**Resolution 1: Amend the company's constitution**

To insert the following sub-clause into clause 6.7 'Decisions at general meetings' of the company's Constitution:

Member resolutions at general meeting

"The shareholders in general meeting may by ordinary resolution express an opinion, ask for information, or make a request, about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material relevance to the company or the company's business as identified by the company, and cannot either advocate action which 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: Disclosure of a pathway to deforestation-free finance**

Deforestation linked to bank lending, including potentially illegal cases, poses material risks to the bank and its customers. CBA has not disclosed any initiatives to reduce risks arising from deforestation impacts, placing it behind domestic and global peers.

Shareholders therefore request that CBA disclose a pathway to achieve deforestation-free finance in line with credible frameworks such as the Accountability Framework initiative.

## Supporting Statement – Resolution 1

Shareholder participation is vital for healthy corporate governance, yet in Australia it is restricted by legal and procedural barriers. [1] Unlike in many countries, Australian shareholders cannot directly propose ordinary resolutions. Instead, they must first pass a special resolution to amend the company's constitution, limiting investor influence over company direction and ESG risks. Allowing ordinary resolutions benefits companies, shareholders and stakeholders.

## Supporting Statement – Resolution 2

We urge shareholders to support this resolution which asks the bank to manage and reduce deforestation impacts on its loan portfolio. This will better position the bank to mitigate material risks arising from deforestation. CBA's board has a duty under the Corporations Act 2001 (Cth) to carefully consider the bank's exposure to nature-related risks through its lending. Directors may otherwise be found liable for breaching their duty of care where efforts have not been made to determine the foreseeable risk of harm from nature impacts.[2]

## CBA'S FINANCE IS ENABLING DEFORESTATION, INCLUDING POTENTIALLY ILLEGAL CLEARING

A 2024 investigation of 100 cases of deforestation linked to major banks through mortgages ranked CBA's exposure (4,820 hectares) as third highest behind agribusiness specialists NAB and Rabobank.[3] None of these cases obtained federal approval despite likely meeting the threshold for impacts on threatened species habitat requiring referral under Australia's *Environment Protection and Biodiversity Conservation (EPBC) Act 1999*. Reforms passed in November 2025 have strengthened the Act's requirements for the agriculture sector.

The bank's failure to identify illegal deforestation by its customers highlights a weakness in its due diligence processes, risk management and oversight mechanisms. Increased monitoring of land clearing is a focus of Australia's new National Environment Protection Agency which will be enforcing compliance with the EPBC Act. The bank's customers are now at greater risk of attracting penalties which could reduce their creditworthiness.

## DEFORESTATION POSES PHYSICAL NATURE RISK ACROSS CBA'S LOAN PORTFOLIO

Australia's native forests continue to be cleared at a significant scale, primarily for the expansion of beef production. Official data shows that clearing in Queensland was in excess of 270,000 hectares[4] - almost nine times more than clearing for the entire Indonesian palm oil sector during the same period.[5]

Reductions in biodiversity and other direct impacts from deforestation like disruption to the water cycle and soil erosion are damaging the health of Australia's ecosystems. These ecosystems and the services they provide are critical to the natural systems underpinning *all* sectors that the bank finances[6], but especially the half of Australia's GDP that is moderately to very highly dependent on nature.[7]

CBA has recognised that the agriculture sector, to which its lending is increasing,[8] is among the sectors with the greatest exposure to nature-related risks and that land-use by agriculture has a 'very high' impact on nature. Australia's most recent State of the Environment report declared that soil health was 'very poor' in intensive land use zones.[9]

Despite the significant risks to the Australian economy and the likelihood of future impairment in multiple sectors, the bank has not proposed any initiatives to reduce impacts through its lending practices.

## CLIMATE IMPACTS FROM DEFORESTATION AFFECTING AGRIBUSINESS CUSTOMERS

Deforestation increases the likelihood of drought, while also drastically increasing flood risk in catchment areas by up to 700%.[10] Physical climate events of unprecedented severity and frequency are already destroying customer assets and disrupting agricultural supply chains. This points to increasing credit risk, with World Bank analysis finding severe disaster episodes raised system-wide non-performing loans by a cumulative 0.6% two to three years post event.[11]

Major Queensland flood events in 2019, 2025 and 2026 resulted in hundreds of thousands of lost cattle. Following the 2026 flooding, producers flagged significant hits to profit as herds were not covered by insurance due to prohibitive costs.[12] This insurance protection gap may further amplify credit risk for impacted customers. Concerningly, the bank has not assessed physical risk exposure for its livestock lending, which is comparable to peers at $14.7 billion, highlighting an additional due diligence gap.[13]

## TRANSITION RISK FOR LIVESTOCK CUSTOMERS FAILING TO IMPLEMENT DEFORESTATION-FREE SUPPLY CHAINS

Major beef buyers in Australia and overseas have commitments to no-deforestation, including Coles, Woolworths, McDonalds and Aldi. With regulations arising to meet the commitments made by national governments to the Glasgow Declaration, including the largest importers of Australian beef, the market for deforestation-free beef will continue to grow. The bank's livestock customers that fail to adopt nature-positive practices risk losing access to high value markets.

There is a clear incentive for the bank to identify and support these customers. CBA has currently provided minimal finance for sustainable land and agriculture, with $0.1b allocated since 2020 - the least funding of any category it reports on.[14]

## CBA's CLIMATE DISCLOSURES DO NOT ADDRESS EMISSIONS FROM DEFORESTATION

The clearing of forest in Australia is a significant source of domestic emissions, releasing an average of 55 million tonnes of $CO_2$-equivalent every year since 2000.[15] Despite its net zero commitment, CBA has not measured or provided an estimate of financed emissions from land use change, highlighting a gap in its carbon accounting.[16]

In its 2025 Climate Report, CBA disclosed that agriculture is a key sector where emissions reductions are required in Australia, and lists 'limiting deforestation and increasing reforestation' as available technologies required to reduce emissions in the sector. It has not disclosed how the bank aims to limit emissions from deforestation by its customers.

## A PATHWAY TO DEFORESTATION-FREE FINANCE IS REQUIRED TO REDUCE RISK

A pathway to achieve deforestation-free finance would reduce physical and transition risk exposure across the bank's loan portfolio over time. This could be aligned with best practice guidance from The Accountability Framework initiative (AFi): a credible framework used by companies globally to set and implement deforestation-free commitments.

Global peers throughout Asia, South America, the EU and UK are making progress towards their deforestation-free commitments as deforestation regulations are enacted. Forty-one percent of the largest financial institutions globally have set a deforestation-free commitment for one more commodity.[17]

While an uplift in disclosure would be welcome given the lack of reporting to date, the concern remains that CBA does not intend to address impacts from deforestation and close the gap to its domestic peers Westpac and NAB.[18] Australia's largest bank cannot risk falling further behind.

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