

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS

ANZ

ANZ42QW:

In November 2019, CEO Shayne Elliott told the House of Representatives Standing Committee on Economics it did not have a set timeline to exit thermal coal, stating "[having a deadline like that is not necessarily helpful](#)".

However just three weeks later, ABC News [reported](#) it had seen an internal ANZ email, circulated in July 2019, detailing the bank's "orderly thermal coal mining reduction strategy" which had been approved by the bank's Credit and Market Risk Committee. ABC reported that part of the strategy is to shed more than \$700 million of thermal coal loans by 2024, a reduction of 75 per cent.

The email reportedly stated:

"ANZ has benefited by being a dominant financier of this commodity and we recognise this is not an easy time for our team members who have built deep relationships and expertise. However, we also recognise that the time has come to manage this transition in a clearer way." and "The strategy has taken time to develop and is now agreed. We ask you all to support this strategy as we move forward."

Several weeks after that report, at ANZ's 2019 annual general meeting, Shayne Elliott told shareholders no such strategy existed, stating:

"There is no secret strategy. That document was an extrapolation. It was somebody just saying, if this continues at the rate, I've reduced it by 50 per cent, it will be down by 75 per cent at some point in the future. It's not a strategy."

(a) Is it ANZ's continued position that ABC News misreported the existence of an email detailing the bank's "orderly thermal coal mining reduction strategy"?

(b) How does ANZ explain this contradiction?

(c) Does ANZ in fact have plans to reduce by 75 per cent its exposure to thermal coal mining by 2024?

ANSWER:

Since the Paris climate agreement was reached in 2015, our exposure to thermal coal mining has more than halved. At the same time our lending to renewables projects has increased by 55 per cent.

The document referred to by the ABC indicated the above, and while we are seeking continued reductions in line with that trajectory, the nature of these businesses mean an orderly transition may not always be a straight line.