

Notice to company pursuant to ss 249N & P of the Corporations Act 2001 (CA)

I/we [name of 'shareholder']

of

..... [address]

identified by the Holder Identification Number (HIN) or Shareholder Reference Number (SRN) [HIN or SRN]

in respect of any holding of the shareholder's ANZ Group Holdings Limited ('ANZ' or 'the company') ordinary fully paid shares;

hereby give notice to the company in accordance with sections 249N & P of the CA of: the following resolutions (1: Amendment to the Constitution, 2: Transition Plan Assessments) the shareholder proposes to move at a general meeting of the company; and request in accordance with section 249P that the company give to all members each of the Supporting Statements following the resolutions.

SIGNED

..... (Signature of individual Shareholder† /company director) (Signature of second shareholder in a joint holding/for a company second director or company secretary)
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† Or sole company director and sole company secretary. JOINT HOLDING: For a holding in more than one name all shareholders must sign)

Resolution 1 – Amendment to the Constitution

Insert into the Constitution in clause 13 'Meetings of members' the following new sub-clause: "The Company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the Company partially or exclusively vested in the Directors has been or should be exercised. Such a resolution must relate to a material risk identified by the Directors or the Company and cannot advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the Directors or the Company."

Resolution 2 - Transition Plan Assessments

Shareholders recognise the substantial transitional and physical risks of climate change and their potential financial impacts on our company. Noting our company's expectation that customers in the 'energy sector' have a transition plan in place by October 2025,¹ shareholders request further disclosure addressing:

¹ Per ANZ 2024 'Energy Customer Approach' (<https://www.anz.com.au/content/dam/anzcomau/about-us/ANZ-2024-Energy-Customer-Approach.pdf>): "The energy sector includes integrated oil and gas companies involved in exploration, development and refining as well as low carbon energy solutions, thermal coal mining, and integrated power utility companies such as renewable energy and coal."

1. Whether ANZ will require all 'fossil fuel companies'² to have climate transition plans in place by October 2025 in order for ANZ to provide 'new financing';³ and
2. Whether and how ANZ will assess such transition plans for credible alignment with the 1.5°C goal of the Paris Agreement.⁴

(ANZ Group Holdings Limited's Notice of 2024 Annual General Meeting is to include Resolutions 1 and 2. Shareholders voting by proxy can vote on both resolutions.)

Supporting Statement 1

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. Typically, unless a board permits it, Australian shareholders cannot follow the example of their UK, US, New Zealand or Canadian counterparts in this respect.

A board of directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In some situations the appropriate course of action for shareholders dissatisfied with the conduct or performance of the board is to seek to remove directors individually. However, in many situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings to alert board members that the shareholders seek more information or favour a particular approach to corporate policy.

The constitution of ANZ is not conducive to the rights of shareholders to place resolutions on the agenda of a shareholder meeting. This is contrary to the long-term interests of ANZ, its board and shareholders.

Passage of this resolution – to amend the ANZ constitution – will simply put the company in a similar position in regard to shareholder resolutions as any listed company in the UK, US, Canada or New Zealand.

We encourage shareholders to vote in favour of this resolution.

² As defined in Science-Based Targets Initiative Financial Institutions Near-Term Criteria Version 2.0 (<https://sciencebasedtargets.org/resources/files/Financial-Institutions-Near-Term-Criteria.pdf>)

³ Defined as: The provision of new corporate lending, project finance or trade finance to a customer, including the refinancing of existing facilities, and the arranging or underwriting of capital markets transactions to a customer.

⁴ Criteria for determining climate transition plan credibility include, but are not limited to:

- Short, medium-and long-term scope 1, 2 and 3 emission reduction targets;
- Strategies (including capital expenditure plans) to align with those targets; and
- No unreasonable reliance on emissions offsets or negative emissions technology

See, for example:

- Climate Action 100+ Net Zero Company Benchmark (<https://www.climateaction100.org/net-zero-company-benchmark/>)
- IGCC Corporate Climate Transition Plans Guide (<https://igcc.org.au/wp-content/uploads/2022/03/IGCC-corporate-transition-plan-investor-expectations.pdf>)

Supporting Statement 2

ANZ is Australia's biggest funder of fossil fuels, having loaned over \$20 billion to the industry since the Paris Agreement.⁵ ANZ's continued financing of fossil fuel expansion – more than any other Australian bank – undermines its commitments to the 1.5°C target of the Paris Agreement and net zero global emissions by 2050. This conduct and ANZ's severely inadequate fossil fuel finance policies have seen the bank increasingly becoming an outlier in the sector, exposing the company to heightened climate-related financial, legal, regulatory and reputational risks.

ANZ's policy settings and fossil fuel finance activity are significantly out of step with international and domestic peers. For example, consistent with international best practice, 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.⁶

For ANZ to meet its climate commitments, and the expectations of regulators, investors and broader stakeholders, the bank must require all fossil fuel customers to produce *credible* transition plans before it will provide those customers with new finance.

Financing fossil fuel expansion

The gaps in ANZ's current policy have enabled our company to continue providing billions to fossil fuel expansion, which undermines the Paris goals.

The Intergovernmental Panel on Climate Change 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.⁷

The International Energy Agency concluded in 2021 that reaching net zero emissions by 2050 means no new or expanded coal mines and no new oil and gas fields should be approved,⁸ largely reiterating this finding in 2022⁹ and 2023.¹⁰

The UN-convened Net Zero Banking Alliance, of which ANZ is a member, has also categorically stated it "does not support the financing of fossil fuel expansion."¹¹

Yet in 2023 alone ANZ loaned \$903 million to companies involved in fossil fuel expansion, almost five times as much as Commonwealth Bank.¹²

Between 1 January 2023 and 11 October 2024, ANZ:

- Acted as a mandated lead arranger for a \$1.24 billion loan for *Santos*, a company targeting FID on three new oil and gas projects in the coming years.¹³

⁵ <https://www.marketforces.org.au/campaigns/banks/banking-climate-failure/>

⁶ <https://www.marketforces.org.au/commbank-2024-climate-report/>

⁷ <https://www.ipcc.ch/report/sixth-assessment-report-working-group-3/>

⁸ <https://www.iea.org/reports/net-zero-by-2050>

⁹ <https://www.iea.org/reports/world-energy-outlook-2022>

¹⁰ <https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach>

¹¹ <https://www.unepfi.org/industries/banking/nzba-responds-to-recent-research-on-fossil-fuels-coal/>

¹² <https://www.marketforces.org.au/campaigns/banks/banking-climate-failure/>

¹³

- Arranged \$784 million for coal giant *Glencore*, a company that has openly admitted to not being aligned with the Paris Agreement.¹⁴
- Loaned \$125 million to *JERA*, a company involved in several large LNG expansion projects, including Scarborough and Barossa.
- Loaned \$50 million to *APA Group*, a pipeline company developing several new pipelines for the Beetaloo Sub-basin, a project estimated to result in 1.1 billion tonnes of CO₂-equivalent over its lifetime.¹⁵
- Participated in a \$9.2 billion loan for the world's largest gas turbine supplier, *GE Vernova*.¹⁶
- Loaned \$172 million to, and arranged a 'perpetual bond' for, *San Miguel Corporation*, the Philippines' biggest gas expander.¹⁷
- Participated in a \$4.6 billion loan to *Baker Hughes*, a company supplying LNG train systems and gas turbines to several of the world's largest LNG expansion projects.¹⁸

ANZ's financing continues to facilitate fossil fuel expansion that is incompatible with global climate goals the bank claims commitment to.

Further disclosure required

ANZ's current disclosures relating to climate transition plan (CTP) expectations are the weakest of Australia's big four banks, and lack critical detail regarding implementation in three key areas: *assessment criteria*, *scope of application* and *impact on financing decisions*.

ANZ is the only major Australian bank that will not require scope 3 emissions reductions targets when assessing CTPs, despite scope 3 typically accounting for 90% of upstream fossil fuel companies' emissions.¹⁹

The scope of fossil fuel clients ANZ will require to produce a CTP by October 2025 is also unacceptably narrow,²⁰ exempting clients pursuing expansion in critical fossil fuel sub-sectors such as metallurgical coal mining, gas-fired power generation, and midstream oil and gas infrastructure.

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https://parlinfo.aph.gov.au/parlInfo/download/committees/commsen/27925/toc_pdf/Environment%20and%20Communications%20References%20Committee_2024_04_22.pdf;fileType=application%2Fpdf

¹⁵ <https://www.marketforces.org.au/campaigns/companies/apa-group/>

¹⁶ <https://www.gevernova.com/gas-power/products/gas-turbines>

¹⁷

<https://ieefa.org/resources/san-miguel-global-power-fossil-fuel-oriented-growth-strategy-raises-financial-red-flags>

¹⁸

<https://investors.bakerhughes.com/news-releases/news-release-details/baker-hughes-and-venture-global-announce-expanded-master>

<https://investors.bakerhughes.com/news-releases/news-release-details/baker-hughes-announces-major-turbomachinery-lng-order-pluto>

<https://investors.bakerhughes.com/news-releases/news-release-details/baker-hughes-announces-major-turbomachinery-order-venture-global>

¹⁹

<https://cdn.cdp.net/cdp-production/cms/reports/documents/000/002/327/original/Carbon-Majors-Report-2017.pdf>

²⁰

<https://www.anz.com.au/content/dam/anzcomau/about-us/ANZ-2024-Energy-Customer-Approach.pdf>

ANZ is the only big four Australian bank that will not require a CTP from clients it provides capital markets services for, despite ANZ arranging \$873 million worth of bonds for companies pursuing fossil fuel expansion in 2023.²¹

ANZ *has* disclosed that “new lending” for oil and gas customers after October 2025 will be dependent on meeting transition plan expectations,²² but without a requirement to have Paris-aligned scope 3 emissions reduction targets, oil and gas customers will likely be able to secure finance from ANZ while pursuing expansion projects that are dangerously misaligned with the bank’s climate commitments.

Regulatory and legal risk

As Australia’s biggest funder of fossil fuels, ANZ may face increasing legal and regulatory scrutiny over the misalignment between its financing decisions and its climate commitments.

Australian misleading and deceptive conduct law requires companies to have a reasonable basis for making climate-related statements, including net zero commitments.²³

Regulatory enforcement on greenwashing has seen some companies fined several million dollars for misconduct.²⁴ ASIC Chair Joe Longo has stated “net zero statements and targets, that were either made without a reasonable basis or that were factually incorrect” are a common form of misconduct identified by the regulator.²⁵

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.”²⁶

Without disclosing a comprehensive and credible approach to ensuring its fossil fuel customers are aligned with a 1.5°C warming pathway, ANZ does not have a reasonable basis for its commitments to the Paris Agreement and net zero emissions by 2050, leaving the bank open to greenwashing challenges.

This resolution presents an opportunity for ANZ to address these risks and meet the standards set by international and domestic peers.

We urge shareholders to vote in favour of this resolution.

²¹ <https://www.marketforces.org.au/campaigns/banks/banking-climate-failure/>

²² <https://www.anz.com/content/dam/anzcom/shareholder/ANZGHL-full-year-2023-results-investor-discussion-pack.pdf>

²³ <https://asic.gov.au/regulatory-resources/financial-services/how-to-avoid-greenwashing-when-offering-or-promoting-sustainability-related-products/>

²⁴ <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-213mr-asic-s-vanguard-greenwashing-action-results-in-record-12-9-million-penalty/>;
<https://asic.gov.au/about-asic/news-centre/find-a-media-release/2024-releases/24-173mr-asic-s-first-greenwashing-case-results-in-landmark-11-3-million-penalty-for-mercero/>

²⁵ <https://asic.gov.au/about-asic/news-centre/speeches/greenwashing-a-view-from-the-regulator/>

²⁶ https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf