Sasol shareholders call for lobbying transparency

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Cape Town, 13 October (Argus) — South Africa's integrated chemicals and energy firm Sasol is facing pressure from shareholders to be more transparent about its climate lobbying.

Activist organisation Just Share and Aeon Investment Management have co-filed two non-binding, advisory resolutions that call on Sasol to improve disclosure of its own climate-related lobbying activities, as well as those by industry associations to which it belong. They also want the firm to specify criteria for terminating these memberships should any association's activities be misaligned with the Paris Agreement's goals.

The shareholders, each of which own less than 1pc of Sasol's shares, wanted the resolutions tabled at Sasol's annual general meeting (AGM) on 19 November, but the firm has refused to do so. Sasol said its Climate Change Report for fiscal year 2021 already complied "substantially" with the resolutions' requirements and that, in any event, it planned to further improve its "monitoring, assessments and disclosures" on the subject.

"There is therefore no need for shareholders to be required to vote on the resolution as its objectives have, by and large, been met," it said.

But the activist shareholders said that Sasol's directors do not have "a unilateral discretion to refuse to table shareholder-proposed resolutions on content-based grounds." Sasol stakeholders and investors must be able to better appraise the firm's commitment to the Paris goals and a just transition, as well as its long-term investment proposition, Just Share said.

Sasol has committed to being net zero emissions by 2050, and as an interim step toward this last month raised its greenhouse gas (GHG) emissions reduction target for 2030 to 30pc. But climate data research firm InfluenceMap finds that Sasol has "a mixed approach when engaging with climate policy," Just Share said. Despite "broadly positive" top-line communications on climate change, Sasol has "consistently opposed South Africa's carbon tax, and continues to support a sustained role for natural gas in the energy mix," according to InfluenceMap.

In South Africa there is no obligation on government to disclose engagements with corporate executives or industry representatives, and Just Share contends that this allows for "closed-door undermining of climate action."

Earlier this year, Just Share asked the South African Department of Forestry, Fisheries and the Environment (DFFE) and Department of Mineral Resources and Energy (DMRE) how often government officials meet with fossil-fuel industry representatives. Neither department responded within the legislated period, and DFFE asked Just Share to narrow its request.

By Elaine Mills