



LOCAL DEVELOPMENT AGREEMENTS SASOL IN MOZAMBIQUE INVESTS IN THE PRIORITIES OF FENCE LINE COMMUNITIES

Since July 2020, Sasol has been investing USD 20 million in the implementation of social investment programmes and projects chosen by its fence line communities in the districts of Inhassoro and Govuro, within the framework of the Local Development Agreements (LDAs).

The sustainable exploration and management of mineral resources in Mozambique are priorities for the State, as outlined in a political and legal framework aimed at ensuring economic transformation and national development, while guaranteeing the sustainable use of these resources and maximising their benefits for the Mozambican population.

Beyond the tax revenues collected by the State, downstream beneficiation, and job creation, companies have voluntarily engaged in the implementation of Corporate Social Responsibility programmes. However, this social investment was previously carried out without a guiding framework, leading not only to conflicts but also to a dispersion of efforts in community development.

Thus, in 2014, the Government approved the Corporate Social Responsibility Policy for the

Extractive Industry of Mineral Resources (CSR Policy), with the objective of aligning companies' social investment with sustainable development goals and ensuring greater community involvement in defining social investment priorities.

In 2019, Sasol became a pioneer in the implementation of the Corporate Social Responsibility Policy for the Extractive Industry through the signing of the LDAs with 37 communities and the Governments of Inhassoro and Govuro, in the far north of Inhambane province, where Sasol operates. This introduced a social investment model in which priorities are defined by the beneficiary communities, according to collective needs, and in coordination with the District Governments.

The LDAs are managed through a tripartite approach involving Sasol, the local

communities, and the District Governments, aiming to align community priorities in accordance with the Corporate Social Responsibility Policy. Thus, in September 2019, Sasol approved an investment of USD 20 million for the implementation of social projects between the years 2020 and 2025, with USD 10 million allocated to 28 communities in Inhassoro District and the other half to nine (9) communities in Govuro.

The investment approved by Sasol, within the framework of the participatory model with communities and local Governments, is intended for the implementation of Sustainable Development Programmes, including investments in public infrastructure for common benefit among the communities and capacity-building projects aimed at self-sufficiency and income generation in the 37 communities surrounding Sasol's projects in Mozambique.

USD 20 MILLION

Investment approved at the signing of the LDAs in September 2019



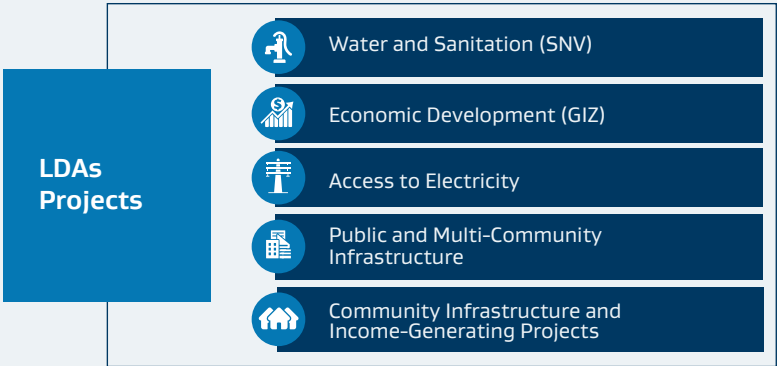
USD 10 MILLION
28 Communities in Inhassoro



USD 10 MILLION
9 Communities in Govuro

STRUCTURE OF THE LOCAL DEVELOPMENT AGREEMENTS (LDAs)

The LDAs projects are divided into investment pillars: **Water and Sanitation, Economic Development, Access to Electricity, Public and Multi-Community Infrastructure, Community Infrastructure, and Income-Generating Projects.**



WATER AND SANITATION

Sasol is working with the 37 beneficiary communities of the LDAs in the districts of Inhassoro and Govuro to improve access to potable water, ensure the sustainability of supply systems and boreholes, enhance hygiene and environmental sanitation. This programme benefits over a 30 thousand people.

Under the LDAs, approximately USD 5 million is allocated to the Water and Sanitation programme, aiming to improve water coverage and reduce the distance communities need to travel (to less than 30 minutes) to access a safe water source.

Details on the water and sanitation components can be found in the table on page five (5).



We are not only building new infrastructures or rehabilitating existing ones, but we are also creating the necessary conditions so that, by the end of the programme, communities will be able to manage them independently.

Mateus Mosse
Senior Manager Mozambique Corporate Affairs



ECONOMIC DEVELOPMENT

In this category, USD 3 million has been invested to promote long-term economic resilience in the communities surrounding Sasol’s operations and to create alternatives to formal employment. This category is considered the foundation of the investments and is subdivided into programmes for Vocational Training, Entrepreneurship, and Value Chain Development.

Vocational Training and Skills Development

In 2023, Sasol handed over a Vocational Training Unit to the Alberto Cassimo Institute for Vocational Training and Labour Studies (IFPELAC). By December 2024, a total of 287 young people from the districts of Inhassoro and Govuro had received training in Electricity, Plumbing, Culinary Arts, and Agro-Processing.

Additionally, 231 trainees participated in a skills development programme focused on life skills and preparation for the job market. The programme aimed to equip trainees with tools for job-seeking, including guidance on writing a proper *Curriculum Vitae*.



Entrepreneurship

Sasol's investment in the Entrepreneurship Programme reflects the company's commitment to addressing employment shortages and promoting sustainable economic growth in the communities surrounding its operations.

More than 500 people received training, of whom 250 received coaching for the implementation of their projects, and, ultimately, 235 were granted funding to improve the productivity of their businesses.



Financing for entrepreneurs' projects in Govuro and Inhassoro Districts

Value Chain Development

The value chain development component aims to increase community members' income by providing alternative revenue sources and equipping members of the 37 communities surrounding Sasol's operations with skills for managing and implementing small businesses.

The selection of value chains was based on a prior study conducted by a specialised development partner, while the final decision was made by the communities, taking into account climate conditions and adaptation factors for each area. The value chains of goat cattle (100 families), production of eggs nine (3) aviaries, pineapple production one (1) community, handicrafts (6 communities), horticulture, seven (7) communities and cashew nuts, 23 communities.



ACCESS TO ELECTRICITY

The access to electricity project is one of the most challenging due to the widespread distribution of communities across the districts of Govuro and Inhassoro. Approximately USD 1.1 million has been allocated to this project, which covers 26 out of the 37 communities that currently have no access to electricity. From these 26 communities, 15 have been designated for off-grid access, while 11 have been listed for on-grid access.

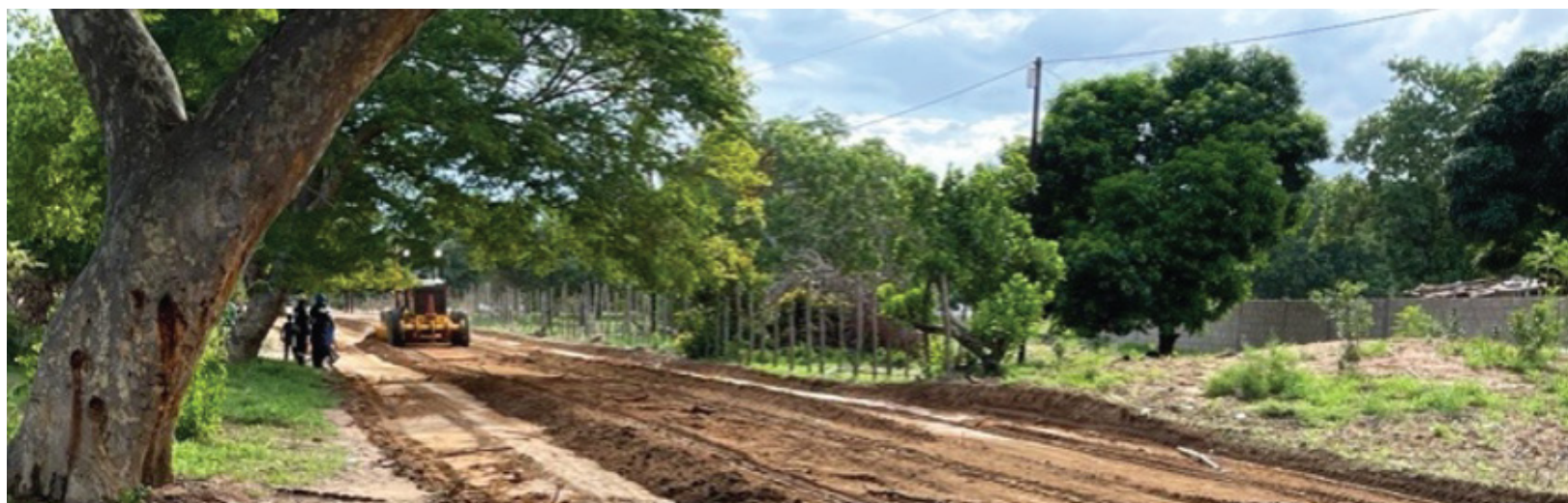
In October 2023, Sasol signed a Memorandum of Understanding with Electricidade de Moçambique (EDM) for the implementation of the on-grid component, which will be powered by the national grid and is expected to benefit around 1 000 families.

The execution of the off-grid component includes the construction of mini power plants for communities with a significant number of families in the same area, as well as the distribution of solar kits for communities with a higher level of dispersion.



On-grid electrification infrastructure

PUBLIC AND MULTICOMMUNITY INFRASTRUCTURE



Land Planning – Govuro

This pillar of the LDAs projects consists of investments chosen by the communities and respective District Governments, mainly in sectors such as Health, Education, Sports, among others, based on their common needs.

In this context, in the LDAs currently being implemented, for the health sector in the District of Inhassoro, the investment was allocated to contribute to the first phase of upgrading the Mangungumete Health Centre into a District Hospital, with a total investment of USD 1.2 million, as stipulated in the Agreement. Thus, the available funds are being used for the construction of a surgical block. In the District of Govuro, the investment is directed towards the upgrading of the Pande and Doane Health Centres, with USD 1.2 million and USD 500 thousand, respectively.

In the Education sector, in the District of Inhassoro, the communities, together with the District Government, selected the construction of a Secondary School, with the foundation stone laid on 24 May 2024. This project is divided into two phases. The first phase, covered by the current LDAs, is valued at USD 1.2 million and includes the construction of 12 classrooms, 1 administrative block, sanitary blocks, a canteen, a guardhouse, an electricity network, a water supply system, and a

perimeter wall. The second phase, which may be part of future LDAs II investments, foresees the construction of a physics and chemistry laboratory, which will include a preparation room, storage room, an archive, and a warehouse, as well as a library, computer room, and a multipurpose sports field with stands.

In the Sports sector, the investment was allocated to the construction of the Inhassoro Sports Complex, which includes an 11-a-side football field with stands for around 1,000 spectators, as well as a basketball and futsal court. In Govuro, the construction of a Sports Complex is also planned in the town of Nova Mambone.

Additionally, in this pillar of projects, a total of six (6) communities in the District of Govuro decided to allocate part of their budget to the land-use planning project.

Still within the scope of public and multicommunity infrastructures, six (6) Community Centers have been built, four (4) in Govuro and two (2) in Inhassoro. Furthermore, in the District of Govuro, one (1) community market has also been built.

COMMUNITY INFRASTRUCTURE AND INCOME-GENERATING PROJECTS

This investment pillar of Sasol, within the framework of the LDAs, focuses on promoting incentives for community self-sufficiency through the creation of value chains and income generation for families, as well as the construction of infrastructures that contribute to income generation for families.

The income-generating investments consist of promoting value chains such as horticulture, through support in technical training and provision of inputs; the goat value chain, through support in the introduction of improved breeds; the cashew nut value chain with assistance and provision of seedlings; and egg production.

In addition, these investments extend to technical support for the promotion of handicrafts and the installation of refrigeration systems for fish preservation, milling machines for cereal processing, as well as the installation of irrigation systems that include water supply equipment powered by solar energy, with elevated tanks and distribution points installed in production fields, fenced to prevent livestock intrusion.



Irrigation Systems in Inhassoro District

FINANCING FOR ENTREPRENEURS' PROJECTS IN GOVURO AND INHASSORO DISTRICTS

PILLAR	AREA	SPECIFIC PROJECT	STATUS
Water and Sanitation (SNV)	Water Supply Infrastructure	<ul style="list-style-type: none"> Construction of 11 new water supply systems Construction of 25 new boreholes with manual pumps Rehabilitation of 97 boreholes with manual pumps Rehabilitation of 17 water supply systems 	91% Concluded Concluded 59%
	Improvement of Community Hygiene	<ul style="list-style-type: none"> Construction of 7 new sanitation blocks Rehabilitation of 5 sanitation blocks Training of 37 community hygiene agents (one per community) Training of 18 artisans in the production of improved latrines Campaign to eliminate open defecation in 37 communities 	Concluded Concluded Concluded Concluded 71%
	Capacity Building for Management	<ul style="list-style-type: none"> Hiring of 2 District Water and Sanitation Technicians for the Government Provision of 2 vehicles for the District Water and Sanitation Technicians Establishment of 3 suppliers for pump and water system parts Training of 36 community mechanics for pumps and water systems Creation of 69 new Community Water and Sanitation Committees Revitalization of 92 Community Water and Sanitation Committees 	Concluded Concluded Concluded Concluded Concluded Concluded
Economic Development (GIZ)	Entrepreneurship	<ul style="list-style-type: none"> Training of 503 people in entrepreneurship Coaching in management in entrepreneurship for 250 of the 503 trained entrepreneurs Financing of 235 projects from the trained entrepreneurs 	Concluded Concluded Concluded
	Life Skills Training and Employment Access	<ul style="list-style-type: none"> Facilitation of employment access for 200 young people Training of 100 people through a Mobile Unit Training of 200 people in Soft Skills Value Chain development study Acquisition of 1 Mobile Training Unit – Equipped truck 	Concluded Concluded Concluded Concluded Concluded
Access to Electricity	Access to EDM Network	<ul style="list-style-type: none"> Access to electricity from the grid for 11 communities 	53%
	Mini Solar Grids	<ul style="list-style-type: none"> Solar systems (Mini-grid) in 2 communities 	65%
	Solar Kits	<ul style="list-style-type: none"> Distribution of solar kits to 13 communities 	25%
Public and Multi-Community Infrastructure	Health	<ul style="list-style-type: none"> Construction of Mangungumete District Hospital (Phase 1 of Renovation) Renovation and expansion of Pande Health Center (Phase 1) Renovation and expansion of Doane Health Center 	35% 20% 20%
	Education	<ul style="list-style-type: none"> Construction of Chitsotso Secondary School (Phase 1) Construction of 7 blocks with 2 classrooms each (6 in Inhassoro and 1 in Govuro) 	35% 98%
	Sports	<ul style="list-style-type: none"> Construction of Inhassoro Multi-purpose Sports Field Construction of Nova Mambone Multi-purpose Sports Field Construction of 4 community football fields (2 in Inhassoro and 2 in Govuro) 	99% 10% 73%
	Land Planning	<ul style="list-style-type: none"> Land Planning in 6 Communities in Govuro 	94%
	Community Centers	<ul style="list-style-type: none"> Construction of 6 Community Centers (4 in Govuro and 2 in Inhassoro) 	99%
	Markets	<ul style="list-style-type: none"> Construction of 1 community market in Govuro 	Concluded
Community Infrastructure and Income Generation Projects	Value Chain Development (GIZ)	<ul style="list-style-type: none"> Promotion of cashew nut production in 23 communities Promotion of improved goat farming for 100 families Training and support for handicrafts in 6 communities Training and support for horticulture in 7 communities Support for pineapple production in 1 community Establishment of 3 poultry farms for egg production 	Concluded Concluded Concluded Concluded Concluded Concluded
	Income Generation Projects	<ul style="list-style-type: none"> Construction of 20 irrigation systems for horticulture (16 in Inhassoro and 4 in Govuro) Promotion of improved goat farming in 7 communities in Govuro Construction of 1 cold storage chamber for fish preservation in Inhassoro Installation of 3 grain mills in Govuro 	88% 80% 65% Concluded