Sasol Secunda, Sasolburg: the Future: Jobs, Justice, or Jeopardy?

Just Transition Labour Centre

Inaugural Policy Conference

6 November 2025

Dr Rod Crompton
Dr Bruce Young
Ms Nerine Kahn
Mr Tristan Hahn

Introduction

Who are we?

Dr Rod Crompton, CEO of Crompton Consulting, is a former NERSA board member and Deputy Director-General in the Department of Minerals and Energy. He also led the Minerals and Energy Policy Centre and was previously General Secretary of the Chemical Workers Industrial Union.

Nerine Kahn is a labour relations specialist and former Director of the CCMA. She previously served as Chief Director of Labour Relations in the Department of Labour and now leads Employment Relations Exchange, advising on workplace and governance disputes.

Dr Bruce Young is a chemical engineer and business development expert with deep knowledge of the South African and global energy sectors. He spent 30 years at Sasol before retiring in 2021, and previously lectured at Wits University, publishing over 20 peer-reviewed papers..

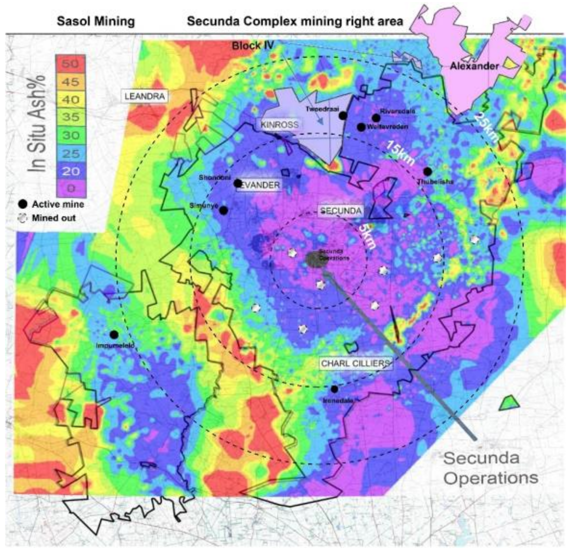
Tristan Hahn, CEO of TH EcoVentures, is a chemical engineer with over 30 years' experience across the chemicals, refining, and energy sectors. Since the early 2000s, he has focused on carbon management in global GTL and CTL facilities, combining technical, strategic, and business expertise in sustainability.

What are we doing?

- **A comprehensive report for the Just Transition Labour Centre, focused on Sasol SA workers and local communities**
- **This is about jobs, local economies, and how to plan before it's too late.**

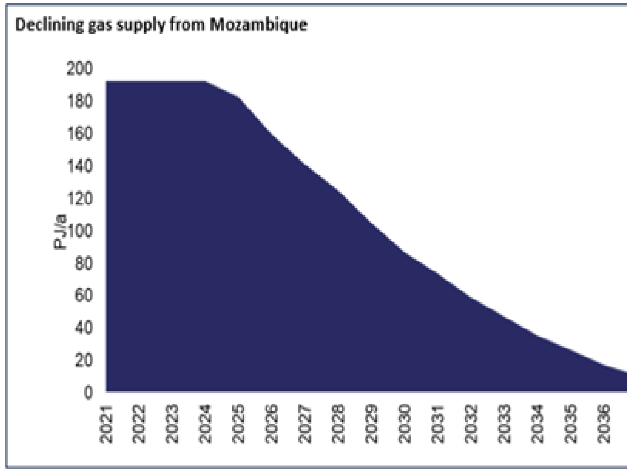
This presentation is a summary of our detailed research

What's Happening at Sasol?



Sasol's Secunda and Sasolburg plants are **interconnected** and are already under **financial pressure**

- **Secunda**: Feedstock is coal. At 55 million tons of CO_2 - one of the largest carbon emitters globally. Commissioned in 1980 & now too costly and too old to easily transform.
- **Sasolburg**: Its feedstock natural gas from Mozambique is running out (mid 2030s)



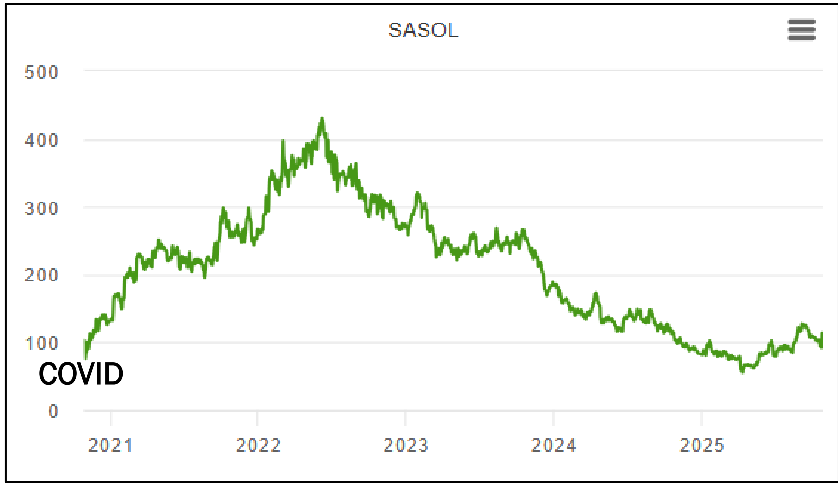
Sasol plans to **keep Secunda going by burning more coal** — but this won't work forever. Rising costs as coal & gas fields deplete, regulations, and carbon costs are catching up.

"People, planet, profit" – the balancing of Sasol's triple bottom line is becoming increasingly difficult

Sasol's Economics: Key Points for Workers

EMPLOYMENT RELATIONS EXCHANGE

- Sasol South Africa spends R21 bn on employee salaries and contributes 5% of South Africa's GDP
- In the 2023/24 period, Sasol invested **R790 million** in social value initiatives, with a strong emphasis on education and skills
- Significant debt from previous mega-projects, made worse by bonds rated non-investment grade (junk) & rising interest costs.
- Needs oil prices of **$59/barrel** just to break even
- If profits fall, so do jobs, bonuses, and investment
- Cutbacks and loss of jobs remain a real risk
- Sasol's current focus is the period to 2028 and continued use of coal
- Sasol is financially vulnerable as seen in the share price

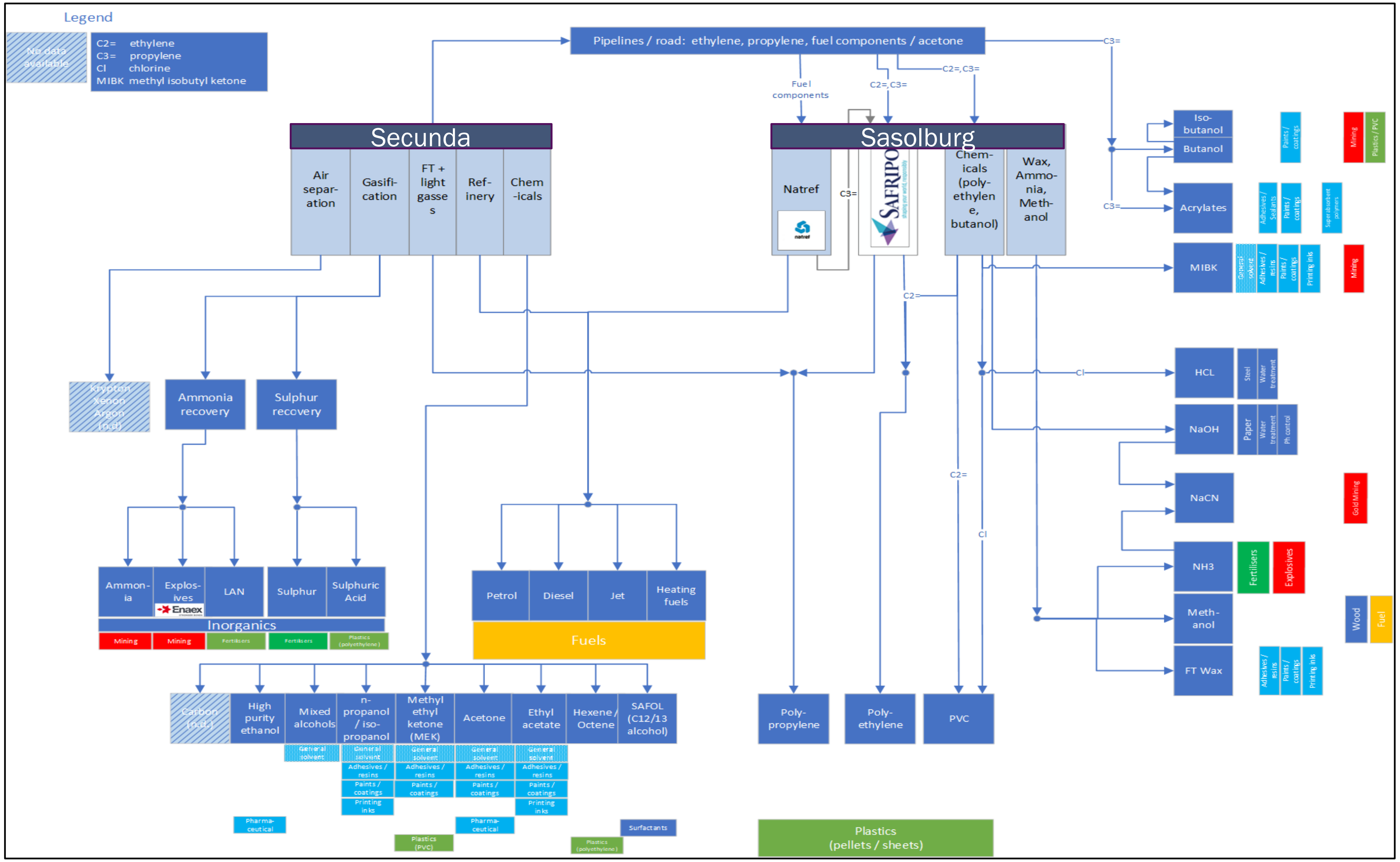


In the short term, Sasol is more at risk from business pressures than Just Transition pressures.

EMPLOYMENT RELATIONS EXCHANGE

Secunda & Sasolburg integration

- Location are linked by pipelines, trains and trucks
- Key operating entities include Secunda Operations, Sasolburg operations, Natref and Safripol
- Over 30 key intermediate chemical products and fuels produced by Sasol



Secunda depends on Sasolburg for ethylene and propylene processing

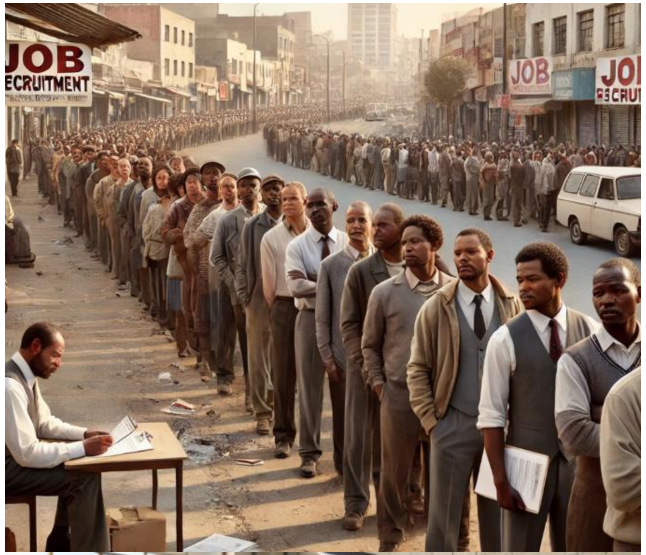
Destinies intertwined

Sasolburg need Secunda ethylene and propylene for critical scale

What does this mean for jobs?

EMPLOYMENT RELATIONS EXCHANGE

- Around 27 000 direct and 425 000 other jobs in South Africa depend on Sasol.
- Secunda and Sasolburg towns rely heavily on Sasol
- A big restructuring is likely in both towns, planning needs to start now.
- Cutbacks unlikely to happen all at once
- Heavily linked into the RSA economy, e.g. Sasol raw plastics production alone multiplies into 25 000 direct jobs*1 downstream
- Skills in coal-based industries **don't easily transfer** to solar, wind or new industries (even less so for unskilled workers)



Without a plan, thousands of jobs and entire communities are at higher risk.

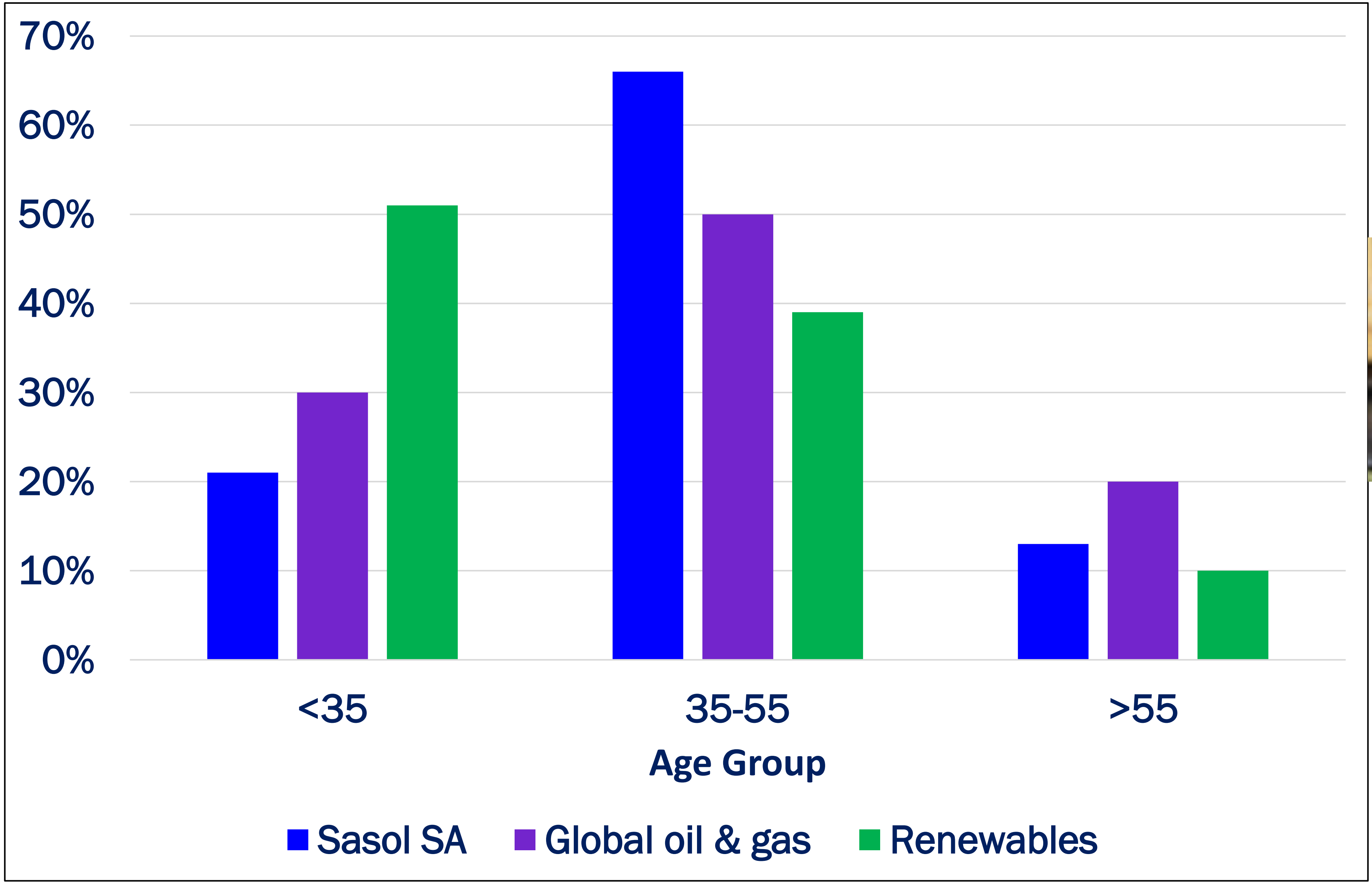
Note: Includes SAFRIPOL

What is a Just Transition

- **Just Transition** means **protecting workers** and **communities** as the economy shifts to cleaner energy.
- It was created by **unions** to demand fair treatment when jobs are at risk from environmental pressures.
- It means:
  - **Early warning and planning**
  - **Training and new skills**
  - **Decent work alternatives**
  - **Fair support for communities and families**
- It requires lots of funding & supporting government policies

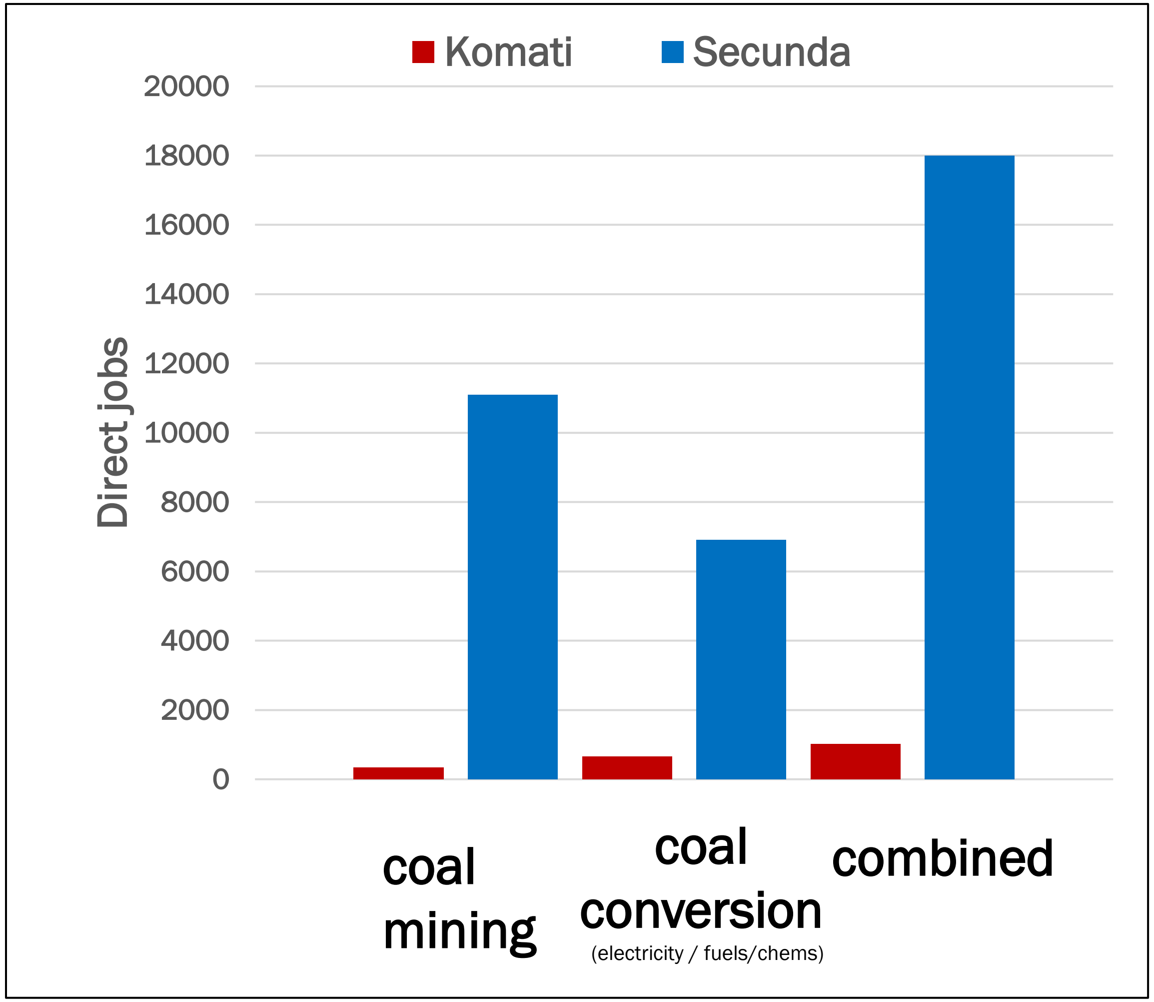
A just transition means planning, skills, and support not leaving employees behind.

Sasol SA Age Groups Compared to Global Oil & Gas & Renewables



Secunda and Komati Power Station

- Komati provides a possible South African jobs benchmark.
- Even with 10 years and ±R40 billion*, this is a wickedly complex problem with no parallels or guarantees of success.
- Planning and successful execution will be critical



Komati highlights the cost, scale & complexity of transition projects

* Based on SARB data of R2 million per job for automotive sector

The risks of doing nothing

EMPLOYMENT RELATIONS EXCHANGE

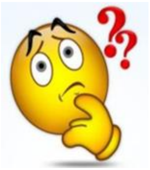
- Jobs, families & towns are at risk
- We've seen this before: oil refineries in eThekwini (Durban) closed suddenly — thousands of jobs gone.
- ArcelorMittal shutting steel operations — again, no plan.

Planning needs to start now, to reduce job losses, broken towns, and develop safety nets.

ERX EMPLOYMENT RELATIONS EXCHANGE

What should be done?

- Workers and unions should be part of the negotiation & planning — not informed after the fact.
- Government, business & labour should help create:
  - Real retraining programmes
  - Support for new industries
  - Local plans for each town
- Funding and commitment are key. International partners are offering help, but it’s not enough.
- Who will do this & with whose money?



The transition is better planned by people, not left to markets.

Thank You

ERX EMPLOYMENT RELATIONS EXCHANGE