INVESTOR BRIEFING

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UPDATED
22 November 2023

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Shareholder proposals: Climate Risk Safeguarding

National Australia Bank (NAB)

Westpac Banking Corporation (WBC)

Member statement: Climate Risk Safeguarding

ANZ Group Holdings (ANZ)

"It is an imperative of climate stabilization that financial institutions (FIs) do not support the expansion of new or existing unabated fossil fuel production capacity." - Science-Based Targets Initiative

ANZ, NAB and WBC are undermining their stated commitments to the goal of net-zero emissions globally by 2050 by financing companies whose plans are incompatible with the world's climate goals. New disclosures from each of these banks have failed to include policies that rule out this practice. In FY2023, ANZ, NAB, and WBC have all continued to provide finance to companies pursuing new and expanded fossil fuel projects, which the International Energy Agency and Intergovernmental Panel on Climate Change have concluded is incompatible with limiting global warming to 1.5°C.

These resolutions and member statement present an opportunity for ANZ, NAB and WBC to address current gaps in disclosure regarding requirements for fossil fuel customers' climate transition plans. A clearly disclosed and comprehensive framework to assess transition plans of existing and potential customers is required for these banks to have a reasonable basis for their climate commitments. **Investor support for these resolutions is necessary to address the legal, regulatory, transition and physical risks raised by the misalignment between the banks' commitments and actions.**

Investor expectations for climate change transition plans

Globally, investors are scrutinising the capacity of the companies they invest in to transition from fossil fuels on a pathway consistent with the 1.5°C goal of the Paris Agreement. Critical to this process is the disclosure of credible, evidence-based climate change transition plans.

The Carbon Disclosure Project has defined a climate transition plan as a *"time-bound action plan that clearly outlines how an organization will pivot its existing assets, operations, and entire business model towards a trajectory that* ***aligns with the latest and most ambitious climate science recommendations.*** *i.e., halving greenhouse gas (GHG) emissions by 2030 and reaching net-zero by 2050 at the latest,* ***thereby limiting global warming to 1.5°C."***

The Science-Based Targets Initiative Fossil Fuel Finance Position Paper Consultation Draft states that one of the four requirements for net-zero science-based targets of financial institutions is **'Transition'**, where *"FIs shall engage existing fossil fuel company counterparties to achieve 1.5°C transition [sic] using quantitative and qualitative criteria and* ***public transition plans."***

The Investor Group on Climate Change (IGCC) has been adamant on the necessity of 1.5°C-aligned corporate transition plans. In September 2023, IGCC, along with the Carbon Disclosure Project (CDP) and United Nations Principles for Responsible Investment (PRI), said in a joint statement that *"[i]nvestors expect to understand companies' plans to pivot their existing assets, operations, and entire business model to align with a 2050 net-zero trajectory and limit global temperatures to 1.5°C".*

Incomplete policies expose banks to key risks

In clear contradiction of their commitments to net-zero by 2050, ANZ, NAB and WBC have continued providing finance for new fossil fuel developments and the companies pursuing them, and have failed to rule out this activity moving forward.

The Science-Based Targets Initiative states that *"The SBTi theory of change holds that FIs are essential for providing capital and engaging fossil fuel companies to transition to a 1.5°C pathway.* ***Credible net-zero targets require both the immediate cessation of financial support of the expansion of unabated fossil fuel production capacity (from the time of target publication) and FIs using their influence to align companies with a 1.5°C transition.****"*

In order to comply with their climate commitments, banks need to assess the transition plans of all fossil fuel companies for credible alignment with a 1.5°C pathway before providing further finance to enable companies to pursue their growth projects. In order for investors to have assurance that such assessments are credible, banks need to disclose to investors how these assessments will be conducted, including which criteria will be involved.

Credible climate transition plans

With the growing risks facing investors through the energy transition, several internationally recognised and investor-led frameworks have been established to assess the credibility of fossil fuel companies transition plans. ANZ, NAB and WBC's current transition plan policy frameworks all have gaps that risk enabling the ongoing financing of companies developing new and expanded fossil fuel projects. Whilst some of the bank's policies are stronger than others, none of them are complete.

To help investors cut through some of the complexity of the banks' disclosures, Market Forces has analysed the transition plan frameworks of the big four Australian banks. Based on widely recognised frameworks such as CA100+ Net Zero Company Benchmark, IGCC Transition Plan Expectations, and the Science-Based Targets Initiative Draft Fossil Fuel Finance Position Paper, we have designed a simple framework for assessing the banks' transition plan policies for credible alignment with a 1.5°C pathway. The framework consists of three main components:

- **Fossil fuel companies coverage:** Are all companies in the SBTi fossil fuel value chain captured by the transition plan policy? This includes upstream, midstream and downstream oil, gas and coal companies with an appropriate revenue cut-off for diversified companies.
- **Types of new finance restricted:** Does the policy exclude providing 'new finance' to fossil fuel companies without credible transition plans? We consider project finance, corporate finance and bond facilitation.
- **Criteria for assessing credible alignment with Paris:** Is it clear how the bank will assess the transition plans for credible alignment with 1.5°C based on the criteria or assessment framework the bank has disclosed? This includes elements such as scope 1-3 coverage, capex alignment, and explicit reference to established assessment frameworks such as those listed above.

For further detail on our methodology, see the appendix to this briefing.

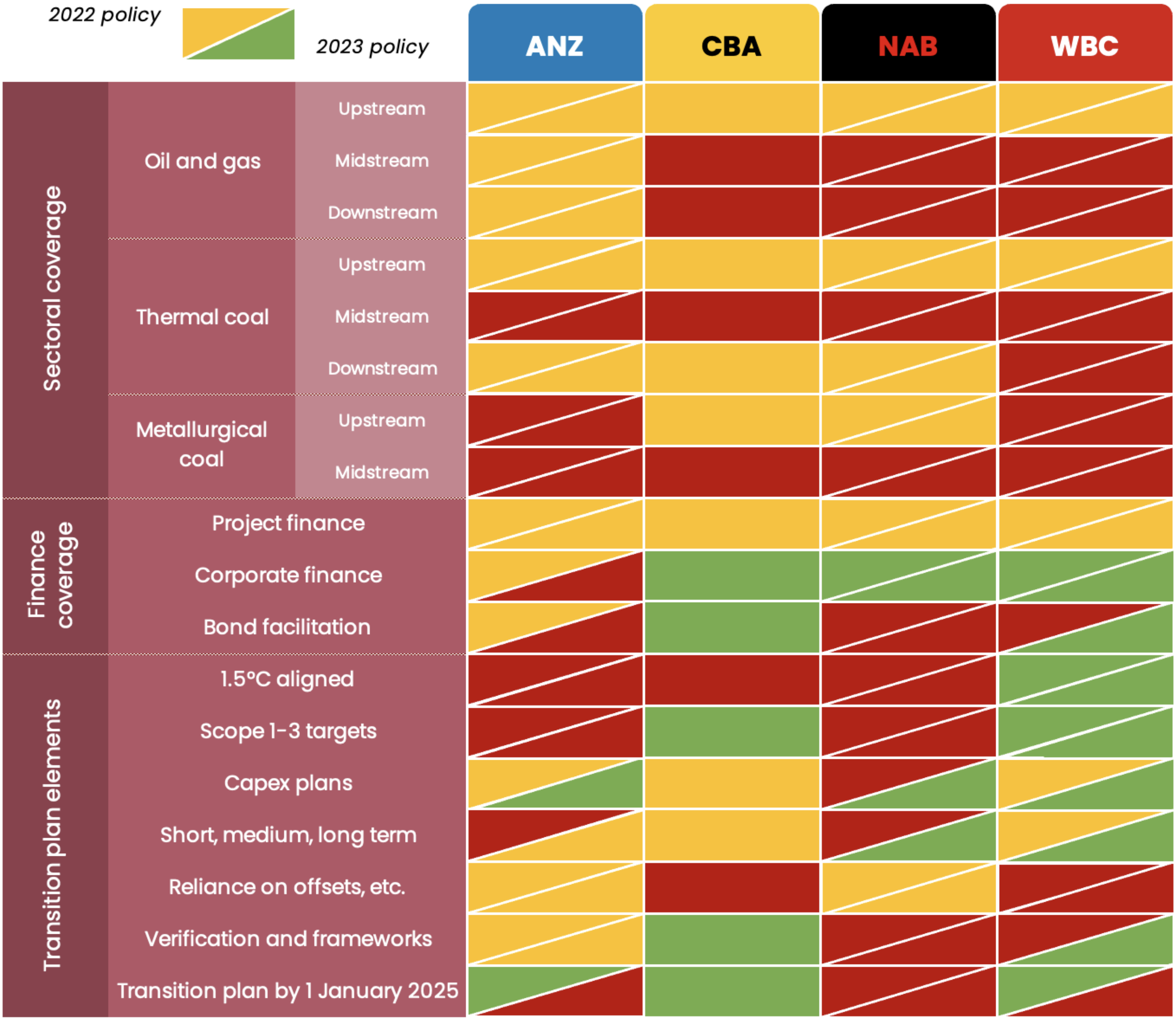
Analysis of current gaps

A three-tiered rating system has been applied to distinguish how each bank's policies rank against the various criteria, where:

- **Green:** Satisfactory coverage of the criteria
- **Yellow:** Partial coverage
- **Red:** No coverage

It is important to note there is a very wide range that fits in the 'partial coverage' ranking, with some policies being clearly better than others but still falling short of full criteria coverage. Additionally, while a green may indicate a strong policy from the bank, **each is dependent on the fulfilment of other criteria, otherwise the policy remains weak.** For instance, if a policy requires companies in one sub-sector (e.g., upstream oil and gas) to have a transition plan in order to be eligible for corporate finance, but has failed to disclose what criteria it will use to verify the credibility of that transition plan, and has failed to apply the same requirements and restrictions to all fossil fuel companies, then the policy is completely inadequate.

Any changes in ranking against the criteria from 2022 to 2023 for ANZ, NAB and WBC have been captured below. More detailed analysis of the gaps of ANZ, NAB and WBC's policies is provided below the summary graphic.



Note: We conducted our original analysis of transition plan frameworks in September 2023, after CBA had updated its framework; hence CBA results are only for the bank's current policy settings.

Weak timelines allow too much time for expansionary fossil fuel companies

A foundational criteria item of the resolutions is a request for disclosure addressing whether ANZ, NAB and WBC will **require transition plans from all fossil fuel companies by 1 January 2025.** Prior to ANZ and WBC's latest disclosures, both banks expected clients to have transition plans in place 'by 2025', an expectation that has since been pushed back to the end of ANZ and WBC's 2025 financial year, 30 September 2025. NAB has always required transition plans be in place by 1 October 2025. Commonwealth Bank (CBA) is now the only big four Australian bank that will require transition plans from the beginning of 2025.

Pushing back this timeline is significant. The nine extra months gives ANZ and WBC almost two years to lock in more long-life finance to companies with fossil fuel expansion plans. Over a six month period, in 2022, ANZ and WBC took part in loans to Woodside, the Pluto 2 LNG project (tied to Woodside's climate wrecking Scarborough gas field), and Santos, with the latter mired in human rights issues due to its links to the deeply controversial Barossa gas project. In the last two months, ANZ and WBC have both participated in recent deals for Santos and JERA, which are detailed below.

ANZ, NAB and WBC have failed to explain why it is necessary to give fossil fuel companies additional time to develop Paris-aligned transition plans before refusing to provide new finance. The banks have all expressed a desire to give companies time to develop their transition plans, and have remarked on how difficult it will be for fossil fuel companies to reduce their emissions in line with the world's climate goals.

Given the consensus that new and expanded fossil fuel projects are incompatible with a 1.5°C warming pathway, ANZ, NAB and WBC risk further undermining their climate commitments by enabling the expansion projects of their fossil fuel clients in the coming years through continued financial support, particularly when some of the bank's clients have planned final investment decisions on new fossil fuel projects in the next two years.

It is crucial that the banks do not financially enable fossil fuel companies to develop new coal, oil and gas expansion projects in the coming years under the guise of supporting them to 'transition' their business away from fossil fuels. ANZ, NAB and WBC should therefore require plans from 1 January 2025, in line with the practice of their peer, Commonwealth Bank.

ANZ's policies inconsistent with net-zero by 2050

ANZ's current climate policies stand out as the worst amongst the big four Australian banks. For more information on ANZ's policy, see our latest in-depth analysis.

	ANZ policy - key shortcomings
❌	**ANZ will not require Scope 3 emissions reductions targets:** Scope 3 emissions typically account for 90% of fossil fuel companies total emissions. Without requirements for Scope 3 emissions reductions targets, or a clear temperature ambition, ANZ's policy can enable fossil fuel companies to continue to receive finance from the bank without a clear plan to reduce the vast majority of their emissions.
❌	**ANZ has not excluded direct project finance to the majority of new and expanded fossil fuel projects.** This includes new and expanded oil and gas fields, new pipelines for gas fields, new and expanded LNG projects, new (greenfield) and expanded metallurgical coal mines or mine lifetime extensions (brownfield).
❌	**ANZ has no restrictions on the facilitation or arranging of bonds for fossil fuel companies,** and has no commitment to not arrange or facilitate bonds for companies without a credible, Paris-aligned transition plan.
❌	**ANZ has not defined a 1.5°C-alignment requirement for transition plans.**
❌	**ANZ has not clearly defined what types of finance will be restricted to companies without transition plans.** Only oil and gas companies are required to have transition plans for new lending from end 2025.
❌	**ANZ will not require transition plans from companies across the fossil fuel value chain,** including metallurgical coal miners, midstream and downstream coal companies, and midstream and downstream oil and gas companies.
❌	**ANZ will not require transition plans from 1 January 2025,** after pushing back its requirement to end of FY2025 (30 September 2025).
❌	**ANZ has not disclosed whether it will accept unreasonable reliance on offsets or negative emissions technologies as part of a transition plan.**

Note: This is not an exhaustive list of all of ANZ's policy shortcomings against the transition plan assessment framework, but does cover the most material issues.

NAB's policies inconsistent with net-zero by 2050

For more information on NAB's policy, see our latest in-depth analysis.

NAB policy - key shortcomings	
❌	**NAB has not disclosed whether it will require Scope 1, 2 and 3 emissions reductions targets.** NAB has only stated it will require companies to disclose Scope 1, 2 and 3 emissions.
❌	**NAB has not excluded direct project finance to the majority of new and expanded fossil fuel projects.** This includes expanded (brownfield) oil and gas fields, new pipelines for gas fields, new and expanded LNG projects, new (greenfield) and expanded metallurgical coal mines or mine lifetime extensions (brownfield).
❌	**NAB has no restrictions on the facilitation or arranging of bonds for fossil fuel companies,** and has no commitment to not arrange or facilitate bonds for companies without a credible, Paris-aligned transition plan.
❌	**NAB has not defined a 1.5°C-alignment requirement for transition plans.** NAB has stated that transition plans should be 'Paris-aligned', but has not disclosed whether it will require such plans to be aligned with a 1.5°C warming pathway, or the far more dangerous 'well-below 2°C' pathway**.**
❌	**NAB will not require transition plans from companies across the fossil fuel value chain** including midstream and downstream coal companies, and midstream and downstream oil and gas companies.
❌	**NAB will not require transition plans from 1 January 2025,** instead requiring them from 1 October 2025.
❌	**NAB has not disclosed whether it will accept unreasonable reliance on offsets or negative emissions technologies as part of a transition plan** (e.g., is it not clear if NAB will consider offsets/NET as a legitimate form of emissions reduction for new and expanded fossil fuel projects).

Note: This is not an exhaustive list of all of NAB's policy shortcomings against the transition plan assessment framework, but does cover the most material issues.

WBC's policies inconsistent with net-zero by 2050

For more information on WBC's policy, see our latest in-depth analysis.

WBC policy - key shortcomings	
❌	**WBC will not require transition plans from companies across the fossil fuel value chain** including metallurgical coal mining companies, midstream and downstream coal companies (including power companies), and midstream and downstream oil and gas companies (also including power companies).
❌	**WBC has not disclosed whether it will accept unreasonable reliance on carbon offsets or negative emissions technology** (e.g., it is not clear if WBC will consider offsets/NET as a legitimate form of emissions reduction for new and expanded fossil fuel projects).
❌	**WBC has not disclosed whether it will assess 'capital expenditure' for alignment with a 1.5°C warming pathway.** WBC has only stated that it will assess how capital is being allocated to emission reduction or zero carbon projects, rather than how much is being spent on new and expanded fossil fuel projects.
❌	**WBC will not require transition plans from 1 January 2025:** Westpac did weaken its transition plan policy by pushing back its timeline for transition plans by an extra nine months. Westpac's previous position on transition plans for oil and gas companies was to "continue to provide corporate lending where the customer has a credible transition plan in place **by 2025**, and will work with customers to support their development of credible transition plans **prior to 2025.**"

Note: This is not an exhaustive list of all of WBC's policy shortcomings against the transition plan assessment framework, but does cover the most material issues.

WBC putting Climate Change Position Statement and Action Plan to shareholder vote

WBC announced in its 2023 AGM Notice of Meeting that it will be asking shareholders to support its Climate Change Position Statement and Action Plan. This 'say on climate' vote will be put to the meeting at Item 5, ahead of the resolutions on Item 6(a) (resolution to amend Westpac's constitution) and 6(b) (resolution on Transition Plan Assessments).

Shareholders are encouraged to consider the substantive gaps outlined above in WBC's policy before voting. Market Forces is not in favour of opposing the enhanced disclosures WBC has made in its Climate Plan this year, but we believe additional disclosure is necessary to address the inconsistencies between WBC's financing behaviour and its climate commitments. Unfortunately, a 'no' vote does not, on its own, communicate whether investors are voting against the plan out of support for more, or for less, stringent transition plan assessments. We therefore recommend an 'abstain' vote on Item 5 and a 'yes' vote on the resolution at Item 6(b). We believe this accurately captures an endorsement of WBC's enhanced disclosures whilst clearly communicating expectations for more disclosure from the bank.

Continuing to finance fossil fuel expansion

The substantial gaps in ANZ, NAB and WBC's policies and transition plan frameworks have enabled the banks to continue to provide or arrange finance for companies with aggressive fossil fuel expansion plans that are totally incompatible with their own climate commitments.

There is a broad consensus that fossil fuel companies are not transitioning fast enough. Recent peer-reviewed research has shown that more than 60% of the world's top 142 oil, gas and coal companies are not producing in line with a 1.5°C-aligned pathway. In October 2023, the investor-led initiative Climate Action 100+ released its latest Net Zero Company Benchmark assessments, highlighting that ***"most focus companies are not moving fast enough to align with the goals of the Paris Agreement and reduce investors' risk."*** Of the 170 focus companies assessed by the CA100+, only **1%** were found to be decarbonising capital expenditure in alignment with the Paris Agreement's goals.

Underpinning this failure to align with the Paris Agreement's goals is the ongoing development of new and expanded coal, oil and gas projects by the fossil fuel sector. The Intergovernmental Panel on Climate Change (IPCC) has confirmed projected emissions from the planned lifetimes of *existing fossil fuel infrastructure* would significantly exceed the carbon budget remaining to limit global warming to 1.5°C. The International Energy Agency (IEA) concluded in its 2021 Net Zero by 2050 scenario (NZE) that reaching net zero emissions by 2050 means no new or expanded coal mines and no new oil and gas fields should be approved, largely reiterating this finding in 2022 and 2023. ANZ, NAB and WBC have all relied on the NZE to develop some of their climate targets and policies, yet have failed to align their financing decisions with one of its most critical conclusions.

Woodside Energy

ANZ and WBC each loaned $125 million[1] to Woodside Energy as part of a $1.8 billion loan in July 2022 concluding in 2028. In June 2023 Woodside sanctioned the new Trion oil field in the Gulf of Mexico. Since the release of the NZE in May 2021, Woodside has sanctioned both Trion and the climate-wrecking Scarborough/Pluto 2 LNG project. Woodside plans to increase oil and gas production by 45% from 2022 to 2027.

Santos

ANZ, NAB and WBC were involved in a 5 ½ year, $1.8 billion loan to Santos in August 2022, refinancing and extending a 2020 deal related to the new Barossa gas field Santos is currently developing. In September 2023, ANZ and WBC were again involved in the arrangement of a $1.3 billion bond for Santos. Santos sanctioned the new Pikka oil field in August 2022, is targeting a final investment decision on Papua LNG in 2024, and plans to increase production 60% between 2022 and 2030. Meanwhile the latest NZE projects global oil and gas production must fall 20% this decade.

JERA Global Markets

In October 2023, ANZ and WBC loaned $125 million and $101 million, respectively, to JERA Global Markets as part of a $2.3 billion loan related to the company's liquefied natural gas (LNG) business. JERA is actively pursuing significant expansion in the LNG sector, including projects such as Barossa in Australia, Freeport LNG in the US, and approximately five LNG import terminals and LNG to power projects with nameplate capacity of 11.6GW in Bangladesh and Vietnam.

Glencore

In March 2021, ANZ and NAB contributed to a $16.7 billion loan to Glencore, one of Australia's largest coal producers, which has two coal mine extensions under assessment - the Glendell continuation, and the Hunter Valley Operations extension - which would see coal mines operating until 2050, well past any Paris-aligned scenario.

APA Group

In November 2023, ANZ, NAB and WBC all took part in a $1.25 billion loan to APA Group. While part of this loan will be used to fund APA's acquisition of Alinta Energy's existing Pilbara gas assets, it will also be used for 'general corporate purposes'. The loan will not mature in full until 2033. In 2023, APA Group signed preliminary agreements with the leading developers of the Beetaloo Basin, Empire Energy and

[1] All dollar amounts are in AUD unless otherwise specified.

Tamboran Resources, to construct pipelines that would unlock the carbon bomb Beetaloo Basin. Analysis on the Basin estimates that it would create 1.2 billion tonnes of CO_2-e over its lifetime, more than double Australia's annual emissions in 2021.

Failure to address key risks

Recognising the unacceptable financial risks global warming poses, 315 investors managing more than US$64 trillion in assets under management have committed to the goal of net-zero emissions by 2050. Globally, 151 countries representing 92% of global GDP have committed to net-zero emissions, with the vast majority aiming to reach that goal by 2050 or sooner.

ANZ, NAB and WBC's inadequate approach to climate change leaves the banks and their investors exposed to not only physical and transitional climate change risks, but also to the legal, regulatory and reputational risks associated with failure to act in line with community expectations.

Legal and regulatory risk

Australian misleading and deceptive conduct law requires companies to have a reasonable basis for making climate-related statements, including net zero commitments. The misalignment between ANZ, NAB and WBC's Paris and net zero commitments and their ongoing financing of new fossil fuels enlivens this 'greenwashing' risk. As stated by the chair of a UN High-Level Expert Group focused on corporate net-zero claims: "Non-state actors cannot claim to be net zero while continuing to build or invest in new fossil fuel supply."

The Australian Securities and Investments Commission has made greenwashing an enforcement priority for 2023, with ASIC Deputy Chair Sarah Court remarking that "Greenwashing is simply misleading and deceptive conduct by another name." ASIC engaged in 35 greenwashing interventions between 1 July 2022 and 31 March 2023, stating that it *"identified net zero statements and targets, and claims of decarbonisation, that did not appear to have a reasonable basis, or were factually incorrect."*

Australia has the highest per-capita rate of climate litigation cases in the world. A 2023 report from the United Nations Environment Programme found a staggering 127 climate lawsuits have been launched in Australia against both companies and governments. The big four banks themselves have faced litigation from shareholders over inadequate management of climate risks recently. In 2021, Commonwealth Bank shareholders brought an action in the Australian Federal Court over concerns the bank's financing of several new oil and gas projects was inconsistent with its policy. Just earlier this month, an ANZ shareholder filed a claim in the Federal Court over concerns that the bank was failing to adequately manage the risks posed by climate change.

Physical and financial risk

The concentration of ANZ, NAB and WBC's lending portfolio in residential mortgages exposes the banks to significant financial risk as the physical impacts of climate change increase with every fraction of a degree of further warming. The RBA forecasts numerous climate change related risks associated with housing value in affected regions, including an increase in the number of properties at risk to climate-related disasters, declining local incomes, and sizable declines in property values, noting in a 2021 assessment, "if current values do not fully reflect the longer-term risks of climate change, housing prices could decline, leaving banks with less protection than expected against borrower default." A May 2022 Climate Council study found one in 25 Australian homes would be uninsurable by 2030 due to increasing extreme weather and climate change risks.

All of this is occurring while ANZ, NAB and WBC continue to fund companies and projects that are expanding the fossil fuel industry, worsening climate change and ultimately exacerbating the physical risks facing their biggest lending assets, their home loan portfolios.

Engagement

Market Forces has been engaging with each of the four major banks in Australia since 2013. Over that time we have maintained constructive dialogue with stakeholders within the banks, from general staff, to Corporate Social Responsibility and Corporate Affairs representatives, heads of Investor Relations, Company Secretaries, CEOs, Chairs, and Board members.

Since 2016 we have maintained a consistent set of asks for the banks in relation to their fossil fuel lending and exposure. Chief among them is the need to align the banks' financing decisions with their climate commitments, which our 2023 resolutions clearly and directly address.

Market Forces lodged similar resolutions with ANZ and NAB in 2020, and with all four banks in 2021 and 2022. Despite considerable shareholder support for those resolutions against the boards' recommendations, none of the banks have come close to meeting their requests.

Market Forces has clearly informed each bank that these resolutions and this member statement would be withdrawn if disclosures are either made or committed to in a way that meets the requests of the resolutions. However, no bank has provided details to suggest the substance of these resolutions will be met.

Shareholder support for these resolutions and this member statement is therefore required to bring ANZ, NAB and WBC's fossil fuel lending policies and practices into line with their net-zero by 2050

commitments. Failure to do so leaves the banks and their investors exposed to unacceptable climate-related financial, legal, regulatory and reputation risks.

Appendix - Methodology for transition plan assessment framework

Fossil fuel companies coverage

The Science-Based Targets Initiative has defined a 'Fossil fuel company' as including *"both specific projects dedicated to fossil fuel activities plus established companies who derive at least 5% revenue share from the projects or activities as defined in the value chains outlined in Annex 2."* The full list of activities in the SBTi's fossil fuel value chain is listed below:

Sector	Projects/Activities
Coal	**Upstream:** coal mining including existing extraction plus exploration, drilling, processing, and development of new or expansion of existing mines Midstream: any transport and logistics, processing of coal to liquid gas (CtLG) **Midstream:** any transport and logistics, processing of coal to liquid gas (CtLG) and coal to gas (CtG), storage, and services dedicated to supporting the coal value chain **Downstream:** new, existing (including retrofitting) coal power, operations and maintenance (O&M) & engineering, procurement and construction (EPC) services to any part of the coal value chain, heat, or cooling production plants and transmission infrastructure of coal-fired electricity
Oil + Gas	**Upstream:** new or existing oil and gas upstream projects: exploration, extraction, development/redevelopment/expansion of fields (including enhancing the rate of production, e.g., EOR projects) **Midstream:** oil and/or gas refining, storage, transportation and distribution infrastructure or logistics **Downstream:** oil and/or gas power, heat or cooling generation facilities

None of ANZ, NAB and WBC's transition plan policies cover all of the sub-sectors listed in the full fossil fuel value chain but their policies do cover *some of them* (to varying degrees), as outlined above.

Types of new finance restricted

The United Nations-convened Net-Zero Banking Alliance, of which ANZ, NAB and WBC are members, has categorically stated it ***"does not support the financing of fossil fuel expansion."***

Banks provide a variety of financial instruments to fossil fuel companies which can provide these companies with the capital they need to develop new and expanded fossil fuel projects that are incompatible with a 1.5°C warming pathway. These financial instruments include corporate finance loans, project finance loans, trade finance, and the arranging or underwriting of capital markets transactions.

With their latest climate disclosures, ANZ, NAB and WBC have provided further clarification on what types of finance will be restricted to companies without Paris-aligned transition plans, but have left substantive gaps that fail to restrict finance to non-Paris aligned companies.

While ANZ, NAB and WBC have stated that new lending for upstream oil and gas companies will require a transition plan in place by the 1st of October 2025, only WBC will require these companies to have a credible transition plan before providing 'bond facilitation'. ANZ and NAB have no policies restricting the arranging or underwriting of capital markets transactions to fossil fuel companies.

Companies involved in fossil fuel expansion have raised more than **€1 trillion** from the global bond markets since the signing of the Paris Agreement.

As bank loans have become increasingly restricted for coal companies they have pivoted towards bonds to raise capital. Coal companies raise 2.5 times more capital through bond issuance than bank loans, and nearly all companies in the Global Coal Exit List have issued bonds to finance and develop their operations.

ANZ, CBA, NAB and WBC arranged **$2.2 billion** through the bond market for fossil fuel companies across 2021 and 2022.

Criteria for assessing credible alignment with Paris

Frameworks such as the Climate Action 100+ Net Zero Company Benchmark and the Investor Group on Climate Change Corporate Climate Transition Plans Guide to Investor Expectations, amongst others, have identified common criteria that are essential to a credible transition plan. These key criteria are outlined below as part of Market Forces analysis on ANZ, NAB and WBC's transition plan policies.

These include, but are not limited to:

- Alignment with a 1.5°C pathway.
- Short, medium and long-term Scope 1, 2 and 3 greenhouse gas emissions reductions targets
- Capital expenditure allocation/alignment
- No unreasonable reliance on carbon offsets or negative emissions technology to achieve emissions reductions.

Another foundational criteria item of the resolutions is a request for disclosure addressing whether ANZ, NAB and WBC **will require transition plans from all fossil fuel companies by 1 January 2025,** the rationale for which has been provided above in the **'Analysis of gaps'** section.