
Group Environment Policy

The Commonwealth Bank of Australia Group ('Group') is dedicated to securing and enhancing the financial wellbeing of people, businesses and communities. We know that our decisions can have direct and indirect impacts on the environment. Our objective is to ensure that we meet our responsibility to both safeguard the environment and support economic growth and development.

Managing direct environmental impacts within the Group

We are committed to assessing and reducing our direct environmental impacts by implementing the following practices:

- Monitoring and reducing energy use and greenhouse gas emissions.
- Investing in cost effective, energy efficient technologies.
- Monitoring and reducing water usage.
- Monitoring and minimising waste through recycling and more efficient use of resources.
- Developing processes for assessing environmental impacts in our supply chain.
- Following best practice environmental performance guidelines for the design, development, build and operation of premises the Group occupies.
- Building the capacity of staff to understand, assess and manage environmental risks and opportunities.
- Consistently developing and setting targets for our environmental objectives, and reporting our performance against those targets over time.
- Ensuring compliance with environmental legislation in all areas in which we operate.

Managing indirect environmental impacts

We are in a position to influence the companies we lend to and invest in with regard to their impact on the environment.

We apply a comprehensive Environmental, Social and Governance (ESG) Risk Management Framework to manage environmental risk across our lending portfolio.

To this end we:

- Do business in sectors and with organisations that have well-established environmental management practices.
- Consider environmental risks throughout our loan origination, credit approval and annual review processes.
- Apply the principles of our Group Risk Appetite Statement throughout the credit review process.
- Apply our Group ESG Lending Commitments across project finance and business lending.

- For loans above a materiality threshold, assess clients' ability to manage their own environmental impacts and risks using our ESG risk assessment tools and processes, and engage with clients to assist them in managing and mitigating their impacts and risks.
- Apply the Equator Principles III to all project-related financing.
- Identify and understand high-impact sectors and apply additional levels of due diligence to sectors and jurisdictions where environmental regulatory frameworks are not fully evolved and/or not best in class.

Where consistent with our fiduciary obligations and in accordance with our Wealth Management Responsible Investing Framework and the commitments we have made under the United Nations Principles for Responsible Investment:

- We will integrate environmental considerations into investment products and services we create to help customers and clients meet their financial goals; and,
- We will provide our customers and clients with the transparency and tools they need to make their own choices on environmental matters in connection with our investment products and services.

We will also continue to seek opportunities to assist our customers to meet their own environmental goals through the provision of appropriate financial products and services.

Stakeholder engagement and reporting

We will engage with our customers, the community and other key stakeholders to promote a broader understanding, and more effective management, of environmental issues.

We commit to fully disclose our environmental performance through regular public reporting on environmental indicators and our management of material environmental risks and opportunities. Our reporting covers:

- Our direct environmental impacts, such as property emissions;
- The indirect impacts of our lending; and,
- Our obligations under relevant environmental legislation and the Equator Principles III.

Implementation

This policy covers the operations of the Group and how it interacts with the environment. The Group's approach to climate change is addressed in the Climate Policy Position Statement.

The Group Environment Policy is governed by the Board and the Executive Committee, as part of its corporate responsibility agenda.

- The Board is responsible for establishing, in conjunction with management, the corporate responsibility strategy in support of the Group's vision and overseeing and monitoring the effectiveness of that strategy; and for approving the ESG public disclosures in the annual and corporate responsibility reports.
- The Executive Committee directs the development and implementation of the corporate responsibility strategy, ESG policies and strategic initiatives, ensures adequate ESG governance is in place throughout the business; and oversees ESG progress, performance and reporting.
- Business Units are responsible for integrating ESG considerations, risks and opportunities into business and risk management policies and processes and report on progress.
- The Corporate Responsibility team provides strategic advice to the Group and individual Business Units on ESG issues, oversees ESG governance and facilitates ESG reporting internally and externally.

This policy will be reviewed annually.