

## **SASOL UK Tax Strategy**

For the financial year ended 30 June 2021

### **Introduction**

Sasol is a global chemicals and energy company. Sasol harness its knowledge and expertise to integrate sophisticated technologies and processes into world-scale operating facilities. Sasol safely and sustainably source, produce and market a range of high-quality products in 27 countries, creating value for its stakeholders. Sasol's purpose "Innovating for a better world" compels it to deliver on triple bottom line outcomes of People, Planet and Profit, responsibly and always with the intent to be a force for good.

Sasol is a public company listed on the Johannesburg Stock Exchange in South Africa and the New York Stock Exchange in the United States. Sasol strive to deliver sustainable and superior value to all its stakeholders.

The risk of non-compliance with applicable laws and regulatory requirements including tax risks is one of the top risks of the Sasol Group. Sasol's Code of Conduct<sup>1</sup> provides the basis on how Sasol conducts its business, and it requires that all employees comply with its principles, the policies which underpin the Code, and any applicable laws and regulations including tax matters.

### **Tax guiding principles that are key to Sasol's approach to tax management:**

The following key tax principles are applicable to all tax types that Sasol is subject to across all jurisdictions:

- Responsibility and accountability – Sasol commits to acting responsibly in relation to its tax affairs, and to fulfilling its compliance and disclosure obligations in accordance with all relevant laws. Sasol acknowledges that its economic contribution, including taxes, is significant, and strives to ensure that Sasol's tax obligations are strictly managed within the ambit of the applicable and prevailing legislation in a proactive and forward looking manner so that opportunities and costs are prepared for in a timely manner.
- Fairness – Sasol seeks to manage its tax affairs in an efficient manner, supporting the business as fully as possible by providing tax input where required on the day to day operations of Sasol, ensuring that tax planning is built on sound commercial activity and considers tax in all significant business decisions / transactions.
- Transparency – Sasol commits to building open, transparent and constructive relationships with Tax Authorities, Government bodies and related third parties, and to undertake all such dealings in a professional, courteous and timely manner, Sasol will pro-actively manage the relationship with the Tax Authorities with the aim of minimising the risk of challenge, dispute or damage to the Sasol's credibility. Sasol will take reasonable efforts to proactively provide tax relevant facts and circumstances to the Tax Authorities as appropriate.

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<sup>1</sup> <https://www.sasol.com/sustainability/ethics/sasol-governance-ethics>

- Effectiveness and efficiency – Sasol commits to acting responsibly in relation to its tax affairs, and to fulfilling its compliance and disclosure obligations in accordance with all relevant laws. Acknowledges that its economic contribution, including taxes, is significant, and strives to ensure that the Sasol's obligations are strictly managed within the ambit of the applicable and prevailing legislation in a proactive and forward looking manner so that opportunities and costs are prepared for in a timely manner.

### **Governance, risk management and compliance with UK tax laws**

Sasol is committed to compliance with all its statutory obligations and full disclosure to HMRC.

The Sasol Group promotes a culture of good governance and risk-awareness. In order to meet the Group's objectives, the Sasol group ensures that there is adequate oversight and control to provide comfort that tax risk management is undertaken in a consistent and effective manner.

Governance for the correct application of and compliance with UK tax law is a responsibility of the Board of Directors of each company and the responsibility of the respective finance and supporting services teams.

Sasol has established policies and procedures to ensure that tax risks are effectively and efficiently identified, analyzed, measured, classified and managed and controlled on an ongoing basis so that risk of error is minimized.

### **Our approach to tax planning as affecting UK taxation**

When Sasol is entering into commercial transactions, it seeks to take advantage of available legitimate tax incentives, reliefs and exemptions within the defined regulatory framework as envisaged in the UK tax legislation.

The Sasol group will enter into transactions that makes commercial sense and as required the Sasol group will seek guidance from external tax and legal advisors to sensibly and accurately evaluate their tax affairs.

### **The level of UK tax risk we are prepared to accept**

The level of UK tax risk Sasol accepts is consistent with the Group's broader enterprise risk management and compliance framework.

The tax risk attaching to any transaction or investment is considered very carefully by Sasol and were necessary supported by a third-party expert opinion to the extent that there is uncertainty or ambiguity with regards to interpretation of legislation.

The Sasol Group's overall strategy is that tax positions assumed should have a high probability and likelihood of success in case of review by HMRC.

Sasol has adequate and effective internal controls and governance in place so that tax risks are monitored and managed on an ongoing basis.

### **Our approach towards dealings with the HMRC**

In line with the Sasol Group's broader tax policy Sasol strives to maintain a co-operative relationship with HMRC and to conduct all its dealings in an open, transparent and constructive manner.

*The publication of this strategy statement is regarded as satisfying the statutory obligation under paragraphs 19 and 22, Schedule 19, Finance Act 2016 for the UK companies within the Sasol Group.*