



**AUSTRALIAN
CONSERVATION
FOUNDATION**

Resolution 1: Amend the company's constitution

To insert the following sub-clause into clause 13 'Meetings of Members' of our 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 financed deforestation

Shareholders request that ANZ assess and publicly disclose, within a reasonable timeframe and omitting proprietary information, the bank's deforestation exposure through provision of finance to its agriculture sector customers.

Resolution 3: Strategy to eliminate financed deforestation

Shareholders request that ANZ disclose a strategy to eliminate financed deforestation 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 barriers¹. 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. This limits the ability of investors to express opinions to the Board on important issues. In 2024, U.S. shareholders filed 500 resolutions (14 at Amazon alone),

¹ <https://acsi.org.au/wp-content/uploads/2020/02/Shareholder-resolutions-in-Australia.Oct17.pdf>

compared to a handful in Australia. Allowing ordinary resolutions benefits companies, shareholders and stakeholders.

Supporting Statement – Resolution 2 & 3

Australia's native forests, home to some of the most diverse plants and animals in the world, are being bulldozed at a globally significant rate

More than 50% of Australia's native forests have been cleared or severely damaged. Over a five-year period from 2016 to 2021, 1.74 million hectares of deforestation occurred in Australia², and official data shows that clearing in Queensland³ and New South Wales⁴ is still increasing. In recent years, more deforestation has occurred in Queensland alone, primarily for pastoral expansion, than by the entire Indonesian palm oil sector⁵. Eastern Australia has been identified as one of eleven 'deforestation fronts' alongside Borneo, the Amazon and the Congo, that will account for 80% of the deforestation occurring to 2030⁶.

Habitat loss and degradation is the dominant driver of extinction in Australia, with 70% of threatened species impacted⁷. Over 250 Australian scientists have signed an open letter calling on the Federal Government to put an end to land clearing as the single biggest threat to the nation's biodiversity⁸.

Bank finance is enabling deforestation in Australia, including potentially illegal clearing

The majority of deforestation in Australia is driven by cattle pasture expansion in Queensland and New South Wales. When combined, ANZ and Suncorp's exposure to potentially illegal deforestation in Queensland between 2018 and 2020 was the highest of all Australian banks at 38,931 hectares⁹.

A recent investigation that selected 100 cases of deforestation linked to major banks through mortgages, flagged that ANZ (inclusive of Suncorp) had the second highest exposure of its peers to financed deforestation at 4,374 hectares cleared¹⁰. One third of cases linked to ANZ obtained no federal approval despite likely meeting the thresholds for impacts on threatened

²https://parlinfo.aph.gov.au/parlInfo/download/committees/estimate/28741/toc_pdf/Rural%20and%20Regional%20Affairs%20and%20Transport%20Legislation%20Committee_2025_02_25.pdf;fileType=application%2Fpdf#search=%22committees/estimate/28741/0000%22

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<https://www.qld.gov.au/environment/land/management/mapping/statewide-monitoring/slats/slats-reports/2022-23-slats-report/key-findings>

⁴ <https://www.wwf.org.au/news/2025/disturbing-40-jump-in-nsw-land-clearing>

⁵ <https://www.acf.org.au/news/financed-deforestation>

⁶ https://wwfint.awsassets.panda.org/downloads/deforestation_fronts_drivers_and_responses_in_a_changing_world_full_report_1.pdf

⁷ <https://soe.dcceew.gov.au/>

⁸ www.endlandclearing.org.au

⁹ https://canopy.acf.org.au/m/2926867fc7486ee3/original/2304_Nature_BankingOnNatureDestructionReport_FOR_WEB.pdf

¹⁰ <https://www.acf.org.au/news/financed-deforestation>

species habitat that would require an approval under Australia's Environment Protection and Biodiversity Conservation Act 1999.

This raises regulatory risk for ANZ's customers, increasing default risk for our bank where actions are taken against landholders by Government or third parties. Publicity of illegal activity missed in bank credit risk assessments may have reputational implications for our company where it concerns the effectiveness of risk management and oversight mechanisms. Deforestation poses material risks whether it is legal or illegal.

Nature and climate risks are financial risks for our bank and its customers

Our company has recognised that the agriculture sector has the highest potential dependency on ecosystem services provided by nature¹¹ including soil stabilisation, flood mitigation and climate regulation. Deforestation can bring about damaging processes like erosion that worsens soil quality and reduces the productive capacity of agricultural land¹². Research across Australia shows that as forest becomes cleared, degraded and fragmented, there is a greater chance of drought occurring in that area¹³. These nature impacts, among many others, are drivers of default risk. Deforestation also increases the risk of urban flooding¹⁴, potentially exposing our bank to credit risk in entire regions that it finances and from mortgage-backed securities of uninsured or underinsured property.

When forests are cleared or burnt, stored carbon is released into the atmosphere and carbon sinks are destroyed, heightening climate risk. All sectors of the economy that ANZ finances will face escalating impacts from global warming if deforestation continues unchecked.

Our bank's decision makers need better data to assess instances of deforestation

Within its Social and Environmental Risk Policy our Company has identified 'Land and Forest Management' as a Sensitive Sector with specific climate and nature requirements for large business customers that must be considered in the provision of finance. This stipulates that ANZ decision makers should have awareness of the impacts and proposed activities in relation to deforestation. There does not appear to be a specific policy requiring this awareness for smaller customers that are having outsized deforestation impact.

While it has conducted a desktop review of its 100 largest emitting customers, ANZ suggests that this list excludes certain customers with higher nature impacts and dependencies. An analysis of exposure to commodities with a high-risk of deforestation and in high-risk regions will identify opportunities for targeted engagement to address the most severe impacts.

¹¹

<https://www.anz.com.au/content/dam/anzcomau/about-us/anz-2024-climate-related-financial-disclosures.pdf>

¹² <https://www.pc.gov.au/research/supporting/land-degradation>

¹³

<https://www.csiro.au/en/news/all/articles/2016/february/intact-ecosystems-the-best-buffer-against-climate-change>

¹⁴ <https://doi.org/10.1016/j.scitotenv.2021.150577>

Peers are committing to no deforestation to build resilience to climate impacts and evolving regulation

As part of its Net-Zero Banking Alliance (NZBA) 2030 Agriculture sector target, Westpac has set a no deforestation target which provides for no further conversion of natural forest to agricultural land use within farm systems from 2026. While ANZ is a member of NZBA, it has not set any targets of this nature, stating that it 'remains premature' to do so. This does not reflect the conclusion drawn by Westpac and other global peers such as Barclays and BNP Paribas that recognise deforestation is a key driver of climate change and biodiversity loss¹⁵.

The Science Based Targets Initiative (SBTi) recently published the Financial Institutions Net-Zero Standard which includes a recommendation that financial institutions commit to no new in-scope financial activities involving portfolio entities engaged in commodity-driven deforestation¹⁶. It has identified the Accountability Framework initiative (AFi) as a credible framework, recommending AFi's cutoff date, December 31st 2020, to reduce the risk of customers clearing before a future cut-off date.

196 countries have signed the Global Biodiversity Framework's agreement to halt and reverse nature loss, including Australia, and the EU Deforestation Regulation is shortly coming into force for deforestation-linked products sold into EU markets, including from regions labelled low risk. A strategy to eliminate financed deforestation will build resilience to stronger regulations for ANZ and its customers.

We urge shareholders to support these resolutions.

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<https://www.unepfi.org/wordpress/wp-content/uploads/2023/10/PRB-Nature-Target-Setting-Guidance-Supplement-on-Case-Studies.pdf>

¹⁶ <https://sciencebasedtargets.org/financial-institutions>