SASOL SOUTH AFRICA LIMITED

ANNUAL FINANCIAL STATEMENTS

30 June 2023

Sasol South Africa Limited

Registration number 1968/013914/06

Annual Financial Statements
for the year ended 30 June 2023

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 Ms Wanitha du Toit 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 2023 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

Members of the Committee are independent non-executive directors, all of whom are financially skilled and have extensive audit committee experience. The members are Mss GMB Kennealy, NNA Matyumza, KC Harper and Messrs S Westwell, S Subramoney.

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

Statutory duties 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 2023 annual financial statements.

Adequate processes and structures have been implemented to assist the 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:

- Reviewed compliance with legal and regulatory requirements to the extent that it might have an impact on financial statements and is satisfied that all matters with a material impact have been disclosed appropriately.
- The Committee is of the opinion that there were no material breakdowns in internal control during the 2023 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 2020 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 2023, 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 assessed the liquidity of the company based on the latest projected future cash flows and stress tested it using lower oil and product prices and stronger exchange rates. These projections were compared with cash balances and committed facilities available to the company, net debt and financing facilities utilised by the company, the debt structure, the debt maturity profile and loan covenants. After examining the forecast and stress tested scenarios the Committee concluded that the company's liquidity and capital position was adequate to meet its obligations over the ensuing year and that the going concern basis of accounting is appropriate.

- 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.
- Nominated for appointment PricewaterhouseCoopers Inc. (PwC) as auditor of Sasol Limited and the Sasol group for the financial year ended 30 June 2023 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 line with Sasol's auditor rotation policy, PwC, who has served as the company's independent auditor since the company's 2014 financial year, will step down as the company's auditor on 30 June 2023. PwC completed the audit of the annual financial statements for the 2023 financial year. Following a comprehensive tender process, the Sasol Audit Committee recommended the appointment of KPMG Incorporated as the company's independent auditor with effect from 1 July 2023. KPMG will be proposed for appointment by shareholders at Sasol Limited's 2023 Annual General Meeting (AGM).
- 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 fulfilled its responsibilities in accordance with its terms of reference, as well as its statutory and other responsibilities for the 2023 financial year. Having had regard to all material risks and factors that may impact on the integrity of the annual financial statements, the Committee recommends the annual financial statements of Sasol South Africa Limited for the year ended 30 June 2023 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 2023

Certificate of 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 2023 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.

H Joubert, on behalf of M du Toit

Date: 16 November 2023

Directors' report

The directors have pleasure in presenting their report for the year ended 30 June 2023.

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
RM Laxa	appointed 14/11/2014
NP Magaqa	appointed 01/06/2018
NX Maluleke	appointed 01/09/2022
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
NG Nndwammbi	appointed 03/05/2019
PM Vilakazi	appointed 01/10/2020 and resigned 31/08/2023
LB Zondo	appointed 01/06/2018 and resigned 21/09/2022
TLB Boikhutso (As alternate director to Z Monnakgotla)	appointed 01/09/2022
YM Motsisi (As alternate director to NX Maluleke)	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 2023.

At the Sasol Limited annual general meeting of 17 November 2023, shareholders will be requested to appoint KPMG Inc (KPMG) as auditor of Sasol Limited and its significant subsidiaries, including Sasol South Africa Limited, following the Audit Committee's decision to recommend the appointment of KPMG as its independent auditor for the financial year commencing 1 July 2023.

Going concern

Based on the going concern assessment (refer to note 35), 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 events

Note 34 provides details of the events that occurred subsequent to 30 June 2023.

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 2023 as set out on pages 10 to 72 were approved by the board of directors on 16 November 2023 and are signed on its behalf by:

VD Kahla
Director

B Baijnath
Director

Date: 16 November 2023

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 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Sasol South Africa Limited's consolidated and separate financial statements set out on pages 10 to 72 comprise:

- the consolidated and separate statements of financial position as at 30 June 2023;
- 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 2023", 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

16 November 2023

Income statements

for the year ended 30 June

	Note	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
Turnover	2	**133 501**	120 753	**128 597**	115 081
Materials, energy and consumables used	3	**(55 194)**	(42 556)	**(54 845)**	(46 869)
Selling and distribution costs		**(3 873)**	(2 961)	**(3 873)**	(2 961)
Maintenance expenditure		**(7 229)**	(6 051)	**(7 187)**	(5 929)
Employee-related expenditure	4	**(15 185)**	(15 320)	**(14 959)**	(15 074)
Depreciation and amortisation		**(7 428)**	(5 860)	**(5 327)**	(4 116)
Other expenses and income[1]	5	**(5 611)**	(4 506)	**(4 911)**	(3 837)
Equity accounted profits, net of tax	18	**537**	97	**–**	7
Operating profit before remeasurement items		**39 518**	43 596	**37 495**	36 302
Remeasurement items	7	**(17 973)**	5 773	**(5 236)**	3 104
Earnings before interest and tax (EBIT)		**21 545**	49 369	**32 259**	39 406
Finance income	6	**1 453**	777	**4 513**	5 629
Finance costs	6	**(2 320)**	(2 091)	**(2 232)**	(1 988)
Earnings before tax		**20 678**	48 055	**34 540**	43 047
Taxation	9	**(5 225)**	(13 284)	**(8 234)**	(10 596)
Earnings for the year		**15 453**	34 771	**26 306**	32 451
Attributable to					
Owners of Sasol South Africa Limited		**15 453**	33 600	**26 306**	32 451
Non-controlling interests in subsidiaries		**–**	1 171	**–**	–
		15 453	34 771	**26 306**	32 451

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

Statements of comprehensive income

for the year ended 30 June

	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
Earnings for the year	**15 453**	34 771	**26 306**	32 451
Other comprehensive income/(loss), net of tax				
Items that cannot be subsequently reclassified to the income statement	**117**	(224)	**117**	(229)
Remeasurement on post-retirement benefit obligation	**161**	(321)	**161**	(327)
Tax on items that cannot be subsequently reclassified to the income statement	**(44)**	97	**(44)**	98
Total comprehensive income for the year	**15 570**	34 547	**26 423**	32 222
Attributable to				
Owners of Sasol South Africa Limited	**15 570**	33 376	**26 423**	32 222
Non-controlling interests in subsidiaries	**–**	1 171	**–**	–
	15 570	34 547	**26 423**	32 222

The notes on pages 15 to 72 are an integral part of the Annual Financial Statements.

Statements of financial position

at 30 June

	Note	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
Assets					
Property, plant and equipment	15	**44 122**	50 454	**36 259**	28 988
Right of use assets	14	**4 101**	4 683	**3 963**	4 532
Goodwill and other intangible assets	16	**4 369**	5 502	**928**	970
Equity accounted investments	18	**3 500**	3 369	**273**	273
Other long-term investments		**684**	815	**3**	263
Investment in subsidiaries and joint ventures	19	**–**	–	**46 991**	46 991
Post-retirement benefit assets	30	**70**	54	**70**	54
Long-term receivables and prepaid expenses	17	**577**	587	**209**	304
Long-term financial assets	36	**450**	554	**450**	554
Deferred tax assets	11	**–**	–	**1 225**	2 629
Non-current assets		**57 873**	66 018	**90 371**	85 558
Inventories	20	**12 571**	11 271	**12 522**	11 278
Trade and other receivables	21	**21 823**	20 947	**21 010**	20 450
Short-term financial assets	36	**66**	67	**66**	67
Cash and cash equivalents	24	**15 304**	20 557	**11 963**	15 366
Current assets		**49 764**	52 842	**45 561**	47 161
Assets in disposal groups held for sale		**186**	164	**186**	164
Total assets		**107 823**	119 024	**136 118**	132 883
Equity and liabilities					
Shareholders' equity		**12 533**	20 232	**43 344**	40 217
Total equity		**12 533**	20 232	**43 344**	40 217
Long-term debt	13	**51 288**	54 153	**51 111**	53 976
Lease liabilities	14	**5 581**	5 898	**5 343**	5 661
Long-term provisions	28	**6 003**	6 093	**5 525**	5 639
Post-retirement benefit obligations	30	**3 291**	3 423	**3 284**	3 416
Long-term deferred income		**67**	36	**5**	6
Long-term financial liabilities	36	**932**	276	**932**	276
Deferred tax liabilities	11	**1 016**	3 375	**–**	–
Non-current liabilities		**68 178**	73 254	**66 200**	68 974
Short-term debt*		**3 495**	3 694	**3 495**	3 694
Short-term provisions	29	**1 962**	1 428	**1 948**	1 281
Tax payable	10	**231**	2 258	**309**	2 056
Trade and other payables	22	**21 339**	18 141	**20 737**	16 644
Short-term deferred income		**22**	8	**22**	8
Short-term financial liabilities	36	**61**	7	**61**	7
Current liabilities		**27 110**	25 536	**26 572**	23 690
Liabilities in disposal groups held for sale		**2**	2	**2**	2
Total equity and liabilities		**107 823**	119 024	**136 118**	132 883

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

The notes on pages 15 to 72 are an integral part of the Annual Financial Statements.

Statement of changes in equity

for the year ended 30 June

	Group							
	Share capital Note 12 Rm	Share-based payment reserve Note 31 Rm	Other reserves Rm	Remeasurement on post-retirement benefits Rm	Accumulated losses Rm	**Shareholders' equity/ (deficit) Rm**	Non-controlling interests Rm	**Total equity/ (deficit) Rm**
Balance at 30 June 2021	**68 834**	**1 773**	**8**	**729**	**(75 441)**	**(4 097)**	**2 222**	**(1 875)**
Settlement of 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**
Disposal of business	–	–	–	–	–	**–**	(2 790)	**(2 790)**
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**
Balance at 30 June 2022	**68 834**	**2 108**	**8**	**505**	**(51 223)**	**20 232**	**–**	**20 232**
Settlement of incentives schemes	**–**	**(921)**	**–**	**–**	**(57)**	**(978)**	**–**	**(978)**
long-term incentives vested and settled	**–**	**(921)**	**–**	**–**	**921**	**–**	**–**	**–**
share incentives schemes distributions	**–**	**–**	**–**	**–**	**(978)**	**(978)**	**–**	**(978)**
Movement in share-based payment reserve	**–**	**572**	**–**	**–**	**–**	**572**	**–**	**572**
share-based payment expense	**–**	**691**	**–**	**–**	**–**	**691**	**–**	**691**
deferred tax	**–**	**(119)**	**–**	**–**	**–**	**(119)**	**–**	**(119)**
Total comprehensive income for the year	**–**	**–**	**–**	**117**	**15 453**	**15 570**	**–**	**15 570**
profit	**–**	**–**	**–**	**–**	**15 453**	**15 453**	**–**	**15 453**
other comprehensive income for the year	**–**	**–**	**–**	**117**	**–**	**117**	**–**	**117**
Other movements	**–**	**–**	**(8)**	**–**	**36**	**28**	**–**	**28**
Dividends paid	**–**	**–**	**–**	**–**	**(22 891)**	**(22 891)**	**–**	**(22 891)**
Dividends declared	**–**	**–**	**–**	**–**	**(25 144)**	**(25 144)**	**–**	**(25 144)**
Notional portion of dividends declared	**–**	**–**	**–**	**–**	**2 253**	**2 253**	**–**	**2 253**
Balance at 30 June 2023	**68 834**	**1 759**	**–**	**622**	**(58 682)**	**12 533**	**–**	**12 533**

The notes on pages 15 to 72 are an integral part of the Annual Financial Statements.

Statement of changes in equity

for the year ended 30 June

	Company					
	Share capital Note 12 Rm	Share-based payment reserve Note 31 Rm	Other reserves Rm	Remeasurement on post-retirement benefits Rm	Accumulated losses Rm	**Total equity Rm**
Balance at 30 June 2021	**68 834**	**1 750**	**7**	**723**	**(54 278)**	**17 036**
Settlement of 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**
Settlement of incentives schemes	**–**	**(913)**	**–**	**–**	**(57)**	**(970)**
long-term incentives vested and settled	**–**	**(913)**	**–**	**–**	**913**	**–**
share incentives schemes distributions	**–**	**–**	**–**	**–**	**(970)**	**(970)**
Movement in share-based payment reserve	**–**	**565**	**–**	**–**	**–**	**565**
share-based payment expense	**–**	**684**	**–**	**–**	**–**	**684**
deferred tax	**–**	**(119)**	**–**	**–**	**–**	**(119)**
Total comprehensive income for the year	**–**	**–**	**–**	**117**	**26 306**	**26 423**
profit	**–**	**–**	**–**	**–**	**26 306**	**26 306**
other comprehensive income for the year	**–**	**–**	**–**	**117**	**–**	**117**
Other movements	**–**	**–**	**(7)**	**–**	**7**	**–**
Dividends paid	**–**	**–**	**–**	**–**	**(22 891)**	**(22 891)**
Dividends declared	**–**	**–**	**–**	**–**	**(25 144)**	**(25 144)**
Notional portion of dividends declared	**–**	**–**	**–**	**–**	**2 253**	**2 253**
Balance at 30 June 2023	**68 834**	**1 741**	**–**	**611**	**(27 842)**	**43 344**

The notes on pages 15 to 72 are an integral part of the Annual Financial Statements.

Statements of cash flows

for the year ended 30 June

		Group		Company	
		2023	2022	2023	2022
	Note	Rm	Rm	Rm	Rm
Cash receipts from customers		**134 193**	116 148	**129 775**	110 077
Cash paid to suppliers and employees		**(85 413)**	(70 625)	**(83 276)**	(73 735)
Cash generated by operating activities	25	**48 780**	45 523	**46 499**	36 342
Dividends received from equity accounted investments	18	**435**	50	**435**	50
Interest received[1]	6	**1 453**	777	**1 082**	480
Dividend income from investments[1]	6	**–**	–	**3 000**	5 109
Finance costs paid[2]	6	**(2 170)**	(1 953)	**(2 127)**	(1 917)
Tax paid	10	**(9 772)**	(9 160)	**(8 738)**	(7 019)
Cash available from operating activities		**38 726**	35 237	**40 151**	33 045
Dividends paid	27	**(23 869)**	(9 927)	**(23 861)**	(9 925)
Dividends paid to non-controlling shareholders in subsidiaries		**–**	(603)	**–**	–
Cash retained from operating activities		**14 857**	24 707	**16 290**	23 120
Additions to non-current assets		**(16 634)**	(13 962)	**(16 432)**	(13 845)
additions to property, plant and equipment	15	**(16 825)**	(13 428)	**(16 623)**	(13 311)
additions to other intangible assets	16	**(3)**	–	**(3)**	–
increase/(decrease) in capital project related payables		**194**	(534)	**194**	(534)
Proceeds on disposals and scrappings	8	**92**	4 229	**92**	4 229
Movement in assets held for sale[3]		**2**	(825)	**2**	–
Decrease/(increase) in long-term receivables and prepaid expenses		**10**	35	**95**	(153)
Cash used in investing activities		**(16 530)**	(10 523)	**(16 243)**	(9 769)
Proceeds from long-term debt	13	**–**	79	**–**	–
Repayment of long-term debt	13	**(3 080)**	(3 102)	**(3 080)**	(3 102)
Repayment of debt held for sale		**–**	(704)	**–**	–
Payment of lease liabilities	14	**(631)**	(616)	**(630)**	(595)
Cash used in financing activities		**(3 711)**	(4 343)	**(3 710)**	(3 697)
(Decrease)/increase in cash and cash equivalents		**(5 384)**	9 841	**(3 663)**	9 654
Cash and cash equivalents at the beginning of year		**20 557**	10 799	**15 366**	5 718
Reclassification to disposal groups held for sale and other long-term investments		**131**	(83)	**260**	(6)
Cash and cash equivalents at the end of the year	24	**15 304**	20 557	**11 963**	15 366

1 Interest received and Dividend income from investments have previously been presented as Finance income in the Statement of cash flows. Comparative amounts have been reclassified accordingly.
2 Included in finance costs paid are amounts capitalised to assets under construction, a class of property, plant and equipment. Refer note 6.
3 Included in the 2022 movement for the group is R1,1 billion cash disposed of as part of the ROMPCO transaction.

The notes on pages 15 to 72 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 16 November 2023.

Basis of preparation of financial results

The annual financial statements are prepared using the historic cost convention except that, certain items, including derivative instruments, financial assets at fair value through profit or loss and financial assets designated at fair value through other comprehensive income, are stated at fair value. The annual financial results are presented in rand, which is Sasol South Africa Limited's functional and presentation currency, rounded to the nearest million, unless indicated otherwise.

The annual financial statements are prepared on the going concern basis. Refer note 35.

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. In 2021, the Sasol group launched its 2050 net zero emissions ambition ("Net Zero") and Future Sasol strategy, which places the Sasol group on a trajectory towards a significantly reduced greenhouse gas (GHG) emissions profile. The Sasol group has plans to deliver significant reductions in scope 1,2 and 3 (Category 11) emissions by 2030. Future Sasol is premised on producing sustainable fuels and chemicals, using our proprietary technology and expertise, while contributing to a thriving planet, society and enterprise. This will see Sasol transform and decarbonize, in particular our Secunda and Sasolburg Operations as outlined in our roadmaps.

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

Where reasonable and supportable, management has considered the impact of these 2030 targets on a number of key estimates within the financial statements including the estimates of future cash flows used in impairment assessments of non-current assets (refer to note 7), useful lives of property, plant and equipment (refer to note 15), capital commitments (refer to note 15), the estimates of future profitability used in the assessment of the recoverability of deferred tax assets (refer to note 11) and the timing and amount of environmental obligations (refer to note 28).

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's remaining exposure to IBORs is concentrated to the Johannesburg Interbank Average Rate (JIBAR) through certain debt instruments. The South African Reserve Bank (SARB) has indicated their intention to move away from JIBAR and to create an alternative reference rate for South Africa.

In November 2022, the SARB commenced publishing the South African Rand Overnight Index Average (ZARONIA), the preferred successor rate that will replace JIBAR in future. The ZARONIA is a financial benchmark that reflects the interest rate at which rand-denominated overnight wholesale funds are obtained by commercial banks. ZARONIA is based on actual transactions and calculated as a trimmed, volume-weighted mean of interest rates paid on eligible unsecured overnight deposits.

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

Accounting policies

The accounting policies applied in the preparation of these consolidated 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 2023 except for the retrospective adoption of the following amendments which had an immaterial impact on the group and company's financial statements:

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

Amendments to IAS 12 'Income Taxes'

Additionally, the group and company applied the amendments to IAS 12 'Income Taxes' which give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform.

The OECD published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. More than 135 countries and jurisdictions representing more than 90% of global gross domestic product have agreed to the Pillar Two model rules.

The amendments introduce:

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

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

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

Accounting standards, amendments and interpretations issued which are relevant to the group 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 2023, include:

IFRS 17 'Insurance Contracts'

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

Amendments to IAS 1 'Presentation of Financial Statements'

The amendments provide guidance on the classification of liabilities as current or non-current in the statement of financial position and does not impact the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in place at the end of the reporting period which enable the reporting entity to defer settlement by at least twelve months. The amendments further make it explicit that classification is unaffected by expectations or events after the reporting date. The amendments are effective for the group and company from 1 July 2024, will be applied retrospectively and are not expected to significantly impact the group and company.

Amendment to IFRS 16 'Leases'

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

for the year ended 30 June	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
2 Turnover				
Revenue by major product line				
Energy business	**65 269**	55 509	**60 509**	50 514
Synthetic fuels components	**59 014**	49 417	**59 014**	49 416
Gas (methane rich and natural gas)	**6 255**	6 092	**1 495**	1 098
Chemicals business	**68 088**	64 511	**68 088**	64 511
Advanced materials	**2 937**	1 834	**2 937**	1 834
Base chemicals	**34 990**	33 622	**34 990**	33 622
Essential care	**2 300**	2 092	**2 300**	2 092
Performance solutions	**27 861**	26 963	**27 861**	26 963
Other	**144**	733	**–**	56
Revenue from contracts with customers	**133 501**	120 753	**128 597**	115 081

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 synthetic oil components, natural gas and chemical products, services rendered, license fees and royalties. The group and company allocate revenue based on standalone selling price.

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	
		2023	2022	**2023**	2022
	for the year ended 30 June	**Rm**	Rm	**Rm**	Rm
3	**Materials, energy and consumables used***				
	Cost of raw materials	**42 117**	30 462	**41 773**	34 781
	Cost of energy and other consumables used in production process	**13 077**	12 094	**13 072**	12 088
		55 194	42 556	**54 845**	46 869

* Costs relating to items that are consumed in the manufacturing process, including changes in inventories and distribution costs up until the point of sale. Included in Materials, energy and consumables used is carbon taxes of R1,7 billion (2022 - R1,1 billion). Under the carbon tax regulations, South African companies are able to buy carbon credits from third parties to offset a portion of their carbon tax liability. To this end, the group and company enters into strategic and cost-effective long term agreements with reputable suppliers for credible high-quality carbon offset credits. The ultimate amount of credits acquired will depend on the development of projects under the applicable standards, delivering the credits within the agreed timeframe, and will be subject to audit/verification by an independent party.

Purchase commitments

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

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

- The Oxygen Train 17 oxygen supply agreement runs to 2037, with an option to renew the contract to 2050. The renewal option is not taken into account in the calculation of the commitments.
- The Oxygen Trains 1 – 16 arrangement is managed through various agreements, including the Gas Sales Agreement (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 ultimate amount of the commitment is dependent on expected future increases in the regulated price of electricity in South Africa and is presented on an undiscounted basis.

Additionally, SSA, together with Air Liquide Large Industries South Africa Proprietary Limited (ALLISA), signed six Power Purchase Agreements (PPAs) to date, with contractual terms of 20 years each, for the procurement of 600 MW of renewable energy from Independent Power Producers (IPPs). The joint procurement of renewable energy by the group and ALLISA is primarily aimed at the decarbonisation of the Secunda Operations site. Subject to financial and grid connection approvals, the projects are expected to reach financial close within the 2024 financial year and commercial operation by 2025.

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

Other significant supply agreements:

- A significant purchase commitment for SSA is in terms of a Coal Supply Agreement (CSA) with Sasol Mining (Pty) Ltd whereby SSA purchases coal from Sasol Mining (Pty) Ltd for the Secunda Operations . The minimum obligation in terms of this purchase commitment for the 2024 financial year is 36,2 million tons (2023: 36,5 million tons).
- The group, through Sasol Gas (Pty) Ltd, also enters into off-take agreements in the ordinary course of business for the supply and transportation of gas from Sasol Petroleum Temane Limitada via The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO) pipeline. The minimum obligation in terms of these purchase commitments related to the supply of gas for the 2024 financial year is 139,8 petajoules (2023: 132,3 petajoules).
- SSA entered into a Gas Supply Agreement (GSA) with Sasol Petroleum Mozambique Limitada (SPM) and Empresa Nacional Hidrocarbonetos (ENH), whereby SPM will supply gas to SSA for the Secunda Operations. The minimum obligation in terms of this purchase commitment is subject to the agreement reaching financial closure, expected within the 2024 financial year.

In the ordinary course of business, the group also enters into other smaller purchase, service and/or supply agreements with companies within the Sasol group. These transactions are concluded at arm's length.

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

for the year ended 30 June	Note	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
4 Employee-related expenditure					
Analysis of employee costs					
Labour		**15 224**	15 137	**15 005**	14 885
salaries, wages and other employee related expenditure		**14 932**	14 778	**14 714**	14 526
post-retirement benefits		**292**	359	**291**	359
Share-based payment expenses		**691**	664	**684**	670
equity-settled	31	**691**	683	**684**	689
cash-settled		**–**	(19)	**–**	(19)
Total employee-related expenditure		**15 915**	15 801	**15 689**	15 555
Costs capitalised to projects		**(730)**	(481)	**(730)**	(481)
Per income statement		**15 185**	15 320	**14 959**	15 074

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

for the year ended 30 June	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
Permanent employees	**14 007**	14 093	**13 780**	13 874
Non-permanent employees	**314**	296	**314**	296
	14 321	14 389	**14 094**	14 170

for the year ended 30 June	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
5 Other expenses and income*				
Includes:				
Translation (gains)/losses	**(856)**	(540)	**(927)**	(442)
Trade and other receivables	**(1 129)**	(350)	**(1 077)**	(266)
Trade and other payables	**236**	(119)	**152**	(172)
Other	**37**	(71)	**(2)**	(4)
Derivative losses / (gains)[1]	**792**	(63)	**792**	(64)
Exploration expenditure and feasibility costs	**613**	273	**605**	273
Professional fees	**1 141**	868	**1 131**	846
Expected credit losses raised/(released)	**66**	(23)	**(1)**	(14)

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

1 Mainly relates to US dollar derivatives that are embedded in long-term oxygen supply contracts to Secunda Operations.

Research and development expenditure amounting to R644 million (2022: R496 million) for the group and company were expensed and is included in Employee-related expenditure, Depreciation and amortisation and Other expenses and income in the Income statement.

for the year ended 30 June	Note	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
6 Net finance costs					
Finance income					
Dividends received from investments		–	–	3 431	5 149
Interest received on		1 453	777	1 082	480
loans and receivables		62	49	12	8
cash and cash equivalents – fellow subsidiaries	33	1 296	670	1 055	464
cash and cash equivalents – external		95	58	15	8
Per income statement		1 453	777	4 513	5 629
Less: dividends received from equity accounted investments		–	–	(431)	(40)
		1 453	777	4 082	5 589
Dividends received from investments per the statement of cash flows[1]		–	–	3 000	5 109
Interest received per the statement of cash flows[1]		1 453	777	1 082	480
Finance costs					
Debt		1 555	1 374	1 534	1 339
Interest on lease liabilities		630	640	607	616
Other		9	2	9	2
		2 194	2 016	2 150	1 957
Amortisation of loan costs	13	–	1	–	–
Notional interest		601	450	557	407
Total finance costs		2 795	2 467	2 707	2 364
Amounts capitalised to assets under construction	15	(475)	(376)	(475)	(376)
Per income statement		2 320	2 091	2 232	1 988
Total finance costs before amortisation of loan costs, notional interest and interest capitalised to assets under construction		2 194	2 016	2 150	1 957
Less: interest accrued on lease liabilities		(24)	(63)	(23)	(40)
Per the statement of cash flows		2 170	1 953	2 127	1 917

1 Interest received and Dividend income from investments have previously been presented as Finance income in the Statement of cash flows. Comparative amounts have been reclassified accordingly.

for the year ended 30 June	Note	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
7 Remeasurement items affecting operating profit					
Effect of remeasurement items					
Impairment of assets		17 869	287	5 152	4 539
property, plant and equipment	15	17 000	287	5 152	4 539
goodwill and other intangible assets	16	869	–	–	–
Reversal of impairment of assets		(45)	(2 277)	(60)	(3 808)
property, plant and equipment	15	(45)	(1 995)	(60)	(3 808)
goodwill and other intangible assets	16	–	(282)	–	–
Loss/(profit) on	8	149	(3 783)	144	(3 835)
disposal of property, plant and equipment		(70)	(64)	(70)	(64)
disposal of businesses		–	(4 090)	–	(4 126)
scrapping of assets		219	371	214	355
Remeasurement items per income statement		17 973	(5 773)	5 236	(3 104)
Tax effect		(4 853)	1 388	(1 414)	632
Total remeasurement items, net of tax		13 120	(4 385)	3 822	(2 472)

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 used to determine the recoverable amount. Future cash flows are estimated based on financial budgets covering a five year period and extrapolated over the useful life of the assets to reflect the long-term plans for the group 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	
		2023	2022	**2023**	2022
Growth rate – long-term Producer Price Index	%	**5,50**	5,50	**5,50**	5,50
Weighted average cost of capital*	%	**15,20**	14,41	**15,20**	14,41
Long-term average crude oil price (Brent) (nominal)**	US$/bbl	**88,02**	93,24	**88,02**	93,24
Long-term average Southern African gas purchase price (real)**	US$/Gj	**10,93**	8,94	**10,93**	8,94
Long-term average ammonia price (nominal)**	Rand/ton	**9 046**	10 173	**9 046**	10 173
Long-term average wax price (nominal)**	Rand/ton	**29 869**	29 536	**29 869**	29 536
Long-term average exchange rate**	Rand/US$	**17,40**	15,95	**17,40**	15,95

* 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 from 2030 until 2050 being the point at which gas from the existing gas fields in Mozambique are fully utilised and is linked to the South African integrated value chain's useful life. The gas price is based on current observable market prices and are not comparable to the production cost of our own field development.

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

		Group		
Cash-generating unit (CGU)		**Property, plant and equipment 2023 Rm**	**Gas transportation agreement and other intangible assets 2023 Rm**	**Total 2023 Rm**
South African integrated value chain				
Chlor Alkali and PVC CGU	Chemicals	**569**	**62**	**631**
Methanol CGU	Chemicals	**301**	**171**	**472**
Synfuels liquid fuels refinery CGU	Energy	**16 124**	**636**	**16 760**
Other	Various	**(39)**	**–**	**(39)**
		16 955	**869**	**17 824**

Cash-generating unit (CGU)		Company Property, plant and equipment 2023 Rm	Total 2023 Rm
South African integrated value chain			
Methyl Isobutyl Ketone CGU	Chemicals	52	52
Methanol CGU	Chemicals	91	91
Acrylates and Butanol CGU	Chemicals	18	18
Wax CGU	Chemicals	977	977
Ammonia CGU	Chemicals	871	871
Chlor Alkali and PVC CGU	Chemicals	199	199
Blends and Minchem CGU	Chemicals	(60)	(60)
Synfuels liquid fuels refinery	Energy	2 944	2 944
		5 092	5 092

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.

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.

Synfuels liquid fuels refinery*
At 30 June 2023, the group and company have made further progress with the development of its Emission Reduction Roadmap (ERR) to achieve a 30% reduction in greenhouse gas (GHG) emissions by 2030 and comply with the requirements of the National Environmental Management: Air Quality Act, 39 of 2004 (Air Quality Act). The ERR involves the turning down of boilers, implementing energy efficiency projects, reducing coal usage and integrating 1 200 MW of renewable energy into our operations by 2030. With no significant additional gas to restore volumes back to historic levels, the ERR assumes lower production volumes of 6,7 mt/a post 2030 (2022: 7,5 mt/a) and as such full impairments of R12,2 billion (Gross: R16,8 billion) and R2,1 billion (Gross: R2,9 billion) for group and company respectively were recognised on the liquid fuels component of the Secunda refinery. The increasing cost of coal, capital investment to implement the ERR and cost of compliance were also included in the impairment calculation. Optimisation of the ERR is ongoing and there are a number of technology and feedstock solutions being evaluated to partially recover volume, however the maturity thereof needs to be progressed before it can be incorporated in the impairment calculation.

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

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

Chemicals – Wax CGU
The full impairment on the Wax CGU in Southern Africa was driven by higher cost to procure gas and lower sales volumes and prices due to an increasingly challenging market environment. Non-current assets of the CGU remain fully impaired for the group and company.

Chemicals – Ammonia CGU
The full impairment on the Ammonia CGU in Southern Africa was due to the impact of the ERR and availability of gas for gas dependent Sasolburg assets. Non-current assets of the CGU remain fully impaired for the group and company.

Chemicals – Chlor Alkali and PVC CGU
The full impairment on the Chlor Alkali and PVC CGU in Southern Africa was due to the impact of substantial capital required given the age and outdated technology of the value chain. Non-current assets of the CGU remain fully impaired for the group and company.

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

* Reflected net of tax.

Significant (reversal of impairment)/impairment of assets in the prior period

Cash-generating unit (CGU)	Description	Group 2022 Rm	Company 2022 Rm
Chemicals			
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.	(2 277)	(3 808)
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.	240	947
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.	–	556
Other		47	135
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.	–	2 901
		(1 990)	731

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 latest 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 (GHG) emissions globally, South Africa made commitments under the Paris Agreement to further reduce GHG emisssions 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 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.

Phase 1 of the South African Carbon Tax comes to an end in December 2025 with the Climate Change Bill currently undergoing public consultation. Management is required to reflect its best estimate of any expected applicable carbon taxes payable by the group 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. The future potential carbon taxes included in the recoverable amount calculations are based on the latest Taxation Laws Amendment Act.

Climate change and the transition to a 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 2023. The revised estimates reflect lower real oil price in the longer term as demand is expected to decrease as the transition to a low carbon economy progresses. The revised assumptions are based on the average June 2023 views obtained from two independent consultancies that reflect their views on market development. The energy transition may impact demand for certain refined products in the future. Management will continue to review price assumptions as the energy transition progresses and this may result in impairment charges or reversals in the future.

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.

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 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
8 Disposals and scrapping					
Property, plant and equipment	15	**237**	410	**232**	389
Goodwill and other intangible assets	16	**4**	2	**4**	2
Assets in disposal groups held for sale		**–**	6 354	**–**	3
Liabilities in disposal groups held for sale		**–**	(777)	**–**	–
		241	5 989	**236**	394
Non-controlling interest		**–**	(2 790)	**–**	–
		241	3 199	**236**	394
Fair value of retained investment		**–**	2 753	**–**	–
Consideration received		**92**	4 229	**92**	4 229
Net loss / (profit) on disposal		**149**	(3 783)	**144**	(3 835)
Consideration received comprising					
Investment in Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO)		**–**	4 129	**–**	4 129
Other		**92**	100	**92**	100
Consideration received		**92**	4 229	**92**	4 229

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 18.

for the year ended 30 June	Note	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
9 Taxation					
South African normal tax		**7 743**	9 632	**6 989**	7 925
current year		**8 057**	9 605	**7 301**	7 930
prior years		**(314)**	27	**(312)**	(5)
Foreign tax – current year		**4**	1 115	**4**	673
current year*		**4**	1 121	**4**	673
prior years		**–**	(6)	**–**	–
Income tax		**7 747**	10 747	**6 993**	8 598
Deferred tax – South Africa	11	**(2 522)**	2 537	**1 241**	1 998
current year		**(2 708)**	2 747	**1 057**	1 951
prior years		**186**	38	**184**	(51)
tax rate change**		**–**	(248)	**–**	98
		5 225	13 284	**8 234**	10 596

* Prior year includes the disposal of 30% of our equity interest in the ROMPCO pipeline.

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

for the year ended 30 June	Group 2023 %	Group 2022 %	Company 2023 %	Company 2022 %
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	**27,0**	28,0	**27,0**	28,0
Increase/(decrease) in rate of tax due to				
disallowed expenditure	**0,9**	0,3	**0,4**	0,3
disallowed share-based payment expenses	**0,1**	–	**0,1**	0,1
change in South African corporate income tax rate	**–**	(0,5)	**–**	0,2
exempt income	**–**	(0,1)	**(2,7)**	(3,3)
incentive allowances	**(0,9)**	(0,1)	**(0,6)**	(0,2)
prior year adjustments	**(0,6)**	0,1	**(0,4)**	(0,1)
capital gains and losses*	**(0,1)**	(0,5)	**–**	(0,6)
share of profits of equity accounted investments	**(0,8)**	(0,1)	**–**	–
other adjustments	**(0,3)**	0,5	**–**	0,2
Effective tax rate	**25,3**	27,6	**23,8**	24,6

* Prior year mainly relates to capital gains tax payable in South Africa and Mozambique on the disposal of 30% of our equity interest in the ROMPCO pipeline.

	for the year ended 30 June	Note	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
10	**Tax paid**					
	Net amounts payable at beginning of year		**2 258**	504	**2 056**	477
	Net interest on tax		**(2)**	–	**(2)**	–
	Income tax per income statement	9	**7 747**	10 747	**6 993**	8 598
	Reclassification from held for sale*		**–**	167	**–**	–
			10 003	11 418	**9 047**	9 075
	Net tax payable per statement of financial position		**(231)**	(2 258)	**(309)**	(2 056)
	tax payable		**(231)**	(2 258)	**(309)**	(2 056)
	tax receivable		**–**	–	**–**	–
	Per the statement of cash flows		**9 772**	9 160	**8 738**	7 019
	Comprising					
	Normal tax					
	South Africa		**9 098**	8 536	**8 064**	7 016
	Foreign		**674**	624	**674**	3
			9 772	9 160	**8 738**	7 019

* 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 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
11 Deferred tax					
Reconciliation of deferred tax liabilities/(assets)					
Balance at beginning of year		**3 375**	1 309	**(2 629)**	(4 334)
Current year charge		**(2 359)**	2 243	**1 404**	1 705
per the income statement	9	**(2 522)**	2 537	**1 241**	1 998
per the statement of changes in equity		**119**	(197)	**119**	(195)
per the statement of comprehensive income		**44**	(97)	**44**	(98)
Transfer to disposal groups held for sale		**–**	(177)	**–**	–
Balance at end of year		**1 016**	3 375	**(1 225)**	(2 629)
Comprising					
Deferred tax assets		**–**	–	**(1 225)**	(2 629)
Deferred tax liabilities		**1 016**	3 375	**–**	–
		1 016	3 375	**(1 225)**	(2 629)

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 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
Deferred tax is attributable to temporary differences on the following:				
Net deferred tax liabilities/(assets):				
Property, plant and equipment	**6 270**	7 968	**4 132**	2 612
Intangible assets	**644**	950	**–**	–
Right of use assets	**1 081**	1 247	**1 044**	1 206
Current assets	**(864)**	(687)	**(841)**	(628)
Short- and long-term provisions	**(3 776)**	(4 099)	**(3 601)**	(3 813)
Current liabilities	**(32)**	(58)	**(14)**	(29)
Financial assets	**(129)**	91	**(129)**	91
Lease liabilities	**(1 710)**	(1 807)	**(1 646)**	(1 743)
Other	**(468)**	(230)	**(170)**	(325)
	1 016	3 375	**(1 225)**	(2 629)

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 7. 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 2023 Rm	2022 Rm
12 Share capital		
Issued share capital (as per statement of changes in equity)	**68 834**	68 834

	Group and Company Number of shares 2023	2022
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.

		Group		Company	
for the year ended 30 June	Note	2023 Rm	2022 Rm	2023 Rm	2022 Rm
13 Long-term debt					
Holding company and fellow subsidiaries	33	**54 153**	57 233	**53 976**	57 056
Short-term portion		**(2 865)**	(3 080)	**(2 865)**	(3 080)
		51 288	54 153	**51 111**	53 976
Analysis of long-term debt					
At amortised cost					
Secured debt		**206**	232	**206**	232
Unsecured debt		**53 947**	57 001	**53 770**	56 824
		54 153	57 233	**53 976**	57 056
Reconciliation					
Balance at beginning of year		**57 233**	60 255	**57 056**	60 158
Loans raised		**–**	79	**–**	–
Loans repaid		**(3 080)**	(3 102)	**(3 080)**	(3 102)
Amortisation of loan costs	6	**–**	1	**–**	–
Balance at end of year		**54 153**	57 233	**53 976**	57 056
Interest-bearing status					
Interest-bearing debt		**54 153**	57 233	**53 976**	57 056
Non-interest-bearing debt		**–**	–	**–**	–
		54 153	57 233	**53 976**	57 056
Maturity profile					
Within one year		**2 865**	3 080	**2 865**	3 080
One to five years		**4 411**	7 276	**4 234**	7 099
More than five years		**46 877**	46 877	**46 877**	46 877
		54 153	57 233	**53 976**	57 056

Terms of repayment	Business	Currency	Group Interest rate at 30 June 2023	2023 Rm	2022 Rm
Repayable in annual instalments ending June 2028 - Secured	Energy	Rand	**Fixed 15,8%**	**206**	232
Repayable in annual instalments ending June 2026 - Unsecured	Energy, Chemicals	Rand	**Jibar + 2,5%**	**6 893**	9 947
Other - Unsecured	Other	Rand	**Prime - 2%**	**177**	177
Repayable on 30 days written notice from Sasol Limited - Unsecured*	Sasol South Africa Limited	Rand	**Fixed 0%**	**46 877**	46 877
Total long-term debt				**54 153**	57 233
Short-term portion of long-term debt				**(2 865)**	(3 080)
				51 288	54 153

Terms of repayment	Business	Currency	Company Interest rate at 30 June 2023	2023 Rm	2022 Rm
Repayable in annual instalments ending June 2028 - Secured	Energy	Rand	**Fixed 15,8%**	**206**	232
Repayable in annual instalments ending June 2026 - Unsecured	Energy, Chemicals	Rand	**Jibar + 2,5%**	**6 893**	9 947
Repayable on 30 days written notice from Sasol Limited - Unsecured*	Sasol South Africa Limited	Rand	**Fixed 0%**	**46 877**	46 877
Total long-term debt				**53 976**	57 056
Short-term portion of long-term debt				**(2 865)**	(3 080)
				51 111	53 976

* 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 2023 to 30 June 2024.

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.

14 Leases

Right of uses assets

Group for the year ended 30 June	Land Rm	Buildings Rm	Plant, equipment and vehicles Rm	Total Rm
Carrying amount at 30 June 2022	20	2 090	2 573	**4 683**
Additions to sustain existing operations	–	46	275	**321**
Net reclassification (to)/from other assets	–	–	(46)	**(46)**
Modifications and reassessments	–	1	(32)	**(31)**
Current year depreciation charge	(3)	(270)	(553)	**(826)**
Carrying amount at 30 June 2023	**17**	**1 867**	**2 217**	**4 101**

for the year ended 30 June	Group Land Rm	 Buildings Rm	 Plant, equipment and vehicles Rm	 Total Rm
Right of uses assets				
Carrying amount at 30 June 2021	23	2 165	2 966	**5 154**
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

for the year ended 30 June	Group Land Rm	 Buildings Rm	 Plant, equipment and vehicles Rm	 Total Rm
2023				
Cost	**29**	**2 671**	**4 334**	**7 034**
Accumulated depreciation and impairment	**(12)**	**(804)**	**(2 117)**	**(2 933)**
	17	**1 867**	**2 217**	**4 101**
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**

for the year ended 30 June	Company Land Rm	 Buildings Rm	 Plant, equipment and vehicles Rm	 Total Rm
Right of uses assets				
Carrying amount at 30 June 2022	20	1 939	2 573	**4 532**
Additions to sustain existing operations	–	46	275	**321**
Net reclassification (to) other assets	–	–	(46)	**(46)**
Modifications and reassessments	–	1	(32)	**(31)**
Current year depreciation charge	(3)	(257)	(553)	**(813)**
Carrying amount at 30 June 2023	**17**	**1 729**	**2 217**	**3 963**

for the year ended 30 June	Company Land Rm	 Buildings Rm	 Plant, equipment and vehicles Rm	 Total Rm
Right of uses assets				
Carrying amount at 30 June 2021	23	2 002	2 966	**4 991**
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			
for the year ended 30 June	Land Rm	Buildings Rm	Plant, equipment and vehicles Rm	**Total** **Rm**
2023				
Cost	**29**	**2 481**	**4 334**	**6 844**
Accumulated depreciation and impairment	**(12)**	**(752)**	**(2 117)**	**(2 881)**
	17	**1 729**	**2 217**	**3 963**
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**

for the year ended 30 June	Group **2023** **Rm**	 2022 Rm	Company **2023** **Rm**	 2022 Rm
Lease liabilities				
Long-term lease liabilities	**5 581**	5 898	**5 343**	5 661
Short-term portion (included in short-term debt)	**630**	614	**630**	614
	6 211	6 512	**5 973**	6 275
Reconciliation				
Balance at beginning of year	**6 512**	6 741	**6 275**	6 506
New lease contracts	**297**	332	**297**	332
Payments made on lease liabilities	**(631)**	(616)	**(630)**	(595)
Modifications and reassessments	**(3)**	(13)	**(3)**	(13)
Interest accrued	**24**	63	**23**	40
Translation of foreign operations	**12**	5	**11**	5
Balance at end of year	**6 211**	6 512	**5 973**	6 275

for the year ended 30 June	Group **2023** **Rm**	 2022 Rm	Company **2023** **Rm**	 2022 Rm
Amounts recognised in income statement				
Interest expense (included in net finance cost)	**630**	640	**607**	616
Expense relating to short-term leases (included in other operating expenses and income)*	**179**	154	**178**	153
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other operating expenses and income)*	**34**	16	**34**	16
Amounts recognised in statement of cash flows				
Total cash outflow on leases	**1 450**	1 363	**1 426**	1 340

* 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 36.

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 9,33% to 16,91% (2022 - 4,18% to 16,47%).

			Group		
	Land	Buildings and improvements	Plant, equipment and vehicles	Assets under construction*	Total
for the year ended 30 June	Rm	Rm	Rm	Rm	Rm
15 Property, plant and equipment					
Carrying amount at 30 June 2022	335	3 995	29 978	16 146	**50 454**
Additions	–	–	126	16 699	**16 825**
to sustain existing operations	–	–	126	15 995	**16 121**
to expand operations	–	–	–	704	**704**
Assets capitalised or reclassified	–	(205)	20 090	(20 073)	**(188)**
Reduction in rehabilitation provisions capitalised	–	–	(70)	–	**(70)**
Reclassification to disposal groups held for sale	(1)	(9)	(6)	–	**(16)**
Finance costs capitalised	–	–	–	475	**475**
Disposals and scrapping	(3)	(6)	(194)	(34)	**(237)**
Current year depreciation charge	–	(219)	(5 947)	–	**(6 166)**
Impairment of property, plant and equipment	–	–	(17 000)	–	**(17 000)**
Reversal of impairment of property, plant and equipment	–	–	45	–	**45**
Carrying amount at 30 June 2023	**331**	**3 556**	**27 022**	**13 213**	**44 122**

* 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
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 (to)/from 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.

			Group		
	Land	Buildings and improvements	Plant, equipment and vehicles	Assets under construction	**Total**
for the year ended 30 June	Rm	Rm	Rm	Rm	**Rm**
2023					
Cost	**331**	**7 770**	**183 348**	**13 213**	**204 662**
Accumulated depreciation and impairment	**–**	**(4 214)**	**(156 326)**	**–**	**(160 540)**
	331	**3 556**	**27 022**	**13 213**	**44 122**
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**

			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 2022	332	3 411	9 485	15 760	**28 988**
Additions	–	–	125	16 498	**16 623**
to sustain existing operations	–	–	125	15 794	**15 919**
to expand operations	–	–	–	704	**704**
Assets capitalised or reclassified	–	(205)	20 052	(20 034)	**(187)**
Reclassification to disposal groups held for sale	(1)	(9)	(6)	–	**(16)**
Finance costs capitalised	–	–	–	475	**475**
Disposals and scrapping	(3)	(5)	(190)	(34)	**(232)**
Current year depreciation charge	–	(217)	(4 083)	–	**(4 300)**
Impairment of property, plant and equipment	–	–	(5 152)	–	**(5 152)**
Reversal of impairment of property, plant and equipment	–	–	60	–	**60**
Carrying amount at 30 June 2023	**328**	**2 975**	**20 291**	**12 665**	**36 259**

* 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 2021	334	3 097	–	16 385	**19 816**
Additions to sustain existing operations	–	–	111	13 200	**13 311**
Net reclassification (to)/from other assets	–	452	(415)	(40)	**(3)**
Projects capitalised	–	63	13 707	(14 026)	**(256)**
Reclassification to 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.

for the year ended 30 June	Company Land Rm	Buildings and improvements Rm	Plant, equipment and vehicles Rm	Assets under construction Rm	Total Rm
2023					
Cost	**328**	**7 731**	**179 773**	**12 665**	**200 497**
Accumulated depreciation and impairment	**–**	**(4 756)**	**(159 482)**	**–**	**(164 238)**
	328	**2 975**	**20 291**	**12 665**	**36 259**
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**

	Group		Company	
for the year ended 30 June	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Additions to property, plant and equipment (cash flow)				
Current year additions	**16 825**	13 400	**16 623**	13 311
Adjustments for non-cash items				
movement in environmental provisions capitalised	**–**	28	**–**	–
Per the statement of cash flows	**16 825**	13 428	**16 623**	13 311

	Group		Company	
for the year ended 30 June	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Capital commitments (excluding equity accounted investments) Capital commitments, excluding capitalised interest, include all projects for which specific board approval has been obtained. Projects still under investigation for which specific board approvals have not yet been obtained are excluded from the following:				
Authorised and contracted for	**17 208**	18 148	**16 610**	17 642
Authorised but not yet contracted for	**19 580**	17 568	**19 403**	17 368
Less expenditure to the end of year	**(10 258)**	(11 834)	**(9 730)**	(11 466)
	26 530	23 882	**26 283**	23 544
to sustain existing operations	**25 952**	23 000	**25 717**	22 692
to expand operations	**578**	882	**566**	852
Estimated expenditure				
Within one year	**16 142**	17 407	**15 947**	17 134
One to five years	**9 627**	6 393	**9 575**	6 328
Over five years	**761**	82	**761**	82
	26 530	23 882	**26 283**	23 544

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 9,12% (2022 - 7,2%) 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 %

16 Goodwill and other intangible assets

	Group				
for the year ended 30 June	Goodwill Rm	Software Rm	Gas trans-portation agreement Rm	Other intangible assets Rm	**Total Rm**
Carrying amount at 30 June 2022	1 315	722	3 184	281	**5 502**
Additions to sustain existing operations	–	3	–	–	**3**
Net reclassification to other assets	–	(1)	–	–	**(1)**
Projects capitalised	–	173	–	2	**175**
Disposals and scrapping	–	(4)	–	–	**(4)**
Current year amortisation charge	–	(197)	(218)	(22)	**(437)**
Impairment of goodwill and other intangible assets	–	–	(869)	–	**(869)**
Carrying amount at 30 June 2023	**1 315**	**696**	**2 097**	**261**	**4 369**

for the year ended 30 June	Group Goodwill Rm	Software Rm	Gas transportation agreement Rm	Other intangible assets Rm	Total Rm
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	Company Software Rm	Other intangible assets Rm	Total Rm
Carrying amount at 30 June 2022	721	249	**970**
Additions to sustain existing operations	3	–	**3**
Net reclassification to other assets	(1)	–	**(1)**
Projects capitalised	173	2	**175**
Disposals and scrapping	(4)	–	**(4)**
Current year amortisation charge	(197)	(18)	**(215)**
Carrying amount at 30 June 2023	**695**	**233**	**928**

for the year ended 30 June	Company Software Rm	Other intangible assets Rm	Total Rm
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**

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 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
17 Long-term receivables and prepaid expenses				
Total long-term receivables*	**891**	828	**251**	299
Short-term portion	**(260)**	(208)	**(18)**	(6)
Impairment of long-term receivables	**(62)**	(44)	**(32)**	–
	569	576	**201**	293
Long-term prepaid expenses	**8**	11	**8**	11
	577	587	**209**	304

* 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 36 for detail on the impairments recognised.

for the year ended 30 June	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
18 Equity accounted investments				
Amounts recognised in the statement of cash flows:				
Dividends received from equity accounted investments	**435**	50	**435**	50

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

Name	Country of incorporation	Nature of activities	Interest %	Group 2023 Rm	Group 2022 Rm
Joint ventures and associates					
Sasol Dyno Nobel (Pty) Ltd (joint venture)	South Africa	Manufacturing and distribution of explosives	**50**	**304**	267
Enaex Africa (Pty) Ltd (associate)	South Africa	Manufacturing and distribution of explosives	**23**	**403**	330
The Republic of Mozambique Pipeline Investment Company (Pty) Ltd (ROMPCO) (associate)*	South Africa	Owning and operating of the natural gas transmission pipeline between Temane in Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa	**20**	**2 756**	2 753
Clariant Sasol Catalysts (Pty) Ltd (associate)	South Africa	Manufacturing and distribution of catalyst	**20**	**37**	19
Carrying value of investments				**3 500**	3 369

* Effective 29 June 2022, SSA disposed of 30% of its shareholding in ROMPCO (refer note 8). 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.

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

Name	Country of incorporation	Nature of activities	Company Interest %	Company 2023 Rm	Company 2022 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 in Mozambique and Secunda in South Africa for the transportation of natural gas produced in Mozambique to markets in Mozambique and South Africa	**20**	**2**	2
Clariant Sasol Catalysts (Pty) Ltd	South Africa	Manufacturing and distribution of catalyst	**20**	**15**	15
Carrying value of investments				**273**	273

* Effective 29 June 2022, SSA disposed of 30% of its shareholding in ROMPCO (refer note 8). 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 's share of equity accounted investments*

for the year ended 30 June	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
Operating profit	**840**	137	**–**	10
Earnings before tax	**864**	137	**–**	10
Taxation	**(327)**	(40)	**–**	(3)
Earnings and total comprehensive income for the year	**537**	97	**–**	7

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

for the year ended 30 June	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 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	**145**	47	**–**	–
Authorised but not yet contracted for	**43**	41	**–**	–
Less expenditure to the end of year	**(93)**	(21)	**–**	–
	95	67	**–**	–

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 investment

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)	
	2023	2022
for the year ended 30 June	Rm	Rm
Summarised statement of financial position		
Non-current assets	4 334	3 881
Cash and cash equivalents	1 070	1 056
Other current assets	613	373
Total assets	6 017	5 310
Non-current liabilities	736	812
Other current liabilities	116	125
Tax payable	493	51
Total liabilities	1 345	988
Net assets	4 672	4 322
Summarised income statement		
Turnover	4 270	–
Depreciation and amortisation	(563)	–
Other operating expenses	(266)	–
Operating profit before interest and tax	3 441	–
Finance income	85	–
Finance cost	(10)	–
Profit before tax	3 516	–
Taxation	(1 330)	–
Earnings and total comprehensive income for the period	2 186	–
The Group's share of profits of equity accounted investment	437	–
20% share of profit before tax	703	–
Taxation	(266)	–
Reconciliation of summarised financial information		
Net assets at the beginning of the year	4 322	–
Acquisition	–	4 322
Earnings before tax for the year	3 516	–
Taxation	(1 330)	–
Other movements	140	–
Dividends paid	(1 976)	–
Net assets at the end of the year	4 672	4 322
Carrying value of equity accounted investment[1]		
Historical net asset value	934	864
Fair value adjustment on acquisition of investment	1 822	1 889
	2 756	2 753

1 Carrying value comprising 20% of historical net asset value, as well as the 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 2023 and 30 June 2022 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.

for the year ended 30 June	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
19 Investment in subsidiaries and joint ventures				
Reflected as non-current assets				
Investments at cost	**–**	–	**46 991**	46 911
Balance at the beginning of the year	**–**	–	**46 991**	46 996
Disposal of interest in subsidiary*	**–**	–	**–**	(5)
	–	–	**46 991**	46 991

* 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	
Name	Country of incorporation	Nature of activities	2023 %	2022 %	2023 Rm	2022 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
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	46 991

for the year ended 30 June	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
20 Inventories				
Carrying value				
Raw materials	**346**	401	**346**	401
Process material	**2 255**	1 565	**2 255**	1 565
Maintenance materials	**3 572**	3 324	**3 489**	3 234
Work in process	**793**	610	**793**	610
Manufactured products	**5 550**	5 366	**5 585**	5 464
Consignment inventory	**55**	5	**54**	4
	12 571	11 271	**12 522**	11 278

A net realisable value write-down of R125 million was recognised in 2023 by the group and company (2022 – R69 million).

No inventories are encumbered. Inventories of R288 million (2022 - R327 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

		Group		Company	
		2023	2022	2023	2022
for the year ended 30 June	Note	Rm	Rm	Rm	Rm
21 Trade and other receivables					
Trade receivables		**5 526**	5 290	**4 769**	5 023
Related party receivables – subsidiaries, fellow subsidiaries and joint ventures	33	**12 310**	13 232	**12 456**	13 374
Other receivables (financial assets)		**1 945**	607	**1 686**	406
Related party receivables – equity accounted investments		**21**	27	**21**	27
Impairment of trade and other receivables		**(191)**	(118)	**(87)**	(97)
		19 611	19 038	**18 845**	18 733
Prepaid expenses and other		**1 989**	1 575	**1 988**	1 574
Value added tax		**223**	334	**177**	143
		21 823	20 947	**21 010**	20 450

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 36 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 – R6 369 million (2022 – R7 113 million); and
- Sasol Chemicals North America LLC – R2 110 million (2022 – R2 439 million).

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

- Sasol Oil (Pty) Ltd – R6 366 million (2022 – R7 108 million); and
- Sasol Chemicals North America LLC – R2 110 million (2022 – R2 439 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.

for the year ended 30 June	Note	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
22 Trade and other payables					
Trade payables external		**9 699**	8 717	**9 133**	7 368
Capital project related payables		**311**	117	**311**	117
Related party payables - subsidiaries, fellow subsidiaries, joint ventures and associates	33	**3 560**	1 671	**3 691**	2 034
Accrued expenses		**2 308**	2 009	**2 180**	1 564
Other payables (financial liabilities)		**340**	–	**321**	–
Related party payables - third parties		**40**	191	**40**	191
		16 258	12 705	**15 676**	11 274
Other payables (non-financial liabilities)*		**5 069**	5 096	**5 050**	5 030
Value added tax		**12**	340	**11**	340
		21 339	18 141	**20 737**	16 644

* Other payables (non-financial liabilities) 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 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
23 Decrease/(increase) in working capital				
Increase in inventories	**(1 374)**	(1 407)	**(1 320)**	(1 400)
Increase in trade and other receivables	**(949)**	(5 071)	**(550)**	(5 046)
Increase in trade and other payables	**3 004**	2 639	**3 899**	897
Decrease/(increase) in working capital	**681**	(3 839)	**2 029**	(5 549)

for the year ended 30 June	Note	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
24 Cash and cash equivalents					
Cash and cash equivalents		**15 304**	20 557	**11 963**	15 366
fellow subsidiaries	33	**13 140**	18 312	**10 485**	14 000
external cash		**1 071**	1 471	**1 071**	1 255
restricted cash and cash equivalents		**1 093**	774	**407**	111
Per the statement of cash flows		**15 304**	20 557	**11 963**	15 366

Included in cash:

Company

Cash in respect of short-term rehabilitation commitments amounted to R396 million (2022 - R111 million) for the rehabilitation of sites.

Group

Cash in respect of special purpose entity in the group for use within the entity amounted to R640 million (2022 – R644 million) and cash in respect of short-term rehabilitation commitments amounted to R396 million (2022 – R130 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.

for the year ended 30 June	Note	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
25 Cash generated by operating activities					
Cash flow from operations	26	**48 099**	49 362	**44 470**	41 891
Decrease/(increase) in working capital	23	**681**	(3 839)	**2 029**	(5 549)
		48 780	45 523	**46 499**	36 342

for the year ended 30 June	Note	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
26 Cash flow from operations					
Earnings before interest and tax (EBIT)		**21 545**	49 369	**32 259**	39 406
Adjusted for					
share of profits of equity accounted investments	18	**(537)**	(97)	**–**	(7)
equity-settled share-based payment expense	31	**691**	683	**684**	689
depreciation and amortisation		**7 428**	5 860	**5 327**	4 116
effect of remeasurement items	7	**17 973**	(5 773)	**5 236**	(3 104)
expected credit losses		**66**	(23)	**(1)**	(14)
movement in long-term provisions					
income statement charge	28	**450**	484	**380**	487
utilisation	28	**(119)**	(23)	**(110)**	(17)
movement in short-term provisions		**(444)**	(1 534)	**(299)**	(236)
movement in post-retirement benefits		**38**	130	**38**	129
movement in deferred income		**45**	(5)	**13**	–
translation effects		**152**	(292)	**199**	(146)
movement in financial assets and liabilities		**815**	37	**815**	35
write-down of inventories to net realisable value		**125**	69	**125**	69
other non-cash movements		**(129)**	477	**(196)**	484
		48 099	49 362	**44 470**	41 891

for the year ended 30 June	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
27 Dividends paid				
Final dividend*	**10 925**	5 189	**10 925**	5 189
Interim dividend**	**9 104**	4 552	**9 104**	4 552
Special dividend***	**2 862**	–	**2 862**	–
Share incentive schemes distributions	**978**	186	**970**	184
Per the statement of changes in equity	**23 869**	9 927	**23 861**	9 925
Per the statement of cash flows	**23 869**	9 927	**23 861**	9 925

* Final dividend for 2022 declared of R12,0 billion (2022 - R5,7 billion) excluding the R1 075 million (2022 - R511 million) notional portion.

** Interim dividend for 2023 declared of R10,0 billion (2022 - R5,0 billion) excluding the R896 million (2022 - R448 million) notional portion.

*** Special dividend declared during 2023 pertaining to the partial divestment of interest in ROMPCO of R3 144 million (2022 - Rnil) excluding the R282 million (2022 - Rnil) notional portion.

On 21 August 2023, the SSA Board declared a final dividend for 2023 of R8,0 billion.

for the year ended 30 June	Group Environ-mental Rm	Other Rm	Total Rm
28 Long-term provisions			
2023			
Total balance (including short-term) at beginning of year	6 599	71	**6 670**
Rehabilitation provision capitalised	(70)	–	**(70)**
Per the income statement	370	80	**450**
additional provisions and changes to existing provisions	406	80	**486**
reversal of unutilised amounts	(11)	–	**(11)**
effect of change in discount rate	(25)	–	**(25)**
Notional interest	601	–	**601**
Utilised during year (cash flow)	(119)	–	**(119)**
Total balance (including short-term) at end of year	7 381	151	**7 532**

for the year ended 30 June	Company Environ-mental Rm	Other Rm	Total Rm
2023			
Total balance (including short-term) at beginning of year	6 146	70	**6 216**
Per the income statement	300	80	**380**
additional provisions and changes to existing provisions	336	80	**416**
reversal of unutilised amounts	(11)	–	**(11)**
effect of change in discount rate	(25)	–	**(25)**
Notional interest	557	–	**557**
Utilised during year (cash flow)	(110)	–	**(110)**
Total balance (including short-term) at end of year	6 893	150	**7 043**

		Group		Company	
for the year ended 30 June	Note	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Expected timing of future cash flows					
Within one year		**1 528**	577	**1 518**	577
One to five years		**1 345**	1 438	**1 345**	1 437
More than five years		**4 659**	4 655	**4 180**	4 202
		7 532	6 670	**7 043**	6 216
Short-term portion	29	**(1 529)**	(577)	**(1 518)**	(577)
Long-term provisions		**6 003**	6 093	**5 525**	5 639
Estimated undiscounted obligation*		**85 080**	78 272	**83 332**	76 500

* 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 2023 amounted to R7 381 million (2022 – R6 599 million) for the group and R6 893 million (2022 – R6 146 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.

	Group		Company	
	2023	2022	**2023**	2022
for the year ended 30 June	**%**	%	**%**	%
South Africa	**8,7 to 10,9**	6,6 to 10,1	**8,7 to 10,9**	6,6 to 10,1

	2023	2022	**2023**	2022
for the year ended 30 June	**Rm**	Rm	**Rm**	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	**(1 104)**	(1 007)	**(1 059)**	(957)
amount capitalised to property, plant and equipment	**(36)**	–	**–**	–
income recognised in income statement	**(1 068)**	(1 007)	**(1 059)**	(957)
Decrease in the discount rate	**1 461**	1 641	**1 408**	1 584
amount capitalised to property, plant and equipment	**50**	–	**–**	–
expense recognised in income statement	**1 411**	1 641	**1 408**	1 584

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.

		Group		Company	
		2023	2022	**2023**	2022
for the year ended 30 June	Note	**Rm**	Rm	**Rm**	Rm
29 Short-term provisions					
Other provisions		**168**	612	**166**	465
Short-term portion of					
long-term provisions	28	**1 529**	577	**1 518**	577
post-retirement benefit obligations	30	**265**	239	**264**	239
		1 962	1 428	**1 948**	1 281

for the year ended 30 June	Group Non-current 2023 Rm	 2022 Rm	 Current 2023 Rm	 2022 Rm	 Total 2023 Rm	 2022 Rm
30 Post-retirement benefit obligations						
Post-retirement healthcare obligation	**3 291**	3 423	**265**	239	**3 556**	3 662
Post-retirement benefit asset	**70**	54	**–**	–	**70**	54

for the year ended 30 June	Company Non-current 2023 Rm	 2022 Rm	 Current 2023 Rm	 2022 Rm	 Total 2023 Rm	 2022 Rm
Post-retirement healthcare obligation	**3 284**	3 416	**264**	239	**3 548**	3 655
Post-retirement benefit asset	**70**	54	**–**	–	**70**	54

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 2023**	31 March 2023
Full/interim valuation	**Full**	Full
Valuation method adopted	**Projected unit credit**	Projected unit credit

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

Principal actuarial assumptions

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

	South Africa	
at valuation date	**2023 %**	2022 %
Healthcare cost inflation	**7,5**	7,5
Discount rate – post-retirement medical benefits	**13,0**	12,4
Discount rate – pension benefits	**12,9**	12,4
Pension increase assumption	**5,8**	5,1
Average salary increases	**5,5***	5,5*
Weighted average duration of the obligation – post-retirement medical obligation	**13 years**	14 years
Weighted average duration of the obligation – pension obligation	**11 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	Note	**2023 Rm**	2022 Rm	**2023 Rm**	2022 Rm
31 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	31.1	**70**	85	**68**	84
Tier 2 - Khanyisa Employee Share Ownership Plan		**70**	85	**68**	84
Long-term incentives	31.2	**621**	598	**616**	605
		691	683	**684**	689

Equity-settled share incentive schemes

31.1 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 2023 have a weighted average remaining vesting period of 2,2 years (2022 - 2,5 years). The weighted average fair value of the outstanding options is R61,69 (2022 - R62,95) and was derived from the Monte-Carlo option pricing model. The estimated strike price value for Tier 2 is R196,19 (2022 – R258,85) and represents the remaining vendor funding per share at 30 June 2023.

31.2 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.

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

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

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

The maximum number of shares issued under the 2022 plan may not exceed 32 million representing 5% of Sasol Limited's issued share capital at the time of approval.

	Group	
Movements in the number of incentives outstanding	**Number of incentives**	**Weighted average fair value Rand**
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**
LTIs granted	**1 870 808**	**322**
LTIs vested*	**(3 104 349)**	**281**
Effect of CPTs and LTIs forfeited	**(1 197 778)**	**244**
Balance at 30 June 2023**	**6 844 080**	**224**

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

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

	Company	
Movements in the number of incentives outstanding	**Number of incentives**	**Weighted average fair value Rand**
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**
LTIs granted	**1 858 064**	**322**
LTIs vested*	**(3 073 099)**	**281**
Effect of CPTs and LTIs forfeited	**(1 197 308)**	**244**
Balance at 30 June 2023**	**6 855 074**	**224**

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

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

	2023 Rand	2022 Rand
Average weighted market price of LTIs vested	**300,94**	230,48

		2023	2022
Average fair value of incentives granted			
Model		**Monte-Carlo**	Monte-Carlo
Risk-free interest rate - Rand	(%)	**6,76 - 8,21**	4,96 - 7,28
Risk-free interest rate - US$	(%)	**1,45 - 2,37**	0,32 - 1,45
Expected volatility	(%)	**50,24**	78,67
Expected dividend yield	(%)	**6,37**	2,90
Expected forfeiture rate	(%)	**5,00**	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 overall expected vesting percentage takes into consideration service, market and non-market conditions.

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

32 Contingent liabilities

32.1 Litigation

Construction disputes – Fischer Tropsch Wax Expansion Project in Sasolburg (FTWEP)

After the conclusion of construction of FTWEP at the Sasol One site in Sasolburg, a number of contractual claims were instituted by some contractors who were involved in the construction and project management relating to this project. Certain of these claims have already been resolved, either through settlement between the parties or through the contractual dispute resolution process. The Fluor SA (Pty) Ltd arbitration was the final disputed matter to be resolved. The matter served before the Arbitrator and in June 2023 the Arbitrator ruled in favour of Sasol dismissing the entirety of Fluor's claim.

Dispute by Solidarity Trade Union relating to Sasol Khanyisa share scheme

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

On 25 October 2018, Solidarity served Sasol with its referral of the dispute to the CCMA in terms which Solidarity seeks the dispute be conciliated as an unfair discrimination matter. If unsuccessfully conciliated by the CCMA, it will be referred to the Labour Court for adjudication. This process was originally proposed by Sasol, but unheeded by Solidarity. The matter was referred to the CCMA and was subsequently certified as unresolved in February 2019. On 6 May 2019, Sasol received Solidarity's statement of claim filed with the Labour Court in Johannesburg. Sasol filed its replying documentation to Solidarity's statement of claim on the last day of July 2019.

Subsequently the Judge President of the Labour Court invited Sasol and three other respondents (PPC, ArcelorMittal and Minopex) in three other cases where Solidarity is the Applicant on similar grounds, to meet. The purpose of the meeting was to make attempts to consolidate the disputes and set a stated case (combined version setting out the dispute) to afford the court to save time by hearing similar matters simultaneously. The various legal teams gathered at a meeting during the first week of October 2019 and a draft Statement of Case was prepared. The Labour Court was scheduled to hear the matter on 17 September 2020 in Johannesburg.

A few weeks prior to this hearing, the prepared Statement of Case formulation was amended by Solidarity and the other parties unsuccessfully objected to the amended wording. Sasol and the parties, save for PPC who had the date of 17 September 2020 allocated to them originally, decided to withdraw and apply for separate dates to foster their cases individually. No new date has been received yet, and since Solidarity is the applicant in this matter, it will be responsible for the application of dates. The Labour Court issued a directive to prepare a pre-trial minute to be filed with the registrar alternatively to appear before a judge of the Labour Court. The parties filed the pre-trial minute and are awaiting the allocation of the trial date.

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

Legal review of Sasol Gas National Energy Regulator of South Africa (NERSA) maximum price decision and gas price complaints to Competition Authorities

Following the legal review applications in terms of which the March 2013 and November 2017 NERSA Maximum Gas Price decisions were overturned, NERSA in 2020 adopted a Maximum Gas Price Methodology in terms of which the Maximum Gas Prices for Sasol Gas is determined with reference to international benchmark prices. Pursuant to the Sasol Gas price application submitted to NERSA in December 2020, NERSA, on 6 July 2021 published its maximum gas price decision in which it approved maximum gas prices for Sasol Gas for the period from 2014 up to 2021 and determined how the maximum prices are to be determined for 2022 and 2023. Sasol Gas implemented this 2021 NERSA decision with effect from 1 September 2021.

Because the new maximum gas prices approved by NERSA are lower than the actual price charged to a large number of Sasol Gas' customers, a risk of a retrospective liability for Sasol Gas was identified. In May 2022 Sasol Gas pro-actively approached its customers with a bespoke settlement offer for each affected customer to resolve this retrospective liability. By 30 June 2023 final and provisional settlements with an aggregate value of R1,5 billion have been reached with customers, which refunds were credited to the customer accounts. The remaining R93 million of the anticipated liability was reflected as an accrued expense as at 30 June 2023.

In December 2021 the Industrial Gas Users Association of Southern Africa (IGUA-SA) launched a legal review application in which it seeks to overturn the 2021 NERSA maximum gas price decision. Both NERSA and Sasol Gas opposed this further litigation. The matter was heard by the High Court on 30 and 31 May 2023 and the court decision is pending. If the 2021 NERSA decision is overturned entirely or in part and NERSA determines even lower Maximum Gas Prices, a potential further retrospective liability may arise for Sasol Gas. Pending the court decision and the NERSA decisions that may follow thereafter, the probability and extent of such further liability (if any) is indeterminable.

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

Following an application by IGUA-SA, the Competition Tribunal on 12 May 2023 issued an order in terms of which Sasol Gas may not increase its gas prices unless it issues two months' written notice of the intended gas price and whether the gas price was approved by NERSA.

In March 2023 Sasol Gas submitted an application to NERSA to approve a revised Maximum Gas Price for FY23. At the end of May 2023 Sasol Gas submitted an application to NERSA for the approval of the Maximum Gas Price for FY24. This pricing application followed the cost plus 2023 Maximum Gas Price methodology, which NERSA published in February 2023. On 26 October 2023 NERSA dismissed the FY23 application and confirmed that Sasol Gas is entitled to submit a claw back application to recover the cost increases that occurred in FY23. At the same time NERSA approved the FY24 application, including the quarterly adjustment applied for by Sasol Gas. This decision is effective as from the decision date. However, in compliance with the two months' notice required by the Competition Tribunal interdict, Sasol Gas on 31 October 2023 issued notices to its customers of the intended implementation of the new NERSA approved price with effect from 1 January 2024.

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.

32.2 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.

32.3 Environmental orders

SSA's environmental obligation accrued at 30 June 2023 was R7 381 million compared to R6 599 million at 30 June 2022 for the group and R6 893 million compared to R6 146 million at 30 June 2022 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.

33 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.

	Group		Company	
	2023	2022	**2023**	2022
for the year ended 30 June	**Rm**	Rm	**Rm**	Rm
Sales and services rendered to related parties				
fellow subsidiaries				
Sasol Chemicals North America LLC	**7 896**	7 625	**7 896**	7 625
Sasol Chemicals Pacific Limited	**6 443**	5 162	**6 443**	5 162
Sasol Chemie Co GmbH	**4 853**	5 008	**4 853**	5 008
Sasol Oil (Pty) Ltd	**59 200**	49 488	**59 198**	49 486
Wesco China Limited	**–**	66	**–**	66
Sasol Wax GmbH	**–**	799	**–**	799
Sasol Middle East FZCO	**3 229**	3 109	**3 229**	3 109
Sasol Germany GmbH	**2 734**	1 828	**2 734**	1 828
Other (less than R1 billion each party)	**1 893**	1 677	**1 727**	1 206
subsidiary				
Sasol Gas (Pty) Ltd	**–**	–	**1 495**	1 098
associate				
Enaex Africa (Pty) Ltd	**–**	–	**2 432**	2 198
	86 248	74 762	**90 007**	77 585
Purchases and services from related parties*				
fellow subsidiaries				
Sasol Mining (Pty) Ltd	**21 211**	17 942	**21 211**	17 942
Sasol Petroleum Temane Limitada	**5 533**	3 483	**–**	–
Other (less than R1 billion each party)	**2 841**	2 079	**2 816**	2 056
subsidiary				
Sasol Gas (Pty) Ltd	**–**	–	**10 822**	9 475
joint venture				
Sasol Dyno Nobel (Pty) Ltd	**7**	7	**7**	7
associate				
ROMPCO (Pty) Ltd	**–**	–	**77**	–
	29 592	23 511	**34 933**	29 480

*From the current year, purchases and services from related parties are included in the related party note, previously only purchases from related parties were presented. Comparative amounts have been aligned accordingly.

for the year ended 30 June	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
Other income statement items from related parties				
Finance costs				
fellow subsidiaries				
Sasol Financing Limited	**1 485**	1 288	**1 483**	1 288
Sasol Financing International Limited	**3**	5	**–**	–
Sasol Oil (Pty) Ltd	**47**	42	**35**	39
holding company				
Sasol Limited	**14**	12	**14**	12
	1 549	1 347	**1 532**	1 339
Finance income				
fellow subsidiaries				
Sasol Financing Limited	**1 293**	670	**1 040**	464
Sasol Financing International Limited	**3**	–	**3**	–
Siyakha Trust	**–**	–	**12**	–
subsidiaries				
Sasol Gas (Pty) Ltd	**–**	–	**3 000**	4 500
ROMPCO (Pty) Ltd*	**–**	–	**–**	603
joint venture				
Sasol Dyno Nobel (Pty) Ltd	**–**	–	**8**	40
associate				
Clariant Sasol Catalysts (Pty) Ltd**	**–**	–	**5**	3
ROMPCO (Pty) Ltd*	**–**	–	**395**	–
Enaex Africa (Pty) Ltd	**–**	–	**28**	6
	1 296	670	**4 491**	5 616

* 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 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
Amounts reflected as non-current assets				
Investment in subsidiaries				
Sasol Dyno Nobel (Pty) Ltd	**–**	–	**114**	114
Sasol Gas (Pty) Ltd	**–**	–	**46 877**	46 877
	–	–	**46 991**	46 991
Amounts reflected as current assets				
Receivables				
fellow subsidiaries				
Sasol Chemicals North America LLC	**2 110**	2 439	**2 110**	2 439
Sasol Oil (Pty) Ltd	**6 369**	7 113	**6 366**	7 108
Sasol Chemie Co GmbH	**645**	709	**645**	709
Sasol Limited	**21**	9	**21**	9
Other (less than R1 billion each party)	**3 165**	2 962	**3 101**	2 940
subsidiaries				
Sasol Gas (Pty) Ltd	**–**	–	**190**	159
joint venture				
Sasol Dyno Nobel (Pty) Ltd	**–**	–	**23**	10
	12 310	13 232	**12 456**	13 374
Cash				
fellow subsidiaries				
Sasol Financing Limited	**12 998**	18 196	**10 343**	13 884
Sasol Financing International Limited	**142**	116	**142**	116
	13 140	18 312	**10 485**	14 000

for the year ended 30 June	Group 2023 Rm	Group 2022 Rm	Company 2023 Rm	Company 2022 Rm
Amounts reflected as non-current liabilities				
Long-term debt				
fellow subsidiaries				
Sasol Mining (Pty) Ltd	**34**	34	**–**	–
Sasol Oil (Pty) Ltd	**308**	338	**165**	195
Sasol Financing Limited	**6 934**	9 984	**6 934**	9 984
holding company				
Sasol Limited	**46 877**	46 877	**46 877**	46 877
	54 153	57 233	**53 976**	57 056
Amounts reflected as current liabilities				
Payables				
fellow subsidiaries				
Sasol Mining (Pty) Ltd	**2 156**	686	**2 156**	686
Other (less than R1 billion each party)	**1 402**	743	**352**	370
subsidiaries				
Sasol Gas (Pty) Ltd	**–**	–	**1 181**	976
joint venture				
Sasol Dyno Nobel (Pty) Ltd	**2**	2	**2**	2
associate				
ROMPCO (Pty) Ltd*	**–**	240	**–**	–
	3 560	1 671	**3 691**	2 034

* 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.

Key management remuneration

The business and affairs of the company are managed by its Board of Directors and Prescribed Officers.

for the year ended 30 June 2023	Company Remuneration R 000	Gains on vesting of long-term incentives[9] R 000	Total R 000
Key management remuneration			
Services as a non-executive director			
NP Magaqa	228	–	**228**
Z Monnakgotla[2]	431	–	**431**
LB Zondo[3,4]	63	–	**63**
BSM Backman[5]	–	–	**–**
YM Motsisi[3,8]	231	–	**231**
TLB Boikhutso[2,6]	381	–	**381**
NX Maluleke[3,7]	231	–	**231**
Service as a director[1]			
Other Services			
B Baijnath	6 517	4 774	**11 291**
VD Kahla	13 133	14 681	**27 814**
RM Laxa	6 640	4 892	**11 532**
CK Mokoena	10 178	5 929	**16 107**
DT Mokomela	4 428	2 464	**6 892**
PM Vilakazi	4 435	3 825	**8 260**
NG Ndndwammbi	5 590	4 091	**9 681**
	52 486	40 656	**93 142**
Prescribed officers[10]			
S Baloyi	10 067	4 103	**14 170**
BV Griffith	18 833	7 169	**26 002**
BP Mabelane	13 453	15 876	**29 329**
	42 353	27 148	**69 501**

1 The directors are permanent employees within the Sasol Group. Full remuneration is disclosed and includes salary plus short term incentives (STI) approved based on the Group results for the 2023 financial year and payable in the 2024 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 Ms Zondo resigned from SSA Board with effect 21 September 2022.

5 Ms Backman resigned from SSA Board with effect 23 July 2022.

6 Ms Boikhutso was appointed as alternate director to Ms Z Monnakgotla with effect from 1 September 2022.

7 Ms Maluleke was appointed as director of Sasol South Africa Limited with effect from 1 September 2022.

8 Ms Motsisi was appointed as alternate director to Ms Maluleke, with effect from 1 September 2022.

9 Long-term incentives for 2023 represent the annual award made on 4 December 2020 and on-appointment awards made on 6 October 2020 to both Mr Kahla (in terms of his appointment as an executive director) and Ms Mabelane. The illustrative amount is calculated in terms of the number of LTIs x Corporate performance target achieved where relevant (67,34%) x June 2023 average share price. The vesting date is during FY24, 3 years after the award date in FY21, subject to the company being in an open period. Dividend equivalents accrue at the end of the vesting period, to the extent that the LTIs vest. 50% of the vested LTIs and accrued dividends will be released on 4 December 2023 and the balance on 4 December 2025, subject to the rules of the LTI plan. As there are no further performance conditions attached to the balance of the 50%, the full amount is disclosed in the single figure table.

10 The prescribed officers are permanent employees within the Sasol Group, full remuneration is disclosed.

for the year ended 30 June 2023	Company Balance of long-term incentives at end of year Number	 Intrinsic value of long-term incentives at end of year[1] R 000 and US$ 000
Key management remuneration		
Services as a non-executive director		
NP Magaqa	–	–
Z Monnakgotla	–	–
LB Zondo	–	–
BSM Backman	–	–
YM Motsisi	–	–
TLB Boikhutso	–	–
NX Maluleke	–	–
Service as a director		
Other Services		
B Baijnath	44 890	R 10 471
VD Kahla	178 871	R 41 723
RM Laxa	44 825	R 10 456
CK Mokoena	112 126	R 26 155
DT Mokomela	21 128	R 4 928
PM Vilakazi	31 344	R 7 311
NG Nndwammbi	39 213	R 9 147
	472 397	R 110 191
Prescribed officers		
S Baloyi	54 763	R 12 774
BP Mabelane	148 998	R 34 755
	203 761	R 47 529
BV Griffith	146 862	$1 818

1 Intrinsic values at end of year have been determined using the closing share price at 30 June 2023 of R233,26 ($12,38).

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[8,9]	4 103	3 687	**7 790**
BE Klingenberg[9,10]	13 672	9 912	**23 584**
BV Griffith[9]	16 504	11 940	**28 444**
BP Mabelane[9]	18 138	–	**18 138**
	52 417	25 539	**77 956**

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 Appointed as a Prescribed Officer on 1 April 2022.
9 The prescribed officers are permanent employees within the Sasol Group, full remuneration is disclosed.
10 Resigned from office on 31 March 2022 but remains in service until his retirement date in August 2022.

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[1,2] 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 Ndwammbi	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
BV Griffith	144 426	$3 330

1 Change in instrinsic value for the year results from a change in the share price.
2 Intrinsic values at end of year have been determined using the closing share price at 30 June 2022 of R371,68 ($23,06).

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

34 Subsequent events

Clause 12A application

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

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

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

Held for sale – Sodium cyanide business

On 9 July 2021, SSA concluded an agreement to sell its sodium cyanide business to a South African, B-BBEE empowered subsidiary of a Czech Republic based company specialising in cyanide production. The South African Competition Commission prohibited the transaction at the end of 2021, whereafter the Competition Tribunal was approached to reassess the merger. Subject to approval from the Tribunal and the fulfilment of other conditions, the transaction was expected to close in the first half of calendar year 2024. As a result, the assets and liabilities that are subject to the transaction were classified as held for sale as of 30 June 2023. However, the Competition Tribunal issued its final decision on 11 October 2023 to uphold the prohibition of the transaction. The parties are considering their options with regards to appeal.

NERSA Maximum Gas Price application

Refer to note 32.1 for events that occurred subsequent to 30 June 2023 on the NERSA maximum gas price application.

35 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 2023, the group and company had pooled business unit cash balances with the Sasol Limited central treasury function of R13,1 billion and R10,5 billion, respectively.

Solvency and Liquidity

Solvency

At 30 June 2023, 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 2023 and at the date of the issue of the annual financial statements.

An independent valuation performed by RMB during July 2023, indicates the fair value of the group to be approximately R38 billion (market valuation) and R26 billion (IFRS valuation) as at 30 June 2023.

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 2024 and 2025, 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.

36 Financial risk management and financial instruments

36.1 Financial instruments classification and fair value measurement

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

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

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

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

		Group				
		Carrying value	Fair value	Carrying value	Fair value	Fair value
		2023	2023	2022	2022	hierarchy
Financial instrument	Note	Rm	Rm	Rm	Rm	of inputs
Financial assets						
At amortised cost						
Other long-term investments[4]		**684**	**684**	815	815	Level 1[2]
Long-term receivables	17	**569**	**569**	576	576	Level 3
Trade and other receivables	21	**19 611**	**19 611**	19 038	19 038	Level 3[1]
Cash and cash equivalents	24	**15 304**	**15 304**	20 557	20 557	Level 1[2]
At fair value through profit or loss						
Long-term financial assets		**450**	**450**	554	554	Level 3[3]
Short-term financial assets		**66**	**66**	67	67	Level 3[3]
Financial liabilities						
At amortised cost						
Unlisted long-term debt	13	**54 153**	**54 153**	57 233	57 233	Level 3
Lease liabilities	14	**6 211**		6 512		
Trade and other payables	22	**16 258**	**16 258**	12 705	12 705	Level 3[1]
At fair value through profit or loss						
Long-term financial liabilities		**932**	**932**	276	276	Level 3[3]
Short-term financial liabilities		**61**	**61**	7	7	Level 3[3]

1 The fair value of these instruments approximates their carrying value, due to their short-term nature.
2 The carrying value of cash is considered to reflect its fair value.
3 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.
4 Relates to long-term restricted cash.

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	Note	Company Carrying value 2023 Rm	Fair value 2023 Rm	Carrying value 2022 Rm	Fair value 2022 Rm	Fair value hierarchy of inputs
Financial assets						
At amortised cost						
Other long-term investments[4]		**3**	**3**	263	263	Level 1[2]
Long-term receivables	17	**201**	**201**	293	293	Level 3
Trade and other receivables	21	**18 845**	**18 845**	18 733	18 733	Level 3[1]
Cash and cash equivalents	24	**11 963**	**11 963**	15 366	15 366	Level 1[2]
At fair value through profit or loss						
Long-term financial assets		**450**	**450**	554	554	Level 3[3]
Short-term financial assets		**66**	**66**	67	67	Level 3[3]
Financial liabilities						
At amortised cost						
Unlisted long-term debt	13	**53 976**	**53 976**	57 056	57 056	Level 3
Lease liabilities	14	**5 973**		6 275		
Trade and other payables	22	**15 676**	**15 676**	11 274	11 274	Level 3[1]
At fair value through profit or loss						
Long-term financial liabilities		**932**	**932**	276	276	Level 3[3]
Short-term financial liabilities		**61**	**61**	7	7	Level 3[3]

1 The fair value of these instruments approximates their carrying value, due to their short-term nature.
2 The carrying value of cash is considered to reflect its fair value.
3 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.
4 Relates to long-term restricted cash

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.

Oxygen supply contract embedded derivative assets and liabilities

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

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

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

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

36.2 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 board 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. 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 (ECL) 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. 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. World-wide, and especially in South Africa, economies have faced a series of global and local disruptions, including price volatility, elevated energy costs, high inflation, higher cost of debt, etc. As a result the group and company applied the Board of Governors of the Federal Reserve System's formula to derive a downturn LGD to be used for 2023 and 2022, namely 50% for unsecured financial assets and 40% for secured financial assets. Credit enhancement is only taken into account if it is integral to the asset. Trade receivables expected credit loss is calculated over lifetime. Other financial assets expected credit loss is measured over 12 months when the credit risk is low and over lifetime where the credit risk has increased 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 represents more than 10% of the group's total turnover for 2023 and Sasol Oil (Pty) Ltd and Sasol Chemicals North America LLC individually represent more than 10% of the group's total turnover for 2022. Sasol Oil (Pty) Ltd and Sasol Chemicals North America LLC individually represent more than 10% of the group's total trade and other receivables for 2023 and 2022. Approximately 72% (2022 – 72%) of the group's total turnover is generated from sales within South Africa, while about 28% (2022 – 28%) 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 of allowances for credit losses:

	Group					
	Lifetime ECL				12-month ECL	
	Significant increase in credit risk since initial recognition	Simplified approach for trade receivables	Credit-impaired	Total lifetime ECL	No significant increase in credit risk since initial recognition	Total expected credit loss
	Rm	Rm	Rm	Rm	Rm	Rm
2023						
Long-term receivables	**–**	**–**	**–**	**–**	**62**	**62**
Trade receivables	**–**	**16**	**–**	**16**	**–**	**16**
Other receivables	**102**	**–**	**64**	**166**	**9**	**175**
	102	**16**	**64**	**182**	**71**	**253**

	Lifetime ECL				12-month ECL	
	Significant increase in credit risk since initial recognition	Simplified approach for trade receivables	Credit-impaired	Total lifetime ECL	No significant increase in credit risk since initial recognition	Total expected credit loss
	Rm	Rm	Rm	Rm	Rm	Rm
2022						
Long-term receivables	–	–	–	–	44	44
Trade receivables	–	15	–	15	–	15
Other receivables	56	–	47	103	–	103
	56	15	47	118	44	162

The ECL relating to other receivables increased mainly due to allowances against specific defaulting customers.

Company

	Lifetime ECL				12-month ECL	
	Significant increase in credit risk since initial recognition	Simplified approach for trade receivables	Credit-impaired	Total lifetime ECL	No significant increase in credit risk since initial recognition	Total expected credit loss
	Rm	Rm	Rm	Rm	Rm	Rm
2023						
Long-term receivables	**–**	**–**	**–**	**–**	**32**	**32**
Trade receivables	**–**	**16**	**–**	**16**	**–**	**16**
Other receivables	**–**	**–**	**64**	**64**	**7**	**71**
	–	**16**	**64**	**80**	**39**	**119**

	Lifetime ECL				12-month ECL	
	Significant increase in credit risk since initial recognition	Simplified approach for trade receivables	Credit-impaired	Total lifetime ECL	No significant increase in credit risk since initial recognition	Total expected credit loss
	Rm	Rm	Rm	Rm	Rm	Rm
2022						
Long-term receivables	–	–	–	–	–	–
Trade receivables	–	17	–	17	–	17
Other receivables	33	–	47	80	–	80
	33	17	47	97	–	97

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

Group

	2023			2022		
	Low risk	**Medium risk**	**High risk**	**Low risk**	**Medium risk**	**High risk**
	AAA to A-	**BBB+ to B-**	**CCC+ and below**	AAA to A-	BBB+ to B-	CCC+ and below
	%	**%**	**%**	%	%	%
Long-term receivables	**4**	**69**	**27**	3	74	23
Trade receivables	**30**	**70**	**–**	28	72	–
Other receivables	**94**	**1**	**5**	83	3	14
Cash and cash equivalents*	**9**	**91**	**–**	8	92	–

* Includes long-term restricted cash.

Company

	2023			2022		
	Low risk	**Medium risk**	**High risk**	**Low risk**	**Medium risk**	**High risk**
	AAA to A-	**BBB+ to B-**	**CCC+ and below**	AAA to A-	BBB+ to B-	CCC+ and below
	%	**%**	**%**	%	%	%
Long-term receivables	**–**	**77**	**23**	1	99	–
Trade receivables	**27**	**73**	**–**	27	73	–
Other receivables	**95**	**–**	**5**	85	1	14
Cash and cash equivalents*	**12**	**88**	**–**	10	90	–

* Includes long-term restricted cash.

Liquidity risk

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

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

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	Carrying amount Rm	Contractual cash flows[1] Rm	Within one year Rm	One to five years Rm	More than five years Rm
2023						
Financial assets						
Non-derivative instruments						
Long-term receivables	17	569	796	–	500	296
Other long-term investments[2]		684	684	–	3	681
Trade and other receivables	21	19 611	19 637	19 637	–	–
Cash and cash equivalents	24	15 304	15 304	15 304	–	–
		36 168	36 421	34 941	503	977
Derivative instruments						
Long-term financial assets		450	822	–	276	546
Short-term financial assets		66	69	69	–	–
		36 684	37 312	35 010	779	1 523
Financial liabilities						
Non-derivative instruments						
Long-term debt	13	(54 153)	(55 540)	(3 611)	(4 875)	(47 054)
Lease liabilities	14	(6 211)	(10 279)	(1 195)	(3 621)	(5 463)
Trade and other payables[3]	22	(16 258)	(16 258)	(16 258)	–	–
		(76 622)	(82 077)	(21 064)	(8 496)	(52 517)
Derivative instruments						
Long-term financial liabilities		(932)	(3 542)	–	(210)	(3 332)
Short-term financial liabilities		(61)	(64)	(64)	–	–
		(77 615)	(85 683)	(21 128)	(8 706)	(55 849)

1 Contractual cash flows include interest payments.
2 Relates to long-term restricted cash.
3 Trade and other payables exclude employee related payables and VAT.

	Note	Group Carrying amount Rm	Contractual cash flows[1] Rm	Within one year Rm	One to five years Rm	More than five years Rm
2022						
Financial assets						
Non-derivative instruments						
Long-term receivables	17	576	798	–	400	398
Other long-term investments[2]		815	815	–	–	815
Trade and other receivables	21	19 038	19 038	19 038	–	–
Cash and cash equivalents	24	20 557	20 557	20 557	–	–
		40 986	41 208	39 595	400	1 213
Derivative instruments						
Long-term financial assets		554	1 167	–	277	890
Short-term financial assets		67	67	67	–	–
		41 607	42 442	39 662	677	2 103
Financial liabilities						
Non-derivative instruments						
Long-term debt	13	(57 233)	(59 549)	(4 059)	(8 381)	(47 109)
Lease liabilities	14	(6 512)	(10 696)	(1 167)	(3 766)	(5 763)
Trade and other payables[3]	22	(12 705)	(12 705)	(12 705)	–	–
		(76 450)	(82 950)	(17 931)	(12 147)	(52 872)
Derivative instruments						
Long-term financial liabilities		(276)	(1 844)	–	–	(1 844)
Short-term financial liabilities		(7)	(7)	(7)	–	–
		(76 733)	(84 801)	(17 938)	(12 147)	(54 716)

1 Contractual cash flows include interest
2 Relates to long-term restricted cash.
3 Trade and other payables exclude employee related payables and VAT.

	Note	Company Carrying amount Rm	Contractual cash flows[1] Rm	Within one year Rm	One to five years Rm	More than five years Rm
2023						
Financial assets						
Non-derivative instruments						
Long-term receivables	17	**201**	**278**	**–**	**107**	**171**
Other long-term investments[2]		**3**	**3**	**–**	**3**	**–**
Trade and other receivables	21	**18 845**	**18 845**	**18 845**	**–**	**–**
Cash and cash equivalents	24	**11 963**	**11 963**	**11 963**	**–**	**–**
		31 012	**31 089**	**30 808**	**110**	**171**
Derivative instruments						
Long-term financial assets		**450**	**822**	**–**	**276**	**546**
Short-term financial assets		**66**	**69**	**69**	**–**	**–**
		31 528	**31 980**	**30 877**	**386**	**717**
Financial liabilities						
Non-derivative instruments						
Long-term debt	13	**(53 976)**	**(55 363)**	**(3 611)**	**(4 875)**	**(46 877)**
Lease liabilities	14	**(5 973)**	**(9 851)**	**(1 171)**	**(3 505)**	**(5 175)**
Trade and other payables[3]	22	**(15 676)**	**(15 676)**	**(15 676)**	**–**	**–**
		(75 625)	**(80 890)**	**(20 458)**	**(8 380)**	**(52 052)**
Derivative instruments						
Long-term financial liabilities		**(932)**	**(3 542)**	**–**	**(210)**	**(3 332)**
Short-term financial liabilities		**(61)**	**(64)**	**(64)**	**–**	**–**
		(76 618)	**(84 496)**	**(20 522)**	**(8 590)**	**(55 384)**

1 Contractual cash flows include interest
2 Relates to long-term restricted cash.
3 Trade and other payables exclude employee related payables and VAT.

	Note	Company Carrying amount Rm	Contractual cash flows[1] Rm	Within one year Rm	One to five years Rm	More than five years Rm
2022						
Financial assets						
Non-derivative instruments						
Long-term receivables	17	293	216	2	1	213
Other long-term investments[2]		263	263	–	–	263
Trade and other receivables	21	18 733	18 733	18 733	–	–
Cash and cash equivalents	24	15 366	15 366	15 366	–	–
		34 655	34 578	34 101	1	476
Derivative instruments						
Long-term financial assets		554	1 167	–	277	890
Short-term financial assets		67	67	67	–	–
		35 276	35 812	34 168	278	1 366
Financial liabilities						
Non-derivative instruments						
Long-term debt	13	(57 056)	(59 372)	(4 059)	(8 381)	(46 932)
Lease liabilities	14	(6 275)	(10 696)	(1 167)	(3 766)	(5 763)
Trade and other payables[3]	22	(11 274)	(11 274)	(11 274)	–	–
		(74 605)	(81 342)	(16 500)	(12 147)	(52 695)
Derivative instruments						
Long-term financial liabilities		(276)	(1 844)	–	–	(1 844)
Short-term financial liabilities		(7)	(7)	(7)	–	–
		(74 888)	(83 193)	(16 507)	(12 147)	(54 539)

1 Contractual cash flows include interest payments.
2 Relates to long-term restricted cash.
3 Trade and other payables exclude employee related payables and VAT.

Current financial assets are sufficient to cover financial liabilities for the next year. The shortfall beyond one year will be funded through cash generated from operations and utilisation of available facilities.

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 more effectively. 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. A large portion of our turnover and capital investments are significantly impacted by the rand/US$ and rand/EUR exchange rates. Some of our fuel products are governed by the Basic Fuel Price (BFP), of which a significant variable is the rand/US$ exchange rate. Our export chemical products are mostly commodity products whose prices are largely based on global commodity and benchmark prices quoted in US dollars and consequently are exposed to exchange rate fluctuations that have an impact on cash flows. These operations are exposed to foreign currency risk in connection with contracted payments in currencies not in their individual functional currency. The most significant exposure for the group exists in relation to the US dollar and the Euro.

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		Closing rate	
	2023	2022	**2023**	2022
	Rm	Rm	**Rm**	Rm
Rand/Euro	**18,62**	17,15	**20,55**	17,07
Rand/US dollar	**17,77**	15,21	**18,83**	16,28

The table below shows the significant currency exposure where entities within the group and company have monetary assets or liabilities that are not in their functional currency, have exposure to the US dollar or the Euro. The amounts have been presented in rand by converting the foreign currency amount at the closing rate at the reporting date.

	Group			
	2023		2022	
	Euro	**US dollar**	Euro	US dollar
	Rm	**Rm**	Rm	Rm
Long-term receivables	**–**	**339**	–	336
Trade and other receivables	**1 648**	**5 264**	2 226	4 695
Cash and cash equivalents	**–**	**163**	–	119
Net exposure on assets	**1 648**	**5 766**	2 226	5 150
Trade and other payables	**(379)**	**(1 145)**	(227)	(1 096)
Net exposure on liabilities	**(379)**	**(1 145)**	(227)	(1 096)
Total net exposure	**1 269**	**4 621**	1 999	4 054

	Company			
	2023		2022	
	Euro	**US dollar**	Euro	US dollar
	Rm	**Rm**	Rm	Rm
Trade and other receivables	**1 648**	**5 264**	2 226	4 695
Cash and cash equivalents	**–**	**163**	–	119
Net exposure on assets	**1 648**	**5 427**	2 226	4 814
Trade and other payables	**(379)**	**(475)**	(227)	(586)
Net exposure on liabilities	**(379)**	**(475)**	(227)	(586)
Total net exposure	**1 269**	**4 952**	1 999	4 228

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 2022.

	Group				**Company**			
	2023		2022		**2023**		2022	
	Equity	**Income Statement**	Equity	Income statement	**Equity**	**Income Statement**	Equity	Income statement
	Rm	**Rm**	Rm	Rm	**Rm**	**Rm**	Rm	Rm
Euro	**127**	**127**	199	199	**127**	**127**	199	199
US dollar	**462**	**462**	405	405	**495**	**495**	423	423

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 is 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 13.

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	
	2023 Rm	2022 Rm	**2023 Rm**	2022 Rm
Variable rate instruments				
Financial assets	**15 988**	21 372	**11 966**	15 629
Financial liabilities	**(7 070)**	(10 179)	**(6 893)**	(10 179)
	8 918	11 193	**5 073**	5 450
Fixed rate instruments				
Financial liabilities	**(53 294)**	(53 389)	**(53 056)**	(53 152)
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)	**12:88**	16:84	**11:89**	16:84

Cash flow sensitivity for variable rate instruments

Financial instruments affected by interest rate risk include borrowings and deposits. A change of 1% in the prevailing interest rate in a particular currency at the reporting date would have increased/(decreased) earnings by the amounts shown below before the effect of tax. The sensitivity analysis has been prepared on the basis that all other variables, in particular foreign currency rates, remain constant and has been performed on the same basis for 2022. Interest is recognised in the income statement using the effective interest rate method.

	Group Income statement - 1% increase	Company Income statement - 1% increase
	Rm	**Rm**
30 June 2023	**89**	**51**
30 June 2022	112	55

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

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 current or prior year.

Summary of our derivatives

The group and company have a US dollar derivative embedded in long-term oxygen supply contracts to our Secunda Operations.

	Group and Company					
	Financial asset	Financial liability	Financial asset	Financial liability	Income statement (loss)/gain	
	2023 Rm	2023 Rm	2022 Rm	2022 Rm	2023 Rm	2022 Rm
Embedded derivatives						
Oxygen supply contract embedded derivatives	**516**	**(993)**	621	(282)	**(794)**	64

Accounting policies:

Derivative financial instruments and hedging activities

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

All derivative financial instruments are initially recognised at fair value and are subsequently stated at fair value at the reporting date. Attributable transaction costs are recognised in the income statement when incurred. Resulting gains or losses on derivative instruments, excluding designated and effective hedging instruments, are recognised in the income statement.

To the extent that a derivative instrument has a maturity period of longer than one year, the fair value of these instruments will be reflected as a non-current asset or liability. Contracts to buy or sell non-financial items (e.g. gas or electricity) that were entered into and continue to be held for the purpose of the receipt of the non-financial items in accordance with the group's expected purchase or usage requirements are not accounted for as derivative financial instruments. Purchase commitments relating to these contracts are disclosed in note 3.

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.

www.sasol.com