

**2022 AGM Roundup 3:**  
**Shoprite Holdings Limited**  
**Woolworths Holdings Limited**  
**FirstRand Limited**  
**African Rainbow Minerals Limited**  
**Sasol Limited**



## 2022 AGM Roundup 3 (14 November – 2 December 2022)

At the following AGMs, Just Share asked **28** questions relating to inequality (wage / gender pay gaps and income inequality), diversity and transformation, climate change, and related governance issues.

- Shoprite Holdings Limited, 14 November 2022
- Woolworths Holdings Limited, 23 November 2022
- FirstRand Limited, 1 December 2022
- African Rainbow Minerals Limited, 1 December 2022
- Sasol Limited, 2 December 2022

Our third and final AGM roundup for 2022 summarises the key issues addressed at these AGMs and sets out commitments made by the companies in response to questions asked.

Prior to the AGMs, Just Share published a [briefing](#) with the results of our analyses of the climate-related disclosures of **Shoprite** and **Woolworths**, and, together with the Centre for Environmental Rights, we published [two Sasol briefings](#) primarily related to [climate change](#) and [air quality](#), respectively.

### Only Sasol and African Rainbow Minerals host hybrid AGMs with voice integration

African Rainbow Minerals (ARM) and Sasol hosted hybrid AGMs and enabled voice integration for shareholders attending electronically. FirstRand, Shoprite and Woolworths all opted for electronic-only AGMs, with FirstRand being the only of these three companies to allow verbal questions.

In both previous AGM roundups for 2022 ([Roundup 1](#) and [Roundup 2](#)), Just Share noted concerns about company compliance with section 63(2) of the Companies Act, 2008 in the context of hosting electronic AGMs. This section allows for an AGM to be conducted by electronic communication:

*“...as long as the electronic communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate reasonably effectively in the meeting.”*

Just Share is of the view that AGMs that do not allow shareholders to ask their questions verbally (all South Africa’s AGM service providers make provision for this functionality) risk non-compliance with the Companies Act.

We wrote to ARM, FirstRand, Woolworths and Shoprite, to ask whether these companies would be hosting hybrid AGMs and whether they would be making provision for verbal questions to be asked at electronic or hybrid AGMs. The common reason provided for not hosting an in-person AGM was that electronic AGMs “allow wider participation from shareholders”. In fact, hybrid AGMs allow for meaningful engagement while retaining this wider participation. All companies said they would review the format of their 2023 AGM.



### **Shoprite discloses its internal minimum hourly wage for “frontline employees”, but no details of its transformation targets**

Shoprite has, for the first time, disclosed the internal minimum hourly wage of its “frontline employees”. While wage disclosure is commendable and a positive step, at R25.10 per hour,<sup>1</sup> Shoprite’s hourly wage is only R1.91 above the prescribed National Minimum Wage, and significantly less than a living wage.

In the AGM, Just Share asked why the company - which claims to be focusing on evaluating and embedding fair and ethical remuneration practices - does not pay its employees a living wage (which would also help to address the extremely high staff turnover experienced by the group). In response, chairperson Wendy Lucas-Bull stated that remuneration was an important focus for the company, but she did not provide Shoprite’s specific views on paying its staff a living wage.

Insofar as transformation at Shoprite is concerned, Africans, Coloureds and Indians only make up 11.5% at the top management level, while females make up 25.9%.<sup>2</sup> Shoprite’s integrated report states that its focus is to improve senior and middle management level transformation, “*as this will encourage transformation at top management by way of our succession planning*”.<sup>3</sup>

Shoprite does not disclose any data on the representation of designated groups at other occupational levels, but reports that it has made substantial progress in transforming the business from a gender and race perspective, and claims that it is on track to achieve its 2025 transformation goals.<sup>4</sup>

In response to Just Share’s AGM request that Shoprite commit to making its five-year Employment Equity (EE) Plan available to shareholders and other stakeholders, Ms Lucas-Bull initially indicated that this was a public document, but then said that the EE targets were in the integrated report. However, its targets are not, in fact, in the integrated report, nor in any of Shoprite’s other reports. Just Share addressed correspondence to Shoprite after the AGM, asking to be referred to these targets, but has not, to date, received a response.

### **Sasol assesses pay gaps, but will not disclose remuneration amounts or ratios**

Sasol reported that pay gap ratios showed a downward trend in South Africa and other countries, following the approval of a methodology to “*track internal pay equity on a group, level, race and gender basis by country where they employ more than 250 employees on a permanent basis and where the data is available*” by the Remco.<sup>5</sup> Sasol also commissioned a gender pay equity analysis and found that “no systemic gaps exist”.

At the AGM, Just Share asked Sasol whether it would disclose actual numerical figures for the pay gap ratios and whether it would include temporary employees in its methodology to track internal pay equity. Sasol, like all designated employers in terms of the Employment Equity Act

---

<sup>1</sup> <https://www.shopriteholdings.co.za/content/dam/shp/docs/shp-ir-2022.pdf> (pg. 85).

<sup>2</sup> <https://www.shopriteholdings.co.za/content/dam/shp/docs/shp-sr-2022.pdf> (pg. 24).

<sup>3</sup> <https://www.shopriteholdings.co.za/content/dam/shp/docs/shp-ir-2022.pdf> (pg. 69).

<sup>4</sup> <https://www.shopriteholdings.co.za/content/dam/shp/docs/shp-sr-2022.pdf> (pg. 24).

<sup>5</sup> [https://justshare.org.za/wp-content/uploads/2022/12/2022-Sasol-Integrated-Report\\_0.pdf](https://justshare.org.za/wp-content/uploads/2022/12/2022-Sasol-Integrated-Report_0.pdf) (pg. 68).



1998, has this information readily accessible, as it is required to submit it to the Department of Employment and Labour annually on the EEA4 Form.

The chairperson of the remuneration committee, Mpho Nkeli, responded that Sasol would only include temporary workers in its wage gap assessments and disclose further information pertaining to pay gap ratios if and when it is legally required to do so.

While Just Share commends Sasol for taking the initiative to assess its pay gaps, its decision to await legislative requirements to disclose further information - whilst simultaneously reporting that it is performing well in this regard - is disappointing.

### **Woolworths commits to improved disclosure of gender representation and to publish a roadmap for a living wage**

Through its Inclusive Justice Initiative (IJI), Woolworths commits to be a diverse and inclusive business. The IJI programme identifies “*driving the advancement of black women into middle and senior management positions*”<sup>6</sup> as one of Woolworths’ immediate priorities. Although women make up 67% of Woolworths South Africa’s head count,<sup>7</sup> unless the company discloses the percentages of females represented at all management levels, it remains impossible to make an informed assessment as to whether Woolworths is making reasonable progress towards achieving gender parity at all occupational levels.

At the AGM, Just Share asked when Woolworths would commit to providing a specific breakdown of women's representation at the top, senior, and middle management levels. Thembisa Skweyiya, chairperson of the Social and Ethics Committee, acknowledged that Woolworths could improve in this regard. The group company secretary, Chantel Reddiar, committed to these disclosures being made in 2023.

In response to our questions about Woolworths’ failed commitment to develop a roadmap by 2022 to achieve a living wage for all workers across its supply chain,<sup>8</sup> David Kneale, chairperson of Remuneration and Talent Management Committee, confirmed that “*a roadmap of actions and timelines towards a living wage across our supply chain*” would be published.

### **FirstRand commits to focus on female board appointments after failing to meet its diversity and transformation targets**

Last year, Roger Jardine, FirstRand chairperson, committed to setting board-level race and gender diversity targets for the period under review. In this year’s AGM, shareholders pointed out that the current 31% female representation on the board remains low.

Just Share also pointed out that the company did not meet its unambitious 33% target for female representation in top management for 2022,<sup>9</sup> although females make up more than 60% of the

---

<sup>6</sup> [https://www.woolworthsholdings.co.za/wp-content/uploads/2022/09/Integrated\\_Annual\\_Report\\_2022.pdf](https://www.woolworthsholdings.co.za/wp-content/uploads/2022/09/Integrated_Annual_Report_2022.pdf) (pg. 73).

<sup>7</sup> <https://www.woolworthsholdings.co.za/wp-content/uploads/2022/09/2022-Good-Business-Journey-Report.pdf> (pg. 24).

<sup>8</sup> <https://www.woolworthsholdings.co.za/wp-content/uploads/2021/09/2021-Good-Business-Journey-Report.pdf> (pg. 10).

<sup>9</sup> <https://www.firststrand.co.za/media/investors/reports/FirstRand-report-to-society-2021.pdf> (pg. 72).



group's workforce. Just Share also highlighted that FirstRand did not meet its 2022 transformation targets for Africans, Coloureds, and Indians for senior and middle management.

On fostering gender parity on the board, Mr Jardine said that the board and the nominations committee would focus on new female director appointments. Concerning transformation and diversity in management, the CEO, Allan Pullinger, said that although the group had made recent senior appointments of women to "significant" roles, management was "not comfortable" with the current situation. He assured shareholders that "positive progress" would be made.

### **African Rainbow Minerals commits to "significantly" improve its board's underwhelming female representation targets**

ARM reports that the company approved a board-level diversity and inclusion policy. This policy is not publicly available, but according to its integrated report, the group has a board diversity target of 50% black and 25% female directors. Although it has exceeded its target for black board members, females currently only make up 22% of the board.<sup>10</sup>

In the AGM, Just Share asked why the board's female representation target is so low, especially given that women comprise more than 51% of the population. Just Share also asked ARM to make its board-level diversity policy publicly available. Dr. Patrice Motsepe, executive chairperson, agreed that the female representation target should be "significantly higher" than 25%, for the company to remain "globally competitive" and be "fully inclusive". Dr Motsepe also expressed surprise that the diversity policy was not public, and CEO Mike Schmidt said that he would revert as to where the policy could be publicly accessed. Although Just Share has followed up by email correspondence, we have, to date, not been directed to a copy of this policy.

### **African Rainbow Minerals commits to setting scope 3 emission reduction targets in 2023**

ARM has not set any scope 3 emission reduction targets (nor any timelines for doing so), despite scope 3 emissions making up 96% of the company's total emissions. The company is a member of the [International Council on Mining and Metals \(ICMM\)](#), which requires members to set scope 3 targets by 2023 or "as soon as possible".

Just Share asked ARM whether, given that science requires emissions to fall by almost half by 2030 to avoid the worst impacts of climate change, it would commit to setting and disclosing scope 3 targets in the next reporting year. In response, Mike Schmidt, chief executive officer, stated that "*I can unequivocally say, those targets will be in our 2023 reports*". In response to our other questions about ARM's emission reduction targets and plans, Mr Schmidt acknowledged that these would need to be updated and would be reported next year.

### **Shoprite and Woolworths fall short on backing up claims of board climate competence**

Skills, qualifications and experience relating to climate change are specific, specialised and distinct from broader "sustainability" skills. The disclosure of such specialised skills has fast become a competence indicator that shareholders are increasingly interrogating.

---

<sup>10</sup> <https://arm.co.za/wp-content/uploads/2022/10/2022-Integrated-Annual-Report-1.pdf> (pg. 28).



In its 2022 CDP report, **Woolworths** stated that “83% of its board members have sustainability-related experience”. According to its integrated report, nine of its 11 board members (“82%”) have “sustainability, health, and safety” skills and expertise.<sup>11</sup> **Shoprite** confirmed, in its 2022 CDP report, that it had “at least one” board member with competence in climate-related issues.

Having analysed both companies’ reports and board members’ biographies, Just Share found that neither company had provided evidence to back up claims of directors possessing climate-relevant skills or experience.

When Just Share asked about this during the AGMs, **Woolworths** chairperson Hubert Brody confirmed that the disclosure of climate-related skills would be taken into consideration for the next reporting cycle. In response to our question about specific climate-related training for the board, the Sustainability Committee chairperson, Belinda Earl, indicated that Woolworths may, in its next reporting suite, summarise some of the board’s training-related initiatives.

**Shoprite** chairperson Wendy Lucas-Bull responded that “*it’s a topic that needs to be top of mind for all the board members and our preference is that everybody gets exposed to global experts in terms of what’s best practice, what’s happening in the space*”, and that “*we’ve scheduled that within the board calendar as part of the full Board update to get input from deep experts, and we feel that that is for me and for the board, a better way of doing it than to have only one individual member.*”

Shoprite is correct in its expression of the seriousness of climate change, and that it is incumbent on all board members of listed companies to understand the crisis, especially as it relates to its business. Regular training and access to experts is a vital part of this process. However, as noted above, climate change-related skills, qualifications and experience are highly specialised and distinct from general informational training.

There is a trend amongst listed companies to conflate these two distinct questions in their annual disclosures. Last year for example, Just Share asked Pick n Pay why it considers six of its 14 directors to have “relevant climate change experience”, when none of the biographies of these directors mentioned any climate relevant expertise. The response then (and similarly this year when we followed up on this question) from chairperson Gareth Ackerman was that “*if we are going to make a claim like that, we should be able to justify it.*”

Claims like this, that overstate a board’s climate competence, mislead investors into believing that the board has the requisite hard skills and experience to steer their companies through this highly complex transition. In circumstances where board members have instead merely sat through talks from experts a few times a year, this is greenwashing.

Given the climate emergency, climate change leadership for companies’ strategic direction is crucial and urgent. Companies should not only ensure that the requisite climate-related skills, qualifications and expertise exist on their board, but should disclose how they define and

---

<sup>11</sup> [https://www.woolworthsholdings.co.za/wp-content/uploads/2022/09/Integrated Annual Report 2022.pdf](https://www.woolworthsholdings.co.za/wp-content/uploads/2022/09/Integrated%20Annual%20Report%202022.pdf) (pg. 17).



measure what constitutes such expertise, and demonstrate how and why they have determined that a particular board member (or any senior executive, for that matter) qualifies as having it.

### **Reduced shareholder support for Sasol's climate plans and progress**

At its 2022 AGM, Sasol tabled its second non-binding advisory resolution requesting shareholders to endorse its climate change management approach, including its climate change ambition, strategy and progress towards achieving its 2030 targets and 2050 net zero ambition.

In the climate-related briefing, we recommended that shareholders do not endorse the non-binding resolution on the basis that Sasol's disclosures continue to fail, as they did last year, to provide adequate details, accountability measures and incentives to be considered a feasible, measurable plan that will enable Sasol to achieve its target of 30% reduction of its scope 1 and 2 emissions by 2030. Sasol provides scant details of its plans beyond 2030, making its "net zero by 2050" ambition impossible to assess in any meaningful way.

Although Sasol's 2022 climate resolution passed, the percentage of shares represented that voted against the resolution almost doubled since last year from (from 3.37% in 2021 to 5.95% in 2022), indicating the growing dissatisfaction from shareholders with Sasol's handling of its decarbonisation strategy and commitments. The board faced well over four hours of questions from shareholders on a host of topics; including: Sasol's decarbonisation targets and disclosures; its position on the carbon tax and lobbying activities through its role on the Energy Council of South Africa; methane leaks at its operations, its treatment of communities in Mozambique; and its position on having its targets approved by the Science Based Targets initiative (SBTi).

Sasol states that it supports a carbon tax that is "balanced" and "realistic", by which it means one that does not cost the company so much that it cannot finance its transition. The purpose of the carbon tax is: (1) to ensure that it is the polluter who pays for the cost of its emissions - not broader society (and the most vulnerable, in particular); and (2) to incentivise behaviour change that would not happen otherwise. For this to work, it is supposed to be expensive. However, it is clear from its AGM responses that Sasol is bullish in its intention to continue to lobby for what it views as a "balanced" approach. Sasol's chief financial officer, Mr Hanré Rossouw, admitted that Sasol's engagements with government are not only about obtaining clarity, but rather "*advocating for a balanced position that takes into account people, planet and profit, there's got to be a just view of what is possible for Sasol and the country's transition path.*"

Sasol is a key member of the fairly newly-established Energy Council. It was instrumental in setting it up, Mr Grobler, Sasol's CEO, is the chairperson, and the Council is headquartered in Sasol's offices in Sandton. In response to Just Share's question regarding making the minutes of Council meetings with government available to the public (which was also asked at the 2021 AGM), Mr Grobler responded that, "*There has been no official engagement in terms of the work of the Council to engage with government in terms of the regulatory or policy framework, that is work in progress.*" This is a disingenuous statement, given the public role played by the Minister of Mineral Resources and Energy, Gwede Mantashe, in setting up the Council. The Council also lobbied against the carbon tax. Just Share made it clear in the AGM that it is the *unofficial*



meetings that give the appearance of a lack of transparency in the work of the Council. The need for greater transparency was noted by Mr Grobler, without him making an outright commitment.

When asked about its role in the production of polypropylene (one of the most abundant microplastics found in the oceans, causing incalculable damage to oceans, life and livelihoods), Mr Grobler admitted that it is an integral part of Sasol's production in that *"the ethylene comes out of the Fischer-Tropsch process and it's integral to the supplier in the value chain, where we then converted it into polypropylene polyethylene in South Africa"*. Brad Griffith, executive vice president of Sasol Chemicals, doubled down on the initiatives that put the responsibility for plastic pollution prevention on consumers, *"initiatives supporting plastics education, improving household waste management, bolstering recycling and contributing to marine litter collection."* Sasol did not acknowledge any responsibility for its own role in producing and profiting off one of the most abundant microplastics in the ocean and the devastating effects it has on marine life, and human health and livelihoods.

Mr Grobler also announced the establishment of an independent climate change advisory panel made up of various experts in the field of climate change that will work with the Sasol board on its transition plans. This is potentially a positive step, but its effectiveness will depend on the robustness of the panel, and whether the board is willing to accept and grapple with the difficult challenges and choices inherent in a real transition. Sasol's ability to maintain profitability throughout the transition can never be paramount. In this regard, it appears that Sasol's Just Transition Office work is in its infancy. When we asked how many engagements with affected communities had been held, over which time period, and the outcome of those engagements, Vuyo Kahla, executive director and executive vice president: strategy, sustainability and integrated services responded, *"At the moment we are leveraging existing engagements and consultations to kick off the process, but there will be further work coming through around this, as we move into calendar year 2023."*

### **FirstRand is the first bank to estimate some of the positive impacts from its deals, but delays setting science-based emission reduction targets**

FirstRand is the first South African bank that has attempted to estimate some of the positive impacts arising from its facilitation of "sustainable and transition finance" deals. It has not yet provided similar information to help shareholders understand the real-life *negative* consequences of its financing.

FirstRand was the second of the banks (after Investec) to calculate and disclose the greenhouse gas figures for its financed emissions. While this represents an important step forward, FirstRand does not yet have short-, medium- and long-term targets for reducing the bank's financed emissions in alignment with the Paris goals – although the bank previously indicated that it would regularly update its decarbonisation commitments for its financed emissions. Instead, FirstRand reports in its 2022 Task Force on Climate-related Financial Disclosures (TCFD) Report that it only envisages setting a science-based emission reduction target for its financed emissions in





financial years 2024 and 2025, and only anticipates setting decarbonisation targets and climate finance targets between 2024 and 2025.<sup>12</sup>

Just Share asked FirstRand if it would commit to disclosing its short-, medium- and long-term targets, in line with the Paris Agreement goals, for: (i) financed emission reductions; (ii) decarbonisation; (iii) climate finance; and (iv) the growth of its green and olive climate balance sheet categories.<sup>13</sup> Chief Risk Officer, Gert Kruger, replied that the bank agrees “*with the sentiment in terms of the urgent need for decarbonisation*”. However, the only commitment he made was that the bank would “*disclose more granular information around the climate finance information in the next TCFD report*”. With respect to decarbonisation targets, Mr. Kruger did not go beyond a vague commitment to “*publish more granular, decarbonisation targets linked to [financed emissions] numbers*” once the bank has “*stability in terms of the financed emissions numbers*”. Given the lack of clarity around the meaning of “stability” in relation to these numbers, it is impossible to assess this commitment. Mr Kruger also indicated that the bank would “*add to the granularity of those [financed emissions] numbers also in the new year*”.

### **Woolworths has no clear plan to meet its renewable energy targets**

In 2020, Woolworths became the first major JSE-listed food retailer to have science-based emission reduction targets approved by the SBTi (Shoprite is the second).

Based on Woolworths’ current pace of emission reductions, it appears on track to meet its target to reduce its absolute scope 1 and 2 emissions by 50% by 2030.<sup>14</sup> Scope 2 emissions (from purchased or acquired electricity, steam, heat and cooling) account for the majority of Woolworths’ total scope 1 and 2 emissions. Since Woolworths has also set itself the goal of powering 100% of its operations with renewable energy by 2030, its procurement of renewable electricity is critical.

Bearing in mind that the company only sourced 0.64% of its electricity from renewable sources in the last financial year, Just Share asked how Woolworths plans to achieve its 2030 targets. CEO Roy Bagattini acknowledged that Woolworths has “some way to go”, but indicated that the company expects to make “significant demonstrable jumps” in its progress towards realising Woolworths’ renewable energy targets, relying on “new technologies and new capacity and new processes” entering the complex landscape of renewable energy provision. Mr. Bagattini appears to acknowledge that the achievement of these targets is outside the control of the company.

### **Commitments made in response to Just Share’s questions**

- **Chantel Reddiar, group company secretary, Woolworths:** committed to providing a breakdown of gender representation at top, senior and middle management levels in next year’s reporting.

---

<sup>12</sup> <https://www.firstrand.co.za/media/investors/annual-reporting/firstrand-tcf-report-2022.pdf> (pg. 10).

<sup>13</sup> This refers to FirstRand’s most “climate-friendly” clients according to its framework that categorises lending exposures on its balance sheet by emissions profile.

<sup>14</sup> Good Business Journey Report 2022, pg. 97.



- **David Kneale, chairperson of Remuneration and Talent Management Committee, Woolworths:** confirmed that “a roadmap of actions and timelines towards a living wage across our supply chain” is being developed and would be published, presumably in next year’s reporting.
- **Roger Jardine, chairperson, FirstRand:** “we are in the process of looking at appointing new directors and focusing specifically on women on the board.”
- **Patrice Motsepe, executive chairperson, ARM:** confirmed that the board target for female representation should be “significantly higher”, and that “we need to make sure that if we want to continue to be this globally competitive company, that we don't just increase, our [board] diversity target in relation to women, but that ...are fully, fully inclusive, and the company would benefit from that.”
- **Mike Schmidt, chief executive officer, ARM:** committed to disclosing scope 3 emission reduction targets in its 2023 reports.
- **Mike Schmidt, chief executive officer, ARM:** in response to a question about short- and medium- term emission reduction targets aligned with the Paris goals, as well as emission reduction plans aligned with those targets, confirmed “to meet the 2030 medium and the 2050 long-term, ... our targets have to change”. He said that these would be reported in the next reporting suite.
- **Hubert Brody, chairperson, Woolworths:** stated as follows in response to a question about the disclosure of the climate-related skills of non-executive directors, “disclosing the skills as far as climate-related matters are concerned, we certainly, in the way that we disclose skillsets at the moment, we will look at that as well as far as our board composition, in our integrated report”.
- **Belinda Earl, chairperson of Sustainability Committee, Woolworths:** in response to a question about the disclosure of climate-related training the board undergoes: “...we as a board have committed to it, maybe we can actually publish in our next report, a summary of some of the initiatives the board has actually embarked on, over the course of the past year, which will give you some reassurance in terms of the depth of the experience and also the awareness that we have.”
- **Hanré Rossouw, chief financial officer, Sasol:** confirmed that Sasol would incorporate Climate Action 100+’s assessment of the alignment of its capital allocation in its half-year and full-year disclosures, and would provide further detail of its progress towards its 2030 decarbonisation targets at its Capital Markets Day in 2023.
- **Fleetwood Grobler, chief executive officer, Sasol:** acknowledged the need for increased transparency in respect of the work of the Energy Council, particularly in its interactions with government, but made no firm commitments or deadlines to do so.
- **Gert Kruger, chief risk officer, FirstRand:** committed to disclosing more granular detail around climate finance information in the bank’s next TCFD report.
- **Gert Kruger, chief risk officer, FirstRand:** loosely committed FirstRand to “add granularity” to the bank’s reporting of its financed emissions “going forward to give a better appreciation of broader impacts of financing.” He also referred to adding this detail “in the new year”.