

FirstRand to disclose fossil fuel assets

FirstRand Ltd, Africa's biggest bank by market value, has committed to disclosing its fossil fuel-related assets and lending but said it can't meet a deadline requested by some investors. According to a **Fin24** report, a resolution to produce that information by October next year wasn't passed at the Johannesburg-based company's annual general meeting last week. However, shareholders backed FirstRand's decision to publish its policy for lending to fossil-fuel projects. 'It's a big step forward,' said Tracey Davies, director of South African shareholder activist organisation Just Share. **'We appreciate that it's complex and that a lot of work needs to be done and that work takes time, but we are saying you have to start somewhere.'** FirstRand was included in a survey of SA's biggest polluters and banks regarding their attitude toward climate change matters. The survey, conducted by Cape Town's Centre for Environmental Rights, criticised the measures FirstRand and other banks have taken to detail their exposure to climate change matters. Of SA's five biggest banks, only Nedbank Group discloses the proportion of its assets exposed to carbon-related assets, the CER said. After being quick to recognise the risks of climate change almost a decade ago, Just Share said FirstRand's progress has stalled. It wants the bank to clarify the extent to which its lending and investing hinders the transition to a low-carbon economy and to disclose whether it's financing new coal-fired power stations. [See Analysis \(below\)](#)

The climate change-related resolutions tabled at FirstRand follow on similar ones tabled at Standard Bank's AGM in May. According to a **BusinessLIVE** report, in both instances, Just Share and the Raith Foundation had proposed the resolutions. The resolution relating to adopting a fossil fuel policy was endorsed by the FirstRand board, passing with 99% of the vote. The resolution to have the group disclose its exposure to climate change risk by October 2020 was not endorsed by the board and was not passed when only 33% of shareholders voted in favour of it. FirstRand chair Roger Jardine said the board was not philosophically at odds with the urgent need for interventions to mitigate climate change, but 'as a major financial institution we felt that we needed more time to analyse our lending book in detail so that when we give information to the investment public, it is as accurate information as possible'. Mehluhi Mncube, who represented various pension funds, said that as long-term investors they expected the board to look at the issue with more urgency. **'We find your non-endorsement of this a bit two-faced, where you are supportive of it but at the same time you are defensive of it,'** he said. Jardine said dealing with climate risk was not a linear process. He said FirstRand was 'seized with the issue' and its interventions along the way were well documented.