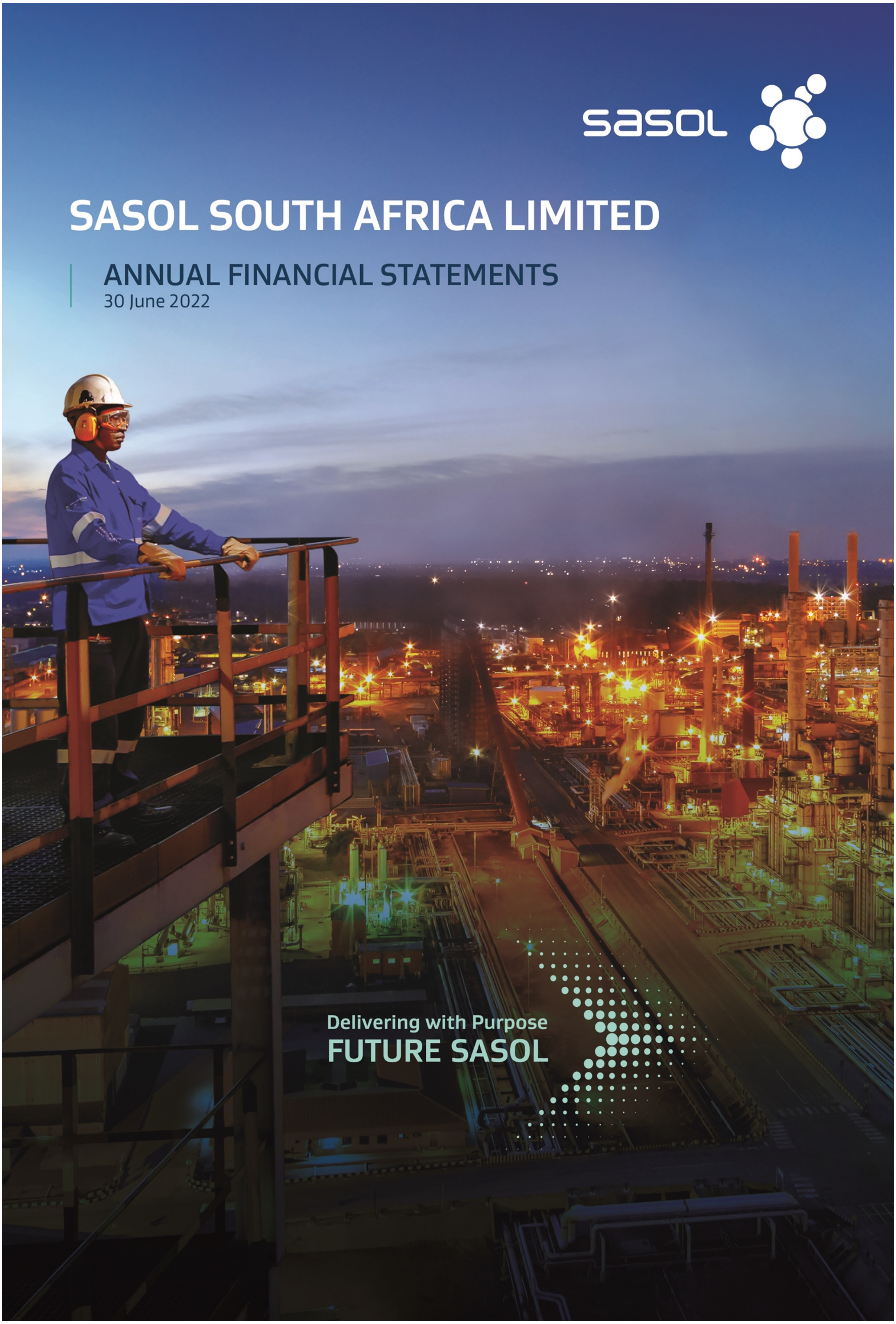
SASOL SOUTH AFRICA LIMITED

ANNUAL FINANCIAL STATEMENTS

30 June 2022



Delivering with Purpose

FUTURE SASOL

Sasol South Africa Limited

Registration number 1968/013914/06

Annual Financial Statements
for the year ended 30 June 2022

Contents

Preparers of the Annual Financial Statements

The Annual Financial Statements of Sasol South Africa Limited have been audited in compliance with section 30 of the South African Companies Act. Ms Imelda Erasmus CA(SA) and Mr Christo Nel CA(SA) are responsible for this set of financial statements and have supervised the preparation thereof.

Report of the Sasol Group Audit Committee

The Committee presents its financial year 2022 Audit Committee report.

This report has been prepared for Sasol South Africa Limited (the Company), a subsidiary within the Sasol group, and is based on the requirements of the South African Companies Act, 71 of 2008 as amended (the Companies Act), the King IV Report on Corporate Governance for South Africa 2016 (King IV), applicable regulatory requirements and the terms of reference of the Sasol Group Audit Committee (the Committee).

Composition and meetings

The members are Mss GMB Kennealy, NNA Matyumza, KC Harper and Messrs S Westwell, S Subramoney. Ms GMB Kennealy has been appointed as chairman of the Audit Committee with effect from 1 September 2021 upon the retirement of Mr C Beggs on 31 August 2021.

All the members of the Audit Committee are independent non-executive directors. They are financially literate and most have extensive audit committee experience. We believe that the experience of the Committee members gives perspective and insight to the Committee's considerations and decisions.

The Committee met five times during the financial year. All Committee members attended all meetings.

Statutory duties and functions

The Committee is constituted as a statutory committee of Sasol Limited in line with the Companies Act and accountable in this regard to both the Sasol Limited Board and Sasol's shareholders. The Committee also acts as the Audit Committee for all South African companies within the Sasol group. Oversight of the following specific matters has been delegated to the Committee:

- quality and integrity of the Sasol group's financial statements and public announcements in respect of the financial results;
- overseeing the appointment, remuneration, independence and performance of the external auditor and the integrity of the audit process as a whole, including the approval of non-audit services by the external auditor;
- effectiveness of the Sasol group's internal controls, internal audit function and financial risk management;
- assessment of expertise, resources, succession plans and experience of the Sasol group's finance function; and
- compliance with legal and regulatory requirements to the extent that might have an impact on financial statements.

The Committee fulfilled all its statutory duties as required by section 94(7) of the Companies Act.

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 2022 annual financial statements.

Adequate processes and structures have been implemented to assist the Audit Committee in providing oversight and ensuring the integrity of financial reporting, internal control and other governance matters relating to subsidiaries.

In satisfying its duties, the Committee in particular:

- Considered legal and regulatory compliance requirements to the extent that they might have an impact on financial statements and reviewed the internal control environment.
- The Committee is of the opinion that there were no material breakdowns in internal control during the 2022 financial year, except for the material weakness in the group and company's internal control over financial reporting noted below.

  Regarding internal controls over financial reporting, management has determined that the Sasol group's as well as the Sasol South Africa Limited (SSA) group and company's internal control over financial reporting was ineffective due to remediation still being in progress to remediate a material weakness that was identified in FY20 in respect of the controls over the impairment assessment process of the Southern Africa value chain. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of financial statements will not be prevented or detected on a timely basis. While significant progress has been made to remediate the material weakness, as of 30 June 2022, management 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 operate for a sufficient period and management has concluded, through testing, that these controls are operating effectively. Notwithstanding the material weakness, the Committee believes that the Sasol South Africa Limited consolidated and separate annual financial statements present fairly, in all material respects, the group and company's financial position, results of operations and cash flows as of and for the periods presented in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).
- Considered the going concern assumption as the basis of preparation of the Annual Financial Statements.

  The Committee considered scenarios that might impact the group and company's viability, stress testing the group and company's business against pertinent factors including global oil and chemical price volatility, rand/US$ exchange rates, carbon tax, the impacts of the economic recovery following the COVID-19 pandemic and geopolitical tensions. After examining the evidence provided to support the conclusion, the Committee concluded that the group and company's liquidity and capital position for the foreseeable future was adequate and that the going concern basis could be applied.

- Relied on management, the external auditor, internal audit as well as the Sasol group's independent ethics reporting telephone line 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.

- Nominated for appointment PricewaterhouseCoopers Inc. (PwC) as auditor of Sasol Limited and the Sasol group for the financial year ended 30 June 2022 in line with the requirements of the Companies Act and any other legislation relating to the appointment of auditors. The Committee is satisfied that PwC and the designated auditor are qualified and independent of Sasol Limited and the Sasol group.

  In June 2017, the Independent Regulatory Board for Auditors (IRBA) issued a rule prescribing that auditors of public interest entities in South Africa must comply with mandatory audit firm rotation with effect from 1 April 2023. The Sasol group's current auditor will remain in function until the conclusion of the audit for the 2023 financial year. The tendering process will commence in the first half of the 2023 financial year under the leadership of the Audit Committee.

- Appropriate controls are in place to manage the provision of non-audit services by the external auditor and the Committee also determined, subject to the provisions of the Companies Act, the nature and extent of any non-audit services which PwC may provide and pre-approved all audit and permissible non-audit services that PwC provides.

  The quality of the external audit process was reviewed and the Committee concluded it to be satisfactory. It was confirmed that no unresolved issues of concern exist between the Sasol group and the external auditors.

- Reviewed the assurance services charter and approved the integrated internal audit plan. The Committee also evaluated the independence, effectiveness, skills and experience and performance of the internal audit function and compliance with its charter and found them to be satisfactory.

- Reviewed the Sasol group's policies on risk assessment and management as they pertain to financial reporting and found them to be sound. The Committee also considered fraud risks and controls.

  The Committee also considered the plans and outputs of the external and internal auditors and concluded that they were adequate to address all significant financial risks facing the business.

The Committee is also satisfied with the expertise, resources, succession plans and experience of the finance function.

Conclusion

The Committee is satisfied that it has complied with all its statutory and other responsibilities. Having had regard to all material risks and factors that may impact on the integrity of the Company's annual financial statements, the Committee recommends the annual financial statements of Sasol South Africa Limited for the year ended 30 June 2022 for approval to the Sasol South Africa Limited Board.

On behalf of the Committee

Trix Kennealy
Chairman of the Sasol Limited Audit Committee

22 August 2022

Certificate of the Company Secretary

In my capacity as the company secretary, I hereby confirm, in terms of the South African Companies Act, No. 71 of 2008, as amended, that for the year ended 30 June 2022 Sasol South Africa Limited has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

M du Toit

Date: 24 October 2022

Directors' report

The directors have pleasure in presenting their report for the year ended 30 June 2022.

Nature of business

The main business of the company is focused on integrated petro-chemicals; energy and all such other things as may be considered to be incidental or conducive to the attainment and support of the main business. The principal activities of the company have remained unchanged during the year.

Share capital

The authorised and issued share capital of the company remained unchanged during the year.

Directors

The directors in office during the year and up to date of issuance of the annual financial statements were:

VD Kahla (Chairman)	appointed 16/03/2012
BSM Backman	appointed 08/08/2019 and resigned 23/07/2022
B Baijnath	appointed 01/03/2017
T Booley	appointed 01/06/2018 and resigned 31/12/2021
RM Laxa	appointed 14/11/2014
PN Magaqa	appointed 01/06/2018
CK Mokoena	appointed 01/06/2018
DT Mokomela	appointed 10/05/2021
Z Monnakgotla	appointed 08/08/2018
K Njobe	appointed 10/05/2021 and resigned 01/04/2022
G Nndwammbi	appointed 03/05/2019
PM Vilakazi	appointed 01/10/2020
LB Zondo	appointed 01/06/2018 and resigned 21/09/2022
X Maluleke	appointed 01/09/2022
YM Motsisi (As alternate director to X Maluleke)	appointed 01/09/2022
T Boikhutso (As alternate director to Z Monnakgotla)	appointed 01/09/2022

Auditor

PricewaterhouseCoopers Inc. (PwC) was the external auditor of Sasol South Africa Limited and its significant subsidiaries for the financial year ended 30 June 2022.

Going concern

Based on the going concern assessment (refer to note 38), the Board is of the view that the group and company 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.

The Board is not aware of any new material changes that may adversely impact the group and company other than those disclosed in the financial statements. The Board is not aware of any material non-compliance with statutory or regulatory requirements. The Board is not aware of any pending changes in legislation in any of the major countries in which it operates that may affect the company and group.

Subsequent event

On 29 July 2022 National Treasury published the draft 2022 Taxation Laws Amendment Bill ("Draft 2022 TLAB"), alongside various other tax bills which contain tax proposals made in the 2022 National Budget, for public comment. The Draft 2022 TLAB proposes amendments to the Carbon Tax Act to bring into effect the policy set out under South Africa's climate change response and carbon tax price path as released by National Treasury in February 2022. The proposed amendments include the progressive increase in the carbon tax rate from 2023. An increase of US$1, US$2 and US$3 on the current rate of R144 is proposed for the 2023, 2024 and 2025 tax periods, respectively with a rate of US$20 for the 2026 tax period. Thereafter an annual increase of US$2,50 in the rate is proposed from 2027 to 2029 to reach a rate of US$30 by 2030. The proposed amendments do not differ materially from the assumptions applied by management in testing the recoverability of non-financial assets at 30 June 2022 as explained in Note 8.

Company secretary

The company secretary of Sasol South Africa Limited is Ms M du Toit and her official addresses are:

Postal address

Private Bag X10014
Sandton
2196
South Africa

Physical address

50 Katherine Street
Sandton
2090
South Africa

Registered office

The registered office addresses of the company are:

Postal address

Private Bag X10014
Sandton
2196
South Africa

Physical address

50 Katherine Street
Sandton
2090
South Africa

Approval of the annual financial statements

The group and company annual financial statements for the year ended 30 June 2022 as set out on pages 10 to 70 were approved by the board of directors on 24 October 2022 and are signed on its behalf by:

VD Kahla
Director

B Baijnath
Director

Date: 24 October 2022

Independent auditor’s report

To the Shareholders of Sasol South Africa Limited

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 South Africa Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2022, 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 South Africa Limited’s consolidated and separate financial statements set out on pages 10 to 70 comprise:

- the consolidated and separate statements of financial position as at 30 June 2022;
- the consolidated and separate income statements for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate 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).*

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Sasol South Africa Limited Annual Financial Statements 30 June 2022”, which includes the Report of the Sasol Group Audit Committee, the Directors’ Report and the Certificate of the Company Secretary as required by the Companies Act of South Africa. 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 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, 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.

PricewaterhouseCoopers Inc.
Director: E.P.V. Bergh
Registered Auditor
Johannesburg, South Africa
24 October 2022

Income statements

for the year ended 30 June

		Group		Company	
	Note	2022 Rm	2021 Rm	2022 Rm	2021 Rm
Turnover	2	**120 753**	94 783	**115 081**	90 143
Materials, energy and consumables used	3	**(42 556)**	(40 150)	**(46 869)**	(45 916)
Selling and distribution costs		**(2 961)**	(2 865)	**(2 961)**	(2 865)
Maintenance expenditure		**(6 051)**	(5 556)	**(5 929)**	(5 478)
Employee-related expenditure	4	**(15 320)**	(15 644)	**(15 074)**	(15 348)
Exploration expenditure and feasibility costs		**(273)**	(134)	**(273)**	(136)
Depreciation and amortisation		**(5 860)**	(7 369)	**(4 116)**	(4 982)
Other expenses and income		**(4 233)**	(2 840)	**(3 564)**	(1 839)
Translation gains/(losses)	5	**540**	(1 010)	**442**	(866)
Other operating expenses and income	6	**(4 773)**	(1 830)	**(4 006)**	(973)
Equity accounted profits, net of tax	20	**97**	90	**7**	7
Operating profit before remeasurement items		**43 596**	20 315	**36 302**	13 586
Remeasurement items	8	**5 773**	(30 665)	**3 104**	(16 827)
Earnings/(Loss) before interest and tax (EBIT/(LBIT))		**49 369**	(10 350)	**39 406**	(3 241)
Finance income	7	**777**	595	**5 629**	3 972
Finance costs	7	**(2 091)**	(1 976)	**(1 988)**	(1 830)
Earnings/(Loss) before tax		**48 055**	(11 731)	**43 047**	(1 099)
Taxation	11	**(13 284)**	3 469	**(10 596)**	1 469
Earnings/(Loss) for the year		**34 771**	(8 262)	**32 451**	370
Attributable to					
Owners of Sasol South Africa Limited		**33 600**	(9 282)	**32 451**	370
Non-controlling interests in subsidiaries		**1 171**	1 020	**–**	–
		34 771	(8 262)	**32 451**	370

Statements of comprehensive income

for the year ended 30 June

	Group		Company	
	2022 Rm	2021 Rm	2022 Rm	2021 Rm
Earnings/(Loss) for the year	**34 771**	(8 262)	**32 451**	370
Other comprehensive income/(loss), net of tax				
Items that cannot be subsequently reclassified to the income statement	**(224)**	(192)	**(229)**	(190)
Remeasurement on post-retirement benefit obligation	**(321)**	(266)	**(327)**	(264)
Tax on items that cannot be subsequently reclassified to the income statement	**97**	74	**98**	74
Total comprehensive income/(loss) for the year	**34 547**	(8 454)	**32 222**	180
Attributable to				
Owners of Sasol South Africa Limited	**33 376**	(9 474)	**32 222**	180
Non-controlling interests in subsidiaries	**1 171**	1 020	**–**	–
	34 547	(8 454)	**32 222**	180

The notes on pages 15 to 70 are an integral part of the Annual Financial Statements.

Statements of financial position

at 30 June

		Group		Company	
	Note	2022 Rm	2021 Rm	2022 Rm	2021 Rm
Assets					
Property, plant and equipment	17	**50 454**	40 226	**28 988**	19 816
Right of use assets	16	**4 683**	5 154	**4 532**	4 991
Goodwill and other intangible assets	18	**5 502**	5 458	**970**	928
Equity accounted investments	20	**3 369**	569	**273**	271
Other long-term investments		**815**	732	**263**	257
Investment in subsidiaries and joint ventures	21	**–**	–	**46 991**	46 996
Post-retirement benefit assets	32	**54**	36	**54**	36
Long-term receivables and prepaid expenses	19	**587**	622	**304**	151
Long-term financial assets	39	**554**	808	**554**	808
Deferred tax assets	13	**–**	–	**2 629**	4 334
Non-current assets		**66 018**	53 605	**85 558**	78 588
Inventories	22	**11 271**	9 930	**11 278**	9 943
Tax receivable	12	**–**	40	**–**	–
Trade and other receivables	23	**20 947**	16 099	**20 450**	15 391
Short-term financial assets	39	**67**	107	**67**	105
Cash and cash equivalents	26	**20 557**	10 799	**15 366**	5 718
Current assets		**52 842**	36 975	**47 161**	31 157
Assets in disposal groups held for sale	10	**164**	5 416	**164**	150
Total assets		**119 024**	95 996	**132 883**	109 895
Equity and liabilities					
Shareholders' equity/(deficit)		**20 232**	(4 097)	**40 217**	17 036
Non-controlling interests		**–**	2 222	**–**	–
Total equity/(deficit)		**20 232**	(1 875)	**40 217**	17 036
Long-term debt	15	**54 153**	57 157	**53 976**	57 060
Lease liabilities	16	**5 898**	6 237	**5 661**	6 003
Long-term provisions	30	**6 093**	5 210	**5 639**	4 770
Post-retirement benefit obligations	32	**3 423**	2 993	**3 416**	2 981
Long-term deferred income		**36**	39	**6**	5
Long-term financial liabilities	39	**276**	540	**276**	540
Deferred tax liabilities	13	**3 375**	1 309	**–**	–
Non-current liabilities		**73 254**	73 485	**68 974**	71 359
Short-term debt*		**3 694**	3 602	**3 694**	3 601
Short-term provisions	31	**1 428**	2 924	**1 281**	1 470
Tax payable	12	**2 258**	544	**2 056**	477
Trade and other payables	24	**18 141**	15 752	**16 644**	15 941
Short-term deferred income		**8**	10	**8**	9
Short-term financial liabilities	39	**7**	–	**7**	–
Current liabilities		**25 536**	22 832	**23 690**	21 498
Liabilities in disposal groups held for sale	10	**2**	1 554	**2**	2
Total equity and liabilities		**119 024**	95 996	**132 883**	109 895

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

The notes on pages 15 to 70 are an integral part of the Annual Financial Statements.

Statement of changes in equity

for the year ended 30 June

	Group							
	Share capital Note 14	Share-based payment reserve Note 34	Other reserves	Remeasurement on post-retirement benefits	Retained (losses)/ earnings	Shareholders' equity/ (deficit)	Non-controlling interests	Total equity/ (deficit)
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Balance at 30 June 2020	**68 834**	**2 327**	**8**	**921**	**(55 335)**	**16 755**	**1 602**	**18 357**
Movement in Incentives schemes	–	(538)	–	–	28	**(510)**	–	**(510)**
long-term incentives vested and settled	–	(538)	–	–	538	**–**	–	**–**
share incentives schemes distributions	–	–	–	–	(510)	**(510)**	–	**(510)**
Movement in share-based payment reserve	–	1 204	–	–	–	**1 204**	–	**1 204**
share-based payment expense	–	1 183	–	–	–	**1 183**	–	**1 183**
deferred tax	–	21	–	–	–	**21**	–	**21**
Sasol Khanyisa Tier 1 transaction vested and settled	–	(1 220)	–	–	1 220	**–**	–	**–**
Total comprehensive (loss)/income for the year	–	–	–	(192)	(9 282)	**(9 474)**	1 020	**(8 454)**
(loss)/profit	–	–	–	–	(9 282)	**(9 282)**	1 020	**(8 262)**
other comprehensive loss for the year	–	–	–	(192)	–	**(192)**	–	**(192)**
Dividends paid	–	–	–	–	(12 072)	**(12 072)**	(400)	**(12 472)**
Dividends declared	–	–	–	–	(13 274)	**(13 274)**	(400)	**(13 674)**
Notional portion of dividends declared	–	–	–	–	1 202	**1 202**	–	**1 202**
Balance at 30 June 2021	**68 834**	**1 773**	**8**	**729**	**(75 441)**	**(4 097)**	**2 222**	**(1 875)**
Movement in Incentives schemes	**–**	**(545)**	**–**	**–**	**359**	**(186)**	**–**	**(186)**
long-term incentives vested and settled	**–**	**(545)**	**–**	**–**	**545**	**–**	**–**	**–**
share incentives schemes distributions	**–**	**–**	**–**	**–**	**(186)**	**(186)**	**–**	**(186)**
Movement in share-based payment reserve	**–**	**880**	**–**	**–**	**–**	**880**	**–**	**880**
share-based payment expense	**–**	**683**	**–**	**–**	**–**	**683**	**–**	**683**
deferred tax	**–**	**197**	**–**	**–**	**–**	**197**	**–**	**197**
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**(224)**	**33 600**	**33 376**	**1 171**	**34 547**
profit	**–**	**–**	**–**	**–**	**33 600**	**33 600**	**1 171**	**34 771**
other comprehensive loss for the year	**–**	**–**	**–**	**(224)**	**–**	**(224)**	**–**	**(224)**
Dividends paid	**–**	**–**	**–**	**–**	**(9 741)**	**(9 741)**	**(603)**	**(10 344)**
Dividends declared	**–**	**–**	**–**	**–**	**(10 700)**	**(10 700)**	**(603)**	**(11 303)**
Notional portion of dividends declared	**–**	**–**	**–**	**–**	**959**	**959**	**–**	**959**
Disposal of business	**–**	**–**	**–**	**–**	**–**	**–**	**(2 790)**	**(2 790)**
Balance at 30 June 2022	**68 834**	**2 108**	**8**	**505**	**(51 223)**	**20 232**	**–**	**20 232**

The notes on pages 15 to 70 are an integral part of the Annual Financial Statements.

Statement of changes in equity

for the year ended 30 June

	Share capital	Share-based payment reserve	Other reserves	Remeasurement on post-retirement benefits	Retained (losses)/ earnings	Total equity
			Company			
	Note 14	Note 34				
	Rm	Rm	Rm	Rm	Rm	Rm
Balance at 30 June 2020	**68 834**	**2 262**	**7**	**913**	**(43 768)**	**28 248**
Movement in Incentives schemes	–	(479)	–	–	(8)	**(487)**
long-term incentives vested and settled	–	(479)	–	–	479	**–**
share incentives schemes distributions	–	–	–	–	(487)	**(487)**
Movement in share-based payment reserve	–	1 167	–	–	–	**1 167**
share-based payment expense	–	1 149	–	–	–	**1 149**
deferred tax	–	18	–	–	–	**18**
Sasol Khanyisa Tier 1 transaction vested and settled	–	(1 200)	–	–	1 200	**–**
Total comprehensive (loss)/income for the year	–	–	–	(190)	370	**180**
profit	–	–	–	–	370	**370**
other comprehensive loss for the year	–	–	–	(190)	–	**(190)**
Dividends paid	–	–	–	–	(12 072)	**(12 072)**
Dividends declared	–	–	–	–	(13 274)	**(13 274)**
Notional portion of dividends declared	–	–	–	–	1 202	**1 202**
Balance at 30 June 2021	**68 834**	**1 750**	**7**	**723**	**(54 278)**	**17 036**
Movement in Incentives schemes	**–**	**(545)**	**–**	**–**	**361**	**(184)**
long-term incentives vested and settled	**–**	**(545)**	**–**	**–**	**545**	**–**
share incentives schemes distributions	**–**	**–**	**–**	**–**	**(184)**	**(184)**
Movement in share-based payment reserve	**–**	**884**	**–**	**–**	**–**	**884**
share-based payment expense	**–**	**689**	**–**	**–**	**–**	**689**
deferred tax	**–**	**195**	**–**	**–**	**–**	**195**
Total comprehensive (loss)/income for the year	**–**	**–**	**–**	**(229)**	**32 451**	**32 222**
profit	**–**	**–**	**–**	**–**	**32 451**	**32 451**
other comprehensive loss for the year	**–**	**–**	**–**	**(229)**	**–**	**(229)**
Dividends paid	**–**	**–**	**–**	**–**	**(9 741)**	**(9 741)**
Dividends declared	**–**	**–**	**–**	**–**	**(10 700)**	**(10 700)**
Notional portion of dividends declared	**–**	**–**	**–**	**–**	**959**	**959**
Balance at 30 June 2022	**68 834**	**2 089**	**7**	**494**	**(31 207)**	**40 217**

The notes on pages 15 to 70 are an integral part of the Annual Financial Statements.

Statements of cash flows

for the year ended 30 June

		Group		Company	
		2022	2021	2022	2021
	Note	Rm	Rm	Rm	Rm
Cash receipts from customers		**116 148**	93 622	**110 077**	88 877
Cash paid to suppliers and employees		**(70 625)**	(62 880)	**(73 735)**	(68 320)
Cash generated by operating activities	27	**45 523**	30 742	**36 342**	20 557
Dividends received from equity accounted investments	20	**50**	42	**50**	42
Finance income received	7	**777**	588	**5 589**	3 747
Finance costs paid*	7	**(1 953)**	(2 154)	**(1 917)**	(2 074)
Tax paid	12	**(9 160)**	(5 317)	**(7 019)**	(2 442)
Cash available from operating activities		**35 237**	23 901	**33 045**	19 830
Dividends paid	29	**(9 927)**	(12 232)	**(9 925)**	(12 215)
Dividends paid to non-controlling shareholders in subsidiaries		**(603)**	(400)	**–**	–
Cash retained from operating activities		**24 707**	11 269	**23 120**	7 615
Additions to non-current assets		**(13 962)**	(9 257)	**(13 845)**	(9 020)
additions to property, plant and equipment	17	**(13 428)**	(9 180)	**(13 311)**	(8 944)
additions to other intangible assets	18	**–**	(1)	**–**	–
decrease in capital project related payables		**(534)**	(76)	**(534)**	(76)
Proceeds on disposals and scrappings	9	**4 229**	8 302	**4 229**	8 282
Movement in assets held for sale**		**(825)**	(427)	**–**	(427)
Transfer of Acrylates cash		**–**	–	**–**	436
Decrease/(increase) in long-term receivables and prepaid expenses		**35**	73	**(153)**	(48)
Cash used in investing activities		**(10 523)**	(1 309)	**(9 769)**	(777)
Proceeds from long-term debt	15	**79**	34	**–**	–
Repayment of long-term debt	15	**(3 102)**	(3 065)	**(3 102)**	(3 065)
Repayment of debt held for sale		**(704)**	(976)	**–**	–
Payment of lease liabilities	16	**(616)**	(602)	**(595)**	(581)
Cash used in financing activities		**(4 343)**	(4 609)	**(3 697)**	(3 646)
Increase in cash and cash equivalents		**9 841**	5 351	**9 654**	3 192
Cash and cash equivalents at the beginning of year		**10 799**	5 759	**5 718**	2 531
Reclassification to disposal groups held for sale and other long-term investments		**(83)**	(311)	**(6)**	(5)
Cash and cash equivalents at the end of the year	26	**20 557**	10 799	**15 366**	5 718

* Included in finance costs paid are amounts capitalised to assets under construction, a class of property, plant and equipment. Refer note 7.

** Included in the 2022 movement for the group is R1,1 billion cash disposed of as part of the ROMPCO transaction. ROMPCO was classified as a disposal group held for sale at 30 June 2021 and sold during the year, refer note 10. The 2021 movement for the group relates to additions to the Air Separation Units disposal group held for sale at 30 June 2020.

The notes on pages 15 to 70 are an integral part of the Annual Financial Statements.

Notes to the financial statements

1 Statement of compliance

The annual 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 annual financial statements were approved for issue by the Board of Directors on 24 October 2022.

Basis of preparation of financial results

The annual financial statements are prepared using the historic cost convention except that, certain items, including derivative instruments, liabilities for cash-settled share-based payment schemes, 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 annual financial results are presented in rand, which is Sasol South Africa Limited's functional and presentation currency, rounded to the nearest million.

The annual financial statements are prepared on the going concern basis. Refer note 38.

Certain additional disclosure has been provided in respect of the current year. To the extent practicable, comparative information has also been provided.

Climate change

Climate change is a defining challenge of our time, with impacts threatening our critical ecosystems, habitats and resources. The Sasol group supports the Paris Agreement and its calls for higher ambition to reduce the impact of emissions on the planet. The Sasol group has deepened its commitment to this cause through its updated and newly-developed roadmaps, targets and ambition for the short, medium and long-term. In September 2021, the Sasol group launched its 2050 net zero emissions ambition and Future Sasol strategy, which places the Sasol group on a trajectory towards a significantly reduced GHG emissions profile. The Sasol group set a target to achieve a 30% reduction of scope 1 and 2 emissions for its Energy and International Chemicals Business and a 20% emission reduction from the use of energy products for its Energy Business by 2030 as it progresses towards its Net Zero ambition by 2050 for all operations. Where reasonable and supportable, management has considered the impact of these 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), capital commitments (refer to note 17), the estimates of future profitability used in the assessment of the recoverability of deferred tax assets (refer to note 13) 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 and company has exposure to the Johannesburg Interbank Average Rate (JIBAR). The South African Reserve Bank has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa. This reform is at various stages globally, and a suitable alternate for South Africa is only expected to be announced in a few years' time. Accordingly, there is uncertainty surrounding the timing and manner in which the transition would occur and how this would affect various financial instruments held by the group and company. The Sasol group's corporate treasury function monitors and manages the group and company's transition to alternative rates and evaluates the extent to which contracts reference JIBAR cash flows, whether such contracts will need to be amended as a result of IBOR reform and how to manage communication about IBOR reform with counterparties. The Sasol group's corporate treasury function reports to the Sasol Limited Board of Directors and collaborates with other business functions as needed.

Accounting policies

The accounting policies applied in the preparation of these consolidated and standalone annual financial statements are in terms of IFRS and are consistent with those applied in the consolidated and standalone annual financial statements for the year ended 30 June 2021. These accounting policies are consistently applied throughout the group and company.

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

The group and company continuously evaluate 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 and company, but not yet effective on 30 June 2022, include:

Amendment to IAS 16 'Property, plant and equipment'

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendments are effective for the group and company's reporting period beginning on 1 July 2022 and will be applied retrospectively to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the group and company first apply the amendments. The amendments are not expected to result in material restatement of previously reported amounts.

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or lossmaking. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g. the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g. depreciation of equipment used to fulfil the contract). The amendments are effective for the group and company's reporting period beginning on 1 July 2022. The effect of the implementation of the standard will not have a material impact on the group and company's results.

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. A few scope exceptions will apply. IFRS 17 is effective for the group and company's reporting period starting on 1 July 2023, with comparative figures required. The effect of the implementation of the new standard is ongoing but is not expected to have a material impact on the group and company's results.

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 about whether an entity will exercise its right to defer settlement of a liability. The amendments are effective for the group and company from 1 July 2023, will be applied retrospectively and are not expected to significantly impact the group and company.

	Group		Company	
	2022	2021	**2022**	2021
for the year ended 30 June	**Rm**	Rm	**Rm**	Rm
2 Turnover				
Revenue from contracts with customers				
Chemicals	**64 511**	58 592	**64 511**	58 592
Energy	**55 509**	35 572	**50 514**	31 525
Other	**733**	619	**56**	26
	120 753	94 783	**115 081**	90 143

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 and company performance obligations are satisfied at a point in time and over time, however the group and company mainly satisfies its performance obligations at a point in time.

Revenue recognised reflects the consideration that the group and company expect to be entitled to for each distinct performance obligation after deducting indirect taxes, rebates and trade discounts and consists primarily of the sale of oil, natural gas and chemical products, services rendered, licence fees and royalties. The group and company allocate revenue based on standalone selling price.

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

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 and company do not adjust for time value of money.

Chemicals

Chemical products are grouped into Advanced Materials, Base Chemicals, Essential Care Chemicals and Performance Solutions. These are produced in various Sasol production facilities in South Africa.

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

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

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

Energy

Secunda Operations sells synthetic fuels components to Sasol Oil (Pty) Ltd under the Component Supply Agreement (CSA) at prices determined by the CSA. Turnover is recognised when in accordance with the related contract terms, control has passed to the customer, which is when the products have passed over the appropriate weigh bridge or flow meter.

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). Turnover is recognised at the point in time when the gas has reached the inlet coupling of the customer, which is the point at which control passes to the customer. Gas analysis and tests of the specifications and content are performed prior to delivery.

	Group		Company	
	2022	2021	**2022**	2021
for the year ended 30 June	**Rm**	Rm	**Rm**	Rm
3 Materials, energy and consumables used*				
Cost of raw materials	**30 462**	32 071	**34 781**	37 843
Cost of energy and other consumables used in production process	**12 094**	8 079	**12 088**	8 073
	42 556	40 150	**46 869**	45 916

* Costs relating to items that are consumed in the manufacturing process, including changes in inventories and distribution costs up until the point of sale. Increase relates mainly to the increase in cost of energy and electricity prices. Included in Materials, energy and consumables used is carbon taxes of R1,1 billion (2021 - R1,2 billion).

Purchase commitments*

	Group		Company	
	2022	2021	**2022**	2021
for the year ended 30 June	**Rm**	Rm	**Rm**	Rm
Contractual obligations				
Within one year	**19 222**	7 698	**8 503**	3 883
One to five years	**62 256**	33 938	**22 134**	17 954
More than five years	**89 307**	77 757	**65 118**	64 652
	170 785	119 393	**95 755**	86 489

* During the year a misstatement related to the group was identified in the calculation of the purchase commitment disclosure in relation to our long-term gas purchase agreements. Purchase commitments presented as R86 489 million have been revised by R32 904 million to R119 393 million for 2021. Management concluded that the revision is not material to the financial statements.

The increase in purchase commitments is mainly due to the increase in the cost of raw material. The group and company enter into off-take agreements in the ordinary course of business, the most significant of which relates to oxygen supply agreements for Secunda Operations of R86 528 million (2021 - R85 013 million). The Oxygen Train 17 Supply Agreement runs until 2037, with an option to renew the contract until 2050. The renewal option is not taken into account in the calculation of the commitments. The Oxygen Trains 1 to 16 Agreement is managed through various agreements, including the Gas Sales Agreement (GSA), Utilities Agreement and a suite of other contracts. In terms of the Utilities Agreement, the group and company are contractually bound to buy oxygen and other derivative gasses from Air Liquide annually, while Air Liquide is bound to buy utilities from SSA for the same amount for 15 years.

The group, through Sasol Gas, also enters into off-take agreements in the ordinary course of business for the supply and transportation of gas from Sasol Petroleum Temane Limitada (SPT) and The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO) pipeline. Purchase commitments related to SPT increased to R49 613 million (2021 - R32 904 million) and R25 418 million (2021 - Rnil) related to ROMPCO which is treated as an equity accounted investment and not a subsidiary of SSA from 29 June 2022.

for the year ended 30 June	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm

4 Employee-related expenditure

Analysis of employee costs

Labour		**15 137**	15 007	**14 885**	14 734
salaries, wages and other employee related expenditure		**14 778**	14 470	**14 526**	14 197
post-retirement benefits*		**359**	537	**359**	537
Share-based payment expenses		**664**	1 166	**670**	1 132
equity-settled	34	**683**	1 183	**689**	1 149
cash-settled	33	**(19)**	(17)	**(19)**	(17)
Total employee-related expenditure		**15 801**	16 173	**15 555**	15 866
Costs capitalised to projects		**(481)**	(529)	**(481)**	(518)
Per income statement		**15 320**	15 644	**15 074**	15 348

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

The total number of permanent and non-permanent employees, in approved positions, excluding joint ventures' and associates' employees, is analysed below:

for the year ended 30 June	Group 2022 Number	Group 2021 Number	Company 2022 Number	Company 2021 Number
Permanent employees	**14 093**	15 104	**13 874**	14 814
Non-permanent employees	**296**	157	**296**	155
	14 389	15 261	**14 170**	14 969

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm

5 Translation gains/(losses)

Arising from

Trade and other receivables	**350**	(1 097)	**266**	(996)
Trade and other payables	**119**	174	**172**	116
Foreign currency loans	**–**	7	**–**	7
Other	**71**	(94)	**4**	7
	540	(1 010)	**442**	(866)

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm

6 Other operating expenses and income

Insurance	**782**	749	**758**	728
Computer costs	**2 021**	1 932	**2 020**	1 928
Hired labour	**317**	234	**315**	232
Audit remuneration	**60**	62	**55**	58
Derivative gains (including foreign exchange contracts)[1]	**(63)**	(2 070)	**(64)**	(2 053)
Professional fees	**868**	726	**846**	701
Changes in rehabilitation provisions[2]	**506**	(458)	**506**	(458)
Expected credit losses released[3]	**(23)**	(59)	**(14)**	(8)
Other expenses[4]	**4 086**	4 179	**3 676**	3 629
Other operating income	**(3 781)**	(3 465)	**(4 092)**	(3 784)
	4 773	1 830	**4 006**	973

1 Mainly relates to US dollar derivatives that are embedded in long-term oxygen supply contracts to Secunda Operations.
2 R43 million (2021 – (R622 million)) for the group and company relates to the change in discount rates applied in calculating the rehabilitation provision, while R463 million (2021 – R164 million) relates to additional provisions and changes to existing provisions.
3 Expected credit losses released were included in Other expenses for the group and company in 2021.
4 Includes a management fee for group and company relating to the Oxygen Train 17 Oxygen Supply Agreement with Air Liquide.

for the year ended 30 June	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm

7 Net finance costs

	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Finance income					
Dividends received from investments		–	–	5 149	3 617
Interest received on		777	595	480	355
loans and receivables		49	56	8	10
cash and cash equivalents - fellow subsidiaries	36	670	500	464	343
cash and cash equivalents - external		58	39	8	2
Per income statement		777	595	5 629	3 972
Less: dividend received from equity accounted investments		–	–	(40)	(25)
Less: dividend received in specie - recognised in finance income		–	–	–	(192)
Less: interest received on tax		–	(7)	–	(8)
Per the statement of cash flows		777	588	5 589	3 747
Finance costs					
Debt		1 374	1 566	1 339	1 485
Interest on lease liabilities		640	722	616	699
Other		2	3	2	3
		2 016	2 291	1 957	2 187
Amortisation of loan costs	15	1	3	–	–
Notional interest		450	426	407	387
Total finance costs		2 467	2 720	2 364	2 574
Amounts capitalised to assets under construction	17	(376)	(744)	(376)	(744)
Per income statement		2 091	1 976	1 988	1 830
Total finance costs before amortisation of loan costs and notional interest		2 016	2 291	1 957	2 187
Less: interest accrued on long-term debt and lease liabilities		(63)	(137)	(40)	(113)
Per the statement of cash flows		1 953	2 154	1 917	2 074

for the year ended 30 June	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm

8 Remeasurement items affecting operating profit

	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Effect of remeasurement items					
Impairment of assets		287	33 114	4 539	19 268
property, plant and equipment	17	287	25 343	4 539	19 268
goodwill and other intangible assets	18	–	7 771	–	–
Reversal of impairment of assets		(2 277)	–	(3 808)	–
property, plant and equipment	17	(1 995)	–	(3 808)	–
goodwill and other intangible assets	18	(282)	–	–	–
(Profit)/loss on	9	(3 783)	(2 449)	(3 835)	(2 441)
disposal of property, plant and equipment		(64)	(76)	(64)	(56)
goodwill and other intangible assets		–	3	–	3
disposal of businesses		(4 090)	(2 611)	(4 126)	(2 611)
scrapping of assets		371	235	355	223
Remeasurement items per income statement		(5 773)	30 665	(3 104)	16 827
Tax effect		1 388	(8 694)	632	(4 819)
Total remeasurement items, net of tax		(4 385)	21 971	(2 472)	12 008

Impairment/reversal of impairments

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

Main assumptions used for impairment calculations

		Group		Company	
		2022	2021	**2022**	2021
Growth rate – long-term Producer Price Index	%	**5,50**	5,50	**5,50**	5,50
Weighted average cost of capital*	%	**14,41**	14,03	**14,41**	14,03
Long-term average crude oil price (Brent) (nominal)**	US$/bbl	**93,24**	70,09	**93,24**	70,09
Long-term average Southern African gas purchase price (real)**	US$/Gj	**8,94**	8,41	**8,94**	8,41
Long-term average ammonia price (nominal)**	Rand/ton	**10 173**	5 297	**10 173**	5 297
Long-term average wax price (nominal)**	Rand/ton	**29 536**	21 957	**29 536**	21 957
Long-term average exchange rate**	Rand/US$	**15,95**	14,57	**15,95**	14,57

* Calculated using spot market factors on 30 June.

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

Areas of judgement:
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, 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 2023 budget as approved by the SSA 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 South African 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 cash-generating units. These values are sensitive to the cash flows projected for the periods for which detailed forecasts are not available and to the assumptions regarding the long-term sustainability of the cash flows thereafter.

As a significant emitter of greenhouse gas emissions globally, South Africa made commitments under the 2015 Paris Climate Agreement to further reduce greenhouse gas 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 and company are targeting a 30% reduction in greenhouse gas (GHG) emissions by 2030 which will pave the way to a net zero ambition by 2050. The group and company have 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, capital and associated benefits from these initiatives in its cash flow forecasts.

Carbon tax is seen to be an important component of South Africa's mitigation policy strategy to lower GHG emissions. Phase 1 of the carbon tax comes to an end in December 2025 while a number of Phase 2 carbon tax proposals were announced by the Minister of Finance in the 2022 Budget Review. Management is required to reflect its best estimate of any expected applicable carbon taxes payable by the group and company. 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 and company's CGUs, whether currently enacted or not. Future potential carbon taxes are included in the recoverable amount calculations considering the latest proposals by the National Treasury. On 29 July 2022 National Treasury published the draft 2022 Taxation Laws Amendment Bill which contains the tax proposals made in the 2022 National Budget. The proposed amendments seek to align South Africa's carbon tax rate with global carbon prices and by doing so aims to penalise emitters and incentivise taxpayers' transition towards a low carbon trajectory with a progressive increase in the carbon tax rate from 2023 (refer note 37). The amendments contained in the Amendments Bill do not materially impact on the applied assumptions at 30 June 2022.

Climate change and the transition to a lower 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 and company'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 2022. The revised estimates reflect higher oil prices up to 2029 as a result of near-term supply constraints whereas the long-term assumption is lower in real terms as demand is expected to decrease as the transition to a lower carbon economy progresses. The revised assumptions are based on the average June 2022 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.

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.

Significant impairment/(reversal of impairment) of assets in 2022

		Group		
Cash-generating unit (CGU)		Property, plant and equipment 2022 Rm	Gas transportation agreement and other intangible assets 2022 Rm	Total 2022 Rm
South African integrated value chain				
Methyl Isobutyl Ketone CGU	Chemicals	47	–	47
Chemical Work-up and Heavy Alcohols CGU	Chemicals	(1 995)	(282)	(2 277)
Acrylates and Butanol CGU	Chemicals	240	–	240
		(1 708)	(282)	(1 990)

Cash-generating unit (CGU)		Company Property, plant and equipment 2022 Rm	Total 2022 Rm
South African integrated value chain			
Methyl Isobutyl Ketone CGU	Chemicals	47	47
Chemical Work-up and Heavy Alcohols CGU	Chemicals	(3 808)	(3 808)
Methanol CGU	Chemicals	88	88
Acrylates and Butanol CGU	Chemicals	947	947
Wax CGU	Chemicals	556	556
Synfuels liquid fuels refinery	Energy	2 901	2 901
		731	731

Other than for the CGUs specifically mentioned, all of the remaining CGUs have sufficient headroom and no reasonable changes to assumptions applied would result in any impairment. Where indicators of potential reversal of impairment were identified, reasonably possible decreases in the assumed price estimates completely counteract the effect of the short-term favourable economic conditions.

The following table lists the recoverable amounts of each of the South African CGUs that was impaired/impairment reversed together with a description of the factors that resulted in the impairment/reversal of impairment:

Cash-generating unit (CGU)	Description	Group Recoverable amount* (net of tax) 2022 Rm	Company Recoverable amount* (net of tax) 2022 Rm
Chemicals			
Methyl Isobutyl Ketone CGU	Despite the benefits resulting from improved macroeconomic factors, the value was negatively impacted by the 2030 emission reduction plans and proposed regulatory changes relating to carbon tax. Non-current assets of the CGU remain fully impaired for the group and company.	–	–
Chemical Work-up and Heavy Alcohols CGU	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 previous impairments for the group and company.	22 631	17 991
Methanol CGU	Despite the benefits resulting from improved macroeconomic factors, the value was negatively impacted by the 2030 emission reduction plans and proposed regulatory changes relating to carbon tax. Non-current assets of the CGU remain partially impaired for the group and fully impaired for the company.	386	–
Acrylates and Butanol CGU	Despite the benefits resulting from improved macroeconomic factors, the value was negatively impacted by the 2030 emission reduction plans and proposed regulatory changes relating to carbon tax. Non-current assets of the CGU remain fully impaired for the group and company.	–	–
Wax CGU	Despite the benefits resulting from improved macroeconomic factors, the value was negatively impacted by the 2030 emission reduction plans and proposed regulatory changes relating to carbon tax. Non-current assets of the CGU remain partially impaired for the group and fully impaired for the company.	3 700	–
Energy			
Synfuels liquid fuels refinery	Despite the benefits resulting from improved macroeconomic factors, the value was negatively impacted by the 2030 emission reduction plans and proposed regulatory changes relating to carbon tax. Non-current assets of the CGU remain partially impaired for the group and fully impaired for the company.	31 489	–

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

Significant impairments of assets in the group in 2021

		Group		
		Property, plant and equipment	Gas transportation agreement and other intangible assets	Total
		2021	2021	2021
Cash-generating unit (CGU)		Rm	Rm	Rm
South African integrated value chain				
Blends and Minchen CGU	Chemicals	103	–	103
Wax CGU	Chemicals	2 521	1 370	3 891
Synfuels liquid fuels refinery	Energy	22 719	6 401	29 120
		25 343	7 771	33 114

Significant impairments of assets in the company in 2021

		Company	
		Property, plant and equipment	Total
		2021	2021
Cash-generating unit (CGU)		Rm	Rm
South African integrated value chain			
Blends and Minchem CGU	Chemicals	92	92
Acrylates and Butanol CGU	Chemicals	2 926	2 926
Synfuels liquid fuels refinery	Energy	16 250	16 250
		19 268	19 268

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. Reasonably possible changes to any of these assumptions can lead to different outcomes.

In 2020, the sudden collapse in oil prices and the economic consequences of the COVID-19 pandemic resulted in impairments and write down of assets across many of the group's CGUs. In 2021, further impairments were recognised. In the second half of 2022, the continued economic recovery following the pandemic together with the impact of the Russian/Ukrainian conflict resulted in higher crude oil prices and chemicals prices. Pricing and demand volatility is expected to continue in the short-term, making it difficult to predict. Management has revised its price assumptions reflecting the expected market demand and supply fundamentals as well as the expected applicable carbon taxes payable by the group considering the proposals published in the 2022 Budget Review. The increase in recoverable amounts of the impacted CGUs resulting from the favourable short-term macro-economic environment was significantly countered by the expected impact of carbon tax.

The sensitivity to changes in assumptions in the group's impacted CGUs are as follows:

Synfuels liquid fuels refinery*
Non-current assets of the CGU remain fully impaired for the company. Non-current assets of the CGU remain partially impaired for the group. The recoverable amount of this CGU is highly sensitive to changes in Brent crude prices, the Rand/US$ exchange rate and the cost to procure gas. A US$1 decrease in the price of Dated Brent would decrease the recoverable amount of this CGU by approximately R2,9 billion. Furthermore, a decrease of more than US$5,12/bbl in the assumed price of Dated Brent will eliminate the headroom of the CGU and result in an impairment. A R0,10/US$ strengthening in the exchange rate would decrease the recoverable amount by R1,8 billion. A US$1/Gj increase in the longer term cost of natural gas would decrease the recoverable amount by R1,0 billion. This sensitivity analyses does not fully incorporate consequential changes that may arise, such as changes in costs and business plans or absorption of carbon taxes by the market.

Chemicals – Ammonia CGU
The Ammonia CGU is highly sensitive to changes in the international price of ammonia. The Russian/Ukrainian conflict has led to the suspension of ammonia exports from the Black Sea ports together with high gas feedstock prices which resulted in short-term product shortages and inflated prices in the ammonia market globally. Setting price assumptions for the medium- to long-term prices is highly dependent on factors such as the duration of the conflict and resulting supply disruptions and gas feedstock prices. Management has considered external views in formulating its internal price assumptions. The high degree of uncertainty associated with the ammonia pricing outlook and the historical ammonia price variability were considered by management in its decision to not reverse previous impairments relating to the Ammonia CGU.

Other CGUs
For other CGUs where indicators of potential impairment or reversal of impairment were identified, reasonably possible changes to key estimates are unlikey to result in an impairment or reversal of impairment.

* Reflected net of tax.

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 or the company, 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 and the company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. An impairment test is performed on all goodwill, intangible assets not yet in use and intangible assets with indefinite useful lives at each reporting date.

The recoverable amount of an asset is defined as the amount that reflects the greater of the fair value less costs of disposal and value-in-use that can be attributed to an asset as a result of its ongoing use by the entity. Value-in-use is estimated using a discounted cash flow model. The future cash flows are adjusted for risks specific to the asset. 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 and company'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.

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

For the purposes of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored internally. Impairment losses recognised in respect of a cash-generating unit are first allocated to reduce the carrying amount of the goodwill allocated to the unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis relative to their carrying amounts. A previously recognised impairment loss on goodwill cannot be reversed.

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	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
9 Disposals and scrapping					
Property, plant and equipment	17	**410**	235	**389**	223
Goodwill and other intangible assets	18	**2**	3	**2**	3
Equity accounted investments		**–**	290	**–**	290
Assets in disposal groups held for sale		**6 354**	5 861	**3**	5 861
Liabilities in disposal groups held for sale		**(777)**	(59)	**–**	(59)
Long-term financial liabilities		**–**	(477)	**–**	(477)
		5 989	5 853	**394**	5 841
Non-controlling interest		**(2 790)**	–	**–**	–
		3 199	5 853	**394**	5 841
Fair value of retained investment		**2 753**	–	**–**	–
Consideration received		**4 229**	8 302	**4 229**	8 282
Net profit on disposal		**(3 783)**	(2 449)	**(3 835)**	(2 441)
Consideration received comprising					
Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)		**4 129**	–	**4 129**	–
Chemicals – Partial disposal of share in Enaex Africa		**–**	175	**–**	175
Secunda Operations – Disposal of air separation units		**–**	8 051	**–**	8 051
Other		**100**	76	**100**	56
Consideration received		**4 229**	8 302	**4 229**	8 282

Significant disposals and scrappings in the group and company in 2022

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 and company losing control over ROMPCO and the derecognition of all the assets and liabilities of the subsidiary. SSA 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 is valued at zero considering the low probability of meeting the milestones as assessed on the transaction date. A profit of R4,1 billion on the disposal has been recognised for the group and company of which R1,9 billion relates to the fair value adjustment on retained interest. Refer note 20.

Significant disposals and scrappings in the group and company in 2021

Secunda Operations – 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 gasses supplied to SSA.

Chemicals – Share in Enaex Africa

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

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
10 Disposal groups held for sale				
Assets in disposal groups held for sale				
Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)	**–**	5 266	**–**	–
Chemicals - Cyanide business	**161**	150	**161**	150
Other	**3**	–	**3**	–
	164	5 416	**164**	150
Liabilities in disposal groups held for sale				
Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)	**–**	(1 552)	**–**	–
Chemicals - Cyanide business	**(2)**	(2)	**(2)**	(2)
	(2)	(1 554)	**(2)**	(2)

Significant disposal group held for sale in 2022

No significant disposal group held for sale as at 30 June 2022.

Significant disposal group held for sale in prior periods

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

SSA concluded a sale and purchase agreement in terms of which it agreed to dispose of a 30% interest in ROMPCO. SSA will retain a 20% shareholding in ROMPCO and will continue to operate and maintain the pipeline in terms of the commercial agreement between SSA and ROMPCO. Two of the existing shareholders, the South African Gas Development Company Limited (iGas) and Companhia Moçambicana de Gasoduto S.A.R.L. (CMG), have recently exercised their pre-emptive right to acquire 30% of SSA's equity in ROMPCO. The sale will therefore now be concluded with iGas and CMG.

Accounting policies:
A non-current asset or disposal group (a business grouping of assets and their related liabilities) is designated as held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The classification as held for sale of a non-current asset or disposal group occurs when it is available for immediate sale in its present condition and the sale is highly probable. A sale is considered highly probable if management is committed to a plan to sell the non-current asset or disposal group, an active divestiture programme has been initiated, the non-current asset or disposal group is marketed at a price reasonable to its fair value and the disposal will be completed within one year from classification.

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

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

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

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

		Group		Company	
		2022	2021	2022	2021
for the year ended 30 June	Note	Rm	Rm	Rm	Rm
11 Taxation					
South African normal tax		**9 632**	5 878	**7 925**	3 450
current year		**9 605**	5 920	**7 930**	3 503
prior years		**27**	(42)	**(5)**	(53)
Foreign tax – current year		**1 115**	536	**673**	2
current year*		**1 121**	536	**673**	2
prior years		**(6)**	–	**–**	–
Income tax		**10 747**	6 414	**8 598**	3 452
Deferred tax – South Africa	13	**2 537**	(9 883)	**1 998**	(4 921)
current year		**2 747**	(9 778)	**1 951**	(4 816)
prior years		**38**	(105)	**(51)**	(105)
tax rate change**		**(248)**	–	**98**	–
		13 284	(3 469)	**10 596**	(1 469)

* Increase in the current year relates mainly to the disposal of a 30% interest in ROMPCO.

** 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.

for the year ended 30 June	Group 2022 %	Group 2021 %	Company 2022 %	Company 2021 %
Reconciliation of effective tax rate				
The table below shows the difference between the South African enacted tax rate and the effective tax rate in the income statement. Total income tax expense differs from the amount computed by applying the South African normal tax rate to profit before tax. The reasons for these differences are:				
South African normal tax rate	**28,0**	28,0	**28,0**	28,0
Increase/(decrease) in rate of tax due to				
disallowed expenditure	**0,3**	(0,9)	**0,3**	(11,8)
disallowed share-based payment expenses	**–**	(1,4)	**0,1**	(13,6)
change in South African corporate income tax rate*	**(0,5)**	–	**0,2**	–
exempt income	**(0,1)**	–	**(3,3)**	87,1
dividend in specie received from investment in subsidiary	**–**	–	**–**	4,9
incentive allowances	**(0,1)**	0,3	**(0,2)**	3,3
prior year adjustments	**0,1**	1,3	**(0,1)**	14,4
capital gains and losses**	**(0,5)**	1,5	**(0,6)**	16,5
other adjustments	**0,4**	0,8	**0,2**	4,9
Effective tax rate	**27,6**	29,6	**24,6**	133,7

* 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.

** Relates mainly to 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.

12 Tax paid

for the year ended 30 June	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Net amounts payable/(receivable) at beginning of year		**504**	(326)	**477**	(520)
Transfer of Acrylates tax receivable		**–**	–	**–**	(5)
Net interest on tax		**–**	(9)	**–**	(8)
Income tax per income statement	11	**10 747**	6 414	**8 598**	3 452
Reclassification from/(to) held for sale*		**167**	(258)	**–**	–
		11 418	5 821	**9 075**	2 919
Net tax (payable)/receivable per statement of financial position		**(2 258)**	(504)	**(2 056)**	(477)
tax payable		**(2 258)**	(544)	**(2 056)**	(477)
tax receivable		**–**	40	**–**	–
Per the statement of cash flows		**9 160**	5 317	**7 019**	2 442
Comprising					
Normal tax					
South Africa		**8 536**	4 992	**7 016**	2 440
Foreign		**624**	325	**3**	2
		9 160	5 317	**7 019**	2 442

* Mainly due to ROMPCO tax receivable/(tax payable) that was transferred to liabilities in disposal group held for sale.

for the year ended 30 June	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
13 Deferred tax					
Reconciliation					
Balance at beginning of year		**1 309**	11 270	**(4 334)**	261
Current year charge		**2 243**	(9 978)	**1 705**	(5 013)
per the income statement	11	**2 537**	(9 883)	**1 998**	(4 921)
per the statement of changes in equity		**(197)**	(21)	**(195)**	(18)
per the statement of comprehensive income		**(97)**	(74)	**(98)**	(74)
Transfer (to)/from disposal groups held for sale		**(177)**	17	**–**	–
Transfer of Acrylates deferred tax liability		**–**	–	**–**	418
Balance at end of year		**3 375**	1 309	**(2 629)**	(4 334)
Comprising					
Deferred tax assets		**–**	–	**(2 629)**	(4 334)
Deferred tax liabilities		**3 375**	1 309	**–**	–
		3 375	1 309	**(2 629)**	(4 334)

Deferred tax assets and liabilities are determined based on the tax status and rate of the underlying entities.

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Deferred tax is attributable to temporary differences on the following:				
Net deferred tax (assets)/liabilities:				
Property, plant and equipment	**7 968**	5 309	**2 612**	23
Intangible assets	**950**	985	**–**	–
Right of use assets	**1 247**	1 415	**1 206**	1 369
Current assets	**(687)**	(484)	**(628)**	(441)
Short- and long-term provisions	**(4 099)**	(3 899)	**(3 813)**	(3 351)
Current liabilities	**(58)**	(61)	**(29)**	(51)
Financial assets	**91**	104	**91**	104
Lease liabilities	**(1 807)**	(1 940)	**(1 743)**	(1 874)
Other	**(230)**	(120)	**(325)**	(113)
	3 375	1 309	**(2 629)**	(4 334)

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.

Areas of judgement:

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. Where appropriate, the expected impact of climate change was considered in estimating the future taxable profits. These assumptions are in line with the assumptions disclosed in note 8. 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.

for the year ended 30 June	Group and Company 2022 Rm	2021 Rm
14 Share capital		
Issued share capital (as per statement of changes in equity)	**68 834**	68 834

	Group and Company Number of shares 2022	2021
Authorised		
Ordinary shares of no par value	**400 000 000**	400 000 000
Issued – no par value shares		
Shares issued at the beginning and end of year	**288 371 336**	288 371 336

Share capital

The capital of the group is managed by its ultimate holding company, Sasol Limited, by means of an approved group funding policy, which determines each group entity's required rate of return.

Accounting policies:
Issued share capital is stated in the statement of changes in equity at the amount of the proceeds received less directly attributable issue costs.

for the year ended 30 June	Note	Group 2022 Rm	Group 2020 Rm	Company 2022 Rm	Company 2020 Rm
15 Long-term debt					
Holding company and fellow subsidiaries	36	**57 233**	60 255	**57 056**	60 158
Short-term portion		**(3 080)**	(3 098)	**(3 080)**	(3 098)
		54 153	57 157	**53 976**	57 060
Analysis of long-term debt					
At amortised cost					
Secured debt		**–**	–	**–**	–
Unsecured debt		**57 233**	60 255	**57 056**	60 158
		57 233	60 255	**57 056**	60 158
Reconciliation					
Balance at beginning of year		**60 255**	63 282	**60 158**	62 971
Loans raised		**79**	34	**–**	–
Loans repaid		**(3 102)**	(3 065)	**(3 102)**	(3 065)
Interest accrued		**–**	1	**–**	–
Amortisation of loan costs	7	**1**	3	**–**	–
Transfer of Acrylates long-term debt		**–**	–	**–**	252
Balance at end of year		**57 233**	60 255	**57 056**	60 158
Interest-bearing status					
Interest-bearing debt		**57 233**	60 255	**57 056**	60 158
Non-interest-bearing debt		**–**	–	**–**	–
		57 233	60 255	**57 056**	60 158
Maturity profile					
Within one year		**3 080**	3 098	**3 080**	3 098
One to five years		**7 276**	10 190	**7 099**	10 093
More than five years		**46 877**	46 967	**46 877**	46 967
		57 233	60 255	**57 056**	60 158

Terms of repayment	Security	Business	Currency	Group Interest rate at 30 June 2022	2022 Rm	2021 Rm
Unsecured debt						
Repayable in annual instalments ending June 2026		Energy, Chemicals	Rand	**Jibar + 2,5%**	**10 179**	13 281
Other		Other	Rand	**–**	**177**	97
Repayable on 30 days written notice from Sasol Limited*		Sasol South Africa Limited	Rand	**Fixed 0%**	**46 877**	46 877
Total unsecured debt					**57 233**	60 255
Total long-term debt					**57 233**	60 255
Short-term portion of long-term debt					**(3 080)**	(3 098)
					54 153	57 157

Terms of repayment	Business	Currency	Company Interest rate at 30 June 2022	2022 Rm	2021 Rm
Unsecured debt					
Repayable in annual instalments ending June 2026	Energy, Chemicals	Rand	**Jibar + 2,5%**	**10 179**	13 281
Repayable on 30 days written notice from Sasol Limited*	Sasol South Africa Limited	Rand	**Fixed 0%**	**46 877**	46 877
Total unsecured debt				**57 056**	60 158
Total long-term debt				**57 056**	60 158
Short-term portion of long-term debt				**(3 080)**	(3 098)
				53 976	57 060

* Sasol South Africa Limited (SSA) purchased 100% of the shares in Sasol Gas (Pty) Ltd from Sasol Limited on 30 June 2017 for R51,2 billion (fair value). The purchase was funded by a loan from Sasol Limited at 0% interest. The loan is payable on 30 day's written notice from Sasol Limited to SSA. Sasol Limited made an election not to exercise its right to demand payment from SSA under the loan note for the 12 month period from 1 July 2022 to 30 June 2023.

Accounting policies:

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

Debt is derecognised when the obligation in the contract is discharged, cancelled or has expired. Premiums or discounts arising from the difference between the fair value of debt raised and the amount repayable at maturity date are charged to the income statement as finance expenses based on the effective interest rate method.

A debt modification gain or loss is recognised immediately when a debt measured at amortised cost has been modified.

16 Leases

for the year ended 30 June	Group Land Rm	Buildings Rm	Plant, equipment and vehicles Rm	Total Rm
Carrying amount at 30 June 2021	23	2 165	2 966	**5 154**
Right of uses assets				
Additions to sustain existing operations	–	201	132	**333**
Modifications and reassessments	–	–	(6)	**(6)**
Current year depreciation charge	(3)	(276)	(519)	**(798)**
Carrying amount at 30 June 2022	**20**	**2 090**	**2 573**	**4 683**

	Group			
	Land	Buildings	Plant, equipment and vehicles	Total
for the year ended 30 June	Rm	Rm	Rm	Rm
Carrying amount at 30 June 2020	26	2 942	3 192	**6 160**
Right of uses assets				
Additions to sustain existing operations	–	74	275	**349**
Net reclassification to other assets	–	–	(4)	**(4)**
Modifications and reassessments	–	(563)	–	**(563)**
Current year depreciation charge	(3)	(288)	(497)	**(788)**
Carrying amount at 30 June 2021	**23**	**2 165**	**2 966**	**5 154**

	Group			
	Land	Buildings	Plant, equipment and vehicles	Total
for the year ended 30 June	Rm	Rm	Rm	Rm
2022				
Cost	**29**	**2 625**	**4 410**	**7 064**
Accumulated depreciation and impairment	**(9)**	**(535)**	**(1 837)**	**(2 381)**
	20	**2 090**	**2 573**	**4 683**
2021				
Cost	29	2 726	4 318	**7 073**
Accumulated depreciation and impairment	(6)	(561)	(1 352)	**(1 919)**
	23	2 165	2 966	**5 154**

	Company			
	Land	Buildings	Plant, equipment and vehicles	Total
for the year ended 30 June	Rm	Rm	Rm	Rm
Carrying amount at 30 June 2021	23	2 002	2 966	**4 991**
Right of uses assets				
Additions to sustain existing operations	–	201	132	**333**
Modifications and reassessments	–	–	(6)	**(6)**
Current year depreciation charge	(3)	(264)	(519)	**(786)**
Carrying amount at 30 June 2022	**20**	**1 939**	**2 573**	**4 532**

	Company			
	Land	Buildings	Plant, equipment and vehicles	Total
for the year ended 30 June	Rm	Rm	Rm	Rm
Carrying amount at 30 June 2020	26	2 766	3 192	**5 984**
Right of uses assets				
Additions to sustain existing operations	–	74	275	**349**
Net reclassification to other assets	–	–	(4)	**(4)**
Modifications and reassessments	–	(562)	–	**(562)**
Current year depreciation charge	(3)	(276)	(497)	**(776)**
Carrying amount at 30 June 2021	**23**	**2 002**	**2 966**	**4 991**

for the year ended 30 June	Company Land Rm	 Buildings Rm	 Plant, equipment and vehicles Rm	 Total Rm
2022				
Cost	**29**	**2 436**	**4 410**	**6 875**
Accumulated depreciation and impairment	**(9)**	**(497)**	**(1 837)**	**(2 343)**
	20	**1 939**	**2 573**	**4 532**
2021				
Cost	29	2 538	4 318	**6 885**
Accumulated depreciation and impairment	(6)	(536)	(1 352)	**(1 894)**
	23	2 002	2 966	**4 991**

for the year ended 30 June	Group 2022 Rm	 2021 Rm	Company 2022 Rm	 2021 Rm
Lease liabilities				
Long-term lease liabilities	**5 898**	6 237	**5 661**	6 003
Short-term portion (included in short-term debt)	**614**	504	**614**	503
	6 512	6 741	**6 275**	6 506
Reconciliation				
Balance at beginning of year	**6 741**	7 434	**6 506**	7 201
New lease contracts	**332**	362	**332**	362
Payments made on lease liabilities	**(616)**	(602)	**(595)**	(581)
Modifications and reassessments	**(13)**	(566)	**(13)**	(566)
Interest accrued	**63**	136	**40**	113
Termination of lease liability	**–**	(3)	**–**	(3)
Translation of foreign operations	**5**	(20)	**5**	(20)
Balance at end of year	**6 512**	6 741	**6 275**	6 506

for the year ended 30 June	Group 2022 Rm	 2021 Rm	Company 2022 Rm	 2021 Rm
Amounts recognised in income statement				
Interest expense (included in net finance cost)	**640**	722	**616**	699
Expense relating to short-term leases (included in other operating expenses and income)*	**154**	67	**153**	66
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other operating expenses and income)*	**16**	1	**16**	1
Expense relating to variable lease payments not included in lease liabilities (included in other operating expenses and income)*	**–**	4	**–**	–
Amounts recognised in statement of cash flows				
Total cash outflow on leases	**1 363**	1 259	**1 340**	1 234

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

The group and company lease a number of assets as part of their activities. These primarily include corporate office buildings in Sandton 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 39.

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 and company recognise 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 and company 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 and company use 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 and company 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 and company apply 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 and company are reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset’s useful life. The depreciation charge is recognised in the income statement unless it is capitalised as part of the cost of inventories or assets under construction.

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

Where the group and company transfer control of an asset to another entity (buyer-lessor) and leases that same asset back from the buyer-lessor, the group and company derecognise 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 and company. The group and company 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.

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 and company direct how and for what purpose such assets are used. In performing this assessment, the group and company consider 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 and company apply is the rate that the group and company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions. The estimation of the incremental borrowing rate is determined for each lease contract using the risk-free rate over a term matching that of the lease, adjusted for other factors such as the credit rating of the lessee, a country risk premium and the borrowing currency. A higher incremental borrowing rate would lead to the recognition of a lower lease liability and corresponding right of use asset. The range of incremental borrowing rates applied for Southern Africa was 4,18% to 16,47% (2021 - 6,19% to 15,35%).

17 Property, plant and equipment

for the year ended 30 June	Land Rm	Buildings and improvements Rm	Plant, equipment and vehicles Rm	Assets under construction* Rm	Total Rm
	Group				
Carrying amount at 30 June 2021	337	3 683	19 482	16 724	**40 226**
Additions to sustain existing operations	–	–	117	13 311	**13 428**
Net reclassification from/(to) other assets	–	452	(415)	(45)	**(8)**
Reduction in rehabilitation provisions capitalised	–	–	(28)	–	**(28)**
Projects capitalised	–	63	13 753	(14 073)	**(257)**
Reclassification to disposal groups held for sale	(1)	(2)	(10)	(4)	**(17)**
Finance costs capitalised	–	–	–	376	**376**
Disposals and scrapping	(1)	(1)	(265)	(143)	**(410)**
Current year depreciation charge	–	(200)	(4 364)	–	**(4 564)**
Impairment of property, plant and equipment	–	–	(287)	–	**(287)**
Reversal of impairment of property, plant and equipment	–	–	1 995	–	**1 995**
Carrying amount at 30 June 2022	**335**	**3 995**	**29 978**	**16 146**	**50 454**

* Includes intangible assets under construction.

for the year ended 30 June	Land Rm	Buildings and improvements Rm	Plant, equipment and vehicles Rm	Assets under construction* Rm	Total Rm
	Group				
Carrying amount at 30 June 2020	348	3 827	41 002	15 792	**60 969**
Additions to sustain existing operations	–	–	106	9 074	**9 180**
Net reclassification (to)/from other assets	(11)	(16)	31	(2)	**2**
Reduction in rehabilitation provisions capitalised	–	–	(16)	–	**(16)**
Projects capitalised	–	91	8 512	(8 755)	**(152)**
Reclassification to disposal groups held for sale	–	(2)	178	(32)	**144**
Finance costs capitalised	–	–	–	744	**744**
Disposals and scrapping	–	(1)	(137)	(97)	**(235)**
Current year depreciation charge	–	(216)	(4 851)	–	**(5 067)**
Impairment of property, plant and equipment	–	–	(25 343)	–	**(25 343)**
Carrying amount at 30 June 2021	337	3 683	19 482	16 724	**40 226**

* Includes intangible assets under construction.

			Group		
	Land	Buildings and improvements	Plant, equipment and vehicles	Assets under construction	Total
for the year ended 30 June	Rm	Rm	Rm	Rm	Rm
2022					
Cost	**335**	**7 545**	**168 167**	**16 146**	**192 193**
Accumulated depreciation and impairment	**–**	**(3 550)**	**(138 189)**	**–**	**(141 739)**
	335	**3 995**	**29 978**	**16 146**	**50 454**
2021					
Cost	337	7 186	159 140	16 724	**183 387**
Accumulated depreciation and impairment	–	(3 503)	(139 658)	–	**(143 161)**
	337	3 683	19 482	16 724	**40 226**

			Company		
	Land	Buildings and improvements	Plant, equipment and vehicles	Assets under construction*	Total
for the year ended 30 June	Rm	Rm	Rm	Rm	Rm
Carrying amount at 30 June 2021	334	3 097	–	16 385	**19 816**
Additions to sustain existing operations	–	–	111	13 200	**13 311**
Net reclassification from/(to) other assets	–	452	(415)	(40)	**(3)**
Projects capitalised	–	63	13 707	(14 026)	**(256)**
Reclassification(to)/from disposal groups held for sale	(1)	(2)	(10)	(9)	**(22)**
Finance costs capitalised	–	–	–	376	**376**
Disposals and scrapping	(1)	(1)	(261)	(126)	**(389)**
Current year depreciation charge	–	(198)	(2 916)	–	**(3 114)**
Impairment of property, plant and equipment	–	–	(4 539)	–	**(4 539)**
Reversal of impairment of property, plant and equipment	–	–	3 808	–	**3 808**
Carrying amount at 30 June 2022	**332**	**3 411**	**9 485**	**15 760**	**28 988**

* Includes intangible assets under construction.

			Company		
	Land	Buildings and improvements	Plant, equipment and vehicles	Assets under construction*	Total
for the year ended 30 June	Rm	Rm	Rm	Rm	Rm
Carrying amount at 30 June 2020	345	3 805	12 109	15 524	**31 783**
Additions to sustain existing operations	–	–	106	8 838	**8 944**
Transfer of Acrylates property, plant and equipment	–	–	1 649	8	**1 657**
Net reclassification (to)/from other assets	(11)	(16)	31	(1)	**3**
Projects capitalised	–	90	8 383	(8 626)	**(153)**
Reclassification to disposal groups held for sale	–	(2)	239	(5)	**232**
Finance costs capitalised	–	–	–	744	**744**
Disposals and scrapping	–	(1)	(125)	(97)	**(223)**
Current year depreciation charge	–	(214)	(3 689)	–	**(3 903)**
Impairment of property, plant and equipment	–	(565)	(18 703)	–	**(19 268)**
Carrying amount at 30 June 2021	334	3 097	–	16 385	**19 816**

* Includes intangible assets under construction.

			Company		
for the year ended 30 June	Land Rm	Buildings and improvements Rm	Plant, equipment and vehicles Rm	Assets under construction Rm	Total Rm
2022					
Cost	**332**	**7 506**	**164 531**	**15 760**	**188 129**
Accumulated depreciation and impairment	**–**	**(4 095)**	**(155 046)**	**–**	**(159 141)**
	332	**3 411**	**9 485**	**15 760**	**28 988**
2021					
Cost	334	7 139	155 715	16 385	**179 573**
Accumulated depreciation and impairment	–	(4 042)	(155 715)	–	**(159 757)**
	334	3 097	–	16 385	**19 816**

	Group		Company	
for the year ended 30 June	**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
Additions to property, plant and equipment (cash flow)				
Current year additions	**13 400**	9 164	**13 311**	8 944
Adjustments for non-cash items				
movement in environmental provisions capitalised	**28**	16	**–**	–
Per the statement of cash flows	**13 428**	9 180	**13 311**	8 944

	Group		Company	
for the year ended 30 June	**2022 Rm**	2021 Rm	**2022 Rm**	2021 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	**18 148**	15 732	**17 642**	15 075
Authorised but not yet contracted for	**17 568**	14 986	**17 368**	14 637
Less expenditure to the end of year	**(11 834)**	(12 352)	**(11 466)**	(11 859)
	23 882	18 366	**23 544**	17 853
to sustain existing operations	**23 000**	18 236	**22 692**	17 752
to expand operations	**882**	130	**853**	101
Estimated expenditure				
Within one year	**17 407**	11 354	**17 134**	10 986
One to five years	**6 475**	7 012	**6 410**	6 867
	23 882	18 366	**23 544**	17 853

Funding

Capital expenditure will be financed from funds generated out of normal business operations, existing borrowing facilities or specific project financing.

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.

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

Assets under construction
Assets under construction are non-current assets, which includes land and expenditure capitalised for work in progress in respect of activities to develop, expand or enhance items of property, plant and equipment and intangible assets. 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 7,20% (2021 - 7,08%) per annum is calculated as the weighted average of the interest rates applicable to the borrowings of the group and company respectively 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.

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

The remaining useful lives of property, plant and equipment have been reassessed considering the group and company's targeted reduction in GHG emissions and remain appropriate.

The following depreciation rates apply for the group and company:

Buildings and improvements	1 – 17	%
Plant	3 – 25	%
Equipment	3 – 25	%
Vehicles	5 – 33	%

			Group		
	Goodwill	Software	Gas trans-portation agreement	Other intangible assets	**Total**
for the year ended 30 June	Rm	Rm	Rm	Rm	**Rm**
18 Goodwill and other intangible assets					
Carrying amount at 30 June 2021	1 315	662	3 180	301	**5 458**
Net reclassification (to)/from other assets	–	(3)	–	7	**4**
Projects capitalised	–	256	–	1	**257**
Disposals and scrapping	–	(1)	–	(1)	**(2)**
Current year amortisation charge	–	(192)	(278)	(27)	**(497)**
Reversal of impairment of goodwill and other intangible assets	–	–	282	–	**282**
Carrying amount at 30 June 2022	**1 315**	**722**	**3 184**	**281**	**5 502**

for the year ended 30 June	Goodwill Rm	Software Rm	Gas trans-portation agreement Rm	Other intangible assets Rm	Total Rm
			Group		
Carrying amount at 30 June 2020	1 315	828	12 157	300	**14 600**
Additions to sustain existing operations	–	1	–	–	**1**
Net reclassification (to)/from other assets	–	(35)	–	28	**(7)**
Projects capitalised	–	147	–	5	**152**
Disposals and scrapping	–	(3)	–	–	**(3)**
Current year amortisation charge	–	(276)	(1 206)	(32)	**(1 514)**
Impairment of goodwill and other intangible assets	–	–	(7 771)	–	**(7 771)**
Carrying amount at 30 June 2021	**1 315**	**662**	**3 180**	**301**	**5 458**

for the year ended 30 June	Software Rm	Other intangible assets Rm	Total Rm
		Company	
Carrying amount at 30 June 2021	661	267	**928**
Net reclassification (to)/from other assets	(3)	7	**4**
Projects capitalised	256	–	**256**
Disposals and scrapping	(1)	(1)	**(2)**
Current year amortisation charge	(192)	(24)	**(216)**
Carrying amount at 30 June 2022	**721**	**249**	**970**

for the year ended 30 June	Software Rm	Other intangible assets Rm	Total Rm
		Company	
Carrying amount at 30 June 2020	827	262	**1 089**
Net reclassification (to)/from other assets	(34)	28	**(6)**
Projects capitalised	147	5	**152**
Disposals and scrapping	(3)	–	**(3)**
Current year amortisation charge	(276)	(28)	**(304)**
Carrying amount at 30 June 2021	**661**	**267**	**928**

Accounting policies:

Intangible assets are stated at cost less accumulated amortisation and impairment losses. These intangible assets are recognised if it is probable that future economic benefits will flow to the entity from the intangible assets and the costs of the intangible assets can be reliably measured. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The amortisation methods and estimated remaining useful lives are reviewed at least annually. The estimation of the useful lives of other intangible assets is based on historic performance as well as expectations about future use and therefore requires a significant degree of judgement to be applied by management. The following amortisation rates, based on the estimated useful lives of the respective assets were applied:

Software	10% – 50%
Patents and trademarks	5% – 20%
Gas transportation agreement	6%
Other intangible assets	3% - 33%

Goodwill is recognised when the consideration transferred, the fair value of any previously held interests and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of these transactions. The adjustments to non-controlling interest are based on a proportionate amount of the net assets of the subsidiary. Goodwill is tested at each reporting date for impairment.

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm

19 Long-term receivables and prepaid expenses

	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Total long-term receivables*	**828**	872	**299**	148
Short-term portion	**(208)**	(205)	**(6)**	(2)
Impairment of long-term receivables	**(44)**	(50)	**–**	–
	576	617	**293**	146
Long-term prepaid expenses	**11**	5	**11**	5
	587	622	**304**	151

* Includes a preference share subscription of an initial R125 million in Afrisol Pref (Pty) Ltd for the group and company and funding by Siyakha Enterprise and Supplier Development Trust to external parties for the group.

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 39 for detail on the impairments recognised.

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm

20 Equity accounted investments

	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Amounts recognised in the statement of cash flows:				
Dividends received from equity accounted investments	**50**	42	**50**	42

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

Name	Country of incorporation	Nature of activities	Group Interest %	Group 2022 Rm	Group 2021 Rm
Joint ventures and associates					
Sasol Dyno Nobel (Pty) Ltd (joint venture)	South Africa	Manufacturing and distribution of explosives	**50**	**267**	259
Enaex Africa (Pty) Ltd (associate)	South Africa	Manufacturing and distribution of explosives	**23**	**330**	295
The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO) (associate)*	South Africa	Owning and operating of the natural gas transmission pipeline between Temane Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa	**20**	**2 753**	–
Clariant Sasol Catalysts (Pty) Ltd (associate)	South Africa	Manufacturing and distribution of catalyst	**20**	**19**	15
Carrying value of investments				**3 369**	569

Name	Country of incorporation	Nature of activities	Company Interest %	Company 2022 Rm	Company 2021 Rm
Associates					
Enaex Africa (Pty) Ltd	South Africa	Manufacturing and distribution of explosives	**23**	**256**	256
The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)*	South Africa	Owning and operating of the natural gas transmission pipeline between Temane Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa	**20**	**2**	–
Clariant Sasol Catalysts (Pty) Ltd	South Africa	Manufacturing and distribution of catalyst	**20**	**15**	15
Carrying value of investments				**273**	271

* Effective 29 June 2022, SSA disposed of 30% of its shareholding in ROMPCO (refer note 9). The group and company retains 20% shareholding and the ability to appoint 4 of the 14 directors. Accordingly, the investment in ROMPCO is accounted for as an associate from the disposal date. Financial results of equity accounted investments are included in the group's results according to the equity method. Investments in equity accounted investments are recognised at cost by the company.

There are no significant restrictions on the ability of the joint venture and associates to transfer funds to Sasol South Africa 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 to calculate the impairment.

Summarised financial information for the group and company's share of equity accounted investments*

	Group		Company	
	2022	2021	**2022**	2021
for the year ended 30 June	**Rm**	Rm	**Rm**	Rm
Operating profit	**137**	124	**10**	10
Earnings before tax	**137**	124	**10**	10
Taxation	**(40)**	(34)	**(3)**	(3)
Earnings and total comprehensive income for the year	**97**	90	**7**	7

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

	Group		Company	
	2022	2021	**2022**	2021
for the year ended 30 June	**Rm**	Rm	**Rm**	Rm
Capital commitments relating to 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**	20	**–**	–
Authorised but not yet contracted for	**41**	4	**–**	–
Less expenditure to the end of year	**(21)**	(19)	**–**	–
	67	5	**–**	–

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

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

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 associate. The financial information presented includes the full financial position of the associate and includes intercompany balances.

	Associate	
	The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)	
	2022	2021
for the year ended 30 June	**Rm**	Rm
Summarised statement of financial position		
Non-current assets[1]	**5 770**	–
Cash and cash equivalents	**1 056**	–
Other current assets	**373**	–
Total assets	**7 199**	–
Non-current liabilities	**812**	–
Current liabilities	**125**	–
Tax payable	**51**	–
Total liabilities	**988**	–
Net assets	**6 211**	–
Carrying value of equity accounted investment	**2 753**	–

1 Includes fair value adjustment on acquisition of investment.

On 29 June 2022 the group disposed of 30% of its investment in ROMPCO, retaining a 20% interest.

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

Contingent liabilities

There were no contingent liabilities at 30 June 2022 and 30 June 2021 relating to our joint ventures or associates.

Accounting policies:
The financial results of associates and joint ventures are included in the group's results according to the equity method from acquisition date until the disposal date. Associates and joint ventures whose financial year-ends are within three months of 30 June are included in the group's 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. Investments in associates and joint ventures are recognised at cost by the company from acquisition date until the disposal date.

	Group		Company	
	2022	2021	**2022**	2021
for the year ended 30 June	**Rm**	Rm	**Rm**	Rm
21 Investment in subsidiaries and joint ventures				
Reflected as non-current assets				
Investments at cost	**–**	–	**46 991**	46 996
Balance at the beginning of the year	**–**	–	**46 996**	48 404
Disposal of interest in subsidiary*	**–**	–	**(5)**	–
Capital return of investment in subsidiary	**–**	–	**–**	(1 408)
	–	–	**46 991**	46 996

* SSA sold 30% and retained 20% of its interest in the ROMPCO pipeline on 29 June 2022. From this date ROMPCO is accounted for as an associate.

Interest in operating subsidiaries and joint ventures

The following table presents each of the company's subsidiaries (including direct and indirect holdings) and joint ventures, the nature of activities, the percentage of equity owned and the country of incorporation at 30 June.

There are no significant restrictions on the ability of the company's subsidiaries and joint ventures to transfer funds to Sasol South Africa Limited in the form of cash dividends or repayment of loans or advances.

			Company			
			% of equity owned		Investment at cost	
	Country of		**2022**	2021	**2022**	2021
Name	incorporation	Nature of activities	**%**	%	**Rm**	Rm
Operating subsidiaries and joint ventures						
Direct						
Sasol Dyno Nobel (Pty) Ltd (joint venture)	South Africa	Manufacturing and distribution of explosives	**50**	50	**114**	114
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	**–**	50	**–**	5
Sasol Gas (Pty) Ltd	South Africa	Marketing, distribution and transportation of pipeline gas and the maintenance of pipelines used to transport gas	**100**	100	**46 877**	46 877
					46 991	46 996

* SSA sold 30% and retained 20% of its interest in the ROMPCO pipeline on 29 June 2022. From this date ROMPCO is accounted for as an associate.

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm

22 Inventories

Carrying value

	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Raw materials	**401**	413	**401**	413
Process material	**1 565**	1 393	**1 565**	1 393
Maintenance materials	**3 324**	3 387	**3 234**	3 299
Work in process	**610**	681	**610**	681
Manufactured products	**5 366**	4 003	**5 464**	4 105
Consignment inventory	**5**	53	**4**	52
	11 271	9 930	**11 278**	9 943

A net realisable value write-down of R69 million was recognised in 2022 by the group and company (2021 – (R91 million)).

No inventories are encumbered. Inventories of R327 million (2021 - R295 million) are held at net realisable value for the group and company.

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 and company. Revenue from sale of by-products is offset against the cost of the main products.

Cost is determined as follows:

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

23 Trade and other receivables

for the year ended 30 June	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Trade receivables		**5 290**	5 054	**5 023**	4 467
Related party receivables – subsidiaries, fellow subsidiaries and joint ventures	36	**13 232**	8 849	**13 374**	8 914
Other receivables		**607**	574	**406**	367
Related party receivables – equity accounted investments		**27**	3	**27**	3
Impairment of trade and other receivables		**(118)**	(135)	**(97)**	(111)
Trade and other receivables		**19 038**	14 345	**18 733**	13 640
Prepaid expenses and other		**1 575**	1 334	**1 574**	1 331
Value added tax		**334**	420	**143**	420
		20 947	16 099	**20 450**	15 391

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 39 for detail on the impairments recognised.

The following customers represent more than 10% of the group's trade and related party receivables:

- Sasol Oil (Pty) Ltd – R7 113 million (2021 – R3 313 million); and
- Sasol Chemicals North America LLC – R2 439 million (2021 – R1 509 million).

The following customers represent more than 10% of the company's trade and related party receivables:

- Sasol Oil (Pty) Ltd – R7 108 million (2021 – R3 305 million); and
- Sasol Chemicals North America LLC – R2 439 million (2021 – R1 509 million).

Collateral

The group and company hold 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 and company 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.

		Group		Company	
		2022	2021	**2022**	2021
for the year ended 30 June	Note	**Rm**	Rm	**Rm**	Rm
24 Trade and other payables					
Trade payables external		**8 717**	5 584	**7 368**	5 373
Capital project related payables		**117**	651	**117**	651
Related party payables - subsidiaries, fellow subsidiaries, joint ventures and associates	36	**1 671**	2 525	**2 034**	3 084
Accrued expenses		**2 009**	2 569	**1 564**	2 550
Related party payables - third parties		**191**	155	**191**	155
Trade payables		**12 705**	11 484	**11 274**	11 813
Other payables*		**5 096**	4 212	**5 030**	4 128
Value added tax		**340**	56	**340**	–
		18 141	15 752	**16 644**	15 941

* Other payables includes 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.

	Group		Company	
	2022	2021	**2022**	2021
	Rm	Rm	**Rm**	Rm
25 (Increase)/Decrease in working capital				
(Increase)/decrease in inventories	**(1 407)**	42	**(1 400)**	101
Increase in trade and other receivables	**(5 071)**	(1 923)	**(5 046)**	(1 797)
Increase in trade and other payables	**2 639**	5 030	**897**	4 673
(Increase)/Decrease in working capital	**(3 839)**	3 149	**(5 549)**	2 977

		Group		Company	
		2022	2021	**2022**	2021
for the year ended 30 June	Note	**Rm**	Rm	**Rm**	Rm
26 Cash and cash equivalents					
Cash and cash equivalents		**20 557**	10 799	**15 366**	5 718
fellow subsidiaries	36	**18 312**	9 524	**14 000**	4 804
external cash		**1 471**	853	**1 255**	808
restricted cash and cash equivalents		**774**	422	**111**	106
Per the statement of cash flows		**20 557**	10 799	**15 366**	5 718

Included in cash:

Company

Cash in respect of short-term rehabilitation commitments amounted to R111 million (2021 - R106 million) for the rehabilitation of sites.

Group

Cash in respect of special purpose entity in the group for use within the entity amounted to R644 million (2021 – R291 million) and cash in respect of short-term rehabilitation commitments amounted to R130 million (2021 – R131 million).

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

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

27 Cash generated by operating activities

for the year ended 30 June	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Cash flow from operations	28	**49 362**	27 593	**41 891**	17 580
(Increase)/Decrease in working capital	25	**(3 839)**	3 149	**(5 549)**	2 977
		45 523	30 742	**36 342**	20 557

28 Cash flow from operations

for the year ended 30 June	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Earnings/(Loss) before interest and tax (EBIT/(LBIT))		**49 369**	(10 350)	**39 406**	(3 241)
Adjusted for					
share of profits of equity accounted investments	20	**(97)**	(90)	**(7)**	(7)
equity-settled share-based payment expense	34	**683**	1 183	**689**	1 149
depreciation and amortisation		**5 860**	7 369	**4 116**	4 982
effect of remeasurement items	8	**(5 773)**	30 665	**(3 104)**	16 827
expected credit losses		**(23)**	(59)	**(14)**	(8)
movement in long-term provisions					
income statement charge	30	**484**	(400)	**487**	(410)
utilisation	30	**(23)**	(88)	**(17)**	(86)
movement in short-term provisions		**(1 534)**	2 006	**(236)**	564
movement in post-retirement benefits		**130**	475	**129**	474
movement in deferred income		**(5)**	(295)	**–**	(330)
movement in financial assets and liabilities		**37**	(2 558)	**35**	(2 541)
write-down of inventories to net realisable value		**69**	(91)	**69**	(91)
other non-cash movements		**185**	(174)	**338**	298
		49 362	27 593	**41 891**	17 580

29 Dividends paid

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Final dividend*	**5 189**	1 821	**5 189**	1 821
Interim dividend**	**4 552**	4 826	**4 552**	4 826
Special dividend	**–**	5 425	**–**	5 425
Share incentive schemes distributions	**186**	510	**184**	487
Per the statement of changes in equity	**9 927**	12 582	**9 925**	12 559
Less: non-cash Sasol Khanyisa Tier 1 distribution	**–**	(350)	**–**	(344)
Per the statement of cash flows	**9 927**	12 232	**9 925**	12 215

* Final dividend for 2021 declared of R5,7 billion (2021 - R2,0 billion) excluding the R511 million (2021 - R179 million) notional portion.

** Interim dividend for 2022 declared of R5,0 billion (2021 - R5,3 billion) excluding the R448 million (2021 - R474 million) notional portion.

On 18 August 2022, the SSA Board declared a special dividend for 2022 of R3,1 billion and a final dividend for 2022 of R12,0 billion.

30 Long-term provisions

for the year ended 30 June	Group Environmental Rm	Group Share-based payments* Rm	Group Other Rm	Group Total Rm
2022				
Total balance (including short-term) at beginning of year	5 687	27	74	**5 788**
Rehabilitation provision capitalised	(23)	–	–	**(23)**
Per the income statement	506	(19)	(3)	**484**
additional provisions and changes to existing provisions	463	(8)	–	**455**
reversal of unutilised amounts	–	(11)	(3)	**(14)**
effect of change in discount rate	43	–	–	**43**
Notional interest	444	–	–	**444**
Utilised during year (cash flow)	(15)	(8)	–	**(23)**
Total balance (including short-term) at end of year	6 599	–	71	**6 670**

* Refer note 33 for accounting policies and areas of judgement used in calculating the share-based payment provision (cash-settled).

for the year ended 30 June	Company Environmental Rm	Company Share-based payments* Rm	Company Other Rm	Company Total Rm
2022				
Total balance (including short-term) at beginning of year	5 248	27	64	**5 339**
Per the income statement	506	(19)	–	**487**
additional provisions and changes to existing provisions	463	(8)	–	**455**
reversal of unutilised amounts	–	(11)	–	**(11)**
effect of change in discount rate	43	–	–	**43**
Notional interest	407	–	–	**407**
Utilised during year (cash flow)	(15)	(8)	6	**(17)**
Total balance (including short-term) at end of year	6 146	–	70	**6 216**

* Refer note 33 for accounting policies and areas of judgement used in calculating the share-based payment provision (cash-settled).

for the year ended 30 June	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Expected timing of future cash flows					
Within one year		**577**	578	**577**	569
One to five years		**1 438**	1 530	**1 437**	1 530
More than five years		**4 655**	3 680	**4 202**	3 240
		6 670	5 788	**6 216**	5 339
Short-term portion	31	**(577)**	(578)	**(577)**	(569)
Long-term provisions		**6 093**	5 210	**5 639**	4 770
Estimated undiscounted obligation*		**78 272**	66 481	**76 500**	64 873

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

Environmental provisions

In accordance with the Sasol 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 gas and petrochemical sites. The amount provided is calculated based on currently available facts and applicable legislation.

The total environmental provision at 30 June 2022 amounted to R6 599 million (2021 – R5 687 million) for the group and R6 146 million (2021 – R5 248 million) for the company.

The risk-free rates used to discount the estimated cash flows based on the underlying currency and time duration of the obligation are provided in the table below.

for the year ended 30 June	Group 2022 %	2021 %	Company 2022 %	2021 %
South Africa	**6,6 to 10,1**	4,2 to 10,3	**6,6 to 10,1**	4,2 to 10,3

for the year ended 30 June	2022 Rm	2021 Rm	2022 Rm	2021 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	**(1 007)**	(773)	**(957)**	(720)
amount capitalised to property, plant and equipment	**–**	(53)	**–**	(6)
income recognised in income statement	**(1 007)**	(720)	**(957)**	(714)
Decrease in the discount rate	**1 641**	1 009	**1 584**	945
amount capitalised to property, plant and equipment	**–**	63	**–**	8
expense recognised in income statement	**1 641**	946	**1 584**	937

Accounting policies:

Estimated long-term environmental provisions, comprising pollution control and rehabilitation, 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 and company are demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits that are expected to be wholly settled more than 12 months after the end of the reporting period are discounted to their present value.

Areas of judgement:
The determination of long-term provisions, in particular environmental provisions, remains a key area where management's judgement is required. Estimating the future cost of these obligations is complex and requires management to make estimates and judgements because most of the obligations will only be fulfilled in the future and contracts and laws are often not clear regarding what is required. The resulting provisions could also be influenced by changing technologies and political, environmental, safety, business and statutory considerations. The pace of transition to a low carbon economy will also impact the anticipated time period over which decommissioning liabilities are expected to be incurred in future.

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

for the year ended 30 June	Note	Group 2022 Rm	2021 Rm	Company 2022 Rm	2021 Rm
31 Short-term provisions					
Other provisions*		**612**	2 146	**465**	701
Short-term portion of					
long-term provisions	30	**577**	578	**577**	569
post-retirement benefit obligations	32	**239**	200	**239**	200
		1 428	2 924	**1 281**	1 470

* Decrease mainly relates to a provision raised in 2021 for the National Energy Regulator of South Africa's final decision on the maximum gas price methodology for Sasol Gas, which was reclassified to trade and other payables in 2022 (refer note 35.1).

	Group					
	Non-current		Current		Total	
for the year ended 30 June	2022 Rm	2021 Rm	2022 Rm	2021 Rm	2022 Rm	2021 Rm
32 Post-retirement benefit obligations						
Post-retirement healthcare obligation	**3 423**	2 993	**239**	200	**3 662**	3 193
Post-retirement benefit asset	**54**	36	**–**	–	**54**	36

	Company					
	Non-current		Current		Total	
for the year ended 30 June	2022 Rm	2021 Rm	2022 Rm	2021 Rm	2022 Rm	2021 Rm
Post-retirement healthcare obligation	**3 416**	2 981	**239**	200	**3 655**	3 181
Post-retirement benefit asset	**54**	36	**–**	–	**54**	36

Post-retirement benefit asset

The post-retirement benefit assets form part of the asset recognised in terms of the Sasol Pension Fund's defined benefit plan. Full disclosure is provided in the consolidated annual financial statements of Sasol Limited.

Post-retirement healthcare benefits

The group and company provide post-retirement healthcare benefits to certain of its retirees employed prior to 1 January 1998, who retire and satisfy the necessary requirements of the medical fund. The post-retirement healthcare liability forms part of the Sasol Limited group's post-retirement benefit obligation. Full disclosure is provided in the Sasol Limited consolidated annual financial statements.

Accounting policies:

The group and company operate or contribute to defined contribution pension plans and defined benefit pension plans for its employees. 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 and company pay 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 related services are rendered by the employee.

The group and company'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 employees in return for services rendered to date.

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

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

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

- when the plan amendment or curtailment occurs; and
- when the group and company recognise 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 2022**	**31 March 2022**
Full/interim valuation	**Full**	**Full**
Valuation method adopted	**Projected unit credit**	**Projected unit credit**

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

Principal actuarial assumptions

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

	South Africa	
at valuation date	**2022 %**	2021 %
Healthcare cost inflation		
initial	**7,5**	7,5
ultimate	**7,5**	7,5
Discount rate – post-retirement medical benefits	**12,4**	11,6
Discount rate – pension benefits	**12,4**	11,1
Pension increase assumption	**5,1**	5,2
Average salary increases	**5,5***	5,5*
Weighted average duration of the obligation – post-retirement medical obligation	**14 years**	13 years
Weighted average duration of the obligation – pension obligation	**12 years**	12 years

* Salary increases are linked to inflation.

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

		Group		Company	
for the year ended 30 June		**2022 Rm**	2021 Rm	**2022 Rm**	2021 Rm
33 Cash-settled share-based payment provision					
Expense recognised for the year	Rm	**(19)**	(17)	**(19)**	(17)
Remaining liability on statement of financial position	Rm	**–**	27	**–**	27
Total intrinsic value of rights vested, but not yet exercised	Rm	**–**	–	**–**	–

The Share Appreciation Rights Scheme (SARs) allows eligible senior employees to earn a long-term incentive amount calculated with reference to the increase in the Sasol Limited share price between the offer date of SARs to exercise of such vested rights. No shares are issued in terms of this scheme and all amounts payable in terms of the Sasol SAR Scheme are settled in cash.

The offer price of these appreciation rights equals the closing market price of the underlying shares on the trading day immediately preceding the granting of the right. The fair value of the cash-settled liability is calculated at each reporting date. On resignation, SARs which have not yet vested lapse and SARs which have vested may be exercised at the employee's election before their last day of service. On death, all SARs vest immediately and the deceased's estate has a period of 12 months to exercise these rights. On retrenchment or retirement, all SARs vest immediately and the employee has a period of 12 months to exercise these rights.

It is group policy that employees should not deal in Sasol Limited securities (and this is extended to the Sasol SARs) for the periods from 1 January for half year-end and 1 July for year-end until two days after publication of the results and at any other time during which they have access to price sensitive information.

All rights issued in terms of the Share Appreciation Rights scheme (SARs) have vested. The final rights awarded under the scheme expired in September 2022.

for the year ended 30 June	Note	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
34 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 scheme:					
Equity-settled – recognised directly in equity					
Sasol Khanyisa share transaction	34.1	**85**	559	**84**	534
Tier 1 - Khanyisa Employee Share Ownership Plan		**–**	373	**–**	353
Tier 2 - Khanyisa Employee Share Ownership Plan		**85**	186	**84**	181
Long-term incentives	34.2	**598**	624	**605**	615
		683	1 183	**689**	1 149

Equity-settled share incentive schemes

34.1 The Sasol Khanyisa share transaction

Sasol Khanyisa was implemented on 1 June 2018. Sasol Khanyisa has been designed to comply with the revised B–BBEE legislation in South Africa and seeks to ensure on-going and sustainable B-BBEE ownership credentials for Sasol Limited.

Sasol Khanyisa contains a number of elements structured at both a Sasol Limited and a Sasol South Africa (SSA) level.

At the end of 10 years, or earlier if the underlying funding has been settled, the participants will exchange their SSA shareholding on a fair value-for-value basis for SOLBE1 shares to the extent of any value created during the transaction term.

SOLBE1 shares can only be traded between Black Persons on the Empowerment Segment of the JSE. This transaction will therefore ensure evergreen B-BBEE ownership credentials for Sasol Limited.

Remaining component of the transaction:

Sasol Khanyisa – SSA (Tier 2 and Khanyisa Public)

Qualifying black employees participate via the Khanyisa Employee Share Ownership plan (Khanyisa ESOP) through a beneficial interest, funded wholly by Sasol (vendor funding), in approximately 9,2% in SSA. As dividends are declared by SSA, 97,5% of these will be utilised to repay the vendor funding, as well as the related financing cost, calculated at 75% of prime rate. 2,5% of dividends will be distributed directly to participants as a trickle dividend. At the end of the 10 year transaction term, or earlier, if the vendor funding is repaid, the net value in SSA shares exchanged for SOLBE1 shares will be distributed to participants. Any vendor funding not yet settled by the end of the transaction 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 2022 have a weighted average remaining vesting period of 2,5 years (2021 - 2,6 years). The weighted average fair value of the outstanding options is R62,95 (2021 - R64,53) and was derived from the Monte-Carlo option pricing model. The estimated strike price value for Tier 2 is R258,85 (2021 - R290,52) and represents the remaining vendor funding per share at 30 June 2022.

34.2 Sasol Long–term Incentive Scheme

The objective of the Sasol Long-term Incentive (LTI) plan 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 plan allows 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 Sasol group and the individual. The employer companies make a cash contribution to an independent service provider to enable this ownership plan.

On resignation, LTIs which have not yet vested will lapse. On death, 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 GEC, have 5-year vesting period.

The maximum number of shares issued under the equity-settled LTI scheme may not exceed 32,5 million representing 5% of Sasol Limited's issued share capital at the time of approval.

	Group	
Movements in the number of incentives outstanding	Number of incentives	Weighted average fair value Rand
Balance at 30 June 2020	6 622 001	346
LTIs granted	3 552 533	147
LTIs vested	(1 152 619)	352
Effect of CPTs and LTIs forfeited	(914 972)	345
Balance at 30 June 2021	**8 106 943**	**257**
LTIs granted	**2 366 520**	**246**
LTIs vested	**(850 916)**	**462**
Effect of CPTs and LTIs forfeited	**(347 148)**	**352**
Balance at 30 June 2022*	**9 275 399**	**222**

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

	Company	
	Number of incentives	Weighted average fair value Rand
Movements in the number of incentives outstanding		
Balance at 30 June 2020	6 557 946	346
LTIs granted	3 509 970	147
LTIs vested	(1 135 400)	352
Effect of CPTs and LTIs forfeited	(894 010)	345
Balance at 30 June 2021	**8 038 506**	**257**
LTIs granted	**2 350 303**	**246**
LTIs vested	**(804 297)**	**462**
Effect of CPTs and LTIs forfeited	**(317 095)**	**352**
Balance at 30 June 2022**	**9 267 417**	**222**

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

for year ended 30 June	2022 Rand	2021 Rand
Average weighted market price of LTIs vested	**230,48**	134,25

		2022	2021
Average fair value of incentives granted			
Model		**Monte-Carlo**	Monte-Carlo
Risk-free interest rate - Rand	(%)	**4,96 - 7,28**	3,99 - 5,90
Risk-free interest rate - US$	(%)	**0,32 - 1,45**	0,17 - 0,28
Expected volatility	(%)	**79**	98
Expected dividend yield	(%)	**2,90**	3,49
Expected forfeiture rate	(%)	**5,00**	5,00
Vesting period - top management		**3/5 years**	3/5 years
Vesting period - all other participants		**3 years**	3 years

The risk-free rate for periods within the contractual term of the rights is based on the Rand and US$ swap curve in effect at the time of the valuation of the grant.

The expected volatility in the value of the rights granted is determined using the historical volatility of the Sasol share price.

The expected dividend yield of the rights granted is determined using expected dividend payments of the Sasol ordinary shares.

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

Accounting policies:

The equity-settled schemes allow certain employees the right to receive ordinary shares in Sasol Limited after a prescribed period. Such equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share-based payments is charged as employee costs, with a corresponding increase in equity, on a straight-line basis over the period that the employees become unconditionally entitled to the shares, based on management's estimate of the shares that will vest and adjusted for the effect of non-market-based vesting conditions. These equity-settled share-based payments are not subsequently revalued.

To the extent that an entity grants shares or share options in a B-BBEE 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 B-BBEE 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.

Areas of judgement:

The measurement of the Khanyisa SSA share based payment is subject to estimation and judgment, as there are a number of variables affecting the Monte-Carlo option pricing model used in the calculation of the share based payment. The value of the share based payment is determined with reference to the extent the fair value of SSA and any dividends declared by SSA is expected to exceed any outstanding vendor financing at the end of the transaction period.

- Equity value attributable to participants:
  The value attributable to the participants by virtue of their shareholding in SSA was calculated with reference to the expected future cash flows and budgets of the SSA Group. The underlying macroeconomic assumptions utilised for this valuation are based on latest forecast and estimates and include brent crude oil prices, US$/Rand exchange rates and pricing assumptions.
- Forecasted dividend yield:
  The forecasted dividend yield of the SSA Group was calculated based on a benchmarked EBITDA multiple, and the available free cash flow anticipated over the term of the transaction of 10 years.
- Other assumptions:
  Impacts of non-transferability and appropriate minority and liquidity discounts have also been taken into account. Discount rates applied incorporate the relevant debt and equity costs of the group, and are aligned to the WACC rates for the entity.
- A zero-coupon Rand interest rate swap curve was constructed and utilised as an appropriate representation of a risk-free interest rate curve.
- A Rand prime interest rate curve was estimated utilising the historical Rand Prime Index and the 3 month Johannesburg Interbank Agreed Rate.

35 Contingent liabilities

35.1 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 matter is still ongoing.

Fluor SA (Pty) Ltd – FTWEP

Fluor claimed a total amount of R486 million plus interest. This claim is based on the nature and quantification of Fluor's alleged entitlement to a change to the prices and completion dates for delayed access. The claim was referred to adjudication. The adjudicator rejected Fluor's entire claim. Subsequently, Fluor has referred its claim for Arbitration.

The Parties have agreed on the appointment of the arbitrator as well as the time schedule for the filing of pleadings in the Arbitration matter. Fluor filed its Statement of Claim on 14 December 2016 and Sasol was scheduled to file its Statement of Defence during May 2017.

However, Sasol raised certain objections to the Fluor Statement of Claim as Fluor included certain elements in the claim which were not part of the adjudication of the claim. These objections were adjudicated on 21 June 2017. The Arbitrator ruled that Sasol is not allowed to proceed with the formal objections but that they should be dealt with in Sasol's Statement of Defence.

Sasol filed its Statement of Defence and instead of Fluor filing its replication (and despite Sasol's previous objections), Fluor amended its Statement of Claim once again. This amendment was filed without notice or leave from the Arbitrator. The amendments made changes to the way in which Fluor now argues the matter. The amendment also changes the capital amount claimed to a lesser amount, being R448 million plus interest. Sasol filed its objection to this late amendment on 22 January 2018. The objection hearing was held on the 12 March 2018. The Arbitrator dismissed the objection by Sasol. Sasol accordingly filed its amended Statement of Claim on 26 April 2018.

On 12 March 2019, Fluor filed and served a further amendment to its Statement of Claim in terms of which a further reduction in the quantum is being claimed. Fluor now claims an amount of R384 million (alternatively the amount of R407 million based on an alternative assessment of its claim). The expert report filed shortly after the amended statement of claim indicated a further reduction in the amount claimed by Fluor. Based on the expert report the quantum claimed by Fluor reduced to R305 million alternatively R306 million. The Arbitration commenced in October 2020 however the hearing did not conclude. Hearing of Sasol's expert evidence took place on 12 and 13 April 2021. Fluor advised that the presentations constitute new evidence not previously addressed and or raised during the expert engagements and Fluor is prejudiced by not having been able to prepare for cross examination on the "new evidence". The Arbitration hearing was accordingly stayed until 28 June 2021 to provide Fluor the opportunity to prepare for Cross Examination of Sasol's experts. During the second week of the Arbitration hearing, we were advised that Fluor's counsel would not be able to continue with his cross examination of Sasol's expert witness. The Arbitration main hearing has concluded with the only outstanding business being the hearing of final legal arguments. Fluor filed its Heads of Argument during May 2022 wherein Fluor abandoned a large portion of its claim and now seeks compensation in the sum of R 289 million, alternatively R 290 million and an extension of time of 147 days. Sasol filed its Heads of Argument during June 2022 and the parties are in process of attempting to agree on when final legal arguments are to be made.

Sasol believes that Fluor's original claim, including the amended claims are not justified. This view is supported by Sasol's independent experts.

Accordingly, no provision was recognised at 30 June 2022.

Dispute by Solidarity Trade Union relating to Sasol Khanyisa share scheme

Solidarity referred a dispute relating to the Sasol Khanyisa share scheme to the Commission for Conciliation, Mediation and Arbitration (CCMA) on 17 December 2017, where after conciliation proceedings commenced on 11 January 2018. On 5 February 2018, Sasol received a letter from Solidarity demanding a payment to their members (non-qualifying employees for Phase 2 of Khanyisa) equal to "the market value of the Sasol Khanyisa shares which qualifying employees will be entitled to within seven days after such entitlement (2028) or payment to each member of R500 000 by the end of December 2018." A second referral to the CCMA was received on 8 March 2018, conciliation was attempted on two occasions, on 9 and 25 May 2018, but was unsuccessful and a certificate to this effect was issued on 14 June 2018. This would entitle Solidarity to conduct a lawful strike provided picketing rules are in place.

On 25 October 2018, Solidarity served Sasol with its referral of the dispute to the CCMA in terms which Solidarity seeks the dispute be conciliated as an unfair discrimination matter. If unsuccessfully conciliated by the CCMA, it will be referred to the Labour Court for adjudication. This process was originally proposed by Sasol, but unheeded by Solidarity. The matter was referred to the CCMA and was subsequently certified as unresolved in February 2019. On 6 May 2019, Sasol received Solidarity's statement of claim filed with the Labour Court in Johannesburg. Sasol filed its replying documentation to Solidarity's statement of claim on the last day of July 2019. Subsequently the Judge President of the Labour Court invited Sasol and three other respondents (PPC, ArcelorMittal and Minopex) in three other cases where Solidarity is the Applicant on similar grounds, to meet. The purpose of the meeting was to make attempts to consolidate the disputes and set a stated case (combined version setting out the dispute) to afford the court to save time by hearing similar matters simultaneously. The various legal teams gathered at a meeting during the first week of October 2019 and a draft Statement of Case was prepared. The Labour Court was scheduled to hear the matter on 17 September 2020 in Johannesburg.

A few weeks prior to this hearing, the prepared Statement of Case formulation was amended by Solidarity and the other parties unsuccessfully objected to the amended wording. Sasol and the parties, save for PPC who had the date of 17 September 2020 allocated to them originally, decided to withdraw and apply for separate dates to foster their cases individually. No new date has been received yet, and since Solidarity is the applicant in this matter, it will be responsible for the application of dates. The Labour Court recently 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 on 10 August 2022. 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 2022.

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

Pursuant to the 2013 NERSA decisions approving the Sasol Gas maximum gas prices and transmission tariffs, Sasol Gas implemented a standardised pricing mechanism in its supply agreements with customers in compliance with the applicable regulatory and legal framework. NERSA approved further maximum gas prices and transmission tariffs based on the same pricing and tariff mechanisms in November 2017.

Following a judicial review of the 2013 NERSA maximum gas price decision, the Constitutional Court of South Africa (Constitutional Court), on 15 July 2019 overturned the NERSA decision and referred the matter back to NERSA. The court confirmed that the new decision to be taken by NERSA regarding the maximum gas price would apply retrospectively from 26 March 2014 when the original decisions (now overturned) became effective.

The November 2017 NERSA Maximum gas price decision relating to the period from July 2017 was based on the same principles as the 2013 decision. Following a legal review application by the Industrial Gas Users Association of Southern Africa (IGUA-SA), whose members include a number of large gas customers, this NERSA decision was overturned on 3 May 2021. Accordingly, the new 2021 maximum gas price decision by NERSA will apply to this period as well.

Following the above mentioned outcome of the appeal to the Constitutional Court, NERSA must approve new maximum gas prices for Sasol in terms of the provisions of the Gas Act. After a public consultation process in which Sasol participated, NERSA, during April 2020, adopted a new maximum gas price methodology, which was published by NERSA in June 2020. 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.

The future implementation of the new NERSA approved maximum gas price could have a material adverse effect on our business, operating results, cash flows and financial condition. Because the new maximum gas prices approved by NERSA for the period of the overturned decision is lower than the actual price charged to a large number of Sasol Gas' customers, a retrospective liability may arise for Sasol Gas when customers institute claims for compensation based on the differences between the new approved maximum gas prices and actual gas prices historically charged by Sasol Gas. Sasol Gas recognised a provision of R1,6 billion as at 31 December 2021 (30 June 2021: R1,4 billion) in respect of these anticipated claims by customers. 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 2022 final and provisional settlements with an aggregate value of R1,3 billion have been reached with customers, which refunds were credited to the customer accounts. The remaining R400 million of the anticipated liability was reflected as an accrued expense as at 30 June 2022. Sasol Gas will endeavour to resolve the remaining disputes regarding the retrospective liability from the 2021 NERSA Maximum Gas Price decision as expeditiously as possible.

In December 2021 IGUA-SA launched a legal review application in which it seeks to overturn the maximum gas price decision by NERSA as published at the start of July 2021 approving Maximum Gas Prices for Sasol Gas for the period from 2014 to 2023. Both NERSA and Sasol Gas are cited in this further litigation. The applicant alleges 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.

NERSA and Sasol Gas will oppose the application. The current 2021 NERSA maximum gas price decision remains in force until such time as it is set aside (if at all) by a competent court and NERSA makes a new decision. The legal obligations for Sasol Gas flowing from the existing decision accordingly also remain unaffected by this application pending the decision of the court.

Due to extraordinary international macro-economic developments, international gas prices have experienced increased volatility and increases during the period for which international benchmark data is used in terms of the 2020 Maximum Gas Price Methodology to determine maximum gas prices. This has led to uncertainty regarding 2023 Maximum Gas Price in terms of the 2021 NERSA Maximum Gas Price decision. Sasol Gas is continuing to engage with NERSA to resolve the issue, pending which the actual gas prices applicable in 2022 will continue to be charged by Sasol Gas. These circumstances may also have a longer-term adverse impact on the methodology used by NERSA to determine Maximum Gas Prices.

The outcome of the engagements with NERSA regarding the 2023 gas pricing as well as future implementation of NERSA-approved maximum gas prices could have an adverse effect on our business, operating results, cash flows and financial condition.

The Gas Amendment Bill was gazetted on 13 April 2021. This Bill is currently in the public comment phase and the ultimate effect of the proposed amendments to the Gas Act on our sales and our financial condition cannot be determined at this time.

The outcomes of such decisions and legislations may have an adverse impact on our business, operating results, cash flows and financial condition.

Other litigation matters

From time to time, the SSA group and company 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 and company's financial results.

35.2 Competition matters

SSA 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, SSA 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.

35.3 Environmental orders

SSA's environmental obligation accrued at 30 June 2022 was R6 599 million compared to R5 687 million at 30 June 2021 for the group and R6 146 million compared to R5 248 million at 30 June 2021 for the company.

Although SSA 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 and the company.

36 Related party transactions

Parties are considered to be related if one party directly or indirectly has the ability to control or jointly control the other party or exercise significant influence over the other party or is a member of the key management of the reporting entity (Sasol South Africa Limited).

During the year the group and company, in the ordinary course of business, entered into various purchase and sale transactions with its holding company, fellow subsidiaries, subsidiaries, joint ventures and associates. The effect of these transactions is included in the financial performance and results of the group and company. Terms and conditions are determined on an arm's length basis.

Material related party transactions

The tables below show the material transactions that are included in the financial statements.

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Sales and services rendered to related parties				
fellow subsidiaries				
Sasol Chemicals North America LLC	**7 625**	5 677	**7 625**	5 677
Sasol Chemicals Pacific Limited	**5 162**	5 614	**5 162**	5 614
Sasol Chemie Co GmbH	**5 008**	5 418	**5 008**	5 418
Sasol Oil (Pty) Ltd	**49 488**	30 959	**49 486**	30 957
Wesco China Limited	**66**	658	**66**	658
Sasol Wax GmbH	**799**	1 280	**799**	1 280
Sasol Middle East FZCO	**3 109**	2 255	**3 109**	2 255
Sasol Germany GmbH	**1 828**	1 583	**1 828**	1 583
Other (less than R1 billion each party)	**1 677**	2 623	**1 206**	2 207
subsidiary				
Sasol Gas (Pty) Ltd	**–**	–	**1 098**	634
associate				
Enaex Africa (Pty) Ltd	**–**	–	**2 198**	1 346
	74 762	56 067	**77 585**	57 629
Purchases from related parties				
fellow subsidiaries				
Sasol Mining (Pty) Ltd	**17 942**	19 561	**17 942**	19 561
Sasol Petroleum Temane Limitada	**3 483**	2 255	**–**	–
Other (less than R1 billion each party)	**642**	553	**640**	551
subsidiary				
Sasol Gas (Pty) Ltd	**–**	–	**9 475**	9 058
joint venture				
Sasol Dyno Nobel (Pty) Ltd	**7**	7	**7**	7
	22 074	22 376	**28 064**	29 177

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Other income statement items from related parties				
Administration fees paid				
fellow subsidiaries				
Sasol Technology (Pty) Ltd	**42**	30	**42**	30
Finance costs				
fellow subsidiaries				
Sasol Financing Limited	**1 288**	1 442	**1 288**	1 442
Sasol Financing International Limited	**5**	5	**–**	–
Sasol Oil (Pty) Ltd	**42**	45	**39**	42
	1 335	1 492	**1 327**	1 484
Finance income				
fellow subsidiaries				
Sasol Financing Limited	**670**	500	**464**	343
subsidiaries				
Sasol Gas (Pty) Ltd	**–**	–	**4 500**	3 000
Sasol Acrylates (Pty) Ltd	**–**	–	**–**	192
ROMPCO (Pty) Ltd*	**–**	–	**603**	400
joint venture				
Sasol Dyno Nobel (Pty) Ltd	**–**	–	**40**	25
associate				
Clariant Sasol Catalysts (Pty) Ltd**	**3**	3	**3**	3
Enaex Africa (Pty) Ltd	**–**	–	**6**	–
	673	503	**5 616**	3 963

* SSA sold 30% and retained 20% of its interest in the ROMPCO pipeline on 29 June 2022. From this date ROMPCO is accounted for as an associate.
** Not included as part of finance income but included in investment in associates.

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Amounts reflected as non-current assets				
Investment in subsidiaries				
Sasol Dyno Nobel (Pty) Ltd	**–**	–	**114**	114
ROMPCO (Pty) Ltd	**–**	–	**–**	5
Sasol Gas (Pty) Ltd	**–**	–	**46 877**	46 877
	–	–	**46 991**	46 996
Amounts reflected as current assets				
Receivables				
fellow subsidiaries				
Sasol Chemicals North America LLC	**2 439**	1 509	**2 439**	1 509
Sasol Oil (Pty) Ltd	**7 113**	3 313	**7 108**	3 305
Sasol Chemie Co GmbH	**709**	1 216	**709**	1 216
Sasol Limited	**9**	13	**9**	13
Other (less than R1 billion each party)	**2 962**	2 798	**2 940**	2 730
subsidiaries				
Sasol Gas (Pty) Ltd	**–**	–	**159**	123
ROMPCO (Pty) Ltd	**–**	–	**–**	8
joint venture				
Sasol Dyno Nobel (Pty) Ltd	**–**	–	**10**	10
	13 232	8 849	**13 374**	8 914
Cash				
fellow subsidiaries				
Sasol Financing Limited	**18 196**	9 405	**13 884**	4 685
Sasol Financing International Limited	**116**	119	**116**	119
	18 312	9 524	**14 000**	4 804

for the year ended 30 June	Group 2022 Rm	Group 2021 Rm	Company 2022 Rm	Company 2021 Rm
Amounts reflected as non-current liabilities				
Long-term debt				
fellow subsidiaries				
Sasol Mining (Pty) Ltd	**34**	34	**–**	–
Sasol Oil (Pty) Ltd	**338**	297	**195**	233
Sasol Financing Limited	**9 984**	13 047	**9 984**	13 048
holding company				
Sasol Limited	**46 877**	46 877	**46 877**	46 877
	57 233	60 255	**57 056**	60 158
Amounts reflected as current liabilities				
Payables				
fellow subsidiaries				
Sasol Mining (Pty) Ltd	**686**	1 887	**686**	1 887
Other (less than R1 billion each party)	**743**	637	**370**	427
subsidiaries				
Sasol Gas (Pty) Ltd	**–**	–	**976**	769
joint venture				
Sasol Dyno Nobel (Pty) Ltd	**2**	1	**2**	1
associate				
ROMPCO (Pty) Ltd*	**240**	–	**–**	–
	1 671	2 525	**2 034**	3 084

* SSA sold 30% and retained 20% of its interest in the ROMPCO pipeline on 29 June 2022. From this date ROMPCO is accounted for as an associate.

for the year ended 30 June 2022	Remuneration R 000	Company Gains on exercise/vesting of share options, share appreciation rights and long-term incentives[6] R 000	Total R 000
Key management remuneration			
Services as a non-executive director			
NP Magaqa	279	–	**279**
Z Monnakgotla[2]	467	–	**467**
LB Zondo[3]	349	–	**349**
BSM Backman[3]	317	–	**317**
K Njobe[2,5]	226	–	**226**
Services as a director[1]			
Other services			
B Baijnath[7]	7 037	4 094	**11 131**
T Booley[4,7]	2 076	–	**2 076**
VD Kahla[7]	13 576	9 399	**22 975**
RM Laxa[7]	6 911	4 555	**11 466**
CK Mokoena[7]	10 143	6 985	**17 128**
DT Mokomela[7]	4 829	1 753	**6 582**
PM Vilakazi[7]	5 327	2 719	**8 046**
NG Nndwammbi[7]	6 026	2 654	**8 680**
	57 563	32 159	**89 722**
Prescribed officers			
S Baloyi[10,11]	4 103	3 687	**7 790**
BE Klingenberg[11,12]	13 672	9 912	**23 584**
B Griffith[11]	16 504	11 940	**28 444**
BP Mabelane[11]	18 138	–	**18 138**
	52 417	25 539	**77 956**

for the year ended 30 June 2022	Company Balance of long-term incentives at end of year Number	Intrinsic value of long-term incentives at end of year[8,9] R 000 and US$ 000
Key management remuneration		
Services as a non-executive director		
NP Magaqa	–	–
Z Monnakgotla	–	–
LB Zondo	–	–
BSM Backman	–	–
Service as a director		
Other Services		
B Baijnath	43 845	R 16 296
T Booley	–	–
VD Kahla	184 205	R 68 465
RM Laxa	46 046	R 17 114
CK Mokoena	113 178	R 42 066
DT Mokomela	19 831	R 7 371
PM Vilakazi	31 072	R 11 549
NG Ndndwammbi	35 775	R 13 297
	473 952	R 176 158
Prescribed officers		
S Baloyi	52 040	R 19 342
BE Klingenberg	–	–
BP Mabelane	120 403	R 44 751
	172 443	R 64 093
B Griffith	144 426	$3 330

1 Remuneration includes salary plus short term incentives (STI) approved based on the Group results for the 2022 financial year and payable in the 2023 financial year.
2 Includes remuneration in relation to another directorship held within the Sasol Group.
3 Includes remuneration related to role as a Trustee held within the Sasol Group.
4 Resignation from SSA Board with effect 31 December 2021.
5 Resignation from SSA Board with effect 1 April 2022.
6 Long-term incentives (LTIs) for the 2022 financial year represent the number of units x corporate performance target achieved (2022) x average share price for June 2022.
7 The directors are permanent employees within the Sasol Group, full remuneration is disclosed.
8 Change in instrinsic value for the year results from a change in the share price.
9 Intrinsic values at end of year have been determined using the closing share price at 30 June 2022 of R371,68 ($23,06).
10 Appointed as a Prescribed Officer on 1 April 2022.
11 The prescribed officers are permanent employees within the Sasol Group, full remuneration is disclosed.
12 Resigned from office on 31 March 2022 but remains in service until his retirement date in August 2022.

for the year ended 30 June 2021	Remuneration R 000	Company Gains on exercise/vesting of share options, share appreciation rights and long-term incentives[10] R 000	Total R 000
Key management remuneration			
Services as a non-executive director			
NP Magaqa[2]	440	–	**440**
Z Monnakgotla[2,3]	707	–	**707**
LB Zondo[2,4]	542	–	**542**
BSM Backman[2,4]	400	–	**400**
K Njobe[5]	–	–	**–**
Service as a director[1]			
Other Services			
B Baijnath[11]	7 814	696	**8 510**
T Booley[11]	7 718	599	**8 317**
VD Kahla[11]	15 366	1 326	**16 692**
RM Laxa[11]	7 550	674	**8 224**
CK Mokoena[11]	12 193	1 212	**13 405**
DT Mokomela[6,11]	687	209	**896**
PM Vilakazi[7,11]	5 791	337	**6 128**
NG Nndwammbi[11]	6 199	385	**6 584**
MS Solomon[8,11]	4 320	525	**4 845**
ET Stouder[9,11]	3 189	734	**3 923**
	72 916	6 697	**79 613**

for the year ended 30 June 2021	Company Balance of long-term incentives at end of year Number	 Intrinsic value of long-term incentives at end of year[12,13] R 000 and US$ 000
Key management remuneration		
Services as a non-executive director		
NP Magaqa	–	–
Z Monnakgotla	–	–
LB Zondo	–	–
BSM Backman	–	–
K Njobe	–	–
Service as a director		
Other Services		
B Baijnath	42 108	R 9 180
T Booley	38 694	R 8 436
VD Kahla	165 841	R 36 155
RM Laxa	41 103	R 8 961
CK Mokoena	99 023	R 21 588
DT Mokomela	15 600	R 3 401
PM Vilakazi	26 255	R 5 724
NG Ndwammbi	35 647	R 7 771
MS Solomon	16 660	R 3 632
	480 931	R 104 848
ET Stouder	51 376	$788

1 Remuneration includes salary plus short term incentives (STI) approved based on the Group results for the 2021 financial year and payable in the 2022 financial year.

2 Includes payments for meetings held in the fourth quarter of financial year 2020, but paid in financial year 2021.

3 Includes remuneration in relation to another directorship held within the Sasol Group.

4 Includes remuneration related to role as a Trustee held within the Sasol Group.

5 Appointed to the SSA board as an alternate non-executive director with effect from 10 May 2021. Ms Njobe did not attend any SSA Board meetings for the remainder of the 2021 financial year.

6 Appointed with effect from 10 May 2021. Reflects remuneration and benefits for the period from date of appointment.

7 Appointed with effect from 1 October 2020. Reflects remuneration and benefits for the period from date of appointment.

8 Resigned from SSA Board with effect from 28 February 2021.

9 Resigned from SSA Board with effect from 1 October 2020.

10 Long-term incentives (LTIs) for the 2021 financial year represent the number of units x corporate performance target achieved (2021) x average share price for June 2021.

11 The director is a permanent employee within the Sasol Group, full remuneration is disclosed.

12 Change in instrinsic value for the year results from a change in the share price.

13 Intrinsic values at end of year have been determined using the closing share price of R218.01 ($15.33) on 30 June 2021.

For 2021, prescribed officers for Sasol South Africa Limited are directors of the Company.

Key management remuneration

Key management comprises of Executive and Non-executive Directors as well as other members of the Group Executive Committee (GEC).

Amounts due to and from related parties are included in the respective notes to the financial statements for those statement of financial position items.

37 Subsequent event

On 29 July 2022 National Treasury published the draft 2022 Taxation Laws Amendment Bill (“Draft 2022 TLAB”), alongside various other tax bills which contains tax proposals made in the 2022 National Budget, for public comment. The Draft 2022 TLAB proposes amendments to the Carbon Tax Act to bring into effect the policy set out under South Africa’s climate change response and carbon tax price path as released by National Treasury in February 2022. The proposed amendments include the progressive increase in the carbon tax rate from 2023. An increase of US$1, US$2 and US$3 on the current rate of R144 is proposed for the 2023, 2024 and 2025 tax periods, respectively with a rate of US$20 for the 2026 tax period. Thereafter an annual increase of US$2,50 in the rate is proposed from 2027 to 2029 to reach a rate of US$30 by 2030. The proposed amendments do not differ materially from the assumptions applied by management in testing the recoverability of non-financial assets at 30 June 2022 as explained in Note 8.

38 Going concern

Introduction

In determining the appropriate basis of preparation of the annual financial statements, the Directors are required to consider whether the group and company can continue in operational existence for the foreseeable future.

The company is a subsidiary of Sasol Limited which owns 81,8% of its total issued shares. The group and company manage liquidity risk by making use of a central treasury function within the Sasol Limited Group to manage pooled business unit cash investments and borrowing requirements. As at 30 June 2022, the group and company had pooled business unit cash balances with the Sasol Limited central treasury function of R18,3 billion and R14,0 billion, respectively.

Solvency and Liquidity

Solvency

At 30 June 2022, after impairments, the valuations of the group and company's assets indicate that their recoverable amounts exceed their carrying values as well as liabilities. The asset base of the company includes tangible assets with significant value, reflected in the records of the company. As such, the Directors are of the view that, given the headroom in the recoverable amounts of the assets over the fair value of the liabilities (including contingent liabilities), the company is solvent as at 30 June 2022 and at the date of the issue of the annual financial statements.

An independent valuation performed by RMB during July 2022, indicates the fair value of the group to be approximately R37 billion (market valuation) and R28 billion (IFRS valuation) as at 30 June 2022.

Liquidity

The group and company manage liquidity risk by making use of a central treasury function within the Sasol Limited Group to manage pooled business unit cash investments and borrowing requirements. The Sasol Limited Board has evaluated central treasury counterparty risk and does not expect any central treasury counterparty to fail in meeting their obligations.

Management has prepared budgets for 2023 and 2024, which indicate that the group and company will continue to generate cash from operating activities in the foreseeable future.

Conclusion

The Directors have considered the financial plans and forecasts of the group and company and, based on the information available to them, are of the opinion that the going concern assumption is appropriate in the preparation of the consolidated and separate financial statements.

39 Financial risk management and financial instruments

The group and company classify all its financial instruments at amortised cost except for financial assets and liabilities which are classified at fair value through other comprehensive income and fair value through profit or loss.

39.1 Financial risk management

The group and company are exposed in varying degrees to a number of financial instrument related risks. The directors have the overall responsibility for the establishment and oversight of the group and company's risk management framework. The directors are 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. The directors and divisional committees of Sasol South Africa Limited meet regularly to review and, if appropriate, approve the implementation of optimal strategies for the effective management of financial risks. The committee reports on a regular basis to the Group Executive Committee (GEC) on its activities.

The Sasol Group has a central treasury function that manages the financial risks relating to the Group's operations.

Capital allocation

The group and company's objectives when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) are to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group and company's ability to continue as a going concern while taking advantage of strategic opportunities in order to grow shareholder value sustainably.

The group and company manage the capital structure and make 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 and company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

Financing risk

Financing risk refers to the risk that financing of the group and company's net debt requirements and refinancing of existing borrowings could become more difficult or more costly in the future. The group and company's ability to obtain financing on favourable terms may be significantly impacted by increased regulation from governmental and regulatory authorities and the lending policies adopted by financial institutions and the actions of non-governmental organisations as a result of the environmental impacts of the group and company's activities. This risk can be decreased by managing the group and company within the targeted gearing ratio, maintaining an appropriate spread of maturity dates and managing short-term borrowings within acceptable levels.

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 and company obtain 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 and company maximum exposure is the outstanding carrying amount of the financial asset.

For all financial assets measured at amortised cost, the group and company calculate 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 is calculated as a function of probability of default, loss given default and exposure at default. The group and company allocate 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 and company use the average of Moody's, Fitch and S&P Corporate and Sovereign probability of defaults, depending on whether the customer or holder of the financial asset is corporate or government related. No changes were made to the majority of formal credit ratings as these credit ratings were obtained close to year-end and therefore already incorporate the current negative economic environment, as well as an entity's specific circumstances, financial strength and outlook. For customers or debtors that are not rated by a formal rating agency, the group and company allocate 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. As a result of the continued economic downturn following the COVID-19 pandemic and aggravated by the Russian/Ukrainian conflict, the group and company applied the Board of Governors of the Federal Reserve System's formula to derive a downturn LGD to be used for 2022 and 2021, 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 signifcantly. The group and company consider 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 and company consider customers to be in default when the receivable is more than 30 days overdue or the customer has failed to honour a repayment arrangement.

Sasol Oil (Pty) Ltd and Sasol Chemicals North America LLC individually represent more than 10% of the group and company's total turnover and more than 10% of the group and company's total trade and other receivables for the years ended 30 June 2022 and 2021. Approximately 72% (2021 – 69%) of the group and company's total turnover is generated from sales within South Africa, while about 28% (2021 – 31%) relates to foreign sales. The concentration of credit risk within geographic regions is largely aligned with the geographic regions in which the turnover was earned.

Detail on expected credit losses recognised:

	Group			
	2022			2021
	Life time Rm	12 months Rm	Expected credit loss Rm	Expected credit loss Rm
Long-term receivables	–	44	44	50
Trade and other receivables	118	–	118	135
	118	44	162	185

	Company			
	2022			2021
	Life time Rm	12 months Rm	Expected credit loss Rm	Expected credit loss Rm
Trade and other receivables	97	–	97	111
	97	–	97	111

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

	Group		Company	
	2022	2021	2022	2021
	%	%	%	%
AAA to A-	18	21	20	22
BBB to B-	81	78	80	77
CCC+ and - below	1	1	–	1

Liquidity risk

Liquidity risk is the risk that the group and company will be unable to meet its obligations as they become due.

The group and company benefitted from a favourable macroeconomic environment, with a higher crude oil price and chemicals prices following heightened geopolitical tensions. This performance was further underpinned by strong cost and capital discipline as we continue to execute our Sasol 2.0 transformation programme.

How we manage the risk

The group and company manage liquidity risk by effectively managing its working capital, capital expenditure and cash flows, making use of a central treasury function within Sasol Group to manage pooled business unit cash investments and borrowing requirements. Currently the group and company are maintaining a positive liquidity position, conserving cash resources through continued focus on working capital improvement, cost savings and capital reprioritisation. The group and company meet its financing requirements through a mixture of cash generated from its operations and, short and long-term borrowings. Adequate banking facilities and reserve borrowing capacities are maintained.

Our exposure to and assessment of the risk

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

		Group			
	Note	Contractual cash flows* Rm	Within one year Rm	One to five years Rm	More than five years Rm
2022					
Financial assets					
Non-derivative instruments					
Long-term receivables		1 035	237	400	398
Other long-term investments		815	–	–	815
Trade and other receivables	23	19 038	19 038	–	–
Cash and cash equivalents	26	20 557	20 557	–	–
		41 445	39 832	400	1 213
Derivative instruments					
Long-term financial assets		1 167	–	277	890
Short-term financial assets		67	67	–	–
		42 679	39 899	677	2 103
Financial liabilities					
Non-derivative instruments					
Long-term debt		(59 549)	(4 059)	(8 381)	(47 109)
Lease liabilities		(10 696)	(1 167)	(3 766)	(5 763)
Trade and other payables**	24	(12 705)	(12 705)	–	–
		(82 950)	(17 931)	(12 147)	(52 872)
Derivative instruments					
Long-term financial liabilties		(1 844)	–	–	(1 844)
Short-term financial liabilites		(7)	(7)	–	–
		(84 801)	(17 938)	(12 147)	(54 716)

* Contractual cash flows include interest payments.
** Trade and other payables exclude employee related payables and VAT.

		Group			
	Note	Contractual cash flows* Rm	Within one year Rm	One to five years Rm	More than five years Rm
2021					
Financial assets					
Non-derivative instruments					
Long-term receivables		872	205	332	335
Other long-term investments		732	–	–	732
Trade and other receivables	23	14 345	14 345	–	–
Cash and cash equivalents	26	10 799	10 799	–	–
		26 748	25 349	332	1 067
Derivative instruments					
Long-term financial assets		1 620	–	472	1 148
Short-term financial assets		107	107	–	–
		28 475	25 456	804	2 215
Financial liabilities					
Non-derivative instruments					
Long-term debt		(63 392)	(4 059)	(12 243)	(47 090)
Lease liabilities		(12 590)	(1 212)	(4 619)	(6 759)
Trade and other payables**	24	(11 484)	(11 484)	–	–
		(87 466)	(16 755)	(16 862)	(53 849)
Derivative instruments					
Long-term financial liabilties		(5 422)	–	–	(5 422)
		(92 888)	(16 755)	(16 862)	(59 271)

* Contractual cash flows include interest payments.
** Trade and other payables exclude employee related payables and VAT.

		Company			
	Note	Contractual cash flows* Rm	Within one year Rm	One to five years Rm	More than five years Rm
2022					
Financial assets					
Non-derivative instruments					
Long-term receivables		**216**	**2**	**1**	**213**
Other long-term investments		**263**	**–**	**–**	**263**
Trade and other receivables	23	**18 733**	**18 733**	**–**	**–**
Cash and cash equivalents	26	**15 366**	**15 366**	**–**	**–**
		34 578	**34 101**	**1**	**476**
Derivative instruments					
Long-term financial assets		**1 167**	**–**	**277**	**890**
Short-term financial assets		**67**	**67**	**–**	**–**
		35 812	**34 168**	**278**	**1 366**
Financial liabilities					
Non-derivative instruments					
Long-term debt		**(59 372)**	**(4 059)**	**(8 381)**	**(46 932)**
Lease liabilities		**(10 696)**	**(1 167)**	**(3 766)**	**(5 763)**
Trade and other payables**	24	**(11 274)**	**(11 274)**	**–**	**–**
		(81 342)	**(16 500)**	**(12 147)**	**(52 695)**
Derivative instruments					
Long-term financial liabilities		**(1 844)**	**–**	**–**	**(1 844)**
Short-term financial liabilities		**(7)**	**(7)**	**–**	**–**
		(83 193)	**(16 507)**	**(12 147)**	**(54 539)**

* Contractual cash flows include interest payments.
** Trade and other payables exclude employee related payables and VAT.

	Note	Company Contractual cash flows* Rm	Within one year Rm	One to five years Rm	More than five years Rm
2021					
Financial assets					
Non-derivative instruments					
Long-term receivables		148	2	20	126
Other long-term investments		257	–	–	257
Trade and other receivables	23	13 640	13 640	–	–
Cash and cash equivalents	26	5 718	5 718	–	–
		19 763	19 360	20	383
Derivative instruments					
Long-term financial assets		1 620	–	472	1 148
Short-term financial assets		105	105	–	–
		21 488	19 465	492	1 531
Financial liabilities					
Non-derivative instruments					
Long-term debt		(63 295)	(4 059)	(12 243)	(46 993)
Lease liabilities		(12 590)	(1 212)	(4 619)	(6 759)
Trade and other payables**	24	(11 813)	(11 813)	–	–
		(87 698)	(17 084)	(16 862)	(53 752)
Derivative instruments					
Long-term financial liabilities		(5 422)	–	–	(5 422)
		(93 120)	(17 084)	(16 862)	(59 174)

* Contractual cash flows include interest payments.
** Trade and other payables exclude employee related payables and VAT.

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 and company are 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 Sasol Limited 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. Foreign currency risks are managed through the Sasol Limited group's hedging policy and financing policies and the selective use of various derivatives.

Our exposure to and assessment of the risk

The group and company's transactions are predominantly entered into in the respective functional currency of the individual operations. However, the group and company's operations utilise various foreign currencies on sales, purchases and borrowings, and consequently are exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. Our 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 and financing activities. These operations are exposed to foreign currency risk in connection with contracted payments in currencies not in their individual functional currency.

Foreign exchange contracts

Foreign exchange contracts (FECs) are utilised by the group and company 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).

The following significant exchange rates were applied during the year:

	Average rate 2022 Rm	Average rate 2021 Rm	Closing rate 2022 Rm	Closing rate 2021 Rm
Rand/Euro	**17,15**	18,38	**17,07**	16,93
Rand/US dollar	**15,21**	15,40	**16,28**	14,28

The table below shows the significant currency exposure where entities within the group and company have monetary assets or liabilities that 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.

	Group			
	2022		2021	
	Euro Rm	**US dollar Rm**	Euro Rm	US dollar Rm
Long-term receivables	**–**	**336**	–	323
Trade and other receivables	**2 226**	**4 695**	2 781	3 508
Cash and cash equivalents	**–**	**119**	–	625
Net exposure on assets	**2 226**	**5 150**	2 781	4 456
Long-term debt	**–**	**–**	(76)	–
Trade and other payables	**(227)**	**(1 096)**	(520)	(986)
Net exposure on liabilities	**(227)**	**(1 096)**	(596)	(986)
Total net exposure	**1 999**	**4 054**	2 185	3 470

	Company			
	2022		2021	
	Euro Rm	**US dollar Rm**	Euro Rm	US dollar Rm
Trade and other receivables	**2 226**	**4 695**	2 781	3 414
Cash and cash equivalents	**–**	**119**	–	126
Net exposure on assets	**2 226**	**4 814**	2 781	3 540
Long-term debt	**–**	**–**	(76)	–
Trade and other payables	**(227)**	**(586)**	(519)	(679)
Net exposure on liabilities	**(227)**	**(586)**	(595)	(679)
Total net exposure	**1 999**	**4 228**	2 186	2 861

Sensitivity analysis

The following sensitivity analysis is provided to show the foreign currency exposure of the group and company 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.

A 10% weakening in the group and company'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 2021.

	Group				Company			
	2022		2021		**2022**		2021	
	Equity Rm	**Income Statement Rm**	Equity Rm	Income statement Rm	**Equity Rm**	**Income Statement Rm**	Equity Rm	Income statement Rm
Euro	**199**	**199**	219	219	**199**	**199**	219	219
US dollar	**405**	**405**	347	347	**423**	**423**	286	286

A 10% movement in the opposite direction in the group and company'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 and company have significant exposure to interest rate risk due to the volatility in South African interest rates.

How we manage the risk

The group and company's policy includes borrowing of funds at floating rates of interest as this is considered to give somewhat of a natural hedge against commodity price movements, given the correlation with economic growth (and industrial activity) which in turn shows a correlation with commodity price fluctuation.

The debt of the group and company are structured on a combination of floating rates. The benefits of fixing or capping interest rates on the group and company's various financing activities are considered on a case-by-case and project-by-project basis, taking the specific and overall risk profile into consideration. For further details of long-term debt refer to note 15.

In respect of financial assets, the group and company'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 and company's interest-bearing financial instruments was:

	Group Carrying value		Company Carrying value	
	2022 Rm	2021 Rm	**2022 Rm**	2021 Rm
Variable rate instruments				
Financial assets	**21 372**	11 531	**15 629**	5 975
Financial liabilities	**(10 179)**	(13 281)	**(10 179)**	(13 281)
	11 193	(1 750)	**5 450**	(7 306)
Fixed rate instruments				
Financial liabilities	**(53 389)**	(53 618)	**(53 152)**	(53 383)
Interest profile (variable: fixed rate as a percentage of total financial assets)	**100:0**	100:0	**100:0**	100:0
Interest profile (variable: fixed rate as a percentage of total financial liabilities)	**16:84**	20:80	**16:84**	20:80

Cash flow sensitivity for variable rate instruments

Financial instruments affected by interest rate risk include borrowings, deposits, derivative financial instruments, trade receivables and trade payables. A change of 1% in the prevailing interest rate in 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 rates, remain constant and has been performed on the same basis for 2021.

	Group		Company	
	Income statement - 1% increase	Income statement - 1% decrease	Income statement - 1% increase	Income statement - 1% decrease
	Rm	Rm	Rm	Rm
30 June 2022	**112**	**(112)**	**55**	**(55)**
30 June 2021	(18)	18	(73)	73

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

Derivative financial instruments

From time to time, and as required, the group and company make use of derivative financial instruments as a means of mitigating price movements and timing risks. The group and company did not enter into hedging contracts during the year.

Our exposure to and assessment of the risk

The fair value of the embedded derivative financial instrument contained in a long-term oxygen supply contract to our Secunda Operations is impacted by a number of observable and unobservable variables at valuation date. The sensitivities provided reflect the impact on fair value as a result of movements in the significant input variables utilised for valuation purposes.

		US$/Rand Spot price		US$ Swap curve		Rand Swap curve	
30 June 2022		**+R1/US$**	**-R1/US$**	**+0,1%**	**-0,1%**	**+1,0%**	**-1,0%**
Oxygen supply contract embedded derivative	Rm	**(513)**	**513**	**86**	**(87)**	**(786)**	**911**

		US$/Rand Spot price		US$ Swap curve		Rand Swap curve	
30 June 2021		**+R1/US$**	**-R1/US$**	**+0,1%**	**-0,1%**	**+1,0%**	**-1,0%**
Oxygen supply contract embedded derivative	Rm	(601)	601	98	(99)	(825)	955

Accounting policies:

Derivative financial instruments and hedging activities
Financial liabilities are recognised on the transaction date when the group and company become a party to the contract and thus has a contractual obligation and are derecognised when these contractual obligations are discharged, cancelled or expired.

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.

The group and company are exposed to market risks from changes in interest rates, foreign exchange rates and commodity prices. The group and company use derivative instruments to hedge its exposure to these risks. 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.

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.

39.2 Fair value

Various valuation techniques and assumptions are utilised for the purpose of calculating fair value.

The group and company do not hold any financial instruments traded in an active market. Fair value is determined using valuation techniques as outlined below. Where possible, inputs are based on quoted prices and other market determined variables.

Fair value hierarchy

The following table is provided representing the assets and liabilities measured at fair value at reporting date, or for which fair value is disclosed at reporting date.

The calculation of fair value requires various inputs into the valuation methodologies used.

The source of the inputs used affects the reliability and accuracy of the valuations. Significant inputs have been classified into the hierarchical levels in line with IFRS 13, as shown below.

There have been no transfers between levels in the current year. Transfers between levels are considered to have occurred at the date of the event or change in circumstances.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices that are observable for the asset or liability (directly or indirectly).

Level 3 Inputs for the asset or liability that are unobservable.

Financial instrument	Group Fair value 30 June 2022	Fair value 30 June 2021	Valuation method	Significant inputs	Fair value hierarchy of inputs
Financial assets					
Long-term receivables	**828**	872	Discounted cash flow	Market related interest rates.	Level 3
Other long-term investments	**815**	732	**	**	Level 1**
Long-term financial assets	**554**	808	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate	Level 3***
Trade and other receivables	**19 038**	14 345	Discounted cash flow	Market related interest rates.	Level 3*
Cash and cash equivalents	**20 557**	10 799	**	**	Level 1**
Short-term financial assets	**67**	107	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate	Level 3***
Financial liabilities					
Unlisted long-term debt	**57 233**	60 255	Discounted cash flow	Market related interest rates	Level 3
Long-term financial liabilities	**276**	540	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate	Level 3***
Short-term financial liabilities	**7**	–	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate	Level 3***
Trade and other payables	**12 705**	11 484	Discounted cash flow	Market related interest rates	Level 3*

* The fair value of these instruments approximates their carrying value, due to their short-term nature.

** The carrying value of cash is considered to reflect its fair value.

*** Relates to the US labour and inflation index and ZAR/EUR exchange rate embedded derivatives contained in the Secunda Operations long-term gas supply agreements.

There were no transfers between levels for recurring fair value measurements during the year. There was no change in valuation techniques compared to the previous financial year.

Financial instrument	Company Fair value 30 June 2022	Fair value 30 June 2021	Valuation method	Significant inputs	Fair value hierarchy of inputs
Financial assets					
Long-term receivables	**299**	148	Discounted cash flow	Market related interest rates.	Level 3
Other long-term investments	**263**	257	**	**	Level 1**
Long-term financial assets	**554**	808	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate	Level 3***
Trade and other receivables	**18 733**	13 640	Discounted cash flow	Market related interest rates.	Level 3*
Cash and cash equivalents	**15 366**	5 718	**	**	Level 1**
Short-term financial assets	**67**	105	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate	Level 3***
Financial liabilities					
Unlisted long-term debt	**57 056**	60 158	Discounted cash flow	Market related interest rates	Level 3
Long-term financial liabilities	**276**	540	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate	Level 3***
Short-term financial liabilities	**7**	–	Forward rate interpolator model, discounted expected cash flows, numerical approximation, as appropriate	US PPI, US labour index, US Dollar and ZAR treasury curves, Rand zero swap discount rate	Level 3***
Trade and other payables	**11 274**	11 813	Discounted cash flow	Market related interest rates	Level 3*

* The fair value of these instruments approximates their carrying value, due to their short-term nature.

** The carrying value of cash and cash equivalents is considered to reflect its fair value.

*** Relates to the US labour and inflation index and ZAR/EUR exchange rate embedded derivatives contained in the Secunda Operations long-term gas supply agreements.

There were no transfers between levels for recurring fair value measurements during the year. There was no change in valuation techniques compared to the previous financial year.

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