

2025

Environmental and Social Framework

Commonwealth Bank of Australia

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Certain capitalised words used throughout this document are defined terms as set out in the Definitions section.

This is an interactive PDF and is best viewed with Adobe Reader. Click on the links within the pages or use the footer to navigate the report.

Acknowledgement of Country

Commonwealth Bank of Australia acknowledges the Traditional Owners of the lands across Australia as the continuing custodians of Country and Culture. We pay our respect to First Nations peoples and their Elders, past and present.

Our head office is located on the Lands of the Gadigal Peoples.



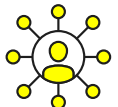
Overview

At the Commonwealth Bank of Australia, our purpose is building a brighter future for all. Environmental and social issues create opportunities and risks in delivering our purpose, which may impact the Group's ability to deliver long-term value for our customers, communities, shareholders, and people. We seek to manage those opportunities and risks through our strategy and risk management approach.

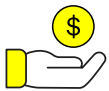
The Environmental & Social Framework (E&S Framework) reflects the minimum requirements set out in our Environmental & Social Policy (E&S Policy), through which we seek to manage the impacts of climate change, nature and human rights in relation to the Group's:



Operations



Supplier management



Financing and Bond Facilitation

These requirements are applied alongside the Group's Code of Conduct, which includes our Values of Care, Courage and Commitment and asking, 'Must We', 'Can We' and 'Should We?', to help us to deliver the right outcomes.

We recognise the interconnectedness of commercial, environmental, and social matters and the role we can play in working with our customers and suppliers to make progress on these issues. Our E&S Framework provides a reference point for our stakeholders on the minimum requirements we have set. Further information on environmental and social related targets, goals, actions and progress can be found in the Group's publicly available reporting.

The settings reflected in our E&S Framework are reviewed at least every two years, so they remain fit for purpose and reflective of the evolving environmental and social context.

In developing these settings, we consider certain relevant environmental and social issues, various stakeholder perspectives, and potential impacts, such as to the security of Australia's energy platform.

The CBA Board is responsible for approving the E&S Policy and the external publication of our E&S Framework. Our people are responsible for meeting the requirements reflected in the E&S Framework and breaches may result in disciplinary action (including dismissal).

For those parts of the Group that are impacted by foreign or local laws, regulatory requirements or contractual obligations that conflict with the E&S Framework, the more stringent standard applies.

Our E&S Framework applies to the Group, excluding ASB Bank Limited (ASB) and the Commonwealth Bank of Australia Europe NV (CBA Europe). ASB and CBA Europe maintain their own policies that incorporate the minimum requirements reflected in the E&S Framework, except to the extent necessary to comply with local regulatory requirements. These policies are updated within six months of the effective date of the E&S Framework.

We are guided by our Values

Care Courage Commitment



The environmental and social issues our E&S Framework focuses on are climate change, nature, and human rights.



Climate change

Climate change can create risks arising from extreme weather events, longer-term shifts in weather patterns, and from the shift towards a low carbon economy. These risks have the potential to disrupt wellbeing and economic activity in communities, affect the value of assets, and affect customers' ability to repay loans. Addressing climate change calls for the development of new technologies, industries and activities that can also create opportunities for our customers and the Group.

Australia is party to the Paris Agreement and the Australian government has implemented various policies and legislation, such as greenhouse gas emissions reduction targets, to support the goal of the Paris Agreement to limit global warming to well below two degrees above pre-industrial levels.

The Group is committed to playing its part in limiting climate change in line with this goal and supporting the orderly global transition to net zero emissions by 2050. The Group seeks to do this by meeting the climate-related requirements set out in this Framework.



Nature

Nature underpins the wellbeing of communities and the economy. The degradation of nature has the potential to disrupt wellbeing and economic activity in communities, affect the value of assets, and affect customers' ability to repay loans. Addressing nature-related risks calls for the development of new technologies, industries and activities that can also create opportunities for our customers and the Group.

Australia has adopted the Kunming Montreal Global Biodiversity Framework, which aims to halt and reverse biodiversity loss by 2030.

The Group recognises the importance of Australia taking action to maintain, restore and enhance nature. The Group seeks to contribute to this by meeting the nature-related requirements set out in this Framework.



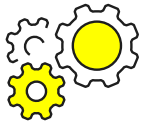
Human rights

Human rights are fundamental rights and freedoms inherent to all individuals regardless of nationality, gender, ethnicity, religion, or any other status, and based on principles of dignity, equality, and respect.

When human rights are not upheld, there can be adverse impacts to people and communities. Failing to manage human rights impacts can also have financial impacts including affecting the value of assets and customers' ability to repay loans.

The Group's overall approach to human rights is guided by the United Nations Guiding Principles on Business and Human Rights, which states governments have a duty to protect human rights and businesses have a responsibility to respect human rights. The Group seeks to do this by meeting the human rights-related requirements set out in this Framework.





Operations

The activities and processes the Group uses to deliver its purpose and strategy can impact on, and be impacted by, environmental and social issues. The following requirements help to manage those impacts in relation to the Group's operations.

Climate change

The Group seeks to support Australia's orderly transition to net zero by:

- working towards meeting the Group's operational emissions targets or goals by:
 - sourcing renewable electricity equivalent to 100% of the Group's electricity needs globally by 2030;
 - where possible, leasing new main commercial office spaces, and designing and building new retail branches with a minimum 5-star Green Star rating;
 - maintaining operational performance of all main commercial spaces to a minimum weighted average of 4.5 stars as predefined by NABERS Tenancy Energy rating or international equivalent; and
 - transitioning over time to hybrid and battery powered business-related motor vehicles.
- supporting environmental markets by purchasing environmental attribute certificates. Where we purchase carbon credits for our own use, where possible, the Group will prioritise the use of domestic carbon units (for example, Australian Carbon Credit Units for emissions generated in Australia); and
- setting sector-level financed emissions targets or goals. The Group's financed emissions predominantly arise from loans provided to customers.

The Group seeks to better understand and improve our resilience to climate change by:

- periodically conducting scenario analysis to better understand the risks and opportunities arising from climate change;
- continuing to enhance the measurement and reporting of the Group's climate risk exposures; and
- further integrating climate risk management into business practices and procedures.

Nature

The Group seeks to reduce the impact of our operations on the environment by:

- taking action to increase the landfill diversion rate in our Australian-based commercial office spaces; and
- taking action to improve the water efficiency of our Australian-based retail branches and commercial offices over time.

The Group seeks to better understand nature-related risks by:

- continuing to enhance the measurement of the Group's exposures to nature-related impacts and dependencies.

Human rights

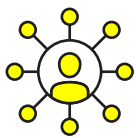
The Group respects human rights as an employer, as set out in the Group's Human Resources policies including the Group Diversity, Equity and Inclusion Policy and Group Work Health and Safety Policy.

In addition, the Group respects human rights by:

- seeking to deliver fair outcomes for customers, existing and potential, in accordance with the Group's Code of Conduct and the Banking Code of Practice;
- taking steps to support customers and communities in vulnerable circumstances and in times of difficulty, for example, those experiencing financial abuse or those affected by acute weather events;
- providing banking services that are accessible and inclusive, as set out in CBA's Accessibility and Inclusion Strategy as updated from time to time;



- protecting the privacy of those individuals whose personal information the Group collects and handles, as set out in the Group Privacy Policy;
- developing and delivering CBA's Reconciliation Action Plan, guided by CBA's Indigenous Advisory Council and Indigenous Leadership Team, and providing updates publicly on progress against it;
- providing customers, Suppliers and employees with access to mechanisms through which grievances and complaints may be raised and through which the Group can work to find outcomes that are fair and reasonable; and
- providing access to a grievance mechanism through which Aboriginal and Torres Strait Islander peoples can raise concerns about the activities of Clients directly with CBA.



Supplier management

Suppliers play an important role in helping to deliver the Group's purpose and strategy and we acknowledge the risks that may exist in their operations. The following requirements help to manage the impacts of certain environmental and social issues in relation to the Group's Supplier management.

General requirements

The Group communicates our expectations related to managing environmental and social issues, as set out in the Supplier Code of Conduct, to the Group's Suppliers.

Where the Group becomes aware that a Supplier does not meet the requirements in this Framework, to the extent they are applicable to them, we will:

- engage with them to inform them of these requirements;
- if necessary, work with them to agree on actions that enable them to meet these requirements; and
- if a Supplier is unable or unwilling to meet these requirements, consider ending the relationship, subject to contractual obligations and requirements under other Group policies.

Climate change and nature

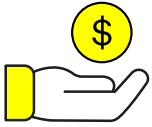
The Group will continue to strengthen and integrate environmental risk management into our Supplier risk management approach.

Human rights

The Group respects human rights in our role as a procurer of goods and services by:

- where reasonably practical, working to assess the risks of modern slavery in the operations of the Group's Suppliers and engaging with those rated as high risk for modern slavery in a Supplier risk assessment to address the risks, as reported in our annual Modern Slavery and Human Trafficking Statement.





Financing and Bond Facilitation

The activities associated with the Group's Financing and Bond Facilitation have the potential to impact on, or be impacted by, environmental and social issues. The following requirements, which help to manage the impacts of certain environmental and social issues, apply to Financing and Bond Facilitation to Clients as specified below.

The following requirements do not apply to the provision of general transaction banking services such as corporate credit cards and overdrafts. The Group's Financing and Bond Facilitation are subject to other relevant Group policies such as credit risk policies.

General requirements

The Group recognises there are certain activities that can create adverse impacts and will not knowingly:

- provide project finance to Clients for resource extraction projects that will or are likely to contribute to adverse land-use change in Ramsar Wetland Sites;
- provide Finance to:
 - Clients operating in World Heritage sites that will or are likely to have a material adverse effect on the Outstanding Universal Value of those sites;
 - Clients who are engaged in the international trade in specimens of wild animals and plants that may threaten their survival in breach of the Convention on International Trade in Endangered Species of Wild Fauna and Flora;
 - Clients whose primary focus is tobacco manufacturing or production; or
 - Clients involved in:
 - > operating fur farms from endangered species, or the trade and manufacturing of fur products from endangered species;
 - > destructive fishing practices including the use of poison and explosives;
 - > shark finning; or
 - > commercial whaling.

The Equator Principles are a set of standards for financial institutions to assess, manage, mitigate, and monitor environmental and social risks in applicable project-related Financing and report annually.

For applicable project-related Financing, the Group will:

- follow the Equator Principles process including confirming whether the free, prior and informed consent of affected Indigenous peoples has been considered in accordance with the Equator Principles.

In assessing environmental and social impacts, where relevant, the Group will:

- for Large Transactions, consider the impacts to biodiversity loss and water scarcity;
- for Financing decisions, where reasonably practical, work to assess and address the risks of modern slavery, as reported in our annual Modern Slavery and Human Trafficking Statement; and
- for Financing decisions, consider how Clients manage animal welfare considerations in their business activities.

Where the Group becomes aware that a Client does not meet the requirements in this Framework, to the extent they are applicable to them, we will:

- engage with them to inform them of these requirements;
- if necessary, work with them to agree on actions that enable them to meet these requirements; and
- if a Client is unable or unwilling to meet these requirements, consider ending the relationship, subject to contractual obligations and requirements under other Group policies.



Sector-specific requirements

Fossil fuels

The transition towards a net zero economy will impact energy markets including those for fossil fuels. The Group recognises the importance of Australia having secure, reliable and affordable energy through this transition.

The following requirements are subject to Australia having a secure energy platform. Any decision to provide Finance or Bond Facilitation with the view to secure Australia's energy platform which is inconsistent with the requirements in this section would require an Australian government or a regulator, including the Australian Energy Market Operator, to have made a determination that supply from the relevant asset, asset type or Client is necessary for energy security; and following such a determination, be made by the Executive Leadership Team Environmental and Social Committee.

Rehabilitation of mine sites and oil and gas fields is a regulatory requirement in Australia, undertaken to re-establish the affected area as a safe and stable environment. The following requirements do not apply to the provision of bank guarantees by the Group to support Clients to meet their regulatory requirements for rehabilitation of an existing mine site, oil or gas field.

The Group will:

► Thermal coal mining

Project finance

- provide no project finance to new or expanded Thermal Coal Mines;
- reduce our existing project finance exposure to Thermal Coal Mines to zero by 2030;

Corporate or Trade Finance and Bond Facilitation

- provide no Corporate or Trade Finance, or Bond Facilitation, to new Clients who derive 25% or more of their Revenue from the sale of thermal coal;
- prior to 2030, only provide new¹ Corporate or Trade Finance, or Bond Facilitation, to existing Clients who derive 25% or more of their Revenue from the sale of thermal coal after an assessment of the environmental and social impacts and we expect these Clients to have provided a Transition Plan;
- by 2030, reduce Corporate and Trade Finance exposure to existing Clients who derive 25% or more of their Revenue from the sale of thermal coal to zero and cease providing Bond Facilitation to such Clients;

► Metallurgical coal mining

Project finance

- only provide project finance for new or expanded Metallurgical Coal Mines after an assessment of the environmental and social impacts of such activity, and if in line with the goal of the Paris Agreement²;

Corporate or Trade Finance and Bond Facilitation

- only provide new¹ Corporate or Trade Finance, or Bond Facilitation, to metallurgical coal mining Clients who derive 15% or more of their Revenue from the sale of metallurgical coal they mine³ after an assessment of the environmental and social impacts and we expect these Clients to have provided a Transition Plan;

1. Includes refinances.

2. This applies to project finance to Clients involving (a) a greenfield metallurgical coal extractive activity; or (b) a brownfield expansion of a metallurgical coal extractive activity.

3. The 15% Revenue threshold applies to the sum of all Revenue derived by the Client from the sale of oil, gas and/or metallurgical coal they extract or mine.



► **Oil and gas extraction**

Project finance

- provide no project finance to new or expanded oil and/or gas extraction projects⁴. In this instance, this includes reserve-based lending for new or expanded oil and/or gas extraction projects;
- provide no project finance to (i) new Floating Production Storage and Offloading infrastructure dedicated solely to new oil extraction projects; (ii) new transmission pipelines dedicated solely to new oil or new gas extraction projects; or (iii) new oil or gas transport ships;

Corporate or Trade Finance and Bond Facilitation

- only provide new⁵ Corporate or Trade Finance, or Bond Facilitation, to oil and/or gas producing Clients who derive 15% or more of their Revenue from the sale of oil or gas they extract⁶ after an assessment of the environmental and social impacts and we expect these Clients to have provided a Transition Plan;

Finance

- provide no Finance to new Clients whose primary focus is:
 - the mining, exploration, expansion, or development of oil sands; or
 - the extraction, exploration, expansion or development of oil and gas projects in the Arctic and Antarctic Circles;

► **Coal-fired power generation**

Project finance

- provide no project finance to new coal-fired power plants;
- reduce our existing project finance exposure to coal-fired power plants to zero by 2030;

Corporate or Trade Finance and Bond Facilitation

- provide no Corporate or Trade Finance, or Bond Facilitation, to Power Generation Clients who generate 25% or more of their electricity from coal that are proposing to expand or are expanding their coal-fired power generation capacity⁷; and
- only provide new⁵ Corporate or Trade Finance, or Bond Facilitation, to Power Generation Clients who generate 25% or more of their electricity from coal, after an assessment of the environmental and social impacts and we expect these Clients to have provided a Transition Plan.

► **Reporting**

Through publicly available reporting, the Group will report annually on:

- whether the Group has met the requirements set out in the Sector-specific requirements – Fossil fuels section; and
- the Group's direct Client exposures to fossil fuel extraction, non-renewable power generation, Floating Production Storage and Offloading infrastructure, oil and/or gas transport ships and oil and/or gas pipelines, based on available data.

4. This applies to project finance to Clients involving (a) a greenfield oil or gas extractive activity; or (b) a brownfield expansion of an oil or gas extractive activity.

5. Includes refinances.

6. The 15% Revenue threshold applies to the sum of all Revenue derived by the Client from the sale of oil, gas and/or metallurgical coal they extract or mine.

7. Expansion of coal-fired power generation capacity means constructing a new greenfield coal-fired power station or undertaking works, outside of routine maintenance, to expand the capacity of an existing coal-fired power station.



Agriculture, fisheries and forestry

The Australian agriculture sector is essential for Australia's economy and food security, and is central to regional communities and their economies.

The Group supports the adoption of sustainable practices in the agriculture, fisheries, and forestry industries in line with the following requirements.

For Large Transactions, the Group expects Clients who are:

- growers, producers, and/or processors of palm oil, soybean and timber to gain industry-relevant sustainability certification, or equivalent standards, to demonstrate chain of custody;
- growers, producers, and/or processors of beef, cacao, coffee, cotton, and rubber, or involved in the catching and/or primary processing of fish to be able to demonstrate how they manage sustainability considerations in their business activities; and
- involved in projects or activities associated with logging to not be involved, either directly or indirectly, in any illegal production or trade of any timber-based products, particularly Old Growth Forests.

Defence

Australia's national security and resilience are critical to the nation's stability and prosperity. The Group recognises the importance of this, together with global security, and has a role to play in supporting defence capabilities through providing banking products and services. The responsible use of these capabilities is critical.

- The Group will not knowingly provide Finance or Bond Facilitation to Clients that buy, sell, manufacture or store:
 - Controversial Weapons banned under international agreements to which Australia is a party; or
 - nuclear weapons outside North Atlantic Treaty Organization country government-controlled programs that are authorised under the Nuclear Non-Proliferation Treaty.



Definitions

Arctic and Antarctic Circles

The areas located more than 66.5 degrees North or more than 66.5 degrees South of the Equator.

Bond Facilitation

The arranging or lead management of primary market Debt Securities issuance. This does not include secondary trading of Debt Securities.

Client

A customer who is relationship managed by the Group's Institutional or Business Bank with Financing transactions \$5 million or greater.

Controversial Weapons

Weapons banned under international agreements ratified by Australia. These include but are not limited to:

- nuclear weapons (except as authorised under the Nuclear Non-Proliferation Treaty);
- biological weapons;
- chemical weapons;
- non-detectable fragment producing weapons;
- blinding laser weapons;
- anti-personnel land mines;
- cluster munitions;
- incendiary weapons; and
- depleted uranium ammunition.

Corporate or Trade Finance

The provision of corporate or trade finance to a Client, in the form of:

- corporate loans including acquisition, trade and bridge finance, reserve-based lending, and export credit finance; and
- bank guarantees, except where provided as project finance.

Debt Securities

Includes secured (e.g., covered), senior unsecured, junior or subordinated and hybrid debt securities.

Finance/Financing

The provision of project finance or Corporate or Trade Finance to a Client.

Large Transaction

Finance transaction with a value of \$30 million or more.

Metallurgical Coal Mines

Coal mines from which the majority of coal (by tonnes) extracted is metallurgical coal.

Modern Slavery and Human Trafficking Statement

Statement provided under the Australian Modern Slavery Act 2018 and the UK Modern Slavery Act 2015.

Old Growth Forests

Ecologically mature forests (also known as 'virgin forests') where the effects of human disturbances are negligible.

Outstanding Universal Value

The values of a World Heritage site as set out in a statement of outstanding universal value approved by the World Heritage Committee.

Power Generation Clients

An entity with an ANZSIC code for Electricity Generation or Electricity Supply which also has power generation activities.

Ramsar Wetlands Sites

Wetlands which are included in the List of Wetlands of International Importance established under the Convention on Wetlands of International Importance (known as the Ramsar Convention).

Revenue

Revenue as reported in a Client's audited consolidated financial statements or in the absence of those, in other financial statements provided to the Group. For the purposes of determining whether a revenue threshold is met for this Framework, the average of the revenue percentages for the last three years is used.

Scope 1, 2 and 3

Scope 1 greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level.

Scope 2 greenhouse gas emissions are the emissions released to the atmosphere from the indirect consumption of an energy commodity.

Scope 3 emissions are indirect greenhouse gas emissions other than Scope 2 emissions that are generated in the wider economy. They occur as a consequence of the activities of a facility, but from sources not owned or controlled by that facility's business.

Supplier

Third-party entities, including corporations or individuals, that provide products or services to the Group directly.

Thermal Coal Mines

Coal mines from which the majority of coal (by tonnes) extracted is thermal coal.

Transition Plan

A plan that, at a minimum:

- contains a time-bound decarbonisation plan which is aligned to the goal of the Paris Agreement to limit global warming to well below two degrees above pre-industrial levels; and
- includes the Client's Scope 1, 2 and 3 emissions.

CBA will engage a third party to assess applicable Clients' Transition Plans against the above two requirements.

This document may be subject to change from time to time at Commonwealth Bank's discretion.





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Bank