



IN THE COMPANIES TRIBUNAL OF SOUTH AFRICA

Case no.: **CT02759ADJ2026**

In the *ex parte* application of:

EMERAUDE INTERNATIONAL SOUTH AFRICA (PTY) LTD

Applicant

Presiding member: Richard Bradstreet

Date of decision: 19 June 2026

DECISION (Reasons and Order)

INTRODUCTION

1. The Applicant is Emeraude International South Africa (Pty) Ltd, a private company incorporated in terms of the laws of the Republic of South Africa under registration number 2017/306266/07, with its registered office and principal place of business at Ravago Place, Ground Floor, Turnberry Office Park, 180 Cumberland Avenue, Bryanston, Gauteng.
2. This application is brought in terms of section 72(5) of the Companies Act 71 of 2008 (“**the Act**”), for an exemption from the requirement that the Applicant have a Social and Ethics Committee (“**SEC**”) (as required by section 72(4) of the Act, read with reg 43 of the Companies Regulations 2011).

3. The Applicant's public interest score exceeded the statutory threshold of 500 in each of its 2024 and 2025 financial years, and that the Applicant is, *prima facie*, a company to which regulation 43 applies. The Applicant contends, however, that it is not reasonably necessary in the public interest to require it to have a SEC, having regard to the nature and extent of its activities.

RELEVANT LAW

4. Section 72(4)(a) of the Act empowers the Minister to, by regulation, prescribe "a category of companies that must each have a social and ethics committee, if it is desirable in the public interest, having regard to – (i) annual turnover; (ii) workforce size; or (iii) the nature and extent of the activities of such companies".
5. Regulation 43 applies to "(a) every state owned company; (b) every listed public company; and (c) any other company that has in any two of the previous five years, scored above 500 points in terms of regulation 26(2)" (reg 43(1)).
6. Regulation 26(2) requires that every company calculate its "public interest score" at the end of each financial year, being the sum of the following:

- “(a) a number of points equal to the average number of employees of the company during the financial year;*
- (b) one point for every R 1 million (or portion thereof) in third party liability of the company, at the financial year end;*
- (c) one point for every R 1 million (or portion thereof) in turnover during the financial year; and*
- (d) one point for every individual who, at the end of the financial year, is known by the company-*
 - (i) in the case of a profit company, to directly or indirectly have a beneficial interest in any of the company's issued securities; or*
 - (ii) in the case of a non-profit company, to be a member of the company, or a member of an association that is a member of the company.”*

7. In terms of regulation 43(2), “[a] company to which this regulation applies must appoint a social and ethics committee unless – (a) it is a subsidiary of another company that has a social and ethics committee, and the social and ethics committee of that other company will perform the functions required by this regulation on behalf of that subsidiary company; or (b) it has been exempted by the Tribunal in accordance with section 72(5) and (6).”

8. Regulation 43(5) sets out the functions of the SEC:

“(5) A social and ethics committee has the following functions-

- (a) To monitor the company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to-*
 - (i) social and economic development, including the company's standing in terms of the goals and purposes of-*
 - (aa) the 10 principles set out in the United Nations Global Compact Principles; and*
 - (bb) the OECD recommendations regarding corruption;*
 - (cc) the Employment Equity Act; and*
 - (dd) the Broad-Based Black Economic Empowerment Act;*
 - (ii) good corporate citizenship, including the company's-*

- (aa) *promotion of equality, prevention of unfair discrimination, and reduction of corruption;*
- (bb) *contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and*
- (cc) *record of sponsorship, donations and charitable giving;*
- (iii) *the environment, health and public safety, including the impact of the company's activities and of its products or services;*
- (iv) *consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws; and*
- (v) *labour and employment, including-*
 - (aa) *the company's standing in terms of the International Labour Organization Protocol on decent work and working conditions; and*
 - (bb) *the company's employment relationships, and its contribution toward the educational development of its employees;*
- (b) *to draw matters within its mandate to the attention of the Board as occasion requires; and*
- (c) *to report, through one of its members, to the shareholders at the company's annual general meeting on the matters within its mandate."*

9. Section 72(5) of the Companies Act provides that the Tribunal may grant an exemption if it is satisfied that either:

9.1. "the company is required in terms of other legislation to have, and does have, some form of formal mechanism within its structures that substantially performs the function that would otherwise be performed by the social and ethics committee in terms of this section and the regulations" (s 72(5)(a)); or

9.2. "it is not reasonably necessary in the public interest to require the company to have a social and ethics committee, having regard to the nature and extent of the activities of the company" (s 72(5)(b)).

APPLICATION FOR EXEMPTION

10. The Applicant carries on business as a trader in polymer raw materials. It sources those materials – in part from local producers, of which Sasol Limited and Safripol (Pty) Ltd are named as two principal suppliers, and in part from suppliers abroad – and on-sells them to manufacturers throughout Southern Africa, who in turn convert them into a variety of plastic-based products. The Applicant offers its customers a composite service of sourcing, importing and delivering the raw material, but the logistics component of that service, comprising importation and transport, is outsourced to specialist third parties.

11. The character of the business is accordingly that of an intermediary. The Applicant neither manufactures the raw material it sells nor transforms it into any finished product; on its own evidence it does not itself store the material. Its profit is derived from a mark-up applied to materials sourced and resold, the margin disclosed in the financial statements being of the order of six to seven per cent. The carrying value of its assets is modest, being approximately R1 million and consisting of the furniture, fittings and software of its Bryanston office.

12. The Applicant's staff complement is correspondingly small. It has two directors and ten further employees, comprising the deponent (its head of sales), two sales personnel, a financial manager, an administrative assistant,

an office cleaner, and five operations specialists. Its issued securities are held by a single shareholder, Emeraude International SAS, a French entity.

13. The Applicant's public interest score was 535 for the 2024 financial year and 873 for the 2025 financial year. It is driven, overwhelmingly, by turnover (494 and 684 points respectively) and third-party liability (30 and 178 points), and not by any large body of stakeholders.

14. The following considerations are material for the purposes of this application:

14.1. Emeraude is an intermediary. It sources polymer raw materials, in part from local producers, and in part from abroad, and on-sells them to manufacturers throughout Southern Africa. It does not manufacture, transform or store the material, and outsources logistics to specialist third parties.

14.2. It has a single shareholder, Emeraude International SAS (a French entity), and twelve people in its employ, being two directors and ten staff. Labour and employment-equity exposure is, at that scale, negligible and is managed directly by management and the board. The cost of appointing a further, independent director would be difficult to justify.

14.3. Environmental responsibility for the material lies, substantially, with those who produce it and those who convert it into finished goods.

Although regulation 43(5)(a)(iii) reaches a company's "products or services" and not only its own operations, the scope for meaningful environmental monitoring by a committee is narrow where, as here, the company neither makes, transforms nor stores the polymer but acts as a contractual conduit.

- 14.4. Consumer relationships do not arise: the Applicant sells only to manufacturers, not to the public, and does not advertise.
 - 14.5. Corruption engages the public interest most directly, the Applicant being a foreign-owned importer; however, its sole shareholder imposes and supervises strict anti-corruption policies binding on Emeraude and its staff, breaches being reported to the board. That is an internal discipline rather than a section 72(5)(a) mechanism, but in an enterprise of twelve persons reporting to a board of two it addresses the risk proportionately.
 - 14.6. The Applicant does not participate in broad-based black economic empowerment and conducts no activity within any identifiable community; such social upliftment as it undertakes is driven by its shareholder. With a single shareholder and few matters to monitor, the residual reporting functions under regulation 43(5)(b) and (c) add little.
15. On a fair assessment, the matters a social and ethics committee exists to monitor are, in the Applicant's case, either absent or adequately addressed by its existing management and shareholder structures. A proper case has

accordingly been made out that it is not, at present, reasonably necessary in the public interest to require the Applicant to have a SEC.

ORDER

16. It is accordingly ordered that:

- a) the Applicant is exempted from being required to appoint a social and ethics committee for a period of five (5) years from the date of this order, in accordance with section 72(6); and
- b) the Tribunal's Recording Officer (Registrar) is directed to serve this order on (i) the Applicant and (ii) the Commissioner of the Companies and Intellectual Property Commission (CIPC).

Richard Bradstreet

Member of the Companies Tribunal

19 June 2026