

'Shirtfronting' Australian Banks About Climate Change

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‘shirtfront’ – noun

a little known term used (only?) in Australian rules football for a head on challenge that knocks the opponent to the ground (Wiktionary.com)



**...not
shirtfronting...**



rt.com

Why focus on banks? And Australian banks?

The largest companies in the world (Forbes 2014)

5. Berkshire Hathaway \$
4. JP Morgan Chase \$
3. Agricultural Bank of China \$
2. China Construction Bank \$
1. Industrial and Commercial Bank of China \$

The largest Australian companies (Forbes 2014)

75. ANZ \$
74. NAB \$
60. Westpac \$
49. Commonwealth \$
44. BHP Billiton 

Climate change challenges for banks

Carbon trading schemes

Price on carbon

Pressure from NGOs

[Marketforces.org](https://www.marketforces.org)

‘fossil fuel divestment movement’

‘Unburnable carbon’ risk

‘Director’s duty’ (litigation)

A series of major banks are not willing to finance the expansion of proposed coal shipping terminal in Abbot Point



theaustralian.com.au

Australian banking sector and CSR practices

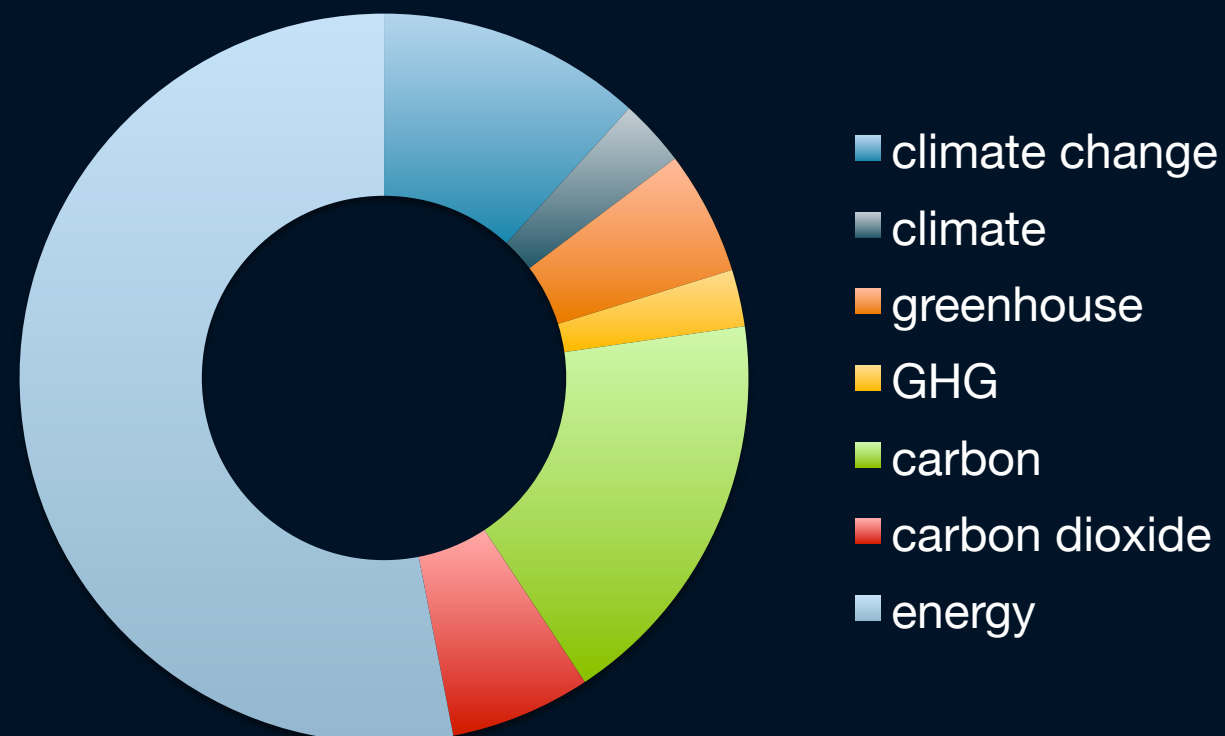
- 68 banks authorised by APRA
- 20 Australian-owned (including 'big 4 banks'), subsidiaries and branches of foreign banks
- Total assets: \$2 964 900 000 000 (June 2012)
- CSR practices: well established for big 4 and expected of other large global banks
 - CSR reports
 - UNEP FI Statement
 - Equator Principles
 - Carbon Disclosure Project
 - Dow Jones Sustainability Index
 - UN Global Compact
 - Principles of Responsible Investment
 - Dialogue with NGOs



'Climate change' terms in Annual Reports (2012)

Regions	Bank Headquarters	climate change	climate	greenhouse	GHG	carbon	carbon dioxide	energy	Total
Australia/NZ	21	9	11	19	6	44	13	91	193
Europe	14	58	7	11	11	57	24	136	304
Asia North America	18	2	0	4	0	14	3	65	88
Middle East	7	9	1	3	0	4	0	57	74
Africa	2	0	0	0	0	0	0	0	0
Total	1	1	1	0	0	2	2	8	14
Total	63	79	20	37	17	121	42	357	673

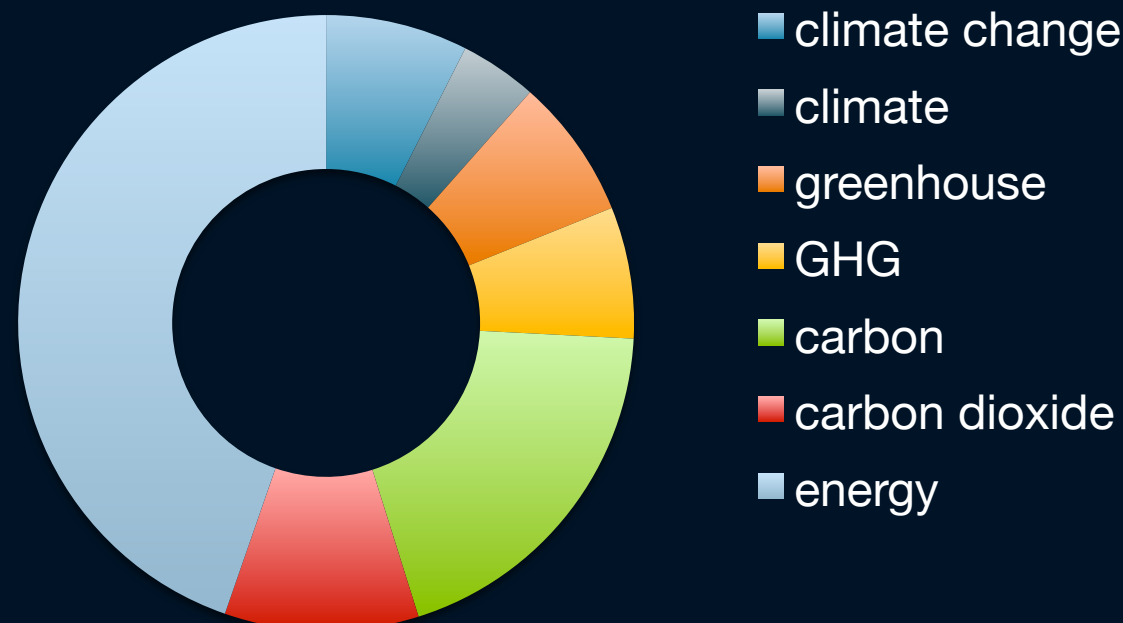
Proportion of occurrence of climate change terms



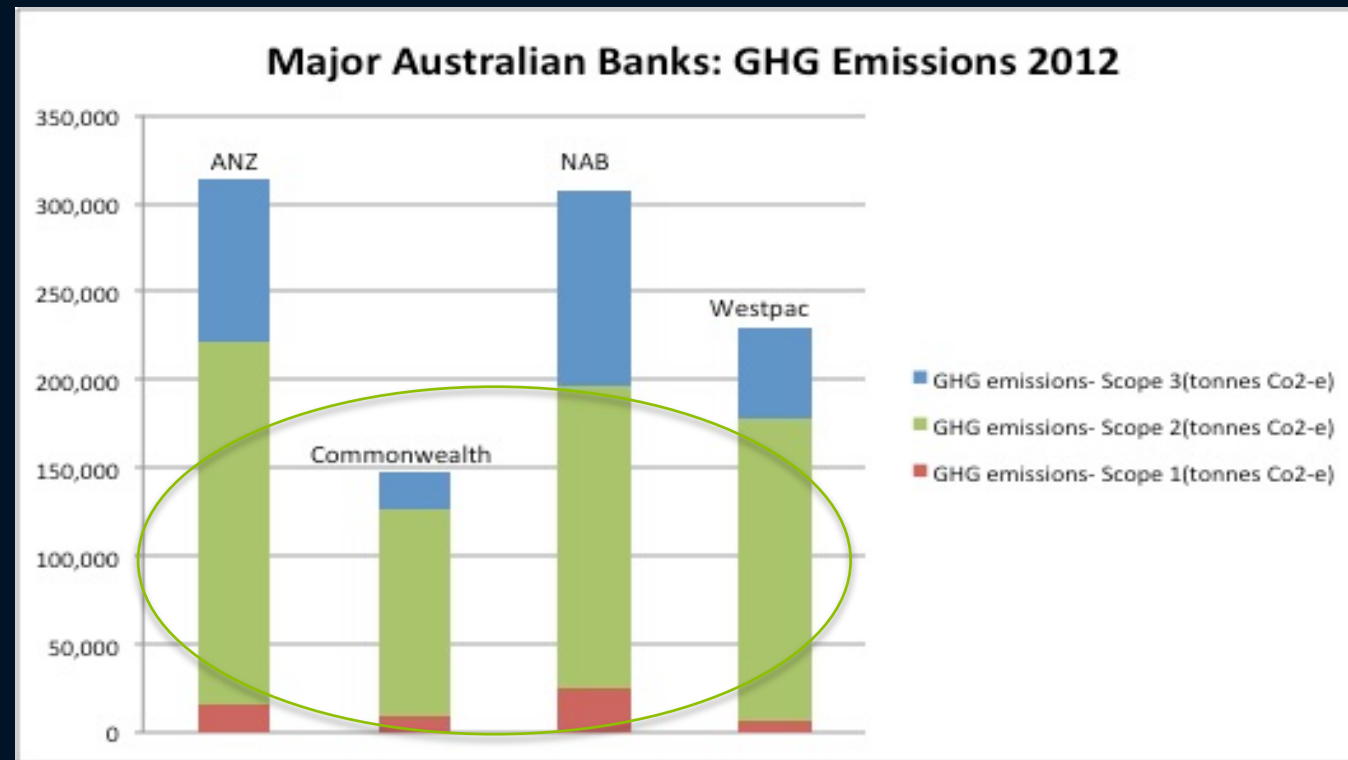
‘Climate change’ terms in CSR type reports (2012)

Region	Bank headquarters	climate change	climate	greenhouse	GHG	carbon	carbon dioxide	energy	Total
Australia/NZ	6	52	43	56	103	224	94	266	838
Europe	12	116	84	91	59	299	156	634	1439
Asia	6	12	1	35	14	62	97	245	466
North America	5	82	22	84	70	115	33	455	861
Middle East	1	2	0	9	13	1	1		26
Africa	1	16	2	2	0	24	1	75	120
Total	31	280	152	277	259	725	382	1675	3750

Proportion of occurrence of climate change terms



Climate change and the 'big four' banks



Major Australian Banks 'points of presence' (2012)

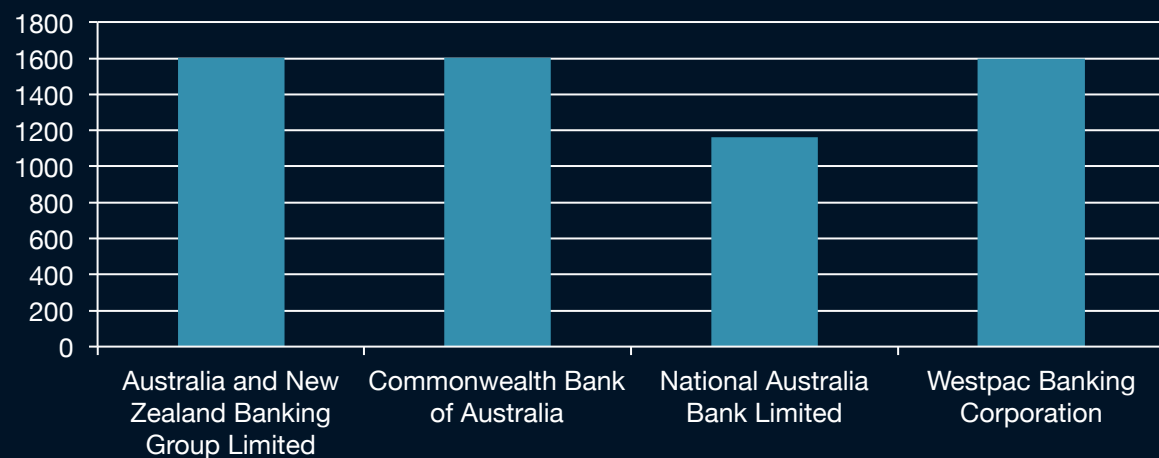
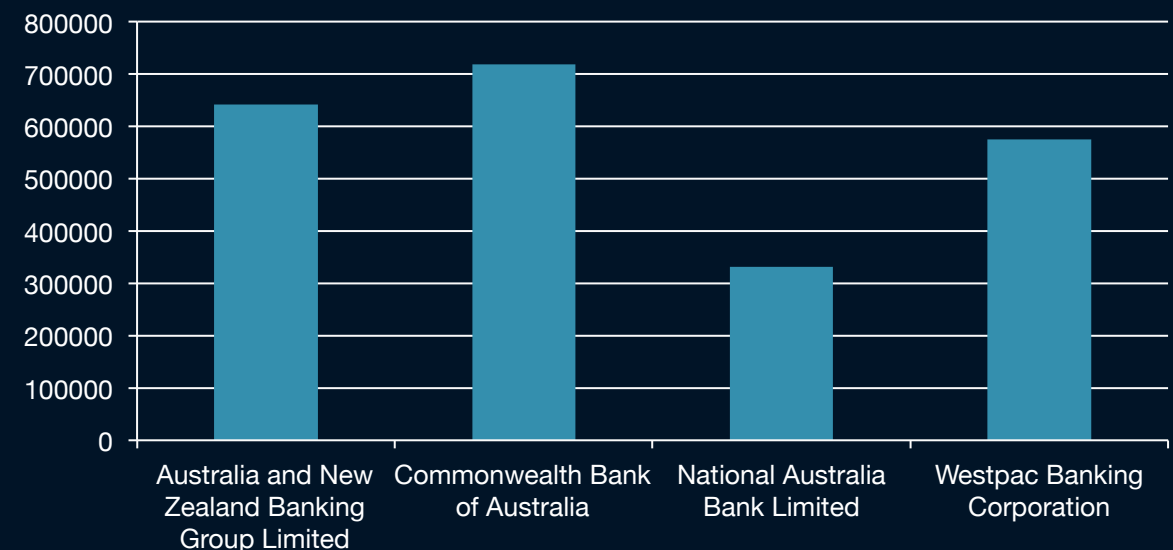


Figure 2. Major Australian Banks: Asset Size (Millions AUD\$ 2012)



Final remarks



- Banks are well positioned to act on climate change due to their size and influence
- Climate change represents new and increasing challenges to banks
- Environmental disclosure practices are well established
- Banks display an ‘ad hoc’ approach to CC disclosure despite recommendations and experience
- CC disclosure varies by region (headquarters) not asset size or points of presence
- ‘Big issues’ not addressed
- More balanced disclosure is required