



## **Investor briefing:**

**Sasol shareholders file  
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On 7 October, following Sasol's refusal to table South Africa's [first climate lobbying shareholder resolution](#), Sasol shareholders Just Share and Aeon Investment Management (Aeon) co-filed a second non-binding, advisory resolution ahead of Sasol's 19 November AGM.

The [resolution](#) asks Sasol to improve and expand its disclosure of its direct and indirect climate lobbying, with a focus on: the climate lobbying activities of its industry associations; how it assesses whether these activities are aligned with the Paris Agreement; and the circumstances in which Sasol will terminate its membership of a relevant association on the basis of misalignment with the Paris Agreement's goals.

### Why did we file a second climate lobbying resolution?

On 22 September, Sasol notified Just Share and Aeon that it had declined to table the 14 September climate lobbying resolution. Sasol said:

*The disclosure contained in our Climate Change Report for the year ended 30 June 2021 (CCR 2021), published on our website earlier today, already complies substantially with the requirements spelt out in your resolution and, as set out in our CCR 2021, we have committed to further enhance our disclosures taking into account, amongst others, the matters raised in your proposed non-binding advisory vote. There is therefore no need for shareholders to be required to vote on the resolution as its objectives have, by and large, been met in our CCR 2021.*

Sasol continues to take the approach that it can unilaterally “decline” to table shareholder resolutions, which is not supported by our law. In the [legal opinion](#) received by Just Share earlier this year, advocates Tembeka Ngcukaitobi SC and Chris McConnachie concluded that **directors do not have a unilateral discretion to refuse to table shareholder-proposed resolutions on content-based grounds**.

The correct approach would have been for Sasol to engage with the co-filers, explaining that some of what the resolution asks for would be covered by its forthcoming disclosure, and asking the co-filers to decide whether to withdraw the resolution as a result, or to submit a revised resolution.

Sasol's CCR 2021 does include more thorough climate lobbying disclosure than its 2020 Climate Change Report. There are indications that this disclosure was updated or adjusted after Sasol had received the resolution filed by Just Share and Aeon.

However, Sasol's 2021 disclosure omits key elements of the request in the 14 September resolution. The review is incomplete, and a number of its conclusions are not supported by independent assessments of Sasol's climate lobbying and that of its industry associations.

In concluding that all of the industry associations assessed are “aligned with Sasol's principles”, Sasol focused on its industry associations' public **positions** on climate action, rather than their climate lobbying **activities**.



A [key reason](#) for government climate inaction has been the unprecedented lobbying activity, by the fossil fuel industry and associated industry associations, to weaken, delay and oppose climate-related regulation. In many instances, this manifests itself in high-level public positions of support for the Paris goals, but “[closed-door undermining of climate action](#)”.

Following careful analysis of the disclosure on “engaging on climate policy: positions and industry associations” in the CCR 2021, Just Share and Aeon have, therefore, co-filed a second non-binding, advisory resolution that seeks disclosure by Sasol of those key elements that have not been addressed – either adequately or at all – in the CCR 2021. This resolution is reinforced by an [independent briefing](#) prepared by InfluenceMap. Following its assessment of Sasol’s CCR 2021 disclosure, InfluenceMap concludes that “**the quality of Sasol’s industry association review process still falls considerably short of investor expectations**”.

InfluenceMap, which “maintains a global system for tracking, assessing and scoring companies on their engagement with climate change policy against Paris-aligned benchmarks”, and is a research partner to Climate Action 100+, states:

*InfluenceMap analysis indicates that Sasol likely **holds three memberships** to industry associations with misaligned climate policy engagement (ranked as a D or below by InfluenceMap’s system). These are Minerals Council South Africa (MINCOSA), the Japan Chemical Industry Association (JCIA), and Verband der Chemischen Industrie (VCI). InfluenceMap analysis indicates a further **four memberships to industry associations potentially misaligned with the Paris Agreement** (ranked as B- or below by InfluenceMap’s system) including European Chemical Industry Council (Cefic), Business Unity South Africa (BUSA), and Industry Task Team on Climate Change (ITTCC). Also, Sasol’s senior executives hold influential executive and committee positions at MINCOSA, BUSA, and ITTCC, all of which have engaged negatively on climate policy in South Africa.*

## **The impact of corporate climate lobbying**

In South Africa, like all sub-Saharan Africa, the impacts of climate change will be disproportionately felt by poor and marginalised communities, exacerbating the country’s already extreme poverty, inequality and unemployment. It is crucial that the country urgently achieve policy alignment to support a just transition to a low-carbon, climate-resilient, sustainable and inclusive economy.

Shareholders and other stakeholders should be made aware of any activities that seek to influence climate-aligned national policy-making. This is particularly important in South Africa, where there is no regulatory requirement for disclosure of any lobbying activities.

It is clear that Sasol will continue to have significant influence over climate policy in South Africa – directly and through its industry associations. Its stakeholders must have confidence that the company is using its influence to align South Africa’s climate policy with the Paris goals. As things stand, the information required to make this assessment is not publicly available.

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**End**