Briefing

July 2023

2023 AGM Roundup 1: 14 February – 12 June

Just Share

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1. Introduction

In this roundup:

- *Companies and Intellectual Property Commission (CIPC) confirms that shareholders attending an electronic AGM must be able to ask questions verbally in real-time and without an intermediary.*
- *SPAR falls short on legal requirement to facilitate reasonably effective participation in its AGM, by limiting shareholders participating electronically to written questions.*
- *Thungela Resources Limited and Exxaro Resources Limited's refusals to table shareholder-proposed climate lobbying resolutions calls into question the coal companies' claimed commitments to transparency.*
- *Claims of sustainability / ESG / climate competence at board level require substantiation.*
- *SPAR fails to fulfil commitment to disclose hourly base pay and hourly target base pay of its lowest-paid workers.*
- *Protestors at Standard Bank AGM demand that the bank end its involvement with the East African Crude Oil Pipeline (EACOP).*

At the following AGMs, Just Share asked **34** questions relating to inequality (wage / gender pay gaps and income inequality), diversity and transformation, climate change, and related governance issues:

- SPAR Group Limited, 14 February 2023
- JSE Group Limited, 9 May 2023
- Exxaro Resources Limited, 18 May 2023
- Old Mutual Limited, 26 May 2023
- Thungela Resources Limited, 31 May 2023
- Nedbank Group Limited, 2 June 2023
- Absa Group Limited, 2 June 2023
- Standard Bank Group Limited, 12 June 2023

This first AGM roundup for 2023 summarises key issues addressed at these eight AGMs, offers insights into how these AGMs were conducted (with all companies opting to host hybrid AGMs), and highlights commitments made by the companies in response to questions asked.

In the lead-up to and just after these AGMs, Just Share published five investor briefings:

1. Briefing: Standard Bank's 2022 climate-related financial disclosures report, published 18 April 2023;
2. Briefing: Nedbank Group's 2022 Climate Report, published 4 June 2023;
3. Briefing: Absa Group Limited's 2022 climate-related financial disclosures, published 13 June 2023;
4. Vertical pay gaps at JSE-listed companies, published 22 June 2023; and

5. Exxaro Resources Limited & Thungela Resources Limited 2022 climate-related disclosures, published 28 June 2023.

2. Hybrid AGMs: improvements made, but some companies still contravene the Companies Act

This AGM season marked the return to in-person AGMs, with all eight companies opting to host hybrid AGMs. Just Share welcomes this step, which allows shareholders to choose whether to attend in person or virtually.

Just Share representatives attended all but one AGM (SPAR) in person and virtually. After almost three years of electronic-only attendance, we were reminded of the immense value of in-person attendance, which enables far more constructive engagement than virtual attendance.

Reasonably effective participation

In all three Roundups for 2022 (Roundup 1, Roundup 2 and Roundup 3), Just Share raised concerns about companies' compliance with section 63(2) of the Companies Act, 2008. 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."*

At the AGMs we have attended so far in 2023, Just Share has monitored whether the option to ask questions verbally, without an intermediary, has been granted to shareholders attending electronically and that they have not been restricted to written questions only, prohibiting reasonably effective participation.

Overall, the Q&A sessions were conducted well, in particular at the JSE, Exxaro and Old Mutual. Only **SPAR** limited shareholders participating electronically to written questions. There were some issues at Standard Bank and Thungela's AGMs, where the technology used during the AGM required shareholders to dial-in to ask their questions. In our (and other shareholders') experience, this is a cumbersome and inefficient method which can easily escalate shareholder frustrations.

CIPC provides clarity on section 63(2) of the Companies Act

On 5 April 2023, the Companies and Intellectual Property Commission (CIPC) published a legal opinion[1] on the interpretation of section 63(2) of the Companies Act. According to the opinion, a company holding an AGM with shareholders attending online, must allow those shareholders to ask questions verbally, in real-time and without an intermediary. If this is not done, the meeting will not constitute an AGM for purposes of the Companies Act.

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[1] https://justshare.org.za/wp-content/uploads/2023/06/CIPC_Non-binding-legal-opinion_AGMs-by-listed-companies-via-electronic-means.pdf.

Referring to Just Share's Best Practices for South African Virtual Annual General Meetings, CIPC's opinion provides as follows:

> *AGM's provide essential opportunities for shareholders to interrogate company decision-making and hold boards to account. While virtual AGM's are a viable alternative to having face to face meetings in a global economy, the virtual format increases the risk of infringement of shareholder rights.*
>
> *Infringement of shareholder rights as a particular concern in virtual AGM's, was raised in relation to the ability of shareholders to ask questions of the board of directors and to engage "real-time" with the board and with each other. Decisions cannot be made and consensus cannot be reached if shareholders cannot interact effectively and efficiently.*
>
> *Should a company hold virtual-only AGM's and these meetings do not allow shareholders to ask questions in "real-time", without an intermediary, or requires all questions to be submitted in advance, that meeting will not constitute an AGM for the purposes of the Companies Act, 71 of 2008.*

On 11 May 2023, the Institute of Directors in South Africa (IoDSA) welcomed the CIPC's opinion in a public statement.[2] Parmi Natesan, chief executive officer (CEO) of the IoDSA, concluded:

> "*In summary, shareholders now have confirmation of their right to be heard at virtual AGMs and are encouraged to use their voice effectively in exercising their voting rights and holding the directors accountable*."

Just Share also welcomes the legal opinion from the CIPC and trusts that this provides clarity on listed companies' legal obligations regarding electronic AGMs.

3. Refusal to table shareholder-proposed climate lobbying resolutions calls into question Exxaro and Thungela's claimed commitments to transparency

On 19 April 2023, Just Share, together with Aeon Investment Management,[3] and Fossil Free South Africa,[4] co-filed climate lobbying resolutions at Exxaro (18 May) and Thungela (31 May), ahead of their AGMs.

The resolutions asked both companies to report to shareholders, in accordance with the Global Standard on Responsible Climate Lobbying,[5] on the alignment of their own lobbying and policy engagement activities - and those of the industry associations to which they belong - with the goals of the Paris Agreement.

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[2] https://www.iodsa.co.za/news/news.asp?id=639987.
[3] https://www.aeonim.co.za.
[4] https://fossilfreesa.org.za.
[5] https://climate-lobbying.com/.

Fossil fuel companies have significant influence over government climate policy – directly and through industry associations like Business Unity South Africa (BUSA),[6] the Minerals Council of South Africa,[7] and the Energy Council of South Africa.[8]

Since there is no legal requirement in South Africa to disclose lobbying activities, disclosure of the kind the co-filers requested is the only way for investors to ascertain whether investee companies are using their influence to align the country's climate policy with the Paris goals.

Both Exxaro and Thungela refused, without valid legal justification, to table the non-binding, advisory shareholder resolutions. This failure to table the resolutions calls into question the companies' self-stated commitments to transparency.

At Exxaro's AGM, Just Share pointed out that allowing shareholders an opportunity to have a say, in a purely advisory capacity, on crucial issues such as the company's lobbying activities, is an integral aspect of good corporate governance. Exxaro chair, Mvuleni Qhena, committed to an engagement between Exxaro's CEO and Just Share to discuss "these issues". He would not commit to Exxaro reporting in its 2024 reports on the company's lobbying activities according to the Global Standard on Responsible Climate Lobbying. He commented that the company has to balance various views, and not only take certain stakeholders into account.

This is a response Just Share regularly encounters, particularly in relation to shareholder-filed resolutions. However, a non-binding resolution presents a perfect opportunity for companies to hear all of its shareholders' views on a particular issue, and Exxaro failed to take up this opportunity.

4. Claims of sustainability / ESG / climate competence at board level require substantiation

The complexities that arise from managing systemic and material sustainability risks, including climate change, require very specific skills, qualifications and experience that cannot be obtained through, for example, a few courses or presentations on sustainability- or climate change- related issues.

Just Share has again noted[9] that some companies are failing to provide shareholders with enough information to support the claims that companies make with regard to the sustainability, ESG and/or climate change competence of their board members.

Some companies state that a specified number of board members have sustainability, ESG and/or climate change skills and expertise, but an analysis of the biographies of the directors (in both the company annual reports and on the company website), does not provide evidence of this. This

[6] https://www.busa.org.za/.
[7] https://www.mineralscouncil.org.za./
[8] https://www.energycouncil.org.za/.
[9] Also noted in our 2022 AGM roundups: https://justshare.org.za/wp-content/uploads/2022/06/220615-2022-AGM-Roundup-1.pdf; https://justshare.org.za/wp-content/uploads/2022/11/220906-2022-AGM-Roundup-2.pdf and https://justshare.org.za/wp-content/uploads/2022/12/2022-AGM-Roundup-3_14-November-2-December-2022_final-1.pdf.

calls into question the integrity of such claims. Shareholders need to be able to easily ascertain whether the information provided justifies the claims.

For example, **Old Mutual** describes eight of its board members as having “recognised executive industry expertise” in the area of “responsible business”. In 2021, the company claimed that nine of its then 16 directors, had “sustainability-related” expertise, which it defined as “essential expertise required to effectively govern and guide the Group in future-proofing the business and complying with Environmental, Social and Governance (ESG) requirements”.[10]

Reading the biographies of all 14 board members in this reporting cycle, it is impossible to determine which directors Old Mutual considers to have “sustainability-related” or “responsible business” skills, expertise or career experience – the word or related words are not included in any of the biographies. It is concerning that not even the biography of the chair of the responsible business committee - Sizeka Magwentshu-Rensburg - provides evidence of relevant expertise.[11] At the AGM, the response from Dr Magwentshu-Rensburg to Just Share’s question about this description did not provide adequate clarity.

We were also unable to substantiate claims of “ESG-related” skills on the **SPAR** board by reading the limited biographies of its members. For example, SPAR’s annual integrated report states that Jane Canny, chair of the social, ethics and sustainability committee (responsible for board oversight of sustainability-related risks and opportunities) “contributes… ESG skills to the board”.[12] No such claims are made in her biography on the company website.

In the company’s CDP Report for 2022, SPAR references board “sustainability” competence through Kevin O’Brien, the company’s chief sustainability officer, and, at the time, also company secretary. However, Mr O’Brien only has a “permanent invitation to the social, ethics and sustainability committee”, and is not a board member. In response to our question at the AGM, SPAR’s executive chair, Mike Bosman, undertook to improve SPAR’s reporting in this regard.

This is an area which needs more considered disclosure by companies. King IV, Principles 1, 7 and 9 all provide guidance for how governing bodies need to consider the appropriate balance of knowledge, skills, experience and diversity when appointing board members.

The JSE’s Sustainability and Climate Change Disclosure Guidance[13] reiterates King IV’s recommended practices, and provides clearer recommendations for specific board competence disclosure. For example, the Sustainability Guidance states that, in describing the board’s oversight of sustainability issues, the organisation should disclose, *inter alia*, "*how the board ensures that the appropriate skills and competencies are available to oversee strategies designed*

[10] Old Mutual Limited 2021 Integrated Annual Report, p. 10.
[11] https://www.oldmutual.com/about/our-leadership/board-of-directors/sizeka-magwentshu-rensburg/.
[12] The SPAR Group Integrated Annual Report 2022, p. 84.
[13] https://www.jse.co.za/our-business/sustainability/jses-sustainability-and-climate-disclosure-guidance.

to respond to sustainability-related impacts, risks and opportunities".[14] It recommends the "*description of the specific skills, competencies, and experience on the Board to address the organisation's significant sustainability-related impacts, risks, and opportunities."*[15]

The names of the directors with the stated skills should be disclosed, as well as some indication as to how those skills have been acquired. Leaving shareholders to surmise which directors are the ones with the claimed skills and why, is frustrating, runs contrary to King IV and the JSE's Sustainability and Climate Change Disclosure Guidance, and leads stakeholders to question the veracity of the claims made.

5. SPAR AGM

The SPAR AGM was the only AGM attended by Just Share at which shareholders were limited to written questions only, which contravenes the Companies Act. This was also a change in approach to the Q&A session for the 2022 AGM, where verbal questions had been allowed. Just Share asked why the company had changed its position. No adequate response was given, other than to suggest that there were technological limitations from the AGM service provider, which Just Share knows not to be the case.

At SPAR's 2022 AGM, Just Share and another shareholder asked the board if it would commit to disclosing the wages of lowest-paid employees. Although this commitment was made, SPAR did not disclose the wages of its lowest-paid workers in its latest reports. At the 2023 AGM, Just Share raised concerns regarding the lack of wage gap disclosure and the exclusion of "front-end, customer-facing store employees" as "material stakeholders" according to the company's assessment. Mike Bosman, executive chair, stated that SPAR pays its corporate and distribution centre employees at least 37% above the prescribed national minimum wage.

However, Mr Bosman confirmed that due to SPAR's business model, the stores operate as a "network of independent retailers", and that the company does not keep track of the headcount of full-time, part-time, and fixed-term customer-facing employees working for the 'independent retailers', operating under the SPAR retail brand. The chair stated that he was confident that the information could be collected through the SPAR Guilds and indicated that SPAR would aim to provide better wage gap disclosure in the next reporting cycle.

In response to our question about transformation targets, Phumla Mnganga, chair of the social and ethics committee, also committed to providing Just Share with details about the company's race and gender transformation targets. Just Share has since requested this information, but it has not yet been provided.

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[14] Section 3.1 Sustainability Narrative Disclosures, Governance, p31, available at https://www.jse.co.za/sites/default/files/media/documents/JSE%20Sustainability%20Disclosure%20Guidance%20June%202022.pdf.

[15] Section 3.2 Standardised Sustainability Disclosures (Core and Leadership), Governance Metrics, G1.2, Board competence, p 37, available at: https://www.jse.co.za/sites/default/files/media/documents//JSE%20Sustainability%20Disclosure%20Guidance%20June%202022.pdf.

6. JSE AGM

The JSE's 2023 AGM was an excellent example of a well-run and inclusive hybrid AGM.[16] JSE chair, Phuthuma Nhleko, welcomed shareholders and provided an extensive introduction, including introducing all directors and executive management in attendance. The JSE also provided a detailed agenda which was visible to both in-person and electronic attendees. The agenda provided an overview of the expected proceedings, including how the Q&A session would be conducted and when shareholders would vote on the resolutions. Many companies do not provide an agenda at the start of the AGM, leaving shareholders in the dark as to how the AGM will be conducted and when the Q&A session will be held.

During the JSE's Q&A sessions, shareholders attending in-person and electronically were granted seamless access to ask verbal questions. Demonstrating an openness to shareholder engagement, the chair also asked shareholders whether the responses received were satisfactory.

General remarks

During the AGM, Just Share asked what oversight the JSE would provide to ensure that reporting by issuers aligns with its Sustainability and Climate Disclosure Guidance[17] published in June 2022, and whether the JSE would report on the adoption of these guidelines by its issuers. This progressive Guidance is specifically tailored to the South African context, and according to the JSE, "is intended to assist companies navigate the areas of sustainability thinking and disclosure more confidently and meaningfully." No specific response was received to Just Share's question, with various JSE representatives emphasising that the Guidance is not mandatory.

In Just Share's view, and irrespective of the voluntary nature of the Guidance, the JSE should report on its uptake by listed companies and provide continued education and oversight on these guidelines, rather than leaving their interpretation to the market.

In response to Just Share's question as to whether the JSE would include the disclosure of gender pay gaps in the next review of the JSE's Listings Requirements, Leila Fourie, CEO, stated that it had "paused" this consultation process, as it is waiting for clarity on the proposed amendments to the Companies Act.

However, the Companies Amendment Bill does not propose any disclosure of gender pay gaps. Just Share pointed out this crucial omission in our comments on the Bill, and called for the inclusion of the disclosure of gender pay gaps. However, there has been no further public information about the status of the Bill since the call for public comments in 2021.

The JSE is a founding partner of the Sustainable Stock Exchanges (SSE) initiative and prides itself on its role in promoting strong governance and sustainability disclosures. The SSE initiative states that equity markets have the potential to drive companies towards taking action on gender issues by modifying their listing requirements, and in addition to mandating disclosure of gender metrics,

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[16] Video recording of the JSE AGM: https://www.youtube.com/watch?v=-DqI_kfOIPk.
[17] https://www.jse.co.za/our-business/sustainability/jses-sustainability-and-climate-disclosure-guidance.

stock exchanges can consider implementing a "comply or explain" listing requirement that focuses on corporate gender performance as a whole.[18] There is no reason to await clarity on Companies Act amendments.

7. Old Mutual AGM

Old Mutual hosted its first hybrid AGM since the Covid pandemic. The hybrid meeting was well conducted, although there was no engagement between shareholders and board or the executive management team before the meeting started.

Just Share asked whether the company will consider disclosing gender pay gaps (now that it has disclosed vertical pay gaps). The chair of the remuneration committee, Itumeleng Kgaboesele, stated that gender pay gaps would be a 2023 focus area and that Old Mutual would make “appropriate disclosure at the appropriate time in and in compliance with the legislation that's in place”. As set out above, proposed amendments to the Companies Act do not include the disclosure of gender pay gaps.

In response to a question from Just Share about stretching female representation targets at board level, the chair of the responsible business committee, Sizeka Magwentshu-Rensburg, stated that the company is in the process of considering candidates for board positions post the retirement of Nosipho Molope.

In response to our question about Old Mutual’s stance on investee companies disclosing the alignment of their climate-related lobbying activities (and those of the industry associations to which they belong) with the goals of the Paris Agreement, Old Mutual Investment Group’s Managing Director, Khaya Gobodo, stated that this is an area in relation to which the company will be more vocal, and that it will “support more stringent disclosure” around this issue.

8. Exxaro AGM

Exxaro hosted its first hybrid AGM since the Covid pandemic. Exxaro representatives introduced themselves and engaged in a friendly manner with shareholders attending the meeting. The meeting was well conducted and allowed shareholders attending electronically to ask verbal questions.

Exxaro appears to be suffering from strategy ambiguity and incoherence: its Market-to-Resource Strategy (which, with its Early Value Strategy, is about maximising opportunities from coal) falls under the company’s Sustainable Growth and Impact Strategy. In response to Just Share’s question about this, Geraldine Fraser-Moleketi, chair of the social and ethics committee, explained this as being about finding markets for its “clean coal” and relying “on the revenue of the coal business to create impact in the communities where we operate…that is also linked to what we call really preparing these communities for the just energy transition”.

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[18] P 24 SSE., 2022*. How exchanges can advance gender equality: Updated guidance and best practice*. Available here: https://sseinitiative.org/wp-content/uploads/2022/03/How-exchanges-can-advance-gender-equality-Updated-guidance-and-best-practice.pdf.

Exxaro's strategies are also not necessarily consistent year-on-year. It appears to be slowing down its decarbonisation strategy. This "repacing" includes a much less ambitious renewable energy procurement target (almost halved from its previous target). Exxaro's financial director, Pieter Koppeschaar, did not explain on what basis the company regards its previous renewable energy target as "unrealistic", especially given the increasingly permissive regulatory environment and the many opportunities in South Africa.

The company also excludes scope 3 emissions – which form by far the bulk of its emissions - from all of its emission reduction targets. In short, Exxaro does not have a credible decarbonisation strategy nor science-based emission reduction targets.

In response to Just Share's question during its AGM as to whether Exxaro will be investing in new coal, the chair, Mvuleni Qhena, said that it is "not something that we are looking at now", and that "at this stage no new Greenfield coal [projects]" are being considered.

In relation to wage gaps, Exxaro reported that, during the 2023 financial year, one of its key focus areas will be to "address the wage gaps across vertical levels and implement measures to narrow the wage gap".[19] Just Share asked Exxaro about its plans to address and disclose gender pay gaps. In response, Phumla Mnganga, chair of the remuneration committee, confirmed that Exxaro does intend to disclose its gender pay gaps, but did not say when it would do so. She also stated that Exxaro will provide more detail about wage gap disclosure "at the end of the cycle".

Dr Fraser-Moleketi indicated that both the social and ethics committee and remuneration committee engage with this topic. She also stated that one of the reasons that this is complex is that "men tend to project their potential more than women when applying for a similar position".

9. Thungela AGM

Thungela hosted a hybrid AGM. The in-person event was professional and ran smoothly, and Thungela representatives introduced themselves and engaged in a friendly manner with shareholders attending the meeting. The dial-in facility for questions from shareholders attending virtually caused some issues with access, but it was unclear whether the problem arose from the AGM service provider.

Like Exxaro, Thungela does not have a credible decarbonisation strategy nor science-based emission reduction targets.

Although, unlike Exxaro, Thungela does include scope 3 emissions - which comprise 98% of its total GHG emissions – in its 2050 net zero target, it has no current plan to reduce these emissions. At present, the company's disclosures indicate that its 2050 net zero plan relies on abated coal, carbon capture and storage and/or high-efficiency coal-fired power plants.[20]

[19] Exxaro Resources Limited 2022 ESG Report, p. 129.
[20] Thungela Resources Limited Climate Change Report 2022, p.6, p.20, p.28.

Thungela's AGM responses to questions from Just Share did not provide any further comfort. CEO July Ndlovu referred to the reduction in scope 3 emissions over the past year (although this was due to lower production volumes), and to "pulling the right levers" and "doing what we can". Mr Ndlovu stated that Thungela does "take science into account" and that it will continue to "evolve and improve our response strategy, we will look at scope 3 and what we can do, in time." Chair Sango Ntsaluba said that Thungela was "not going to shy away from putting together systems and processes for the journey for scope 3."

In response to Just Share's question about whether Thungela has a broader strategy for acquisition and growth of new coal mines (in light of the recent purchase of Australian coal mine Ensham), Mr Ndlovu stated that the company is "going to consider diversification of our portfolio for a number of reasons. We said we are a single country, single commodity, over-reliant on a very risky piece of infrastructure and that is why we are diversifying. We are executing that strategy."

10. Nedbank AGM

Nedbank hosted a hybrid AGM which was well conducted. Shareholders were provided with a visual agenda at the beginning of the meeting. As set above, this helps to inform shareholders how the meeting will be run, when the Q&A session will be held and when shareholders will vote on the resolutions.

Like Standard Bank and Absa, Nedbank has increased its exposure to fossil fuels significantly over the past financial year. While Nedbank's Energy Policy makes commendable long-term commitments, it leaves significant room for financing which does not support climate action in the short- to medium- term. This makes no sense from a bank which purports to be fully appraised of the urgency of reducing carbon emissions.

Just Share asked about this increased fossil fuel exposure, and how it aligns with Nedbank's clear commitments on climate action. Brian Dames, chair, group climate resilience committee, argued that gas is being treated differently – as a transition fuel, stating that, "we certainly believe that gas is hugely important, as a transition – a transition for technology to catch up."

Just Share asked the bank to consider being more specific in future disclosures and policies about what exactly it means when it states that it will fund gas as a 'transition fuel". At present the term is used so broadly that it could justify investment in *any* gas-related project. There is a need for clarity to avoid this being used as a justification for extensive fossil fuel investment. Chief financial officer Mike Davis committed to investigating this issue for future disclosures.

11. Absa AGM

Although Absa conducted a hybrid AGM, the in-person experience for shareholders was awkward and not at all conducive to effective engagement. There was no interaction between shareholders and board members before the meeting - shareholders who attended in-person were directed to sit together in a separate room before the AGM started. The AGM was held in a boardroom in Absa's offices, with the board and managers seated around the boardroom table, and attending shareholders seated in a row to the side of the room. This meant that several board members had their backs to shareholders throughout the meeting (and many of these board members did not turn around to listen to shareholders when they were speaking).

Absa's exposure to fossil fuels increased significantly in the past financial year. It provides no targets or strategies for the reduction of this exposure, taking the view that addressing energy poverty "should be an immediate priority with a transition to cleaner energy" seen as "a complementary priority".[21] The bank misunderstands that fossil fuel-based energy systems have entrenched poverty and inequality, and that rapidly developing least-cost renewable energy is precisely the vehicle through which energy access will be achieved.

In response to a question from Just Share as to why the bank had lumped together the fossil fuel exposure of "electricity, gas and water supply" - which makes it more difficult to understand and compare, for example, the bank's exposure to renewable energy versus fossil fuel-based energy - chair Sello Moloko assured shareholders that there was nothing untoward about combining these discloses and said that, going forward, the bank would improve its disclosures.

Of the bank's 14 executive committee (exco) members, only three are female.[22] Just Share asked why, of the six new exco appointments, the bank had only appointed one new female executive, instead of using these appointments as an opportunity to increase female representation at exco level.

In response, Mr Moloko stated that Absa would like to have more female representation at exco level. The chair indicated that the company had tried its best to appoint more females for the roles. He said that increasing female representation was "work in progress".

12. Standard Bank AGM

Standard Bank held a hybrid AGM, with the in-person event taking place at the bank's head office in Rosebank. The bank used a dial-in facility for shareholders attending virtually to ask questions, which caused some frustrations amongst shareholders who were unable to ask questions due to problems with the system.

Before the AGM, hundreds of protestors gathered outside the Rosebank building, behind a barricade erected by the bank and under the watchful eye of private security guards and a few members of the South African Police Service (SAPS). Community members and activists were calling on the bank to redirect its funding towards renewable energy initiatives that prioritise low-income communities rather than catering solely to wealthy clients. Protestors were also standing in solidarity with the many fence-line communities in Uganda and Tanzania impacted by the controversial East African Crude Oil Pipeline project (EACOP), and other fossil fuel projects like the Cabo Delgado gas project in Mozambique, funded by Standard Bank.

[21] Absa Group Limited 2022 Integrated Annual Report, p.38.
[22] Absa Group Limited 2022 Integrated Annual Report, p.86.

Social and climate justice activist Kumi Naidoo and Extinction Rebellion climate activist Malik Dasoo were forcibly removed from the Standard Bank building, following an Extinction Rebellion South Africa demonstration in the lobby of the building against the bank's involvement in EACOP.[23]

While all this was going on, the board and senior management were seated in the AGM room, completely disconnected from the protests outside. There was not even an acknowledgment by the bank's chair, Ms Nonkululeko Nyembezi, of the protests, despite these being audible from within the room in which the AGM was held.

At one point during the AGM, while activist shareholders were questioning the bank on its approach to climate change, a shareholder "congratulated" Ms Nyembezi, for the way Standard Bank was taking such a "mature view" in response to the "environmental lobbyists" outside and the challenges on the bank's fossil fuel funding - by ignoring the disruption and challenges from activists. The chair responded, "well said, I can say no more. I don't support, or not support – I am just saying, well said".

The bank's exposure to fossil fuels increased significantly in the past financial year, and it was clear from the AGM that the bank remains firm in its intention to continue to finance oil and gas, relying on the false "conflict" between development and the just transition. At the AGM, Ms Nyembezi commented that the bank "would not privilege sustainability at the expense of developing a poor country".

Just Share asked Standard Bank whether it had made a final decision about its investment in EACOP. Ms Nyembezi still insisted that no final decision had been made and that this was subject to conditions in the credit approval process and that outstanding due diligence questions are still being considered. Furthermore, she confirmed that TotalEnergies still had to respond on some matters.

Standard Bank has reported that it had conducted an analysis of gender pay gaps, and found no evidence of systemic pay discrimination between men and women at the Group and country level.[24] At the AGM, Just Share pointed out that this outcome was intriguing, considering that South Africa's gender wage gap is estimated to range between 23% and 35%. We inquired whether the bank would commit to disclosing the actual gender pay ratios for all employment equity levels. In response, Standard Bank did not commit to full disclosure. The company contended that its gender pay ratios favour women, although Ms Sharon Taylor, Chief People & Culture Officer, acknowledged that the data the bank has used is "murky".

[23] https://www.dailymaverick.co.za/article/2023-06-12-kumi-naidoo-forcibly-removed-from-standard-bank-hq-after-protest-over-crude-oil-pipeline-project/.
[24] Standard Bank Group Limited Environmental, social and governance report 2022, p.52.

13. Commitments made in response to Just Share's questions

SPAR:

- **Mike Bosman, executive chair**: stated that SPAR aims to provide better disclosure of the "sustainability/climate" competence of directors in future reporting.
- **Mike Bosman, executive chair**: stated that SPAR aims to improve disclosure of its lowest-paid workers in the next reporting cycle.
- **Phumla Mnganga, chair, social and ethics committee**: noted that SPAR would provide Just Share with details about the company's race and gender transformation targets for top, senior, middle and junior management. Just Share has followed up and awaits a response.

Old Mutual:

- **Elsabe Kirsten, group company secretary:** committed to making the minutes of its AGM publicly available on the company website in future.
- **Khaya Gobodo, managing director:** indicated that Old Mutual would be more vocal regarding disclosure by investee companies of climate lobbying.

Exxaro:

- **Phumla Mnganga, chair, remuneration committee:** "at the end of the cycle, you will be able to see more in terms of what that disclosure [wage gap] would look like."

Nedbank:

- **Brian Dames, chair, group climate resilience committee:** confirmed that "glidepaths" to be published in 2024, setting out plans and targets, would "definitely be science based and informed from that perspective."
- **Mike Davis, chief financial officer:** committed to investigating the disclosure of more detail on what Nedbank intends to fund when it describes gas as a "transition fuel".

Absa:

- **Sello Moloko, chair**: in response to the question about lumping together the fossil fuel exposure of electricity, gas and water supply, assured shareholders that the bank would aim to improve its disclosure.

End