

AGM round-up Sasol Limited



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1. Introduction

Date of AGM:	15 November 2024
Chair of the Board:	Muriel Dube
Type of AGM:	Electronic-only AGM conducted by Lumi ¹
AGM duration:	01:28

Useful links:

- [Notice of AGM](#)
- [Proxy form 2024](#) (page 29)
- [Results of 2024 AGM](#)
- **January 2024 AGM minutes not publicly available**

2. Key takeaways

- *Despite lower production levels over the past year, Sasol’s greenhouse gas emissions have again increased. It expects its production levels to increase this year, with the result that its emissions will increase for the third consecutive year.*
- *The ambiguous language used in Sasol’s recent public statements suggest it may be preparing to pull back from its 2030 emission reduction targets.*
- *For the first time since 2021, Sasol did not invite a Say on Climate vote by shareholders on its emission reduction strategy. Sasol will not commit to resuming its annual Say on Climate votes post its May 2025 Capital Markets Day.*
- *Sasol will provide more details about its plans for “optimising its Emission Reduction Roadmap to include value-creation opportunities” at its 2025 Capital Markets Day.*
- *Sasol says that its decision to run an electronic-only AGM again was motivated by the protest which disrupted its November 2023 AGM. Sasol did not commit to resuming hybrid AGMs.*

3. AGM governance and best practice

Sasol again opted to host an electronic-only AGM, as it did earlier this year when it reconvened the November 2023 AGM it cancelled. Best practice is to hold a hybrid AGM, which makes provision for both in-person and online shareholder attendance.² The virtual format limits shareholder engagement and can more easily result in violations of shareholder rights.

When asked at the AGM why Sasol was conducting an electronic-only AGM, Vuyo Kahla, Executive Vice President: Commercial and Legal, said that this decision was motivated by the protest which disrupted its November 2023 AGM, concluding that “Sasol believes it’s more important to have the business of the AGM conducted and less important about the forum used, as long as it enables us to ensure effective participation.”

¹ www.lumiglobal.com

² <https://justshare.org.za/media/news/climate-change/just-share-publishes-agm-best-practice-guide/>;
<https://justshare.org.za/media/news/sa-companies-virtual-agm-arrangements-risk-non-compliance-with-companies-act/>;
<https://www.cipc.co.za/wp-content/uploads/2023/04/NON-BINDING-LEGAL-OPINION-AGMs.pdf>



Sasol did not advise whether it intends future AGMs also to be electronic-only.

Just Share believes that Sasol's reliance on the 2023 AGM protest to hold virtual-only AGMs is unjustified. We continues to advocate for hybrid meetings as providing the best opportunity for constructive and meaningful engagement and to ensure that all shareholders have access to AGMs.

4. Q&A sessions

Sasol enabled written, verbal, telephonic and video questions during the Q&A session, in compliance with the recently-published Companies and Intellectual Property Commission (CIPC) Guideline on electronic AGMs.³ Although chairperson Muriel Dube had stated that some questions might be paraphrased when they were read out, all written questions submitted were read out accurately and in full by Senior Manager: Group Media Relations and External Communication, Alex Anderson.

5. Just Share's questions

5.1. Say on Climate vote

Sasol has consistently refused to table shareholder-proposed resolutions.⁴ Shareholder-proposed resolutions on climate change and related ESG issues are an important means for shareholders to impart and receive information on pressing sustainability risks facing businesses and to collectively organise around the shared goal of addressing these risks, both in the company's interests and in furtherance of constitutional rights.

Every year since it launched its updated decarbonisation targets and emission reduction roadmap (ERR) in 2021, Sasol has tabled its own resolution - a "Say on Climate" vote - inviting its shareholders to express their views on Sasol's decarbonisation plans and progress. It did not so do this year, indicating at its 5 November 2024 roundtable that this resolution was not necessary since Sasol had not changed its targets since last year.

Sasol's decision not to table a climate vote at its 2024 AGM appears to be a strategic move to avoid what would likely be an embarrassing level of shareholder opposition. The pattern of declining support for these resolutions - from 94.54% in 2021 to 77.36% in January 2024 - demonstrates growing shareholder scepticism about Sasol's climate commitments.

Given Sasol's recent ambiguous messaging about its 2030 targets and the absence of a separate climate report this year, the company likely anticipated that putting its climate strategy to a vote would result in even lower support levels, potentially falling below a majority endorsement. By avoiding the vote altogether while claiming to be "optimising" its emission reduction pathway, Sasol sidestepped immediate shareholder scrutiny while it prepares potential revisions to its climate commitments.

³ "A combination of written, verbal, telephonic and video questions to ensure reasonably effective participation in the AGM."

⁴ <https://justshare.org.za/media/news/sasol-refuses-to-table-shareholder-proposed-resolution-for-the-sixth-time/>



We asked at the AGM whether, once Sasol had provided more details about its plans for “optimising its Emission Reduction Roadmap to include value-creation opportunities” at its May 2025 Capital Markets Day (CMD), it would resume its annual Say on Climate votes. We pointed out that Sasol had tabled such votes in 2022 and 2023, despite its targets not having changed in those years either.

Sasol CEO, Simon Baloyi, responded that Sasol was “hard at work now to redefine how we want to implement our ERR, and we will share that work at CMD - and that is why we didn't table the resolution. So, after we've done that work, we'll continue to table the resolution”. However, he was contradicted by Dube, who indicated that this decision would be informed by “the objective reality at the time”, indicating that Sasol would make an assessment about the vote after CMD – “after there is clarity about the future - in terms of our strategy - and then we will make then that decision at that point in time”. In other words, Sasol did not commit to resuming these annual climate votes.

5.2. Competition Commission and Air Liquide Large Industries South Africa

In 2021, when the Competition Tribunal approved the merger between Air Liquide Large Industries South Africa and the 16 Air Separation Units (ASUs) owned and operated by Sasol, one of the conditions of that merger was that Air Liquide committed to target a reduction of carbon emissions associated with the ASUs by 30% within 10 years.⁵

Just Share asked Sasol whether the Competition Commission had engaged Sasol and Air Liquide since 2021 on progress on achieving this commitment. Baloyi did not respond to that question. He stated that the renewable energy that Sasol is procuring with Air Liquide would “help them to meet the commitment that they've made after 10 years”.

5.3. Greenhouse gas (GHG) emission reduction targets and baselines

Sasol’s 2026 and 2030 scope 1 and 2 GHG emission reduction targets are separate for its Energy and Chemicals businesses:

- 2026:
 - 5% emission reduction from its Energy Business (excluding Natref) (“Energy 2026”); and
 - 20% emission reduction from its International Chemicals Business; and
- 2030:
 - 30% emission reduction from its Energy Business (excluding Natref, Mozambique and “some other strategic business units and functions”) (“Energy 2030”); and
 - 30% emission reduction from its International Chemicals businesses (“Chemicals 2030”).

Although the 2017 baselines applicable to each of these targets is different (for instance Energy 2030 excludes Mozambique and some other units), Sasol disclosed a single 2017 baseline for both the Energy 2026 and Energy 2030 targets. This baseline appears to represent the emissions figure

⁵ <https://www.comptrib.co.za/open-file?FileId=52676>



excluding emissions from Natref and Mozambique, but including emissions from “other strategic business units and functions”. In other words, the baseline does not match either of these Energy Business targets.

Sasol also does not report specifically on its progress towards achieving the Energy 2026 or Energy 2030 targets, measured against their correct baselines. In addition, instead of reporting the Energy 2030 and Chemicals 2030 targets separately, Sasol reports on a “Combined target tracking” for Sasol Energy and Chemicals.

To allow shareholders and other stakeholders to assess Sasol’s progress - or otherwise, with each of its targets, Sasol must report clearly and consistently against all of its respective emission reduction targets, using the correct baselines. At the AGM, Just Share asked whether Sasol would do so in future disclosures.

In response, Baloyi and Dube both disputed that Sasol had reported inconsistently. Baloyi said that, although it was “possible to disaggregate between Chemicals and Energy”, its target “was a 30% target reduction for the whole organisation”, meaning it would “need to still aggregate and show the reduction for the whole organisation.”

It is not correct that Sasol has set a single 30% target for its entire organisation. We referred Sasol management to our November briefing which sets out the inconsistencies in its reporting.⁶

5.4. Motivations for and lack of progress on 2030 GHG emission reduction targets

When Sasol announced its emission reduction strategy in 2021, it said that it had “identified opportunities that exceeded expectations” and touted its “tailored target setting and roadmap approach” as ensuring “a scientifically sound, robust and credible process.”

Despite this, Sasol’s emissions have increased for the last two years and are expected to increase again in 2025. Sasol argues that its ERR is “back-end loaded” – with the majority of emission reductions to occur in the years closer to the 2030 deadline - and that emissions will not decrease in a linear fashion.

At the AGM, Just Share pointed out that Sasol had made almost no progress in the three years since it had set its emission reduction targets, and that the longer it takes to reduce emissions, the more challenging the task will be in a shorter window of time. We asked whether, when it set its targets in 2021, Sasol genuinely believed these to be achievable, or whether it had been too optimistic in an effort to appease shareholders and climate activists.

Baloyi responded that that, when Sasol set its various emission reduction targets in 2021, it did so with reference to the then prevailing market conditions – including the availability of gas. He stated

⁶ https://justshare.org.za/wp-content/uploads/2024/11/241111_Sasols-2024-climate-disclosures.pdf at paragraphs 4.1 and 5.1.



that Sasol has since had to optimise its ERR “because we don’t have gas”. He said that part of this optimisation would “make sure that we maximise the Secunda facility”. It is not clear what this means.

Executive Vice President: Business Building, Strategy and Technology, Sarushen Pillay, commented that Sasol’s “emissions are heavily related to our production volumes. And over the last two years, we’ve had lower production volumes from where we would like to be. And in this current financial year, as we’ve indicated to the market, we are striving for a higher production level. So, we do expect if we achieve those production volumes, for a slight increase in our emissions”. In other words, Pillay confirmed that Sasol’s emissions had increased despite lower production volumes, and were expected to increase over the coming year.

Baloyi also argued that Sasol has demonstrated its ERR progress - referring to renewable energy megawatts “to the tune of R25 billion” that have “already come into the country”. Pillay referred to electricity from the Msenge Emoyeni Wind Farm having been integrated into its operations: “we’re seeing those benefits from October this year - early next year - or towards the middle of next year - we’ll see the next 100 megawatts of solar projects coming online.” Pillay stated that Sasol’s integration of renewable energy would result in some emission reductions from next year.

5.5. Carbon tax

Sasol regularly touts its contributions to employment, tax and GDP. It does not clearly explain the link between these contributions and its ability to meet the climate targets it has set for itself. Although Sasol publicises its role as a major taxpayer, it, together with various of its industry associations, strongly opposes increases to the **carbon** tax.⁷

National Treasury introduced the carbon tax in 2019 at a non cost-reflective level to give all of South Africa’s emitters the opportunity to start restructuring and transitioning their operations in time for when the transition period (phase 1) was due to end at the end of 2022. Sasol regularly refers to its efforts to lobby government to prevent the carbon tax from becoming cost-reflective, and, in many ways, these efforts have been successful.

For instance, phase 2 of the tax has been delayed until 2026 and the extensive tax-free allowances remain in force. As things stand, South Africa’s effective carbon tax rate remains far too low to incentivise the just transition and ensure that the “polluter pays”. Until Sasol faces the prospect of having to pay for the harm it causes, including through a strong carbon tax, there is no disincentive for business-as-usual emissions. This is evidenced in the fact that Sasol’s GHG emissions are expected to increase for the third consecutive year in 2025.

We asked at the AGM why South Africans, and Sasol shareholders, should believe that this approach to carbon tax presents the best option for the country, and how the revenue foregone by National Treasury as a result of the carbon tax allowances and delays will be better spent by Sasol on meeting the country’s macroeconomic and socioeconomic needs.

⁷ https://justshare.org.za/wp-content/uploads/2024/11/241111_Sasols-2024-climate-disclosures.pdf at paragraph 6.



Baloyi denied that Sasol was engaged in negative lobbying around the carbon tax, but rather, “what we are advocating for, as Sasol, is to make sure that the extent and pace of the transition is equally matched with the carbon tax to make sure that its very, very realistic to all of us, and not just to Sasol but to the whole SA industry.”

5.6. Energy Council

The Energy Council of South Africa describes itself as serving as the “collective, unified voice of the energy sector” and is supposed to represent the interests of the sector broadly. It is also the secretariat for the National Energy Crisis Committee (NECOM) – the partnership between the private sector and the South African government set up “to deal with the energy crisis by fixing Eskom and adding new sources of power”.⁸

We asked Sasol whether the role of the Energy Council chair was reserved for the Sasol CEO, given that Mr Baloyi was appointed in this role vacated by the previous Sasol CEO, Fleetwood Grobler. Kahla indicated that this is an issue not dealt with directly by Sasol, but by the Energy Council. He said that Sasol does not see the chair role as being reserved for Sasol and “each individual has been elected on their own merit”. He said that, in making this decision, members of the Council “take into account individuals who can make a contribution to effective leadership, take into account the vast challenges that are faced by South Africa in respect of energy transition”.

6. Questions asked by other shareholders

The board and executive committee faced several questions from other shareholders. The names of shareholders submitting written questions were disclosed and the questions remained visible on the platform after being answered.

Questions from shareholders related to:

1. Safety performance and ensuring “zero harm”.
2. Sasol’s plans to strengthen “sustainability competence” at board level.
3. The pace and effectiveness of the company’s decarbonisation efforts.
4. Research and development plans to replace fossil energy with alternative cost-effective and sustainable solutions.
5. Concerns about “improper due process” around the appointment process of Baloyi as new CEO.
6. Financial performance concerns, particularly relating to improving cash flow generation and reducing debt sustainably below the US\$4 billion threshold.
7. Sasol’s shareholder dividend policy and low dividends.

⁸ <https://www.stateofthenation.gov.za/takechargesa/about-necom>



7. AGM results

All resolutions tabled at the November 2024 AGM passed with the required support from shareholders.

8. Resources

8.1. Just Share

- **Briefing:** [Sasol Limited's 2024 climate-related disclosures](#), November 2024.
- **Media release:** ["Corporate greed" and the "guise of economic development"](#), 26 August 2024.
- **Media release:** [New environment minister imposes stricter sulphur dioxide limit than Sasol sought, but company can still pollute far above legislated limits](#), 31 July 2024.
- **Op-ed:** ["Minimum" emission standards minimised again: Sasol's air pollution appeal succeeds](#), 24 April 2024.
- **Media release:** [Minister grants Sasol's SO₂ appeal, & Carbon Majors Database confirms Sasol one of world's largest carbon emitters since Paris Agreement](#), 8 April 2024.
- **Briefing:** [Polluters won't pay: compliance & enforcement void in the Climate Change Bill & draft carbon budget regulations](#), March 2024.
- **AGM Guide:** [Best practices for South African annual general meetings](#), November 2024.
- **Op-ed:** [AGMs should also be free and fair](#), June 2024.

8.2. Other

- **CIPC Guideline 1 of 2024:** [Guideline for annual general meetings conducted electronically](#), October 2024.
- **CIPC legal opinion on virtual AGMs:** [Non-binding legal opinion in terms of section 188 \(2\)\(b\)\(i\) of the Companies Act 71 of 2008 \(as amended\)](#), April 2023.

End