



## FACT SHEET: CARBON OFFSETS



### Approach and principles

- Offsets play an **enabling role** in our **Future Sasol** strategy.
- We use real, verifiable and permanent offsets to **reduce our South African carbon tax liability** and, in the future, **address residual emissions**.
- We have developed a set of **carbon offsets principles** that underpins our offsets strategy and is **aligned with international best practices**.



### Actions

- We prioritise credits from projects that realise **additional social and environmental benefits**.
- We have secured over **11 million South African credits** since 2019, **reducing carbon tax liability by over R650 million**.
- In 2023, we entered into a **strategic partnership** agreement with **Vertree Partners Limited** to support delivery of our offsets strategy.
- We are developing an in-house **quality control and assurance framework** to maintain the use of **high-quality offsets**.

## SASOL'S CARBON OFFSETS PRINCIPLES

- Offsets must be used according to Sasol's **mitigation hierarchy**, prioritising on-site mitigation and only using **offsets as a last resort** to meet reduction requirements.
- Offsets must be **real, additional** and **permanent**.
- Offsets procured and developed must adhere to relevant **regulatory eligibility criteria**.
- Retired offsets must be **transparently disclosed** to **avoid double counting** of emissions

### Using offsets and CDRs<sup>1</sup> to make credible reduction claims

We aim to progressively shift our offset portfolio from A/R<sup>2</sup> to CDR offsets as we get closer to Net Zero. Therefore, credibly claiming a net zero end state involves:

1. **Decarbonising our own operations** and value chain in line with our targets;
2. **Compensating** for hard-to-abate emissions using A/R offsets in the short to medium-term and CDR in the medium- to long- term; and
3. **Progressively increasing the use of CDRs to neutralise 100% of residual emissions** remaining after significant on-site absolute reductions.

**1 - CARBON DIOXIDE REMOVAL (CDR) OFFSETS**  
removing residual GHGs from the atmosphere

**2 - AVOIDANCE/REDUCTION (A/R) OFFSETS**  
keeping GHGs out of the atmosphere

