



Investor briefing:

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On 12 October, fossil fuel company Sasol, whose operations include Secunda, the world's biggest single-point source of greenhouse gas (GHG) emissions, refused to table the sixth shareholder-proposed resolution filed with the company in five consecutive years.

We set out, in the table below, a history of these refusals from 2017 – 2021, in each case providing the date of the filing of the resolution (and how long before the annual general meeting (AGM) this took place); the subject matter of the resolution, the names of the co-filing shareholders, and Sasol's reasons for refusing to table it.

It is clear from this history that **Sasol's refusals are not grounded in a consistent application of the law, nor in sound principles of corporate governance**. Rather, the company appears to have set out, in every instance, to find reasons to prevent its shareholders from having an opportunity to vote on any resolutions other than those tabled by Sasol itself. This is not only contrary to South African law, but also contrary to the position of hundreds of other listed companies across the globe, including dozens of fossil fuel companies, which every year put shareholder-proposed resolutions on their ballots.

Sasol's reasons for refusing to table shareholder-proposed resolutions include that:

1. The resolution was **filed too late** (all six resolutions were filed in compliance with the regulated timeframe);
2. Shareholders are **not entitled to exercise voting rights on matters related to climate change** (a reason now contradicted by Sasol's tabling of its own, non-binding advisory resolution which asks shareholders to endorse its "climate change ambition, strategy and actions");
3. The matters addressed in the resolutions have **"already been addressed" in Sasol's disclosures**, rendering the resolutions unnecessary (a conclusion which Sasol reaches unilaterally, preventing its shareholders from giving their own view on whether these matters have been adequately addressed);
4. The **co-filing shareholders seek to "micro-manage the company"** (a baseless argument, particularly when the resolutions in question simply require better disclosure, and/or are filed as non-binding, advisory votes); and
5. Sasol's **"existing commitments and approach are well known to, or easy to ascertain by, the proposers of these resolutions**, as [it has] consistently availed [itself] for engagements with [proposers]" (the resolution specifically requested disclosure on Paris-aligned strategies and targets, which were not known to anyone outside Sasol at the time).

The South African Companies Act, 2008, provides, in section 65(3), that any two shareholders of a company may propose a resolution "concerning any matter in respect of which they are each entitled to exercise voting rights". The JSE Listings Requirements provide that ordinary resolutions are "subject to a minimum notice period of 15 business days" prior to the date of the company's AGM.



A [legal opinion](#) by advocates Tembeka Ngcukaitobi SC and Chris McConnachie concluded, inter alia, that:

- The Companies Act, in section 7, specifies that the Act must be interpreted in a manner that promotes compliance with the Bill of Rights in the Constitution, and in accordance with a number of other purposes of the Act, including **encouraging transparency and high standards of corporate governance**;
- **Climate change is a serious human rights issue**, which poses particularly severe risks to South Africa's ability to develop in a sustainable and inclusive manner;
- The aims of promoting transparency, sound corporate governance, and balancing the rights of shareholders and directors, would all be best promoted by allowing shareholders to call for further information, particularly on climate change and environmental, social, and governance (ESG) issues; and
- **Directors do not have a unilateral discretion to refuse to table** shareholder-proposed resolutions on content-based grounds.

It is difficult to understand why Sasol continues to resist tabling shareholder-proposed resolutions that would allow shareholders to vote on improved disclosure, particularly when such resolutions are not only non-binding, but make requests for information that Sasol says it is already planning to provide. This approach is also at odds with the company's claim, in its updated emission reduction plan as released at its 22 September Capital Markets Day, that Sasol recognises that "sound partnerships with [its] stakeholders are critical to the success of Sasol's decarbonisation drive, which is central to the strategy and future of the Company".

At a time of increasing global awareness of the unprecedented scale and speed of change required to prevent the worst impacts of climate change, and of the dangerous effects of corporate lobbying against climate action, transparency and good governance from the world's biggest polluters are crucial if they are to maintain credibility. This is especially true in Sasol's case, where the company is asking shareholders to trust in its intentions to decarbonise, even though its earliest decarbonisation "milestone" is only in 2026, and its emission reduction plans are reliant on factors which are highly uncertain, such as the availability and appropriateness of fossil gas, and the commercial viability of green hydrogen.

History of Sasol's refusals to table shareholder-proposed resolutions

Date filed (& no. of business days before AGM)	Resolution subject	Co-filers	Sasol's reason for refusing to table
26 Oct 2017 (16 business days before the 17 November AGM)	Request for more information relating to Sasol's non-compliance with air quality laws and its plans to address this.	The RAITH Foundation & Theo Botha, with support from Just Share	Resolution filed too late to allow for distribution to shareholders: <i>"Having regard to, amongst others, the late receipt of the proposed resolution sought to be considered at the Sasol Limited AGM, to be held on 17 November 2017, we regret that we don't see our way clear to have this resolution tabled at the</i>



			<i>AGM in a legally compliant manner and will therefore not deliver it to Sasol Limited's shareholders.</i>
20 April 2018 (146 business days before the 16 November AGM)	Request for Sasol to prepare, annually, a report detailing how it is assessing and ensuring long-term corporate resilience in a future low-carbon economy.	The RAITH Foundation & Theo Botha, with support from Just Share	<i>"Sasol is of the view that the matters included in the Draft Resolution are within the authority of the Board and management and do not constitute matters that shareholders are entitled to exercise voting rights on within the meaning of section 65(3)(a) of the Companies Act"</i>
21 October 2019 (27 business days before the 27 November AGM)	Three resolutions requesting disclosure of GHG emission reduction targets, including Scope 3 GHGs, and how reduction targets are linked to executive remuneration.	Old Mutual Investment Group, Sanlam Investment Managers, ABAX, Coronation, AEON Investment Management, & Mergence Investment Managers	Sasol said that the matters raised in the resolutions filed had "already been addressed" in its 2019 Climate Change Report.
19 October 2020 (24business days before the 20 November AGM)	Request for disclosure of strategy and targets to align Sasol's global operations with the goals of the Paris Agreement	The RAITH Foundation & Just Share	<p>Reason 1: <i>"a shareholder resolution needs to be presented to Sasol at least 6 weeks before the date of the meeting to ensure that it can be included in the notice of AGM. Your request was received 23 business days before the meeting, which did not take account of the time required for the Board to consider the resolution, or of the time required for typesetting, printing and deemed delivery".</i></p> <p>Reason 2: <i>the co-filers seek "to micromanage the Company by seeking to impose specific methods for implementing complex policies in place of the ongoing judgements of management as overseen by the directors". Sasol claims that the resolution will "take away the discretion of the Sasol board of directors (Board) to act in the best interests of the Company in relation to the commitment to the Paris Agreement and goals and the reduction of emissions".</i></p>



			Reason 3: “Apart from the resolutions not being able to be considered at the AGM for the timing issues referred to above, we hold the view that there is no legal basis for these and, further, that they are not necessary. This is so, having regard to the fact that Sasol’s existing commitments and approach are well known to, or easy to ascertain by, the proposers of these resolutions, as we have consistently availed ourselves for engagements with yourselves.”
14 September 2021 (46 business days before the 19 November AGM)	Non-binding advisory resolution relating to disclosure of Sasol’s climate lobbying activities.	Just Share & Aeon Investment Management	The disclosure “as set out in our <i>Climate Change Report 2021</i> [published the same day as the notification of refusal to table] already complies substantially with the requirements spelt out in your resolution”.
7 October 2021 (30 business days before the 19 November AGM)	Non-binding advisory resolution requesting disclosure about significant climate lobbying activities not addressed adequately, or at all, in Sasol’s Climate Change Report 2021, supported by an independent analysis by InfluenceMap that concludes that “ the quality of Sasol’s industry association review process still falls considerably short of investor expectations ”.	Just Share & Aeon Investment Management	The 7 October resolution dealt with “substantially the same matters” as the 14 September resolution. Since the CCR 2021 “dealt substantially with what [the Just Share and Aeon] proposal of 14 September 2021 sought” and Sasol had “committed that [it] would further enhance [its] monitoring, assessment and disclosures on the subject matter of [the] proposal”, Sasol stated that it was “unable to accede to [Just Share and Aeon’s] request of 7 October 2021”.

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