

**STATEMENT TO BE GIVEN TO MEMBERS**  
**PURSUANT TO SECTION 249P OF THE *CORPORATIONS ACT 2001* (CTH)**

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At least 100 members of Australia and New Zealand Banking Group Limited provide the statement below and request that it be given to all members of Australia and New Zealand Banking Group Limited pursuant to section 249P(1)(a) of the *Corporations Act 2001* (Cth):

In the context of ongoing public and government concern over climate change, we are concerned about the long-term financial risks associated with high polluting assets and the potential for these risks to negatively impact our returns as ANZ shareholders. We are also concerned about the potential negative impact on ANZ's reputation (and therefore long-term shareholder value) from our company continuing to invest in projects that are publically controversial as a result of their negative environmental impacts - particularly loans to owners of coal fired power stations and other high polluting infrastructure.

It is now acknowledged by most Governments and major corporations that human induced climate change poses a fundamental economic challenge and a profound risk to our society. Recent studies indicate the scientific consensus may indeed be too cautious, with indications that global warming is happening faster than previously thought.

Globally, the burning of coal is the biggest single cause of climate change. The need to move from a reliance on coal to pollution-free, renewable energy sources is widely acknowledged and is increasingly reflected in Government policy around the world.

Reports by Sir Nicholas Stern and Professor Ross Garnaut to the UK and Australian Governments respectively, describe the profound economic impacts of climate change if no corrective action is taken. Our intent is to ensure that ANZ is at the forefront of managing the risks that climate change poses to the economy.

Our company, ANZ, like most large companies, has begun responding to the climate challenge. ANZ has been reporting emissions through the Carbon Disclosure Project and steps have been taken to reduce the environmental impact of ANZ's own direct operations. We applaud the bank's achievement of becoming 'carbon neutral' in 2010. However, the direct impact of the bank's physical operations are likely to be dwarfed by the 'financed emissions' of the bank.

By 'financed emissions', we mean the emissions that result from our business lending activities. For example, when ANZ lends money for the construction of a new coal fired power station we are financing increased carbon emissions. As shareholders, we are exposed to significant risks as a result of our company's investments in high polluting and carbon intensive infrastructure. These risks include:

- **Regulatory risk.** There is significant potential for future government policies to impact significantly on ANZ's returns. This may involve direct fines and penalties (such as those faced by tobacco companies and BP after the Deepwater Horizon oil spill) or, more likely, a rising price on carbon emissions (from carbon taxes or an emissions trading scheme). A rising price on carbon emissions would fundamentally change the ability of coal fired power station owners to repay their debts to ANZ and it would also reduce the value of the collateral securing the loan, exposing our Bank to the risk of significant loss.
- **Risk of direct climate impacts on the value of assets used as security by ANZ.** There is growing concern over the physical impacts of global warming on major infrastructure. For example, rising sea levels threaten coastal properties and buildings, while the increased risk of extreme floods, droughts and bushfires may also damage buildings and other physical infrastructure (coastal power stations, ports, toll roads and bridges) used as collateral for loans made by ANZ.

- **Technology risks.** Concern over global warming is leading to massive global investment in research and development of renewable energy technologies such as solar, wind and wave power. As a result, the cost of renewable energy continues to fall, while the costs of fossil fuels (coal, oil and gas) are increasing. Long-term loans made today to finance polluting infrastructure such as coal power stations, expose shareholders to the risk of defaults as high polluting infrastructure face increased competition from cleaner, cheaper technologies.
- **Reputation risk.** There are considerable risks to the brand and overall reputation of ANZ from investing in environmentally damaging and high polluting projects. These risks include:
  - o Negative publicity that adversely affects the ANZ brand in the mind of customers and the wider public;
  - o Loss of staff morale and reduced staff engagement due to a perceived values misalignment;
  - o Negative impact on recruitment, particularly in the highly competitive area of graduate recruitment; and
  - o Protests resulting in disruption of operations and distraction of senior management.

In relation to the above risks, ANZ is particularly exposed because it is the biggest financier of coal fired power stations in Australia (of all of the major banks). This, combined with ANZ's refusal to rule out financing a new generation of coal fired power stations has resulted in the company becoming the target of a sustained public campaign by environmental protest groups including Greenpeace.

As shareholders we are keen to see ANZ minimise the financial risks, adverse publicity and corresponding reputational damage resulting from ANZ's coal investments, so that our company is well positioned to effectively manage risks and indeed prosper from the transition to a low-carbon economy.

With this in mind, we propose to move a resolution at the forthcoming AGM to the effect that the annual directors' report should contain information regarding the exposure of the Bank to different parts of the energy sector, the greenhouse emissions that result from ANZ's investment in high greenhouse gas emitting assets, and any targets set by directors to manage the risk of exposure to particular greenhouse intensive sectors. The disclosure of this information in the annual directors' report pursuant to section 299A of the *Corporations Act 2001* (Cth) will enable ANZ shareholders to make an informed assessment of ANZ's operations and its business strategies and prospects for future financial years.

Signed:

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Name of shareholder:

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SRN / HIN:

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Date:

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**RESOLUTION PROPOSED TO BE MOVED  
PURSUANT TO SECTION 249N OF THE *CORPORATIONS ACT 2001* (CTH)**

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At least 100 members of Australia and New Zealand Banking Group Limited give notice pursuant to section 249N of the *Corporations Act 2001* (Cth) that they propose to move the following resolution at the annual general meeting of Australia and New Zealand Banking Group Limited:

It is resolved that the annual directors' report prepared for the company in future financial years is to contain the following information so that members can make an informed assessment of the operations of the company and its business strategies and prospects for future financial years:

- (a) The total financing provided by the company to each of the following parts of the energy sector:
- Black coal power generation
  - Brown coal power generation
  - Gas power generation
  - Renewables (non-hydro) power generation
  - Hydro power generation
  - Coal mining and processing
  - Conventional gas extraction and processing
  - Coal seam gas extraction and processing

where 'total financing' includes both direct financing (structured and unstructured lending) and indirect financing (structured and unstructured) apportioned from the total exposure to entities for which energy generation and/or extraction is only part of their business;

- (b) An estimate of the Scope 3 emissions that result from the company's financing of and investment in coalmines, coal fired power stations and other high greenhouse gas emitting assets, consistent with the Greenhouse Gas Protocol's *Corporate Value Chain (Scope 3) Accounting and Reporting Standard* published on 4<sup>th</sup> October 2011;
- (c) The annual targets set by directors to reduce the financing of and investment in greenhouse emitting assets as reported pursuant to paragraphs (a) and (b) above and the company's progress against any such targets;
- (d) A quantitative target to be used for the purpose of achieving the company's goal of increasing the proportion of lending to the renewable energy sector (as stated on page 8 of the company's *In Your World: Corporate Responsibility 2011 Interim Report*), and the company's progress against this target.

Signed:

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Name of shareholder:

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SRN / HIN:

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Date:

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