–
Balance at end of year		**198 936**	174 911
Investment fair value reserve			
Balance at beginning of year		**7**	7
Total comprehensive income for year		**(1)**	–
Balance at end of year		**6**	7
Total shareholders' equity		**214 460**	190 752

STATEMENT OF CASH FLOWS
for the year ended 30 June

	Note	2023 Rm	2022 Rm
Cash generated/(utilised) in operating activities	18	**1 152**	(262)
Revenue – dividends received	12	**29 588**	9 603
Finance income received	13	**1 048**	861
Tax paid		**(312)**	(142)
Cash available from operating activities		**31 476**	10 060
Dividends paid	20	**(13 830)**	–
Cash retained from operating activities		**17 646**	10 060
Additional investments in subsidiaries	21	**(8 512)**	(8 966)
Decrease in long-term receivables		**1 778**	479
Cash used in investing activities		**(6 734)**	(8 487)
Increase in cash and cash equivalents		**10 912**	1 573
Cash and cash equivalents at beginning of year		**2 943**	1 370
Cash and cash equivalents at end of year	5	**13 855**	2 943

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June

1 Investments

	2023 Rm	2022 Rm
Investment in subsidiaries		
Reflected as non-current assets		
Shares at cost	**183 312**	169 267
Shareholder loan to subsidiary	**525**	525
Share-based payment expense	**7 504**	7 855
Impairment (net of reversals) of investment in subsidiary	**(37 256)**	(37 256)
	154 085	140 391
Investment in security	**7**	8

Investments in subsidiaries increased due to additional investments in Sasol Financing Limited and Sasol Africa (Pty) Ltd. Investments in subsidiaries are accounted for at cost less impairment losses.

Impairment

The cumulative impairment of investment in subsidiary consists mainly of R36,5 billion relating to the investment in Sasol South Africa Limited (SSA). No additional impairments of investment in subsidiary were recognised for 2023. The independent valuation of SSA in the current year amounts to R29 billion, (2022 – R30 billion; 2021 – R33 billion). Key assumptions applied to the SSA valuation are aligned to the assumptions disclosed in note 8 of the Group annual financial statements. The valuation is extremely sensitive to macroeconomic changes in assumptions, furthermore the valuation is impacted by proposed regulatory changes in relation to climate change and the Group's transition to Net Zero by 2050. The outcome of Sasol's application in terms of Clause 12A of the MES also remains uncertain, refer note 36 of the Group annual financial statements. The prior impairment was therefore not reversed.

2 Long-term receivables

	2023 Rm	2022 Rm
Sasol South Africa Limited[1]	**46 877**	46 877
Sasol Khanyisa Fundco (RF) Limited[2]	**5 576**	7 354
Other	**107**	107
Total long-term receivables	**52 560**	54 338
Less: Expected credit loss[3]	**(5 712)**	(7 478)
	46 848	46 860

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. The loan attracts interest at 0% and Sasol Limited has no intent of demanding payment in the next 12 months. The carrying value approximates fair value as it is determined using market related rates.

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 intention of demanding payment in the next 12 months.

3) A specific expected credit loss (ECL) of R5,6 billion (2022: R7,4 billion) was recognised on the Sasol Khanyisa Fundco long-term receivable. Refer to note 23 for details on ECL calculation.

	2023	2022
Interest-bearing status		
Sasol Khanyisa Fundco (RF) Limited	**7,7%**	5,6%

	2023 Rm	2022 Rm
Maturity profile		
One to five years	**17**	–
More than five years	**46 831**	46 860
	46 848	46 860

	Note	2023 Rm	2022 Rm
3 Deferred tax asset			
Reconciliation			
Balance at beginning of year		**179**	206
Current year charge per the income statement	15	**26**	(24)
Tax rate change per the income statement	15	**–**	(3)
Balance at end of year		**205**	179

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.

	Note	2023 Rm	2022 Rm
4 Other receivables and prepaid expenses			
Related party receivables – intercompany receivables	22	**359**	1 101
Other receivables		**2**	15
		361	1 116
Less: Expected credit loss[1]		**(1)**	(1)
		360	1 115

1 Refer to note 23 for details on expected credit loss calculation.

Fair value of other receivables

The carrying amount approximates fair value due to the short period to maturity of these receivables.

	2023 Rm	2022 Rm
5 Cash and cash equivalents		
Cash	**1**	1
Cash – deposit with Group Treasury	**13 854**	2 942
Cash – Per the statement of cash flows	**13 855**	2 943
Less: Expected credit loss*	**(7)**	(1)
	13 848	2 942

* Refer to note 23 for details on expected credit loss calculation.

Fair value of cash

The carrying amount of cash approximates fair value.

	2023 Rm	2022 Rm
6 Long-term financial liabilities		
Non-derivative instruments		
Financial guarantees recognised	**1 149**	840
Expected credit loss adjustment	**34**	41
Translation difference	**13**	75
Less: amortisation of financial guarantees	**(450)**	(307)
	746	649
Less: short-term portion of financial guarantees	**(318)**	(320)
Arising on long-term financial instruments	**428**	329
Guarantees – maximum exposure	**186 143**	165 596

6 Long-term financial liabilities continued

	2023 Rm	2022 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, refer to note 8 in the Group annual financial statements. 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 credit risk related to financial guarantees.	**746**	649

Accounting standards, amendments and interpretations issued which are relevant to the company, but not yet effective

IFRS 17 'Insurance Contracts

The Company issued guarantees to thirds parties mainly relating to other Sasol Group subsidiaries in case of failure on the part of these subsidiaries to settle debt and other financial obligations pertaining to business operations. Performance under these guarantees would be triggered by a financial default of the guaranteed entity and as such, these guarantees have been classified as financial guarantee contracts.

The Company will continue to apply the requirements of IFRS 9 `Financial Instruments' to issued financial guarantee contracts. The Company has not identified any other material contracts in scope of IFRS 17 and implementation of the new standard is not expected to have a material impact on the Company's results. The Company will apply IFRS 17 from 1 July 2023 using the full retrospective approach.

6 Long-term financial liabilities continued

The long-term financial liabilities consist of guarantees issued for related party debt:

	2023		2022	
	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]	**37 413**	**114**	46 317	7
Bank of America Merril Lynch[3]	**–**	**–**	23 384	134
USD Term Loan – various banks[13]	**18 532**	**56**	–	–
US Bond Holders (2024 Notes)[2]	**28 678**	**83**	24 795	117
US Bond Holders (2022 Notes)[4]	**–**	**–**	16 360	43
US Bond Holders (2028 Notes)[2]	**14 362**	**187**	12 417	192
US Bond Holders (2026 Notes)[2]	**12 394**	**36**	10 716	28
US Bond Holders (2031 Notes)[2]	**16 260**	**47**	14 058	37
US Bond Holders (2027 Notes)[2]	**14 216**	**41**	–	–
US Bond Holders (2029 Notes)[2]	**19 100**	**59**	–	–
ABSA Bank Limited – banking facility[5]	**7 942**	**23**	1 650	4
Citibank[6]	**3 766**	**11**	3 256	9
Nedbank Limited – banking facility[5]	**3 000**	**9**	2 500	7
FirstRand Bank Limited – banking facility[5]	**3 000**	**9**	3 000	8
Eskom Holdings Limited[7]	**2 218**	**15**	2 448	20
Noteholders of Commercial Paper[8]	**2 106**	**6**	2 193	6
Saudi Aramco[9]	**1 883**	**42**	1 140	26
Investec Bank Limited – banking facility[5]	**1 000**	**3**	1 000	3
ABSA Bank Limited – Natref debt[10]	**232**	**5**	299	7
Nedbank Limited – Sasol Oil[11]	**14**	**–**	18	–
ABSA Bank Limited – Sasol Oil[11]	**15**	**–**	35	1
Azura Sasol New Energy Holdings[12]	**12**	**–**	10	–
	186 143	**746**	165 596	649

1 Guarantee issued to various banks over the new US$1 987 million joint revolving credit facility of Sasol Financing International Limited and Sasol Financing USA LLC entered into in April 2023. At 30 June 2023 the revolving credit facility was undrawn, therefore the maximum exposure reflects the full value of the facility. For further details on the debt arrangements, refer to note 14, of the Group Financial Statements.

2 Guarantees issued for the US$ bonds issued by Sasol Financing USA LLC, maximum exposure of US$5 577 million (2022: US$3 807 million) including accrued interest. The increase is due to new US$ bonds of US$1 000 million and US$750 million issued in May 2023 and November 2022 respectively.

3 Guarantees issued to Bank of America Merril Lynch over the term loan of Sasol Financing USA LLC, maximum exposure amounting to US$1 436 million (2021: US$1 601 million) including accrued interest of US$1 million. The term loan was settled in April 2023.

4 Guarantee issued for the US$ bond issued by Sasol Financing International Limited, maximum exposure US$1 005 million including accrued interest of US$5 million. The US$ bond was settled in November 2022.

5 Sasol Limited has issued guarantees of R14 942 million (2022: R8 150 million) to various banks in relation to central treasury credit facilities available to Sasol Financing Limited.

6 Guarantee issued to Citibank over the joint Letter of Credit facility of Sasol Financing International Limited and Sasol Oil (Pty) Ltd, 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 Guarantee of paper to the value of R2 066 million before accrued interest, issued in the local debt market under the current Domestic Medium Term Note (DMTN) programme.

9 Guarantee issued on behalf of Sasol Oil (Pty) Ltd, maximum exposure amounting to US$100 million.

10 Guarantee issued over the debt of National Petroleum Refiners of South Africa (Pty) Ltd.

11 Guarantee issued over the debt of Sasol Oil (Pty) Ltd.

12 Guarantee issued over a provision raised in Sasol New Energy Holdings (Pty) Ltd following the divestment of Central Térmica de Ressano Garcia.

13 Guarantee issued to various banks over the new US$982 million term loan of Sasol Financing International Limited and Sasol Financing USA LLC entered into in April 2023. At 30 June 2023 the entities have drawn US$287 million and US$695 million respectively, representing the maximum exposure of the full value of the facility. For further details on the debt arrangements, refer to note 14, of the Group Financial Statements.

7 Trade and other payables

	Note	2023 Rm	2022 Rm
Related party payables – intercompany payables	22	**28**	13
Trade payables		**68**	59
Employee-related payables		**19**	18
		115	90
Age analysis of trade payables			
Not past due date		**68**	59

Fair value of trade and other payables

The carrying value approximates fair value because of the short period to settlement of these obligations.

8 Translation gains/(losses)

	2023 Rm	2022 Rm
Arising from:		
Financial guarantees	**(13)**	(75)
Intercompany receivables	**84**	10
Payables	**(1)**	2
Other financial instruments[1]	**615**	106
	685	43

1 This mainly comprises of deposits with Group Treasury.

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.

9 Expected credit losses

	Note	2023 Rm	2022 Rm
Net expected credit losses (released)/raised			
Long-term receivables[1]	2	**(1 766)**	(394)
Cash and cash equivalents	5	**5**	–
		(1 761)	(394)

1 The increase in the ECL released is due to the reduction in the Fundco loan as a result of repayments of a portion of the loan during the financial year.

10 Other operating expenses

	Note	2023 Rm	2022 Rm
Other operating expenses includes:			
Management fee paid to Sasol South Africa Limited		**177**	174
Professional fees		**53**	117
Employee-related expenditure		**97**	93
salary and related expenses		**75**	90
share-based payment expense	17	**22**	3
Other		**55**	37
		382	421

		2023 Rm	2022 Rm
11	**Remeasurement items affecting operating profit**		
	Effect of remeasurement items		
	Loss on liquidation of investment in subsidiary	**(6)**	–
	Reversal of impairment of investment in subsidiary	**–**	6
	Loss on disposal of investment in subsidiary	**–**	(5)
		(6)	1

Remeasurement items in 2023

An amount of R6 million was recognised in the current financial year mainly relating to the loss on liquidation of Sasol International Services Limited.

Remeasurement items in prior period

Sasol New Energy Holdings

The valuation of the Sasol New Energy Holdings (Pty) Ltd decreased in the prior year due to the disposal of its significant investment in Central Térmica de Ressano Garcia S.A (CTRG) and a portion of the capital investment by Sasol Limited returned. A R6 million reversal of prior impairment was recognised.

Sasol Canada

The Sasol Canada investment was disposed in the prior year. A loss on disposal of business of R5 million was recognised.

		Note	2023 Rm	2022 Rm
12	**Revenue**			
	Dividends received from subsidiaries – recognised in revenue	22	**29 588**	9 603
	Cash dividends received – per statement of cash flows		**29 588**	9 603

		Note	2023 Rm	2022 Rm
13	**Finance income**			
	Interest received	22	**588**	431
	Guarantee fees received – indirect subsidiaries	22	**460**	430
	Notional interest received		**4 627**	3 104
	Finance income		**5 675**	3 965
	Cash interest received – per statement of cash flows		**1 048**	861
	Notional interest		**4 627**	3 104
			5 675	3 965

		2023 Rm	2022 Rm
14	**Finance costs**		
	Notional interest	**(534)**	(147)
	Per income statement	**(534)**	(147)

	2023 Rm	2022 Rm
15 Taxation		
South African normal tax	**(340)**	(150)
current year	**(340)**	(150)
Deferred tax – South Africa	**26**	(27)
current year	**26**	(24)
tax rate change	**–**	(3)
	(314)	(177)

	2023 %	2022 %
Reconciliation of effective tax rate		
The table below shows the difference between the South African enacted tax rate 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:		
South African normal tax rate	**27,0**	28,0
disallowed expenditure	**0,3**	–
Decrease in rate of tax due to:		
exempt income	**(26,4)**	(26,7)
Effective tax rate	**0,9**	1,3

On 23 February 2022, a decrease in the South African corporate tax rate from 28% to 27% was announced, effective from 1 July 2022. The decrease in rate is considered to be substantively enacted.

	Number of shares 2023	Number of shares 2022
16 Share capital		
Authorised	**1 286 021 925**	1 314 407 571
Issued	**640 667 612**	635 676 817

For further details of share capital, refer to note 13 in the consolidated Annual Financial Statements.

	2023 Rm	2022 Rm
17 Share-based payment		
17.1 Share-based payment expense		
Sasol Long-term Incentive Plan	**22**	3
	22	3
17.2 Investment in subsidiaries		
Equity-settled		
Sasol Khanyisa share transaction	**124**	163
Sasol Long-term Incentive Plan	**887**	1 001
	1 011	1 164

For further details of the Sasol Khanyisa transaction, refer to note 33 in the consolidated Annual Financial Statements.

18 Cash generated by/(utilised in) operating activities

	Note	2023 Rm	2022 Rm
Cash flow from operations	19	**371**	(263)
Decrease in working capital[1]		**781**	1
		1 152	(262)

1 Movement mainly due to a R798 million return of capital funds received from Sasol New Energy Holdings in the current year. This amount was included in Other Receivables in the previous year.

19 Cash flow from operations

	Note	2023 Rm	2022 Rm
Earnings before tax		**36 820**	13 473
Adjusted for			
dividends received	12	**(29 588)**	(9 603)
finance income	13	**(5 675)**	(3 965)
finance costs	14	**534**	147
translation losses on guarantees	8	**13**	75
equity-settled share-based payment expense	17	**22**	3
expected credit loss releases on long and short-term receivables	9	**(1 761)**	(394)
other non-cash movements		**6**	1
		371	(263)

20 Dividends paid

	2023 Rm	2022 Rm
Final dividend – prior year		
external shareholders	**9 225**	–
related parties – Sasol Foundation Trust	**120**	–
Interim dividend – current year		
external shareholders	**4 413**	–
related parties – Sasol Foundation Trust	**72**	–
Per statement of cash flows	**13 830**	–

21 Additional investments in subsidiaries and long-term receivables movements

	Note	2023 Rm	2022 Rm
Increase in investments per statement of financial position	1	**(13 694)**	(12 131)
Adjusted for			
notional interest		**4 177**	2 797
return of capital receivable from subsidiary		**–**	(798)
long-term incentive scheme		**1 011**	1 164
LTIs reversed on liquidation/disposal of investment		**(6)**	(4)
Reversal of impairment of investment in subsidiary		**–**	6
Per statement of cash flows		**(8 512)**	(8 966)

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	2023 Rm	2022 Rm
Other income statement items to related parties			
Management fee and other service costs to subsidiary			
Sasol South Africa Limited	10	**177**	174
Revenue – dividends from subsidiaries			
Sasol Mining Holdings (Pty) Ltd		**2 714**	160
Sasol South Africa Limited		**20 580**	8 737
Sasol Oil (Pty) Ltd		**1 245**	695
Sasol Investment Company (Pty) Ltd		**13**	–
Sasol Middle East and India (Pty) Ltd		**5 036**	1
Sasol Africa (Pty) Ltd		**–**	10
		29 588	9 603
Finance income – interest from subsidiaries			
Sasol Khanyisa Fundco (RF) Ltd		**475**	429
Sasol South Africa Limited		**4 177**	2 797
Sasol Financing International Limited		**113**	2
		4 765	3 228
Finance income – guarantee fees from subsidiaries			
Sasol Financing USA LLC		**430**	406
Sasol South Africa Limited		**14**	12
Sasol Oil (Pty) Ltd		**16**	12
		460	430
Amounts reflected as non-current assets			
Investments in subsidiaries at cost	1	**183 312**	169 267
Shareholder loan to subsidiaries			
Sasol Mining (Pty) Ltd	1	**525**	525
		183 837	169 792
Long-term receivables relating to subsidiaries			
Sasol South Africa Limited	2	**46 877**	46 877
Sasol Khanyisa Fundco (RF) Ltd	2	**5 576**	7 354
		52 453	54 231

22 Related party transactions continued

	Note	2023 Rm	2022 Rm
Long-term receivables relating to indirect subsidiaries			
Sasol Foundation Trust		**90**	90
Sasol Khanyisa Warehousing Trust		**17**	17
	2	**107**	107
Amounts reflected as current assets			
Other receivables relating to direct subsidiaries			
Sasol Investment Company (Pty) Ltd		**112**	88
Other receivables relating to indirect subsidiaries			
Sasol New Energy Holdings (Pty) Ltd*		**–**	798
Sasol Financing USA LLC		**230**	201
Other		**17**	14
	4	**359**	1 101
Short-term payables relating to direct and indirect subsidiaries			
Sasol Holdings Netherlands B.V.		**5**	3
Sasol South Africa Limited		**21**	9
Sasol Chemicals (USA) LLC		**2**	–
Other		**–**	1
	7	**28**	13
Dividends paid to related parties			
Final dividends			
Sasol Foundation Trust	20	**120**	–
Interim dividends			
Sasol Foundation Trust	20	**72**	–
		192	–

* Represents final dividend declared after the CTRG divestment. This has been accounted for as a return of capital.

An analysis of other related party transactions is provided in:

Note 6 – Long-term financial liabilities

Note 11 – Remeasurement items affecting operating income

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 37 in the consolidated financial statements for more information.

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 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 credit. 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 plus the maximum exposure of the financial guarantees, refer note 6.

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.

23 Financial risk management and financial instruments continued

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 37 "credit risk" in the Group financial statements.

		2023			2022		
	Note	Life time Rm	12 months Rm	Expected credit loss Rm	Life time Rm	12 months Rm	Expected credit loss Rm
Long-term receivables*	2	**5 576**	**136**	**5 712**	7 354	124	7 478
Other receivables	4	**–**	**1**	**1**	–	1	1
Cash and cash equivalents	5	**–**	**7**	**7**	–	1	1
		5 576	**144**	**5 720**	7 354	126	7 480

* At 30 June 2023 the carrying value of the long-term receivable had decreased to R5,6 billion (2022: R7,4 billion) which is below the specific expected credit loss of R7,4 billion previously recognised as at 30 June 2022, as a result a reversal of R1,8 billion (2022: R392 million) specific expected credit loss was recognised. The expected credit loss for the loan receivable from Sasol South Africa Limited is calculated based on 12-month expected credit losses. The balance will be recovered over time. Based on the future expected cash flow forecasts, the expected credit losses are immaterial.

Liquidity risk

The Company has provided guarantees for the financial obligations of subsidiaries and joint ventures. The outstanding guarantees at 30 June 2023 are provided in note 6.

The maturity profile of the undiscounted contractual cash flows of financial instruments at 30 June were as follows:

	Note	Carrying Value Rm	Contractual cash flows* Rm	Within one year Rm	One to five years Rm	More than five years Rm
2023						
Financial assets						
Non-derivative instruments						
Investment in security	1	**7**	**7**	**–**	**–**	**7**
Long-term receivables	2	**46 848**	**55 507**	**–**	**8 540**	**46 967**
Other receivables	4	**360**	**361**	**361**	**–**	**–**
Cash	5	**13 848**	**13 855**	**13 855**	**–**	**–**
		61 063	**69 730**	**14 216**	**8 540**	**46 974**
Financial liabilities						
Non-derivative instruments						
Trade and other payables	7	**(115)**	**(115)**	**(115)**	**–**	**–**
Financial guarantees[1]	6	**(746)**	**(186 143)**	**(186 143)**	**–**	**–**
		(861)	**(186 258)**	**(186 258)**	**–**	**–**

	Note	Carrying value Rm	Contractual cash flows* Rm	Within one year Rm	One to five years Rm	More than five years Rm
2022						
Financial assets						
Non-derivative instruments						
Investment in security	1	8	8	–	–	8
Long-term receivables	2	46 860	57 855	–	–	57 855
Other receivables	4	1 115	1 116	1 116	–	–
Cash	5	2 942	2 943	2 943	–	–
		50 925	61 922	4 059	–	57 863
Financial liabilities						
Non-derivative instruments						
Trade and other payables	7	(90)	(90)	(90)	–	–
Financial guarantees[1]	6	(649)	(165 596)	(165 596)	–	–
		(739)	(165 686)	(165 686)	–	–

* 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.

23 Financial risk management and financial instruments continued

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	
	2023	2022	**2023**	2022
Rand/US$	**17,77**	15,21	**18,83**	16,28

The most significant exposure of the Company's financial assets and liabilities to currency risk is as follows:

	2023 US dollar Rm	2022 US dollar Rm
Other receivables	**2**	–
Other payables	**(24)**	(20)
Net exposure on balances between Group companies	**5 041**	1 149
Total net exposure	**5 019**	1 129

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 2022.

	2023		2022	
	Equity Rm	**Income statement Rm**	Equity Rm	Income statement Rm
US dollar	**(502)**	**(502)**	(113)	(113)

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	
	2023 Rm	2022 Rm
Variable rate instruments		
Financial assets	**19 431**	10 297
	19 431	10 297
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)	**29:71**	18:82

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 2022.

	Income statement – 1% increase
	South Africa Rm
30 June 2023	**194**
30 June 2022	103

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 on 22 August 2023.

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 investment in security, are stated at fair value.

The financial statements are prepared on the going concern basis.

These accounting policies are consistent with those applied in previous years.

26 Subsequent events

Refer to note 38 in the Group annual financial statements.

27 Other

For further information regarding the remuneration of directors and key management personnel, refer to note 35 of the consolidated Annual Financial Statements.

For information on major shareholders, refer to page 19.

Information on contingencies is contained in note 34 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 2023

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 23 to 136 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2023, 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 23, 25, 36 and 136 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2023.

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 2023, 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 23, 25, 36 and 136 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2023.

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, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies or 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 23, 25, 36 and 136 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2023 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 enable offshore shareholders to interpret the financial performance in a universally measured currency. 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 financial information on a pro forma basis, 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 judgement, having regard to our understanding of the nature of the Company, the illustrative purpose 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 23, 25, 36 and 136 of the Sasol Limited Annual Financial Statements for the year ended 30 June 2023.

PRICEWATERHOUSECOOPERS INC.
Director: Johan Potgieter
Registered Auditor
Johannesburg, South Africa

22 August 2023

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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:

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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, and measures taken in response, on Sasol's business, results of operations, markets, employees, financial condition and liquidity; the effectiveness of any actions taken by Sasol to address or limit any impact of COVID-19 on its business; the capital cost of our projects and the timing of project milestones; our ability to obtain financing to meet the funding requirements of our capital investment programme, as well as to fund our ongoing business activities and to pay dividends; statements regarding our future results of operations and financial condition, and regarding future economic performance including cost containment, cash conservation programmes and business optimisation initiatives; recent and proposed accounting pronouncements and their impact on our future results of operations and financial condition; our business strategy, performance outlook, plans, objectives or goals; statements regarding future competition, volume growth and changes in market share in the industries and markets for our products; our existing or anticipated investments, acquisitions of new businesses or the disposal of existing businesses, including estimates or projection of internal rates of return and future profitability; our estimated oil, gas and coal reserves; the probable future outcome of litigation, legislative, regulatory and fiscal developments, including statements regarding our ability to comply with future laws and regulations; future fluctuations in refining margins and crude oil, natural gas and petroleum and chemical product prices; the demand, pricing and cyclicality of oil, gas and petrochemical product prices; changes in the fuel and gas pricing mechanisms in South Africa and their effects on prices, our operating results and profitability; statements regarding future fluctuations in exchange and interest rates and changes in credit ratings; total shareholder return; our current or future products and anticipated customer demand for these products; assumptions relating to macroeconomics; climate change impacts and our climate change strategies, our development of sustainability within our Energy and Chemicals Businesses, our energy efficiency improvement, carbon and greenhouse gas emission reduction targets, our Net Zero carbon emissions ambition and future low-carbon initiatives, including relating to green hydrogen and sustainable aviation fuel; our estimated carbon tax liability; cyber security; and statements of assumptions underlying such statements. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour", "target", "forecast" and "project" and similar expressions are intended to identify 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 31 August 2022 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 foregoing factors and other uncertainties and events, and you should not place undue reliance on forward-looking statements. 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 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 2023.

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 133.

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
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
BFP	Basic Fuel Price
HEPS	Headline Earnings per Share
DEPS	Dilluted Earnings per share
CHEPS	Core headline earnings per share
EPS	Basic 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

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