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Investor briefing

ANZ, NAB and WBC: Transition plan policies compromise climate commitments

NOVEMBER 2024

ANZ: *ANZ Group Holdings Limited*
CBA: *Commonwealth Bank of Australia*
NAB: *National Australia Bank Limited*
WBC: *Westpac Banking Corporation*

All figures presented are in AUD

Overview - banks must require credible transition plans

- New and expanded fossil fuel projects are incompatible with 1.5°C.
- ANZ, NAB and WBC continue to finance the expansion of the fossil fuel industry, violating their climate commitments.
- Requiring credible transition plans before offering new or renewed finance would enable the banks to support clients demonstrably committed to the transition and prevent financing activities incompatible with 1.5°C.
- ANZ, NAB and WBC's disclosed transition plan requirements fail to be Paris-aligned by:
  - not ruling out new finance to a fossil fuel client that fails to produce a credible climate transition plan (a measure CBA has implemented this year, see p. 59);
  - not being required of all fossil fuel clients; and
  - NAB and ANZ failing to require scope 3 emissions targets, entirely undermining the validity of their assessment approaches.
- Market Forces' resolutions at ANZ, NAB and WBC call for enhanced disclosure regarding how the banks' transition plan approaches will ensure they are not financing non Paris-aligned activities in line with investor expectations.
- ANZ, NAB and WBC have failed to materially progress their policies in the last 12 months, leading Market Forces to file the same shareholder resolutions as last year.
- **We urge investors to vote for our resolutions and predeclare via the UNPRI Resolution Database.**

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Approach to climate transition plans should be clear

Given the complexity and variance of the banks' current disclosures, Market Forces has provided a simplified overview of what a Paris-aligned transition plan assessment process would entail.

Require all clients throughout the coal, oil and gas value chains to have credible, 1.5°C-aligned transition plans.

Implement a credible framework for assessing transition plans for alignment with the Paris Agreement, informed by best practice.

Determine which fossil fuel clients are legitimately committed to transitioning their businesses away from coal, oil and gas and which are not.

Cease to offer all new and renewed financing to companies that lack a genuine transition plan.

With the bank now able to demonstrate that its fossil fuel portfolio is aligned with a 1.5°C warming scenario, it avoids the legal and regulatory, financial and reputational risks involved in financing companies not aligned with the Paris Agreement.

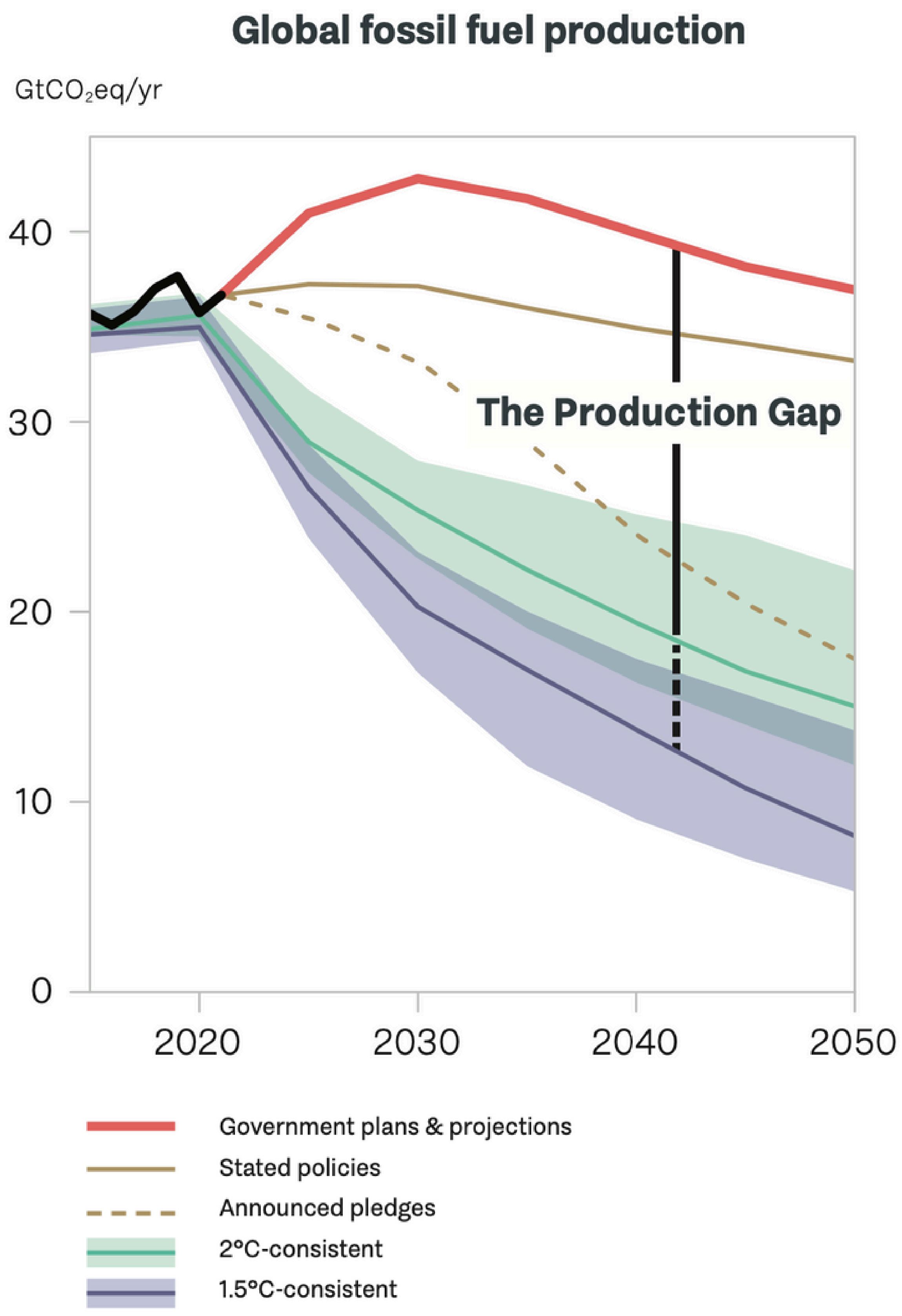
Science on achieving 1.5°C is clear: there can be no new or expanded fossil fuels projects

The International Energy Agency (IEA) has made it clear in successive versions of its 'Net Zero by 2050 Scenario' that limiting global warming to 1.5°C means no coal expansion projects or new oil and gas projects should go ahead.

The Intergovernmental Panel on Climate Change (IPCC) has also concluded that emissions from already committed fossil fuel infrastructure will significantly overshoot the 1.5°C warming limit.

"Greenhouse gas levels surged to a new record in 2023… Carbon dioxide (CO2) is accumulating in the atmosphere faster than any time experienced during human existence, rising by more than 10% in just two decades." – World Meteorological Organization, 2024

"If nothing changes, we are heading for a temperature rise of 3.1°C" – UN Emissions Gap Report 2024



Source: UN Production Gap Report 2023 (p3)

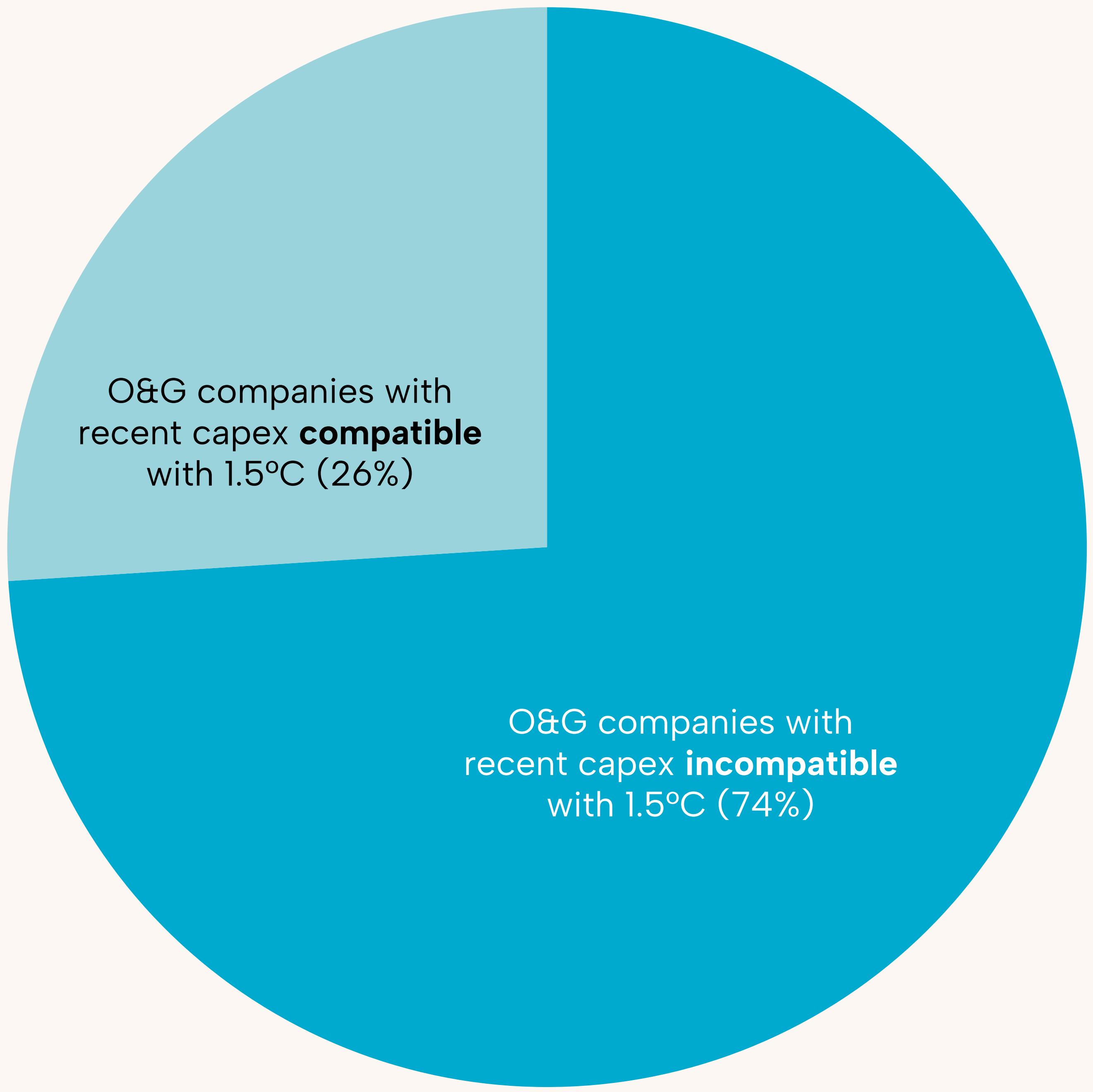
Fossil fuel companies increasing production and failing to transition

Climate Action 100+ [Net Zero Company Benchmark 2024](#) **results**

- The **alignment of oil and gas companies' capital expenditure and broader transition strategies has regressed since 2023**, increasing their exposure to transition risk.
- None of the oil and gas companies on the CA100+ focus list have future production plans aligned with 1.5ºC.

The Global Oil & Gas and Coal Exit List 2024 (GOGEL and GCEL)

- The oil and gas industry is not transitioning.
- 2023 saw the highest level of oil and gas production in history.
- 95% of upstream oil and gas companies are still exploring or developing new oil and gas resources.
- 95% of coal companies still have no phase-out plan.
- Upstream companies are spending an average of $61.1 billion on exploration annually.



Source: Climate Action 100+ Net Zero Company Benchmark 2.1 (2024 Results)

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The banks have committed to align financing with 1.5°C

ANZ, NAB and WBC are all NZBA* members committed to transitioning their lending and investment portfolios consistent with a 1.5°C pathway.

Any finance provided to the fossil fuel industry should be in the form of *'transition finance'* to support an orderly, real-economy transition to net zero.

Transition finance should be allocated to supporting climate solutions and clients who are verified as aligned or aligning to a 1.5°C pathway, and to accelerate a managed phaseout of high-emitting physical assets (GFANZ).

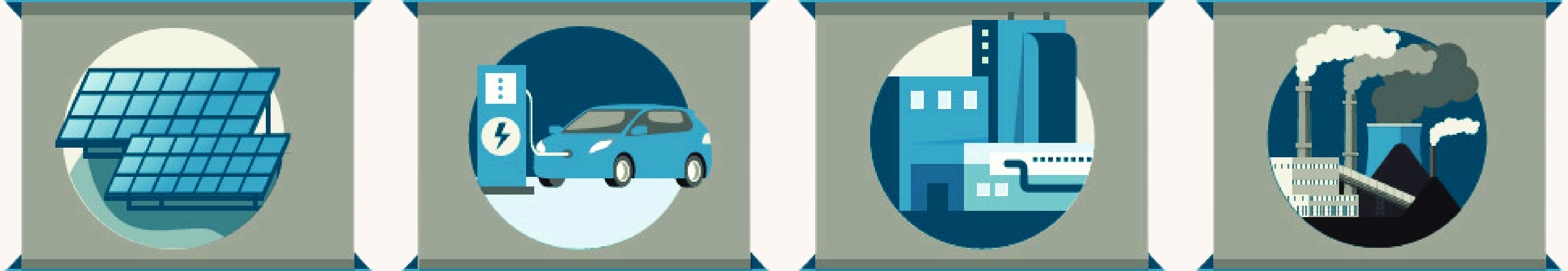
Transition Finance defined by GFANZ^

1 Climate solutions
Technologies, services, and tools that mitigate, eliminate or remove GHG emissions

2 Aligned
Entities that are already aligned to a 1.5 degrees C pathway

3 Aligning
Entities committed to aligning to a 1.5 degrees C pathway

4 Managed phaseout
High-emitting physical assets that can be phased out before end-of-life



1. To expand economy-wide emissions reductions through the deployment of climate solutions
2. To support climate leaders and signal that the finance sector is seeking transition alignment behavior
3. To encourage and support the implementation of net-zero transition plans
4. To accelerate emissions reductions in support of an orderly and just transition

**Net-Zero Banking Alliance*
^Glasgow Financial Alliance for Net Zero

“The Net-Zero Banking Alliance does not support the financing of fossil fuel expansion.”

NZBA, March 2022

“Non-state actors cannot claim to be net zero while continuing to build or invest in new fossil fuel supply.”

UN High-level Expert Group 2022

“FIs should develop an engagement strategy to achieve alignment of their portfolio companies’ business models with the Paris Agreement— through the adoption and publication of time-bound 1.5°C transition plans.”

Financial Sector Science-Based Targets Guidance, SBTi

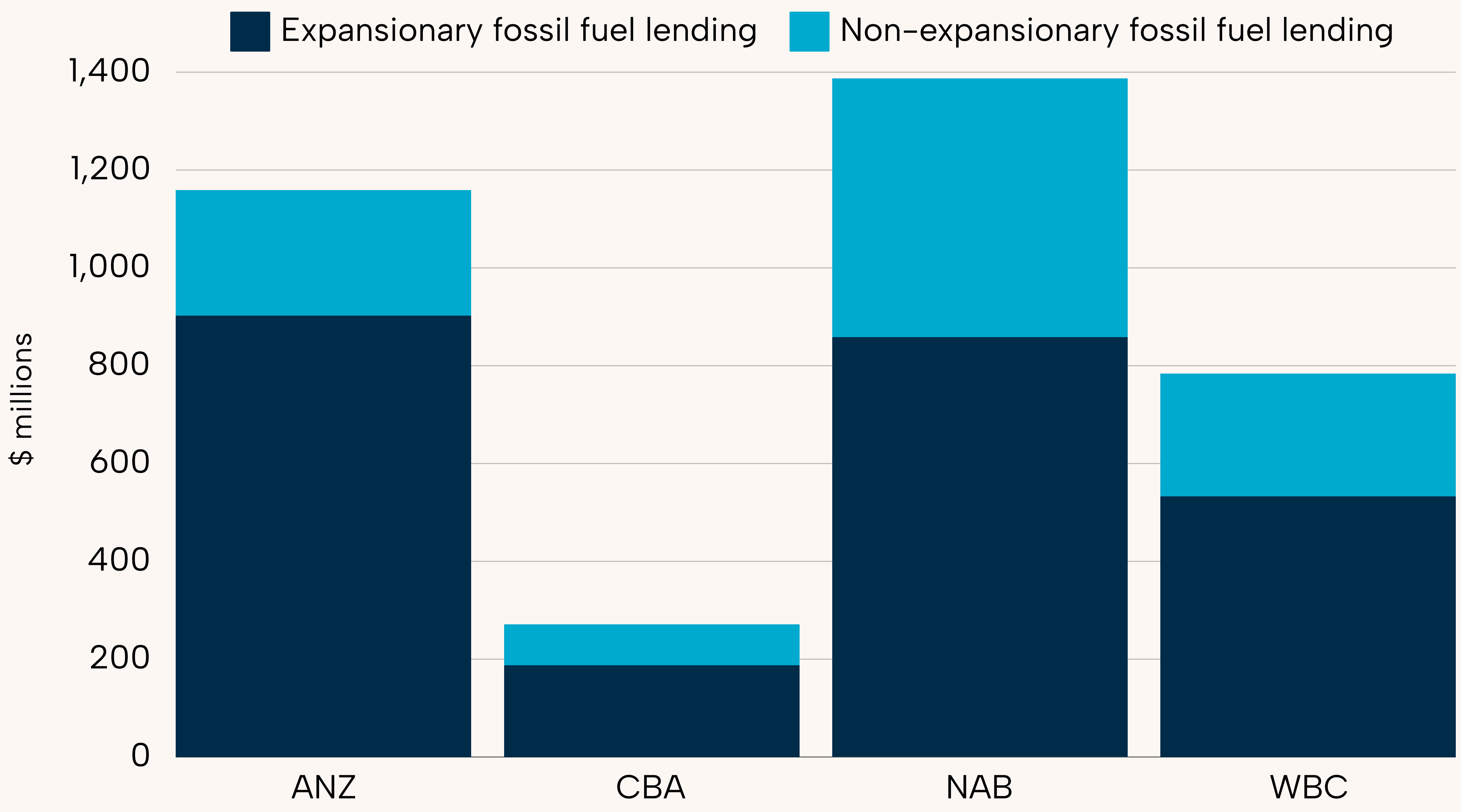
Despite commitments, Australia's big banks continue to fund fossil fuel expansion

ANZ, CBA, NAB and WBC have **poured over [$61 billion] into fossil fuels since the Paris Agreement.**

The majority of finance provided by Australia's major banks has gone to companies developing new or expanded fossil fuels incompatible with 1.5ºC.

CBA's lending to such companies was substantially less than ANZ, NAB and WBC in 2023.

A more granular review of ANZ, NAB and WBC's financing of clients expanding fossil fuels is covered from slide 15.



Source: Banking Climate Failure, Market Forces 2024

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Transition plans the gold standard approach to net zero alignment

Investor-led transition plan frameworks have become internationally recognised as the gold standard approach for corporate net zero alignment.

"Investors 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 1.5ºC." - Investor Group on Climate Change.

An essential part of any bank's decarbonisation strategy is to set and disclose "explicit criteria for withdrawal of financing from misaligned fossil fuel activities" including companies engaged in coal, oil and gas expansion. - Transition Pathway Initiative

Climate transition plan expectations allow banks to meet their climate commitments, but only if they are *credible*.

Despite significant shareholder support for CTP resolutions, ANZ, NAB and WBC have all failed to materially improve their approaches in the last year.

Shareholder support for credible CTPs disclosures at Australian and Japanese banks

Bank	Paris-aligned transition plan shareholder resolution, votes in favour	Date
Westpac	21.6%	December 2023
NAB	28.3%	December 2023
MUFG	18.4%	April 2024
Mizuho	22%	April 2024
SMBC	24.2%	April 2024

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Credible climate transition plan requirements

In order to meet their commitments to achieving net-zero emissions by 2050 and limiting global warming to 1.5°C, banks must:

Implement and disclose a **credible** framework for assessing the Paris-alignment of all fossil fuel clients' transition plans based on international best practice, assessing and expecting:

- ✓ 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 and alignment.
- ✗ No unreasonable reliance on carbon offsets or negative emissions technology to achieve emissions reductions.

Limit the provision of finance to projects and activities that only legitimately facilitate a company's transition away from fossil fuels; and

Accelerate a managed portfolio phaseout of high-emitting clients and commit to cease providing new or renewed finance to any fossil fuel company without a credible, Paris-aligned CTP.

ANZ | NAB | WBC

Inadequate CTP approaches
Not Paris-aligned, short of best practice

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ANZ, NAB and WBC lagging peers

Multiple international and domestic peers have clearly defined CTP approaches that are significantly ahead of ANZ, NAB and Westpac.

Commonwealth Bank

Commonwealth Bank announced in August that it has already made the decision to **no longer finance oil and gas, metallurgical coal mining, or coal-fired power generation customers that lack transition plans aligned with the Paris Agreement.**

NatWest

The 40th largest bank in the world by total assets has disclosed how it will assess its clients' transition plans for alignment with Paris, has undertaken such assessments for portions of its coal, oil and gas portfolios, and **committed to stop lending and underwriting to customers without Paris-aligned CTPs 'as soon as practicable' at 31 December 2021.**

Crédit Mutuel

The 30th largest bank in the world by total assets, has stated it **will not finance any oil and gas company without a planned year-on-year reduction in production.**

LA BANQUE POSTALE

The 45th largest bank in the world by total assets has stated that it will **only fund coal, oil and gas companies if they have a public strategy for exiting these sectors in line with scientific recommendations.**

Danske Bank

Has clearly stated that **a company must have committed to not expanding the supply of oil and gas "beyond that which was approved for development by 31 December 2021" to be considered to be 'in transition'.**

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Case study: CBA refuses Santos refinancing, ANZ, NAB and WBC increase and extend exposure

September 2022

ANZ, CBA and WBC all took part in a $362 million corporate loan to major oil and gas expander Santos.

August 2024

CBA became the only big four Australian bank to publicly announce an end to new finance to oil and gas producers without a Paris-aligned CTP.

September 2024

The loan was **upsized by $883 million**, and extended for a further 4.5 years until January 2030. ANZ and WBC increased their contributions from the previous loan and NAB, not previously a lender, joined the syndicate.

CBA did not refinance Santos, demonstrating its commitment to cease financing oil and gas producers without Paris-aligned transition plans.

Loan	Bank	Lending contribution	Maturity Date
$362 million	**ANZ**	$50.7m	**29 August 2025**
	CBA	$36.2m	
	NAB	Not involved	
	WBC	$29m	

Refinance	Bank	Lending contribution	Maturity Date
$1.24 billion	**ANZ**	$73.2m	**31 January 2030**
	CBA	Not involved	
	NAB	$73.2m	
	WBC	$73.2m	

Source: LSEG Workspace, Bloomberg

ANZ, NAB and WBC supporting Santos to lock in new oil and gas

By continuing to provide or arrange finance for Santos, the banks are actively fuelling a capital-intensive oil and gas expansion strategy that is completely incompatible with their own climate commitments. Once sanctioned, these projects are effectively locked in and will emit for decades to come.

Committed emissions = lifetime combusted emissions of sold product.

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ANZ | NAB | WBC

CTP gaps risk enabling the continued financing of fossil fuel expansion

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ANZ

Australia’s biggest funder of fossil fuel expansion

Weakest approach to transition plans

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ANZ - Australia's biggest financier of fossil fuel expansion

ANZ is Australia's biggest lender to companies and projects expanding the fossil fuel sector since the Paris Agreement, loaning $12 billion between 2016–2023.

ANZ does not require **Paris-aligned Scope 3 emissions reductions targets** as part of its clients' transition plans.

Scope 3 emissions from 'use of sold products' alone often account for over **80%** of oil and gas companies' emissions.

For companies in ANZ's large $13.1 billion oil and gas portfolio (EAD as of September 2024), there is **no requirement for a plan to reduce production of oil and gas** in line with the scientific imperative.

Without Scope 3 targets, ANZ has **no basis for its claimed expectation** of *"time bound, public, Paris-aligned transition plans and diversification strategies for their businesses."*

> "Non-state actors cannot focus on reducing the intensity of their emissions rather than their absolute emissions or tackling only a part of their emissions rather than their full value chain (scopes 1, 2 and 3)."
>
> – UN High-level Expert Group 2022

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ANZ – the weakest approach to transition plans

ANZ's approach is deeply inadequate for assessing clients' alignment with the Paris Agreement, and is highly unlikely to result in the bank denying finance to companies with large-scale fossil fuel expansion plans.

ANZ's latest disclosures relating to CTP expectations lack critical detail in **three key areas:**

No Scope 3 emissions reductions requirements

ANZ will not require Paris-aligned Scope 3 emissions reductions targets when assessing CTPs, even though Scope 3 typically accounts for 90% of upstream fossil fuel companies' total emissions.

Limited scope of application

ANZ will not require transition plans from companies across the fossil fuel value chain, including metallurgical coal miners, gas-fired power generators and midstream oil and gas companies.

Unclear impact on financing decisions

ANZ has not committed to halting new/renewed finance to fossil fuel companies without a Paris-aligned transition plan by October 2025.

ANZ continues to finance fossil fuel expansion

ANZ loaned $903 million to companies expanding fossil fuels in 2023, the most of any big four Australian bank.

Company	Deals	Examples of planned expansion projects	Will finance be restricted by CTP policy from October 2025?
Santos	**September 2023** – co-placement agent in a $1.3 billion bond. **September 2024** – $73 million refinance, part of a $1.24 billion syndicated loan.	Papua LNG – FID targeted in 2025 (363 $MtCO_2$-e) Narrabri gas project (84 $MtCO_2$-e) Dorado oil project (151 $MtCO_2$-e)	✗
APA Group	**November 2023** – $80 million as part of a $1.25 billion loan. **September 2023** – co-manager in a $1.9 billion bond issuance.	Three new large-scale pipelines for one of Australia's largest new gas developments, the Beetaloo Sub-basin (1,129 MtCO2-e)	✗
JERA	**October 2023** – $101 million as part of a $2.3 billion syndicated loan. **October 2024 –** $81 million as part of a $2.2 billion syndicated loan.	Five new LNG projects in Bangladesh and Vietnam with capacity of 11.6GW. Owns equity stakes in Santos' Barossa and Woodside's Scarborough.	✗
GE Vernova	**March 2024** – lender in a $9.2 billion syndicated loan.	Gas/LNG power projects in Bangladesh which would emit (430 $MtCO_2$-e) to the atmosphere over the plants' operational lives.	✗
San Miguel	**March 2024** – $172 million as part of a $3.1 billion syndicated loan.	10GW of new gas power stations/LNG projects. 1.9GW of new coal fired power capacity. (IEEFA)	✗
Glencore	**September 2023 –** Arranged $784 million of a $3.9 billion bond.	Hunter Valley Continued Operations project, the largest coal mining proposal ever put forward in New South Wales (1,202$MtCO_2$-e)	✗
Baker Hughes	**November 2023** – lender in a $4.6 billion syndicated loan.	Supplying LNG train systems and gas turbines to some of the world's largest LNG expansion projects, including Pluto 2 and Plaquemines LNG.	✗

All of ANZ's clients listed could pass ANZ's current CTP approach, either because ANZ does not require Scope 3 emissions reductions targets or because ANZ does not require transition plan from fossil fuel infrastructure companies.

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NAB

Massive policy walk-back and disingenuous approach to CTPs

NAB – massive walk back undermines credibility

Supplementary Climate Disclosures (June 2024)

Pillar	Criteria to be considered
Target	• Net zero target aligned with well below 2°C, pursuing efforts for 1.5°C. • Time horizon (including short and medium-term targets). • Emission Scopes covered (Scope 1, 2 and material Scope 3). • Scientific pathways referenced. • Inclusion of a review schedule.

Earlier this year, NAB indicated it would include Scope 3 emissions as a general criteria for all clients.

Climate Report (November 2024)

Pillar	Factors to be considered
Targets	• Current emissions performance. • 2030 interim and net zero target against a science-based Paris aligned pathway. • Emission Scopes covered (Scope 1, 2 and material Scope 3).

(1) Scope 1 and 2 only for power generation and oil and gas. For metallurgical coal, the pathway includes Scopes 1, 2 and 3, however it is expected that most customers report Scope 1 and 2 only.

However, in its most recent disclosures the bank added a footnote that effectively absolves it from assessing Scope 3 targets.

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NAB – flawed approach to transition plans

Last year, 28.3% of shareholders voted in favour of a resolution similarly requesting information about NAB's Customer Transition Plan assessments. NAB disclosed a promising proposed CTP framework in June but in its 2024 Climate Report walked back requirements for oil and gas producers to disclose Scope 3 emissions reductions targets, entirely invalidating its CTP approach.

NAB's proposed approach lacks important detail regarding implementation in three key areas:

No Scope 3 emissions reductions targets

NAB will not require Paris-aligned scope 3 emissions reductions targets when assessing CTPs, even though Scope 3 typically accounts for 90% of upstream fossil fuel companies' total emissions.

Limited scope of application

The scope of fossil fuel clients required to produce a credible transition plan by 1 October 2025 does not include midstream infrastructure gas companies such as NAB's current clients APA Group and GasLog, which are involved in large scale gas expansion plans.

Unclear impact on financing decisions

NAB has only stated that it will not provide finance to companies with 'Limited' transition plans from October 2025. With no definition of what constitutes 'Limited' *and* no requirement for Scope 3 emissions targets, there is no indication this policy will have any impact on NAB's financing decisions for companies pursuing non-Paris-aligned activities.

NAB continues to finance fossil fuel expansion

NAB loaned $859 million to companies expanding fossil fuels in 2023, over four and a half times that of CBA.

As NAB will not require Paris-aligned Scope 3 emissions reduction targets from its oil and gas and metallurgical coal mining clients, its practice of financing companies incompatible with the Paris Agreement has not been ruled out.

Company	Deals	Examples of planned expansion projects	Will finance be restricted by CTP policy from October 2025?
Santos	**September 2024** – $73 million, part of a $1.24 billion syndicated loan.	Papua LNG – FID targeted in 2025 (363 $MtCO_2$-e) Narrabri gas project (84 $MtCO_2$-e) Dorado oil project (151 $MtCO_2$-e)	✖
APA Group	**November 2023** – loaned $80 million as part of a $1.25 billion loan.	Three new large-scale pipelines for one of Australia's largest new gas developments, the Beetaloo Sub-basin (1,129 MtCO2-e)	✖
GasLog	**September 2023 –** Arranged $784 million as part of a $3.9 billion bond.	LNG carriers for Woodside's Scarborough gas expansion project.	✖

All of NAB's clients could pass its current CTP approach, either because NAB does not require scope 3 emissions reductions targets or because NAB does not require transition plan from fossil fuel infrastructure companies.

WBC

Ignoring shareholders concerns and financing gas lock-in across Asia

WBC ignores shareholders – zero progress on transition plan approach

Despite a 21.6% vote in favour of the same resolution from last year, **WBC has failed to provide any further disclosure or amendments to its policy framework to materially address this significant demonstration of shareholder concern.**

WBC's current disclosures relating to climate transition plan (CTP) expectations lack critical detail regarding policy implementation in **two key areas:**

Unclear impact on financing decisions

WBC has not clearly disclosed whether it will halt new and renewed finance to a company without a credible transition plan by 30 September 2025. Market Forces has repeatedly sought clarification from WBC on this point during 2024, but the bank has failed to provide a clear answer. This is particularly concerning given WBC has acknowledged its oil and gas clients are struggling to establish scope 3 emissions reduction plans, while continuing to finance clients with large expansion plans.

Limited scope of application

WBC's transition plan requirement does not apply to clients involved in metallurgical coal mining, thermal power generation, and midstream oil and gas. WBC's clients in these sectors, such as GE Vernova, APA Group and JERA are all pursuing large-scale gas expansion projects across Asia Pacific.

WBC continues to finance companies not aligned with Paris

WBC loaned $533 million to companies expanding fossil fuels in 2023, almost three times that of CBA.

WBC's current policy for upstream oil and gas clients is to *"continue providing corporate lending and bond facilitation where a customer has a credible transition in place by 30 September 2025."* WBC also states that a credible transition plan should detail plans to reduce emissions in line with a 1.5°C warming pathway, and include scope 1-3 emissions. Yet WBC has **failed to confirm it will cease financing a company without a transition plan beyond October 2025**, undermining the entire policy.

Company	Deals	Examples of planned expansion projects	Will finance be restricted by CTP policy from October 2025?
Santos	**September 2023** – co-placement agent in a $1.3 billion bond issuance. **September 2024** – $73 million refinance, part of a $1.24 billion syndicated loan.	Papua LNG – FID targeted in 2025 (363 $MtCO_2$-e) Narrabri gas project (84 $MtCO_2$-e) Dorado oil project (151 $MtCO_2$-e)	✗
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GE Vernova	**March 2024** – lender in a $9.2 billion syndicated loan	Gas/LNG power projects in Bangladesh which would emit (430 $MtCO_2$-e) to the atmosphere over the plants' operational lives.	✗

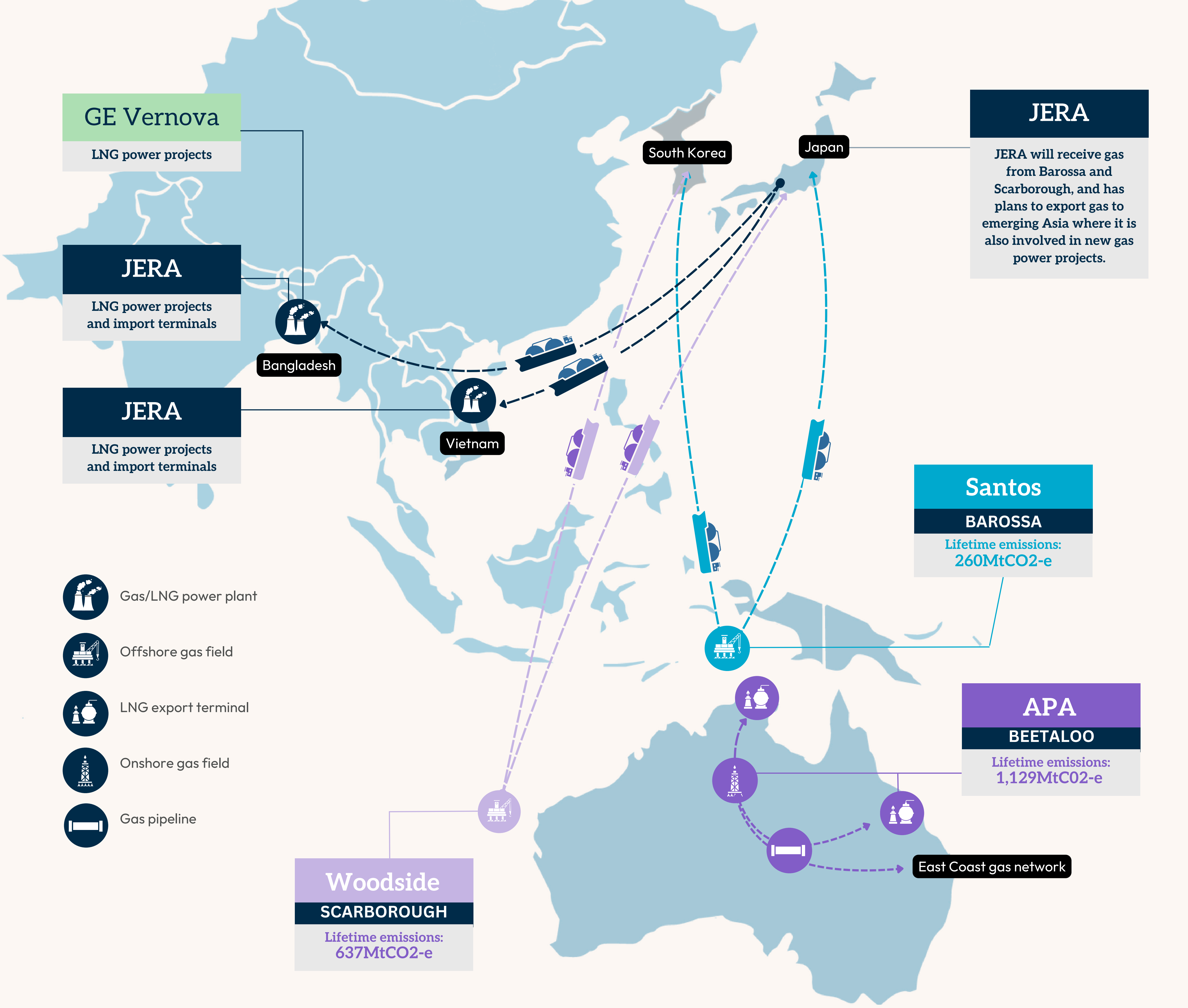
Most of WBC's clients listed will not even need to produce a credible transition plan as WBC does not require it of fossil fuel infrastructure companies.

WBC's clients locking Asia Pacific into long-term gas dependency

WBC is financing companies actively trying to delay the renewable energy transition in Asia and lock countries like Bangladesh into dependency on expensive and polluting gas.

Asia is being aggressively pursued as a growth market for gas power projects and infrastructure; 63% of the world's proposed new gas power is in Asia.

A massive 41 new LNG power plants are planned to be built in Bangladesh alone, with WBC's clients, JERA and GE Vernova heavily involved. These projects come with enormous social and economic risk, including displacement, health impacts, and destruction of local livelihoods and ecosystems.



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Exposed to increasing risks

All three banks are exposing themselves to significant risk

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.

Physical and financial risk

ANZ, NAB and WBC's lending portfolio is concentrated heavily in residential mortgages which faces significant financial risk as climate change increases and worsens. Climate risk specialists XDI estimate that natural disasters could reduce the value of Australia's housing market by $800 billion by 2030, or roughly 6.7% of total value.

Legal and regulatory greenwashing risk

Australian misleading and deceptive conduct law requires companies to have a reasonable basis for making climate-related statements, including net zero commitments. Regulatory enforcement on greenwashing has seen some major companies fined several million dollars for misconduct. The inconsistency between the banks' climate commitments and fossil fuel finance activity could see the banks facing increased legal and regulatory scrutiny.

Reputation and social risk

A majority of Australians say 'global warming is a serious and pressing problem' about which 'we should begin taking steps now'. 60% of Australian and New Zealand consumers want their bank to become 'more sustainable', while a majority (57%) believe their current financial institutions are guilty of 'greenwashing'.

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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, Institutional Bank members, heads of Investor Relations, Company Secretaries, CEOs, Chairs, and Board members.

We have maintained a consistent set of asks for the banks in relation to their fossil fuel lending and exposure since 2016. Chief among them is the need to align the banks’ financing decisions with their climate commitments, which our 2024 resolutions clearly and directly address.

Market Forces lodged similar resolutions with ANZ and NAB in 2020, with all four banks in 2021 and 2022, and with NAB and Westpac in 2023. Despite significant support for the 2023 resolutions against the boards' recommendations, the banks have yet to address shareholders’ concerns.

Market Forces has made clear that our resolutions will be withdrawn if disclosures are either made or committed to in a way that meets the requests of the resolutions. However, the banks have yet to assure us the substance of these resolutions will be met.

Shareholder support for these resolutions is therefore required to bring ANZ, NAB and WBC’s fossil fuel lending policies and practices into line with their climate commitments. Failure to do so leaves the banks and their investors exposed to unacceptable financial, legal, regulatory and reputational risks.

Investors must request disclosure on banks' alignment with Paris Agreement

ANZ, NAB and WBC have not disclosed a framework for ensuring all of their fossil fuel finance decisions are compatible with their stated commitments to the Paris Agreement.

Our resolution calls for **enhanced disclosure** from ANZ, NAB and WBC, including how the banks' transition plan approaches will ensure they are not financing non Paris-aligned activities **in line with best practice and investor expectations.**

Until the banks provide these disclosures, **they are exposing themselves to legal, physical, financial and reputational damage** in the form of greenwashing accusations and future climate impacts, which risks the integrity of investors' own efforts to align portfolio companies with a 1.5ºC warming scenario.

We urge securityholders to vote for our resolutions (ANZ, NAB and WBC) and to predeclare in the UNPRI Resolution Database.

Key items requested by the resolution:

- How transition plans will be assessed for credible alignment with the Paris Agreement, including scope 3 emissions reductions targets (ANZ and NAB).
- Whether the banks will continue to finance companies that fail to produce a CTP by October 2025.
- Whether all of the finance provided by banks to fossil fuel companies is covered by their transition plan policies (including capital markets activities).
- Whether transition plans are required from all fossil fuel companies, as defined by the SBTi, including fossil fuel infrastructure companies which play pivotal roles in coal, oil and gas expansion projects.

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Should you require any further information or wish to discuss the content of this briefing, please direct questions or make an appointment with Kyle Robertson.

Additional Market Forces analysis of ANZ, NAB and WBC is available on our website.

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Appendix - SBTi definition of 'fossil fuel company'

Market Forces' resolutions request the banks to disclose whether 'all fossil fuel companies' will be required to have credible transition plans in place by October 2025 to continue receiving 'new finance'.

The definition of 'all fossil fuel companies' has been taken from the Science-Based Targets Initiative's (SBTi) 'Financial Institutions Near-Term Criteria Version 2.0'. SBTi has provided definitions of a 'Coal company' and 'Oil and gas company' in this document.

For simplicity, Market Forces' resolutions have combined these definitions into an overall definition of a 'fossil fuel company'. These are provided below:

Page references	Sector	Definition
p24 and p27	**Coal company**	• Companies with >10% of revenue from **coal value chain** • **Coal value chain:** This must include at least exploration, extraction and the development or expansion of mines for all thermal coal grades as well as power plants (that use coal). The SBTi also recommends including all metallurgical coal grades and other segments of the value chain, such as mining services; any dedicated transport and logistics; processing; storage; trading; and any services dedicated to supporting the coal value chain (e.g., operations and maintenance; engineering, procurement and construction).
p25 and p27	**Oil and gas company**	• Companies with >10% of revenue from **oil and gas value chain** • **Oil and gas value chain:** This must include at least the exploration, extraction, and development or expansion of fields. The SBTi also recommends including other segments of the value chain, such as transportation and distribution infrastructure, terminals, storage, liquified natural gas, liquified petroleum gas, gas to liquids, refining, transportation of products, trading, marketing and retailing.