



Climate risk shareholder resolutions timeline:

Absa Group Limited

JUST SHARE

October 2022



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2022

In March 2022, Just Share sent Absa a draft non-binding resolution for discussion. The resolution asked that the group disclose, in 2023, its plans to set and publish a strategy and short-term, medium-term, and long-term absolute contraction targets for its financed greenhouse gas (GHG) emissions from its exposure to coal, oil and gas, on a timeline aligned with the goals of the Paris Agreement.

In conversations during early April, Absa set out its envisaged timing for future disclosures:

- The group committed to publishing its oil and gas standard in May 2022, along with an updated coal standard.
- The mining standard is being taken through the required governance processes ahead of publication scheduled for May.
- Absa's next TCFD report will be published in mid-May.

Although Absa was prepared to table the resolution proposed by Just Share, it became clear during engagement with the group that it would most likely not be in a position, by the first quarter of 2023, to set short-, medium-, and long-term absolute contraction targets aligned with the Paris goals for its financed GHG emissions from its fossil fuel exposure. In line with its peers, the group indicated that it requires more time to calculate its financed emissions before setting such targets, due to the complexity of this process.

As a result, Just Share indicated to Absa that it would not formally file its draft resolution, but would instead analyse the group's disclosures when these are published, and engage with it thereafter in relation to tabling a shareholder resolution in 2023.

[Read about this in more detail](#)

2021

On 1 April 2021, Absa released its first standalone report on climate risk aligned with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD). In this [TCFD report](#), Absa indicates that it has loaned R9 bn to fossil fuel projects, and, in addition, had approved two facilities in the gas sector with limits of almost R7 bn. This R7 bn was not included in the R9 bn exposure as it had not been drawn down by 31 December 2020.

Absa was expected to release an oil and gas standard before its 4 June 2021 AGM, and a mining standard by the end of the year. It subsequently indicated that both standards would be published before the end of 2021. To date, neither has been published and Absa remains the only of the big five banks that does not have an energy or fossil fuel financing policy.



2020

Absa's coal financing standard was published in April 2020. Absa does not exclude funding for coal mining or coal-fired power generation.

In its Notice of AGM released on 31 March 2020, Absa voluntarily included a “*non-binding advisory vote on climate change risk and opportunity disclosure*”:

Resolved that the Company, in its integrated report next year, provide shareholders with an assessment of its exposure to climate change risk in its lending and financing portfolios, and of the opportunities to finance climate change mitigation and adaption, including:

- *the quantum of its loans to carbon-related assets and the percentage to total loans;*
- *a description of any significant credit concentration to carbon-related assets and how it manages the associated risks; and*
- *its financing of climate-related opportunities.*

Absa indicated that “*the Board values shareholders’ views and will review the voting.... This disclosure represents the first step in a multi-year journey to integrate sustainability into our strategy and operations, while being transparent about, and accountable for, creating shared prosperity for current and future generations, in line with the [Principles for Responsible Banking]*”.

At the 4 June AGM, the bank’s Chairperson committed to abiding by the results of the vote, even though it was tabled as a non-binding advisory resolution. The resolution received **99% of shareholder votes**.

End