



NATIONAL AUSTRALIA BANK LIMITED

GROUP SUSTAINABILITY POLICY

Policy Governance Schedule

Policy Approval Date	August / 2026
Next Scheduled Review Due	Biennial, next due August 2028
Policy Owner	Jessica Forrest, Executive Sustainability
Division	Corporate Affairs
Approval Authority	Group Chief Operating Officer
Oversight Committee	Group Credit and Market Risk Committee
FAR Accountable Person	Group Chief Operating Officer
Delegations (Optional)	Approval Authority has delegated approval of out-of-cycle non-material policy changes to the Policy Owner (refer to Section 6.1.1).

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1. OVERVIEW

1.1 Purpose and Scope

- 1.1.1 The Group Sustainability Policy (Policy) supports Colleagues in implementing the Group's approach to sustainability. This Policy outlines the minimum requirements relating to management of Sustainability-related performance across the Group. This includes how we will govern and manage our sustainability performance, sustainability-related disclosures, approach to sustainability-related customer and stakeholder engagement and its impact on our strategic direction.
- 1.1.2 By managing sustainability performance across the Group, customers can have confidence that sustainability-related impacts, risks and opportunities are considered in the Group's decisions, actions and engagement with stakeholders.
- 1.1.3 This policy applies across the Group and to all Colleagues involved in the management, implementation, review and oversight of sustainability-related matters and requirements under this Policy.
- 1.1.4 Overseas Designated Group Entities may establish sustainability-related strategies, policies, procedures or controls to support the implementation of this Policy to reflect relevant local context, regulatory expectations, and legislative requirements, provided they remain consistent with the minimum requirements of this Policy. Where an overseas entity is subject to local sustainability or climate-related regulatory and legal requirements, the relevant local entity remains accountable for compliance with those obligations, including appropriate local governance, approvals and controls.

1.2 Roles and Responsibilities

- 1.2.1 The NAB Ltd Board is responsible for overseeing the Group's external environmental, social and governance commitments, including progress against those commitments and related disclosures in corporate reports.
- 1.2.2 The Executive Leadership Team Sustainability Forum is responsible for overseeing the Group's sustainability priorities and progress against the Group's broader sustainability goals and targets.
- 1.2.3 The Corporate Affairs (Sustainability) function is responsible for:
 - Developing and monitoring an overall Sustainability Policy for the Group.
 - Developing the NAB Group's Sustainability Strategy (including any related commitments, metrics and targets) and recommending it to the Group CEO and Board for approval.
 - Overseeing and coordinating the Group's sustainability-related governance and activities;
 - Advising other Business and Enabling Units, senior management and the Board in relation to execution of the Group's sustainability strategy and sustainability-related matters and activities.
 - Establishing procedures for setting and tracking metrics and targets for sustainability priorities and clearly defining responsibilities and accountabilities.
- 1.2.4 ESG Risk Management team is responsible for providing enterprise-wide oversight and expertise to help NAB identify, assess and manage sustainability-related risks, and supporting Business and Enabling Units to make informed risk decisions and meet evolving regulatory and stakeholder expectations.
- 1.2.5 Material risk owners, subsidiaries and relevant policy owners are responsible for incorporating consideration of sustainability-related risks into relevant policies, procedures, frameworks, oversight and associated training programs.
- 1.2.6 Business and Enabling Units and Designated Group Entities are responsible for:

- managing sustainability-related risks and opportunities that are within their business areas, including implementing processes and controls to ensure compliance with the requirements of this Policy, as relevant to their business operations and activities.
 - managing actions and business unit level plans to track, deliver and achieve business unit specific commitments and targets (e.g. sector decarbonisation targets) across Group sustainability priorities.
- 1.2.7 Group Finance is accountable for the reporting of external mandatory climate-related disclosures and annual reporting disclosures.
- 1.2.8 Overseas Designated Group Entities are responsible for complying with applicable local sustainability and climate-related legal and regulatory requirements. This includes establishing and maintaining appropriate local governance, processes, controls, approvals and supporting evidence. Group functions provide policy settings, coordination, guidance and oversight, but do not displace the responsibility of local management or relevant local governing bodies for compliance with applicable legal and regulatory requirements.

1.3 Related Documents

- 1.3.1 [Risk Management Strategy](#)
- 1.3.2 [Environmental, Social, and Governance Risk Principles](#)
- 1.3.3 [Group Disclosure & External Communications Policy](#)
- 1.3.4 [Group External Reporting Policy](#)
- 1.3.5 [Group Environmental Management Policy](#)
- 1.3.6 [Group Environmental Reporting & Offset Management Policy](#)
- 1.3.7 [Group Political Contact and Communications Policy](#)
- 1.3.8 [Sustainability-related Voluntary Commitments Guidance Note](#)
- 1.3.9 [Not-for-profit \(NFP\) Engagement Standard Operating Procedures](#)
- 1.3.10 [Sustainability Materiality Assessment Standard Operating Procedures](#)
- 1.3.11 [Group Human Rights Policy](#)

2. POLICY REQUIREMENTS

2.1 Policy requirements

The Group must:

- 2.1.1 Conduct an annual materiality assessment process to identify, assess and validate sustainability matters of importance to NAB's stakeholders and operating context, and inform sustainability-related activities and matters required for external disclosure.
- 2.1.2 Develop and implement a strategy that responds to Material social and environmental impacts, risks, opportunities and customer needs, as appropriate for the local context.
- 2.1.3 Where it chooses to establish targets and commitments related to the Sustainability strategy and priority areas, the Group must ensure it has a reasonable basis to set these targets and establish appropriate oversight and clear responsibilities, including, at a minimum, annual review of performance towards these targets.
- 2.1.4 Ensure regular updates are provided on the sustainability strategy and performance, sustainability-related risks and other sustainability-related matters to the Sustainability Forum and the NAB Board or relevant governance bodies for overseas entities as required by their local context.

- 2.1.5 Maintain a sustainability governance structure to oversee the delivery and review of the sustainability strategy, targets and commitments, and related activities.
- 2.1.6 Undertake regular stakeholder engagement on social and environmental-related issues, including through an internal process to manage stakeholder information.
- 2.1.7 Establish suitable controls when considering external voluntary commitments and initiatives to ensure safe establishment, progress, disclosure and review of NAB's participation. Guidance to meet this requirement is outlined within the Sustainability-related Voluntary Commitments Guidance Note.
- 2.1.8 Maintain appropriate Group-level processes and controls to support the quality, integrity, and materiality of sustainability-related external reporting across the Group, while relevant local entities remain accountable for local sustainability and climate-related reporting obligations, decisions and disclosures.
- 2.1.9 Manage all risks identified through stakeholder engagement activities in line with the Risk Management Strategy and the Environmental, Social and Governance Risk Principles.
- 2.1.10 Prior to engaging with a not-for-profit for any philanthropic activities, ensure compliance with local processes, including alignment with any due diligence, sourcing, or sponsorship guidelines as applicable.

3. POLICY EXEMPTIONS

- 3.1.1 An exemption is required where a business is unable to comply with the mandatory requirements of this Policy and immediate action cannot be taken to achieve compliance. An exemption will only be granted for a maximum period of 12 months.
- 3.1.2 Authority for approval of exemptions is held by the Policy Owner and all exemption requests must only be approved by the Policy Owner (or their nominated delegate) in GRACE and will be granted at their discretion.
- 3.1.3 Exemptions and extensions to exemptions must be formally recorded as per requirements set out in the Group Policy Governance Policy. In circumstances where the exemption is expired and the business is not compliant with policy, it is considered a breach and an Event must be raised. Refer to the [Exemptions Procedure Guide](#) for further details.

4. POLICY EXCEPTIONS

- 4.1.1 An exception is required where a Customer, Colleague or business is unable to comply with the mandatory requirements of this Policy for a defined transaction on a case-by-case basis and immediate action cannot be taken to achieve compliance.¹
- 4.1.2 Authority for approval of exceptions is held by the Policy Owner and all exceptions must be submitted to the Policy Owner (or their nominated delegate) in GRACE and will be granted at their discretion.
- 4.1.3 Exception requests must be formally recorded as per requirements set out in the Group Policy Governance Policy.

5. POLICY BREACHES

- 5.1.1 Breaches of this Policy (i.e. non-compliance that is not managed via the formal exemption or exception process) must be managed in accordance with the [Colleague Conduct Framework](#) (including the Misconduct Procedure or any superseding policy or framework) and recorded per the [Event Management Guidance Note](#) or regional equivalent.
- 5.1.2 All Policy breaches must be communicated immediately to divisional / regional Chief Risk Officer teams. Any material or systemic breach of this Policy must be communicated to the Policy Owner and appropriate remediation measures agreed and implemented.

6. POLICY CHANGES

- 6.1.1 Administrative changes and out-of-cycle non-material changes to this Policy may be approved by the Policy Owner or the Policy Manager.
- 6.1.2 All other changes to this Policy must be submitted by Policy Owner/Manager and approved by the Approval Authority.

¹ Where an exception is not transactional in nature it should be written into policy as an exclusion. If an exclusion does not already exist, the Policy Owner can raise an Exemption to capture their exclusion approval until such time as the Policy can be updated.

7. GLOSSARY

Term	Definition
Annual	Refers to the NAB financial year commencing 1 October.
Business and Enabling Units	One of the organisation units reporting to the Chief Executive Officer within which, all services of NAB are structured.
Business Leader	Business Leaders are individuals who lead the management decision-making responsibility for Divisions and the component business units and sub-units organised to deliver services internally or to customers.
Chief Risk Officer ('CRO')	CROs are responsible for providing a 'single risk view' (advice, review or challenge) within the Domains and to first line executives.
Colleagues	Permanent employees of NAB Limited and contingent (contract) staff, including employees of subsidiaries, international branches and representative offices.
Designated Group Entities	Designated Group Entities include: • BNZ in New Zealand • New York branch in the USA • NAB Europe in France • London Branch in the United Kingdom • Shared Services (nabAsia) coordinating with other nabAsia branches and representative offices • NAB Innovation Centre Vietnam • NAB Global Innovation Centre India
Control	Mechanisms to reduce the likelihood and/or impact of a risk occurring by anticipating something happening in advance or detecting something that may have already happened.
Exception	An exception is permanent relief from compliance with all or part of a policy that is transactional in nature and granted on a case-by-case basis (i.e., not for a division or region). Exception requests can only be granted prospectively (i.e., not retrospectively) and must not be granted where it would result in a breach of risk appetite (refer Risk Appetite Policy), regulatory or legislative obligations.
Exclusion	An exclusion is a relief from compliance with all or part of a policy that is not transactional in nature (e.g. for a division, region or Business Unit) and must be reflected directly in the relevant policy (i.e. under the relevant policy requirement(s)).
Executive Leadership Team Sustainability Forum	Governing body established to oversee NAB sustainability, comprising members of NAB's Executive Leadership Team.
Exemption	An exemption is a relief from compliance with all or part of a policy, for a division, subdivision or business unit, for a maximum period of 12 months. Exemption requests must only be granted prospectively (i.e., not retrospectively) and must not be granted where it would result in a breach of risk appetite (refer Risk Appetite Policy), regulatory or legislative obligations.

Term	Definition
Group	National Australia Bank Limited (NAB) and its controlled entities, including all subsidiaries, international branches and representative offices.
Material	Material social and environmental impacts, risks, opportunities for the Group, as identified through established sustainability materiality assessment process. NAB's definition of sustainability materiality considers the areas with the potential to impact enterprise value, including through influence on stakeholder decision-making and how its business activities impact the economy, environment and people.
Must	An action is an absolute requirement and any deviation from this will require a formal policy exemption or exception.
Oversight Committee	Is the relevant Executive Committee responsible for oversight of the relevant material risk and, where applicable, endorsement of the Policy to Board for approval. Note: The Committee does not endorse Policy updates unless endorsement is specifically requested, necessary to support Board approval, or deemed appropriate by the Approval Authority or Policy Owner to enable the Committee to discharge its oversight responsibilities (for example, where a policy review identifies material or systemic issues).