

NAB'S GROUP SUPPLIER *Sustainability Principles*

more
than
money



NAB¹ is committed to ensuring that the practices of its businesses are fair, responsible and sensitive to the needs of a diverse range of stakeholders.

We recognise that as a large purchaser of goods and services, our responsibility extends to the management of our supply chain. The business conduct and performance of our suppliers can have a significant impact on our sustainability performance and our reputation within the communities in which we operate.

NAB is committed to maintaining a Supplier Sustainability Program to monitor and manage environmental, social and governance (ESG) risks within our supply chain and drive sustainability performance improvement. A key component of this Program is NAB's Group Supplier Sustainability Principles, which specify the ESG requirements that suppliers providing goods and services to our businesses must adhere to.

NAB's Group Supplier Sustainability Principles

We understand that the ESG risks relating to suppliers will vary depending on their industry, geographic location and company size. Therefore, suppliers should ensure that the scope of their policies, processes and systems reflect their specific ESG risks.

Suppliers that are signatories should note that NAB may choose to audit a supplier's business operations for any aspect of adherence with NAB's Group Supplier Sustainability Principles. Suppliers will be required to provide all relevant policies and associated evidence to demonstrate adherence.

1. Corporate Governance

Strong corporate governance ensures that an enterprise is directed and controlled in a responsible, professional and transparent manner to safeguard its long-term success. NAB's Board of Directors is responsible for the corporate governance of NAB. Corporate governance is a matter of high importance to NAB and is undertaken with due regard to all of our stakeholders and our role in the community. Good corporate governance is a fundamental part of the culture and the business practices of NAB. The main Corporate Governance practices that are in place are described in our Annual Review.

Supplier Requirements

Suppliers to NAB must:

- Comply with all relevant local and national laws and regulations in relation to unethical behaviour, bribery, corruption and other prohibited business practices.
- Have a written policy which outlines appropriate conduct and standards of personal behaviour for employees.
- Provide transparent and public reporting on their material ESG risks and how the organisation manages those risks.
- Have a process in place for providing timely disclosure to NAB of material ESG matters concerning the organisation.

- Have a process in place to communicate to relevant employees all policies or procedures supporting these Group Supplier Sustainability Principles.
- Have a complaints management process for employees, suppliers, customers and other stakeholders impacted by their operations.
- Have a process in place which ensures that the organisation does not engage with any sanctioned countries, persons, goods or services as designated by the UN Security Council or other sanction authorities relevant to the jurisdictions within which NAB operates.

2. Workforce Policies and Human Rights

Responsible workforce practices should be applied consistently across an organisation's operations, in keeping with applicable laws and internationally recognised standards. NAB is committed to creating and maintaining a workforce which is inclusive and represents the diversity of our customers and the communities they live in. We are committed to upholding the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, and the UN Guiding Principles on Business and Human Rights. We are committed to providing fair working arrangements and conditions of employment and provide comprehensive policies and procedures to assist our employees in managing working arrangements.

Refer to [nab.com.au](https://www.nab.com.au) for our Modern Slavery and Human Trafficking statement and our Improper Land Acquisition Policy statement.

Supplier Requirements

Suppliers to NAB must:

- Comply with all relevant local and national laws and regulations in relation to employment practices, human rights and anti-discrimination.

¹ NAB means National Australia Bank Limited and its subsidiaries.

- Comply with global labour standards specified by the International Labour Organisation's eight ILO Core Conventions.²
- Respect human rights and address any infringements or adverse impacts to human rights associated with business activities.
- Ensure that all employees are legally entitled to work and that no child, involuntary or forced labour is used, including bonded or indentured labour, involuntary prison labour, slavery or trafficking of persons.
- Provide fair pay and working conditions for employees including adequate rest periods, leave, minimum wage requirements and freedom of association and collective bargaining.
- Have written workforce management policies or systems which include diversity in recruitment, equal opportunity, pay equity, anti-discrimination and anti-harassment standards.
- Foster an inclusive workforce including differences in gender, sexual orientation, age, disability, ethnicity, marital or family status, religious or cultural background.
- Work to develop measurable action plans to improve diversity and inclusion for gender, disability and ethnicity, and report on progress.

3. Work Health and Safety

Health and safety is much more than a compliance issue. A combination of the right leadership, conviction to act and a strategic approach to employee health, safety and well-being delivers significant business benefits. The provision of a safe, healthy and secure workplace for our employees is fundamental to NAB's success and an important facet of our business operations. We have a comprehensive set of policies and procedures which are firmly embedded in our operations including hazard and risk management and consultation frameworks.

Supplier Requirements

Suppliers to NAB must:

- Comply with all relevant local and national health and safety laws and regulations.
- Have a documented health and safety policy statement.
- Have a documented system to record, monitor and manage health and safety risks and incidents. The system should be designed to manage health and safety relative to the organisation's risk profile and applicable laws and standards.

4. Environmental Management

NAB recognises that a sustainable approach to the way we do business isn't only good for the environment, but it also makes us more resilient as a company. We believe that we have an important role to play in positively influencing the long-term sustainability of the planet by reducing both the direct and indirect environmental dependencies and impacts of our operations.

Our environmental agenda focuses on three areas that we believe are most material to our business – efficient use of resources, understanding and minimising our dependency and impact on biodiversity and ecosystems; and addressing the issue of climate change.

NAB's Group Environment Policy sets out NAB's global reference point for our environmental commitments and management practices.

Supplier Requirements

Suppliers to NAB must:

- Comply with all relevant local and national laws and regulations in relation to environmental protection, management and reporting.
- Have a written environmental policy statement.
- Have an environmental management system or plan to identify, assess and reduce their environmental risks, impacts and dependencies.
- Set clear and time-bounded targets and milestones for reducing material environmental impacts (for example, those impacts related to climate change, resource scarcity, biodiversity loss and ecosystem degradation).
- Where relevant, demonstrate commitment to managing resource scarcity issues such as biodiversity, water scarcity, food security and commodity driven deforestation.

5. Risk Management

By identifying and proactively managing risks and opportunities, businesses can protect and create value for their stakeholders, including employees, shareholders, customers and the community. Risk management is integral to the success of our organisation.

NAB's risk appetite and management framework assists in identifying how various risks, including ESG risk, manifest. They also provide relevant policies, processes and tools to assist in managing and mitigating such risks within the parameters provided by NAB's Group Strategy and Risk Appetite.

Supplier Requirements

Suppliers to NAB must:

- Have a written business continuity plan detailing procedures to minimise business disruption and the associated impact to employees, communities and the environment resulting from unplanned events which threaten an organisation's normal operations.
- Have a written disaster recovery plan detailing the procedures to manage disruption to information technology systems and other goods and services resulting from a major unplanned event.
- Review and test the business continuity and disaster recovery plans at least every 12 months. The results from the testing process should be recorded; improvement opportunities identified and related implementation timeframes agreed.

² The eight ILO core conventions address the need to respect, promote and realise fundamental rights related to Non-Discrimination / Diversity (ILO convention No. 111), Equal Remuneration female/male (ILO convention No. 100), Freedom of Association, Right to Organise and Collective Bargaining (ILO convention No. 87,98), Forced Labour (ILO Convention No. 29, 105), Minimum Age/Child Labour (ILO Convention No. 138, 182).

6. Supply Chain Management

NAB recognises that as a large purchaser of goods and services, our responsibility for operating in a sustainable manner extends to the management of our supply chain. The business conduct and performance of our suppliers can have a significant impact on our sustainability performance and our reputation within the communities in which we operate. NAB's Group Supplier Sustainability Program aims to educate, influence and support our supply chain to improve their sustainability performance.

Supplier Requirements

Suppliers to NAB must:

- Adopt similar sustainability principles to actively manage ESG risks and work to have positive impacts with their own key suppliers.
- Ensure fair, safe and ethical treatment of their supply chain partners such as providing timely payment and reasonable contractual conditions.

7. Community

At NAB, we know that to become Australia and New Zealand's most respected bank we need to be more than good with money, we need to be as good with people too. We strive to be responsible, inclusive and socially innovative and believe that by focusing on the big issues facing our people, our customers and communities we can create shareholder and social value. We encourage our suppliers to actively pursue opportunities to invest in the community and believe that this will contribute to the long-term performance of an organisation. This can include:

- Strategic philanthropy – supporting not-for-profit and/or community organisations to deliver important social and environmental services
- Corporate responsibility – being a good corporate citizen and making an active contribution such as through volunteering or inclusive employment programs, or

- Shared value – finding ways to create societal value as well as financial return through new ways of doing business.

NAB does not enforce supplier requirements in relation to community investment. However, any community programs or initiatives undertaken by a supplier may be viewed favourably.

8. Supplier Diversity

Supplier diversity is one way we can help build sustainable enterprises and in turn support communities through “the power of purchasing”. NAB is incorporating indirect engagement with minority and indigenous businesses, women owned businesses, disability and social enterprises, our community partners and other not for profit businesses. Including these suppliers in our supply chain helps increase their exposure to corporate procurement while creating employment and training opportunities, sustainable growth and social and financial inclusion.

NAB does not enforce supplier requirements in relation to the diversity of their own supply chain. However, any initiatives undertaken by a supplier to promote diversity in their supply chain may be viewed favourably.

Further Information

More information can be found on NAB's sustainable supply chain management on nab.com.au

If you have further questions or would like to discuss potential sustainability opportunities, please contact your NAB Relationship Manager.

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