



Chartered
Governance
Institute of
Southern Africa

THE ROLE OF
THE **COMPANY**
SECRETARY IN
CLIMATE CHANGE

CGISA Best Practice Guide

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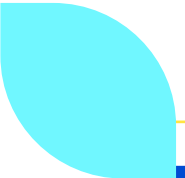
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List of Acronyms and Abbreviations

AGMs	Annual general meetings
ARM	African Rainbow Minerals
BSE	Botswana Stock Exchange
CCA	Climate Change Act 22 of 2024
CER	Centre for Environmental Rights
Companies Act	Companies Act 71 of 2008
CTA	Carbon Tax Act 15 of 2019
DFFE	Department of Forestry, Fisheries and the Environment
ESG	Environmental, social, and governance
GHG	Greenhouse gas
King V™	King V™ Code on Corporate Governance for South Africa
KPIs	Key performance indicators
NDCs	Nationally determined contributions
NEMA	National Environmental Management Act 107 of 1998
NEMLAA4	National Environmental Management Laws Amendment Act, 2 of 2022
NGFS	Network for Greening the Financial System
PCC	Presidential Climate Commission
SAMRC	South African Medical Research Council
SAPREF	South African Petroleum Refinery
SCA	Supreme Court of Appeal
UN	United Nations
USA	United States of America

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Foreword

The Role of the Company Secretary in Climate Change

It is with great pleasure that I introduce this best practice guide, a resource that reflects both deep expertise and our Institute's steadfast commitment to responding to the growing risks of climate change. As the risks associated with climate change seem to get worse every year, the role of the company secretary in climate change becomes more vital than ever. No longer just a custodian of compliance, the company secretary is being called upon to be the board's trusted adviser. And there is no greater long-term responsibility than providing guidance on climate change.

The effects of climate change are well known. For example, floods have steadily increased in South Africa. In May 2026, six out of nine provinces – Western Cape, North West, Free State, Eastern Cape, Northern Cape and Mpumalanga – all experienced severe flooding leading to a national disaster being declared. In January 2026, Limpopo also experienced devastating floods, which included large sections of the Kruger National Park. On the other hand, the Southern Africa region has experienced severe droughts from time to time with dams drying up and the resulting loss of livestock and agriculture. The increasing severity of these phenomena is undoubtedly related to climate change.

South Africa passed the Climate Change Act 22 of 2024 (the "Act"), with the initial sections commencing on 17 March 2025. The Act is South Africa's long-term solution to global climate change efforts to reduce rising carbon emission levels while ensuring a climate resilient economy. It is becoming increasingly evident that climate change is not only a growing existential crisis but a growing imperative for boards to address. Considering this, the role of the company secretary is critical in helping boards deal with climate change.

This best practice guide explores five critical dimensions of climate change within the Southern African context. It begins by examining why climate change is important in Southern Africa and its impact on everyday citizens. It then turns to the importance of climate education, underscoring the need for increased awareness and capacity-building among boards and company secretaries themselves. The third section provides a detailed overview of the legislative landscape, with particular focus on the Climate Change Act 22 of 2024 and key gaps in its enforcement. The fourth area investigates the role of annual general meetings and the rising influence of shareholder activism in advancing climate action. This is particularly pertinent for company secretaries who are responsible for the smooth functioning of the annual general meetings. Finally, the best practice guide outlines the benefits for boards that embed climate considerations into their decision-making, demonstrating how such integration can drive long-term value for both business and society.

I would like to thank our technical managers, past and current, for producing this best practice guide. This best practice guide builds on a solid foundation of earlier publications, each reflecting the Institute's forward-thinking leadership and commitment to excellence. It is my hope that this guide offers valuable insights and inspires meaningful action.

Stephen Sadie
(MBA, M.Ed.)
Chief Executive Officer

12 June 2026



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Introduction

The role of a company secretary has undergone a significant transformation in response to the evolving needs of the organisations they serve. From the traditional view of being primarily administrative, it has emerged as a vital role in shaping and supporting good corporate governance, regardless of the size or sector of the entity.

Today, the role is bifurcated: while more junior company secretaries focus on the more rote functions such as meeting administration, statutory submissions, drafting resolutions, minute-taking, and record maintenance, the more senior and strategic dimension of the role has emerged as that of a trusted advisor to the board and its committees. This includes guiding the governing body on legal duties, regulatory developments, stakeholder expectations, and emerging risks, including those related to sustainability and climate change.

Scientific evidence clearly indicates that Southern Africa is experiencing a warming climate trend. This has largely been caused by human activities, such as the burning of fossil fuels, and the changing of the global land surface from natural vegetation to croplands and human settlements. The United Nation's Intergovernmental Panel on Climate Change has reported (with high confidence) that at the speed at which we are going, global warming of 1.5 °C is likely between 2030 to 2052. This increase in global warming is likely to cause irreversible damage for health, livelihood and economic growth. Further, limiting global warming to 1.5 °C with no or little overshoot would require a major overhaul of energy, land, urban infrastructure and industrial operations.¹

The urgency of climate change has brought renewed scrutiny to corporate governance practices, placing company secretaries at the forefront of environmental accountability. In South Africa, recent developments – including the enactment of the Climate Change Act 22 of 2024 ("CCA") and growing pressure from regulators and stakeholders – have underscored the need for boards to engage meaningfully with climate-related risks and opportunities. High-profile governance failures at South African entities have exposed not only financial mismanagement but also a troubling absence of strategic foresight in addressing environmental sustainability. Sasol, for instance, has come under scrutiny for excessive greenhouse gas emissions and air pollution, particularly from its Secunda plant, and has faced legal challenges over non-compliance with air quality standards. Eskom, likewise, continues to draw criticism for its reliance on coal-fired power stations, which are major contributors to both air pollution and carbon emissions. These cases underscore the urgent need for stronger governance frameworks that integrate environmental accountability into core decision-making. Company secretaries, as custodians of governance and compliance, are increasingly expected to guide boards in integrating climate considerations into decision-making, disclosures, and risk management frameworks. Robust governance serves as the cornerstone of effective environmental stewardship, enabling organisations to confront systemic risks – such as climate change – proactively and with accountability. As climate change continues to reshape the corporate landscape, the role of the company secretary is evolving from procedural oversight to strategic stewardship. The importance of this advice has been underscored by high-profile governance failures, not only in South Africa but

¹ Balaouras, S., and Schiano, S., (2018) 'Climate Change is Transforming Business,' Forrester, 10 October. Available at: Climate Change Is Transforming Business (Accessed: 15 September 2025).

Introduction (continued)

across the globe. In South Africa, investigations such as the Zondo Commission and numerous media and other reports on entities such as SABC, Denel, PRASA, Eskom, SAA, VBS Bank, EOH, Tongaat-Hulett, and Steinhoff, have brought the conduct and responsibilities of company secretaries and their departments into sharp focus.

This best practice guide considers how the company secretary's evolving governance role intersects with one of the most urgent and complex challenges facing organisations today: climate change. It explores how company secretaries can contribute meaningfully to not only organisational sustainability but also their environmental and societal impact. In doing so, it reflects a broader shift towards integrated thinking, responsible leadership, and long-term value creation.

This best practice guide unfolds across five carefully structured chapters, each designed to build your knowledge step by step. The first chapter focuses on the impact of climate change on the daily lives of ordinary Southern Africans. The effects of climate change are outlined as well as the devastating consequences. The second chapter focuses on the importance of boards and company secretaries being educated on climate change, and how company secretaries can add value in the boardroom on this pivotal topic. The third chapter focuses on the legislative framework on climate change as found in Southern Africa. The fourth chapter aims to shed light on climate change and its effects on annual general meetings ("AGMs"). And how climate change activism has shaped AGMs. Finally, the final chapter focuses on the benefits of boards taking climate change into account in their deliberations.



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Chapter One

Why Climate
Change is
Important in
Southern Africa

Introduction

Climate change is important in Southern Africa because its effects are being felt by ordinary inhabitants of the region. With the change in weather patterns and the frequency of extreme weather conditions – such as droughts, floods, fires and heatwaves – increasing, the signs of a changing climate are here to stay and are further propelled by the emission of greenhouse gases ("GHG") and air pollution by large corporations.

This chapter aims to personalise the effects of climate change by relating it to the resulting impact on the ordinary lives of Southern Africans. Further, it highlights the critical importance of climate change in Southern Africa by examining its far-reaching impacts on communities, and businesses by emphasising the urgent need for corporate boards to be aware of and engage with climate change. Further, a distinction will be made between physical risks and transition risks and how each affects a business's operations. Finally, it is important to gain a global perspective. The effects of President Donald Trump's stance on climate change will be explored as a result.

Why boards should be aware of climate change

As with all risks, whether physical or transitional, climate change carries adverse financial, legal and reputation implications. It is thus necessary for the board to respond proactively and view climate change as a strategic imperative, so as not only to mitigate the risks, but also to capitalise on the emerging opportunities that safeguard the financial stability of the organisation. This is essential, not only for shareholders, but for all stakeholders, both external and internal. Southern Africa is particularly vulnerable to climate change because of its geographic location and its socio-economic state.

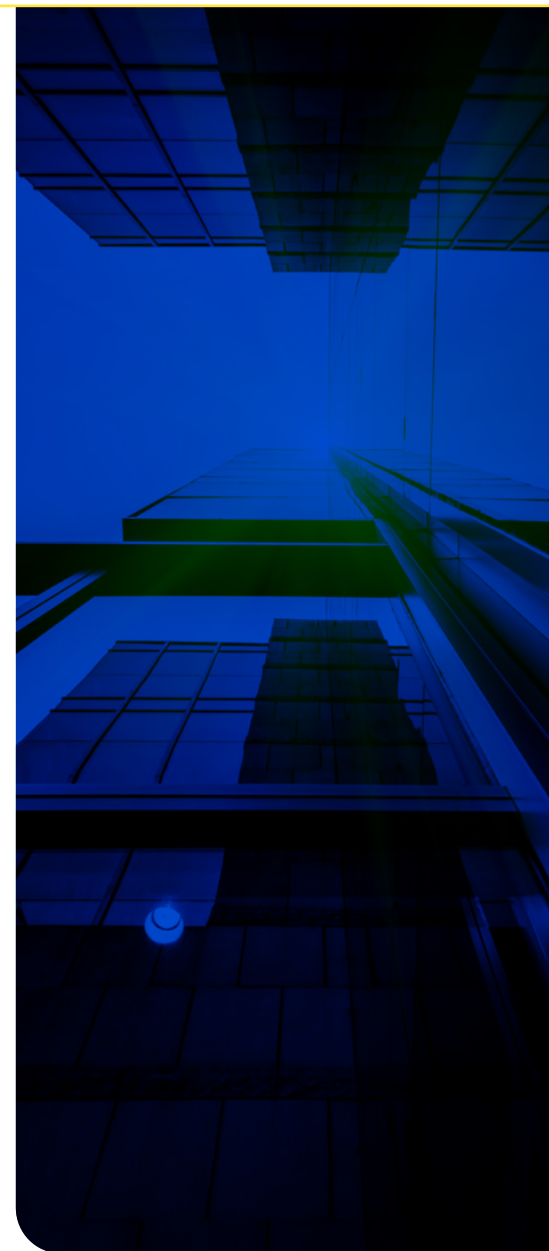
Physical risks are the most apparent climate risks faced by boards and involve damage to infrastructure and assets, as well as potential loss of life, resulting from extreme weather events and broader climate trends such as rising temperatures and sea levels. And can be further divided into acute and chronic physical risks. Acute risks refer to sudden, extreme weather events – such as floods, wildfires, and heatwaves – that can disrupt operations, damage assets, and endanger lives. Chronic risks, on the other hand, involve gradual shifts like rising temperatures, prolonged droughts, and sea-level rise, which can erode long-term business viability and strain natural resources. Understanding and integrating these risks into governance frameworks is essential for ensuring strategic resilience, regulatory compliance, and sustainable value creation.²

Transitional risks, while less visible, are no less critical. These encompass financial, operational, reputational, and legal risks due to changing regulations and policies aimed at reducing GHG emissions.³ Both risk types have the potential to affect organisations' operations, supply chains and markets, resulting in increased costs and disruptions.⁴

2 Paisley, J. (2025) 'Understanding the Physical Risks Associated with Climate Change,' *Global Association of Risk Professionals*, 3 July. Available at: Understanding the Physical Risks Associated with Climate Change (Accessed: 4 November 2025).

3 Beddow, H., (2023) 'What is the difference between physical climate risk and transition climate risk?' *UKGBC*, 19 April, Available at: Physical Climate Risk & Transition Climate Risk | UKGBC (Accessed: 12 September 2025).

4 Ibid.



A clear illustration of the effects of physical risks is the shutdown of the South African Petroleum Refinery ("SAPREF"), formerly the nation's largest oil refinery. In 2022, operations were suspended – initially described as temporary – after severe flood damage in Durban compromised the facility's infrastructure. SAPREF was jointly owned by multinational energy companies BP and Shell until it was sold to the state-owned Central Energy Fund for just R1.

These developments marked a turning point in how climate change is regarded by the financial sector. Where the financial sector, from asset managers to casual investors, initially dismissed climate change as a distant or peripheral concern when making financial decisions, that is no longer the case. The growing threats posed by physical and transition risks – exacerbated by increasingly stringent climate policies and regulations – make it clear that a business-as-usual approach is no longer viable. In response, the National Treasury has taken a proactive stance by developing the South African Green Finance Taxonomy, a framework designed to help investors, companies, and regulators identify and support environmentally sustainable economic activities.⁵ This taxonomy aligns with global standards and aims to improve transparency, attract green investment, and support the country's transition to a low-carbon economy.

In parallel, the South African Reserve Bank has recognised climate change as a systemic risk to financial and price stability. It is working to embed climate-related risk assessments into its regulatory and supervisory frameworks, ensuring that financial institutions are resilient to both physical and transition risks.⁶ Together, these initiatives signal a clear policy shift toward integrating climate considerations into fiscal and monetary systems, with implications for corporate governance, disclosure practices, and long-term strategic planning.

A study done by the South African Medical Research Council ("SAMRC") showed that pollution in South Africa increases the annual rate of deaths by 6% in societies living near coal-fired power plants.⁷ This study marks a pioneering effort in Africa, utilising empirical data – rather than predictive models – to assess the health impacts of air pollution. It draws on death certificates, recorded cases of pneumonia in children under five, and official air quality measurements.

The review represents the latest initiative to evaluate the public health consequences of South Africa's 14 large coal-fired power stations, which collectively generate over 80% of the country's electricity.

Due to its heavy reliance on coal, South Africa – home to 63 million people – holds the distinction of having the most carbon-intensive economy among nations with populations exceeding four million.

According to a statement by SAMRC, cardiovascular diseases pose a significant health risk in municipalities hosting coal-fired power stations operated by Eskom. SAMRC also highlighted that children under the age of five are especially vulnerable, with a marked rise in pneumonia cases linked to air pollution exposure.

Earlier studies have estimated that pollution from Eskom's operations may contribute to over 2,000 deaths annually, although the utility's own figures suggest a considerably lower toll of approximately 330 deaths per year.⁸

In the context of the escalating global and domestic climate crisis, a compelling argument can be made that boards which fail to embed climate considerations into their governance frameworks risk breaching their fiduciary duties – particularly the duty to act with care, skill, and diligence as prescribed by the Companies Act 71 of 2008, as amended (the "Companies Act"). Overlooking climate-related risks may not only jeopardise the organisation's long-term sustainability but could also expose directors to personal liability, especially as climate litigation gains momentum worldwide.

⁵ South African National Treasury and International Finance Corporation (2022) *South African Green Finance Taxonomy-1st Edition* Available at: SA Green Finance Taxonomy – 1st Edition.pdf (Accessed: 4 November 2025).

⁶ South African Reserve Bank (no date) *Climate Change*. Available at: Climate Change (Accessed: 4 November 2025).

⁷ Bloomberg (2025) 'Eskom kills 2,000 people per year', *BusinessTech*, 5 March, Available at: Eskom kills 2,000 people per year – BusinessTech (Accessed: 16 September 2025).

⁸ Ibid.

Regional vulnerabilities:

Droughts, floods, extreme weather, fires, and heat waves

South Africa and its neighbouring states are increasingly vulnerable to the escalating consequences of climate change, including prolonged droughts, floods, wildfires, heatwaves, and extreme weather events. These disruptions threaten infrastructure, public health, and the viability of key industries such as agriculture, tourism, and sport.

In early 2025, South Africa endured widespread flooding that claimed over 130 lives and displaced tens of thousands. KwaZulu-Natal, Gauteng, Free State, and the Northern Cape were severely affected, with infrastructure damage running into tens of millions of rands. In April 2025, the Vaal Dam overflowed to 121% capacity, prompting emergency sluice gate releases that caused downstream flooding in towns like Parys and Potchefstroom. By June 2025, a powerful cold front brought torrential rain and snowfall to the Western and Eastern Cape, with floodwaters reaching depths of 4 metres and a death toll surpassing 100 by July.⁹

The Eastern Cape's 2024 floods, which caused R5 billion in damage, and the Nelson Mandela Bay disaster, where shelters were overwhelmed and fatalities mounted, underscore the humanitarian toll.¹⁰ Botswana and Namibia have also faced deadly floods and persistent droughts, with Southern Africa's annual disaster losses averaging \$2.3 billion.¹¹

Sport has not been spared. Rugby fields have become unplayable due to floods, droughts, and smog from bushfires, as noted by World Rugby. Their 2024 report warns of six major climate hazards affecting the sport globally and calls for proactive adaptation. Formula 1, meanwhile, has reduced its carbon footprint by 26% and aims for net zero by 2030 – demonstrating how governance can drive sustainability.¹²

Public health risks are mounting. Durban's repeated floods (2022–2024) have contaminated coastal waters with raw sewage, while Johannesburg faced water outages during a 2024 heatwave. Climatologist Prof. Francois Engelbrecht warned that Gauteng's biggest economic threat is a "Day Zero" drought, with the Integrated Vaal System at risk of failure.

These events are not anomalies. Global disasters – such as the wildfires in Los Angeles – have cost \$131 billion in the first half of 2025 alone. Further, the devastation caused by Hurricane Melissa in Jamaica – one of the strongest storms in the island's history – underscores the urgent need for robust governance frameworks that prioritise climate resilience, and transparent risk management.

⁹ King, K., (2025) 'South Africa must adapt and innovate to survive our new normal – flooding', *Mail & Guardian*, 20 August. Available at: <https://mg.co.za/thought-leader/2025-08-20-south-africa-must-adapt-and-innovate-to-survive-our-new-normal-flooding/> (Accessed: 12 September 2025).

¹⁰ Velaphi, S., (2025) 'Eastern Cape floods: R5bn for deadly disaster but Godongwana warns against misuse', *News24*, 24 June. Available at: <https://www.msn.com/en-za/news/other/the-12-7-billion-problem-that-is-causing-some-of-africa-s-wealth-to-slip-through-the-cracks/ar-AA1M96pP?ocid=BingNewsVerp> (Accessed: 12 September 2025).

¹¹ Okafor, C., (2025) 'The \$12.7 billion problem that is causing some of Africa's wealth to slip through the cracks', *Business Insider Africa*, 9 September. Available at: <https://www.msn.com/en-za/news/other/the-12-7-billion-problem-that-is-causing-some-of-africa-s-wealth-to-slip-through-the-cracks/ar-AA1M96pP?ocid=BingNewsVerp> (Accessed: 12 September 2025).

¹² Formula 1 (2025) *Formula 1 on track to be Net Zero by 2030 with 26% reduction in carbon footprint*. Available at: <https://www.formula1.com/en/latest/F1-on-track-to-be-Net-Zero-by-2030-with-26-percent-reduction-in-carbon-footprint.html> (Accessed: 30 October 2025).

Transition risks and their effects on businesses

As companies shift toward a low-carbon economy, they face a complex array of transition risks that can materially affect their operations, financial performance and relationship with stakeholders. Transition risks may occur as the result of a change of regulations, government incentives and consumer preferences. Some examples of transition risks include challenges from carbon pricing or the perception of a reputation of a business by market participants. The greater the ambition to introduce policy and standards to lower carbon emissions, the greater the transition risk for companies. Financially ascertaining transition risks through a climate scenario assessment can provide enormous insights for companies into business-strategy, planning and climate-smart incentives that can enhance climate-resilient development. Even if regulations have not been implemented, boards that proactively alleviate potential risks and expenses may be able to take advantage of cost-savings and revenue enhancing incentives in the market while simultaneously improving their reputation with customers, industry peers and other stakeholders. A change of an economy to a low-carbon eco-system entails change in policies, technological inventions and a change in consumer preferences.¹³

Transition risks are generally categorised into four groups:

1	policy and legal;
2	technology;
3	market
4	reputation.

Policy and legal risks include reporting duties and carbon pricing; they also include being exposed to litigation and changes to regulations on existing products and services. Technology risks include investment into new technologies and the substitution of existing products and services with low carbon emitting variants. Market risks include changing consumer behaviour, an increase in the cost of raw materials and facing the uncertainty of market indicators. Finally, reputation risks include changes in consumer preferences, stigmatisation of the sector which the business operates in and stakeholder concerns. The effect of transition risks depends on the resilience of the organisation to climate change and thus understanding transition risks is the first step to building resilience. Another consideration is that rating agencies pay attention to organisations mitigating transition risks in their environmental, social and governance ("ESG") metrics and this in turn affects the borrowing rates and costs to the company.¹⁴

African Rainbow Minerals ("ARM"), which considering rigid environmental regulations, is set to stop investment in new coal projects. One of the contributing factors for this decision was the passing of the CCA, which the group identified as a critical issue for its operations. It is anticipated that issues such as carbon taxation, mandatory reporting on carbon emissions and carbon budgeting will drive up the mining company's operational costs in the coming years.¹⁵ It was reported that ARM would phase out coal while pursuing interests in critical minerals. As a result, current coal mines would be allowed to run their economic lifecycle, while the company shifted the allocation of capital towards transition minerals.

Having considered the physical and transition risks of climate change, it is important to consider the global policy setbacks instituted by President Donald Trump since coming back into office.

13 Daly, N., Lin, M., Liu, A., Pazumak, O., and Waqar, S., (2024) 'Climate-related transition risks: Meeting the challenge,' KPMG, July, Available at: transition-risk.pdf (Accessed: 07 November 2025).

14 Ibid.

15 Miningmx (2025) *ARM abandons new coal investments*. Available at: ARM abandons new coal investments - Miningmx (Accessed: 14 November 2025).

Governance leadership amid global climate policy setbacks

Despite President Donald Trump's rollback of key climate initiatives, company secretaries in Southern Africa remain pivotal in advancing governance and sustainability efforts across the region. Since returning to office, President Trump has reversed several federal climate policies, including withdrawing the United States from the Paris Agreement, suspending USAID climate funding, and opening millions of acres of national forest for development.¹⁶ Trump's withdrawal from the Paris Agreement is far more than a retreat from climate diplomacy, it is the sacrifice of long-term sustainability for short-term financial gain. These actions have raised concerns globally, particularly in developing regions like Southern Africa, where climate resilience and funding for green initiatives are critical. For example, in Sub-Saharan Africa, many small-holding farmers who benefited from USAID funding find themselves subsequently facing challenges with unpredictable rain seasons and extended periods of drought.¹⁷

Trump's actions bring broader questions about the overall direction global development and climate action is taking. Further, the reliance of global development and climate action on a few powerful donors like the United States of America ("USA") leaves the entire incentive fragile and susceptible to political shifts. Within this context, company secretaries play a vital role in embedding climate governance into corporate strategy, ensuring transparent reporting, and aligning boardroom decisions with sustainability goals. Their influence is essential in bridging regulatory compliance with ethical leadership, especially as global support for climate finance becomes increasingly uncertain.

¹⁶ Horsfield, G. (2025) 'A World Left Behind: Consequences of Trump's Policy Reversals on Africa's Climate Agenda,' *African Climate Wire*, 7 February. Available at: A World Left Behind: Consequences of Trump's Policy Reversals on Africa's Climate Agenda - African Climate Wire (Accessed 28 October 2025).

¹⁷ Ibid.



Conclusion

The urgency to address climate change has never been greater, particularly in Southern Africa – a region already experiencing warming at nearly twice the global average rate.¹⁸ Climate-related disasters, such as sudden floods, water scarcity, and extreme weather events, are intensifying and placing immense pressure on communities, ecosystems, and businesses. For company secretaries, this evolving landscape demands a proactive role in guiding boards toward climate-conscious governance. As stewards of compliance and ethical leadership, company secretaries should keep abreast of changes in climate change regulatory frameworks. Their influence is critical in helping boards navigate regulatory shifts, manage environmental risks, and seize opportunities for sustainable growth in a region where climate change poses a direct threat to food security, infrastructure, and long-term development.¹⁹

¹⁸ Scholes, R. and Engelbrecht, F., (2021) *Climate impacts in southern Africa during the 21st Century*. Available at: Climate-impacts-in-South-Africa_Final_September_2021.FINAL_.pdf (Accessed: 12 September 2025).

¹⁹ Shields, M., (2024) 'What climate change means for South Africa and its people,' University of Cape Town, 11 March, Available at: <https://www.news.uct.ac.za/article/-2024-03-11-what-climate-change-means-for-south-africa-and-its-people> (Accessed 12 September 2025).



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Chapter Two

Advancing Climate Change Education

Introduction

As outlined in chapter one, climate change has already had an enormous impact in the daily lives of Southern Africans. Combined with the service utility failures occurring around the region, the extreme weather conditions, which are becoming commonplace, are placing pressure on communities, infrastructure and the economy. While every individual effort to mitigate climate change is essential, corporate entities, given their scale, influence and reach, are better placed to drive systemic change with the required focus on ESG as part of their triple bottom line reporting.

This chapter aims to demonstrate why it is no longer sufficient for governing bodies to merely be aware of climate change, but they need to regard climate change education as a strategic imperative. The days of minimising the seriousness of climate concerns or implementing superficial eco-friendly policies solely for favourable financing terms is over. Educating both the board and company secretaries about climate change is essential to ensure it is treated as a strategic governance priority, enabling informed decision-making and long-term organisational resilience.

Why boards need to be educated

Boards need to be climate literate because climate change poses material risks and opportunities that directly impact an organisation's strategic direction, financial performance, and long-term viability. Understanding both physical and transition risks enables directors to make informed decisions about resilience, compliance, and capital allocation in a rapidly evolving regulatory and environmental landscape. Climate literacy empowers boards to oversee effective risk management, ensure transparent ESG disclosures, and fulfil their fiduciary duties – particularly the duty of care, skill, and diligence. As climate-related litigation, investor scrutiny, and stakeholder expectations intensify, a board's ability to engage meaningfully with climate issues is not just good governance – it's a business imperative.

A compelling illustration of why board-level climate literacy and action are imperative comes from Gold Fields, a South African multinational mining house. In August 2024, Gold Fields reported disappointing H1 results, as extreme weather events adversely affected its production across different continents, hindering the company from fully capitalising on high gold prices. With record-high prices, the company should have experienced favourable conditions.

However, Gold Fields experienced a 20% reduction in production during the six months ending June 2024, amounting to 918,000 ounces; a significant decline that impeded the company from leveraging the elevated gold price, which reached record highs of over \$2,400 an ounce during this period (and has since surpassed \$2,500 an ounce).

"We encountered a once-in-a-100-year rain event in Western Australia, coupled with the coldest winter in 70 years at Salares Norte in Chile," stated CEO Mike Fraser. The severe cold in Chile delayed the planned ramp-up at Salares Norte after material in the processing plant pipes froze, necessitating a temporary shutdown.²⁰

²⁰ Stoddard, E., (2024) 'Climate Change – Extreme Weather Events Cast Cloud Over Gold Fields' H1 Production, Earnings,' *Daily Maverick: Business Maverick*, 25 August. Available at: [Daily Maverick](#) (Accessed: 08 December 2025).



These incidents, occurring on opposite sides of the Pacific Ocean, represented two extreme weather events, one in a century and one in seven decades, within just a few months. Additionally, production at the company's Cerro Corona in Peru was also hindered by heavy rains, forcing operations to mine lower-grade areas.

While it is understood that severe weather events cannot be predicted, a board which is aware of the catastrophic effects of climate change will put plans in place to mitigate and, where possible, contain the consequences of severe weather events. This can only be done if the board is sufficiently informed on climate change itself.

A further important consideration is the numerous companies and boards that address ESG only from a reporting perspective. Action should precede reporting to ensure accurate ESG reporting. Boards should not view climate issues and ESG as a regulatory checkbox or reporting obligation. Rather, it should be fully integrated into the business model and embedded into its strategic objectives, key performance indicators ("KPIs"), daily operations, risk management, internal controls, and corporate culture.

These considerations should inform reporting plans to avoid reducing ESG to a compliance activity. Effective ESG integration supports long-term success, enhances innovation, mitigates financial risks, and strengthens stakeholder trust. As noted in the IoDSA King V™ Report on Corporate Governance for South Africa ("King V")²¹ the tone of a well-governed entity is set from the top. ESG and climate activism efforts, implemented by the board and senior management, cascade down the ranks.

Governance over sustainability requires more than incremental adjustments or an additional sustainability strategy; it necessitates rethinking the company's value creation process.

Board leadership is crucial in setting direction and initiating necessary changes. Boards need to understand how the company's activities, including those in their value chains, impact people and the environment, and comprehend the company's exposure to ESG factors and associated financial risks.²²

As companies reconsider climate commitments or become reticent amid scrutiny, experts advise vigilance to prevent "greenhushing" from turning into "greenwashing." Greenhushing is when companies intentionally underreport or stay silent about their genuine sustainability efforts to avoid scrutiny, criticism, or accusations of greenwashing. In contrast, greenwashing involves exaggerating or misrepresenting environmental claims to appear more sustainable than they truly are. Merely paying lip service to climate change is a pitfall to be avoided.

Therefore, it is important to identify potential greenwashing risks when revising climate commitments, ensuring all claims are substantiated through credible certifications, reliable scientific evidence, or independent third-party verification. Further, it is necessary to continuously monitor the effectiveness of climate commitments, adjust strategies as necessary, and stay informed about stakeholder expectations and regulatory developments to maintain compliance and transparency. It is equally important to ensure that decisions are communicated transparently and effectively to retain stakeholder trust.²³

The education of boards on climate change is even more important considering South Africa's Just Energy Transition ("JET") which represents a national strategic shift from a coal-dependent energy system toward a low-carbon, inclusive, and sustainable future. With coal still supplying over 70% of the country's electricity and employing thousands – particularly in regions like Mpumalanga – the transition is designed to reduce GHG emissions while safeguarding livelihoods and promoting social equity. Anchored by the Just Energy Transition Partnership, which mobilises international climate finance from partners such as the United Kingdom, and the European Union, the plan includes scaling up renewable energy, modernising infrastructure, and investing in green industries like hydrogen and electric mobility.

Crucially, the JET framework emphasises community participation, job creation, and skills development to ensure that no one is left behind in the move toward a cleaner and more resilient energy economy.²⁴ Company secretaries are essential in bringing these measures to the board's attention, so as to keep fully informed and updated on the latest global and local developments on climate change.

21 Institute of Directors in South Africa (IoDSA), (2025) *King V™ Report on Corporate Governance for South Africa*. Johannesburg: IoDSA.

22 De Smedt, I., (2024) 'Sustainability strategy for boards,' *Board Agenda*, 14 February. Available at: Board Agenda .

23 Barton, J., (2024) 'When Does Backtracking on ESG become greenwashing,' *Lexology*, 17 July, Available at: When does backtracking on ESG become greenwashing? - Lexology Pro (Accessed: 19 November 2025).

24 Du Raan, L., (2025) 'Just Energy Transition (JET) and Implications for Business' *Moore South Africa*, 12 February, Available at: Just Energy Transition (JET) and Implications for Business - MOORE (Accessed 16 September 2025).

Why the company secretary needs to be educated

The modern company secretary is responsible for equipping the board to meet its governance responsibilities, including raising matters it should be aware of. Typically, this advice is of a legal or regulatory compliance nature; however, any pertinent issues should be raised to the board as a whole and, if necessary, to directors individually.

Under the CCA, all entities are required to comply as appropriate. The company secretary is essential in helping boards address climate change by:

- a. ensuring that climate change is a regular item on the board’s agenda and that the board considers sustainability in its strategic planning.
- b. ensuring that the board implements the recommendations of the IFRS Foundation, through its International Sustainability Standards Board (“ISSB”). This involves integrating climate-related risks and opportunities into the company’s strategic planning and risk management frameworks.
- c. ensuring that the company complies with relevant climate-related regulations and reporting frameworks, such as the ISSB’s new standards (notably IFRS S1 and IFRS S2), Global Reporting Initiative Standards, and local sustainability reporting guidelines.
- d. overseeing communication between the board and stakeholders regarding the company’s climate strategy and performance, including preparing and disclosing climate-related information to stakeholders; and
- e. promoting best practices in climate governance by staying informed about how other organisations are addressing climate change and collaborating with governance professionals to implement these practices within their own organisation.

- Furthermore, company secretaries should endeavour to stay up to date with developments in climate change by:
- a. attending workshops, webinars, and training sessions on the latest climate change regulations and sustainability practices.
 - b. subscribing to updates from regulatory bodies and industry groups.
 - c. working closely with legal and compliance departments to interpret regulations accurately and implement the necessary changes within the organisation; and
 - d. being part of an accredited professional body, such as the Chartered Governance Institute of Southern Africa, which provides company secretaries with access to resources and updates.

Adding value to the boardroom conversation

A prominent company secretary was canvased regarding what she perceived to be her role in adding value to the board discussion on climate change, and the following points were highlighted: ²⁵

- a. The company secretary can assist with managing the board’s attitude to climate change through organising training sessions and providing the resources to educate board members about the implications of climate change and the importance of sustainable practices.
- b. The company secretary should ensure that the board receives accurate and timely meeting packs containing pertinent information to make knowledgeable decisions.
- c. Transparent communication with the board relating to any changes or updates in policy, frameworks, or charters relating to the company’s approach to climate change is a further important responsibility for the company secretary.

²⁵ Interview with Jackie Katzin, Group Company Secretary, Nedbank.

Once a company secretary has the requisite knowledge, a significant challenge is to communicate this information to the board in such a way that it resonates with the board’s strategic priorities and risk appetite. Some suggestions in this regard are to:

- a. ask experts to prepare presentations using data and metrics that illustrate the potential financial and operational impacts of climate risks, such as scenario analysis, stress testing, links to regulation, and KPIs relating to climate risk.
- b. reporting on the integration of climate risk into the overall business strategy.
- c. providing the board with regular updates to keep them informed and engaged with ongoing business efforts and any changes in the risk landscape; and
- d. bringing in external subject matter experts to be part of meetings. This enhances the board’s understanding of climate risks and their implications.

In the same vein, presenting climate change information as a dry set of facts and figures is not going to engage the board or drive meaningful discussion. To overcome the challenges of making climate change a serious and ongoing agenda item, it is recommended the issue be communicated through visual formats, such as graphs, tables, heatmaps, and dashboards. These tools help simplify complex data, highlight trends, and support informed, strategic decision-making at the board level.

The company’s progress towards climate-related, short-term, medium-term and long-term goals also needs to be communicated to external stakeholders, which is typically done through the integrated report under the ESG section. Some companies publish an additional standalone ESG and sustainability report, demonstrating the importance of these issues.

Regardless of the format, for public entities, disclosures should be clear, accessible and publicly available, such as on the company’s website and in print. Even entities not mandated to publicly report ESG information should consider voluntary reporting and disclosure in the interests of transparency, building credibility and taking responsibility.



Conclusion

The role of the company secretary is evolving. No longer simply the custodian of minutes, sitting quietly in the corner of a board room, the company secretary is a strategic advisor and governance enabler. Though minute taking is still an important part of the role, the company secretary should have the necessary gravitas to be taken seriously by the board. Through control over board agendas in consultation with the chairperson, the company secretary is uniquely placed to ensure climate change is not only discussed, but prioritised. Introducing climate change as a standing board agenda item, supported by accurate information, expert insights, and strategic framing, enables boards to fulfil their duty of care. Ultimately, this supports the organisation’s resilience, accountability, and long-term success in an increasingly unpredictable world.



Chapter Three

The Climate Change Act and Other Legislation

Introduction

The long-awaited South African Climate Change Bill was passed by the National Assembly on 24 October 2023 and signed into law on 23 July 2024 as the Climate Change Act 22 of 2024. It officially commenced on 17 March 2025, as South Africa's most important legislation on climate change, marking a pivotal step toward a low-carbon and climate-resilient economy. It took just over six years, since it was first published for public comment in June 2018,²⁶ for this piece of legislation to be signed.

The intention of the CCA is to establish, for the first time, a comprehensive South African legal framework for the regulation of the impacts of climate change, with the ultimate overall goal to achieve net-zero by 2050.²⁷

The National Environmental Management Laws Amendment Act, 2 of 2022 ("NEMLAA4"), which amended the National Environmental Management Act 107 of 1998 ("NEMA"), and the Carbon Tax Act 15 of 2019 ("CTA") will also be addressed insofar as they affect the fight against climate change. This guide will also draw on relevant case law. This chapter explores the legislative measures introduced to confront and manage the impacts of climate change.

²⁶ Tucker, C., Vermaak, M., Mandlana, W., Msimang, A., and McLean, R., (2023) 'South Africa: Environment, Sustainability and Climate Change Law Round-Up, 2023,' *Bowmans*, 29 November. Available at: *Environment-Sustainability-and-Climate-Change.pdf* (Accessed: 08 December 2025).

²⁷ Ibid.

The Climate Change Act

The CCA seeks:

"To enable the development of an effective climate change response and a long-term, just transition to a low-carbon and climate-resilient economy and society for South Africa in the context of sustainable development; and to provide for matters connected therewith."²⁸

The CCA establishes a national climate change response, encompassing both mitigation and adaptation actions, representing South Africa's contribution to the global climate change effort under the Paris Agreement. Introduced by former environment minister Barbara Creecy in February 2022, the Bill was adopted by the National Council of Provinces in April 2024 and signed into law by President Cyril Ramaphosa on 23 July 2024. The CCA commenced on 17 March 2025 with certain provisions being deferred to allow the development of supporting regulations. Key features of the CCA include:

- 1 Development of sector-specific emissions targets and frameworks.
- 2 Establishment of carbon budgets for major emitters over a 15-year horizon.
- 3 Support for green job creation in renewable energy, agriculture, and eco-tourism.

²⁸ South African Government. 2024. Climate Change Act 22 of 2024. Available at: <https://www.gov.za/documents/acts/climate-change-act-22-2024-english-tshivenda-23-jul-2024> (Accessed: 25 June 2026)



Danjelle Midgley, an attorney at the Centre for Environmental Rights ("CER"), stated that while the CCA is "not perfect, it represents a critical step forward."

Outlined below are six key ways the new CCA aims to address climate change:

a. Mandating carbon budgets

The enactment of the CCA formalises the process of allocating carbon budgets. Companies emitting substantial quantities of GHG will be assigned a carbon budget – a permissible amount of GHG emissions within a specified timeframe, aligning with South Africa's National Greenhouse Gas Emissions Reduction Trajectory.

The CCA does not prescribe penalties for exceeding these budgets; instead, the Department of Forestry, Fisheries and the Environment ("DFFE") and National Treasury intend to amend the CTA, requiring companies to pay a higher rate of carbon tax on excess emissions. Although this allows companies to exceed their carbon budgets if their financial budgets can accommodate the increased taxes, it is argued that this approach undermines the essential objectives of the CCA.

The regulations, which are currently being drafted, are expected to make excess GHG emissions an offence, enabling the state to prohibit continued exceedances. Professor Harald Winkler from the University of Cape Town's School of Economics highlighted the importance of mandatory carbon budgets in achieving significant emissions reductions and emphasised the need for transparency in annual reporting.²⁹

b. Involving provinces and municipalities

Provinces and municipalities now have obligations to assess and map climate risks and vulnerabilities, such as extreme weather events. They must generate data on climate risks and develop response plans. While the CCA prescribes a funding mechanism, it lacks detail, necessitating Parliament and Treasury's involvement to ensure adequate financial support.

²⁹ Winkler, H. and Marquard, A. (2012) *Methodologies for carbon budgets in South Africa*. Cape Town: Energy Research Centre. Available at: <https://open.uct.ac.za/items/397642a8-ba3e-4c1d-904d-f14a1122b696> (Accessed: 25 June 2026).

c. Universal adaptation strategy

Within two years of the CCA's implementation, the environment minister must publish a national adaptation strategy in consultation with other ministries. South Africa already has a National Climate Change Adaptation Strategy to 2030, which requires further detail and strengthening. Sector departments, such as agriculture, energy, and human settlements, must devise specific adaptation plans based on the national strategy.

d. Establishing the Presidential Climate Commission as a statutory body

The Presidential Climate Commission ("PCC") will be transformed into a statutory body and listed as a national public entity under the Public Finance Management Act. This transition aims to enhance the commission's political influence and its ability to drive a just transition through science-based research and policy recommendations.

e. Granting significant powers to the environment minister

The CCA empowers the DFFE minister to list sectors for sectoral emissions targets within a year of the CCA's operation. In collaboration with relevant ministers, sectoral emissions targets will be established, and policies amended to achieve these targets. This provision is expected to have substantial economic and industry-related implications.

f. Facilitating public scrutiny

The CCA encourages public engagement in climate action and mandates transparency in policy developments and emissions targets. Ministers must gazette relevant policies, enabling monitoring and evaluation by stakeholders. The effective implementation of the CCA is crucial, and ensuring public access to information is integral to its success.

Tim Lloyd, head of climate justice and sustainability at ALT Advisory, underscored the importance of avoiding "planning paralysis" and prioritising implementation. Effective execution is vital in any legal regime, particularly in addressing the climate crisis.³⁰

³⁰ Evans, J., (2024) 'A Big Relief' – Six Ways the Law will Fight Climate Change now that Ramaphosa has signed the Bill,' *Daily Maverick: Our Burning Planet*, 24 July. Available at: *Daily Maverick* (Accessed: 08 December 2025).

Gaps in enforcement undermine the Climate Change Act's credibility

While the CCA imposes steep penalties – up to R10 million or imprisonment of five to ten years – for failing to prepare and submit greenhouse gas ("GHG") mitigation plans, it notably lacks sanctions for exceeding carbon budgets or failing to implement those plans. This enforcement gap has been flagged by legal experts and civil society organisations such as Just Share, who argue that the absence of penalties for breaching carbon budgets undermines the credibility of the regulatory framework. Additionally, the reliance on carbon tax as a compliance mechanism has been criticised as insufficient to drive meaningful emissions reductions.³¹

The CCA also fails to address liability for damage or loss resulting from climate-related disasters, missing a key opportunity to clarify accountability for climate-induced harm. Furthermore, several core provisions – including sectoral emissions targets and carbon budget regulations – have been deferred, prompting concern that these delays weaken the urgency and effectiveness of South Africa's climate response.³²

31 Bishop Fraser Attorneys (2025) *The Climate Change Act, 2024: A Comprehensive Legal Framework for South Africa's Climate Response*. Available at [The Climate Change Act, 2024: A Comprehensive Legal Framework for South Africa's Climate Response](#) – Bishop Fraser Attorneys (Accessed 15 September 2025).

32 Engel, K., (2025) "Doesn't have teeth" — experts voice concern about deferral of 'key' clauses in Climate Change Act,' *Daily Maverick*, 18 March. Available at: [Climate Change Act: Concern about deferral of 'key' clauses](#) (Accessed: 15 September 2025).

The Carbon Tax Act

Before the CCA, the most substantial and extensive response to climate change was the CTA. The CTA went through an extensive parliamentary process before it came into law on 1 June 2019. It took over nine years for the Carbon Tax Bill ("Bill") to come into law, and two versions of the Bill were published for public comment.

The CTA is premised on the 'Polluter Pays Principle', insisting that entities whose activities cause environmental degradation should bear the cost. The CTA is meant to be implemented in phases with the aim being to assist in the transition to a low-carbon economy and minimise the effect on companies and electricity prices. The first phase was from 1 June 2019 to 31 December 2022. And the second phase will be implemented from 1 January 2026 to 31 December 2030. It also worth noting that in 2025 the National Treasury minimised its phase 2 proposals in the face of concerted pressure from high emitters. As effective from 1 January 2026, the carbon tax is R308 per tonne of carbon dioxide equivalent of GHG emissions, up from R236 in 2025.

The tax is levied on emissions from fuel combustion, industrial processes and fugitive emissions, where the set thresholds of GHG emissions are surpassed. A taxpayer is required to pay carbon tax where it conducts any of the activities stipulated in Schedule 2 of the CTA and emits GHG emissions above the stipulated thresholds.³³

However, due to corporate lobbying there is speculation that the carbon tax might be paused or suspended. This comes after news broke that the Minister of Energy and Electricity, Kgosientsho Ramokgopa, was developing a proposal to suspend the carbon tax and had asked National Treasury to provide reasons why it should be retained.

It is argued that suspending the carbon tax is a short-sighted and ill-informed decision.³⁴ This is because pricing carbon has numerous benefits to the economy. It is an effective means to incentivise behavioural change by large emitters that minimises GHG emissions. It also ensures that the cost of GHG emissions is borne by the entities responsible for them rather than society and the economy at large. It further raises revenue which can be spent on poorer households and climate mitigation and adaptation mechanisms.

33 Bowmans (2019) *A brief overview of the Carbon Tax Act, which took effect on 1 June 2019*. Available at: [A brief overview of the Carbon Tax Act, which took effect on 1 June 2019](#) | Bowmans (Accessed: 20 March 2026).

34 Just Share (2026) *Government must resist fossil fuel lobbying and retain the carbon tax*. Available at: [Government must resist fossil fuel lobbying and retain the carbon tax](#) | Just Share News (Accessed: 5 March 2025)

Anti-climate lobbying by corporates has already minimised and diluted the impact of South Africa's carbon tax. Consistent opposition to the tax has meant that it has remained one of the lowest in the world, diluting its impact on GHG emissions by industries.

It is argued that should large emitters of GHG not pay for their activities, the rest of us will. The primary argument for suspending the carbon tax is that it has been ineffective in decarbonising the country and is therefore unnecessary. However, it's ineffectiveness is due to the corporate lobbying that has occurred to undermine it. Further, only a handful of companies pay a significant amount of carbon tax, such as large emitters like Sasol. The suspension of the carbon tax is also troubling seeing that South Africa is a top 20 emitter of GHG in the world.

Other legislation

In terms of the South African Constitution, everyone has the right to an environment that is not harmful to their health or well-being. NEMA is the overarching law which establishes sound environmental principles upon which all other environmental laws are based. NEMA sets out an environmental governance framework, which seeks to promote certain common environmental management principles and procedures which apply throughout South Africa. These principles should be used by all when making decisions on matters which may affect the environment.³⁵

Legislative developments in 2023 have been dominated by the commencement of the far-reaching NEMLAA4 which amends various specific environmental management statutes. The changes include:

- changes to the NEMA section 24G rectification procedure and Air Quality Act rectification procedure.
- changes to the duty of care under NEMA.
- the effect of appeal of directive; and
- a new approach to the regulation of residue stockpiles and deposits

The NEMLAA4 imparts sweeping changes that ripple across various statutes, predominantly NEMA, and four Specific Environmental Management Acts being Air Quality Act 39 of 2004, Waste Act 59 of 2008, Protected Areas Act 57 of 2003, and Biodiversity Act 10 of 2004.

While NEMLAA4 marks a substantial leap forward, certain proposed amendments are yet to come into effect, presenting potential future shifts in South Africa's environmental legal framework.

NEMLAA4 embodies a pivotal juncture in South Africa's environmental journey, ushering in a new era of stringent compliance and reinforced enforcement.

As future amendments linger, industries and stakeholders should brace for evolving compliance standards and remain adaptable to the dynamic legislative landscape, fostering a harmonious coexistence between industrial progress and environmental preservation.³⁶

There have also been several interesting cases pertaining to sustainability and environmental matters. In the following two matters, the courts considered the impact of climate change and applied key environmental law principles, including 'sustainable development' and the 'polluter pays' principle.

The 'polluter pays' principle

Ezulwini Mining Company (Pty) Ltd v Minister of Mineral Resources and Energy and Others (2023) ZASCA

In a judgment issued by the Supreme Court of Appeal ("SCA") on 30 May 2023, the Court examined when a mining company can be considered free from its environmental responsibilities. The Court emphasised the importance of the 'polluter pays' principle in its ruling.

35 South African Government. 1998. *National Environmental Management Act 107 of 1998*. Available at: <https://www.gov.za/documents/national-environmental-management-act> (Accessed: 25 June 2026).

36 Novotny, P., (2024) 'The impact of NEMLAA4 on SA's environmental landscape,' *Webber Wentzel*, 15 February. Available at: [Webber Wentzel](#) (Accessed 08 December 2025).

Climate change and sustainable development

Sustaining the Wild Coast NPC and Others v Minister of Mineral Resources and Energy and Others (2022) ECMk

This case highlights the challenges fossil fuel projects encounter today. The courts invalidated an exploration right for oil and gas due to the precautionary principle, deeming it unlawfully granted. The decision cited several issues:

- Harm to marine and bird life along the Eastern Cape coast
- Impact on communities' spiritual, cultural rights, and livelihoods
- Climate change considerations highlighted by intervening parties

The Wild Coast case reflects the evolving judicial approach that mandates climate change considerations in environmental permitting decisions. An appeal to the SCA was dismissed with costs.

There have also been other interesting developments in other Southern African countries.

Namibia's Stock Exchange is developing sustainable finance instruments such as green bonds and sustainability-linked loans to channel capital toward climate and ESG objectives.³⁷

Namibia also has the National Climate Change Strategy and Action Plan which outlines adaptation and mitigation priorities, such as water resource management and GHG reduction, aligning national economic goals with global climate imperatives.³⁸

Namibia became a member of the Network for Greening the Financial System ("NGFS") in 2024, signalling regulatory interest in climate-related financial risk disclosure.³⁹

Legislated in 2017, Lesotho's National Climate Change Policy 2017–2027 provides 22 strategies focused on mainstreaming climate resilience, low-carbon growth, and sustainable resource management, underpinned by monitoring, evaluation, and stakeholder engagement.⁴⁰

Lesotho has developed a comprehensive National Adaptation Plan and aligns with United Nations Framework Convention on Climate Change commitments. Its focus areas, water, agriculture, and health, highlight the systemic impacts of climate change.⁴¹

Released in 2023, the Botswana Stock Exchange's ("BSE") guidance encourages listed companies to adopt double-material ESG reporting, covering climate change, biodiversity, and social equity, aligned with global frameworks such as IFRS S1 and the King IV™ Report on Corporate Governance for South Africa.

International developments

Some of the recent climate change initiatives have been propelled by South Africa's involvement with the Paris Agreement. An international treaty on climate change that aims to limit global warming to well below 2°C – and preferably to 1.5°C – above pre-industrial levels. Participating countries under the Paris Agreement are required to submit nationally determined contributions ("NDCs"). NDCs are a foundational element of the Paris Agreement, serving as each country's formal pledge to reduce GHG emissions and adapt to climate impacts. In accordance with Article 4, paragraph 2 of the Paris Agreement, all parties are required to prepare, communicate, and maintain successive NDCs that reflect their evolving climate commitments. These pledges should be backed by domestic mitigation measures designed to meet the targets outlined in each submission.

Further, COP30 was officially held from 10 November 2025 to 21 November 2025. COP30 represents the United Nation's ("UN") 30th annual climate meeting, ten years

37 Mwashindange, T. & Hausiku, C. (2024) *The rise of sustainable finance in Namibia*. Available at: ENS Africa (Accessed: 17 July 2025).

38 Ministry of Environment and Tourism. 2013. *National Climate Change Strategy and Action Plan, 2013-2020*. Government of Namibia: Windhoek. Available at: <https://meft.gov.na/files/files/National%20Climate%20Change%20Strategy%20and%20Action%20Plan%20brochure%202013%20-%202020.pdf> (Accessed: 25 June 2026).

39 Walker, I., (2024) Namibia becomes NGFS member to promote capital for green investments, *Green Central Banking*, 23 January. Available at: Green Central Banking (Accessed: 17 July 2025).

40 Ministry of Energy and Meteorology. 2017. *National Climate Change Policy, 2017-2027*, The Kingdom of Lesotho. Available at: <https://www.gov.ls/wp-content/uploads/2019/02/National-Climate-Change-Policy-2017-2027.pdf> (Accessed 25 June 2026).

41 Jones, A. (2024) 'Shareholder Expectations on Climate: Insights from the 2024 Proxy Season', *The Conference Board*, 16 December, Available at: The Conference Board (Accessed: 17 July 2025).

after the Paris Agreement. World leaders gathered for the event in Bélem, Brazil as the head of the UN emphasised that 1.5 °C overshoot is now inevitable while many world leaders were absent from climate talks.⁴² As part of the COP30 discussions, countries such as the United Kingdom and Denmark rallied around adopting a roadmap for states to wean off the use of fossil fuels.

In the corridors of the climate action summit, promulgators of this proposition were seeking backing from other member states. The aim was to advance to the next stage, an agreement signed at COP28 in Dubai where states agreed to move away from fossil fuel energy systems by 2050.⁴³ Denmark's climate ambassador, highlighted that a move away from fossil fuels by countries could be inspired by an analysis of the options available for climate financing.⁴⁴ He also emphasised the importance of a just transition from fossil fuels for all countries and that such a measure would be inevitable.

From an African perspective, there had been calls for a roadmap for implementing the climate financing goal of \$1.3-trillion annually for climate action in developing countries by 2035.⁴⁵ Further, South African delegates were calling for developed nations to fulfil their commitments to the Loss and Damage Fund – a fund positioned to provide financial assistance to countries that are climate vulnerable.

The deadlock seemed to be that developing nations emphasised the legal obligation found under Article 9.1 of the Paris Agreement, which requires developed nations to assist developing nations with their needs when it comes to adaptation, mitigation and loss and damage and more according to a South African loss and damage expert.⁴⁶ While developed nations emphasised Articles 9.2 and 9.3 of the Paris Agreement which inspires contributions from large developing economies, such as China and Saudi Arabia, and rallying private finance.

⁴² Poynting, M., (2025) 'What is COP30 and why does it matter for climate change?', *BBC*, 7 November, Available at: What is the COP30 climate meeting, and where and when is it taking place? (Accessed: 18 November 2025).

⁴³ Mooney, A., and Millard, R., (2025) 'Coalition rallies for COP30 'road map' on how to cut oil and gas', *Financial Times*, 13 November, Available at: Coalition rallies for COP30 'road map' on how to cut oil and gas (Accessed: 18 November 2025).

⁴⁴ Ibid.

⁴⁵ Engel, K., (2025) 'Developing deadlock – Will the promised Loss and Damage climate finance funds materialise?' *Daily Maverick: Our Burning Planet*, 10 November, Available at: COP30 developing deadlock – Will the promised Loss and Damage climate finance funds materialise? (Accessed: 19 November 2025).

⁴⁶ Ibid.



Conclusion

Climate change presents a real and credible threat to Southern Africa, not only in terms of changing weather patterns and an increase in extreme weather events, but also in terms of its legal, financial and operational implications for organisations. As demonstrated by the legislation and case law referenced above, the failure to account for climate-related risks can result in non-compliance with environmental regulations and potential costly litigation. As the next chapter will show, ESG and climate activists are becoming increasingly vocal and assertive on organisations to act responsibly. Activists are stakeholders too, and their willingness to speak out on climate change concerns reflects a broader societal shift that boards and executive teams can no longer afford to ignore.



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Chapter Four

Climate Change and Annual General Meetings

Introduction

AGMs serve as a formal mechanism for companies to present financial reports, elect directors, and address stakeholder queries. In 2024, the shift toward hybrid meeting models – combining both physical and virtual attendance – has expanded accessibility and participation. These models allow shareholders to engage from anywhere, often making it easier for less confident individuals to raise concerns without the pressure of speaking in public.

In terms of legal compliance, the Companies Act mandates that all shareholders be able to participate meaningfully, without undue restriction or intermediaries. However, some companies have been accused of limiting engagement, particularly around sensitive topics such as climate change, by holding virtual-only AGMs or moderating Q&A functions to filter out challenging questions.

At physical AGMs, it is not uncommon for shareholder activists to be viewed as disruptive, with the chair at times requesting their removal or calling on security. Such responses may indicate a discomfort with openly discussing climate matters, when the expectation under good governance is transparency, accountability and responsiveness, particularly given that climate change risk directly impacts shareholders, stakeholders, and the long-term viability of the organisation. This chapter explores the role of shareholder activism in advancing climate change awareness through shareholder platforms and, in particular, at AGMs, which remain the primary platform for shareholder engagement in many organisations.

AGMs and climate shareholder activism

To fully understand the impact of shareholder activism on climate governance, it is important to distinguish between two broad categories of activists:

- 1

Governance activists: Typically focus on board composition, company policies, ESG policies and corporate accountability.
- 2

Economic activists: Often institutional investors, who concentrate on shareholder value, performance and return on investment.

Climate change shareholder activists fall under the governance category. While smaller shareholders or advocacy groups may currently lead the charge on climate issues, institutional investors, such as pension funds, asset managers, and insurers, are expected to play an increasingly active role as awareness of climate risk grows within their own governance structures.

Institutional investors in South Africa are guided by the Code for Responsible Investing in South Africa, which promotes responsible ownership and stewardship. As these investors begin to prioritise climate risk in their engagement strategies, they could become powerful allies to individual activists, helping amplify calls for stronger climate governance.

Prominent organisations such as Just Share, the Raith Foundation, and CER have taken the lead in advancing ESG agendas, particularly those related to climate change. Their campaigns often centre on demanding greater transparency, improved climate-related disclosures, GHG emission targets, and policies around financing fossil fuel projects.



While some of these engagements occur in private, many take place publicly at AGMs. The response from companies varies, from open collaboration to defensive resistance. How a board responds is a key indicator of its governance maturity and commitment to sustainable value creation.

Activism within Southern Africa has extended across various industries, irrespective of company size or financial performance. A myriad of internal and external factors may render a company more susceptible to activist campaigns. For this guide, the lack of development of policies to reduce climate change, and potentially more seriously, the lack of urgency displayed by some boards in this regard, are key factors.

A stark example of activist campaigns was at Sasol's AGM on 17 November 2023, where, before shareholder's could vote on the company's climate change report, climate activists stormed onto the stage to highlight some of the environmental and social consequences of the company's operations.⁴⁷ In its annual climate change report, Sasol had outlined a decarbonisation strategy aimed at achieving a 30% reduction in GHG emissions by 2030. Key measures included the phased decommissioning of coal-fired boilers, a 50% increase in the use of renewable energy sources, and the adoption of liquefied natural gas to lessen the company's dependence on coal. However, prior to the AGM key stakeholders had been actively engaging Sasol on its response to the climate crisis over several years, notably through a 2019 shareholder resolution urging the company to enhance its climate strategy. This call for stronger action was reflected in the Listed Equity Stewardship Guidelines of 2022.⁴⁸

Further, stakeholders had since expressed concern that Sasol's progress toward its climate targets appeared to have stalled or moved backward. In a letter to investors, Nicole Martens, Head of Stewardship for Old Mutual Investment Group stated: "It strikes us that this year's non-binding advisory resolution on climate change makes no reference to targets (as was the case in previous years), and as such, doesn't sufficiently afford shareholders the opportunity to voice discontent with progress on climate change strategy implementation, which is the fundamental right of shareholders in having this item on the AGM agenda in the first place."⁴⁹ In the AGM, while the

outgoing CEO Fleetwood Grobler was reiterating Sasol's 'unwavering commitment' to reach its climate targets, activists from climate organisations Future Foundation, Isiqalo, Tosunga Banninga and Extinction Rebellion Gauteng – who purchased shares to be part of the meeting – took to the stage with signs. The activists voiced their dissatisfaction with Sasol's climate targets, and shared testimonies from people in various regions in South Africa who were impacted by Sasol's plants. The AGM was subsequently cancelled.⁵⁰

Another stark example was at Standard Bank's 2024 Annual General Meeting (AGM), where directors faced criticism for avoiding shareholder questions, particularly those related to climate risk and governance transparency. The bank opted to hold the AGM in an online-only format, a decision that drew backlash from shareholder activists like Just Share, who viewed it as a move that limited meaningful engagement. This followed disruptions at previous AGMs, including protests at Sasol's meeting and outside Standard Bank's own offices in 2023. Activists have long raised concerns about the bank's climate-related disclosures and accountability practices, but board members and executives have consistently evaded direct responses during Q&A sessions.⁵¹ The lack of interaction at the 2024 AGM further fuelled concerns about weakened corporate governance and stakeholder dialogue.

In a briefing, Just Share emphasised that several important questions about the practicality and robustness of Sasol's "optimised Emission Reduction Roadmap ("ERR")" remained unanswered. At its May 2025 Capital Markets Day, Sasol announced that its "optimised" ERR would achieve 30%-by-2030 emission reduction target as previously committed to in 2021, at a significantly reduced cost. Sasol claimed that it can achieve this with no coal-to-gas feedstock replacement and increased production. Further, it plans to 'offset' increased emissions from enhanced production through renewable energy investments as well as other incentives. However, Just Share notes that most emissions are from the company's Secunda operations which utilises a coal-to-liquid process and 'offsetting' would not prevent or correct the harm from the burning of fossil fuels. Faced with gaps in Sasol's decarbonisation plans, investors cannot effectively analyse how Sasol's ERR can translate into credible emission reductions.

47 Evans, J., (2023) 'Sasol AGM cancelled after climate activists protest' *Daily Maverick: Our Burning Planet*, 17 November, Available at: Sasol AGM cancelled after climate activists protest (Accessed 15 September 2025).

48 Ibid.

49 Ibid.

50 Ibid.

51 Just Share (2024) *AGM round-up Standard Bank Group Limited* Available at: 240618-SBK-AGM-round-up-3.pdf (Accessed: 30 October 2025).

Further, it is argued that Sasol refuses to table resolutions proposed by shareholders at its AGMs. This includes a co-filed resolution by Just Share and Aeon Investment Management that sought a third-party report on the overall external costs of the climate and pollution impacts of Sasol's Secunda Operations.⁵²

Globally, we see many activists calling for government and organisations to address climate change. One such notable figure is that of Greta Thunberg, a Swedish activist who is best known for pressuring governments for environmental and social change. Thunberg has been credited with sparking the 'Greta effect' and promoting environmental awareness.

Activists pursue diverse objectives, employing an array of tactics and strategies. Shareholder engagement often occurs in private settings but can also manifest publicly. Recent initiatives led by Just Share have focused on proposing resolutions at AGMs. These resolutions predominantly demand disclosures pertaining to climate risks, transition plans, GHG emissions assessments, and lending policies for carbon-intensive industries.

Notwithstanding these developments, Sasol Limited refused to table climate risk-related shareholder resolutions in 2018, 2019, 2020, and 2021. Similarly, in 2020, Standard Bank Group Limited declined to table a climate resolution submitted by Just Share and the Raith Foundation. Following a legal opinion, Just Share stated on its website that South African courts are likely to affirm shareholders' right to propose binding resolutions concerning climate-related disclosures, as well as non-binding resolutions addressing broader climate governance issues.⁵³

Campaigns addressing climate-related issues highlight the multifaceted approaches adopted by activists, with the outcomes largely dependent on how companies respond, ranging from outright dismissal to cooperation or active opposition.

Shareholder activists, even those holding nominal stakes, possess substantial rights within corporate governance frameworks. To mitigate risks and foster shareholder relations, it is incumbent upon companies to prioritise robust governance practices and actively engage with stakeholders. Adhering to the principles outlined in the King V will enable companies to unlock value and maintain resilience in the face of escalating activism.

52 Just Share (2025) *Sasol Limited's 2025 climate-related disclosures*. Available at: 251105-Sasol-2025-climate-disclosures.pdf (Accessed: 08 December 2025).

53 Just Share (2021) *Summary: Legal opinion on shareholders' right to file climate change-related shareholder resolutions*. Available at: 210326-Summary-of-legal-opinion-on-shareholders-right-to-file-climate-change-related-shareholder-resolutions.pdf (Accessed: 15 September 2025).

To adequately prepare for the growing prevalence of activist campaigns, companies are advised to diligently monitor shareholder portfolios, evaluate potential vulnerabilities, and anticipate future campaigns, hopefully by embracing a proactive approach to minimising climate change. Demonstrating value creation and adherence to good governance principles will diminish susceptibility to activist interference while ensuring preparedness for effective response strategies. Such responsibilities are typically entrusted to the company secretary.

Hybrid meetings have not only improved participation but have also empowered a broader range of shareholders to engage meaningfully, particularly around climate and ESG concerns.

Despite this, company secretaries in Southern Africa have indicated that few climate-related questions are raised at their AGMs. Where such questions do arise, they are typically addressed within the meeting and recorded in the minutes, often available on the company's website. However, this perception may reflect the fact that climate activists primarily target large, listed entities, working on the assumption that systemic change begins at the top.

Just Share, reflecting on their experience at Standard Bank's 2024 virtual AGM, stated:

"While we cannot speak for other activists, it seems from the deafening silence at the AGM this year that Just Share might not be alone in reconsidering our approach to engaging with Standard Bank on its own terms."



Conclusion

AGMs remain a critical forum for engagement, regardless of the size of a shareholder's stake. Every shareholder has the right to raise issues of concern, and for many climate activists, the AGM provides the only formal opportunity to challenge boards directly.

Rather than resisting or obstructing these interventions, companies should view them as an important dimension of stakeholder engagement and good governance. The increasing focus on ESG and climate issues by shareholder activists is not a passing trend; it is part of a broader shift towards responsible corporate citizenship.

Boards and company secretaries, should embrace these discussions, engage with transparency, and demonstrate leadership in addressing climate-related risks. This approach not only builds resilience but also signals to the market that the company is future-focused and aligned with sustainable development goals.

Chapter Five

Benefits to the Board of Taking Climate Change into Account

Introduction

Despite growing awareness of climate change, many companies have yet to fully internalise its implications. Regulatory bodies are increasingly tightening compliance requirements. For instance, Section 24G of NEMA once allowed companies to retrospectively legalise unlawful environmental activities. This loophole was frequently exploited.

However, the introduction of the NEMLAA4 closed this gap by:

- Requiring public participation in rectification processes.
- Mandating the cessation of unlawful operations; and
- Increasing administrative penalties up to R10 million.

This stricter enforcement framework represents the 'stick' in regulatory compliance. However, in many cases, the 'carrot' approach – emphasising the benefits of early and strategic climate action – may be more effective in encouraging meaningful corporate change. The objective of this chapter is to illustrate how proactive board-level engagement with climate change can bring benefits. Transforming perceived risks into strategic opportunities that drive long-term value.

Sustainability benefits

Sustainability is largely accepted as meeting present needs without compromising the ability of future generations to meet theirs. For companies, this translates into long-term viability: delivering consistent economic returns, creating employment, ensuring resource efficiency and fostering stakeholder relationships. In Southern Africa, the principle of Ubuntu, "I am because you are" resonates strongly with the ethos of sustainability. It affirms the interconnectedness of people, communities and the environment.

King V, principle two recommends that the governing body of an organisation should govern the ethics of an organisation in a way that allows for an ethical culture and good corporate citizenship. This includes a responsibility to consider the societal and environmental impacts of their operations and to act in a manner that contributes positively to the communities and ecosystems in which they operate. Sustainable value creation is, in fact, one of the underlying philosophies of King V.

To be a good corporate citizen, boards should integrate climate risk not only to protect the business but to support national development, environmental stewardship, and long-term stakeholder value.

Climate change poses a material threat to all businesses, whether through physical risks (e.g. extreme weather), transition risks (e.g. policy and market shifts), or liability risks (e.g. litigation and regulatory penalties). Boards that fail to recognise and act on these risks may expose the company to:

1	Business interruption.	3	Shareholder activism; and
2	Reputational harm.	4	Loss of market competitiveness.

Proactive mitigation and adaptation strategies are now essential components of responsible corporate governance. If climate risks are ignored, the consequences may become unmanageable, jeopardising not only profitability but business continuity itself.



Other benefits

a. Access to Preferential Finance

Financial institutions are increasingly offering green bonds, sustainability-linked loans, and other instruments with favourable terms for companies demonstrating ESG leadership. These options can reduce the cost of capital and offer a clear financial incentive for climate-aligned strategies.

b. Reduced Legal and Compliance Costs

Regulatory frameworks around ESG are evolving rapidly. Companies that integrate climate risk management into governance and operations are more likely to avoid:

- Legal disputes.
- Fines and penalties.
- Reputational damage from non-compliance.

As penalties grow more severe, the cost of inaction is rising sharply. It is more cost-effective and strategically sound to comply now than to face potential enforcement later.

c. Enhanced Stakeholder Trust

Modern boards are expected to adopt a stakeholder-inclusive approach, as outlined in King V. Directors should act not only in the interests of shareholders, but in consideration of broader stakeholders, including employees, communities, regulators, and the environment.

Deliberately choosing not to implement environmental initiatives in favour of cost savings could, under certain circumstances, be viewed as a breach of fiduciary duties, particularly where it is no longer legally or ethically defensible to do so.

d. Increased Talent Attraction and Retention

It is becoming increasingly evident that companies that focus on sustainability are better positioned to attract top global talent. The workforce comprises mostly millennials and Gen Zs, who are sensitive to the sustainability practices of the companies they work for. It is therefore important that companies integrate sustainability practices into their business models to attract the best talent and retain it.

Moving beyond the “pay the fine” mentality

Some companies have taken the view that non-compliance penalties are cheaper than the costs of implementation. This short-term perspective is both flawed and unsustainable. It ignores escalating regulatory enforcement, public scrutiny, and the compounding risks of climate inaction.

Boards should shift from a compliance mindset to a strategic governance mindset, seeing climate response not as a cost centre, but as a value-creation opportunity. Long-term resilience requires investment in sustainable operations and climate-smart strategy.



Conclusion

While the challenges of climate change are real and mounting, so too are the opportunities for leadership, innovation, and value creation. Companies that respond decisively will be better positioned to thrive in a climate-conscious world.

In contrast, those that delay action risk falling behind, not only in terms of competitiveness, but in their ability to survive. The cost of doing nothing is rising, and climate change is increasingly becoming a defining factor in how companies are evaluated by investors, regulators, and the public.

Boards should lead from the front. By embedding climate considerations into governance structures, strategy, and risk management, they not only fulfil their fiduciary duties, but they also contribute meaningfully to a more resilient economy and society.



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Conclusion



As this best practice guide has demonstrated, climate change is a pressing issue in Southern Africa. With the increase in floods, wildfires and heatwaves, boards and company secretaries should acquaint themselves with the risks associated with climate change. This includes education on both physical and transitional risks, which goes far beyond mere awareness. While some world leaders choose to undo some of the progress made on climate change, Southern Africa has implemented important legislative incentives to meet this challenge. In the case of South Africa, the implementation of the CCA is an important step in the right direction, despite numerous criticisms against it. Further, the importance of how companies address climate change is highlighted by shareholder activism, which often culminates in shareholder protests and voting at AGMs. And is usually the result of shareholders wishing to hold companies to account for their environmental activities. Lastly, there are many benefits to business taking climate change into account. Not only does this result in access to preferential financing but it also results in enhanced stakeholder trust, among others.



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