National Australia Bank

2024 CDP Corporate Questionnaire 2024

04/09/2025, 12:28 am

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:
☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:
☑ AUD

(1.3) Provide an overview and introduction to your organization.

(1.3.1) Type of financial institution

Select from:
☑ Bank

(1.3.2) Organization type

Select from:
☑ Publicly traded organization

(1.3.3) Description of organization

National Australia Bank Limited (NAB) and its related bodies corporate ('NAB Group', 'Group', 'our' or 'we') is a financial services company providing a comprehensive range of financial products and services. The Group's key businesses operate in Australia and NZ. We also have offices in Asia, the UK, France and the US. Our portfolio includes: Business and Private Banking, Personal Banking, Corporate and Institutional Banking, and Bank of New Zealand (also refer page 12 of NAB Group's 2023 Annual Report (AR)). A key pillar of the Group Strategy is a long-term sustainable approach which is inclusive of the Group's focus on sustainability (see pgs 13 and 17 of the 2023 AR). Key areas of focus under this strategic pillar of "What we will be known for" are: • Commercial responses to society's biggest challenges which incorporate climate action and sustainable agriculture. • Resilient and sustainable business practices which incorporate ESG risk management, reducing our operational carbon footprint and sustainable financing. • Innovating for the future which incorporates natural disaster preparedness, relief and recovery. The Group's commitment to address climate change sits within this context. Refer to pgs 21-25 of the 2023 AR for more information on our sustainability approach and pgs 37-42 for a summary of the Group's TCFD disclosures and a summary of our approach to nature-related risk management. A full set of Task Force on Climate-related Financial Disclosures (TCFD) is available in the Group's 2023 Climate Report (CR). The Group's climate change strategy is focused on maximising the climate transition's economic benefits for customers and NAB, aligned to our net zero by 2050 ambition. The Group takes a relationship-led approach that prioritises supporting customers to decarbonise and build resilience. The climate strategy aims to embed consideration of climate change into the Group's businesses and deliver a whole-of-bank response through: • Growing by supporting our customers to decarbonise and to build resilience; • Investing in climate capabilities; • Investing in climate advocacy and partnerships; • Reducing financed emissions; and • Reducing operational emissions. The strategy helps the Group to identify and respond to climate-related risks and opportunities. Our approach to executing our climate change strategy has been to learn by doing and integrate this knowledge into how we manage environmental, social and governance (ESG) risks and provide products and services to assist customers. The Group recognises that climate change is a significant challenge impacting the prosperity of our society and economy. It is a source of significant risk and opportunity as we focus on helping

customers to decarbonise and take action. The Group's assessment of climate change-related risks and opportunities has led to a range of targets and commitments covering the Group's operations and how we support customers to decarbonise. In FY20, we announced a goal to align our lending portfolio to net zero by 2050. In FY21, we joined the Net Zero Banking Alliance (NZBA). In FY22, we set our first four interim decarbonisation targets covering power generation, oil & gas, thermal coal and cement which are carbon-intensive sectors identified by the NZBA. In FY23, we set an additional three targets covering iron & steel, aluminium and transport (aviation). We plan to set further targets in FY24. BNZ, our New Zealand subsidiary, is also an NZBA signatory and has set separate targets. In FY2023, NAB provided 4.5bn in environmental finance. From 2015 to 2022, a key KPI was our environmental financing target to provide 70bn in financing by end Sept 2025. We reached a cumulative total of 70.8bn in 2022, exceeding the target three years ahead of schedule. NAB has retired the previous target. In FY23 we commenced work on the development of new environmental finance ambition for the period 1 Oct 2023 to 30 Sep 2030 which was planned for disclosure in NAB's June 2024 Supplementary Climate Disclosures (which has since been published). In FY2023, the Group progressed its understanding and management of nature-related risks and opportunities. This included a preliminary assessment of nature-related impacts and dependencies in the Group's Australian lending portfolio. Summary results of this assessment are provided in our 2023 Annual Report (AR). Sustainability Risk, which includes climate, biodiversity and other nature-related risks, is one of the Group's material risk categories, managed through our Risk Management Framework (See pgs 53-55 and 88 of the Group's 2023 AR for further information on NAB's ESG risk management). Nature-related risks are considered within the Group's ESG risk assessment processes. The Group regularly reviews and refreshes how we incorporate environmental risk into our risk management framework, policies and processes.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	06/29/2023	*Select from:* ☑ No	*Select from:* ☑ No

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

20648000000

(1.5) Provide details on your reporting boundary.

(1.5.1) Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?

Select from:
☑ No

(1.5.2) How does your reporting boundary differ to that used in your financial statement?

The Group's financial year ends on 30 September. Reference in NAB Group's CDP response document to the year ended September 2023 (FY2023) are references to the twelve months ended 30 September 2023. Customer-related data is provided in alignment to NAB's financial year unless otherwise stated. Reference in this document to the environmental reporting year are references to the twelve months ended 30 June 2023 (EY2023). NAB reports its GHG emissions data aligned to an environmental year (30 June) to align to Australian regulatory obligations under the National Greenhouse and Energy Reporting Act (Cth) and its Climate Active carbon neutral certification in Australia, which also has a 30 June year end. The Group's operational environmental measures and targets, including RE100 and the Group's science-based Scope 1 and Scope 2 (market-based) emissions reduction target, are also reported on the basis of the Group's environmental reporting year from 1 July to 30 June to align with the Group's operational emissions data. Data for NAB's 'financed emissions' baselines are also based on the environmental reporting year from 1 July to 30 June, as this aligns with customers' emissions data availability, reported in alignment with the National Greenhouse and Energy Reporting Scheme Act. The financial intensity metrics used in the Group's Streamlined Energy and Carbon Reporting are aligned to the Group's financial year 1 October to September 30. This is to ensure that the Group uses metrics which are publicly available, as much as possible, noting there is a 3-month difference in the Group's environmental reporting and financial years. In addition, Bank of New Zealand is excluded from aspects of NAB's climate reporting. BNZ is a subsidiary of NAB and operates in New Zealand. This presents specific climate-related risks and opportunities for BNZ and its customers in the transition to a low carbon economy. As such, BNZ has a separate climate strategy – refer to page 7 of NAB's FY2023 Climate Report for more information.
[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

AU0000039042

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

AU000000NAB4

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

632525408

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

NAB

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

F8SB4JFBSYQFRQEH3Z21

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ Yes

(1.6.2) Provide your unique identifier

DR Symbol: NABZY
[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☑ China
☑ India
☑ Japan
☑ France
☑ Viet Nam
☑ United Kingdom of Great Britain and Northern Ireland
☑ Australia
☑ Singapore
☑ New Zealand
☑ Hong Kong SAR, China
☑ United States of America

(1.9) What was the size of your organization based on total assets value at the end of the reporting period?

1059083000000

(1.10) Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?

Banking (Bank)

(1.10.1) Activity undertaken

Select from:

☑ Yes

(1.10.3) Reporting the portfolio value and % of revenue associated with the portfolio

Select from:

☑ Yes, the value of the portfolio based on total assets

(1.10.4) Portfolio value based on total assets

1092662000000

(1.10.6) Type of clients

Select all that apply

☑ Asset owners
☑ Retail clients
☑ Institutional investors
☑ Business and private clients (banking)
☑ Family offices / high network individuals
☑ Corporate and institutional clients (companies)
☑ Government / sovereign / quasi-government / sovereign wealth funds

(1.10.7) Industry sectors your organization lends to, invests in, and/or insures

Select all that apply

- ☑ Retail
- ☑ Apparel
- ☑ Services
- ☑ Materials
- ☑ Hospitality
- ☑ Transportation services
- ☑ Food, beverage & agriculture
- ☑ Biotech, health care & pharma
- ☑ Fossil Fuels
- ☑ Manufacturing
- ☑ Infrastructure
- ☑ Power generation
- ☑ International bodies

Investing (Asset manager)

(1.10.1) Activity undertaken

Select from:

☑ No

Investing (Asset owner)

(1.10.1) Activity undertaken

Select from:

☑ No

Insurance underwriting (Insurance company)

(1.10.1) Activity undertaken

Select from:

☑ No

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

- ☑ Upstream value chain
- ☑ Portfolio

(1.24.3) Highest supplier tier mapped

Select from:

☑ Tier 1 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:
☑ Tier 2 suppliers

(1.24.5) Portfolios covered in mapping

Select all that apply
☑ Banking (Bank)

(1.24.7) Description of mapping process and coverage

The Group has mapped 100% of its Tier 1 suppliers (excluding corporate card spend) including supplier entity name, spend value, categorisation of products/services provided and geographic location by supplier registered head office. The Tier 1 supplier mapping has been undertaken to assist with modern slavery risk analysis in the supplier value chains and provide transparency and oversight to enable annual improvements to our supplier mapping, including Tier 2 and beyond, for future reporting periods. For the current reporting period, this included an internal desktop evaluation of the supplier industries to determine which are exposed to high inherent modern slavery risk by supplier categorisation. Our FY23 Tier 1 supplier mapping also included a review of climate transition plans for 46 material suppliers, representing 50% of NAB's total supplier spend (excluding corporate card spend). NAB is currently in the process of implementing CPS230, which requires both financial and non-financial risk assessment of our material suppliers and will incorporate enhanced processes to contract, map and manage material suppliers and their reliant material service providers. This will include supplier mapping of our Tier 1 and Tier 2 material suppliers and upload into our Governance, Risk and Compliance Engine (GRACE), which is currently planned to be completed by July FY25.
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:
☑ No, and we do not plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:
☑ Not an immediate strategic priority

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

While NAB Group has explored different options to reduce, reuse or appropriately recycle or dispose of plastics in its operations (e.g. hard and soft plastic collection points in buildings, consideration of alternatives to plastic cash handling bags etc),NAB Group has not undertaken mapping of plastics in our value chain and we do not plan to within the next two years. The Group has been primarily focused on integrating consideration of climate risk and opportunity into our strategy and risk management framework, including understanding climate risk across our value chain (suppliers, operations and customers) and expanding our ESG risk assessment at a portfolio level to

undertaking nature-related heat mapping of our portfolio, to complement our ESG risk assessment at the customer or counterparty level.
[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

It corresponds to the business planning cycle, i.e. 3 years

Medium-term

(2.1.1) From (years)

3

(2.1.3) To (years)

6

(2.1.4) How this time horizon is linked to strategic and/or financial planning

It corresponds to two business planning cycles, i.e., 6 years

Long-term

(2.1.1) From (years)

6

(2.1.2) Is your long-term time horizon open ended?

Select from:
☑ No

(2.1.3) To (years)

51

(2.1.4) How this time horizon is linked to strategic and/or financial planning

This extends well past two business planning cycles and looks to the longer-term future outside immediate business planning cycles where a variety of future scenarios need to be considered and the future is less certain. We use scenarios to demonstrate how risks and opportunities could evolve over longer time horizons and for our Net Zero 2050 portfolio target setting.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply
☑ Climate change
☑ Forests
☑ Water
☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific
☑ Sub-national
☑ National

(2.2.2.12) Tools and methods used

Enterprise Risk Management
☑ Enterprise Risk Management
☑ Internal company methods

International methodologies and standards
☑ IPCC Climate Change Projections
☑ ISO 14001 Environmental Management Standard
☑ Other international methodologies and standards, please specify :GHG Protocol; National Greenhouse Gas Accounting methodologies

Databases
☑ Nation-specific databases, tools, or standards
☑ Regional government databases

Other
☑ Scenario analysis
☑ Other, please specify :**Assessment of transition plans of suppliers representing top 50% of supplier spend.**
☑ Desk-based research
☑ External consultants
☑ Materiality assessment
☑ Internal company methods

(2.2.2.13) Risk types and criteria considered

Acute physical
☑ Drought
☑ Heavy precipitation (rain, hail, snow/ice)
☑ Wildfires
☑ Flood (coastal, fluvial, pluvial, ground water)
☑ Heat waves
☑ Pollution incident
☑ Cyclones, hurricanes, typhoons

Chronic physical
☑ Heat stress
☑ Changing temperature (air, freshwater, marine water)
☑ Changing wind patterns
☑ Changing precipitation patterns and types (rain, hail, snow/ice)
☑ Declining ecosystem services
☑ Increased ecosystem vulnerability
☑ Increased severity of extreme weather events

Policy
☑ Carbon pricing mechanisms
☑ Changes to international law and bilateral agreements
☑ Changes to national legislation
☑ Regulation of discharge quality/volumes

Market
☑ Availability and/or increased cost of certified sustainable material
☑ Changing customer behavior

Reputation
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
☑ Stigmatization of sector

Technology
☑ Data access/availability or monitoring systems
☑ Transition to lower emissions technology and products
☑ Transition to water efficient and low water intensity technologies and products

Liability
☑ Exposure to litigation
☑ Moratoria and voluntary agreement
☑ Non-compliance with regulations
☑ Regulation and supervision of environmental risk in the financial sector

(2.2.2.14) Partners and stakeholders considered

Select all that apply
☑ Customers
☑ Employees
☑ Suppliers
☑ Regulators
☑ Local communities
☑ Indigenous peoples

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:
☑ No

(2.2.2.16) Further details of process

NAB uses a mix of qualitative and quantitative NAB uses a mix of qualitative and quantitative measures - including financial - to manage risk, including climate, nature and other ESG-related risk. These measures consider risk likelihood and consequence. The Group's Operational Risk Profiling Standard Operating Procedures provide this information in the form of likelihood and consequence matrices to enable colleagues to assess significance of

financial and strategic impacts on the Group, including those arising from climate change. For example, the consequence of a risk or incident may be defined as substantive/major due to the number of customers or proportion of operations impacted, or due to the size and length of time that the impact occurs. The Group considers climate, nature and other ESG-related risks, impacts and opportunities on a short, medium, and long-term basis based on environmental scanning and scenario analysis in accordance with the Group's RMF. A financial or strategic impact arising from climate-related risks would be deemed substantive/major in accordance with the Group's RMF, internal policies and operating procedures if the financial impact was at least 20 million or the risk had non-financial impacts that may include: substantial impact to customers' health, safety or livelihood, considerable effort to fix the issue, colleague physical or emotional impacts leading to significant harm for an extended period, or regulatory impacts leading to imposed conditions, investigations or enforced undertakings. Reputation risk may also be considered substantive following a severe or catastrophic impact on the bank's reputation leading to widespread negative opinion where significant effort is needed to regain trust.
[Add row]

(2.2.4) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities?

	Process in place covering this portfolio	Dependencies and/or impacts related to this portfolio evaluated in this process
Banking (Bank)	*Select from:* ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.5) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?

	Process in place covering this portfolio	Risks and/or opportunities related to this portfolio are evaluated in this process	Is this process informed by the dependencies and/or impacts process?
Banking (Bank)	*Select from:* ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.6) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities related to your portfolio activities.

Banking (Bank)

(2.2.6.1) Environmental issue

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Biodiversity

(2.2.6.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.6.3) % of portfolio covered by the assessment process in relation to total portfolio value

100

(2.2.6.4) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.6.5) Industry sectors covered by the assessment

Select all that apply

☑ Retail

☑ Apparel

☑ Services

☑ Materials

☑ Hospitality

☑ Food, beverage & agriculture

☑ Biotech, health care & pharma

☑ Fossil Fuels

☑ Manufacturing

☑ Infrastructure

☑ Power generation

☑ Transportation services

(2.2.6.6) Frequency of assessment

Select from:

☑ Annually

(2.2.6.7) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.6.8) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk assessment process

(2.2.6.9) Location-specificity used

Select all that apply

☑ Site-specific

☑ Sub-national

☑ National

(2.2.6.10) Tools and methods used

Select all that apply

☑ ENCORE

☑ Risk models

☑ Stress tests

☑ Scenario analysis

☑ External consultants

☑ Internal tools/methods

☑ CDP Disclosure Framework

☑ Portfolio temperature alignment

☑ UNEP FI Portfolio Impact Analysis Tool for Banks

☑ Other, please specify :

Portfolio Heat Mapping; Partnership for Carbon Accounting Financials (PCAF)

(2.2.6.11) Risk type and criteria considered

Acute physical

☑ Drought

☑ Wildfires

☑ Heat waves

☑ Toxic spills

☑ Cold wave/frost

☑ Pollution incident

☑ Cyclones, hurricanes, typhoons

☑ Heavy precipitation (rain, hail, snow/ice)

☑ Flood (coastal, fluvial, pluvial, ground water)

☑ Storm (including blizzards, dust, and sandstorms)

Chronic physical

☑ Heat stress

☑ Water stress

☑ Sea level rise

☑ Soil degradation

☑ Change in land-use

☑ Declining ecosystem services

☑ Precipitation or hydrological variability

☑ Ocean acidification

☑ Groundwater depletion

☑ Changing wind patterns

☑ Declining water quality

☑ Temperature variability

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

☑ Increased severity of extreme weather events
☑ Seasonal supply variability/interannual variability
☑ Changing temperature (air, freshwater, marine water)

Policy

☑ Carbon pricing mechanisms
☑ Increased difficulty in obtaining water withdrawals permit
☑ Changes to national legislation
☑ Statutory water withdrawal limits/changes to water allocation
☑ Regulation of discharge quality/volumes
☑ Uncertainty and/or conflicts involving land tenure rights and water rights
☑ Increased difficulty in obtaining operations permits
☑ Introduction of regulatory standards for previously unregulated contaminants
☑ Changes to international law and bilateral agreements

Market

☑ Changing customer behavior
☑ Uncertainty in the market signals
☑ Uncertainty about commodity origin and/or legality
☑ Availability and/or increased cost of recycled or renewable content
☑ Availability and/or increased cost of certified sustainable material
☑ Rise in risk-based pricing of insurance policies (beyond demand elasticity)
☑ Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit
☑ Loss of clients due to a fund's poor environmental performance outcomes (e.g. if a fund has suffered climate-related write-downs)

Reputation

☑ Impact on human health
☑ Stigmatization of sector
☑ Lending that could create or contribute to systemic risk for the economy
☑ Investing that could create or contribute to systemic risk for the economy
☑ Stakeholder conflicts concerning water resources at a basin/catchment level
☑ Exclusion of vulnerable and marginalized stakeholders (e.g., informal workers)
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

Technology

☑ Transition to increasing recycled content
☑ Transition to water intensive, low carbon energy sources
☑ Transition to increasing renewable content
☑ Transition to water efficient and low water intensity technologies and products
☑ Unsuccessful investment in new technologies
☑ Data access/availability or monitoring systems
☑ Transition to lower emissions technology and products

Liability

☑ Exposure to litigation

☑ Moratoria and voluntary agreement

☑ Non-compliance with regulations

☑ Regulation and supervision of environmental risk in the financial sector

(2.2.6.12) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ Local communities

(2.2.6.13) Further details of process

The Group considers exposure to risk, including ESG risk at a lending portfolio and individual customer level. Key stages in NAB's credit risk assessment and due diligence process where ESG risk, including environmental risk, is considered: 1) Origination and internal review –NAB Business Banking and Corporate & Institutional Banking Divisions undertake negative media screening on customers at origination, using a risk-based approach where required by policy. If potential ESG risk issues are identified during screening, or bankers note a customer's involvement in high-risk sectors or activities, then customers are subject to more detailed ESG risk assessment and due diligence in accordance with exposure-related trigger thresholds. 2) Evaluation – Detailed credit risk assessment and due diligence is conducted, which includes assessment and identification of material risk issues, incorporating ESG risks. ESG-related checklists and guidance notes on a range of topics and Sensitive Sectors help guide this activity. This may include assessing a potential customer's background, character, ESG-related performance, and the countries in which they operate. Where lending is project related, the Equator Principles may apply. 3) Approval – Lending approval is given where risk (including ESG risk where appropriate) has been assessed and appropriate mitigation considered. Where there is high ESG or reputational risk, matters are escalated to the relevant divisional and/or executive forums or committees, Board Risk & Compliance Committee and/or Board as appropriate. 4) Documentation and settlement – During documentation and settlement, the customer may be subject to conditions and/or covenants to address legal obligations, any voluntary compliance obligations (for example, the Equator Principles), and/or to monitor and manage specified ESG risks against agreed performance measures including ESG KPIs. 5)Customer engagement and monitoring – Ongoing customer relationship management includes engagement with customers to discuss their ESG-related performance. This engagement helps us to assess customer's ESG performance and to better understand their ESG goals and objectives so we can support them with appropriate products and services and manage ESG and reputation risk. It also includes regular review of the customer's compliance with any agreed conditions and covenants with ESG-related requirements. Non-compliance may result in termination of the relationship.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

Customers' environmental impacts and dependencies (e.g. water use) are considered as part of the Group's ESG risk assessment which is integrated into the Group's customer credit risk assessment and due diligence process. For example, the impact of climate change on water availability and the impact of pollution on water quality. These are important because availability of water of appropriate quality is a key dependency for agriculture. Additionally, during FY23, NAB undertook a preliminary assessment of nature-related impacts and dependencies within its Australian lending portfolio. The analysis identified that the most material customer-related impacts on nature are associated with the agriculture, construction, manufacturing, mining, energy and utilities industries, and transport and storage. The highest impacts on nature across the portfolio relate to land and water use, GHG emissions and waste production. The industries that were found to have the most material dependencies on nature were: agriculture, fishing, forestry, energy and utilities. The preliminary analysis identified that the key dependencies customers have on nature-related matters are: climate regulation, fibres and other materials, flood and storm protection, access to ground and surface water. The assessment draws on the global Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE) tool developed by the UNEP World Conservation and Monitoring Centre. A number of adjustments were required to better reflect the Australian and NAB context. Owing to these adjustments, NAB is continuing to refine this assessment in FY2024. The Group disclosed a high-level version of the portfolio heat mapping outcomes in its FY2023 Annual Report.
[Fixed row]

(2.2.8) Does your organization consider environmental information about your clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process?

	We consider environmental information
Banking (Bank)	*Select from:* ☑ Yes

[Fixed row]

(2.2.9) Indicate the environmental information your organization considers about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, and how this influences decision-making.

Banking (Bank)

(2.2.9.1) Environmental issues covered

Select all that apply
☑ Climate change
☑ Forests
☑ Water

(2.2.9.2) Type of environmental information considered

Select all that apply

☑ CDP scores
☑ Emissions data
☑ TCFD disclosures
☑ TNFD disclosures
☑ Energy usage data
☑ Certification of commodities
☑ Science-Based Net-Zero Targets
☑ Water discharge treatment data
☑ Scope and content of water policy
☑ Scope and content of forests policy
☑ Origin of commodities
☑ Climate transition plans
☑ CDP questionnaire response
☑ Emissions reduction targets
☑ Traceability of commodities
☑ Breaches to local water regulations
☑ Water withdrawn from water stressed areas
☑ Water withdrawal and/or consumption volumes
☑ Engagement with their value chain on environmental issues
☑ Commitment to eliminate deforestation and conversion of other natural ecosystems
☑ Other, please specify :Impacts on biodiversity; biodiversity baseline studies (where appropriate); rehabilitation requirements and progress; pollution and contamination; land clearing activities; environmental approvals.

(2.2.9.3) Process through which information is obtained

Select all that apply

☑ Directly from the client/investee
☑ From an intermediary or business partner
☑ Data provider
☑ Public data sources
☑ Other, please specify :Client/customers' public disclosures including annual reports, climate reports, sustainability reports, transition plans etc (these are separate from the direct route which are usually confidential); submissions made by clients/customers to regulator

(2.2.9.4) Industry sectors covered by due diligence and/or risk assessment process

Select all that apply

☑ Apparel
☑ Services
☑ Materials
☑ Fossil Fuels
☑ Manufacturing
☑ Infrastructure
☑ Power generation
☑ Transportation services
☑ Food, beverage & agriculture
☑ Biotech, health care & pharma

(2.2.9.5) % of portfolio covered by the process in relation to total portfolio value

100

(2.2.9.6) Total portfolio value covered by the process

1092662000000
[Add row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify :Losses ($m); Regulatory impact; impact on employees; Bank reputational impact

(2.4.3) Change to indicator

Select from:

☑ Absolute decrease

(2.4.5) Absolute increase/ decrease figure

20

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

☑ Other, please specify :Million dollars of loss ($20m is defined as a substantive impact in our Operational Risk Profiling Standard Operating Procedures.)

(2.4.7) Application of definition

NAB uses a mix of qualitative and quantitative (including financial) measures to manage risk, including climate, nature and other ESG-related risk. These measures consider the risk likelihood and consequence. Our Operational Risk Profiling Standard Operating Procedures provide this information in the form of likelihood and consequence matrices to enable our people to assess significance of financial and strategic impacts on our business, including those arising from climate change. For example, the consequence of a risk or incident may be defined as substantive/ major due to the number of customers or proportion of operations impacted, or due to the size and length of time that the impact occurs. We regularly monitor risks, including climate-related risks, to detect if these risks are changing over time. A financial or strategic impact arising from climate-related risks would be deemed substantive/major in accordance with NAB's risk management framework, internal policies and operating procedures if the financial impact was at least 20m or the risk had non-financial impacts that may include: substantial impact to customers' health, safety or livelihood, considerable effort to fix the issue, colleague physical or emotional impacts leading to significant harm for an extended period, or regulatory impacts leading to imposed conditions, investigations or enforced undertakings. Reputation risk may also be considered substantive following a severe or catastrophic impact on the bank's reputation leading to widespread negative opinion where significant effort is needed to regain trust.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify :Revenue protection; Revenue increase; Credit Risk reduction; Strategic customer increase/protection.

(2.4.3) Change to indicator

Select from:

☑ Absolute increase

(2.4.5) Absolute increase/ decrease figure

20

(2.4.6) Metrics considered in definition

Select all that apply

☑ Frequency of effect occurring

☑ Time horizon over which the effect occurs

☑ Likelihood of effect occurring

☑ Other, please specify :A combination of frequency, time horizon and likelihood are used to define the benefits in opportunity assessments.

(2.4.7) Application of definition

New products or services are considered in the context of their contribution to NAB's Climate Strategy, specifically linked to the priority of 'Grow by supporting our customers to decarbonise and build resilience'. These opportunities are assessed using a mixture of qualitative and quantitative criteria, including elements of frequency (e.g. how many products/customers impacted), time periods (short, medium and longer term up to a product whole-of-life timeframe) and likelihood (using relevant low to high sensitivity analysis of benefits). A standard matrix with specific weightings is not used as each opportunity has a mixture of qualitative and quantitative benefits to consider. For example, benefits may include projected revenue protection, reduction in credit risk defaults, revenue increase, and improved customer sentiment or colleague engagement. Noting that a combination of qualitative and quantitative benefits are assessed, a minimum quantitative benefit of 20m has been estimated as being a typical minimum opportunity. The metrics and their thresholds that combine to form a business case for an opportunity may change, particularly when a business case for a new product is developed and reviewed.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both within our direct operations or upstream value chain, and within our portfolio

Forests

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both within our direct operations or upstream value chain, and within our portfolio

Water

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both within our direct operations or upstream value chain, and within our portfolio

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Not an immediate strategic priority

(3.1.3) Please explain

Our current priority is to implement and operationalise NZBA decarbonisation targets and to complete the review of our initial nature-related portfolio materiality assessment. We will turn our focus to the issue of plastics in due course.

[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

☑ Cyclone, hurricane, typhoon

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Operational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ China
☑ India
☑ Japan
☑ France
☑ Viet Nam
☑ Australia
☑ Singapore
☑ New Zealand
☑ United States of America
☑ United Kingdom of Great Britain and Northern Ireland

(3.1.1.9) Organization-specific description of risk

NAB is a bank that operates in a number of geographies which have all experienced extreme weather events over recent years (e.g. Australia, Asia, US, UK and NZ). Increased severity and number of extreme weather events (including extreme floods, cyclones/ typhoons, droughts and snow) can cause damage to NAB's premises, infrastructure and property with resultant costs to refit and repair them. Predictions are for increased frequency and severity of these type of extreme weather events as a result of climate change, which may mean increased number and/or scale of damage events to NAB property located in higher risk locations (for example Australian locations at higher risk of cyclone and flood events such as coastal and riverine locations in Queensland, NSW and North West Australia).

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:
☑ 100%

(3.1.1.11) Primary financial effect of the risk

Select from:
☑ Other, please specify :Damage to infrastructure, property with resultant costs to refit and repair them

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply
☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:
☑ Very likely

(3.1.1.14) Magnitude

Select from:
☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

This risk can affect the Operating expenses line item of financial report (see page 160 of the NAB Annual Report, at https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2023-annual-report.pdf).

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

0

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

6100000

(3.1.1.25) Explanation of financial effect figure

The potential maximum financial impact is estimated at 6.1m based on combined insurance claims for property damage associated with the Nov 2010-Jan 2011 Queensland floods (3.7m) and February- April 2022 Lismore/Toombul flood events (2.4m) – the most significant natural disasters NAB has experienced in recent times. NAB's costs vary depending on the nature and extent of the disaster. Repair/fit-out, management and make *good costs per non-material incidents are usually less than 10k per event, while material incidents can cost in the range of 1m-1.3m based on the most recent significant flood incidents (FY22) impacting NAB. Multiple incidents can be experienced in a year, for example in FY23, 11 storm events caused branch or commercial office outages but none resulted in damage repair or site closure costs. While much of the repair cost is landlord funded (where properties are leased), branch fit-outs are paid for by NAB – with some cost potentially recoverable through insurance. Minimum financial impact is therefore given as 0 for FY23 based on no weather related costs in FY23. While these costs are not material to NAB's overall business, operational closures can have a significant impact on customers.*

(3.1.1.26) Primary response to risk

Infrastructure, technology and spending

☑ Other infrastructure, technology and spending, please specify :NAB's management method to address extreme weather events is part of NAB's business continuity and crisis management processes and premises selection process.Business continuity and cost of alternative channels is a standard business practice at NAB.

(3.1.1.27) Cost of response to risk

525000

(3.1.1.28) Explanation of cost calculation

Business continuity processes and cost of alternative channels is standard business practice and not a separate climate risk related cost. Consideration of current and future risks and scenarios and enhancing processes to minimise property damage and continue operations, as well as managing events that occur, are considered part of our business-as-usual risk and crisis/business continuity process. As this is the role of our risk teams and crisis management staff we have not included these staff costs. The cost of management to maintain operations (including diesel and additional security for 'bank in a box' deployment) varies depending on factors such as the extent of damage, length of staff and equipment deployment and security requirements, but is typically between 125-525k. This includes between 100k-500k for the bank in a box and 25k incident management costs. 'Bank in a box' was not deployed for any climate-related events in FY2023 but estimated costs remain current at 525k.

(3.1.1.29) Description of response

NAB's management method to address extreme weather events is part of NAB's business continuity and crisis management processes and premises selection process. NAB has: (i) developed internal business continuity processes and guidance for staff in relation to extreme events e.g. flood, bushfire and cyclones; and (ii) consideration of site risk for extreme events or natural disasters in new premises selection. NAB's risk is further reduced through insurance coverage. NAB Incident response teams manage any response required to such events. In addition, when a branch is closed due to extreme weather or damage, customers can utilise alternative pre-existing banking channels such as internet banking, Bank@Post, or can attend a nearby branch, where available.

Forests

(3.1.1.1) Risk identifier

Select from:

☑ Risk4

(3.1.1.2) Commodity

Select all that apply

☑ Other, please specify :Agribusiness

(3.1.1.3) Risk types and primary environmental risk driver

Reputation

☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Reputational risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Australia

☑ New Zealand

(3.1.1.9) Organization-specific description of risk

NAB is a bank with a large agricultural customer base in Australia and New Zealand. Our exposure includes to property that is subject to state-based land-clearing laws or related emissions requirements from operations that may impact forests, if a breach event occurs. NAB can be reputationally impacted where customers are found to be in breach of applicable laws and regulations, or where activist or other groups advocate that NAB financing is questionable in cases where laws are considered insufficient.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Unlikely

(3.1.1.14) Magnitude

Select from:

☑ Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The effect has not been quantified financially. Impact will be a negative reputational impact arising from customers breaching forest-related laws. Reputational impact is assessed using an internal qualitative rating methodology that considers impacts as they relate to the investment community, media and general public.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Greater due diligence

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

Internal staff costs associated with assessing and managing current and future reputational and credit-related risks as they pertain for forest-related risks are part of business-as-usual activities and not separately costed.

(3.1.1.29) Description of response

Internal staff assess negative reputational impacts from customers potentially or actually breaching forest-related laws as part of the regular ESG risk assessment conducted during credit risk assessment and due diligence processes. NAB uses a mix of qualitative and quantitative measures to manage risk, including forest-related ESG risk. These measures consider risk likelihood and consequence. The Group's Operational Risk Profiling Guidance Note provides this information in the form of likelihood and consequence matrices to enable colleagues to assess significance of financial and non-financial impacts on the Group, including those arising from forest related ESG risks. A financial or strategic impact arising from climate-related risks would be deemed substantive/major in accordance with the Group's RMF, internal policies and operating procedures if the financial impact was at least 20 million or the risk had non-financial impacts that may include: substantial impact to customers' health, safety or livelihood, considerable effort to fix the issue, colleague physical or emotional impacts leading to significant harm for an extended period, or regulatory impacts leading to imposed conditions, investigations or enforced undertakings. Reputation risk may also be considered substantive following a severe or catastrophic impact on the bank's reputation leading to widespread negative opinion where significant effort is needed to regain trust. NAB's *response to this risk contributes to our priority Sustainable Development Goals of #13 Climate action and #15 Life on land.*

Water

(3.1.1.1) Risk identifier

Select from:
☑ Risk5

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical
☑ Flooding (coastal, fluvial, pluvial, groundwater)

(3.1.1.4) Value chain stage where the risk occurs

Select from:
☑ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply
☑ Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply
☑ Australia
☑ New Zealand

(3.1.1.7) River basin where the risk occurs

Select all that apply
☑ Other, please specify **:**River basins prone to extreme weather events across Australia & New Zealand.

(3.1.1.9) Organization-specific description of risk

Australia and NZ have been subject to drought conditions and severe floods, particularly in Eastern Australia over the past three years including in 2023. NZ also experienced a severe and damaging tropical cyclone in February 2023. Extreme weather events are expected to increase globally and locally in frequency and severity, which may have adverse macroeconomic impacts. The impact of extreme weather events can take time to be fully realised and be widespread, extending beyond residents, businesses, and primary producers in highly impacted areas, to supply chains in other cities and towns relying on agricultural and other products from within these areas. The impact of these losses on the Group may be exacerbated by a decline in the value and liquidity of assets held as collateral and the extent to which these assets are insured or insurable, which may impact the Group's ability to recover its funds when loans default. The 2023 Climate Report (particularly pgs 26 – 28) describes the climate-related scenario analysis that NAB has undertaken to assess the climate vulnerability of its lending portfolio. Portfolio level climate stress testing was undertaken to segment the portfolio by relative risk levels and estimate *financial impacts in terms of future losses. Physical risk modelling covered a range of perils (e.g. flood, drought, heat, fire, rainfall).*

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

This risk can eventuate through increased credit defaults that impact the "Net interest income" line item of financial report (see page 160 of the NAB Annual Report at https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2023-annual-report.pdf).

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

0

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

557000

(3.1.1.25) Explanation of financial effect figure

The main financial impact to NAB as a bank is an increase in customer hardship related concerns, any financial assistance measures provided and defaults. Material costs are reported in our financial reporting e.g. in FY20 results, collective provision forward looking adjustments of 89m were made to address the impact of extreme weather conditions on our Agri customers due to Australian drought considerations. For FY22, provision was made of 14m to account for the potential impacts of floods in Lismore. For FY23 no provisions were required. When natural disasters (including bushfires and floods) hit, NAB provides support to customers and communities. In FY23, NAB's Ready Together program supported customers impacted by natural disasters with 557,000 in cash grants during the year. Refer to page 26 of the NAB Annual Report at https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2023-annual-report.pdf). Total impact is therefore estimated as 0.557m (financial assistance of 0.557m and zero provision for FY23).

(3.1.1.26) Primary response to risk

Engagement

☑ Other engagement, please specify **:**(i) Assess industry sectors to understand customer vulnerability; (ii) assist customers to manage, adapt and improve resilience; (iii) provide natural disaster assistance.

(3.1.1.27) Cost of response to risk

8200000

(3.1.1.28) Explanation of cost calculation

As a bank, considering current and future risks, reassessing credit risk and assisting customers in times of hardship (including natural disasters) is part of business-as-usual risk and relationship management. External costs in FY23 were separately costed at approximately 8.2m, this total being made up of climate skills training costs, memberships (e.g. Green Building Council of Australia) and climate modelling (e.g. for HomeID and FarmID projects).

(3.1.1.29) Description of response

NAB uses a number of methods to reduce likelihood and magnitude of these risks negatively impacting credit risk. NAB (i) assesses industry sectors to understand customer vulnerability with increasing focus on climate impact on natural capital (NAB is a large agribusiness bank); (ii) assists customers to manage, adapt and improve resilience to physical climate risks (e.g. providing finance to support sustainable farming practices); and (iii) NAB's Natural Disaster Relief package is available to customers facing hardship due to natural disasters. As a bank, considering current and future risks, reassessing credit risk and assisting customers in times of hardship (including natural disasters) is part of business-as-usual risk and relationship management. Consideration of climate risk is part of this process and not separately costed. However, NAB incurred external costs for climate training, memberships and climate modelling to assess future risk for our customer portfolio. External costs in 2023 were separately costed and are included in the Cost of response field. NAB's response to this risk contributes to our priority Sustainable Development Goals of #13 Climate action and #15 Life on land.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

☑ Changing precipitation patterns and types (rain, hail, snow/ice)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Australia

☑ New Zealand

(3.1.1.9) Organization-specific description of risk

NAB is a bank with a large agricultural customer base and market share among lenders to the Australian and New Zealand agricultural sectors, with around 6% of Group Exposure at Default (EAD) relating to Agribusiness in FY23. Changes in precipitation patterns and extreme variability in weather patterns (including floods and droughts, associated wildfires, and induced changes in natural resources) can significantly impact NAB's agricultural customers due to reduced yields or loss of crops and livestock. These climate impacts have the potential to cause significant financial loss and hardship for NAB customers. In the short term this can result in liquidity stress or cash flow issues and in the longer-term increased business failures. This is reflected in increased customer need for short term credit/cash flow management arrangements, as well as increased credit risk and potential bad debts for NAB when changing precipitation/drought or flooding occurs. Flood and drought cycles are a natural part of the climate – particularly in Australia – and therefore are considered by our customers in managing their businesses. However, history shows that sustained drought periods or more extreme flood events (as appears likely in many areas in Australia based on publicly reported climate modelling) have the potential to lead to significantly higher hardship and default rates than current levels. Sectors such as mining and resources can be negatively impacted due to loss of infrastructure.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:

☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Increased credit risk

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Very likely

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

This risk can eventuate through increased credit defaults that impact the "Net interest income" line item of financial report (see page 160 of the NAB Annual Report at https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2023-annual-report.pdf).

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

0

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

20000000

(3.1.1.25) Explanation of financial effect figure

The main financial impact to NAB as a bank is an increase in customer hardship related concerns, any financial assistance measures provided and defaults. NAB may use a collective provision forward looking adjustment in its financial reporting to reflect material costs associated with acute physical risk conditions. e.g. in FY20 results, collective provision forward looking adjustments of 89m were made to address the impact of extreme weather conditions on our Agri customers due to Australian drought considerations. For FY22, provision was made of 14m to account for the potential impacts of floods in Lismore. For FY23 no provisions were required. In addition, financial assistance to customers is made available – this includes grants, and donations. Other customer financial relief measures such as loan or payment deferral and waiving and/or refunding of fees and charges may be provided. Refer to https://www.nab.com.au/about-us/social-impact/customers/natural-disaster-and-crisis-support for details of recent relief packages and donations. This assistance is typically less than 20m annually for large scale natural disasters based on individual events since 2011. Total impact is therefore estimated as 20m and zero provision for FY23).

(3.1.1.26) Primary response to risk

Diversification

☑ Improve emergency response systems in sourcing regions

(3.1.1.27) Cost of response to risk

8200000

(3.1.1.28) Explanation of cost calculation

As a bank, considering current and future risks, reassessing credit risk and assisting customers in times of hardship (including natural disasters) is part of business-as-usual risk and relationship management. External costs in FY23 were separately costed at approximately 8.2m, this total being made up of climate skills training costs, memberships (e.g. Green Building Council of Australia) and climate modelling (e.g. for HomeID and FarmID projects).

(3.1.1.29) Description of response

NAB uses a number of methods to reduce likelihood and magnitude of these risks negatively impacting credit risk. NAB (i) assesses industry sectors and customers to understand vulnerability to climate risk, including consideration of in some circumstances of how climate may impact on natural capital. This is incorporated into ESG risk assessment, which is conducted as part of the credit risk and due diligence process; (ii) assists customers to manage, adapt and improve resilience to physical climate risks (e.g. providing finance to support sustainable farming practices); and (iii) NAB's Natural Disaster Relief package is available to customers facing hardship due to natural disasters. External costs in FY23 were separately costed and are included in the 'Cost of response field'. NAB's response to this risk contributes to our priority Sustainable Development Goals of #13 Climate action and #15 Life on land.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Technology

☑ Transition to increasing renewable content

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Banking (Bank) portfolio

(3.1.1.5) Risk type mapped to traditional financial services industry risk classification

Select all that apply

☑ Credit risk

(3.1.1.6) Country/area where the risk occurs

Select all that apply
☑ Australia
☑ New Zealand

(3.1.1.9) Organization-specific description of risk

As a large Australian bank, NAB provides finance to customers in a number of industry sectors which may be impacted as the economy transitions to renewables and lower emission technology options. Two sectors with significant transition risk (due to an increasing amount of renewables being used for power generation) are: (1) fossil fuel-related power generation and (2) fossil fuel-related resources extraction. As at 30 Sept 2023, net NAB's Exposure at Default (EAD) for these sectors was around 4.77bn (max exposure)– excluding metallurgical coal. Customers in the power generation and resources sectors may be affected due to the declining cost of renewable energy compared to energy generated from fossil fuels. Should affected customers fail to manage transition risk, they may face reduced demand for their products and services, declining asset values, increased costs associated with meeting regulatory requirements in relation to emissions, and increased risk of stranded assets. This is a credit risk for NAB should these customers be unable to meet their credit obligations or default, where these obligations are secured by collateral which is devalued or 'stranded' as the value of the security will not cover the cost of the finance provided.

(3.1.1.10) % of portfolio value vulnerable to this risk

Select from:
☑ 1-10%

(3.1.1.11) Primary financial effect of the risk

Select from:
☑ Decreased revenues due to reduced demand for products and services

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply
☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:
☑ Likely

(3.1.1.14) Magnitude

Select from:
☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

This risk can eventuate through increased credit defaults that impact the "Net interest income" line item of financial report (see page 160 of the NAB Annual Report at https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2023-annual-report.pdf).

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ Yes

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

240000000

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

4770000000

(3.1.1.25) Explanation of financial effect figure

As a bank, NAB provides finance to a range of customers in sectors which have high emissions and need to address transition risk to ensure their business models remain sustainable and that they can meet their credit obligations. Two sectors with significant transition risk (due to an increasing amount of renewables being used for power generation), are: (1) fossil fuel-related power generation and (2) fossil fuel-related resources extraction (excl. metallurgical coal). As at 30 Sept 2023, net Exposure at Default (EAD) for these sectors was around 4.77bn (max exposure), made up of: 1.97bn EAD for fossil fuel-related power generation and 2.8bn of resources EAD related to oil & gas extraction and thermal coal mining (thermal coal mining exposure is 240m – which has been used as the min. exposure). NAB has published its ESG-related appetite and policy settings for for power generation, thermal coal, and oil and gas.

(3.1.1.26) Primary response to risk

Policies and plans
☑ More ambitious environmental commitments and policies

(3.1.1.27) Cost of response to risk

8200000

(3.1.1.28) Explanation of cost calculation

As a bank, considering current and future risks, reassessing credit risk and assisting customers in times of hardship is part of business-as-usual risk and relationship management. External costs in 2023 were separately costed at approximately 8.2m, this total being made up of climate skills training costs, memberships (e.g. Green Building Council of Australia), sector decarbonisation pathway consultancy advice and legal costs.

(3.1.1.29) Description of response

NAB uses multiple methods to reduce likelihood and magnitude of transition risks negatively impacting credit risk. We monitor our lending portfolio exposure to industry sectors and assess the risk appetite required to manage our exposure. Annual reviews are conducted of NAB's risk appetite for carbon intensive, low carbon and climate sensitive sectors facing higher future risk of physical and transition risk. This includes resources (e.g. coal mining, oil and gas), agriculture, utilities (e.g. water and power generation), transport, energy intensive manufacturing and property. NAB has also announced the intention to require a Customer Transition Plan to be in place from 1 October 2025 for new or renewed corporate lending or project-level lending for Corporate and Institutional Banking customers in the following sectors: power generation (where at time of lending, 25% or more of the electricity generated by the customer is from thermal coal), oil and gas, and metallurgical coal. In addition, NAB

has now published seven interim 2030 decarbonisation targets for carbon-intensive sectors identified by the Net Zero Banking Alliance (of which NAB is a member). These targets include thermal coal, oil & gas, and power generation. NAB's response to this risk contributes to our priority Sustainable Development Goals of #13 Climate action and #7 Affordable and clean energy.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:
☑ OPEX

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

6100000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.7) Explanation of financial figures

This row relates to the Climate Change Risk 1 related to Physical impacts on Direct Operations. Maximum estimated financial impact of 6.1m across the building portfolio as a proportion of total Opex for the year of 9,382m (see Operating expenses line item of financial report (see page 160 of the NAB Annual Report, at https://www.nab.com.au/content/dam/nab/documents/reports/corporate/2023-annual-report.pdf) gives a less than 1% estimate of Opex vulnerable to this risk. An assumption for this estimate is that impacts to direct operations are as a result of physical risks (weather events) only, not transition risks.

Forests

(3.1.2.1) Financial metric

Select from:

☑ Other, please specify :Exposure at Default

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

61000000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ 1-10%

(3.1.2.7) Explanation of financial figures

This row relates to the Forests Risk 4 i.e. ESG-related reputational risk from agri customers that NAB finances. Maximum sector exposure of 61bn Exposure at Default (EAD) is subject to this risk, as a proportion of Group EAD of 1,092bn (see NAB 2023 Pillar 3 report Table 5.1A EAD Total) which gives a 6% estimate of total EAD vulnerable to this risk. 61bn Agri EAD is reported in NAB's 2023 Full Year Results Investor Presentation. Assumptions for this estimate: Inherent risk is being considered for this vulnerability assessment. While reputational risk does not conveniently fit into either transition or physical risk categories, it has been assigned to the physical risk category as the reputational risk is most likely to arise from a physical-type event e.g. illegal land clearing. Agri and mining customers are the most significantly impacted by this risk, while other customer groups or sectors that may be affected have yet to be fully assessed.

Water

(3.1.2.1) Financial metric

Select from:

☑ Other, please specify :Exposure at default

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

68490000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:
☑ 1-10%

(3.1.2.7) Explanation of financial figures

This row relates to the Water Risk 5 related to Physical impacts on agri and mining customers that NAB finances. Maximum sector exposure of 68.49bn Exposure at Default (EAD) is subject to this risk, as a proportion of Group EAD of 1,092bn (see NAB 2023 Pillar 3 report Table 5.1A EAD Total) which gives 6% estimate of total EAD vulnerable to this risk. 68.49bn sector exposure is made up of 61bn Agri EAD plus 7.49bn mining EAD as reported in NAB's 2023 Full Year Results Investor Presentation. Assumptions for this estimate: Inherent risk is being considered for this vulnerability assessment. Impacts to customers are as a result of physical risks (weather events) only, not transition risks. Agri and mining customers are the most significantly impacted by this risk, while other customer groups or sectors that may be affected have yet to be fully assessed.

Climate change

(3.1.2.1) Financial metric

Select from:
☑ Other, please specify :Exposure at Default

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

68490000000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ 1-10%

(3.1.2.7) Explanation of financial figures

This row relates to the Climate Change Risk 2 related to Physical Risk impacts on agri and mining customers that NAB finances. Maximum sector exposure of 68.49bn Exposure at Default (EAD) is subject to this risk, as a proportion of Group EAD of 1,092bn (see NAB 2023 Pillar 3 report Table 5.1A EAD Total) which gives 6% estimate of total EAD vulnerable to this risk. 68.49bn sector exposure is made up of 61bn Agri EAD plus 7.49bn mining EAD as reported in NAB's 2023 Full Year Results Investor Presentation. Assumptions for this estimate: Inherent risk is being considered for this vulnerability assessment. Impacts to customers are as a result of physical risks (weather events) only, not transition risks. Agri and mining customers are the most significantly impacted by this risk, while other customer groups or sectors that may be affected have yet to be fully assessed.

Climate change

(3.1.2.1) Financial metric

Select from:

☑ Other, please specify :Exposure at Default

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

4770000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

This row relates to the Climate Change Risk 3 related to Transition Risk impacts on high emissions sectors NAB finances. Maximum sector exposure of 4.77bn Exposure at Default (EAD) is subject to this risk, as a proportion of Group EAD of 1,092bn (see NAB 2023 Pillar 3 report Table 5.1A EAD Total) gives a less than 1% estimate of total EAD vulnerable to this risk. 4.77bn sector exposure is made up of fossil fuel-related Power Generation and fossil fuel-related Resources extraction EAD as reported in NAB's 2023 Full Year Results Investor Presentation. Assumptions for this estimate: Inherent risk is being considered for this vulnerability assessment. Fossil fuel-related Power Generation and fossil fuel-related Resources extraction customers are the most significantly

impacted by this risk, while other customer groups or sectors that may be affected have yet to be fully assessed. An assumption for this estimate is that there are only transition risk impacts to these sectors, not physical risks.
[Add row]

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Forests	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized
Water	*Select from:* ☑ Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp1

(3.6.1.2) Commodity

Select all that apply
☑ Other, please specify :Banking Portfolio

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services
☑ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Australia

☑ New Zealand

(3.6.1.8) Organization specific description

NAB is a bank and our customers are increasingly requesting banking and finance products that support them as the economy transitions to renewables and lower emission technology options. This provides an opportunity to develop new offerings to meet this demand and increase our revenue. The ways in which NAB may meet customer demand for appropriate offerings include (i) utilising existing products/ services (such as project finance) to finance 'green' infrastructure as well as (ii) developing new products (such as green bonds and green term deposits) to allow investors and depositors the option of having their funds support renewable energy/green infrastructure development. From 2015 to 2022, a key measure of our progress on sustainable finance was our target to provide 70bn in environmental finance by 2025. We reached a cumulative total of 70.8bn in 2022, exceeding the target three years ahead of schedule. NAB has retired the previous target. In FY23 we commenced work on the development of new environmental finance ambition for the period 1 Oct 2023 to 30 Sep 2030 which was planned for disclosure in NAB's June 2024 Supplementary Climate Disclosures (which has since been published).

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

NAB has continued to provide financing activities that can support customers improving their environmental outcomes. In FY23 this included 4.5bn of new green lending, green CRE (REIT) lending, securitisation, and underwriting and arranging activities of new green customer securities.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

4500000000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

4500000000

(3.6.1.23) Explanation of financial effect figures

There is a single figure to report for this opportunity (4.5bn) so minimum and maximum financial effect fields have both been set to 4.5bn. It reflects the FY23 amount of new green lending, green CRE (REIT) lending, securitisation, and underwriting and arranging activities of new green customer securities.

(3.6.1.24) Cost to realize opportunity

11000000

(3.6.1.25) Explanation of cost calculation

The costs to realise the opportunity are estimated at 11m annually and made up of internal and external costs. External costs associated with developing these products include bringing NAB issued bond products to market (verification and certification costs and legal fees) and separate costs associated with external assurance for data reporting of our annually disclosed amount of environmental financing. Internal costs represent NAB employee resources used to investigate and develop these opportunities, and for any new systems needed for implementation of new products. However, these are currently managed as part of business-as-usual annual budgets and not separately tracked as these 'green' products are largely now considered business as usual. While total costs are not tracked, there are some teams that spend the majority of their time in activities associated with sustainable finance. Salary costs associated with relevant employees in these teams have been estimated and included in the cost total.

(3.6.1.26) Strategy to realize opportunity

NAB has embedded sustainability in its long-term strategy, supported by a sustainability scorecard which has targets and key measures to show progress in meeting goals aligned to the strategy. This includes those related to an environmental financing target. From 2015 to 2022, a key measure of progress was our environmental financing target to provide 70bn in financing activities to help address climate change and support the transition to a low carbon economy. We reached a cumulative total of 70.8bn in 2022, exceeding the target three years ahead of schedule. NAB has retired the previous target. In FY23 we commenced work on the development of new environmental finance ambition for the period 1 Oct 2023 to 30 Sep 2030 which was planned for disclosure in NAB's June 2024 Supplementary Climate Disclosures (which has since been published).

Forests

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp4

(3.6.1.2) Commodity

Select all that apply

☑ Other, please specify :Agriculture sector

☑ Not applicable

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Markets

☑ Enhanced financial performance of investee companies as a result of being able to access new markets and develop new products to meet green consumer demand

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Australia

☑ New Zealand

☑ United States of America

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Unknown

(3.6.1.8) Organization specific description

NAB has continued to provide financing activities that can support customers improve environmental outcomes. This includes 4.5bn of new green lending, green CRE (REIT) lending, securitisation, and underwriting and arranging activities of new green customer securities in 2023. Total green agriculture and asset finance in FY23 stood at 82m.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:
☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:
☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

NAB is a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, having previously participated as an observer to the informal working group that established the TNFD. NAB is currently undertaking an assessment of material nature-related risks across its portfolio as part of its response to TNFD. It includes consideration of water use and terrestrial ecosystem change.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:
☑ No

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

Cost to develop these initiatives are considered BAU and are not separately costed

(3.6.1.26) Strategy to realize opportunity

Accuracy and reliability of data in the agriculture sector is a challenge. NAB is working with customers and third parties to improve quality and availability of data to provide insights to customers and to inform target-setting. Pending introduction of a formal target, NAB is working to support decarbonisation of this sector through a range of levers. These include: • Policy advocacy through participation in government and industry initiatives and providing input on relevant government consultations related to decarbonisation, climate reporting and disclosures. • Financing decarbonisation through deployment of innovative finance offerings such as green equipment finance lending and green agri propositions, supporting customers to invest in activities to reduce carbon emissions. • Bank-wide climate training with foundational and agri-specific modules to help bankers to support customers in their decarbonisation journey.

Water

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp5

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services
☑ Development of new products or services through R&D and innovation

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Banking portfolio

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Australia

☑ New Zealand

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

☑ Unknown

(3.6.1.8) Organization specific description

NAB provides project finance to water-related initiatives that address water security. In FY23, NAB provided finance to three water-related projects that included water treatment plants. These were located in Australia, New Zealand and South America.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

NAB has continued to provide financing activities that can support customers improving their environmental outcomes. In FY23 this included 4.5bn of new green lending, green CRE (REIT) lending, securitisation, and underwriting and arranging activities of new green customer securities. From 2015 to 2022, a key measure of progress was our environmental financing target to provide 70bn in financing activities to help address climate *change and support the transition to a low carbon economy. We reached a cumulative total of 70.8bn in 2022, exceeding the target three years ahead of schedule. NAB has retired the previous target. In FY23 we commenced work on the development of new environmental finance ambition for the period 1 Oct 2023 to 30 Sep 2030 which was planned for disclosure in NAB's June 2024 Supplementary Climate Disclosures (which has since been published).*

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:
☑ Yes

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

209153002

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

209153002

(3.6.1.23) Explanation of financial effect figures

The potential financial impact figure represents the total project finance for three water-related projects in the project finance portfolio – expressed as EAD – as at 30 September 2023. The timescale for financing these projects is greater than six years (therefore long-term).

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

The costs related to project finance for three water-related projects in the project finance portfolio in FY2023 are not separately costed out and are considered BAU.

(3.6.1.26) Strategy to realize opportunity

From 2015 to 2022, a key measure of progress was our environmental financing target to provide 70bn in financing activities to help address climate change and support the transition to a low carbon economy. We reached a cumulative total of 70.8bn in 2022, exceeding the target three years ahead of schedule. NAB has retired the previous target. In FY23 we commenced work on the development of new environmental finance ambition for the period 1 Oct 2023 to 30 Sep 2030 which was planned for disclosure in NAB's June 2024 Supplementary Climate Disclosures (which has since been published).

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Move to more energy/resource efficient buildings

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ China

☑ India

☑ Japan

☑ France

☑ Singapore

☑ New Zealand

☑ United States of America

☑ United Kingdom of Great Britain and Northern Ireland

☑ Australia

(3.6.1.8) Organization specific description

NAB is reducing its own footprint through emissions avoidance and reduction, before offsetting residual emissions. The Group has adopted the 'operational control' approach to establishing its operational emissions reporting boundary as defined in the GHG Protocol Corporate Accounting and Reporting Standard and used in the NGER Act 2007. The Group first set a Scope 1 and 2 (market-based method) science-based GHG emissions reduction target in 2020, to reduce its combined Scope 1 and 2 emissions by 51% by 2025, against a 2015 baseline. In 2023, the Group has updated this target to align with pathways that limit warming to 1.5C. The Group's new target is for a 72% reduction in market-based Scope 1 and 2 emissions by 2030 from a 2022 baseline. The Group defines 'carbon neutral in operations' as first avoiding and reducing greenhouse gas emissions associated with NAB's operational Scope 1, 2 and 3 emissions (excluding financed emissions) and then retiring carbon offsets for residual emissions. The Group retired and allocated 64,566 offsets to neutraliser its FY23 emissions (1 July 2022 - 30 June 2023). The Group retired an additional 76 offsets to account for a restatement of BNZ's 2022 electricity emissions due to updated emissions factor guidance.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:
☑ Medium-low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Lower operating costs

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:
☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

75000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

75000

(3.6.1.23) Explanation of financial effect figures

During FY23 NAB purchased carbon offsets, Large Scale Generation Certificates and Renewable Energy Certificates to achieve carbon neutrality, balancing out our Scope 1, 2 and 3 emissions.

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

The Group defines 'carbon neutral in operations' as first avoiding and reducing greenhouse gas emissions associated with NAB's operational Scope 1, 2 and 3 emissions (excluding financed emissions) and then retiring carbon offsets for residual emissions. The Group retired and allocated 64,566 offsets to neutralise its 2023 emissions. The Group retired an additional 76 offsets to account for a restatement of BNZ's 2022 electricity emissions due to updated emissions factor guidance. The Group's United Kingdom-based (London Branch) energy use reported, and aligned to the SECR for the 2023 environmental reporting year was 543,941 KWh (2022: 506,076 KWh). The associated total gross GHG emissions from fuel combustion (Scope 1) and from electricity use (Scope 2) were 111 tCO2-e (2022: 97 tCO2-e). This equates to 218 KWh and 0.04 tCO2-e per metre squared of property space occupied by the Group's London Branch.

(3.6.1.26) Strategy to realize opportunity

NAB is reducing its own footprint through emissions avoidance and reduction, before offsetting residual emissions. NAB's actions to achieve further emissions reductions in Scope 1 and 2 emissions to 2030 are unchanged: • Implementation of energy efficiency initiatives. The Group monitors its energy consumption to identify opportunities for further reduction in energy usage through building-based emissions reduction, including energy efficiency initiatives. • Purchase of renewable energy in line with the Group's target to source 100% of its electricity from renewable energy sources by 2025. With Scope 2 emissions (electricity consumption) representing

71% of NAB's total Scope 1 and 2 emissions in 2023, the continued purchase of renewable energy is crucial to NAB's ability to meet the target.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Use of low-carbon energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ China

☑ India

☑ Japan

☑ Singapore

☑ United States of America

☑ United Kingdom of Great Britain and Northern Ireland

☑ France

☑ Australia

(3.6.1.8) Organization specific description

NAB is reducing its own footprint through emissions avoidance and reduction, before offsetting residual emissions. Our approach to reducing operational emissions includes identifying significant sources of emissions and taking meaningful actions to reduce these. The Group first set a Scope 1 and 2 (market-based method) science-based GHG emissions reduction target in 2020, to reduce its combined Scope 1 and 2 emissions by 51% by 2025, against a 2015 baseline. In 2023, the Group has updated this target to align with pathways that limit warming to 1.5C. The Group's new target is for a 72% reduction in market-based Scope 1 and 2 emissions by 2030 from a 2022 baseline. NAB's actions to achieve further emissions reductions in Scope 1 and 2 emissions to 2030 are unchanged: • Implementation of energy efficiency initiatives. The Group monitors its energy consumption to identify opportunities for further reduction in energy usage through building-based emissions reduction, including energy efficiency initiatives. • Purchase of renewable energy in line with the Group's target to source 100% of its electricity from renewable energy sources by 2025. With Scope 2 emissions (electricity consumption) representing 50% of NAB's total Scope 1 and 2 emissions in 2023, the continued purchase of renewable energy is crucial to NAB's ability to meet the target.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Reduced indirect (operating) costs

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Lower operating costs

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

422906

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

422906

(3.6.1.23) Explanation of financial effect figures

The Group continues to make progress in relation to its RE100 target to source 100% of its electricity from renewable sources by 30 June 2025. This includes using on-site solar generation at our main data centre, as well as power purchase agreements and contracts for renewable energy certificates. The proportion of the Group's electricity consumption that was sourced from renewable electricity increased from 72.4% in the 2022 environmental reporting year to 88.3% in the 2023 environmental reporting year.

(3.6.1.24) Cost to realize opportunity

1600000

(3.6.1.25) Explanation of cost calculation

The FY2022 cost to realise the opportunity is calculated as 1.6m: • 408k for the cost of sourcing renewable energy certificates generated at the Crowlands Wind Farm from Pacific Hydro and 839k for the cost of sourcing renewable energy certificates generated at the Willogoleche Wind Farm in Hallett from Engie. • 355k for installed solar panels. As of May 2022, we have solar panels installed on 78 of NAB's branches, business centres and one data centre with a total system size of 1,994 kW and a installed capacity of 2,684,288kWh. Six additional panels were installed in 2022 (energy generation relates to panels installed in prior years at a cost of 3.2m in those prior years). The proportion of the Group's electricity consumption that was sourced from renewable electricity increased from 72.4% in the 2022 environmental reporting year to 88.3% in the 2023 environmental reporting year.

(3.6.1.26) Strategy to realize opportunity

In 2019, NAB expanded our renewable electricity sourcing commitment from 50% to 100% by 30 June 2025 and joined RE100. As part of this commitment, NAB has a strategy to increase onsite solar generation and to source renewable electricity through power purchasing agreements. Case study – Melbourne Renewable Energy Project (MREP): NAB was one of 14 companies in Australia's first group energy purchasing model currently sourcing renewable electricity from the 80MW Crowlands Windfarm. 80m of non-recourse project financing was provided by the National Australia Bank and another major Australian bank. This activity helped to underwrite its construction and has allowed NAB and other consortium members to take more control of their power costs, cut emissions and directly support decarbonisation of the Australian energy grid. Opening in 2019, it has contributed to NAB's proportion of electricity from renewable sources increasing from 3% in 2019 to 7% in 2020, to 88% in 2023 as part of our commitment to the RE100 initiative.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:
☑ Other, please specify :Exposure at Default

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

4021000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:
☑ Less than 1%

(3.6.2.4) Explanation of financial figures

This includes total green lending of 4.02b (green lending and green commercial real estate lending, securitisation activity and green bonds) divided by total Exposure at Default

Forests

(3.6.2.1) Financial metric

Select from:
☑ Other, please specify :Exposure at Default

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

5000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:
☑ Less than 1%

(3.6.2.4) Explanation of financial figures

This includes total lending of 5m (Forest/Nature related project) divided by total Exposure at Default

Water

(3.6.2.1) Financial metric

Select from:
☑ Other, please specify :Exposure at Default

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

220406665

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:
☑ Less than 1%

(3.6.2.4) Explanation of financial figures

This includes total lending of 220m (water infrastructure) divided by total Exposure at Default
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The Board Composition and Renewal Policy states that "Diversity is an important factor when considering Board composition and renewal, and this Policy adopts the principles and definitions of the Group Inclusion & Diversity Policy". The Group Inclusion & Diversity Policy outlines the Group's high-level requirements for diversity and inclusion, which align to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition) and applies to all NAB employees, including Directors. All NAB employees, including directors, are expected to respect and value individual differences. The Board People and Remuneration Committee is responsible for monitoring and assessing on an annual basis the effectiveness of the Inclusion & Diversity Strategic Framework, policy and practices in achieving the measurable objectives and ensuring progress in achieving a diverse and inclusive workplace. The Company considers diversity to mean accepting each person as an individual irrespective of differences used to differentiate groups and people from each other (both visible and invisible). Such differences include but are not limited to age, gender, physical abilities, disability, nationality, cultural background (race, colour, descent), ethnicity, marital, family or relationship status, religious or political beliefs, sexual orientation, gender identity, carer responsibilities, pregnancy, breastfeeding, socio-economic background and flexible working arrangement.

(4.1.6) Attach the policy (optional)

diversity-and-inclusion-policy-pdf.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Forests	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Board Risk & Compliance Committee Charter

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Reviewing and guiding innovation/R&D priorities

☑ Overseeing and guiding scenario analysis

☑ Approving and/or overseeing employee incentives

☑ Overseeing the setting of corporate targets

☑ Overseeing and guiding major capital expenditures

☑ Monitoring progress towards corporate targets

☑ Monitoring the implementation of the business strategy

☑ Approving corporate policies and/or commitments

☑ Overseeing reporting, audit, and verification processes

☑ Monitoring the implementation of a climate transition plan

☑ Overseeing and guiding the development of a business strategy

☑ Monitoring compliance with corporate policies and/or commitments

☑ Overseeing and guiding the development of a climate transition plan

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

(4.1.2.6) Scope of board-level oversight

Select all that apply

☑ Risks and opportunities to our own operations

☑ Risks and opportunities to our banking activities

☑ The impact of our own operations on the environment

☑ The impact of our banking activities on the environment

(4.1.2.7) Please explain

The NAB Board ('the Board') is the principal board for National Australia Bank Limited, the head company of the NAB Group. The Board retains ultimate oversight for climate change-related matters, which are integrated into business strategy, operations and risk management and which are otherwise part of initiatives under the long-term pillar of NAB Group's strategy, and more specifically, its climate strategy. The Board is supported by the Board Risk & Compliance Committee (BRCC) which has accountability for oversight of the Group's risk profile and risk management, including climate risk, within the context of Board-determined risk appetite (although ultimate responsibility rests with the Board). The BRCC refers all matters of significance to the Board, making recommendations to the Board concerning current and future risk appetite, risk management strategy and particular risks or risk management practices, including those related to climate change. The Board directly, or the BRCC, receive reports on a range of climate-related issues, risks and opportunities including progress against climate strategy and commitments, risk appetite, environmental operational performance, targets, and carbon neutral status, NZBA targets, concerns from stakeholders and regulatory reporting returns. The Board and/or BRCC have climate-related agenda items scheduled in their annual calendars. These include: • updates (annually and at times more frequently) on the Group's climate strategy, action plans, goals and targets provided by our Climate Office and key frontline divisional executives. • updates (annually and at times more frequently) on climate-related operational performance against targets and commitments, as well as regulatory change, GHG and energy reporting returns that require noting or approval at Board before submission to regulators provided by Risk and Corporate Affairs executives. • specific updates that relate to climate risk including risk appetite (e.g. reporting on climate-related caps and limits), risk assessment, scenarios and stress testing provided by Risk executives. • when relevant, consideration of key investments presented by the Executive for Technology and Enterprise Operations (such as capital expenditure to improve the environmental performance of data centres the Group operates and buildings we occupy) and Strategy and Innovation. In FY2023, key decisions included review and approval of: (i) the Group's FY2023 Annual Report and Climate Report (which include NAB's annual TCFD *disclosures and climate-related regulatory reporting); and (ii) the NAB's Decarbonisation Pathways and targets. The Board also: - reviewed the annual Internal Capital Adequacy Assessment Process, which included a climate stress scenario; and - attended sessions on climate vulnerability assessment, decarbonisation goal setting and Net Zero planning, and met with customers/stakeholders, as part of its annual 'continuing education' program activities on climate*

Forests

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Board Risk & Compliance Committee Charter

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Approving corporate policies and/or commitments

☑ Reviewing and guiding innovation/R&D priorities

☑ Overseeing and guiding major capital expenditures

☑ Overseeing reporting, audit, and verification processes

☑ Monitoring compliance with corporate policies and/or commitments

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

☑ Other, please specify :Overviewing risk appetite, policy, planned activities, monitoring implementation and environmental performance objectives and opportunities)

(4.1.2.6) Scope of board-level oversight

Select all that apply

☑ Risks and opportunities to our own operations

☑ Risks and opportunities to our banking activities

☑ The impact of our own operations on the environment

☑ The impact of our banking activities on the environment

(4.1.2.7) Please explain

The NAB Board retains ultimate oversight for ESG-related matters, including strategy and risk management, supported by the Board Risk & Compliance Committee (BRCC). This includes considering issues associated with climate change, biodiversity, water, forests and a range of other topics as relevant. BRCC has accountability for oversight of NAB Group's risk profile and risk management, which includes Sustainability or ESG-related risk, within the context of Board determined risk appetite (although ultimate responsibility for risk oversight, risk appetite and risk management rests with the Board). The BRCC refers all matters of significant importance to the Board, making recommendations to the Board concerning the Group's current and future risk appetite, risk management strategy and particular risks or risk management practices, including those related to ESG matters like climate change, and a range of other environmental topics as relevant, such as biodiversity, water and forests. The Board and/or BRCC receive reports on a range of ESG-related issues, strategy and commitments, risks and opportunities and related regulatory change and reporting returns. For example, the Board receive regular updates on operational environmental performance targets associated with forest-related risks including reducing officer paper purchased and increasing customer uptake of electronic statements. These targets also ensure NAB Group reduces GHG emissions associated with paper purchased and customer e-statement uptake. Reduction in paper consumption also reduces the residual impact of our paper use that may arise as a result of virgin paper consumption. In order to minimise the potential biodiversity impact of virgin paper use on forests, NAB buys recycled, carbon neutral paper.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Board Risk & Compliance Committee Charter

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Overseeing the setting of corporate targets
☑ Monitoring progress towards corporate targets
☑ Approving corporate policies and/or commitments
☑ Overseeing reporting, audit, and verification processes
☑ Monitoring compliance with corporate policies and/or commitments
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
☑ Other, please specify :Overviewing risk appetite, policy, planned activities, monitoring implementation and environmental performance objectives and opportunities)

(4.1.2.6) Scope of board-level oversight

Select all that apply
☑ Risks and opportunities to our own operations
☑ Risks and opportunities to our banking activities
☑ The impact of our own operations on the environment
☑ The impact of our banking activities on the environment

(4.1.2.7) Please explain

The NAB Board retains ultimate oversight for ESG-related matters, including strategy and risk management, supported by the Board Risk & Compliance Committee (BRCC). This includes considering issues associated with climate change, biodiversity, water, forests and a range of other topics as relevant. BRCC has accountability for oversight of NAB Group's risk profile and risk management, which includes Sustainability or ESG-related risk, within the context of Board determined risk appetite (although ultimate responsibility for risk oversight, risk appetite and risk management rests with the Board). The BRCC refers all matters of significant importance to the Board, making recommendations to the Board concerning the Group's current and future risk appetite, risk management strategy and particular risks or risk management practices, including those related to ESG matters like climate change, and a range of other environmental topics as relevant, such as biodiversity, water and forests. For example, information on the impacts of drought on credit risk. The Board and/or BRCC receive reports on a range of ESG-related issues, strategy and commitments, risks and opportunities and related regulatory change and reporting returns. For example, the Board receive regular updates on operational environmental performance targets associated with mitigating water-related operational risk, this includes a target for office-based water consumption. This, and other operational environmental targets also ensure NAB Group reduces GHG emissions associated with water use.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply
☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:
☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify :Board Risk & Compliance Committee Charter

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Overseeing the setting of corporate targets

☑ Monitoring progress towards corporate targets

☑ Approving corporate policies and/or commitments

☑ Reviewing and guiding innovation/R&D priorities

☑ Overseeing reporting, audit, and verification processes

☑ Monitoring compliance with corporate policies and/or commitments

☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities

☑ Other, please specify :Overviewing risk appetite, policy, planned activities, monitoring implementation and environmental performance objectives and opportunities)

(4.1.2.6) Scope of board-level oversight

Select all that apply

☑ Risks and opportunities to our own operations

☑ Risks and opportunities to our banking activities

☑ The impact of our own operations on the environment

☑ The impact of our banking activities on the environment

(4.1.2.7) Please explain

NAB Group first integrated natural capital or nature into its strategy in 2011, which was followed by NAB becoming a signatory to the Natural Capital Declaration in 2012. Since then, consideration of biodiversity and other elements of natural capital has been incorporated into our business strategy, activities and risk management. This can be seen in our annual report suite since 2012. NAB Group has had a particular focus on biodiversity and natural capital considerations associated with agribusiness. Biodiversity impacts are also considered as part of the Group's ESG risk assessment as part of the credit risk assessment and due diligence process in accordance with exposure-related trigger thresholds, particularly for sectors which involve land development like infrastructure projects, mining and property development. Key aspects of natural capital-related strategy have been reviewed and approved by the Board since 2011, however, no material biodiversity related decisions were made by the Board in FY2023. The NAB Board retains ultimate oversight for ESG-related matters, including strategy and risk management, supported by the Board Risk & Compliance Committee (BRCC). This includes considering issues associated with climate change, and a range of other environmental topics as relevant, such as biodiversity, water, and forests. BRCC has accountability for oversight of NAB Group's risk profile and risk management, which includes Sustainability or ESG-related risk, within the context of Board determined risk appetite (although ultimate responsibility for risk oversight, risk appetite and risk management rests with the Board). The BRCC refers all matters of significant importance to the Board, making recommendations to the Board concerning the Group's current and future risk appetite, risk management strategy and particular risks or risk management practices,

including those related to ESG matters like climate change, biodiversity, water and forests, where relevant and material. The Board and/or BRCC receive reports on a range of ESG-related issues, strategy and commitments, risks and opportunities and related regulatory change and reporting returns.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply
☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Integrating knowledge of environmental issues into board nominating process
☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience
☑ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

Other
☑ Other, please specify :NAB Board development program which has covered climate change, climate vulnerability, climate risk and opportunities, transition plans, TCFD, TNFD and nature-related risk, alongside other ESG-related information. Board members who have chaired CSIRO

Forests

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply
☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Integrating knowledge of environmental issues into board nominating process

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

Water

(4.2.1) Board-level competency on this environmental issue

Select from:
☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply
☑ Consulting regularly with an internal, permanent, subject-expert working group
☑ Engaging regularly with external stakeholders and experts on environmental issues
☑ Integrating knowledge of environmental issues into board nominating process
☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Forests	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Risks Officer (CRO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Setting corporate environmental policies and/or commitments

Strategy and financial planning

☑ Conducting environmental scenario analysis

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Chief Risk Officer (GCRO) engaged with the Board and/or Board Risk & Compliance Committee (BRCC) more frequently than quarterly on climate-related issues in FY23. This included: (i) an annual paper on the Group's climate-related regulatory performance and progress against voluntary operational environmental targets, including a science-based emissions reduction target for the Group's operational GHG emissions; (ii) engagement on the Group's annual climate-related disclosures including the Group's TCFD disclosures; (iii) engagement on NAB's sectoral portfolio decarbonisation targets (particularly approval of NAB's second tranche of portfolio decarbonisation targets which covered Aluminium, Iron & Steel and Aviation); (iv) results of NAB's Internal Capital Adequacy Process which included a climate scenario involving flood risk; (v) approval of sustainability-related appetite (including climate-related risk appetite and tolerances); and (vi) updates provided in the GCRO's regular reporting to the BRCC. The GCRO is a member of the Group Credit & Market Risk Committee.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Risks Officer (CRO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Setting corporate environmental policies and/or commitments

Strategy and financial planning

☑ Conducting environmental scenario analysis

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ As important matters arise

(4.3.1.6) Please explain

The Group Chief Risk Officer (GCRO) engaged with the Board and/or Board Risk & Compliance Committee (BRCC) at least annually in FY23 on forest-related issues. This included: (i) an annual paper on the Group's environmental performance and targets, which includes a paper consumption-related operational performance target (target has been set to reduce the bank's impact on native forests which can be used for virgin paper production and which is why NAB buys recycled paper, where possible); (ii) engagement on nature-related disclosures in the FY23 Annual Report; and (iii) via updates, when relevant, provided in the GCRO's regular reporting to the BRCC. The GCRO is a member of the Group Credit & Market Risk Committee.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Risks Officer (CRO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Setting corporate environmental policies and/or commitments

Strategy and financial planning

☑ Conducting environmental scenario analysis

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Half-yearly

(4.3.1.6) Please explain

The Group Chief Risk Officer (GCRO) engaged with the Board and/or Board Risk & Compliance Committee (BRCC) at least annually in FY23 on water-related issues. This included: (i) an annual paper on the Group's environmental performance and targets, which includes a water consumption-related operational performance target; (ii) nature-related disclosures in the FY23 Annual Report; (iii) results of NAB's Internal Capital Adequacy Process which included climate scenario involving flood risk; and (iv) via updates, when relevant, provided in the GCRO's regular reporting to the BRCC. The GCRO is a member of the Group Credit & Market Risk Committee.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Risks Officer (CRO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Setting corporate environmental policies and/or commitments

Strategy and financial planning

☑ Conducting environmental scenario analysis

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ As important matters arise

(4.3.1.6) Please explain

The Group Chief Risk Officer (GCRO) engaged with the Board and/or Board Risk & Compliance Committee (BRCC) at least annually in FY23 on biodiversity-related issues. This included: (i) an annual paper on the Group's environmental performance and targets, which includes a paper consumption-related operational performance target (target has been set to reduce the bank's impact on native forests which can be used for virgin paper production and which is why NAB buys recycled paper, where possible); (ii) engagement on nature-related disclosures in the FY23 Annual Report; and (iii) via updates, when relevant, provided in the GCRO's regular reporting to the BRCC. The GCRO is a member of the Group Credit & Market Risk Committee.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Other C-Suite Officer, please specify :Group Executive, Corporate and Institutional Banking

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

☑ Implementing the business strategy related to environmental issues

☑ Managing annual budgets related to environmental issues

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Executive, Corporate & Institutional Banking supported papers to Board, more than four times during FY2023. These papers covered the following topics: (i) Carbon Transition Planning (ii) Decarbonisation Goal Setting; and (iii) Climate-related Continuing Education Session for Board.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Other C-Suite Officer, please specify **:**Group Executive, Technology & Enterprise Operations

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing supplier compliance with environmental requirements

Strategy and financial planning

☑ Developing a business strategy which considers environmental issues

☑ Implementing the business strategy related to environmental issues

☑ Managing annual budgets related to environmental issues

☑ Managing major capital and/or operational expenditures relating to environmental issues

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Annually

(4.3.1.6) Please explain

The Group Executive, T&EO is accountable for NAB's property portfolio, technology operations, Financial Crime Operations and supply chain management. This includes managing budgets, risks and opportunities related to capital works and operational programs that help reduce NAB's energy use, GHG emissions and other environmental impacts and power purchase agreements to help meet the Group's renewable energy target (RE100) and deliver on the Group's low carbon transition plan to reach net zero by 2050.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Financial Officer (CFO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan ☑ Managing acquisitions, mergers, and divestitures related to environmental issues

☑ Implementing a climate transition plan

☑ Managing annual budgets related to environmental issues

☑ Developing a business strategy which considers environmental issues

☑ Managing environmental reporting, audit, and verification processes

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Group Chief Financial Officer is responsible for Sustainability and Climate-related Disclosures – In FY2023, this included work on climate-related disclosures made as part of the Group's Half and Full Year Investor Presentations, and in the Group's annual report suite (Annual Report, Climate Report and Sustainability Data pack).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Other C-Suite Officer, please specify :Group Executive, People & Culture

(4.3.1.2) Environmental responsibilities of this position

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Annually

(4.3.1.6) Please explain

The Group Executive, People & Culture is responsible for the coordinating and overseeing the Group's Reward and Recognition framework, which includes providing information to help the Board establish and assess Group Performance Indicators and the qualitative aspects of Group performance which contribute to annual assessment of the Group's performance for short-term and long-term incentives.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Other

☑ Other, please specify :Chief Climate Officer

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

☑ Managing annual budgets related to environmental issues

☑ Implementing the business strategy related to environmental issues

☑ Developing a business strategy which considers environmental issues

☑ Managing acquisitions, mergers, and divestitures related to environmental issues

☑ Managing priorities related to innovation/low-environmental impact products or services (including R&D)

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Financial Officer (CFO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The Chief Climate Officer is responsible for development of Group's climate change strategy, key climate-related innovation investment and development of implementation plans for key climate-related commitments, goals and targets, including those such related to Net Zero Banking Alliance requirements. In FY2023, this included climate-related investments and partnerships, work on setting Tranche 2 of NAB's sectoral portfolio decarbonisation targets, as well as coordinating and supporting development of operationalisation plans for those targets; and reporting and disclosure on climate-related matters including strategy and opportunities.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Risk committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Measuring progress towards environmental science-based targets

Strategy and financial planning

☑ Conducting environmental scenario analysis

(4.3.1.3) Coverage of responsibilities

Select all that apply

☑ Dependencies, impacts, risks, and opportunities related to our banking activities

☑ Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Risks Officer (CRO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Our Group Credit & Market Risk Committee (GCMRC), and where relevant, the Executive Risk & Compliance Committee or the Executive Leadership Team, oversee aspects of NAB's climate change strategy, risk appetite and management, policies, and performance. These committees review aspects of climate change-related performance. Papers including climate-related matters were presented to the Board via Risk Committees more frequently than quarterly in FY2023. This included climate-related matters in papers going through to Board or Board Risk & Compliance Committee (BRCC) as part of Board and/or BRCC's annual agendas and regular risk reporting. For example, (i) consideration of climate-related risk tolerances and limits in the Group's risk appetite statement and (ii) an annual paper on the Group's climate-related regulatory performance.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

0

(4.5.3) Please explain

Our strategic ambition, to serve customers well and help communities prosper is reflected in the measures that determine performance and remuneration across NAB. Sustainability related performance is part of this process and is applied within our GPI and qualitative assessment of performance, as well as Group CEO, Group Executive and colleague scorecards. The governance and oversight of how these measures are set, reviewed, and linked to the Group CEO and Group Executives' remuneration outcomes are in accordance with the Group's governance *and oversight framework. Our approach has been consistent since 2020 when the new Group strategy was implemented. NAB does have a % of C-suite monetary incentives linked to management of environmental issues but this number is not available publicly and hence it is reported Zero in previous question.*

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ No, and we do not plan to introduce them in the next two years

(4.5.3) Please explain

Sustainability related matters that have been incorporated into the assessments of the Group CEO and Group Executives' performance in 2023 include, climate change, affordable and specialist housing, indigenous economic advancement and natural disaster support. Individual performance modifiers for Risk and How We Work (conduct and values) also consider sustainability related matters, and therefore may influence final assessed performance.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ No, and we do not plan to introduce them in the next two years

(4.5.3) Please explain

Sustainability related matters that have been incorporated into the assessments of the Group CEO and Group Executives' performance in 2023 include, climate change, affordable and specialist housing, indigenous economic advancement and natural disaster support. Individual performance modifiers for Risk and How We Work (conduct and values) also consider sustainability related matters, and therefore may influence final assessed performance.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Shares

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Shift to a business model compatible with a net-zero carbon future

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Our strategic ambition, to serve customers well and help communities prosper is reflected in the measures that determine performance and remuneration across NAB. Sustainability related performance is part of this process and is applied within our Group Performance Indicator (GPI) and qualitative assessment of performance, as well as Group CEO, Group Executive and colleague scorecards. The governance and oversight of how these measures are set, reviewed and linked to the Group CEO and Group Executives' remuneration outcomes are in accordance with the Group's governance and oversight framework. Our approach has been consistent since 2020 when the new Group strategy was implemented.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

ESG issues are integrated into NAB's Risk Management Strategy and Framework which form part of the risk and conduct part of CEO performance under the "Safe Growth" objective. NAB's climate financing and portfolio decarbonisation targets are some of the opportunities under the "Customer" part of CEO performance. This integration of ESG aspects ensures that the CEO is incentivised to considers ESG holistically for NAB's ongoing business strategy and execution.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Shares

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Shift to a business model compatible with a net-zero carbon future

☑ Other strategy and financial planning-related metrics, please specify :Environmental finance

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Our strategic ambition, to serve customers well and help communities prosper is reflected in the measures that determine performance and remuneration across NAB. Sustainability related performance is part of this process and is applied within our Group Performance Indicator (GPI) and qualitative assessment of performance, as well as Group CEO, Group Executive and colleague scorecards. The governance and oversight of how these measures are set, reviewed and linked to the Group CEO and Group Executives' remuneration outcomes are in accordance with the Group's governance and oversight framework. Our approach has been consistent since 2020 when the new Group strategy was implemented.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

ESG issues are integrated into NAB's Risk Management Strategy and Framework which form part of the risk and conduct part of Executive Leadership Team (ELT) members' performance under the "safe growth" element of risk management and NAB's reputational profile as rated by RepTrack. NAB's climate financing and portfolio decarbonisation targets are some of the opportunities under the "Customer" part of ELT members performance, and effectiveness of ESG actions is in the "Safe Growth" category of operational excellence. This integration of ESG aspects ensures that the ELT is incentivised to considers ESG holistically for NAB's ongoing business strategy and execution.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Risks Officer (CRO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

☑ Shares

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

Strategy and financial planning

☑ Shift to a business model compatible with a net-zero carbon future

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Our strategic ambition, to serve customers well and help communities prosper is reflected in the measures that determine performance and remuneration across NAB. Sustainability related performance is part of this process and is applied within our GPI and qualitative assessment of performance, as well as Group CEO, Group Executive and colleague scorecards. The governance and oversight of how these measures are set, reviewed and linked to the Group CEO and Group Executives' remuneration outcomes are in accordance with the Group's governance and oversight framework. Our approach has been consistent since 2020 when the new Group strategy was implemented.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

ESG issues are integrated into NAB's Risk Management Strategy and Framework which form part of the risk and conduct part of the CRO's performance under the "safe growth" element of risk management and NAB's reputational profile as rated by RepTrack. NAB's climate financing and portfolio decarbonisation targets are some of the opportunities under the "Customer" part of the CRO's performance, and effectiveness of ESG actions is in the "Safe Growth" category of operational excellence. This integration of ESG aspects and the lower maximum payable VR ensures that the CRO is appropriately incentivised to considers ESG holistically for NAB's ongoing risks, business strategy and execution.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change
☑ Forests
☑ Water
☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:
☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply
☑ Direct operations
☑ Upstream value chain
☑ Downstream value chain
☑ Portfolio

(4.6.1.4) Explain the coverage

The Sustainability Policy outlines the minimum requirements relating to overall management of Sustainability-related performance across the Group. This includes how we will govern and manage our; sustainability performance, public sustainability reporting & disclosures, approach to customer & stakeholder engagement and its impact on our strategic direction.

(4.6.1.5) Environmental policy content

Environmental commitments
☑ Commitment to comply with regulations and mandatory standards
☑ Commitment to take environmental action beyond regulatory compliance
☑ Commitment to stakeholder engagement and capacity building on environmental issues

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply
☑ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:
☑ Publicly available

(4.6.1.8) Attach the policy

Sustainability Policy Copy.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

☑ Portfolio

(4.6.1.4) Explain the coverage

The purpose of the Group Environmental Reporting and Offset Management Policy is to specify NAB and Group requirements for managing its environmental finance, financed emissions and operational performance data and targets, and other related information and reporting (both internal and external) to help the Group manage and meet environmental-related regulatory obligations and voluntary goals, targets and commitments.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to 100% renewable energy

☑ Commitment to net-zero emissions

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

Environmental Reporting and Offset Management Policy Copy.pdf

Row 3

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

☑ Portfolio

(4.6.1.4) Explain the coverage

The Group Environmental Management Policy sets the minimum environmental management and stewardship requirements to enable our bankers and colleagues to operate in line with strategy and risk appetite and manage environmental risk. The Policy covers: (i) Environmental risk and opportunity management, performance, compliance, oversight and reporting arising from the Group's business activities and operations, and where relevant, business relationships including customers and suppliers; and (ii) Management of, and advocacy related to, environmental issues, risks, and opportunities associated with, but not limited to, climate change, natural capital management, resource scarcity, pollution, waste management and the circular economy (refer Glossary).

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to stakeholder engagement and capacity building on environmental issues

☑ Other environmental commitment, please specify :Pollution prevention, minimising greenhouse gas (GHG) emissions and use of natural resources, increasing recycling and reduce the volume of waste sent to landfill.

Climate-specific commitments

☑ Commitment to 100% renewable energy

☑ Commitment to net-zero emissions

Forests-specific commitments

☑ Other forests-related commitment, please specify :Purchasing post-consumer recycled, sustainably certified paper

Water-specific commitments

☑ Commitment to reduce water consumption volumes

☑ Commitment to reduce water withdrawal volumes

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

Environmental Management Policy Copy.pdf
[Add row]

(4.7) Does the policy framework for the portfolio activities of your organization include environmental requirements that clients/investees need to meet, and/or exclusion policies?

	Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies
Banking (Bank)	*Select from:* ☑ Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies

[Fixed row]

(4.7.1) Provide details of the policies which include environmental requirements that clients/investees need to meet.

Banking (Bank)

(4.7.1.1) Environmental issues covered

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Biodiversity

(4.7.1.2) Type of policy

Select all that apply

☑ Credit/lending policy

(4.7.1.3) Public availability

Select from:

☑ Publicly available

(4.7.1.4) Attach the policy

2023-climate-report.pdf

(4.7.1.5) Value chain stages of client/investee covered by policy

Select from:

☑ Direct operations

(4.7.1.6) Industry sectors covered by the policy

Select all that apply

☑ Services

☑ Fossil Fuels

☑ Infrastructure

☑ Power generation

☑ International bodies

☑ Transportation services

(4.7.1.7) Commodities covered by the policy

Select all that apply

☑ All agricultural commodities

(4.7.1.8) Commodity value chain stage covered by the policy

Select all that apply

☑ Production

☑ Processing

☑ Trading

☑ Manufacturing

☑ Retailing

(4.7.1.9) % of portfolio covered by the policy in relation to total portfolio value

100

(4.7.1.11) Explain how criteria coverage and/or exceptions have been determined

NAB Group is a signatory to the Equator Principles (see attached report). There are environmental requirements for certain projects which trigger Equator Principles. These requirements have been integrated into NAB Group's *credit policy. When Equator Principles compliance is triggered by relevant projects, we undertake due diligence to ensure that the requirements are satisfied. For relevant EPs projects clients are required to conduct a physical risk assessment and where total project Scope 1 & 2 emissions are expected to exceed 100,000 tCO2-e, a transition risk assessment, alternatives analysis and emissions reporting is conducted. The criteria are applied to ensure that where relevant, NAB Group and its clients meet Equator Principles requirements. For the first year of Equator Principles adoption, the clients are required to provide details of their internal preparation and staff training. Transactions can be declined at any stage during negotiation or due diligence if they do not meet the relevant criteria.*

(4.7.1.12) Requirements for clients/investees

Environmental commitments

☑ Commitment to avoidance of negative impacts on threatened and protected species

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to respect legally designated protected areas

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Social commitments

☑ Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities

☑ Commitment to secure Free, Prior, and Informed Consent (FPIC) of indigenous people and local communities

(4.7.1.13) Measurement of proportion of clients/investees compliant with the policy

Select from:

☑ Yes

(4.7.1.14) % of clients/investees compliant with the policy

100

(4.7.1.15) % of portfolio value that is compliant with the policy

100

(4.7.1.16) Target year for 100% compliance

Select from:

☑ Already met

[Add row]

(4.7.2) Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:
☑ Thermal coal

(4.7.2.2) Fossil fuel value chain

Select all that apply
☑ Upstream

(4.7.2.3) Year of exclusion implementation

2021

(4.7.2.4) Phaseout pathway

Select all that apply
☑ New business/investment for new projects
☑ New business/investment for existing projects
☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2030

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply
☑ Worldwide

(4.7.2.7) Description

The Group has capped thermal coal mining EAD at 2019 levels, and set a goal to reduce thermal coal mining exposures by 50% by 2026, reducing to effectively zero by 2030 apart from residual performance guarantees to rehabilitate existing thermal coal mining assets. The Group will not finance new thermal coal mining projects or take on new to-bank thermal coal mining customers and new or material expansions of coal-fired power generation facilities. The Group separately reports its thermal coal-related rehabilitation performance guarantees as part of reporting its resources exposures. The Group recognises that currently there are no readily available substitutes for the use of metallurgical coal in steel production. The Group will continue providing finance to its customers in this segment, subject to enhanced due diligence which further considers underlying ESG risks. For clarity, any proposal from new or existing customers that would result in an increase to the cap would not be allowed.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:
☑ Power from coal

(4.7.2.2) Fossil fuel value chain

Select all that apply
☑ Upstream

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2021

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2022

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

NAB has had no direct lending to coal-fired power generation assets since March 2022. For the purposes of NAB's ESG-related settings, coal-fired power generation asset exposure is based upon the recorded 1993 ANZSIC codes on a net EAD basis. Excludes exposure to counterparties predominantly involved in transmission and distribution. Vertically integrated retailers are included and categorised as renewable where the majority of their generation activities sourced from renewable energy. NAB has no direct lending to coal-fired power generation assets remaining. Note there is indirect exposures to coal-fired power within the Mixed Fuel category as a result of NAB's corporate level exposure impact.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Oil from tar sands

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2021

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2021

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

The Group has capped oil and gas at USD 2.28bn and will reduce our exposure from 2026 through to 2050, aligned to the IEA NZE 2050. • The Group will not directly finance greenfield gas extraction projects outside Australia. • The Group will only consider directly financing greenfield gas extraction in Australia where it plays a role in underpinning national energy security. • The Group will continue to support integrated LNG in Australia, New Zealand, and Papua New Guinea and selected LNG infrastructure in other regions. • The Group will not directly finance greenfield oil extraction projects or onboard new customers with a predominant focus on oil extraction. • The Group will not finance oil and gas extraction, production or pipeline projects within, or impacting, the Arctic National Wildlife Refuge area or any similar Antarctic Refuge. • The Group will not directly finance oil/tar sands or ultra-deep-water oil and gas extraction projects. For clarity NAB does not differentiate sources of oil and gas where it is not already specified in the above list.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Oil from shale

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2021

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2021

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

The Group has capped oil and gas at USD 2.28bn and will reduce our exposure from 2026 through to 2050, aligned to the IEA NZE 2050. • The Group will not directly finance greenfield gas extraction projects outside Australia. • The Group will only consider directly financing greenfield gas extraction in Australia where it plays a role in underpinning national energy security. • The Group will continue to support integrated LNG in Australia, New Zealand, and Papua New Guinea and selected LNG infrastructure in other regions. • The Group will not directly finance greenfield oil extraction projects or onboard new customers with a predominant focus on oil extraction. • The Group will not finance oil and gas extraction, production or pipeline projects within, or impacting, the Arctic National Wildlife Refuge area or any similar Antarctic Refuge. • The Group will not directly finance oil/tar sands or ultra-deep-water oil and gas extraction projects. For clarity NAB does not differentiate sources of oil and gas where it is not already specified in the above list.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Gas from shale

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2021

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2021

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

The Group has capped oil and gas at USD 2.28bn and will reduce our exposure from 2026 through to 2050, aligned to the IEA NZE 2050. • The Group will not directly finance greenfield gas extraction projects outside Australia. • The Group will only consider directly financing greenfield gas extraction in Australia where it plays a role in underpinning national energy security. • The Group will continue to support integrated LNG in Australia, New Zealand, and Papua New Guinea and selected LNG infrastructure in other regions. • The Group will not directly finance greenfield oil extraction projects or onboard new customers with a predominant focus on oil extraction. • The Group will not finance oil and gas extraction, production or pipeline projects within, or impacting, the Arctic National Wildlife Refuge area or any similar Antarctic Refuge. • The Group will not directly finance oil/tar sands or ultra-deep-water oil and gas extraction projects. For clarity NAB does not differentiate sources of oil and gas where it is not already specified in the above list. The operation of the cap would require exclusions of financing new and existing business/projects if they contribute to an increase in the cap.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Arctic oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

☑ Midstream

(4.7.2.3) Year of exclusion implementation

2021

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2021

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

The Group has capped oil and gas at USD 2.28bn and will reduce our exposure from 2026 through to 2050, aligned to the IEA NZE 2050. • The Group will not directly finance greenfield gas extraction projects outside Australia. • The Group will only consider directly financing greenfield gas extraction in Australia where it plays a role in underpinning national energy security. • The Group will continue to support integrated LNG in Australia, New Zealand, and Papua New Guinea and selected LNG infrastructure in other regions. • The Group will not directly finance greenfield oil extraction projects or onboard new customers with a predominant focus on oil *extraction. • The Group will not finance oil and gas extraction, production or pipeline projects within, or impacting, the Arctic National Wildlife Refuge area or any similar Antarctic Refuge. • The Group will not directly finance oil/tar sands or ultra-deep-water oil and gas extraction projects. For clarity NAB does not differentiate sources of oil and gas where it is not already specified in the above list. The operation of the cap would require exclusions of financing new and existing business/projects if they contribute to an increase in the cap.*

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Ultra-deepwater oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

☑ Midstream

☑ Downstream

(4.7.2.3) Year of exclusion implementation

2021

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2021

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

The Group has capped oil and gas at USD 2.28bn and will reduce our exposure from 2026 through to 2050, aligned to the IEA NZE 2050. • The Group will not directly finance greenfield gas extraction projects outside Australia. • The Group will only consider directly financing greenfield gas extraction in Australia where it plays a role in underpinning national energy security. • The Group will continue to support integrated LNG in Australia, New Zealand, and Papua New Guinea and selected LNG infrastructure in other regions. • The Group will not directly finance greenfield oil extraction projects or onboard new customers with a predominant focus on oil extraction. • The Group will not finance oil and gas extraction, production or pipeline projects within, or impacting, the Arctic National Wildlife Refuge area or any similar Antarctic Refuge. • The Group will not directly finance oil/tar sands or ultra-deep-water oil and gas extraction projects. For clarity NAB does not differentiate sources of oil and gas where it is not already specified in the above list. The operation of the cap would require exclusions of financing new and existing business/projects if they contribute to an increase in the cap.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Fracked oil and gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2021

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2050

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

The Group has capped oil and gas at USD 2.28bn and will reduce our exposure from 2026 through to 2050, aligned to the IEA NZE 2050. • The Group will not directly finance greenfield gas extraction projects outside Australia. • The Group will only consider directly financing greenfield gas extraction in Australia where it plays a role in underpinning national energy security. • The Group will continue to support integrated LNG in Australia, New Zealand, and Papua New Guinea and selected LNG infrastructure in other regions. • The Group will not directly finance greenfield oil extraction projects or onboard new customers with a predominant focus on oil extraction. • The Group will not finance oil and gas extraction, production or pipeline projects within, or impacting, the Arctic National Wildlife Refuge area or any similar Antarctic Refuge. • The Group will not directly finance oil/tar sands or ultra-deep-water oil and gas extraction projects. For clarity NAB does not differentiate sources of oil and gas where it is not already specified in the above list. The operation of the cap would require exclusions of financing new and existing business/projects if they contribute to an increase in the cap.

Banking (Bank)

(4.7.2.1) Type of exclusion policy

Select from:

☑ Liquified natural gas

(4.7.2.2) Fossil fuel value chain

Select all that apply

☑ Upstream

(4.7.2.3) Year of exclusion implementation

2021

(4.7.2.4) Phaseout pathway

Select all that apply

☑ New business/investment for new projects

☑ New business/investment for existing projects

☑ Existing business/investment for existing projects

(4.7.2.5) Year of complete phaseout

2050

(4.7.2.6) Country/area the exclusion policy applies to

Select all that apply

☑ Worldwide

(4.7.2.7) Description

The Group has capped oil and gas at USD 2.28bn and will reduce our exposure from 2026 through to 2050, aligned to the IEA NZE 2050. • The Group will not directly finance greenfield gas extraction projects outside Australia. • The Group will only consider directly financing greenfield gas extraction in Australia where it plays a role in underpinning national energy security. • The Group will continue to support integrated LNG in Australia, New Zealand, and Papua New Guinea and selected LNG infrastructure in other regions. • The Group will not directly finance greenfield oil extraction projects or onboard new customers with a predominant focus on oil extraction. • The Group will not finance oil and gas extraction, production or pipeline projects within, or impacting, the Arctic National Wildlife Refuge area or any similar Antarctic Refuge. • The Group will not directly finance oil/tar sands or ultra-deep-water oil and gas extraction projects. For clarity NAB does not differentiate sources of oil and gas where it is not already specified in the above list. The operation of the cap would require exclusions of financing new and existing business/projects if they contribute to an increase in the cap.

[Add row]

(4.8) Does your organization include covenants in financing agreements to reflect and enforce your environmental policies?

	Covenants included in financing agreements to reflect and enforce policies
	Select from: ☑ Yes

[Fixed row]

(4.8.1) Provide details of the covenants included in your organization’s financing agreements to reflect and enforce your environmental policies.

Row 1

(4.8.1.1) Environmental issue

Select all that apply

☑ Climate change

☑ Forests

☑ Water

☑ Biodiversity

(4.8.1.2) Types of covenants used

Select all that apply

☑ A purpose or use of proceeds clause that refers to a taxonomy aligned activity

☑ Margin or pricing depends on sustainability criteria

☑ Minimum level of taxonomy aligned assets are mandated

☑ Legal mandate to obtain third party verification of sustainability criteria

(4.8.1.3) Asset class/product types covered by covenants

Select all that apply

☑ Corporate loans

☑ Project finance

(4.8.1.4) Criteria for how covenants are applied

Select from:

☑ New business/investment for new projects

(4.8.1.5) % of clients covered by covenants

5

(4.8.1.6) % of portfolio covered in relation to total portfolio value

0.5

(4.8.1.7) Provide details on which environmental policies your covenants enforce and how

Our Group Equator Principles Policy requires compliance with Equator Principle's requirements. NAB typically uses standard loan documentation provided by the Asia Pacific Loan Markets Association. This contains standard covenants which address our project finance requirements in relation to Equator Principles. In certain situations, we may negotiate additional covenants if required following due diligence, to ensure environmental and social risks managed. This often includes negotiation of a covenanted Equator Principle Action Plan. Please note that

the five percent of clients covered by covenants in this example refer to the 96 Equator Principles project-related transactions calculated as a percentage of NAB's population of approximately 2000 Corporate and Institutional Banking (CIB) customers. Also note that 0.5% is the EAD value for the 96 Equator Principles project-related transactions as a percentage of NAB's total loan book as at 30 September 2023.
[Add row]

(4.9) Does your organization offer its employees a pension scheme that incorporates environmental criteria in its holdings?

Climate change

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:
☑ No, but we plan to incorporate in the next two years

(4.9.3) Explain why your organization does not incorporate criteria for this environmental issue into the pension scheme holdings

This response sets out the Trustee of the Plum Super National Australia Bank Group Superannuation Fund A (Plan) within the MLC Super Fund, ABN 70 732 426 024 (the Fund) position in relation to responsible investing. Responsible investing Environmental, social, governance (ESG), and ethical factors impact the sustainability of companies and governments and therefore influence the returns from investing. Incorporating ESG and ethical considerations into investment decisions is known as responsible investing. Examples of ESG and ethical factors include: • Environmental - climate change, waste and pollution, resource depletion. • Social and labour standards - working conditions, employee relations and diversity, health and safety. • Governance - executive pay, bribery and corruption, tax strategy. • Ethical considerations - other factors that could be detrimental to the broader community. The Trustee does not take into account labour standards, environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments. How responsible investing applies to the investment options available to members, is outlined below. Investment management decisions for the investment options are made by investment experts at MLC Asset Management, and the investment managers they select. MLC Asset Management expects active investment managers to consider material effects any factors may have on investment returns, including ESG and ethical factors. MLC Asset Management, primarily through its investment managers, may also engage with companies, providing an opportunity to enhance and protect the long-term value of investments. Further information on MLC Asset Management's approach to responsible investing can be found at mlcam.com.au It is not intended for the investment options to invest in tobacco manufacturing companies. Investment options, from time to time, may have a small level of unintended exposure to tobacco-related entities. The investment options aren't promoted as socially responsible or ethical investments. NAB employees are free to choose any superannuation funds that offers ESG options as they wish.

Forests

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:
☑ No, but we plan to incorporate in the next two years

(4.9.3) Explain why your organization does not incorporate criteria for this environmental issue into the pension scheme holdings

This response sets out the Trustee of the Plum Super National Australia Bank Group Superannuation Fund A (Plan) within the MLC Super Fund, ABN 70 732 426 024 (the Fund) position in relation to responsible investing.

Responsible investing Environmental, social, governance (ESG), and ethical factors impact the sustainability of companies and governments and therefore influence the returns from investing. Incorporating ESG and ethical considerations into investment decisions is known as responsible investing. Examples of ESG and ethical factors include: • Environmental - climate change, waste and pollution, resource depletion. • Social and labour standards - working conditions, employee relations and diversity, health and safety. • Governance - executive pay, bribery and corruption, tax strategy. • Ethical considerations - other factors that could be detrimental to the broader community. The Trustee does not take into account labour standards, environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments. How responsible investing applies to the investment options available to members, is outlined below. Investment management decisions for the investment options are made by investment experts at MLC Asset Management, and the investment managers they select. MLC Asset Management expects active investment managers to consider material effects any factors may have on investment returns, including ESG and ethical factors. MLC Asset Management, primarily through its investment managers, may also engage with companies, providing an opportunity to enhance and protect the long-term value of investments. Further information on MLC Asset Management's approach to responsible investing can be found at mlcam.com.au It is not intended for the investment options to invest in tobacco manufacturing companies. Investment options, from time to time, may have a small level of unintended exposure to tobacco-related entities. The investment options aren't promoted as socially responsible or ethical investments. NAB employees are free to choose any superannuation funds that offers ESG options as they wish.

Water

(4.9.1) Pension scheme incorporates environmental criteria in its holdings

Select from:

☑ No, but we plan to incorporate in the next two years

(4.9.3) Explain why your organization does not incorporate criteria for this environmental issue into the pension scheme holdings

This response sets out the Trustee of the Plum Super National Australia Bank Group Superannuation Fund A (Plan) within the MLC Super Fund, ABN 70 732 426 024 (the Fund) position in relation to responsible investing. Responsible investing Environmental, social, governance (ESG), and ethical factors impact the sustainability of companies and governments and therefore influence the returns from investing. Incorporating ESG and ethical considerations into investment decisions is known as responsible investing. Examples of ESG and ethical factors include: • Environmental - climate change, waste and pollution, resource depletion. • Social and labour standards - working conditions, employee relations and diversity, health and safety. • Governance - executive pay, bribery and corruption, tax strategy. • Ethical considerations - other factors that could be detrimental to the broader community. The Trustee does not take into account labour standards, environmental, social and ethical considerations for the purposes of selecting, retaining or realising investments. How responsible investing applies to the investment options available to members, is outlined below. Investment management decisions for the investment options are made by investment experts at MLC Asset Management, and the investment managers they select. MLC Asset Management expects active investment managers to consider material effects any factors may have on investment returns, including ESG and ethical factors. MLC Asset Management, primarily through its investment managers, may also engage with companies, providing an opportunity to enhance and protect the long-term value of investments. Further information on MLC Asset Management's approach to responsible investing can be found at mlcam.com.au It is not intended for the investment options to invest in tobacco manufacturing companies. Investment options, from time to time, may have a small level of unintended exposure to tobacco-related entities. The investment options aren't promoted as socially responsible or ethical investments. NAB employees are free to choose any superannuation funds that offers ESG options as they wish.
[Fixed row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:
☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply
☑ RE100
☑ UNEP FI
☑ UN Global Compact
☑ Equator Principles
☑ We Mean Business
☑ CDP Investor Signatory
☑ Net Zero Banking Alliance
☑ Natural Capital Finance Alliance (NCFA)
☑ UNEP FI's Climate Risk and TCFD programme
☑ Principles for Responsible Investment (PRI)
☑ UNEP FI Principles for Responsible Banking
☑ Climate Bonds Initiative Partnership Programme
☑ Task Force on Nature-related Financial Disclosures (TNFD)
☑ Task Force on Climate-related Financial Disclosures (TCFD)
☑ Other, please specify **:Aotearoa Circle (BNZ only), AIETI, BCSD Australia, RIAA, CEC, Climate Active (Australia), CLC (BNZ only), CMSI, GBCA, OECD Guidelines for MNEs, SBC, SBN -NZ**

(4.10.3) Describe your organization's role within each framework or initiative

- CDP Signatory: signatory to climate, forest and water programs, and the carbon initiative, provision of details on how we manage ESG risks and contribution to the evolution of the CDP to improve ongoing disclosure of ESG risk management; - Climate Bonds Initiative Partner Programme: Certified climate bond issuer; - Climate Disclosure Standards Board (CDSB): Member, assist the CDSB to develop a consistent set of climate disclosures for the TCFD; - Equator Principles Signatory: Commit to sustainable financing of large-scale projects; - - Net Zero Banking Alliance: Member - membership to support commitment to become net zero by 2050; - Principles for Responsible Investment (PRI): New Zealand (NZ) only signatory - up held the six principles for responsible investing to build a more sustainable financial system through the incorporation of ESG considerations into investment decisions, policies, practices and disclosure, as well as the enhancement and promotion of the principles themselves; - RE100: Commitment to use of 100% renewable energy in our operations; - Taskforce on Climate-related Financial Disclosures (TCFD): Framework reporter - commitment to disclose all relevant information for transparency regarding our risks in relation to climate change; - Taskforce on Nature-related Financial Disclosures (TNFD): framework: Contributor/future reporter - commencing reporting according to this framework - UN Global Compact: Participant (2010) and local member (2014) of the Australian Network of the Compact to align our business with universally accepted principles that covers human rights labour, environment and anti-corruption; - UNEP FI: Partner with the UN for the environment as a finance sector entity.INFY23, NAB participated in UNEP FI's TCFD program. This helps us to develop best practice climate risk management. - UNEP Principles for Responsible Banking: Inaugural signatory, assisted in the development and practice of integrating sustainability into banking; - We Mean Business Coalition: Member - commitment to driving business and policy actions to halve global emissions by 2030 in line with a 1.5C pathway. OTHERS: - Aotearoa Circle (BNZ only): Partner - commitment for the pursuit of sustainable prosperity and take shared responsibility in the restoration of NZ natural resources; - Australian Industry Energy Transition (Initiative): assist Australian industry move toward net zero emissions in hard to abate sector by 2050; - Australian Sustainable Finance Initiative (ASFI): Member - commitment to deploy capital to support better social, environmental and economic outcomes in Australia and build a sustainable and resilient Australian financial system, currently working on Australia's Sustainable Finance Taxonomy – NAB is participating in Technical Advisory panels to support the taxonomy

development process; - Business Council for Sustainable Development Australia (BCSDA): Member - promotion of commercial solutions to sustainability challenges; - Clean Energy Council (CEC): membership body focused on supporting the clean energy transition for Australia; - Climate Active (Australia): Member of Climate Active program and certified carbon neutral Australian business; - Climate Leaders Coalition (BNZ only): Member - aims to assist transition to a low emissions economy within which we operate; - Green Building Council of Australia (GBCA): Member - supports sustainable transformation of our major commercial tenancies; - OECD Guidelines for Multinational Enterprises (MNEs): commitment to good corporate governance inclusive of management of climate change and UN SDGs; - Sustainable Business Council: NZ only - membership of group with the objective of creating a sustainable future for business, society and the environment in NZ; - Sustainable Business Network NZ: Member - helps business t to act responsibly for the environment and people.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

(4.11.4) Attach commitment or position statement

The role NAB plays in the transition to the low-carbon economy.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☑ Non-government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

NAB is listed on the InfluenceMap platform and in FY23 NAB engaged with InfluenceMap about its methodology and its assessment of NAB to ensure it accurately reflects NAB's climate advocacy activities.

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

NAB Group is committed to engaging responsibly in climate change policy development. This continues our longstanding approach to constructively engage in the policy development process, where it is relevant to our business. NAB has an internal consultative process aimed to ensure that our direct and indirect activities that influence policy are consistent with the climate change area of focus in our Group Strategy and with our climate change strategy, as well as being consistent across business divisions and geographies. Under this process, representatives from relevant business units (such as Personal Banking (Home lending), Specialised Finance, Capital Financing Solutions, Advisory and others) and Group functions such as Chief Climate Office, Risk, Corporate Affairs, Government Affairs and Legal meet together (as appropriate) to review policy changes and determine the relevance and impact of those policy changes, as they relate to NAB Group. Formal approval from relevant internal stakeholders is sought prior to the formal submission on proposed regulatory or policy changes. NAB also has policy in place requiring approval for participation in external speaking engagements and speaking to media is limited to employees who have approval. In addition, NAB's Sustainability team regularly reviews the advocacy activities of NAB's industry associations to ensure continued alignment with the Paris Agreement goal and our Net Zero commitment.
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

The Climate Change Authority: Paper on Targets, Pathways, and Progress

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Other
☑ Climate transition plans
☑ Corporate environmental targets

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:
☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply
☑ Australia

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:
☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply
☑ Responding to consultations

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

NAB has engaged with the Climate Change Authority on the development of sectoral decarbonisation targets. The establishment of such targets and reference scenarios are considered fundamental to supporting NAB's ability to meet its NZBA commitments, as if appropriate, NAB intends to adopt Australian refence scenarios in the future Success of this engagement will be measured by the creation of these targets.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:
☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply
☑ Paris Agreement

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Department of Agriculture, Fisheries and Forestry consultation into development of and Agricultural and Land Sectoral Plan

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Other
☑ Climate transition plans

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:
☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply
☑ Australia

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:
☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply
☑ Responding to consultations

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

The Department of Agriculture, Fisheries, and Forestry are developing a sectoral plan which will explore ways to reduce emissions and help provide the certainty needed to support the new investment required to secure Australia's low emissions future. NAB is supportive of the development of the agricultural sector plan as NAB believes that it is more efficient and effective to set an agriculture sector target using Australian refence scenarios. Success of this engagement will be measured by the creation of these targets.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 3

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Department of Treasury consultation on Climate-related Financial Disclosure: Exposure Draft Legislation

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Transparency and due diligence

☑ Corporate environmental reporting

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Australia

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation

Modified liability: NAB believes the modified liability approach should be expanded to apply to all forward-looking statements required to be disclosed by Australian Sustainability Reporting Standards, including climate-related transition plans, where entities must rely on information from third parties that may include assumptions about technological pathways and dependencies. NAB would also appreciate clarity on whether decarbonisation targets associated with Scope 3 emissions are intended to be covered by the modified liability framework, given the uncertainty inherent in these pathways and the reliance on third party and estimated data. Assurance requirements: NAB would encourage the Government to consider allowing different levels of assurance to apply to different aspects of climate disclosure. Reporting framework: NAB would appreciate further clarity on the required location of climate-related financial disclosures. It would be useful to understand what, if any, implications this will have for current supplementary disclosures – for example, sustainability data packs, climate and other forms of sustainability reports and disclosures. NAB also seeks to understand whether the draft legislation will explicitly require alignment of reporting requirements to the financial year. It is currently unclear whether NAB would be required to report Scope 1 and 2 greenhouse gas (GHG) emissions data for our financial year (1 October to 30 September), or for a 12-month period within our financial year (e.g. 1 July to 30 June).

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Responding to consultations

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

NAB is supportive of efforts to create a rigorous, internationally aligned and credible climate disclosure regime. Improved quality and transparency of disclosures across the economy makes it easier for banks and other stakeholders to understand the climate-related performance of organisations, estimate emissions for customers and our portfolio, track performance and identify investment and other opportunities to support the transition to a net zero economy. NAB also supports the Government's stated intention to align with global standards where possible, and reinforces the importance of this design principle as the Government implements Australia's climate disclosure regime. Success of this engagement will be measured by the considered introduction of climate disclosure regime where the issues raised in NAB's submissions have been regarded, if not addressed.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ No, we have not evaluated

Row 4

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Exposure Draft (ED SR1) Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Transparency and due diligence

☑ Corporate environmental reporting

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Australia

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation

Location of climate-related financial disclosures: NAB believes it is best to leave the location and presentation of information (i.e. as part of the annual report or a separate sustainability report) up to the judgement of each reporting entity. Where an entity is required to report under different reporting regimes, it would be cost effective to prepare a single set of climate reporting that meets the requirements of all regimes, as opposed to preparing partially duplicated reports. Scope 3 emissions reporting: NAB requests further clarity on the meaning of 'immediately preceding period'. NAB's emissions reporting under the National Greenhouse and Energy Reporting (NGER) Act does not align to our financial year, but is instead aligned to the NGER reporting period (1 July to 1 June). The use of different reporting periods introduces additional considerations and complexities.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Ad-hoc meetings

☑ Responding to consultations

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

NAB is supportive of efforts to create an environment that promotes consistent Australian implementation of climate-related disclosures. There is a growing demand from users of reporting for a comparable, consistent and reliable sustainability-related information, with an initial focus on climate-related information. NAB as a user of other entities' climate reporting has experienced the difficulties that arise when climate and nature-related data and information is not readily available. As such, NAB supports the Government's stated intention to align with global standards where possible, and reinforces the importance of this design principle as the Government implements Australia's climate disclosure regime. Success of this engagement will be measured by the considered introduction of climate disclosure regime where the issues raised in NAB's submissions have been regarded, if not addressed.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:
☑ No, we have not evaluated

Row 5

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Department of Treasury consultation on Australia's Sustainable Finance Strategy

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)
☑ Sustainable finance

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:
☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Australia

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization’s proposed alternative approach to the policy, law, or regulation

NAB encourages alignment with similar standards being developed in the EU, the United Kingdom, and the United States.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Responding to consultations

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

NAB has a long-standing track record in sustainable finance and activity in sustainable finance has grown over time to meet demand. NAB welcomes the development of a sustainable finance strategy for Australia, recognising the critical role that mobilising both private and public capital plays in the transition to a net-zero economy and to addressing other environmental and social challenges. Success of this engagement will be measured by the considered introduction of a sustainable finance strategy for Australia that is informed by NAB’s submissions, and is fit for purpose across NAB’s sustainable finance activities.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ No, we have not evaluated

Row 6

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

National Adaptation Plan Issues Paper

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Environmental impacts and pressures

☑ Other environmental impacts and pressures, please specify :adaptation plan to drive investment

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ Australia

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:

☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Responding to consultations

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

As one of the four major Australian banks, NAB is here to serve customers well and help our communities prosper. A well-adapted and resilient Australia is one that anticipates, prepares for, responds to, and recovers from climate impacts in an inclusive way that protects the quality of life for all Australians, safeguards the natural *environment, while maintaining a vibrant and sustainable economy. This supports us in our role supporting customers and communities. Success of this engagement will be measured by the considered introduction of a national adaption plan for Australia, informed by NAB's submissions, and is fit for purpose in supporting Australia's resilience to climate change-related impacts.*

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:
☑ No, we have not evaluated

Row 7

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

ASFI Sustainable Finance Taxonomy

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Financial mechanisms (e.g., taxes, subsidies, etc.)
☑ Sustainable finance

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:
☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply
☑ Australia

(4.11.1.6) Your organization's position on the policy, law, or regulation

Select from:
☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation

Definitions: NAB believes there is an opportunity to better define and articulate the Usability principle. NAB is concerned that practical usability issues risk limiting adoption of the Taxonomy, with the potential to stifle the deployment of green, social or sustainable labelled capital it seeks to encourage. Research and Development:

The Consultation Paper seeks to differentiate between different types of technology based on maturity (e.g., ability to deploy at scale by 2030). This diverges from the approach taken by global frameworks such as the Climate Bonds Standard, which permits all research and development investments to meet its technical criteria, if the underlying activities are eligible. Given both the inherent uncertainty and importance of research and development (R&D), the Taxonomy should take a similar view in order to speed capital towards R&D activities that are longer term but potentially vital to the deployment of low emissions technology to meet climate goals. Do No Significant Harm: NAB supports the adoption of a DNSH Principle and acknowledges that the proposed approach to DNSH will be the subject of further consultation. However, as with the proposed TSC more broadly, we urge the consultation on a targeted basis with likely users as to the practical ability, particularly in mass-market customer segments, to effectively gather or generate data necessary to the application of specific DNSH criteria. We would also encourage having regard to the likely impacts on potential real economy stakeholders of providing the necessary data (e.g., cost, feasibility) to demonstrate compliance with DNSH criteria within transaction timeframes. There is a risk the Taxonomy may fail to enjoy widespread adoption if the practical usability of DNSH criteria is not fully considered.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Responding to consultations

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

NAB has a long-standing track record in sustainable finance and activity in sustainable finance has grown over time to meet demand. NAB is strongly supportive of the development of a credible, usable and interoperable Australian sustainable finance taxonomy, recognising the critical role that mobilising both private and public capital plays in the transition to a net-zero economy. Success of this engagement will be measured by the considered introduction of a sustainable finance taxonomy reflecting NAB's feedback.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ No, we have not evaluated

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:
☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific
☑ Business Council of Australia

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply
☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:
☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:
☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The Business Council of Australia supports achieving a net zero emissions economy by 2050. In its 'Achieving a Net Zero Economy' paper it set out a proposed transition pathway and a set of policy recommendations to enhance coordination across governments, regulators, industry and the community to deliver economic dividends for all Australians. This included advocating for the Australian Government to formally commit to a net zero by 2050 target, a more ambitious 2030 emissions reduction target, introducing carbon budgets, enhancing the role of the Safeguard Mechanism, deepening the domestic offsets market, and an ongoing national adaptation process to address escalating physical risks of climate change. NAB continues to advocate for policy positions which align with the Group's own views by participating in roundtables and supporting drafting of submissions to government reviews and inquiries, and policy positions.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

95000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Many of the issues that impact our ability to serve customers (such as climate change) cannot be addressed by one company alone. Our industry association memberships – including to BCA – provide direct benefit to NAB's long-term success, including: - Access to industry research - Engaging in industry-wide policy discussions across a range of issues - Opportunity for networking with our industry peers - Access to key policymakers - A further avenue to support the community, particularly memberships of regional business chambers which we hold. By maintaining membership in our industry associations, including the BCA, NAB can share knowledge and data, and encourage policy advocacy and actions broadly aligned with our own views, including on climate change and the environment. Membership also allows us to advocate within the association for a change in policy and actions to be more aligned with our own views and approach.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific

☑ Other trade association in Asia and Pacific, please specify :Australian Banking Association

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The Australian Banking Association (ABA) supports the goals of the Paris Agreement. It also supports accelerating the reduction of emissions by 2030 and a balanced and orderly transition to a net zero emissions economy by 2050. The ABA also supports its members, including NAB, to support a balanced and orderly transition through the provision of climate-related products and services, whether it be a transition to new lower carbon technologies or helping our customers to build climate resilience into their businesses or homes. NAB continues to advocate for policy positions which align with the Group's own views by participating in roundtables and supporting drafting of submissions to relevant government reviews and inquiries, and policy positions.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

213382

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Many of the issues that impact our ability to serve customers (such as climate change) cannot be addressed by one company alone. Our industry association memberships – including to NZ BA – provide direct benefit to NAB's long-term success, including: - Access to industry research - Engaging in industry-wide policy discussions across a range of issues - Opportunity for networking with our industry peers - Access to key policymakers - A further avenue to support the community, particularly memberships of regional business chambers which we hold. By maintaining membership in our industry associations, including the NZ BA, NAB can share knowledge and data, and encourage policy advocacy and actions broadly aligned with our own views, including on climate change and the environment. Membership also allows us to advocate within the association for a change in policy and actions to be more aligned with our own views and approach.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 3

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific

☑ Other trade association in Asia and Pacific, please specify :Business Council of Sustainable Development Australia

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

☑ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Business Council of Sustainable Development Australia (BCSDA). BCSD Australia is a CEO-led organisation of more than 40 Australian businesses and non-governmental bodies working together to accelerate the transition to a sustainable world by aligning with the Sustainable Development Goals (SDGs) and acting on climate change in alignment with the Paris Agreement. NAB continues to advocate for policy positions which align with the Group 's own views by participating in roundtables and supporting drafting of submissions to government reviews and inquiries, and policy positions.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

28700

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Many of the issues that impact our ability to serve customers (such as climate change) cannot be addressed by one company alone. Our industry association memberships – including to BCSDA – provide direct benefit to NAB's long-term success, including: - Access to industry research - Engaging in industry-wide policy discussions across a range of issues - Opportunity for networking with our industry peers - Access to key policymakers - A further avenue to support the community, particularly memberships of regional business *chambers which we hold. By maintaining membership in our industry associations, including the BCSDA, NAB can share knowledge and data, and encourage policy advocacy and actions broadly aligned with our own views, including on climate change and the environment. Membership also allows us to advocate within the association for a change in policy and actions to be more aligned with our own views and approach.*

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 4

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific

☑ Other trade association in Asia and Pacific, please specify :Australian Sustainable Finance Institute

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

☑ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The Australian Sustainable Finance Institute (ASFI) has been established to set out a roadmap for realigning the finance sector to support greater social, environmental and economic outcomes for the country. This is as defined in the Paris Agreement, SDGs and other relevant UN human rights obligations and international conventions. The Roadmap outlines a plan to transform Australia's financial system in to one that is better prepared to face future risks and shocks such as a changing climate; can meet the current needs of Australians while delivering on long-term needs for a sustainable future; can enhance the financial inclusion and well-being of all Australians, including our most vulnerable; and can direct capital to where it is most needed in delivering a transition to a net zero, resource-efficient and inclusive economy. The Roadmap's vision for Australia is a financial system: • that is sustainable, resilient and stable, and can manage systemic risks and other shocks and strains; • that meets both the present and long-term needs of all Australians, the environment and the economy; • where financial decisions are informed and consider sustainability risks, impacts and opportunities; • that enhances financial inclusion and well-being, and informed choice; and • where capital flows support Australia in delivering on sustainable development goals, including facilitating an orderly transition to a net zero emissions, resource efficient and socially inclusive economy. NAB is represented on ASFI's Board/Steering Committee and participated in a number of ASFI technical working groups which collaborated to develop recommendations for the Sustainable Finance Roadmap for Australia, to support the objectives of the Paris Agreement, the SDGs and the Sendai Framework for Disaster Risk Reduction Framework.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

55000

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

The Australian Sustainable Finance Institute (ASFI) is bringing members together to help realign the finance sector to create a sustainable and resilient financial system, which supports greater social, environmental and economic outcomes (including through improving financial system resilience and improving risk management and financial performance of the sector through explicit consideration of ESG risks and opportunities in lending, insurance and investment). ASFI also support financial institutions in the exchange of ideas, knowledge and practices; developing guidance; and undertaking special projects to support the transition to a sustainable financial system. To effectively drive systemic change, structures are needed to embed collaboration across the financial system. There is a need for deep, constructive, and ongoing partnerships between government (federal, state and local), community and other financial system participants.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

Row 5

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific

☑ Other trade association in Asia and Pacific, please specify :New Zealand Bankers' Association (NZ BA)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

As the voice of NZ's banking industry, NZ BA seeks to shape public policy on non-competitive industry issues. This includes on climate change which is a current regulatory priority for the Association. NZ BA has previously advocated for mandatory disclosure requirements, including the mandatory disclosure of entities' Scope 3 financed emissions. BNZ (NAB Group's major New Zealand subsidiary) contributes to NZ Bankers' Association activities and direction including in relation to environment and climate change.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

640607

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Many of the issues that impact our ability to serve customers (such as climate change) cannot be addressed by one company alone. Our industry association memberships – including to NZBA – provide direct benefit to NAB Group's long-term success, including: - Access to industry research - Engaging in industry-wide policy discussions across a range of issues. - Opportunity for networking with our industry peers. - Access to key policymakers. - A further avenue to support the community, particularly memberships of regional business chambers which we hold. By maintaining membership in our industry associations, including the NZBA, NAB Group through the BNZ can share knowledge and data, and encourage policy advocacy and actions broadly aligned with our own views, including on climate change and the environment. Membership also allows us to advocate within the association for a change in policy and actions to be more aligned with our own views and approach.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 6

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific

☑ Other trade association in Asia and Pacific, please specify :BusinessNZ

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:
☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

BusinessNZ is New Zealand's largest business advocacy body. It advocates for enterprise and promotes the voice of thousands of businesses across New Zealand, working for positive change through new thinking, productivity and innovation, including in sustainable business practices. BNZ (NAB Group's major New Zealand subsidiary) contributes to BusinessNZ activities and direction including in relation to environment and climate change.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

8200

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Many of the issues that impact our ability to serve customers (such as climate change) cannot be addressed by one company alone. Our industry association memberships – including to Business NZ – provide direct benefit to NAB Group's long-term success, including: - Access to industry research - Engaging in industry-wide policy discussions across a range of issues. - Opportunity for networking with our industry peers. - Access to key policymakers. - A further avenue to support the community, particularly memberships of regional business chambers which we hold. By maintaining membership in our industry associations, including the Business NZ, NAB Group through the BNZ can share knowledge and data, and encourage policy advocacy and actions broadly aligned with our own views, including on climate change and the environment. Membership also allows us to advocate within the association for a change in policy and actions to be more aligned with our own views and approach.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:
☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply
☑ Paris Agreement

Row 7

(4.11.2.1) Type of indirect engagement

Select from:
☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Asia and Pacific

☑ Other trade association in Asia and Pacific, please specify :Global Compact Network Australia

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

☑ Forests

☑ Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

The Global Compact Network Australia (GCNA) is the Australian, business-led network of the UN Global Compact. Environment and climate change is listed as a focus area, and of its Ten Principles. Principles 7, 8 and 9 are related to environmental issues including climate change (https://unglobalcompact.org.au/our-ten-principles/). Priorities include the Science Based Targets Initiative, just transition and climate change and human rights. NAB contributes to GCNA's activities and direction in relation to environment and climate change.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

34019

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Many of the issues that impact our ability to serve customers (such as climate change) cannot be addressed by one company alone. Our industry association memberships – including to GCNA – provide direct benefit to NAB Group's long-term success, including: - Access to industry research - Engaging in industry-wide policy discussions across a range of issues. - Opportunity for networking with our industry peers. - Access to key policymakers. - A further avenue to support the community, particularly memberships of regional business chambers which we hold. By maintaining membership in our industry associations, including the GCNA, NAB Group through the BNZ can share knowledge and data, and encourage policy advocacy and actions broadly aligned with our own views, including on climate change and the environment. Membership also allows us to *advocate within the association for a change in policy and actions to be more aligned with our own views and approach.*

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

☑ Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☑ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☑ In mainstream reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Other, please specify :**Environmental finance**

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Dependencies & Impacts

(4.12.1.6) Page/section reference

NAB 2023 Full Year Investor Presentation slides: Slide 120 climate strategy; slide 121 sector decarbonisation targets; slides 123 -125 portfolio exposures to energy generation and mining resources, slide 126 nature-related risks and opportunities.

(4.12.1.7) Attach the relevant publication

2023-full-year-results-investor-presentation.pdf

(4.12.1.8) Comment

Row 2

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ GRI

☑ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Value chain engagement

☑ Dependencies & Impacts

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Public policy engagement

☑ Content of environmental policies

(4.12.1.6) Page/section reference

NAB 2023 Climate Report. See page 63 for TCFD content index and page 65 for engagement strategy. Refer pages 3 - 61 for TCFD-related disclosures covering governance, strategy, risk management, emissions figures and metrics and targets.

(4.12.1.7) Attach the relevant publication

2023-climate-report.pdf

(4.12.1.8) Comment

Row 3

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ GRI

☑ TCFD

☑ TNFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Forests

☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Dependencies & Impacts

☑ Public policy engagement

☑ Emission targets
☑ Emissions figures
☑ Risks & Opportunities

(4.12.1.6) Page/section reference

NAB 2023 Annual Report: Climate change governance, strategy, risks and opportunities and metrics and targets pg 37-42; target performance pg 5 and sustainability scorecard pg 25.

(4.12.1.7) Attach the relevant publication

2023-annual-report.pdf

(4.12.1.8) Comment

Row 4

(4.12.1.1) Publication

Select from:
☑ In other regulatory filings

(4.12.1.3) Environmental issues covered in publication

Select all that apply
☑ Climate change

(4.12.1.4) Status of the publication

Select from:
☑ Complete

(4.12.1.5) Content elements

Select all that apply
☑ Strategy
☑ Emissions figures
☑ Emission targets

(4.12.1.6) Page/section reference

NAB 2023 Climate Active Public Disclosure Statement – 2022-2023: See pages 8-17 for emissions reduction strategy, figures and targets.

(4.12.1.7) Attach the relevant publication

climate-active-disclosure-statement-2022-2023.pdf

(4.12.1.8) Comment

Row 6

(4.12.1.1) Publication

Select from:

☑ In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Value chain engagement

☑ Public policy engagement

☑ Other, please specify :**Sustainable finance figures**

(4.12.1.6) Page/section reference

BNZ 2023 sustainability report refer pages 26-38 for climate strategy, risk and opportunities, emission figures and targets.

(4.12.1.7) Attach the relevant publication

2023-Sustainable-Futures-Report.pdf

(4.12.1.8) Comment

Row 7

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply
☑ GRI
☑ TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply
☑ Climate change
☑ Water

(4.12.1.4) Status of the publication

Select from:
☑ Complete

(4.12.1.5) Content elements

Select all that apply
☑ Strategy
☑ Content of environmental policies
☑ Governance
☑ Emission targets
☑ Emissions figures
☑ Risks & Opportunities

(4.12.1.6) Page/section reference

BNZ 2023 Climate Report refer pages 3-42 for TCFD-related disclosures covering governance, strategy, risk management and metrics and targets.

(4.12.1.7) Attach the relevant publication

2023-Climate-Report BNZ.pdf

(4.12.1.8) Comment

[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Annually

Forests

(5.1.1) Use of scenario analysis

Select from:
☑ No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:
☑ Not an immediate strategic priority

(5.1.4) Explain why your organization has not used scenario analysis

NAB Group has not yet used scenario analysis to identify forest-related outcomes (e.g., risks and opportunities) for a number of reasons including: (i) the Group is currently primarily focused on understanding and integrating climate risk into our risk management framework including risk appetite, policy, scenario analysis (including for our Internal Capital Adequacy Assessment Process (ICAAP), and credit risk assessment processes, as well as calculating financed emissions, setting portfolio decarbonisation targets and developing and implementing sectoral transition plans to support the decarbonisation of our customers and our ambition to achieve net zero emissions by 2050; (ii) we do not have access to sufficient data, scenario narratives and methodologies to readily support scenario analysis related to forests – this is an emerging area which we will monitor and consider for the future as data and methodologies allow; and (iii) we do not currently have internal geospatial capability to ingest data that would help us model and assess portfolio exposure to forest-related impacts, risks and dependencies. NAB is developing the capability to geo-locate agricultural customers assets through an internal tool called FarmID. While this is initially intended to support the identification of exposure to climate-related hazards, the analytical infrastructure will provide the foundation for understanding a range of nature-related risks, including for forests, in the future. In FY2023, we also undertook a number of additional activities to further understand potential nature-related impacts, dependencies and risks associated with our operations. This included: (i) participating in a UNEP FI project designed to support financial institutions in understanding the role of nature scenarios; (ii) participating in a UNEP pilot of the TNFD LEAP process using freshwater as a case study – this highlighted that many of the current nature-related assessment tools are global in nature and do not always fully represent Australian conditions); and (iii) undertaking a preliminary assessment of nature-related impacts and dependencies associated with our Australian lending portfolio. This assessment drew on the global Exploring Natural Capital

Opportunities, Risks and Exposure (ENCORE) tool developed by the UNEP World Conservation and Monitoring Centre (WCMC).

Water

(5.1.1) Use of scenario analysis

Select from:

☑ No, but we plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:

☑ Not an immediate strategic priority

(5.1.4) Explain why your organization has not used scenario analysis

NAB Group has not yet used scenario analysis to focus specifically on water-related outcomes (e.g., risks and opportunities) for a number of reasons including: (i) it is not an immediate strategic priority – the Group is currently focused on understanding and integrating climate risk into our risk management framework including risk appetite, policy, scenario analysis (including for our Internal Capital Adequacy Assessment Process (ICAAP), and credit risk assessment processes, as well as calculating financed emissions, setting portfolio decarbonisation targets and developing and implementing sectoral transition plans to support the decarbonisation of our customers and our ambition to achieve net zero emissions by 2050; (ii) we do not have access to sufficient data and methodologies to readily support scenario analysis related to water – this is an emerging area which we will monitor and consider for the future as data and methodologies allow; and (iii) we do not currently have internal geospatial capability to ingest data that would help us model and assess portfolio exposure to water-related impacts, risks and dependencies. NAB is developing the capability to geo-locate agricultural customers assets through an internal tool called FarmID. While this is initially intended to support the identification of exposure to climate-related hazards, the analytical infrastructure will provide the foundation for understanding a range of nature-related risks, including for water, in the future. In FY2023, the Board considered water risk related to drought in a discussion about agricultural credit appetite and we included a flood scenario in our ICAAP. We also undertook a number of additional activities to further understand potential nature-related impacts, dependencies and risks associated with our operations. This included: (i) participating in a UNEP FI project designed to support financial institutions in understanding the role of nature scenarios; (ii) participating in a UNEP pilot of the TNFD LEAP process using freshwater as a case study – this highlighted that many of the current nature-related assessment tools are global in nature and do not always fully represent Australian conditions); and (iii) undertaking a preliminary assessment of nature-related impacts and dependencies associated with our Australian lending portfolio. This assessment drew on the ENCORE tool developed by the UNEP WCMC.
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:
☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply
☑ Policy
☑ Market
☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.5°C or lower

(5.1.1.7) Reference year

2021

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2030
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Climate change (one of five drivers of nature change)

Finance and insurance
☑ Other finance and insurance driving forces, please specify :Cost of carbon

Stakeholder and customer demands
☑ Consumer sentiment

Regulators, legal and policy regimes
☑ Global regulation
☑ Level of action (from local to global)
☑ Global targets
☑ Methodologies and expectations for science-based targets

Relevant technology and science
☑ Other relevant technology and science driving forces, please specify :Various technological developments are assumed to drive decarbonisation in the IEA NZE 2050 scenario

Macro and microeconomy

☑ Other macro and microeconomy driving forces, please specify :Price shifts for oil and other commodities, carbon prices

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Fast policy and technological change, No new oil or gas developments beyond those with approvals in place as at 2021, 88% share of renewables in electricity generation by 2050, limited use of carbon removals, universal access to affordable, reliable, sustainable and modern energy services by 2030, international co-operation and recovery plans, does not rely on emissions reductions from outside the energy sector, carbon price is adopted in all regions, with an assumed price of USD100 by 2030 in advances economies. Limitations: Not derived from IPCC models, trajectories lack granular context: Australia is not currently designated as its own region, only covers CO2 not CO2e, significant reliance on technological improvements.

(5.1.1.11) Rationale for choice of scenario

High sectoral granularity, global coverage - enabling the inclusion of offshore exposures, well accepted and understood by customers, investors and peers, acceptable within the NZBA guidelines, 1.5 degree aligned.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify :Customised NGFS Current Policies scenario

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 3.0ºC - 3.4ºC

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

☑ Other, please specify :2035 and 2045

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

☑ Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This scenario was based on the NGFS Current Policies scenario, however, NGFS scenarios are global narratives and the NGFS notes that individual countries will follow different pathways that reflect their unique social, technology, regulatory and economic circumstances. This meant our prudential regulator developed Australian-specific climate narratives that are consistent with the NGFS scenario to consider key climate drivers for Australia. The Australian specific narrative includes Australia continuing on its current policy direction to 2050 with no further emissions reduction is achieved beyond 2020 levels. There is no linkage to wider emissions trading schemes, and no national emissions target beyond 2030. The electricity sector continues to evolve based on market outcomes. Internationally, net zero pledges announced by governments are not backed by policy, and are lost from the international climate policy dialogue. There is limited emissions pricing, offsetting is ad-hoc and border tax adjustments do not take hold, limiting the drive for deep emissions reductions in major emitting countries. Physical climate change is assumed to follow an RCP8.5 trajectory for the purposes of assessing physical risk. Underlying socioeconomic assumptions, e.g. for population growth, technological progress and productivity growth, are from Shared Socioeconomic Pathway 2 (SSP2).

(5.1.1.11) Rationale for choice of scenario

We first used the Current Policies scenario for the 2022 Australian Prudential Regulatory Authority (APRA) Climate Vulnerability Assessment (CVA). It provides a useful scenario in which action on climate change is insufficient leading to a world that experiences higher temperatures and a significant increase in physical climate risk. Use of the scenario in subsequent analysis allows us to compare to prior results and observe whether there is any change in risk over time. Finally, the Network for Greening the Financial System provides a basis for set of credible scenarios, which are regularly updated, are well understood, publicly available and used by peer financial institutions and regulators.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify :Customised NGFS Delayed Transition scenario

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.6ºC - 1.9ºC

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

☑ Other, please specify :2035 and 2045

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

☑ Global targets

☑ Methodologies and expectations for science-based targets

☑ Other regulators, legal and policy regimes driving forces, please specify :Emissions pricing increases rapidly from 2030.

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify :Fast technology change

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This scenario was based on the NGFS Delayed Transition scenario, however, NGFS scenarios are global narratives and the NGFS notes that individual countries will follow different pathways that reflect their unique social, technology, regulatory and economic circumstances. This meant our prudential regulator developed Australian-specific climate narratives that are consistent with the NGFS scenario to consider key climate drivers for Australia. The Australian specific narrative includes Australia continuing on its current policy direction to 2030, likely achieving its Paris agreement target principally through economic decarbonisation of the electricity system rather than new emissions policies. From 2030, Australian emissions follow a global emissions trajectory towards net zero emissions by 2050, with a single global price for emissions and offsets. Internationally, current policies are followed until 2030, with rapid decarbonisation commencing in 2030 to achieve mid-century net zero emissions targets. Emissions pricing increases rapidly from 2030. Physical climate change follows an RCP2.6 trajectory (limited further climate change). Underlying socioeconomic assumptions, e.g. for population growth, technological progress and productivity growth, are from Shared Socioeconomic Pathway 2 (SSP2).

(5.1.1.11) Rationale for choice of scenario

We first used the Delayed Transition scenario for the 2022 Australian Prudential Regulatory Authority (APRA) Climate Vulnerability Assessment (CVA). It provides a useful scenario in which the impacts of a delayed and more sudden policy response to climate change leads to higher transition risk. As we first used the scenario in FY22, it also allows us to compare to prior results and see if there is any change in risk over time. Finally, the Network for Greening the Financial System provides a set of credible scenarios, which are regularly updated, are well understood and publicly available and used by peer financial institutions and regulators.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Bespoke climate transition scenario

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0ºC - 2.4ºC

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

☑ Other, please specify :2035 and 2045

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

☑ Global targets

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

Macro and microeconomy

☑ Domestic growth

☑ Globalizing markets

☑ Other macro and microeconomy driving forces, please specify :Rapidly increasing carbon price from 2036

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This scenario called 'Too Little, Too Late' (TLTL) was developed by the Reserve Bank of New Zealand (RBNZ) for a stress test in which BNZ (NAB Group's NZ subsidiary) was a participant in FY23. The RBNZ used the NGFS Delayed Transition scenario as a guide for transition risk and the NGFS Current Policies scenario for physical risk. The scenario incorporates limited and delayed global policy action which is insufficient to prevent significant climate change. The scenario covers the period from 2023 to 2050, with most climate impacts occurring after 2030. The scenario sees global temperatures increasing by 0.8C from 2020 to 2050, reaching 2C of warming from pre-industrial levels. A large number of countries only begin to act on reducing GHG emissions in 2036, through a rapid increase in carbon price. Economic growth slows significantly in the decade from 2031 as New Zealand transitions to a lower-emitting economy. Later in the decade, the global slowdown lowers trade and capital flows to New Zealand. RBNZ deviated from the NGFS Current Policies and Delayed Transition scenarios in some important aspects to add additional stress (higher physical and transition risk) and provide additional insights. These differences included: • Increased cost of transition for New Zealand due to lack of international co-operation and co-ordination in enacting climate related policies; • Extreme weather events — inland flooding and drought — leveraging off RBNZ's NZ Risk Assessment exercises in 2022; • An increase in the price and decrease in availability of insurance in NZ locations subject to high and increasing physical climate-related risk; • A ratings downgrade of banks' long term debt issues increasing funding costs and reducing revenue during the period of the drought; and • An operational risk event or events triggered by climate-related events such as loss of physical assets during a flood. Macroeconomic, physical climate, transition and global emissions scenario variables made available for use in the CST can be found at www.rbnz.govt.nz/financial-stability/stress-testing-regulated-entities/climate-stress-test. Underlying socioeconomic assumptions, e.g. for population growth, technological progress and productivity growth, are from Shared Socioeconomic Pathway 2 (SSP2) used by Phase III NGFS scenarios. For further scenario details see 2023 CST Scenario at www.rbnz.govt.nz.

(5.1.1.11) Rationale for choice of scenario

This scenario was used because it was provided to BNZ as part of a regulatory Climate Stress Test.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP2

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0ºC and above

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

☑ Other, please specify **:**2035 and 2045

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes to the state of nature

☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The RCP 8.5 pathway delivers a temperature increase of around 4.3C or higher by 2100, relative to pre-industrial temperatures. It is often referred to as the "worst-case" or business-as-usual scenario, where no significant efforts are made to reduce emissions. It assumes that the world continues to heavily rely on fossil fuels, leading to high carbon emissions throughout the century. RCP 8.5 provides an extreme physical risk scenario contrasted with RCP 2.6, which would deliver a total warming of less than 2oC by 2100. RCP8.5 combines assumptions about high population and relatively slow income growth with modest rates of technological change and energy intensity improvements, leading in the long term to high energy demand and GHG emissions in absence of climate change policies. This level of warming assumes severe consequences such as higher sea levels, more intense storms, and widespread damage to ecosystems. RCP8.5 provides a scenario with the highest greenhouse gas emissions of all RCPs, with a CO2 concentration continuing to rapidly rise, reaching 940 ppm by 2100.

(5.1.1.11) Rationale for choice of scenario

This scenario was selected to provide analysis of the physical climate impacts that may occur when global temperature rise is 3 degrees Celsius and above – a high physical risk scenario. The scenario was considered over a 30-year time horizon from 2020 to 2050 in 5-year increments.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios
☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:
☑ SSP2

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:
☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply
☑ Acute physical
☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:
☑ 1.6ºC - 1.9ºC

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2025
☑ 2030
☑ 2040
☑ 2050
☑ Other, please specify :2035 and 2045

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Changes to the state of nature
☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Granularity of available data (from aggregated to local)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 2.6 is an ambitious climate mitigation scenario in which carbon dioxide emissions start declining by around 2020 and then rapidly decline zero by 2100. It also requires methane emissions go to approximately half of 2020 levels, and that sulphur dioxide emissions decline to approximately 10% of those of 1980–1990. This pathway assumes early participation from high emitting countries, including developing countries, as well as the application of technologies for actively removing carbon dioxide from the atmosphere. RCP 2.6 is likely to keep global temperature rise below 2C by 2100. It assumes the CO_2 concentration reaches around 440 ppm by 2040, then slowly declines to around 420 ppm by 2100.

(5.1.1.11) Rationale for choice of scenario

This scenario was selected to provide analysis of the physical climate impacts that may occur where climate action keeps the global temperature to below two degrees Celsius. The scenario was considered over a 30-year time horizon from 2020 to 2050 in 5-year increments.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify **:**Waypoint 2050 by Air Transport Action Group

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2019

(5.1.1.8) Timeframes covered

Select all that apply
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts
☑ Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes
☑ Global regulation

Relevant technology and science
☑ Other relevant technology and science driving forces, please specify **:**Tech improvements in efficiencies in flying, sustainable aviation fuel and operations.

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

ATAG Waypoint assumes that improvements in aircraft technology, operations and infrastructure efficiency and increased usage of SAF will all contribute to decarbonisation of the sector, but notes that offsetting mechanisms will play a major role, especially through to 2030. Of the emissions reduction required, ATAG expects SAF to reduce emissions intensity by 7%, operational emissions to reduce by a further 7% and the remainder of the reduction (20%) to come from offsets.

(5.1.1.11) Rationale for choice of scenario

Scenario was chosen for use as one of the few dedicated aviation scenarios at the time. It took into account the impact of COVID-19, had reasonable assumptions for technology change, reasonable use of offsets given the technological difficulties in the sector and also reasonable growth assumptions. It was industry built and endorsed which implied buy-in and was 1.5 degree aligned.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios
☑ Customized publicly available climate transition scenario, please specify **:**IAI 1.5 degree Aluminium Scenario

(5.1.1.3) Approach to scenario

Select from:
☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Portfolio

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2018

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Climate change (one of five drivers of nature change)

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify :Relevant Aluminium smelting and alumina refining technology changes and increased uptake of renewable energy

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Key assumptions for this reference scenario include: • Carbon intensity of direct emissions reduces by 93% by 2050 compared to 2018 levels, with thermal energy emissions decreasing 94%. Total carbon intensity will need to reduce by 98%. • Aluminium primary production is expected to grow from its current 64 million tonnes to 68 million tonnes in 2050, with recycled production growing from 19 million tonnes to 81 million tonnes. • The majority of emissions reductions are expected to come from the switch to renewable energy.

(5.1.1.11) Rationale for choice of scenario

Scenario was chosen for use as one of the few dedicated Aluminium scenarios at the time. Key advantages include its use of reasonable assumptions for technology change and reasonable growth assumptions and use of recycled aluminium. The pathway was industry built and endorsed which implied buy-in and was 1.5 degree aligned.

[Add row]

(5.1.2) Provide details of the outcomes of your organization’s scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

☑ Capacity building

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Portfolio

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

The Group uses climate-related scenario analysis to help inform its strategy, risk appetite and risk management in two key ways – to understand: (i) vulnerability of the Group's lending portfolio and its customers to transition and physical risk; and (ii) sectoral decarbonisation pathways needed to transition to a net zero lending portfolio by 2050, set sector decarbonisation targets and establish sector transition plans to achieve that goal. These climate scenario applications are helping us to deliver on our business strategy, which includes a long-term sustainable approach, focusing on commercial responses to society's biggest challenges, including climate change. The Group's 2023 Climate Report provides further details about our climate actions and investments. We continued our use physical climate risk scenarios (RCP2.6 and RCP8.5) to help us understand a range of physical impacts that customers in our lending portfolio may be subject to over the longer term (through to 2050). Also in FY23, BNZ participated in a regulatory climate stress test, which utilised an adaptation of the NGFS's 'Too little, Too Late' scenario and macroeconomic, physical, transition and emissions scenario data supplied by the prudential regulator (the Reserve Bank of New Zealand). The focus of the above analyses was to understand portfolio risk exposure. We also selected transition risk scenarios (IAS's NZE2050, Waypoint 2050 (available from the Aviation Transport Authority Group) and the AI 1.5oC scenario (available from the International Aluminium Institute) to set NAB's sector specific decarbonisation targets. The scenarios were chosen to help NAB set decarbonisation trajectories and interim 2030 targets on the way to net zero by 2050. These scenarios also help us understand the technology levers that customers could deploy to decarbonise, supported development of sector specific operationalisation plans for our targets and contributed to NAB's assessment of transition maturity for 100 of its largest GHG-emitting customers using an internally developed Transition Maturity Diagnostic. Climate risk or vulnerability-related scenario analysis (at portfolio and customer level) is complementary to that required for assessing customers' transition plans and determining NAB's sectoral portfolio decarbonisation pathways. In FY23, the Group continued to leverage key learnings from its climate risk-related scenario analysis, including the APRA Climate Vulnerability Assessment completed in 2022, through: • Reviewing and refreshing risk appetite and ESG-related policy settings, where appropriate, to manage climate-related risks. • Piloting of new tools, such as HomeID (to help colleagues assess and understand climate risk-related physical impacts on the home lending portfolio) and FarmID (to help agribusiness colleagues understand climate risk-related physical risk impacts on agribusinesses). Building these tools is involving building internal capability for geospatial mapping and has required financial investment in data assets (including scenario data for RCP 2.6 and RCP 8.5) and tool development. Once developed and deployed, these tools will support assessment of current and future risk profiles of mortgaged properties and provide catastrophe model outputs for potential extreme weather events. • Integration of climate risk considerations within credit risk assessment procedures and processes to support banker customer-level understanding and assessment of climate risk. • Incorporating our knowledge and understanding of climate risk and opportunities into climate-related training for colleagues (partnering with Melbourne Business School and investing in developing general and sectoral climate training to help bankers understand and support their customers, as customers decarbonise their businesses and manage the physical risk impacts of climate change). • Tracking progress against the first tranche of NAB's 2030 interim (medium term) sectoral portfolio decarbonisation targets (for Oil & Gas, Power Generation, Cement and Thermal Coal) set

in FY22, and setting a second set of targets in FY23 for Aluminium, Iron & Steel (including metallurgical coal as part of the Iron & Steel value chain) and part of the transport sector (Aviation). This target setting process for our lending portfolio will help customers decarbonise and reduce transition risk in the portfolio as we work towards aligning our lending portfolio to net zero emissions by 2050 (our long-term goal) as members of the Net Zero Banking Alliance. Our NZ subsidiary Bank of New Zealand (BNZ) is separately a member and setting portfolio decarbonisation targets. NAB has a further tranche of sectoral decarbonisation targets planned for development and publication in mid-2024. • The Group also used its knowledge about climate scenarios to incorporate a short-term climate scenario in our ICAAP. This scenario involved a significant flooding event on the Australian east coast.
[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:
☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:
☑ Yes

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:
☑ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

We have a different mechanism in place as our transition plan is not voted on at AGMs. Shareholders have an opportunity to provide feedback on the contents and progress of our climate strategy, including our transition plan during NAB's Annual General Meeting (AGM). Please refer to the attached 2023 AGM Notice of Meeting in which NAB responded to a shareholder requisitioned resolution related to climate change. Additionally, our Investor Relations and Corporate Affairs teams have regular engagement with investors and proxy advisers throughout the year.

(5.2.9) Frequency of feedback collection

Select from:
☑ Annually

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

NAB has a climate strategy supported by a Transition Plan based on the TCFD table of equivalence approach permitted by the GFANZ guidelines and recommendations. NAB assessed a range of net zero scenarios aligned to its net zero by 2050 ambition to inform target setting. NAB selected scenarios which have the following characteristics: • Widely accepted, science-based from credible and well recognised sources. •Limited *reliance on negative emissions technologies and carbon sequestration achieved through nature-based solutions and land use change, and aligned to “no overshoot” or “low-overshoot” scenarios. • Designed to maximise alignment with other Sustainable Development Goals, where possible. • Closely aligned to Australian market conditions, including underlying assumptions and scope inclusions. The science of pathways, new decarbonisation technologies and reference scenarios continue to develop and evolve. NAB will review reference scenario selection (and associated targets) as more relevant, localised or improved scenarios are published. The IEA NZE 2050 scenario selected for the Transition Plan requires the emissions intensity of the power generation sector to decrease to 0.14 tCO2-e/MWh in 2030. Key assumptions which underpin this reduction include: • Emissions fall by 57% between 2020 – 2030 and carbon intensity decreases by 68% in the same period. • Renewables growth is initially driven by additional solar PV capacity, followed closely by wind before 2030. • Generation from coal drops to 9% in 2030, with 9% of coal fired generation coming from plants fitted with carbon capture utilisation and storage (CCUS) technology. • Unabated natural gas-fired generation peaks by 2030. • Unabated coal-fired generation is phased out in advanced economies by 2030. • Coal-fired plants are retrofitted to cofire with ammonia and gas turbines with hydrogen by 2025. See sector specific sections of the NAB 2023 Climate Report for further sector specific assumptions.*

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

NAB is working to reduce the emissions attributable to our financing, with the ultimate goal of reducing emissions in the real economy, aligned with pathways to net zero by 2050. NAB is also reducing the footprint of our own operations, working towards targets that align with our ambition and drive accountability throughout NAB. We have set targets to guide emissions reduction across our lending portfolios, aligned to our net zero by 2050 ambition. We are also taking action to support customers as they reduce their emissions. In FY22, four sectoral interim targets were set: power generation, thermal coal mining, oil and gas, and cement production. In FY23, three further decarbonisation targets set: iron and steel, aluminium, and transportation (aviation). In FY23, NAB progressed towards the four interim targets set in FY22. Power generation saw a 10% reduction, oil and gas a 46% reduction, thermal coal a 43% reduction, and cement a 5% reduction. In FY23, NAB Group updated its operational science-based Scope 1 and 2 emissions reduction target to align its ambition to be net zero by 2050 with the best available science and pathway for a 1.5C warming scenario. The new target is 72% reduction in market-based Scope 1 and 2 emissions by 2030 (2022 baseline) compared to the previous target was 51% reduction by 2025 on a 2015 baseline year. The new target has been prepared in accordance with the Sectoral Decarbonisation Approach (SDA) 'Services Buildings’ methodology published by the Science Based Targets initiative (SBTi)and uses the SBTi target setting tool. NAB’s combined Scope 1 and 2 operational emissions decreased 35% from our 2022 environmental reporting year (EY) (1 July 2022 to 30 June 2023) to EY23, primarily driven by increased consumption of renewable energy.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

NAB-2023-climate-report.pdf,NAB-2023-annual-report.pdf,NAB- 2023-notice-of-agm.pdf,NAB-2023-climate-report.pdf,NAB-2023-annual-report.pdf,NAB- 2023-notice-of-agm.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ No other environmental issue considered

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:
☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply
☑ Products and services
☑ Upstream/downstream value chain
☑ Investment in R&D
☑ Operations
[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply
☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply
☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

NAB's Climate Growth Strategy identified key focus areas for climate related opportunities including opportunities within the Corporate and Institutional bank, and Agribusiness. The Group identified several opportunities within the rest of the bank such as SME operations, emerging Greentech and carbon markets. In FY23 this included 4.5bn of new green lending, green CRE (REIT) lending, securitisation, and underwriting and arranging activities of new green customer securities. From 2015 to 2022, a key measure of progress was our environmental financing target to provide 70bn in financing activities to help address climate change and support the transition to a low carbon economy. We reached a cumulative total of 70.8bn in 2022, exceeding the target three years ahead of schedule. NAB has retired the previous target. In FY23 we commenced work on the development of new environmental finance ambition for the period 1 Oct 2023 to 30 Sep 2030 which was planned for disclosure in NAB's June 2024 Supplementary Climate Disclosures (which has since been published).

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The Group is investing to identify and measure environmental risks, with a focus on physical risk and transition risk, starting with Agriculture and homes and extending to CRE in the near future.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

In FY23, we commenced work on the development of new environmental finance ambition for the period 1 Oct 2023 to 30 Sep 2030 which was planned for disclosure in NAB's June 2024 Supplementary Climate Disclosures (which has since been published). NAB is investing in building capability to support customers' green activity (green EF, green CRE loan) and has set aside 50m in a dedicated Climate Investment Fund to back climate tech and third party capability that will help the bank and/or customers to understand risks and opportunities and to decarbonise.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The Group has set a 100% Renewable Electricity Target by 2025. This will be achieved by purchasing renewable electricity through Power Purchase Agreements in addition to a mix of International Renewable Energy Certificates that meet RE100 requirements and generating electricity through installation of solar on our buildings (behind the meter). Any remaining emissions will be reduced through emissions avoidance, fuel switching, energy efficient initiatives, and offsetting residual emissions.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Revenues

☑ Direct costs

☑ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

NAB has implemented a range of processes to monitor and manage the decarbonisation targets and to assist colleagues in reviewing potential transactions. This includes: • Regular internal portfolio monitoring and reporting to inform portfolio steering and decision making. • A tool to calculate the expected impact of a new or refinanced transaction on NAB's attributable financed emissions and ability to meet its targets. • Alongside the tool, provision of guidance to record information about Customer Transition Plans and to inform decision making and provide clear approval escalation pathways where required. • Additional, tailored policy guidance on NAB's status as a signatory to NZBA, NAB's sector targets, and the obligations that flow from them, to support colleagues. • Updated lending policies and guidance notes to ensure simplicity and consistency with NAB's sectoral decarbonisation targets. • Training for colleagues with responsibility for lending decisions within relevant sectors. NAB is building maturity in its approach to meeting requirements of its participation in the NZBA and is evolving enablers, such as data systems, policy and risk settings, and training and partnerships, required to achieve its strategic ambition. Capital expenditures related to bringing products and services to market are considered as part of the annual budget investment cycle. Any direct costs from ongoing operational expenses related to the management of products and services are considered as part of the annual budget cycle.

Row 2

(5.3.2.1) Financial planning elements that have been affected

Select all that apply
☑ Direct costs
☑ Capital expenditures
☑ Liabilities

(5.3.2.2) Effect type

Select all that apply
☑ Risks

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply
☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

The Group's assessment of climate-related risks and opportunities has led to targets associated with: (i) decarbonisation of the Group's operations; (ii) sectoral decarbonisation targets for financed emissions; and (iii) supporting customers through the low-carbon transition. Capital expenditures related to building internal capability to meet these targets are considered as part of the annual budget investment cycle. Any direct costs from ongoing operational expenses related to meet these targets are considered as part of the annual budget cycle (eg renewable energy and offsets costs to maintain carbon neutrality). NAB is a bank with a large agricultural customer base in Australia and New Zealand. Forward load adjustments are also considered in relation to liabilities in the agricultural portfolio caused by climate related adverse events.
[Add row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Carbon

[Fixed row]

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

☑ Implicit price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

☑ Drive energy efficiency

☑ Drive low-carbon investment

☑ Incentivize consideration of climate-related issues in decision making

☑ Identify and seize low-carbon opportunities

☑ Other, please specify :Drive internal behaviour

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Price/cost of renewable energy procurement

☑ Price/cost of voluntary carbon offset credits

(5.10.1.4) Calculation methodology and assumptions made in determining the price

Our internal carbon price is calculated based upon the average price paid for carbon offsets purchased to maintain NAB's carbon neutral status, and renewable electricity certificates purchased and surrendered as part of NAB's commitment to RE100 (commitment to source 100% of electricity needs from renewable sources by 2025).

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 1

☑ Scope 2

☑ Scope 3, other (upstream)

☑ Scope 3, other (downstream)

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

Our internal carbon price for the 2023 environmental year reporting period was 12.77 per tonne. This is informed by our purchases of international and domestic, indigenous voluntary carbon offsets and of renewable energy in 2024. The price of carbon offsets is increasing in general, especially in Australia where the demand for ACCUs is high. The price of energy is also increasing and therefore future Power Purchase Agreements that NAB may wish *to enter, are likely to be associated with higher costs. As a result of this, we expect our internal price of carbon to increase over time.*

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

13

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

13

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply
☑ Operations

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:
☑ No

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

100

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:
☑ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

NAB has an internal cost of carbon which is used in our standard business case template for capital projects related to energy efficiency, greenhouse gas reduction and renewable energy generation. The internal carbon price can bring forward investment in energy efficiency, greenhouse gas reduction and renewable energy generation projects, as investment in projects that reduce GHG emissions reduces the future cost that would otherwise be paid for through carbon offsets.
[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Clients	*Select from:*	*Select all that apply*

	Engaging with this stakeholder on environmental issues	Environmental issues covered
	☑ Yes	
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Forests ☑ Water ☑ Plastics
Smallholders	*Select from:* ☑ Yes	*Select all that apply*
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Forests ☑ Water
Other value chain stakeholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Forests

[Fixed row]

(5.11.3) Provide details of your environmental engagement strategy with your clients.

Row 1

(5.11.3.1) Type of clients

Select from:
☑ Clients of Banks

(5.11.3.2) Environmental issues covered by the engagement strategy

Select all that apply
☑ Climate change

(5.11.3.3) Type and details of engagement

Capacity building

☑ Support clients to develop public, time-bound action plans with clear milestones

☑ Support clients to set their own environmental commitments across their operations

Financial incentives

☑ Provide financial incentives for certified products and services

Information collection

☑ Collect climate transition plan information at least annually from clients

☑ Collect environmental risk and opportunity information at least annually from clients

☑ Collect GHG emissions data at least annually from clients

☑ Collect targets information at least annually from clients

Innovation and collaboration

☑ Collaborate with clients on innovations to reduce environmental impacts in products and services

☑ Collaborate with clients on innovative business models and corporate renewable energy sourcing mechanisms

☑ Facilitate adoption of a unified climate transition approach with clients

(5.11.3.4) % of client-associated scope 3 emissions as reported in question 12.1.1

Select from:

☑ 51-75%

(5.11.3.5) % of portfolio covered in relation to total portfolio value

Select from:

☑ 51-75%

(5.11.3.6) Explain the rationale for the coverage of your engagement

Includes high emitting sectors within our corporate and institutional bank, also increasingly includes our corporate clients on decarbonisation opportunities e.g., green use of proceeds commercial real estate loan.

(5.11.3.7) Describe how you communicate your engagement strategy to your clients and/or to the public

Primarily through our Relationship Bankers directly engaging.

(5.11.3.8) Attach your engagement strategy

2023-annual-report.pdf

(5.11.3.9) Staff in your organization carrying out the engagement

Select all that apply

☑ Senior-level roles

☑ Other, please specify :Bankers

(5.11.3.10) Roles of individuals at the portfolio organizations you seek to engage with

Select all that apply

☑ CEO

☑ Other, please specify :Treasurer, Finance Directors

(5.11.3.11) Effect of engagement, including measures of success

Measured in advocacy scores connected to sustainability, measured in the take up of sustainability related services and products.

(5.11.3.12) Escalation process for engagement when dialogue is failing

Select from:

☑ Yes, we have an escalation process

(5.11.3.13) Describe your escalation process

Where ESG and associated reputation risk is high, including for high emitting customers in sectors which NAB has set portfolio decarbonisation targets and in cases where NAB's engagement may not be achieving desired outcomes, ESG matters are escalated by customer-facing teams for discussion and consideration in business unit (Business and Private Banking and Corporate and Institutional Banking) or subsidiary forums (BNZ) involving senior management, executive and other key internal stakeholders including Risk and Corporate Affairs. The Business and Private Banking forum was formalised in FY23.

[Add row]

(5.11.7) Provide further details of your organization’s supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Information collection

☑ Collect climate transition plan information at least annually from suppliers

☑ Collect GHG emissions data at least annually from suppliers

☑ Collect targets information at least annually from suppliers

☑ Other information collection activity, please specify :NAB commenced transition maturity assessment for 46 suppliers making up the top 50% of NAB's supplier spend in Australia.

Innovation and collaboration

☑ Engage with suppliers to advocate for policy or regulatory change to address environmental challenges

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 26-50%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ Unknown

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

The transition maturity assessment of suppliers was completed using a similar approach to the Transition Maturity Diagnostic adopted for 100 of our largest GHG emitting customers. The next step is to draw on this exercise to seek further integration of supplier transition planning and assessment in existing procurement processes and to inform engagement activities with suppliers in 2024. Advocacy - In NAB-commissioned research, All Systems Go (available at news.nab.com.au/wp-content/uploads/2023/08/Deloitte-PoweringAhead-NAB.pdf), Deloitte Access Economics looked at the difference between an Australia that only meets its 2050 net zero targets, versus an Australia that competitively trades in global decarbonisation. The report finds that what we achieve from now to 2030 is critically important in order to lower the economic cost of transition and set up our economy to capitalise on the potential 435 billion(1) opportunity for Australia if it transforms its industrial base and establishes a clean energy platform to drive export growth in a rapidly decarbonising world. The report suggests that the opportunity can be realised with the right mix of policy, innovation and investment to trade competitively.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Unknown

Forests

(5.11.7.1) Commodity

Select from:

☑ Timber products

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ No other supplier engagement

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ No other supplier engagement

Plastics

(5.11.7.2) Action driven by supplier engagement

Select from:
☑ No other supplier engagement
[Add row]

(5.11.8) Provide details of any environmental smallholder engagement activity

Row 1

(5.11.8.1) Commodity

Select from:
☑ Other, please specify **:**NAB's agribusiness customers which include farming

(5.11.8.2) Type and details of smallholder engagement approach

Capacity building
☑ Organize capacity building events
☑ Support smallholders to adhere to standards in upstream value chain
☑ Support smallholders to adhere to regenerative agriculture principles
☑ Support smallholders to adopt best practices which protect biodiversity
☑ Support smallholders to measure and address their exposure to environmental risk
☑ Support smallholders to measure and report on environmental and social indicators
☑ Provide training, support and best practices on sustainable agriculture practices and nutrient management

Financial incentives
☑ Provide financial support to smallholders to invest in precise fertilization techniques, sustainable agricultural practices and nutrient management
☑ Other financial incentive, please specify **:**Green loans (Equipment Finance and Agri loans)

Smallholder financing
☑ Other smallholder financing approach, please specify **:**Green loans (Equipment Finance and Agri loans)

(5.11.8.3) Number of smallholders engaged

103

(5.11.8.4) Effect of engagement and measures of success

The 'Number of small holders engaged' provided is the number of customers that attended a NAB Sustainability and Networking Function in February 2023. This is an example of the engagement activities NAB conducts with customers. At this event, Agribusiness customers heard guest speakers present on sustainability topics relevant to Australian Agribusiness. Subsequently, at least one customer engaged a presenter to develop a sustainability strategy for their farm. Generally, NAB supports a range of farmer field days and other events across the county with a focus on helping farmers to learn about sustainable farm practices. We also engage with customers on a day-to-day basis through our bankers. In November 2022, NAB launched an Agri Green Loan proposition, a tailored business loan to help agribusiness customers invest in eligible on-farm practices and technologies that reduce emissions, and/or build resilience against climate-related risk. This loan is aligned to the Climate Bonds Standard Agriculture Criteria (CBSAC). DNV Business Assurance Australia Pty Ltd (DNV) has provided a second party opinion to NAB confirming that NAB's framework for NAB Agri Green Loans aligns with the requirements of

the Green Loan Principles (February 2021) published by the Asia Pacific Loan Market Association and complies with the CBSAC 2021 published by the Climate Bonds Initiative. The NAB Agri Green loan launched in conjunction with agribusiness climate banker training provided by Melbourne Business School to agribusiness bankers and specialist teams to help bankers understand the potential needs of customers with respect to climate change mitigation and adaptation needs and sustainable farming practices. Sustainable agriculture practices have the potential to provide resilience against climate and environmental risks and improve land quality while also increasing productivity e.g. in FY23 NAB's business finance for green equipment supported a rice and walnut farmer to fund an on-farm solar installation. This has reduced dependence on external energy sources, minimising costs and reducing their carbon footprint, while allowing them to explore other sustainable practices associated with their operations, such as gravity-fed irrigation systems, on-farm feed production and other land care initiatives. NAB measures the success of its engagement with agribusiness customers through metrics including attendance at events and number of green loans provided.
[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:
☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
☑ Share information about your products and relevant certification schemes
☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Align your organization's goals to support customers' targets and ambitions
☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
☑ Engage with stakeholders to advocate for policy or regulatory change

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:
☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

NAB engages with investors and shareholders on climate change issues to better understand their expectations and what NAB can do to ensure they are met. This engagement also supports NAB's disclosure activities and aims to align disclosures to investor and shareholder needs.

(5.11.9.6) Effect of engagement and measures of success

• *Meeting investor and shareholder expectations* • *Provide annual reporting that communicates effectively to investors and shareholders and receives positive investor feedback.*

Forests

(5.11.9.1) Type of stakeholder

Select from:
☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
☑ Share information about your products and relevant certification schemes
☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Align your organization's goals to support customers' targets and ambitions
☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services
☑ Engage with stakeholders to advocate for policy or regulatory change

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

NAB engages with investors and shareholders on forest-related issues to better understand their expectations and what NAB can do to ensure they are met. This engagement also supports NAB's disclosure activities and aims to align disclosures to investor and shareholder needs.

(5.11.9.6) Effect of engagement and measures of success

• *Meeting investor and shareholder expectations* • *Provide annual reporting that communicates effectively to investors and shareholders and receives positive investor feedback.*

Water

(5.11.9.1) Type of stakeholder

Select from:
☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Educate and work with stakeholders on understanding and measuring exposure to environmental risks
☑ Share information about your products and relevant certification schemes
☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Align your organization's goals to support customers' targets and ambitions
☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

☑ Engage with stakeholders to advocate for policy or regulatory change

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

NAB engages with investors and shareholders on water-related issues to better understand their expectations and what NAB can do to ensure they are met. This engagement also supports NAB's disclosure activities and aims to align disclosures to investor and shareholder needs.

(5.11.9.6) Effect of engagement and measures of success

• *Meeting investor and shareholder expectations* • *Provide annual reporting that communicates effectively to investors and shareholders and receives positive investor feedback.*
[Add row]

(5.12) Indicate any mutually beneficial environmental initiatives you could collaborate on with specific CDP Supply Chain members.

Row 1

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply
☑ Climate change

(5.12.4) Initiative category and type

Other
☑ Other initiative type, please specify :Knowledge exchange

(5.12.5) Details of initiative

NAB would be interested in understanding how Transurban Group is planning to use the information collected through CDP to reduce supply chain emissions and the actions Transurban is taking to decarbonise its value chain. NAB would also be happy to share its own thinking and climate strategy including how we are working to decarbonise our lending portfolio with Transurban in return.

(5.12.6) Expected benefits

Select all that apply
☑ Other, please specify :Benefit of sharing knowledge about what each of us is doing

(5.12.7) Estimated timeframe for realization of benefits

Select from:
☑ 1-3 years

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

☑ No

(5.12.11) Please explain

CO2-e and water savings are not applicable in this instance as the initiative will be to share knowledge on what each organisation is doing on climate change and nature.

Row 2

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply

☑ Climate change

(5.12.4) Initiative category and type

Other

☑ Other initiative type, please specify :Research

(5.12.5) Details of initiative

In FY23, NAB collaborated with Deloitte Access Economics to release the second report in our All Systems Go series, Powering Ahead. The report seeks to highlight the 435b economic opportunity available to Australia if it transforms its industrial base and establishes a clean energy platform to drive growth in a rapidly decarbonising world. NAB and Deloitte Access Economics promoted the report to corporate Australia, government, community through media engagement, workshops, key note addresses.

(5.12.6) Expected benefits

Select all that apply

☑ Other, please specify :Thought leadership, advocacy for CO2-e reduction and enabling policy for external stakeholders via a publication series.

(5.12.7) Estimated timeframe for realization of benefits

Select from:

☑ 1-3 years

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

☑ No

(5.12.11) Please explain

CO2-e and water savings are not applicable in this instance as the initiative will be to collaborate on research about climate change opportunities and in FY23, this involved producing a publication called All systems go: Powering ahead (details available here: https://news.nab.com.au/news/all-systems-go-powering-ahead/)

Row 3

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply

☑ Climate change

(5.12.4) Initiative category and type

Other

☑ Other initiative type, please specify :Knowledge exchange

(5.12.5) Details of initiative

NAB would be interested in understanding how Telstra is planning to use the information collected through CDP to reduce supply chain emissions and the actions Telstra is taking to decarbonise its value chain. NAB would also be happy to share its own thinking and climate strategy including how we are working to decarbonise our lending portfolio with Telstra in return.

(5.12.6) Expected benefits

Select all that apply

☑ Other, please specify :Knowledge exchange.

(5.12.7) Estimated timeframe for realization of benefits

Select from:

☑ 1-3 years

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:

☑ No

(5.12.11) Please explain

CO2-e and water savings are not applicable in this instance as the initiative will be to share knowledge on what each organisation is doing on climate change and nature.

Row 4

(5.12.1) Requesting member

Select from:

(5.12.2) Environmental issues the initiative relates to

Select all that apply
☑ Climate change

(5.12.4) Initiative category and type

Other
☑ Other initiative type, please specify :Knowledge exchange

(5.12.5) Details of initiative

NAB would be interested in understanding how Visa is planning to use the information collected through CDP to reduce supply chain emissions and the actions Visa is taking to decarbonise its value chain. NAB would also be happy to share its own thinking and climate strategy including how we are working to decarbonise our lending portfolio with Visa in return.

(5.12.6) Expected benefits

Select all that apply
☑ Other, please specify :Knowledge exchange.

(5.12.7) Estimated timeframe for realization of benefits

Select from:
☑ 1-3 years

(5.12.8) Are you able to estimate the lifetime CO2e and/or water savings of this initiative?

Select from:
☑ No

(5.12.11) Please explain

CO2-e and water savings are not applicable in this instance as the initiative will be to share knowledge on what each organisation is doing on climate change and nature.
[Add row]

(5.13) Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?

(5.13.1) Environmental initiatives implemented due to CDP Supply Chain member engagement

Select from:

☑ No, and we do not plan to within the next two years

(5.13.2) Primary reason for not implementing environmental initiatives

Select from:

☑ Not an immediate strategic priority

(5.13.3) Explain why your organization has not implemented any environmental initiatives

We have had valuable engagement with customers that have requested data and information from the Group to assist with estimating their Scope 3 supply chain-related GHG emissions. However, our engagement has primarily involved knowledge sharing about how we each are: (i) approaching collection/calculation of supply chain-related GHG emissions, and (ii) considering other climate-related analysis such as portfolio decarbonisation target setting, operationalisation of sectoral transitions plans to help achieve targets, customer transition plan assessment and scenario analysis. We have agreed to continue to engage in knowledge exchange. We have not otherwise identified any mutually beneficial environmental initiatives that we have agreed to implement together, nor do we currently plan to.

[Fixed row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

NAB Group uses an operational control approach for consolidation of NAB Group entities' environmental-related data when accounting for, and attributing, environmental performance/ impacts and target setting to NAB Group. This means the Group consolidates environmental data where it considers it has authority to create and apply operating policies. We have selected the approach because it is the most typical method for setting organisation boundaries and easier to operationalise. It is also consistent with peers, and therefore provides stakeholders with an ability to compare our data with other financial sector companies. The advantage of this approach is that if the Group has operational control, it has an ability to focus on how it can influence or minimise the greenhouse gas emissions that we produce, finance or facilitate through developing actions plans and strategies to implement change and through setting operational environmental, including greenhouse gas (absolute or intensity-based) operational and/or portfolio targets.

Forests

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

NAB Group uses an operational control approach for consolidation of NAB Group entities' environmental-related data when accounting for, and attributing, environmental performance/ impacts and target setting to NAB Group. This means the Group consolidates environmental data where it considers it has authority to create and apply operating policies. We have selected the approach because it is the most typical method for setting organisation boundaries and easier to operationalise. It is also consistent with peers, and therefore provides stakeholders with an ability to compare our data with other financial sector companies. The advantage of this approach is that if the Group has operational control, it has an ability to focus on how it can influence or minimise the forest-related impacts it may have through reduction initiatives and setting of operational performance targets like reduction of paper consumption (which can have an impact on native forests when they are used for virgin paper production), and the financing or facilitation of customers' actions plans and initiatives to address their impacts on forests (e.g. sustainable forestry management and certification) or to use forestry to address environmental impacts (e.g. carbon farming for greenhouse gas sequestration) and other relevant forestry-related impacts.

Water

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

NAB Group uses an operational control approach for consolidation of NAB Group entities' environmental-related data when accounting for, and attributing, environmental performance/ impacts and target setting to NAB Group. This means the Group consolidates environmental data where it considers it has authority to create and apply operating policies. We have selected the approach because it is the most typical method for setting organisation boundaries and easier to operationalise. It is also consistent with peers, and therefore provides stakeholders with an ability to compare our data with other financial sector companies. The advantage of this approach is that if the Group has operational control, it has an ability to focus on how it can influence or minimise the water it consumes through reduction initiatives and setting of operational performance targets, and the financing or facilitation of customers' actions plans and initiatives to address their water extraction/consumption (e.g. implement water efficiency initiatives) and other relevant water-related impacts.

Plastics

(6.1.1) Consolidation approach used

Select from:

☑ Other, please specify :Not applicable

(6.1.2) Provide the rationale for the choice of consolidation approach

NAB Group does not currently collect data, account for, or set reduction targets related to plastics use and consumption. If NAB were to do this in the future, we would commence this using an operational control approach to be consistent with other environmental areas where we consolidate environmental-related data for NAB Group entities' when accounting for, and attributing, environmental performance/ impacts and target setting to NAB Group.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

NAB Group uses an operational control approach for consolidation of NAB Group entities' environmental-related data when accounting for, and attributing, environmental performance/ impacts and target setting to NAB Group. This means the Group consolidates environmental data where it considers it has authority to create and apply operating policies. We have selected the approach because it is the most typical method for setting organisation boundaries and easier to operationalise. It is also consistent with peers, and therefore provides stakeholders with an ability to compare our data with other financial sector companies. The advantage of this approach is that if the Group has operational control, it has an ability to focus on how it can influence or minimise the biodiversity-related impacts it may have through reduction initiatives and setting of operational performance targets like reduction of paper consumption (which can have an impact on native forests when they are used for virgin paper production), and the financing or facilitation of customers' actions plans and initiatives to address their impacts on biodiversity (e.g. using native vegetation in shelter belts, habitat restoration and land and biodiversity conservation and rehabilitation activities).
[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

(7.1.1.1) Has there been a structural change?

Select all that apply
☑ Yes, an acquisition

(7.1.1.2) Name of organization(s) acquired, divested from, or merged with

NAB Group expanded its global operations through the opening of a NAB Innovation Centre Vietnam and NAB Innovation Centre India in 2023.

(7.1.1.3) Details of structural change(s), including completion dates

The Group's structural changes were: (i) opening NAB Innovation Centre Vietnam in May 2022, (ii) opening NAB Innovation Centre India in July 2022, (iii) opening a European office in June 2022, and (iv) acquiring Citi consumer business in Australia in June 2022. These operations have been setup and integration into existing Group operations and the associated emissions have been reported and included in Group's emissions profile.
[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply
☑ Yes, a change in methodology

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

In 2023, NAB has changed its methodology for calculating market-based emissions to more closely align with the Department of Climate Change, Energy, the Environment and Water (DCCEEW) in its Australian National Greenhouse Accounts Factors August 2023 manual.
[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

☑ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply

☑ Scope 2, location-based

☑ Scope 2, market-based

☑ Scope 3

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

NAB Group's significance threshold is 5%. If a change in the business occurs or an error is discovered and baseline emissions are impacted by more than 5%, the baseline will be recalculated to take account of the business change or error. In the 2023 reporting year, NAB Group updated its Scope 1 and 2 (market-based method) science-based GHG emissions reduction target to align its ambition to be net zero by 2050 with the best available science and pathway for a 1.5C warming scenario.

(7.1.3.4) Past years' recalculation

Select from:

☑ Yes

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☑ IEA CO2 Emissions from Fuel Combustion

☑ The Greenhouse Gas Protocol: Scope 2 Guidance

☑ The Climate Registry: General Reporting Protocol

☑ Australia - National Greenhouse and Energy Reporting Act

☑ IPCC Guidelines for National Greenhouse Gas Inventories, 2006

☑ US EPA Emissions & Generation Resource Integrated Database (eGRID)

☑ New Zealand - Guidance for Voluntary, Corporate Greenhouse Gas Reporting

☑ French methodology for greenhouse gas emissions assessments by companies V4 (ADEME 2016)

☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

☑ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

☑ Other, please specify :DBEIS 2022: UK Conversion factors from Company Reporting, Australia - EPA Victoria Greenhouse gas (GHG) inventory and management plan 2020-2021, Japan - National GHG Inventory Report of Japan, 2022, Australia – National Greenhouse Accounts 2021

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

☑ We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

☑ We are reporting a Scope 2, market-based figure

(7.3.3) Comment

NAB Group's public reporting uses both location-based and market-based methodologies. For CDP reporting we have determined NAB Group's market-based Scope 2 emissions as per the approach set out in the CDP Technical Note: Accounting of Scope 2 Emissions (2020).
[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ Yes

(7.4.1) Provide details of the sources of Scope 1, Scope 2, or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure.

Row 1

(7.4.1.1) Source of excluded emissions

Fugitive gases associated with building-based HVAC and kitchen refrigerators for our Asian (except Hong Kong), Paris and New York operations and a JB Were office in New Zealand.

(7.4.1.2) Scope(s) or Scope 3 category(ies)

Select all that apply

☑ Scope 1

(7.4.1.3) Relevance of Scope 1 emissions from this source

Select from:
☑ Emissions are not relevant

(7.4.1.10) Explain why this source is excluded

This emissions source is immaterial in relation to our global operations and would not contribute in a meaningful way to emissions reductions. We have a small number of office locations throughout Asia (Singapore, Japan, India, Vietnam and China), one office in New York, one office in Europe and a JB Were office in NZ for which we are unable to source data from our landlords on fugitive emissions of ozone depleting substances in respect of air conditioning and refrigeration.

(7.4.1.11) Explain how you estimated the percentage of emissions this excluded source represents

Based on the very small proportion of FTE (5.4%) and NLA (3.4%) that these regions contribute to NAB's portfolio and given that we understand the volume of HVAC in our operations where this is calculated (less than 1% of total 2023 GHG emissions), the volume of emissions from HVAC in our Asia, New York and JB Were office in New Zealand has been deemed immaterial.
[Add row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

06/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

6619

(7.5.3) Methodological details

The base year emissions have been calculated in accordance with the Greenhouse Gas Protocol supported by the guidance issued by National Government or Designated entities in the jurisdictions we operate.

Scope 2 (location-based)

(7.5.1) Base year end

06/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

69015

(7.5.3) Methodological details

The base year emissions have been calculated in accordance with the Greenhouse Gas Protocol supported by the guidance issued by National Government or Designated entities in the jurisdictions we operate.

Scope 2 (market-based)

(7.5.1) Base year end

06/30/2022

(7.5.2) Base year emissions (metric tons CO2e)

16399

(7.5.3) Methodological details

In environmental reporting year 2023 (1 July 2022 - 30 June 2023), NAB has changed its methodology for calculating market-based emissions to more closely align with the Department of Climate Change, Energy, the Environment and Water (DCCEEW) in its Australian National Greenhouse Accounts Factors August 2023 manual. NAB has restated its 2022 market-based Scope 2 emissions number from 32,066 to 16,399 tCO2-e. Market-based figures vary from Climate Active reporting as the Climate Active methodology for calculating market-based emissions incorporates the renewables applicable to the Large-scale Renewable Energy Target (LRET) for the reporting period. The renewables applicable to the LRET is not included in NAB's other publicly reported market-based emissions calculations due to applicable emissions accounting requirements.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

06/30/2019

(7.5.2) Base year emissions (metric tons CO2e)

17.36

(7.5.3) Methodological details

NAB included this emissions category in our carbon inventory based on the inclusion of A3, A4 and A5 paper purchases only. The baseline for NAB's paper operational performance target was based on the 2019 reporting year. These are the emissions associated with that baseline. All emissions (100%) were calculated using data obtained from our paper supplier.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

06/29/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

NAB Group as a financial services provider, is not a significant purchaser of capital goods that have material climate change impacts compared to other sectors. NAB leases some capital goods it uses such as buildings, cars and photocopiers. The GHG emissions arising from the use of these capital goods are generally accounted for in the calculation of other sources of Scope 1, 2 and 3 GHG emissions that NAB Group currently reports.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

06/30/2019

(7.5.2) Base year emissions (metric tons CO2e)

10344.26

(7.5.3) Methodological details

NAB included this emissions category in our carbon inventory based on the inclusion of (i) transmission and distribution losses from diesel, gas and electricity, and (ii) transmission and distribution losses from fuels used in fleet vehicles. The baseline for NAB's waste operational performance targets was based on the 2019 reporting year. These are the fuel-and-energy-related emissions associated with that baseline year.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

06/30/2019

(7.5.2) Base year emissions (metric tons CO2e)

1409.2

(7.5.3) Methodological details

NAB Group measures the emissions generated through couriers, freight and postage for our BNZ operations. Activity data is provided directly by suppliers. Relevant GHG emissions calculations and appropriate NZ emissions factors are applied to the activity data for each source. These are set out in guidance provided by the NZ Government in the New Zealand Guidance for Voluntary, Corporate Greenhouse Reporting and by NZ Post.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

06/30/2019

(7.5.2) Base year emissions (metric tons CO2e)

2318.58

(7.5.3) Methodological details

This Scope 3 GHG emissions source includes GHG emissions from waste to landfill and waste to incineration. The baseline for NAB's waste operational performance targets was based on the 2019 reporting year. These are the waste emissions associated with that baseline.

Scope 3 category 6: Business travel

(7.5.1) Base year end

06/29/2019

(7.5.2) Base year emissions (metric tons CO2e)

27948.0

(7.5.3) Methodological details

This includes GHG emissions from flights, hotel stays, taxi travel, use of rental cars, rail and employee use of private vehicles for work purposes where relevant for all Group operations. The baseline for NAB's operational performance target was based on the 2019 reporting year. These are the business travel emissions associated with that baseline year.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

06/30/2015

(7.5.2) Base year emissions (metric tons CO2e)

41000.0

(7.5.3) Methodological details

To generate the 2015 baseline, a survey was conducted of Australian staff and their travel modes and distances commuting to and from work. This was extrapolated across the broader population to determine a factor for estimating Employee Commuting GHG per Employee Number. Per person emission factors for various travel modes were determined as follows: (1) Cars: We have applied the factors published by the Australian Bureau of Statistics state average fleet mix, multiplied by the average efficiencies (litres per 100km), multiplied by the appropriate National Greenhouse Gas Accounts factors to arrive at a kgCO2/person.km travelled: (2) Motorcycles and Ferries: We have applied the factors from the Department of Environment, Food and Rural Affairs (DEFRA) as kgCO2/person.km travelled. (3) Regional Train and Bus: Direct emissions (kgCO2/person.km) figures published by the EPA Greenhouse Gas Inventory Management Plan (publication 1562) and indirect factors from the NGA. (4) Metro train (and tram): Direct emissions figures were taken from EPA publication 1562 and were adjusted to represent other States' different electricity grids (and also indirect emissions) by drawing upon the NGA factors. This category also includes Working from Home emissions. For the baseline, average household electricity and gas consumption applied to hours worked from homes was sourced from Australian Energy Regulator: Electricity and gas bill benchmarks for residential customers. Data was extrapolated for other geographies. Base year start 07/01/2019. Base year end 06/30/2020. Base year emissions (metric tons CO2e): 3,597.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

06/30/2019

(7.5.2) Base year emissions (metric tons CO2e)

20454.0

(7.5.3) Methodological details

NAB Group leases the majority of its building portfolio and the majority of the GHG emissions from these buildings are considered to be under our operational control and are already accounted for in our Scope 1 and 2 GHG emissions. Where we utilise shared facilities in our building such as lifts, escalators, HVAC etc. as part of the base building operated and controlled by the landlord or the landlord's facilities manager, we account for our share of the emissions associated with these facilities as fuel and energy related activities. These are the base building emissions associated with that baseline year.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

06/29/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Due to the intangible nature of financial products and services, we do not require downstream transportation and distribution of a physical product. Accordingly, we have assessed this source of emissions as being not relevant to our industry sector and business.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

06/29/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Due to the intangible nature of financial products and services we do not require downstream transportation and distribution of a physical product. Accordingly, we have assessed this source of emissions as being not relevant to our industry sector and business.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

06/29/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

NAB Group as a financial services provider, is not a significant purchaser of capital goods that have material climate change impacts compared to other sectors. NAB leases some capital goods it uses such as buildings, cars and photocopiers. The GHG emissions arising from the use of these capital goods are generally accounted for in the calculation of other sources of Scope 1, 2 and 3 GHG emissions that NAB Group currently reports.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

06/29/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

NAB Group as a financial services provider, is not a significant purchaser of capital goods that have material climate change impacts compared to other sectors. NAB leases some capital goods it uses such as buildings, cars and photocopiers. The GHG emissions arising from the use of these capital goods are generally accounted for in the calculation of other sources of Scope 1, 2 and 3 GHG emissions that NAB Group currently reports.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

06/29/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

NAB has an immaterial number of downstream leased assets in the form of a small number of buildings that are owned and leased to tenants. The tenancy agreements for these assets give the tenant operational control of the energy use of the asset and the tenant pays the energy bills. Emissions from downstream leased assets are not large relative to NAB’s total emissions, do not contribute to significant GHG risk exposure, are not deemed relevant by key stakeholders, and are not activities NAB has previously undertaken within its boundary. NAB has limited ability to influence emissions from this source. Accordingly, for the purposes of our carbon inventory the GHG emissions from these downstream assets are not considered relevant.

Scope 3 category 14: Franchises

(7.5.1) Base year end

06/29/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

NAB Group does not have franchises, therefore this emissions source is not relevant.

Scope 3: Other (upstream)

(7.5.1) Base year end

06/30/2019

(7.5.2) Base year emissions (metric tons CO2e)

475.0

(7.5.3) Methodological details

This Scope 3 GHG emissions source includes GHG emissions from water from our operations in London, Australia and BNZ. The baseline for NAB's water operational performance target was based on the 2019 reporting year. These are the emissions associated with that target baseline.

Scope 3: Other (downstream)

(7.5.1) Base year end

06/30/2020

(7.5.2) Base year emissions (metric tons CO2e)

196

(7.5.3) Methodological details

This Scope 3 GHG emissions source includes GHG emissions from customer statements from our operations in New Zealand. In 2020, there was a significant increase in the Victorian Environmental Protection Agency emission factor for paper (increased 104%) and therefore 2020 is considered the baseline year for this emissions source for the purpose of responding to CDP.
[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

7590

(7.6.3) Methodological details

Scope 1 emissions have been calculated in accordance with the Greenhouse Gas Protocol supported by the guidance issued by National Government or Designated entities in the jurisdictions we operate. Operational control approach was used to estimate emissions.
[Fixed row]

(7.7) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

57320

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

7451

(7.7.4) Methodological details

NAB Group's public reporting uses both location-based and market-based methodologies. NAB Group's market-based Scope 2 emissions were estimated as per the approach set out in the CDP Technical Note “Accounting of Scope 2 emissions.” (version 11.0).
[Fixed row]

(7.8) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

4792.58

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Average spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

NAB Group re-evaluated and reclassified the GHG categories to better align with GHG Protocol’s Corporate Value Chain (Scope 3) Accounting and Reporting Standard in 2023. (1) A4 and A3 paper: The quantity of paper purchased is obtained from office paper suppliers. Paper purchased is segmented into the following categories for *calculation of GHG emissions: recycled, virgin content, domestic and offshore sources, and certified Carbon Neutral and Carbon Neutral and Recycled (both zero emissions). The methodology and emission factors are those published in EPA Victoria Greenhouse gas (GHG) inventory and management plan 2020-2021. Where the paper is certified carbon neutral by the Government, or another independent a body, a net carbon neutral position will be reported. (2) Customer statements paper: This includes operations in Australia and BNZ. The quantity of customer statements is obtained from office paper supplier. Customer statements are segmented into the following categories for calculation of GHG emissions: domestic recycled (onshore), virgin paper (offshore) and carbon neutral (zero emissions). The methodology and emission factors applied is a reverse calculation of the number of paper sheets into statements using the emission factors applied are those published in the EPA Victoria, Greenhouse gas (GHG) inventory and management plan 2020-21 and Paper Australia, Climate Active, Public Disclosure Statement, 2020. (3) Water: Emissions include operations in London, Australia, Europe, India and BNZ. Activity data is collected and provided by our property services finance services team and is based on billed water use. Australian operations contributes to 98% of associated water GHG emissions. Where billed information is not available for applicable sites, we extrapolate water use based on kL/m2. The methodology and emission factors are taken from NZ Guidance for Voluntary Corporate Greenhouse Gas reporting (MFE) and from Environmental Protection Authority Victoria for the relevant reporting period. (4) Couriers, freight and postage: Activity data is for NAB and BNZ operation only and is provided directly from suppliers. The methodology and emission factors are applied to the activity data for each source. These are set out in guidance provided by the NZ Government in the New Zealand Guidance for Voluntary, Corporate Greenhouse Reporting and by NZ Post.*

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

NAB Group as a financial services provider, is not a significant purchaser of capital goods that have material climate change impacts compared to other sectors. NAB leases some capital goods it uses such as buildings, cars and photocopiers. The GHG emissions arising from the use of these capital goods are generally accounted for in the calculation of other sources of Scope 1, 2 and 3 GHG emissions that NAB Group currently reports.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2437.36

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Supplier-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

NAB Group re-evaluated and reclassified the GHG categories to better align with GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard in 2023. This set of Scope 3 GHG emissions includes the emissions resulting from (i) Transmission and distribution losses from diesel, gas and electricity and (ii) Extraction, production and transportation losses from fuels used in fleet vehicles. (1) Transmission and distribution losses from stationary energy (diesel, gas and propane) and electricity: Activity data for electricity and fuel consumption from Scope 1 and 2 GHG emissions sources was utilised for the calculation of this emission source. The activity data has a high degree of accuracy as it is required for regulatory reporting purposes. Relevant GHG emissions calculation methodologies and appropriate country specific emission factors are applied to the activity data for each emission source. These are set out in guidance provided by the Australian Government in the NGER Determination and National Greenhouse Accounts Factors, by the UK Government in the Department of Business, Energy & Industrial Strategy (DBEIS) Voluntary Reporting Guidelines, by the NZ Government in the New Zealand Guidance for Voluntary, Corporate Greenhouse Reporting and in the Climate Registry: General Reporting Protocol and emission factors as updated. (2) Extraction, production and transportation losses from fuels (diesel, petrol and where relevant, ethanol) associated with our vehicle fleet are also included in our current carbon inventory where a methodology for these losses is provided in the published reporting relevant to a country where we have operations. The methodologies and factors we have applied are outlined in the referenced mentioned above for the calculation of distribution losses.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Due to the intangible nature of financial products and services we do not require upstream transportation and distribution of a physical product. Accordingly, we have assessed this source of emissions as being not relevant to our industry sector and business.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

833.06

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

67

(7.8.5) Please explain

This emissions source includes GHG emissions from wastewater, waste to landfill, waste to incineration and waste diverted from landfill. NAB Group re-evaluated and reclassified the GHG categories to better align with GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard in 2023. Although we track materials recycled as one of our activity data sets to determine our rate of diversion of waste from landfill, we do not include recycled materials in our current carbon inventory. (1) Waste to landfill: Activity data is collected and provided by our corporate waste contractors and is an estimate based on the number of bins they collect from our offices. Data is not available in all operations so we calculate a normalised measure of waste/m2 of property space occupied from the sample of sites where data is available and extrapolate the sample to estimate waste from the total building portfolio. 67% of waste was extrapolated in 2023. The calculation methodologies and factors provided by NZ Ministry for Environment's Corporate Reporting Guidelines and the Australian National Greenhouse Accounts (NGA) Factors references are applied to calculate GHG emissions. (2) Waste to incineration: Activity data is collected and provided by NAB Group's corporate waste contractors. Waste to incineration is not performed in all countries. Once the tonnage of waste to incineration data is available, the GHG emissions calculation methodologies and factors provided by DEBIS are applied to calculate GHG emissions. (3) Materials diverted: Activity data is collected and provided by BNZ and London only. Emissions from waste diverted is not performed in all countries. Once the tonnage of waste to diverted data is available, the GHG emissions calculation methodologies and factors provided by MFE - Guidance for Voluntary, Corporate Greenhouse Gas Reporting and DBEIS: UK Government conversion factors for Company Reporting are applied to calculate GHG emissions. (4) Wastewater: Activity data is collected and provided as per potable water and harvested water activity data calculation method. The calculation methodologies and factor are applied to calculate GHG emissions in line guidance and factor as provided by the MFE.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

22395.39

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

This includes GHG emissions from flights, hotel stays, taxi travel, use of rental cars and employee use of private vehicles for work purposes where relevant for all Group operations. NAB Group re-evaluated and reclassified the GHG categories to better align with GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard in 2023. (1) Air Travel: We use the methodologies and factors described in DBEIS 2023: UK Government conversion factors for Company Reporting for the applicable reporting period. Activity data is sourced from corporate travel providers and reconciled to travel expenditure from our finance system. (2) Employee claims for use of personal vehicles for work purposes: For GHG emissions from use of personal vehicles for work *purposes we use the methodologies and factors described for vehicles (cars) in DBEIS and Australian National Greenhouse Accounts (NGA) Factors for the applicable reporting period. We utilise activity data available from employee claims for reimbursement of expenses for these calculations. The accuracy of the data is reliant on employees filling in claim forms. (3) Hotel Stays: For Hotel Stays, we use the factors described in NZ Guidance for Voluntary, Corporate Greenhouse Gas Reporting (2022) (MFE). Activity data (no. of nights stayed, segmented by country) is sourced from our corporate travel provider. An uplift is applied to activity data to estimate travel booked outside our corporate travel provider. (4) Taxi travel: GHG emissions are calculated from either dollar spend or distance travelled (derived from dollar spend). Emission factors are applied to activity data (either spend for NZ regions or distance travelled in km or miles for other regions). Emission factors are sourced for NZ from the MFE or from DBEIS for the applicable reporting period. (5) Rental cars: Rental car related emissions are derived from distance travelled provided by the rental car companies. Methodologies and emission factors for vehicles from DBEIS for the applicable reporting period are applied to the activity data to calculate the relevant GHG emissions.*

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

10095.66

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Emissions associated with colleagues working from home are included in the Group's emissions boundary. BNZ employee per day activity data is sourced from BNZ remote access systems. It is assumed that weekend access is for a full day and that staff will login onto to the network when working from home. Emission factors are sourced for BNZ from the MFE Working from home activity data for the other operations is the average FTE working from home. Australian Climate Active calculator for these operations has been applied. Emissions associated with employee commuting are excluded from the Group's emissions boundary. NAB's influence on its employees' commuting decisions is limited but changing, as hybrid working behaviours and expectations are developed and embedded. NAB offers end-of-trip facilities at many of its locations, though this intervention does not materially influence emissions reduction associated with employee commuting. NAB intends to further engage with stakeholders directly on this emissions source in 2024. While NAB has estimated emissions associated with employee commuting in 2023, its ability to accurately measure this source is limited. NAB is currently compiling data and developing its methodology to improve data quality. BNZ has commenced quantifying and disclosing emissions associated with employee commuting as part of its emissions boundary for Toitū net carbonzero certification. Offsetting requirement under the Toitū programme is for a minimum inventory which does not include employee commuting.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

8970.61

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Asset-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

NAB Group leases the majority of its building portfolio and the majority of the GHG emissions from these buildings are considered to be under our operational control and are already accounted for in our Scope 1 and 2 GHG emissions. Where we utilise shared facilities in our building such as lifts, escalators, HVAC etc. as part of the base building operated and controlled by the landlord or the landlord's facilities manager, we account for our share of the emissions associated with these facilities as fuel and energy related activities. We have also included GHG emissions associated with the operation of non-network ATM's for the BNZ operations which are managed on BNZ's behalf. This GHG emission source category includes GHG emissions from (I) Base-building energy use (diesel, gas) and electricity not under NAB's operational control (Australia only): Activity data is provided by relevant landlords and based on billed energy consumption. Base-building GHG emissions represents our share of emissions from energy use to operate common facilities such as heating, cooling, ventilation and lifts within buildings we occupy. Base-building GHG are calculated based on the proportion of the landlord's energy consumption for these services based on our share of the building occupancy. The Australian emissions factors and methods set out in the calculation GHG emissions from our Scope 1 and 2 GHG emission sources are as described in the version of the National Greenhouse and Energy Reporting (Measurement) Determination 2008 applicable to the 2022-23 reporting period and the applicable version of the Australian National Greenhouse Accounts (NGA) Factors, (ii) associated transmission and distribution losses relating to Base-building energy use; and (iii) energy use emissions from use of Automated Tella Machines (ATM's) for our BNZ business. All remote (not located within BNZ store network) ATM's are held under gross leases so we do not receive electricity charges for operation of these ATM's. For this we do record an estimate of energy usage which is an average provided by NCR who operate the ATM's on our behalf. The methodology applied to calculate emissions associated with energy usage in ATM's was adopted from NZ Guidance for Voluntary Corporate Greenhouse Gas reporting.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Due to the intangible nature of financial products and services we do not require downstream transportation and distribution of a physical product. Accordingly, we have assessed this source of emissions as being not relevant to our industry sector and business.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Due to the intangible nature of financial products and services we do not sell, process or treat physical products. Accordingly, we have assessed these sources of emissions as being not relevant to our industry sector and business.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Due to the intangible nature of financial products and services we do not sell, process or treat physical products. Accordingly, we have assessed these sources of emissions as being not relevant to our industry sector and business.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

NAB Group as a financial services provider, is not a significant purchaser of capital goods that have material climate change impacts compared to other sectors. NAB leases some capital goods it uses such as buildings, cars and photocopiers. The GHG emissions arising from the use of these capital goods are generally accounted for in the calculation of other sources of Scope 1, 2 and 3 GHG emissions that NAB Group currently reports.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

NAB Group has an immaterial number of downstream leased assets in the form of a small number of buildings that are owned and leased to tenants. The tenancy agreements for these assets give the tenant operational control of the energy use of the asset and the tenant pays the energy bills. Accordingly, for the purposes of our carbon inventory the GHG emissions from these downstream assets are not considered relevant.

Franchises

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

NAB Group does not have franchises, therefore this emissions source is not relevant.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☑ Not evaluated

(7.8.5) Please explain

NAB Group does not have emissions that fit this category.

Other (downstream)

(7.8.1) Evaluation status

Select from:

☑ Not evaluated

(7.8.5) Please explain

NAB Group does not have emissions that fit this category.
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:*

	Verification/assurance status
	☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:

☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.1.4) Attach the statement

assurance-carbon-neutral.pdf

(7.9.1.5) Page/section reference

All Scope 1 emissions have Limited Assurance (see Carbon Neutral Assurance Report: pg. 1 – specified GHG emissions and offset data including Scope 2; pg. 2 – Criteria and Standards used; pg 3 – Procedures performed).). Australian Scope 1 emissions reported under the NGER Act have Reasonable-level Assurance.

(7.9.1.6) Relevant standard

Select from:

☑ ASAE3000

(7.9.1.7) Proportion of reported emissions verified (%)

100

Row 2

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.1.4) Attach the statement

assurance-national-greenhouse-energy-and-reporting.pdf

(7.9.1.5) Page/section reference

Australian Scope 1 emissions reported under the NGER Act have Reasonable-level Assurance, see National Greenhouse Energy and Reporting Assurance report attached (NGER Assurance Report: pg. 1 – NGER data including Scope 2, Criteria and Standards used)

(7.9.1.6) Relevant standard

Select from:
☑ ASAE3000

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

assurance-carbon-neutral.pdf

(7.9.2.6) Page/ section reference

All Scope 2 emissions have Limited Assurance (see Carbon Neutral Assurance Report: pg. 1 – specified GHG emissions and offset data inc. Scope 2; pg. 2 – Criteria and Standards used; pg 3 – Procedures performed). Australian Scope 2 emissions reported under the NGER Act have Reasonable-level Assurance.

(7.9.2.7) Relevant standard

Select from:
☑ ASAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.2.5) Attach the statement

assurance-carbon-neutral.pdf

(7.9.2.6) Page/ section reference

All Scope 2 emissions have Limited Assurance (see Carbon Neutral Assurance Report: pg. 1 – specified GHG emissions and offset data inc. Scope 2; pg. 2 – Criteria and Standards used; pg 3 – Procedures performed). Australian Scope 2 emissions reported under the NGER Act have Reasonable-level Assurance.

(7.9.2.7) Relevant standard

Select from:
☑ ASAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 3

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.2.5) Attach the statement

assurance-national-greenhouse-energy-and-reporting.pdf

(7.9.2.6) Page/ section reference

Australian Scope 2 emissions reported under the NGER Act have Reasonable-level Assurance, see additional National Greenhouse Energy and Reporting Assurance report attached (NGER Assurance Report: pg. 1 – NGER data inc. Scope 2, Criteria and Standards used).

(7.9.2.7) Relevant standard

Select from:
☑ ASAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 4

(7.9.2.1) Scope 2 approach

Select from:
☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:
☑ Reasonable assurance

(7.9.2.5) Attach the statement

assurance-national-greenhouse-energy-and-reporting.pdf

(7.9.2.6) Page/ section reference

Australian Scope 2 emissions reported under the NGER Act have Reasonable-level Assurance, see additional National Greenhouse Energy and Reporting Assurance report attached (NGER Assurance Report: pg. 1 – NGER data inc. Scope 2, Criteria and Standards used).

(7.9.2.7) Relevant standard

Select from:
☑ ASAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply
☑ Scope 3: Purchased goods and services

(7.9.3.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.3.5) Attach the statement

assurance-carbon-neutral.pdf

(7.9.3.6) Page/section reference

Carbon Neutral Assurance Report is a Limited Assurance Report which covers the set of NAB Group's Scope 3 emissions, including for Paper and Courier, freight and postage, as reported in NAB Group's 2023 Sustainability Data Pack xlsx. Refer pages 1, 2 and 3 of the Assurance Report. The "GHG Emissions" tab in the NAB Group's 2023 Sustainability Data Pack xlsx file shows the specified Scope 3 emissions that have been covered by KPMG's Limited Assurance Report.

(7.9.3.7) Relevant standard

Select from:
☑ ASAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

assurance-carbon-neutral.pdf

(7.9.3.6) Page/section reference

Carbon Neutral Assurance Report is a Limited Assurance Report which covers the set of NAB Group's Scope 3 emissions, including for Transmission and distribution losses, as reported in NAB Group's 2023 Sustainability Data Pack xlsx. Refer pages 1, 2 and 3 of the Assurance Report. The "GHG Emissions" tab in the NAB Group's 2023 Sustainability Data Pack xlsx file shows the specified Scope 3 emissions that have been covered by KPMG's Limited Assurance Report.

(7.9.3.7) Relevant standard

Select from:

☑ ASAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 3

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Waste generated in operations

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.3.5) Attach the statement

assurance-carbon-neutral.pdf

(7.9.3.6) Page/section reference

Carbon Neutral Assurance Report is a Limited Assurance Report which covers the set of NAB Group's Scope 3 emissions, including for Waste (landfill, incineration, wastewater and recycled), reported in NAB Group's 2023 Sustainability Data Pack xlsx. Refer pages 1, 2 and 3 of the Assurance Report. The "GHG Emissions" tab in the NAB Group's 2023 Sustainability Data Pack xlsx file shows the specified Scope 3 emissions that have been covered by KPMG's Limited Assurance Report.

(7.9.3.7) Relevant standard

Select from:
☑ ASAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 4

(7.9.3.1) Scope 3 category

Select all that apply
☑ Scope 3: Business travel

(7.9.3.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.3.5) Attach the statement

assurance-carbon-neutral.pdf

(7.9.3.6) Page/section reference

Carbon Neutral Assurance Report is a Limited Assurance Report which covers the set of NAB Group's Scope 3 emissions, including for Business Travel, vehicle fleet (electricity) and transmission and distribution losses from vehicle fleet, reported in NAB Group's 2023 Sustainability Data Pack xlsx. Refer pages 1, 2 and 3 of the Assurance Report. The "GHG Emissions" tab in the NAB Group's 2023 Sustainability Data Pack xlsx file shows the specified Scope 3 emissions that have been covered.

(7.9.3.7) Relevant standard

Select from:

☑ ASAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 5

(7.9.3.1) Scope 3 category

Select all that apply

☑ Scope 3: Employee commuting

(7.9.3.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.3.5) Attach the statement

assurance-carbon-neutral.pdf

(7.9.3.6) Page/section reference

Carbon Neutral Assurance Report is a Limited Assurance Report which covers the set of NAB Group's Scope 3 emissions, including for Working from home energy, reported in NAB Group's 2023 Sustainability Data Pack xlsx. Refer pages 1, 2 and 3 of the Assurance Report. The "GHG Emissions" tab in the NAB Group's 2023

Sustainability Data Pack xlsx file shows the specified Scope 3 emissions that have been covered by KPMG's Limited Assurance Report.

(7.9.3.7) Relevant standard

Select from:
☑ ASAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100

Row 7

(7.9.3.1) Scope 3 category

Select all that apply
☑ Scope 3: Upstream leased assets

(7.9.3.2) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Complete

(7.9.3.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.3.5) Attach the statement

assurance-carbon-neutral.pdf

(7.9.3.6) Page/section reference

Carbon Neutral Assurance Report is a Limited Assurance Report which covers the set of NAB Group's Scope 3 emissions, including for base building and offsite energy operated and controlled by the landlord or landlord's facilities manager, reported in NAB Group's 2023 Sustainability Data Pack xlsx. Refer pages 1, 2 and 3 of the Assurance Report. The "GHG Emissions" tab in the NAB Group's 2023 Sustainability Data Pack xlsx file shows the specified Scope 3 emissions that have been covered

(7.9.3.7) Relevant standard

Select from:
☑ ASAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:
☑ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

2747

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

4

(7.10.1.4) Please explain calculation

*NAB Group's purchase of renewable energy increased, resulting in scope 2 GHG emissions decreasing by 4% (2,747 tCO2-e) in 2023 compared with 2022. 2023 was the fifth year where we surrendered Large Scale renewable energy Certificate's (LGC's). The majority of these certificates were created through Power Purchase Agreements (PPAs), which are used to procure renewable energy and in turn, create LGC's. NAB also create and surrender LGC's from the largest of our rooftop solar systems. In the UK and at NAB Group's Bank of New Zealand offices, GreenPower was purchased to cover a large portion of the electricity consumption. Japan purchased Renewable electricity certificates to partially cover the GHG emissions from the electricity consumption. The emissions value (%) calculation is therefore: (2,747/75,634) *100 4%.*

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

41

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

0.05

(7.10.1.4) Please explain calculation

*NAB Group continues to implement an energy efficiency program, including energy efficiency opportunity assessments and sustainable building design. This helps to produce GHG emissions reductions. 3 energy efficiency initiatives has been implemented in 2023, estimated annual savings are 41 t CO2-e in total. The 2022 total scope 1 and 2 GHG emissions are 75,634 so therefore: (41/75,634) *100 0.05%. A focus on lighting and HVAC upgrades across our Australian building portfolio including branches and business banking centres has continued and we plan to reassess outstanding energy efficiency initiatives and refresh our pipeline of energy efficiency opportunities in 2024. Detail on the Group's environmental and climate related performance is provided in the 2023 Sustainability Data Pack available at https://www.nab.com.au/about-us/shareholder-centre/financial-disclosures-and-reporting/annual-reporting-suite?own_cidshortURL:annualreports*

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no divestments that impacted the Group's operational greenhouse gas inventory in our environmental reporting year for 2023.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no acquisitions that impacted the Group's operational greenhouse gas inventory in our environmental reporting year for 2023.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no mergers that impacted the Group's operational greenhouse gas inventory in our environmental reporting year for 2023.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

12094

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

21

(7.10.1.4) Please explain calculation

*Total grid drawn electricity decreased by 9% in 2023 compared to 2022. Network sites recorded an 8% reduction in electricity consumption (grid generated) in 2023 compared to 2022, totalling 31% of total electrical consumption. These reductions were driven by the closure of 57 branches through to June of 2023 since June of 2022, equalling a 10% reduction in network Net Lettable Area (NLA). Total electricity usage (grid) by data centres has decreased by 13% during 2023 compared to 2022 due to IT migration to the cloud. Data Centres contribute 42% of the Australia portfolio's electricity footprint across grid and generated electricity. Associated emissions for data centres decreased by 23% in 2023. The variance from the total usage decrease of 13% is due to the ongoing decarbonisation of the grid in VIC. Scope 2 GHG emissions for data centres and network sites decreased by 21% (12,094 tCO2-e) in 2023. Scope 2 GHG emissions relates to consolidation of network sites & efficiencies gained at the data centres in migrating data to the cloud are 56,632 tCO2-e) in 2022. The emissions value (%) calculation is therefore: (12,094/56,632)*100 21%.*

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

7305

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

10

(7.10.1.4) Please explain calculation

*Across the Group, changes in electricity-related GHG emission factors had an impact of -10% (-7,304.81 tCO2-e) on Group-wide Scope 1 and Scope 2 GHG emissions. This was most significant in Victoria, where the Scope 2 electricity-related GHG emissions factor decreased by 11%. This resulted in a reduction of 5,172.75 tCO2-e GHG emissions in Victoria. Additionally, the New Zealand electricity-related emissions factor increased by 31%, increasing location-based GHG emissions by 378.39 tCO2-e. NAB Group's total Scope 1 and Scope 2 GHG emissions in 2022 were 75,634 tCO2-e. The reduction calculation is therefore: -(7,304.81/75,634)*100 -10%.*

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

253

(7.10.1.2) Direction of change in emissions

Select from:

☑ Increased

(7.10.1.3) Emissions value (percentage)

0.33

(7.10.1.4) Please explain calculation

*NAB Innovation Centre India reports scope 2 electricity for the first time in 2023, adding 114 tCO2e to NAB Group's Scope s GHG emissions. NAB Innovation Centre Vietnam also reports scope 2 electricity for the whole year in 2023, adding 139 tCO2e to the Group's Scope 2 GHG emissions. The Group's total Scope 1 and Scope 2 GHG emissions in 2022 were 75,634 tCO2-e. The increase calculation is therefore: (253/75,634)*100 0.33%.*

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There were no changes in physical operating conditions that impacted the Group's operational greenhouse gas inventory in our environmental reporting year for 2023.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

We have identified the reasons for change in emissions from prior year to our environmental reporting year 2023. There are no unidentified reasons for the change in emissions. The changes in emissions are detailed in the rows above.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There are no other sources of changes in emissions from prior year to our environmental reporting year 2023. The changes in emissions are detailed in the rows above.
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Location-based

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ Yes

(7.23.1) Break down your gross Scope 1 and Scope 2 emissions by subsidiary.

Row 1

(7.23.1.1) Subsidiary name

NAB China

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ LEI number

(7.23.1.9) LEI number

300300C1169231000065

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

39.61

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

39.61

(7.23.1.15) Comment

In 2023, NAB's China operations were not powered by renewable energy.

Row 2

(7.23.1.1) Subsidiary name

NAB New York Office

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ LEI number

(7.23.1.9) LEI number

254900CF468MXKD7PW65

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

79.26

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

79.26

(7.23.1.15) Comment

In 2023, NAB's New York operations were not powered by renewable energy.

Row 3

(7.23.1.1) Subsidiary name

NAB Innovation Centre Vietnam

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ No unique identifier

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

159.54

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

159.54

(7.23.1.15) Comment

In 2023, NAB's Viet Nam operations were not powered by renewable energy.

Row 4

(7.23.1.1) Subsidiary name

NAB Singapore

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ Other unique identifier, please specify :Swift Bank Identifier Code (BIC)

(7.23.1.11) Other unique identifier

NATASGSG

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

62.58

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

62.58

(7.23.1.15) Comment

In 2023, NAB's Singapore operations were not powered by renewable energy.

Row 5

(7.23.1.1) Subsidiary name

Bank of New Zealand

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ LEI number

(7.23.1.9) LEI number

N7LGVZM7X4UQ66T7LT74

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

1519.54

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

854.64

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

22.17

(7.23.1.15) Comment

The Bank of New Zealand operations were partially powered by certified renewable electricity, reducing the market-based emissions.

Row 6

(7.23.1.1) Subsidiary name

NAB United Kingdom

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ Other unique identifier, please specify :Swift Bank Identifier Code (BIC)

(7.23.1.11) Other unique identifier

NATAGB2L

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

11.96

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

99.1

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

0.0

(7.23.1.15) Comment

NAB Group's UK operations are powered by renewable electricity so that the Scope 2, market based emissions amount to zero.

Row 7

(7.23.1.1) Subsidiary name

NAB Europe (Paris)

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ Other unique identifier, please specify :Swift Bank Identifier Code (BIC)

(7.23.1.11) Other unique identifier

NATAFRPP

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

1.53

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

1.53

(7.23.1.15) Comment

In 2023, NAB's European operations were not powered by renewable energy.

Row 8

(7.23.1.1) Subsidiary name

National Australia Bank Limited

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ LEI number

(7.23.1.9) LEI number

F8SB4JFBSYQFRQEH3Z21

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

6058.69

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

55744.45

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

6858.27

(7.23.1.15) Comment

In 2023, NAB created LGCs through on-site solar and by surrendering LGC's generated through Power Purchase Agreements (PPA). This reduced NAB's Scope 2, market based emissions.

Row 9

(7.23.1.1) Subsidiary name

JB Were New Zealand

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ LEI number

(7.23.1.9) LEI number

549300LKNMTCNMPT7A11

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

15.36

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

15.36

(7.23.1.15) Comment

In 2023, NAB's JB Were New Zealand operations were not powered by renewable energy.

Row 10

(7.23.1.1) Subsidiary name

NAB India

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ Other unique identifier, please specify :Swift Bank Identifier Code (BIC)

(7.23.1.11) Other unique identifier

NATAINBBXXX

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

113.65

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

113.65

(7.23.1.15) Comment

In 2023, NAB's India operations were not powered by renewable energy.

Row 11

(7.23.1.1) Subsidiary name

NAB Japan

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ Other unique identifier, please specify :Swift Bank Identifier Code (BIC)

(7.23.1.11) Other unique identifier

NATAJPJT

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

66.29

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

14.62

(7.23.1.15) Comment

NAB's Japanese operations are partially powered by certified renewable electricity. In 2023, NAB also voluntarily surrendered Renewable Energy Certificates (RECs) to reduce the remaining Japanese Scope 2, market-based emissions.

Row 12

(7.23.1.1) Subsidiary name

NAB Hong Kong

(7.23.1.2) Primary activity

Select from:
☑ Banks

(7.23.1.3) Select the unique identifier you are able to provide for this subsidiary

Select all that apply
☑ Other unique identifier, please specify :Swift Bank Identifier Code (BIC)

(7.23.1.11) Other unique identifier

NATAHKHHXXX

(7.23.1.12) Scope 1 emissions (metric tons CO2e)

0.0

(7.23.1.13) Scope 2, location-based emissions (metric tons CO2e)

39.61

(7.23.1.14) Scope 2, market-based emissions (metric tons CO2e)

39.61

(7.23.1.15) Comment

In 2023, NAB's Hong Kong operations were not powered by renewable energy.
[Add row]

(7.26) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

Row 1

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:
☑ Scope 1

(7.26.4) Allocation level

Select from:
☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Other allocation method, please specify :Allocation based on the amount of income earned by NAB from Telstra and Telstra's JVs. The denominator used is income (total interest income + total other operating income) as income is the relevant metric from NAB's 2023 Annual Financial Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

413129500

(7.26.9) Emissions in metric tonnes of CO2e

152

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Building-based refrigerants - HVAC, refrigerators Business travel - vehicle fleet and status-use vehicles Stationary energy - combustion of fuel: diesel, gas, propane Vehicle air conditioning refrigerant

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

NAB uses an operational control approach consistent with guidance in the GHG Protocol to identify the emissions sources that are included in our Scope 1 inventory. The uncertainty figure provided above applies to NAB Group's Scope 1 emissions, this uncertainty would be higher following application of the allocation methodology, however this has not been calculated.

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report (page 173) 2023 NAB sustainability data pack (GHG emissions tab).

Row 2

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:
☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:
☑ Company wide

(7.26.6) Allocation method

Select from:
☑ Other allocation method, please specify :Allocation based on the amount of income earned by NAB from Telstra and Telstra's JVs. The denominator used is income (total interest income + total other operating income) as income is the relevant metric from NAB's 2023 Annual Financial Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:
☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

413129500

(7.26.9) Emissions in metric tonnes of CO2e

149

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Stationary energy - electricity

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

NAB uses an operational control approach consistent with guidance in the GHG Protocol to identify the emissions sources that are included in our Scope 2 inventory. In calculating emissions allocated to Telstra, our emissions calculation uses a market-based approach for Scope 2 as NAB purchases renewable energy (currently at 72.4% progressing towards a target of 100% by 30 June 2025). The emissions estimate calculated is therefore net emissions after RE purchase, but before NAB has offset remaining emissions to become carbon neutral. The uncertainty figure provided above applies to NAB Group's Scope 2 emissions, this uncertainty would be higher following application of the allocation methodology, however this has not been calculated.

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report (page 173) 2023 NAB sustainability data pack (GHG emissions tab).

Row 3

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 5: Waste generated in operations

☑ Category 6: Business travel

☑ Category 8: Upstream leased assets

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Other allocation method, please specify :Allocation based on the amount of income earned by NAB from Telstra and Telstra's JVs. The denominator used is income (total interest income + total other operating income) as income is the relevant metric from NAB's 2023 Annual Financial Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

413129500

(7.26.9) Emissions in metric tonnes of CO2e

991

(7.26.10) Uncertainty (±%)

10

(7.26.11) Major sources of emissions

A3, A4 and A5 paper purchased Base-building energy - combustion of fuel: diesel, gas (AUS only) Base-building & 3rd party data centre energy - electricity (AUS, NZ & UK) Business travel - Air travel Business travel – Hotel stays Other business travel Offsite energy - electricity Transmission losses - base-building energy: diesel, gas, electricity (AUS, NZ & UK) Transmission losses - stationary energy: diesel, gas, propane, electricity Transmission Losses - Offsite Electricity Working From Home energy Waste to landfill Waste to incineration Materials Recycled/Diverted from landfill Water use Waste water Paper Statements (Non Carbon Neutral) (New Zealand only)

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

NAB uses an operational control approach consistent with guidance in the GHG Protocol to identify the emissions sources that are included in our Scope 3 inventory. The uncertainty figure provided above applies to NAB Group's Scope 3 emissions, this uncertainty would be higher following application of the allocation methodology, however this has not been calculated.

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report (page 173) 2023 NAB sustainability data pack (GHG emissions tab).

Row 4

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:
☑ Scope 1

(7.26.4) Allocation level

Select from:
☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Other allocation method, please specify :Allocation based on the amount of income earned by NAB from Visa. The denominator used is income (total interest income + total other operating income) as income is the relevant metric from NAB's 2023 Annual Financial Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

302804

(7.26.9) Emissions in metric tonnes of CO2e

0.11

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Building-based refrigerants - HVAC, refrigerators Business travel - vehicle fleet and status-use vehicles Stationary energy - combustion of fuel: diesel, gas, propane Vehicle air conditioning refrigerant.

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

NAB uses an operational control approach consistent with guidance in the GHG Protocol to identify the emissions sources that are included in our Scope 1 inventory. The uncertainty figure provided above applies to NAB Group's Scope 1 emissions, this uncertainty would be higher following application of the allocation methodology, however this has not been calculated.

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report (page 173) 2023 NAB sustainability data pack (GHG emissions tab).

Row 5

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:
☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:
☑ Company wide

(7.26.6) Allocation method

Select from:
☑ Other allocation method, please specify :Allocation based on the amount of income earned by NAB from Visa. The denominator used is income (total interest income + total other operating income) as income is the relevant metric from NAB's 2023 Annual Financial Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:
☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

302804

(7.26.9) Emissions in metric tonnes of CO2e

0.11

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Stationary energy - electricity

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

NAB uses an operational control approach consistent with guidance in the GHG Protocol to identify the emissions sources that are included in our Scope 2 inventory. In calculating emissions allocated to Visa, our emissions calculation uses a market-based approach for Scope 2 as NAB purchases renewable energy (currently at 72.4% progressing towards a target of 100% by 30 June 2025). The emissions estimate calculated is therefore net emissions after RE purchase, but before NAB has offset remaining emissions to become carbon neutral. The uncertainty figure provided above applies to NAB Group's Scope 2 emissions, this uncertainty would be higher following application of the allocation methodology, however this has not been calculated.

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report 2023 NAB sustainability data pack (GHG emissions tab).

Row 6

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 5: Waste generated in operations

☑ Category 6: Business travel

☑ Category 8: Upstream leased assets

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Other allocation method, please specify :Allocation based on the amount of income earned by NAB from Visa. The denominator used is income (total interest income + total other operating income) as income is the relevant metric from NAB's 2023 Annual Financial Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Other unit, please specify :Volume of payments processed.

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

302804

(7.26.9) Emissions in metric tonnes of CO2e

0.73

(7.26.10) Uncertainty (±%)

10

(7.26.11) Major sources of emissions

A3, A4 and A5 paper purchased Base-building energy - combustion of fuel: diesel, gas (AUS only) Base-building & 3rd party data centre energy - electricity (AUS, NZ & UK) Business travel - Air travel Business travel – Hotel stays Other business travel Offsite energy - electricity Transmission losses - base-building energy: diesel, gas, electricity (AUS, NZ & UK) Transmission losses - stationary energy: diesel, gas, propane, electricity Transmission Losses - Offsite Electricity Working From Home energy Waste to landfill Waste to incineration Materials Recycled/Diverted from landfill Water use Waste water Paper Statements (Non Carbon Neutral) (New Zealand only)

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

NAB uses an operational control approach consistent with guidance in the GHG Protocol to identify the emissions sources that are included in our Scope 3 inventory. The uncertainty figure provided above applies to NAB Group's Scope 3 emissions, this uncertainty would be higher following application of the allocation methodology, however this has not been calculated.

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report (page 173) 2023 NAB sustainability data pack (GHG emissions tab).

Row 7

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Other allocation method, please specify :Allocation based on amount of income earned by NAB from Transurban Group. The denominator used is Income (Total of: total interest income + total other operating income) as income is the relevant metric from our 2023 Annual Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:
☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

681667472

(7.26.9) Emissions in metric tonnes of CO2e

251

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Building-based refrigerants - HVAC, refrigerators Business travel - vehicle fleet and status-use vehicles Stationary energy - combustion of fuel: diesel, gas, propane Vehicle air conditioning refrigerant.

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Building-based refrigerants - HVAC, refrigerators Business travel - vehicle fleet and status-use vehicles Stationary energy - combustion of fuel: diesel, gas, propane Vehicle air conditioning refrigerant

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report (page 173) 2023 NAB sustainability data pack (GHG emissions tab).

Row 8

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:
☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:
☑ Company wide

(7.26.6) Allocation method

Select from:
☑ Other allocation method, please specify :Allocation based on amount of income earned by NAB from Transurban Group. The denominator used is Income (Total of: total interest income + total other operating income) as income is the relevant metric from our 2023 Annual Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:
☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

681667472

(7.26.9) Emissions in metric tonnes of CO2e

246

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Stationary energy - electricity

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

Stationary energy - electricity

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report (page 173) 2023 NAB sustainability data pack (GHG emissions tab).

Row 9

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 5: Waste generated in operations

☑ Category 6: Business travel

☑ Category 8: Upstream leased assets

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Other allocation method, please specify :Allocation based on amount of income earned by NAB from Transurban Group. The denominator used is Income (Total of: total interest income + total other operating income) as income is the relevant metric from our 2023 Annual Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

681667472

(7.26.9) Emissions in metric tonnes of CO2e

1635

(7.26.10) Uncertainty (±%)

10

(7.26.11) Major sources of emissions

A3, A4 and A5 paper purchased Base-building energy - combustion of fuel: diesel, gas (AUS only) Base-building & 3rd party data centre energy - electricity (AUS, NZ & UK) Business travel - Air travel Business travel – Hotel stays Other business travel Offsite energy - electricity Transmission losses - base-building energy: diesel, gas, *electricity (AUS, NZ & UK) Transmission losses - stationary energy: diesel, gas, propane, electricity Transmission Losses - Offsite Electricity Working From Home energy Waste to landfill Waste to incineration Materials Recycled/Diverted from landfill Water use Waste water Paper Statements (Non Carbon Neutral) (New Zealand only).*

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

A3, A4 and A5 paper purchased Base-building energy - combustion of fuel: diesel, gas (AUS only) Base-building & 3rd party data centre energy - electricity (AUS, NZ & UK) Business travel - Air travel Business travel – Hotel stays

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report 2023 NAB sustainability data pack (GHG emissions tab).

Row 10

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 1

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Other allocation method, please specify :Allocation based on amount of income earned by NAB from Deloitte. The denominator used is Income (Total of: total interest income + total other operating income) as income is the relevant metric from our 2023 Annual Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

481616684

(7.26.9) Emissions in metric tonnes of CO2e

177

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Building-based refrigerants - HVAC, refrigerators Business travel - vehicle fleet and status-use vehicles Stationary energy - combustion of fuel: diesel, gas, propane Vehicle air conditioning refrigerant.

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

NAB uses an operational control approach consistent with guidance in the GHG Protocol to identify the emissions sources that are included in our Scope 1 inventory. The uncertainty figure provided above applies to NAB Group's Scope 1 emissions, this uncertainty would be higher following application of the allocation methodology, however this has not been calculated.

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report (page 173) 2023 NAB sustainability data pack (GHG emissions tab).

Row 11

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:
☑ Scope 2: market-based

(7.26.4) Allocation level

Select from:
☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Other allocation method, please specify :Allocation based on amount of income earned by NAB from Deloitte. The denominator used is Income (Total of: total interest income + total other operating income) as income is the relevant metric from our 2023 Annual Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:
☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

481616684

(7.26.9) Emissions in metric tonnes of CO2e

174

(7.26.10) Uncertainty (±%)

5

(7.26.11) Major sources of emissions

Stationary energy - electricity

(7.26.12) Allocation verified by a third party?

Select from:
☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

NAB uses an operational control approach consistent with guidance in the GHG Protocol to identify the emissions sources that are included in our Scope 2 inventory. In calculating emissions allocated to Transurban Group, our emissions calculation uses a market-based approach for Scope 2 as NAB purchases renewable energy. The emissions estimate calculated is therefore net emissions after RE purchase, but before NAB has offset remaining emissions to become carbon neutral. The uncertainty figure provided above applies to NAB Group's Scope 2 emissions, this uncertainty would be higher following application of the allocation methodology, however this has not been calculated.

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report (page 173) 2023 NAB sustainability data pack (GHG emissions tab)

Row 12

(7.26.1) Requesting member

Select from:

(7.26.2) Scope of emissions

Select from:

☑ Scope 3

(7.26.3) Scope 3 category(ies)

Select all that apply

☑ Category 1: Purchased goods and services

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 5: Waste generated in operations

☑ Category 6: Business travel

☑ Category 8: Upstream leased assets

(7.26.4) Allocation level

Select from:

☑ Company wide

(7.26.6) Allocation method

Select from:

☑ Other allocation method, please specify **:**Allocation based on amount of income earned by NAB from Deloitte. The denominator used is Income (Total of: total interest income + total other operating income) as income is the relevant metric from our 2023 Annual Report.

(7.26.7) Unit for market value or quantity of goods/services supplied

Select from:

☑ Currency

(7.26.8) Market value or quantity of goods/services supplied to the requesting member

481616684

(7.26.9) Emissions in metric tonnes of CO2e

1155

(7.26.10) Uncertainty (±%)

10

(7.26.11) Major sources of emissions

A3, A4 and A5 paper purchased Base-building energy - combustion of fuel: diesel, gas (AUS only) Base-building & 3rd party data centre energy - electricity (AUS, NZ & UK) Business travel - Air travel Business travel – Hotel stays Courier, Postage and Freight Other business travel Offsite energy - electricity Transmission losses - base-building energy: diesel, gas, electricity (AUS, NZ & UK) Transmission & distribution &WTT losses - stationary energy: diesel, gas, propane, electricity Transmission Losses - Offsite Electricity Working From Home energy

Waste to landfill Waste to incineration (UK &Japan only) Materials Recycled/Diverted from landfill Water use Waste water (BNZ only) Paper Statements (Non Carbon Neutral) (New Zealand only)

(7.26.12) Allocation verified by a third party?

Select from:

☑ No

(7.26.13) Please explain how you have identified the GHG source, including major limitations to this process and assumptions made

NAB uses an operational control approach consistent with guidance in the GHG Protocol to identify the emissions sources that are included in our Scope 1 inventory. The uncertainty figure provided above applies to NAB Group's Scope 1 emissions, this uncertainty would be higher following application of the allocation methodology, however this has not been calculated.

(7.26.14) Where published information has been used, please provide a reference

2023 NAB annual report (page 173) 2023 NAB sustainability data pack (GHG emissions tab).
[Add row]

(7.27) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Row 1

(7.27.1) Allocation challenges

Select from:

☑ Customer base is too large and diverse to accurately track emissions to the customer level

(7.27.2) Please explain what would help you overcome these challenges

Improved automation
[Add row]

(7.28) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

(7.28.1) Do you plan to develop your capabilities to allocate emissions to your customers in the future?

Select from:

☑ No

(7.28.3) Primary reason for no plans to develop your capabilities to allocate emissions to your customers

Select from:
☑ Not an immediate strategic priority

(7.28.4) Explain why you do not plan to develop capabilities to allocate emissions to your customers

The GHG emissions associated with NAB's lending to customers (i.e. our financed emissions) are significantly higher than our operational emissions. As such, NAB does not consider it appropriate to allocate our operational GHG emissions to our customers, as we can have a more substantial impact on emissions reductions in the real economy by focusing on reducing our financed emissions, and specifically, aligning our lending to net zero emissions by 2050. This is effectively the opposite of allocating NAB's emissions to customers, and instead involves attributing a portion of our customers' emissions to NAB based on accounting rules specific to the relevant asset class, enabling NAB to understand and reduce the climate impact of our lending, and support our customers' decarbonisation goals
[Fixed row]

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:
☑ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ No
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

49514

(7.30.1.4) Total (renewable and non-renewable) MWh

49514

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

74332

(7.30.1.3) MWh from non-renewable sources

8409

(7.30.1.4) Total (renewable and non-renewable) MWh

82740

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

1743

(7.30.1.4) Total (renewable and non-renewable) MWh

1743

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

76075

(7.30.1.3) MWh from non-renewable sources

57923

(7.30.1.4) Total (renewable and non-renewable) MWh

133997
[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Australia

(7.30.16.1) Consumption of purchased electricity (MWh)

69354

(7.30.16.2) Consumption of self-generated electricity (MWh)

1743

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

71097.00

(7.30.16.7) Provide details of the electricity consumption excluded

Not Applicable

China

(7.30.16.1) Consumption of purchased electricity (MWh)

136

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

136.00

(7.30.16.7) Provide details of the electricity consumption excluded

Not Applicable

France

(7.30.16.1) Consumption of purchased electricity (MWh)

47

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

47.00

(7.30.16.7) Provide details of the electricity consumption excluded

Not Applicable

Hong Kong SAR, China

(7.30.16.1) Consumption of purchased electricity (MWh)

62

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

62.00

(7.30.16.7) Provide details of the electricity consumption excluded

Not Applicable

India

(7.30.16.1) Consumption of purchased electricity (MWh)

165

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

165.00

(7.30.16.7) Provide details of the electricity consumption excluded

Not Applicable

Japan

(7.30.16.1) Consumption of purchased electricity (MWh)

139

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

139.00

(7.30.16.7) Provide details of the electricity consumption excluded

Not Applicable

New Zealand

(7.30.16.1) Consumption of purchased electricity (MWh)

11729

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

11729.00

(7.30.16.7) Provide details of the electricity consumption excluded

Not Applicable

Singapore

(7.30.16.1) Consumption of purchased electricity (MWh)

163

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

163.00

(7.30.16.7) Provide details of the electricity consumption excluded

Not Applicable

United Kingdom of Great Britain and Northern Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

479

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

479.00

(7.30.16.7) Provide details of the electricity consumption excluded

Not Applicable

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

214

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

214.00

(7.30.16.7) Provide details of the electricity consumption excluded

Not Applicable

Viet Nam

(7.30.16.1) Consumption of purchased electricity (MWh)

254

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.3) Is some or all of this electricity consumption excluded from your RE100 commitment?

Select from:
☑ No

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

254.00

(7.30.16.7) Provide details of the electricity consumption excluded

Not Applicable
[Fixed row]

(7.30.17) Provide details of your organization's renewable electricity purchases in the reporting year by country/area.

Row 1

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:
☑ Australia

(7.30.17.2) Sourcing method

Select from:
☑ Direct line to an off-site generator owned by a third party with no grid transfers (direct-line PPA)

(7.30.17.3) Renewable electricity technology type

Select from:
☑ Renewable electricity mix, please specify :Wind and Solar

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

61500

(7.30.17.5) Tracking instrument used

Select from:
☑ Other, please specify :Australian LGC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:
☑ Australia

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2018

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:
☑ 2023

(7.30.17.10) Supply arrangement start year

2020

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:
☑ Other, please specify :ENGIE

(7.30.17.12) Comment

Through a Power Purchase Agreement with ENGIE, NAB Group purchased 61,500 MWh of renewable energy that was generated at the Willogoleche Wind Farm in Hallett, South Australia.

Row 2

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:
☑ Australia

(7.30.17.2) Sourcing method

Select from:
☑ Direct line to an off-site generator owned by a third party with no grid transfers (direct-line PPA)

(7.30.17.3) Renewable electricity technology type

Select from:
☑ Wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

1516

(7.30.17.5) Tracking instrument used

Select from:

☑ Other, please specify :Australian LGC

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:
☑ Australia

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:
☑ Yes

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2018

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:
☑ 2022

(7.30.17.10) Supply arrangement start year

2019

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:
☑ Other, please specify :MREP

(7.30.17.12) Comment

Through a Power Purchase Agreement with Pacific Hydro, NAB Group purchased 1,516 MWh of renewable energy generated from the Crowlands Windfarm in Victoria.

Row 3

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:
☑ Japan

(7.30.17.2) Sourcing method

Select from:
☑ Unbundled procurement of Energy Attribute Certificates (EACs)

(7.30.17.3) Renewable electricity technology type

Select from:
☑ Wind

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

112

(7.30.17.5) Tracking instrument used

Select from:
☑ J-Credit (Renewable)

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:
☑ Japan

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:
☑ No

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2018

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:
☑ 2022

(7.30.17.10) Supply arrangement start year

2022

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:
☑ No additional, voluntary label

(7.30.17.12) Comment

In 2023, NAB Group acquired 112 MWh of J-credits for its Japanese operations.

Row 4

(7.30.17.1) Country/area of consumption of purchased renewable electricity

Select from:
☑ New Zealand

(7.30.17.2) Sourcing method

Select from:
☑ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.17.3) Renewable electricity technology type

Select from:
☑ Renewable electricity mix, please specify :NAB's NZ electricity provider, Ecotricity, sources 100% of their electricity from certified renewable energy sources including wind, hydro, and solar.

(7.30.17.4) Renewable electricity consumed via selected sourcing method in the reporting year (MWh)

11204

(7.30.17.5) Tracking instrument used

Select from:
☑ Contract

(7.30.17.6) Country/area of origin (generation) of purchased renewable electricity

Select from:
☑ New Zealand

(7.30.17.7) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:
☑ No

(7.30.17.8) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2022

(7.30.17.9) Vintage of the renewable energy/attribute (i.e. year of generation)

Select from:
☑ 2023

(7.30.17.10) Supply arrangement start year

2022

(7.30.17.11) Ecolabel associated with purchased renewable electricity

Select from:
☑ Other, please specify :Ecotricity

(7.30.17.12) Comment

In 2023, the Bank of New Zealand (BNZ), a NAB Group subsidiary, appointed Ecotricity as its electricity provider across all of its physical locations. Ecotricity source 100% of their electricity from certified renewable energy sources including wind, hydro, and solar.
[Add row]

(7.30.19) Provide details of your organization's renewable electricity generation by country/area in the reporting year.

Row 1

(7.30.19.1) Country/area of generation

Select from:
☑ Australia

(7.30.19.2) Renewable electricity technology type

Select from:
☑ Solar

(7.30.19.3) Facility capacity (MW)

0.63

(7.30.19.4) Total renewable electricity generated by this facility in the reporting year (MWh)

268

(7.30.19.5) Renewable electricity consumed by your organization from this facility in the reporting year (MWh)

654.5

(7.30.19.6) Energy attribute certificates issued for this generation

Select from:
☑ Yes

(7.30.19.7) Type of energy attribute certificate

Select from:
☑ Other, please specify :Australian LGC

(7.30.19.8) Comment

NAB consumed 654.5 MWh of renewable energy through the installation of rooftop solar at our main Australian data centre. Through this on-site facility, NAB retired 268 Australian LGCs to make progress towards meeting our 100% renewable energy commitment.
[Add row]

(7.30.20) Describe how your organization's renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.

As a member of the RE100 initiative, NAB Group is working to source 100% of our electricity from renewable sources by 30 June 2025. In FY22, NAB Group sourced renewable energy through the following mechanisms which are contributing to bringing new capacity into the grid: A three-year deal with Engie to purchase renewable energy certificates – as part of this deal, we bought large-scale generation certificates generated from multiple wind and solar forms within ENGIE's renewable portfolio. Involvement in the Melbourne Renewable Energy Project (MREP) – as a member of the MREP buying group, NAB is one of 14 members who combined their purchasing power to support the construction of a 39 turbine, 80MW windfarm at Crowlands, near Ararat. The windfarm supplies energy to a number of NAB's business banking centres and branches across Victoria. BNZ contracted Ecotricity to supply electricity across all of its physical locations. Ecotricity source 100% of their electricity from certified renewable energy sources including wind, hydro, and solar. Ecotricity is also a supplier of an electric vehicle rapid charging network, with whom BNZ partners for the charging of its electric vehicles.

(7.30.21) In the reporting year, has your organization faced barriers or challenges to sourcing renewable electricity?

	Challenges to sourcing renewable electricity
	Select from: ☑ No

[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.000005581

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

64910

(7.45.3) Metric denominator

Select from:
☑ Other, please specify :Underlying profit

(7.45.4) Metric denominator: Unit total

11631000000

(7.45.5) Scope 2 figure used

Select from:
☑ Location-based

(7.45.6) % change from previous year

26

(7.45.7) Direction of change

Select from:
☑ Decreased

(7.45.8) Reasons for change

Select all that apply
☑ Other emissions reduction activities

(7.45.9) Please explain

Emissions intensity per unit of AU underlying profit decreased by 26% in 2023 compared to 2022. Our underlying profit figure has increased by 16%, while our gross global Scope 1 and 2 GHG emissions have decreased by 14% compared to the prior year. The decrease in our Scope 1 & 2 GHG emissions was primarily influenced by the consolidation of staff in purpose built energy efficient building, optimising assets within our buildings. 2022 emissions were restated to reflect minor changes. BNZ's Scope 2 emissions increased by 147 tCO2-e and Scope 3 emissions increased by 41 tCO2-e to account for a change in the electricity emissions factor due to MfE's August 2022 release of 'Measuring emissions: A guide for organisations: 2022 summary of emission factors' and improved accuracy of water data in 2023 following release of 2022 accruals. The net change in total BNZ GHG emissions after accounting for renewable energy is 76 tCO2-e. NOTE: We do not use a revenue figure in our financial reporting. On agreement with CDP, NAB has been using AU of underlying profit instead of revenue as the denominator for the purpose of completing this question for a number of years. AU of underlying profit (AU11,631m in 2023 and AU10,022m in 2022). Using underlying profit as the denominator allows for meaningful comparison against prior years' financial intensity measures due to the nature of our underlying business activities.
[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:
☑ Energy usage

(7.52.2) Metric value

393471

(7.52.3) Metric numerator

GJ

(7.52.4) Metric denominator (intensity metric only)

Not Applicable

(7.52.5) % change from previous year

1

(7.52.6) Direction of change

Select from:

☑ Decreased

(7.52.7) Please explain

Net energy use decreased by 1% (3,598 GJ) since 2022. The consolidation of commercial office space made a significant contributed to the energy use reductions.

Row 2

(7.52.1) Description

Select from:

☑ Other, please specify :Office paper

(7.52.2) Metric value

188

(7.52.3) Metric numerator

Metric tonnes

(7.52.4) Metric denominator (intensity metric only)

Not Applicable

(7.52.5) % change from previous year

12

(7.52.6) Direction of change

Select from:

☑ Increased

(7.52.7) Please explain

In 2023, paper use increased by 12% (20 tonnes) when compared to the prior year as business activities resumed post the easement of post COVID-19 restrictions.

Row 3

(7.52.1) Description

Select from:

☑ Other, please specify :Water use

(7.52.2) Metric value

181331

(7.52.3) Metric numerator

KL

(7.52.4) Metric denominator (intensity metric only)

Not Applicable

(7.52.5) % change from previous year

9.2

(7.52.6) Direction of change

Select from:

☑ Increased

(7.52.7) Please explain

Potable water use increased by 9% (15,342 kL) compared to the prior year as business activities resumed post the easement of post COVID-19 restrictions. In 2023, NAB opened new offices for the innovation centres in Vietnam and India, this also contributed to the increased water use.

Row 4

(7.52.1) Description

Select from:

☑ Waste

(7.52.2) Metric value

620

(7.52.3) Metric numerator

Metric tonnes

(7.52.4) Metric denominator (intensity metric only)

Not Applicable

(7.52.5) % change from previous year

1

(7.52.6) Direction of change

Select from:

☑ Decreased

(7.52.7) Please explain

In 2023, waste to landfill decreased by 1% (6 tonnes) compared to the prior year. Australian waste to landfill decreased, largely due to better waste reduction strategies implemented in the commercial buildings, partially offset by was generated in the new offices in Vietnam and India. NAB's United Kingdom (UK) Branch has zero waste to landfill, as all waste is recycled or sent to incineration.

Row 5

(7.52.1) Description

Select from:

☑ Other, please specify :Gross GHG emissions

(7.52.2) Metric value

118988

(7.52.3) Metric numerator

Metric tonnes CO2-e

(7.52.4) Metric denominator (intensity metric only)

Not Applicable

(7.52.5) % change from previous year

0.28

(7.52.6) Direction of change

Select from:

☑ Increased

(7.52.7) Please explain

Gross GHG emissions slightly increased by 334 tCO2-e since 2023. Increased emissions in business travel and courier postage were partially offset by decreased emissions from electricity.
[Add row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply
☑ Absolute target
☑ Portfolio target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:
☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.1.5) Date target was set

06/29/2023

(7.53.1.6) Target coverage

Select from:
☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply
☑ Carbon dioxide (CO2)
☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Hydrofluorocarbons (HFCs)

☑ Perfluorocarbons (PFCs)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

06/29/2023

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

6619

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

16399

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

23018.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

06/29/2030

(7.53.1.55) Targeted reduction from base year (%)

72

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

6445.040

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

7590

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

7451

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

15041.000

(7.53.1.78) Land-related emissions covered by target

Select from:
☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

48.13

(7.53.1.80) Target status in reporting year

Select from:
☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

In 2023, the Group updated its operational science-based Scope 1 and 2 (market-based method) GHG emissions reduction target to align its ambition to be net zero by 2050 with the best available science and pathway for a 1.5C warming scenario. The Group's new target of 6,366 tCO2-e is for a 72% reduction in market-based Scope 1 and 2 emissions by 2030 from a 2022 baseline of 23,018 tCO2-e, and includes all direct GHG emissions (Scope 1) and indirect GHG emissions from consumption of purchased electricity (Scope 2) across all GHGs required under the GHG Protocol Corporate Standard. The target has been prepared in accordance with the Sectoral Decarbonisation Approach (SDA) 'Services Buildings' methodology published by the Science Based Target initiative and uses the Science-Based Target Initiative (SBTi) target setting tool, v2.1.2. It aligns with 1.5C scenario.

(7.53.1.83) Target objective

NAB Group is reducing its own footprint through emissions avoidance and reduction, before offsetting residual emissions. The Group has adopted the 'operational control' approach to establishing its operational emissions reporting boundary as defined in the GHG Protocol Corporate Accounting and Reporting Standard and used in the NGER Act 2007. The Group first set a Scope 1 and 2 (market-based method) science-based GHG emissions reduction target in 2020, to reduce its combined Scope 1 and 2 emissions by 51% by 2025, against a 2015 baseline. In 2023, the Group has updated this target to align with pathways that limit warming to 1.5C. The Group's new target is for a 72% reduction in market-based Scope 1 and 2 emissions by 2030 from a 2022 baseline.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

We will achieve this target to reduce Scope 1 & 2 emissions by 72% by 30 June 2030 through: (i) Implementation of energy efficiency initiatives. The Group monitors its energy consumption to identify opportunities for further reduction in energy usage through building-based emissions reduction, including energy efficiency initiatives; (ii) Purchase of renewable energy in line with the Group's target to source 100% of its electricity from renewable energy sources by 2025. With Scope 2 emissions (electricity consumption) representing 71% of NAB's total Scope 1 and 2 emissions in 2023, the continued purchase of renewable energy is crucial to NAB's ability to meet the target.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ Yes

[Add row]

(7.53.4) Provide details of the climate-related targets for your portfolio.

Row 1

(7.53.4.1) Target reference number

Select from:

☑ Por1

(7.53.4.2) Target type

Select from:

☑ Absolute portfolio emissions

(7.53.4.4) Methodology used when setting the target

Select from:

☑ NZBA Target Setting Guidelines

(7.53.4.5) Date target was set

11/07/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:
☑ Sector level

(7.53.4.7) Sector

Select from:
☑ Fossil Fuels

(7.53.4.8) Portfolios covered by the target

Select all that apply
☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply
☑ Loans
☑ Project finance
☑ Undrawn loan commitments

(7.53.4.14) % of portfolio emissions covered by the target

6.09

(7.53.4.16) Metric (or target numerator if intensity)

Select from:
☑ tCO2e

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.13

(7.53.4.21) Frequency of target reviews

Select from:
☑ Every five years

(7.53.4.22) End date of base year

06/29/2021

(7.53.4.23) Figure in base year

4100000

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

06/29/2030

(7.53.4.26) Figure in interim target year

3200000

(7.53.4.27) End date of target

06/29/2050

(7.53.4.28) Figure in target year

0

(7.53.4.29) Figure in reporting year

2100000

(7.53.4.30) % of target achieved relative to base year

48.78048780487805

(7.53.4.31) Target status in reporting year

Select from:
☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Target covers extraction and production of natural gas, liquefied natural gas, liquefied petroleum gas and oil shale (i.e. upstream Oil and Gas activities). Excludes exploration activities due to immateriality of emissions associated with exploration. Also excludes downstream Oil and Gas operations. Target covers Scope 1, 2 & 3 of customers. Excludes derivatives and rehabilitation performance guarantees

(7.53.4.38) Target objective

The target is intended to reduce our financed emissions from the Oil and Gas sector and uphold our commitment made through the Net Zero Banking Alliance.

Row 2

(7.53.4.1) Target reference number

Select from:

☑ Por2

(7.53.4.2) Target type

Select from:

☑ Absolute portfolio emissions

(7.53.4.4) Methodology used when setting the target

Select from:

☑ NZBA Target Setting Guidelines

(7.53.4.5) Date target was set

11/07/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Sector level

(7.53.4.7) Sector

Select from:

☑ Fossil Fuels

(7.53.4.8) Portfolios covered by the target

Select all that apply

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans

☑ Project finance

☑ Undrawn loan commitments

(7.53.4.14) % of portfolio emissions covered by the target

8.12

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ tCO2e

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.06

(7.53.4.21) Frequency of target reviews

Select from:
☑ Every five years

(7.53.4.22) End date of base year

06/29/2021

(7.53.4.23) Figure in base year

5100000

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

06/29/2030

(7.53.4.26) Figure in interim target year

0

(7.53.4.27) End date of target

07/23/2050

(7.53.4.28) Figure in target year

0

(7.53.4.29) Figure in reporting year

2800000

(7.53.4.30) % of target achieved relative to base year

45.09803921568628

(7.53.4.31) Target status in reporting year

Select from:
☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Mining of black coal, brown coal and lignite. Including diversified compames where these activities make up greater than 5% of their revenues. Excludes emissions associated with metallurgical coal mining as these are captured in the Iron and Steel sector.

(7.53.4.38) Target objective

The target is intended to reduce our financed emissions from the sector and uphold our commitment made through the Net Zero Banking Alliance.

Row 3

(7.53.4.1) Target reference number

Select from:

☑ Por3

(7.53.4.2) Target type

Select from:

☑ Absolute portfolio emissions

(7.53.4.4) Methodology used when setting the target

Select from:

☑ NZBA Target Setting Guidelines

(7.53.4.5) Date target was set

11/06/2023

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Sector level

(7.53.4.7) Sector

Select from:

☑ Manufacturing

(7.53.4.8) Portfolios covered by the target

Select all that apply

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans

☑ Project finance

☑ Undrawn loan commitments

(7.53.4.14) % of portfolio emissions covered by the target

19.73

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ tCO2e

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.03

(7.53.4.21) Frequency of target reviews

Select from:

☑ Every five years

(7.53.4.22) End date of base year

06/29/2022

(7.53.4.23) Figure in base year

6800000

(7.53.4.24) We have an interim target

Select from:

☑ Yes

(7.53.4.25) End of interim target year

06/29/2030

(7.53.4.26) Figure in interim target year

5300000

(7.53.4.27) End date of target

06/29/2050

(7.53.4.28) Figure in target year

0

(7.53.4.29) Figure in reporting year

6800000

(7.53.4.30) % of target achieved relative to base year

0

(7.53.4.31) Target status in reporting year

Select from:
☑ New

(7.53.4.34) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

NAB's Iron and Steel sector target covers Scope 1, 2 and 3 for our metallurgical coal mining customers and Scope 1 and 2 for steel smelters. This treatment accounts of the fact that the majority of emissions are generated during the smelting process which is Scope 1 for smelters and Scope 3 for miners.

(7.53.4.38) Target objective

The target is intended to reduce our financed emissions from the Iron and Steel sector and uphold our commitment made through the Net Zero Banking Alliance.

Row 4

(7.53.4.1) Target reference number

Select from:
☑ Por4

(7.53.4.2) Target type

Select from:

☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:

☑ NZBA Target Setting Guidelines

(7.53.4.5) Date target was set

11/07/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:

☑ Sector level

(7.53.4.7) Sector

Select from:

☑ Power generation

(7.53.4.8) Portfolios covered by the target

Select all that apply

☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply

☑ Loans

☑ Project finance

☑ Undrawn loan commitments

(7.53.4.12) Target type: Absolute or intensity

Select from:

☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

7.83

(7.53.4.16) Metric (or target numerator if intensity)

Select from:

☑ Metric tons CO2e

(7.53.4.17) Target denominator

Select from:

☑ Other, SDA denominator please specify :MWh

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.66

(7.53.4.21) Frequency of target reviews

Select from:
☑ Every five years

(7.53.4.22) End date of base year

06/29/2021

(7.53.4.23) Figure in base year

0.2

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

06/29/2030

(7.53.4.26) Figure in interim target year

0.14

(7.53.4.27) End date of target

06/29/2050

(7.53.4.28) Figure in target year

0

(7.53.4.29) Figure in reporting year

0.18

(7.53.4.30) % of target achieved relative to base year

10.000000000000009

(7.53.4.31) Target status in reporting year

Select from:
☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Our Power Generation targets cover all Power Generation activities and customers. It excludes transmission and distribution activities and other downstream and upstream activities along the value chain.

(7.53.4.38) Target objective

The target is intended to reduce our financed emissions from the sector and uphold our commitment made through the Net Zero Banking Alliance.

Row 5

(7.53.4.1) Target reference number

Select from:
☑ Por5

(7.53.4.2) Target type

Select from:
☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:
☑ NZBA Target Setting Guidelines

(7.53.4.5) Date target was set

11/07/2022

(7.53.4.6) Target is set and progress against it is tracked at

Select from:
☑ Sector level

(7.53.4.7) Sector

Select from:
☑ Materials

(7.53.4.8) Portfolios covered by the target

Select all that apply
☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply
☑ Loans
☑ Project finance
☑ Undrawn loan commitments

(7.53.4.12) Target type: Absolute or intensity

Select from:
☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

2.32

(7.53.4.16) Metric (or target numerator if intensity)

Select from:
☑ Metric tons CO2e

(7.53.4.17) Target denominator

Select from:
☑ Ton cement

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.08

(7.53.4.21) Frequency of target reviews

Select from:
☑ Every five years

(7.53.4.22) End date of base year

06/29/2021

(7.53.4.23) Figure in base year

0.6

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

06/29/2030

(7.53.4.26) Figure in interim target year

0.46

(7.53.4.27) End date of target

06/29/2050

(7.53.4.28) Figure in target year

0

(7.53.4.29) Figure in reporting year

0.57

(7.53.4.30) % of target achieved relative to base year

5.000000000000004

(7.53.4.31) Target status in reporting year

Select from:
☑ Underway

(7.53.4.34) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Our cement sector target includes all cementitious materials and resultant portland and hydraulic cement manufacturing but excludes concrete and lime manufacturing.

(7.53.4.38) Target objective

The target is intended to reduce our financed emissions from the sector and uphold our commitment made through the Net Zero Banking Alliance.

Row 6

(7.53.4.1) Target reference number

Select from:
☑ Por6

(7.53.4.2) Target type

Select from:
☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:
☑ NZBA Target Setting Guidelines

(7.53.4.5) Date target was set

11/06/2023

(7.53.4.6) Target is set and progress against it is tracked at

Select from:
☑ Sector level

(7.53.4.7) Sector

Select from:
☑ Manufacturing

(7.53.4.8) Portfolios covered by the target

Select all that apply
☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply
☑ Loans
☑ Project finance
☑ Undrawn loan commitments

(7.53.4.12) Target type: Absolute or intensity

Select from:
☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

0.58

(7.53.4.16) Metric (or target numerator if intensity)

Select from:
☑ Metric tons CO2e

(7.53.4.17) Target denominator

Select from:
☑ Ton aluminum

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.01

(7.53.4.21) Frequency of target reviews

Select from:
☑ Every five years

(7.53.4.22) End date of base year

06/29/2022

(7.53.4.23) Figure in base year

1.7

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

06/29/2030

(7.53.4.26) Figure in interim target year

5

(7.53.4.27) End date of target

06/29/2050

(7.53.4.28) Figure in target year

0

(7.53.4.29) Figure in reporting year

1.7

(7.53.4.30) % of target achieved relative to base year

0

(7.53.4.31) Target status in reporting year

Select from:
☑ New

(7.53.4.34) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Aluminium covers the Aluminium value chain from bauxite mining, alumina refining and aluminium smelting. Our interim target is currently higher than our baseline value as our current portfolio is not representative of the status quo, in the future our portfolio could include more customers involved in higher emissions smelting activities rather than lower emissions mining and refining activities.

(7.53.4.38) Target objective

The target is intended to reduce our financed emissions from the sector and uphold our commitment made through the Net Zero Banking Alliance.

Row 7

(7.53.4.1) Target reference number

Select from:
☑ Por7

(7.53.4.2) Target type

Select from:
☑ Sector Decarbonization Approach (SDA)

(7.53.4.4) Methodology used when setting the target

Select from:
☑ NZBA Target Setting Guidelines

(7.53.4.5) Date target was set

11/06/2023

(7.53.4.6) Target is set and progress against it is tracked at

Select from:
☑ Sector level

(7.53.4.7) Sector

Select from:
☑ Transportation services

(7.53.4.8) Portfolios covered by the target

Select all that apply
☑ Banking (Bank)

(7.53.4.10) Asset classes covered by the target

Select all that apply
☑ Loans
☑ Project finance
☑ Undrawn loan commitments

(7.53.4.12) Target type: Absolute or intensity

Select from:
☑ Intensity

(7.53.4.14) % of portfolio emissions covered by the target

4.06

(7.53.4.16) Metric (or target numerator if intensity)

Select from:
☑ Metric tons CO2e

(7.53.4.17) Target denominator

Select from:
☑ Passenger km

(7.53.4.18) % of portfolio covered in relation to total portfolio value

0.3

(7.53.4.21) Frequency of target reviews

Select from:
☑ Every five years

(7.53.4.22) End date of base year

06/29/2019

(7.53.4.23) Figure in base year

104

(7.53.4.24) We have an interim target

Select from:
☑ Yes

(7.53.4.25) End of interim target year

06/29/2030

(7.53.4.26) Figure in interim target year

77

(7.53.4.27) End date of target

06/29/2050

(7.53.4.28) Figure in target year

0

(7.53.4.29) Figure in reporting year

120

(7.53.4.30) % of target achieved relative to base year

-15.3846153846153 85

(7.53.4.31) Target status in reporting year

Select from:
☑ New

(7.53.4.34) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

(7.53.4.35) Target ambition

Select from:
☑ 1.5°C aligned

(7.53.4.37) Please explain target coverage and identify any exclusions

Our Transport - Aviation sector target covers all scope 1 and 2 emissions for aircraft operators via financing of passenger aviation. This excludes freight and business jets.

(7.53.4.38) Target objective

The target is intended to reduce our financed emissions from the sector and uphold our commitment made through the Net Zero Banking Alliance.
[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Targets to increase or maintain low-carbon energy consumption or production

☑ Net-zero targets

☑ Other climate-related targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☑ Low 1

(7.54.1.2) Date target was set

06/29/2019

(7.54.1.3) Target coverage

Select from:

☑ Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

☑ Electricity

(7.54.1.5) Target type: activity

Select from:

☑ Consumption

(7.54.1.6) Target type: energy source

Select from:

☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

06/29/2019

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

128882.46

(7.54.1.9) % share of low-carbon or renewable energy in base year

3

(7.54.1.10) End date of target

06/29/2025

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

100

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

88

(7.54.1.13) % of target achieved relative to base year

87.63

(7.54.1.14) Target status in reporting year

Select from:
☑ Underway

(7.54.1.16) Is this target part of an emissions target?

Yes, achievement of this target contributes towards NAB Group's overarching science-based GHG reduction target (SBT) to reduce Scope 1 and 2 GHG emissions by 72% by 30 June 2030, from a 2022 base year.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply
☑ RE100

(7.54.1.19) Explain target coverage and identify any exclusions

In 2019, NAB set a commitment to source 100% of our Group-wide electricity from renewable sources by 30 June 2025 with no exclusions. We began voluntarily surrendering renewable energy certificates in 2019, with renewable energy accounting for 3% of NAB's Group-wide electricity consumption in the baseline year. In 2023, renewable energy accounts for 88.3% of Group-wide electricity consumption. This target replaces NAB's previous renewable energy target of 50% Australian electricity from renewable energy by 30 June 2025.

(7.54.1.20) Target objective

The Group defines 'carbon neutral in operations' as first avoiding and reducing greenhouse gas emissions associated with NAB's operational Scope 1, 2 and 3 emissions (excluding financed emissions) and then retiring carbon offsets for residual emissions. To reduce Scope 2 emissions the Group continues to make progress in relation to its RE100 target to source 100% of its electricity from renewable sources by 30 June 2025.

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

As at 30 June 2023, NAB has contributed to this target through the voluntary surrender of Large-scale Generation renewable energy Certificates (LGC's), renewable energy certificates (RECs) and the acquisition of certified renewable electricity (New Zealand, Japan). To meet this target, NAB will continue to: (i) create LGCs through on-site solar, (ii) surrender LGC's generated through Power Purchase Agreements (PPAs); and (iii) power our operations by certified renewable electricity whenever possible.
[Add row]

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:
☑ Oth 1

(7.54.2.2) Date target was set

06/29/2019

(7.54.2.3) Target coverage

Select from:
☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:
☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency
☑ GJ

(7.54.2.7) End date of base year

06/29/2019

(7.54.2.8) Figure or percentage in base year

759096

(7.54.2.9) End date of target

06/29/2025

(7.54.2.10) Figure or percentage at end of date of target

531367

(7.54.2.11) Figure or percentage in reporting year

401137

(7.54.2.12) % of target achieved relative to base year

157.1863925982

(7.54.2.13) Target status in reporting year

Select from:
☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, achievement of this target contributes towards NAB Group's ten year science-based GHG emissions reduction target to reduce Scope 1 and 2 GHG emissions (market-based) by 72% by 2030, from a 2022 base year.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply
☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

NAB's group-wide, medium-term target is to reduce energy use by 30% by 2025 from a 2019 base year. This target covers 100% of NAB's reported Scope 1 & 2 energy use across all regions.

(7.54.2.19) Target objective

Achievement of this target supports NAB Group's carbon neutral status and help us reduce our overall greenhouse gas (GHG) emissions. In environmental reporting year 2023, The Group was on track to meet this 2025 target, reducing our energy use by 47% from 2019. We plan to meet this target by (i) the increase of renewable energy consumption trough the rollout of rooftop solar, (ii) the reduction in energy use through decommissioning of the tri-generation unit which occurred in 2021 and (iii) the further consolidation of staff into energy efficient buildings.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

Achievement of this target supports NAB's carbon neutral status and help us reduce our overall greenhouse gas (GHG) emissions. In 2023, NAB was on track to meet this 2025 target, reducing our energy use by 47% from

2019. We plan to meet this target by (i) the increase of renewable energy consumption trough the rollout of rooftop solar, (ii) the reduction in energy use through decommissioning of the tri-generation unit which occurred in 2021 and (iii) the further consolidation of staff into energy efficient buildings.

Row 2

(7.54.2.1) Target reference number

Select from:
☑ Oth 2

(7.54.2.2) Date target was set

06/29/2019

(7.54.2.3) Target coverage

Select from:
☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:
☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Waste management
☑ metric tons of waste generated

(7.54.2.7) End date of base year

06/29/2019

(7.54.2.8) Figure or percentage in base year

1871

(7.54.2.9) End date of target

06/29/2025

(7.54.2.10) Figure or percentage at end of date of target

1683.9

(7.54.2.11) Figure or percentage in reporting year

620

(7.54.2.12) % of target achieved relative to base year

668.6264029931

(7.54.2.13) Target status in reporting year

Select from:
☑ Underway

(7.54.2.15) Is this target part of an emissions target?

No, NAB Group's waste target does not contribute to our overarching science-based GHG reduction target. Waste is a Scope 3 inventory item and NAB Group's science-based GHG reduction target is to reduce Scope 1 and 2 GHG emissions.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply
☑ No, it’s not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

This target covers 100% of reported waste to landfill (tonnes) generated across all regions where NAB operates.

(7.54.2.19) Target objective

The objective of the waste reduction target is to reduce waste materials and associated GHG emissions. Group defines ‘carbon neutral in operations’ as first avoiding and reducing greenhouse gas emissions associated with NAB Group's operational Scope 1, 2 and 3 emissions (excluding financed emissions) and then retiring carbon offsets for residual emissions. Waste reduction contributes to the Scope 3 emissions reduction.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

NAB's group-wide, medium-term waste reduction target is to reduce waste to landfill by 10% by 2025 from a 2019 baseline of 1,871 metric tonnes. This target supports NAB's carbon neutral status and helps us reduce our overall GHG emissions. In 2023, 620 metric tonnes of general waste was sent to landfill, a 67% reduction from the baseline. Waste to landfill was driven down, in part, because we were able to increase our diversion of waste to recycling streams. The reduced occupation of our buildings, due to the COVID-19 pandemic and new flexible ways of working, also played a significant role in reducing our waste to landfill. Based on these factors, NAB is currently on track to meet the 2025 reduction target.

Row 3

(7.54.2.1) Target reference number

Select from:
☑ Oth 3

(7.54.2.2) Date target was set

06/29/2019

(7.54.2.3) Target coverage

Select from:
☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:
☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency
☑ metric tons of paper consumed

(7.54.2.7) End date of base year

06/29/2019

(7.54.2.8) Figure or percentage in base year

514

(7.54.2.9) End date of target

06/29/2025

(7.54.2.10) Figure or percentage at end of date of target

411.2

(7.54.2.11) Figure or percentage in reporting year

188

(7.54.2.12) % of target achieved relative to base year

317.1206225681

(7.54.2.13) Target status in reporting year

Select from:
☑ Underway

(7.54.2.15) Is this target part of an emissions target?

No, NAB's office paper target does not contribute to our overarching science-based GHG reduction target. Office paper is a Scope 3 inventory item and NAB's science-based GHG reduction target is to reduce Scope 1 and 2 GHG emissions.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it’s not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

This target covers 100% of office paper usage (tonnes) generated across all regions where NAB operates.

(7.54.2.19) Target objective

The objective of the target is to reduce office paper use and associated greenhouse emissions and potential impacts on forests. The Group defines ‘carbon neutral in operations’ as first avoiding and reducing greenhouse gas emissions associated with NAB's operational Scope 1, 2 and 3 emissions (excluding financed emissions) and then retiring carbon offsets for residual emissions. Paper consumption contributes to the Scope 3 emissions reduction.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

NAB's group-wide paper reduction target is to reduce office paper by 20% by 2025 from a 2019 baseline of 514 metric tonnes. Achievement of this target supports NAB's carbon neutral status and helps us reduce our overall Scope 3 GHG emissions. In environmental reporting year 2023, 188 metric tonnes of office paper was used, a 63% reduction from the baseline. As a result of the pandemic, significant advances were made in digitisation in the last few years. During the 2023 environmental reporting year, the use of DocuSign and other applications was mainstream and printing rates and the need for paper reduced. Based on this, The Group is currently on track to meet the 2025 reduction target.

Row 4

(7.54.2.1) Target reference number

Select from:

☑ Oth 4

(7.54.2.2) Date target was set

06/29/2019

(7.54.2.3) Target coverage

Select from:

☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Resource consumption or efficiency

☑ Other resource consumption or efficiency, please specify :kL

(7.54.2.7) End date of base year

06/29/2019

(7.54.2.8) Figure or percentage in base year

385005

(7.54.2.9) End date of target

06/29/2025

(7.54.2.10) Figure or percentage at end of date of target

365754.75

(7.54.2.11) Figure or percentage in reporting year

181331

(7.54.2.12) % of target achieved relative to base year

1058.0330125583

(7.54.2.13) Target status in reporting year

Select from:

☑ Underway

(7.54.2.15) Is this target part of an emissions target?

No, NAB Group's water reduction target does not contribute to our overarching science-based GHG reduction target. Office paper is a Scope 3 inventory item and NAB Group's science-based GHG reduction target is to reduce Scope 1 and 2 GHG emissions.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

☑ No, it’s not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

This target covers 100% of reported portable water withdrawal (kL) across the regions where NAB Group operates.

(7.54.2.19) Target objective

The objective of this target is to drive water efficiency and reduce water consumption and the associated GHG emissions. The Group defines ‘carbon neutral in operations’ as first avoiding and reducing greenhouse gas *emissions associated with NAB's operational Scope 1, 2 and 3 emissions (excluding financed emissions) and then retiring carbon offsets for residual emissions. Water consumption contributes to the Scope 3 emissions reduction.*

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

NABs Group's water target is to reduce potable water withdrawal by 5% by 2025 to 365,755 kL from a 2019 base year of 385,005 kL. Achievement of this target supports the Group's carbon neutral status and helps us reduce our overall Scope 3 GHG emissions. In the 2023 environmental reporting year, NAB's potable water use was 181,331kL, a 53% reduction from the baseline. We expect this target to be achieved due to (i) the reduction in water use through decommissioning of the tri-generation unit in 2021 and (ii) the consolidation of staff into resource efficient buildings.

Row 5

(7.54.2.1) Target reference number

Select from:
☑ Oth 5

(7.54.2.2) Date target was set

06/29/2019

(7.54.2.3) Target coverage

Select from:
☑ Organization-wide

(7.54.2.4) Target type: absolute or intensity

Select from:
☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency
☑ GJ

(7.54.2.7) End date of base year

06/29/2019

(7.54.2.8) Figure or percentage in base year

120686.0

(7.54.2.9) End date of target

06/29/2025

(7.54.2.10) Figure or percentage at end of date of target

60343

(7.54.2.11) Figure or percentage in reporting year

76085

(7.54.2.12) % of target achieved relative to base year

73.9124670633

(7.54.2.13) Target status in reporting year

Select from:
☑ Underway

(7.54.2.15) Is this target part of an emissions target?

Yes, achievement of this target contributes towards NAB Group's ten-year science-based GHG emissions reduction target to reduce Scope 1 and 2 GHG emissions by 51% by 30 June 2025, from a 2015 base year.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply
☑ No, it’s not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

This target covers 100% of the fleet vehicle fuel (GJ) consumed across NAB and BNZ's operations.

(7.54.2.19) Target objective

The objective of this target to reduce vehicle fuel use and the associated emissions. The Group defines ‘carbon neutral in operations’ as first avoiding and reducing greenhouse gas emissions associated with NAB Group's operational Scope 1, 2 and 3 emissions (excluding financed emissions) and then retiring carbon offsets for residual emissions. Vehicle fuel reduction contributes to the Scope 3 emissions reduction.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

NAB and BNZ's vehicle fuel reduction target is to reduce vehicle fuel by 50% by 2025 from a 2019 baseline of 120,686 GJ. Achievement of this target supports NAB Group's carbon neutral status and helps us reduce our overall GHG emissions.
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:
☑ NZ1

(7.54.3.2) Date target was set

09/29/2020

(7.54.3.3) Target Coverage

Select from:
☑ Banking (Bank)

(7.54.3.4) Targets linked to this net zero target

Select all that apply
☑ Por1
☑ Por2
☑ Por3
☑ Por4
☑ Por5
☑ Por6
☑ Por7

(7.54.3.5) End date of target for achieving net zero

09/29/2050

(7.54.3.6) Is this a science-based target?

Select from:
☑ Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.54.3.8) Scopes

Select all that apply
☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply
☑ Carbon dioxide (CO2)
☑ Methane (CH4)
☑ Nitrous oxide (N2O)

(7.54.3.10) Explain target coverage and identify any exclusions

NAB's net-zero emissions by 2050 target covers our Scope 3, Category 15 emissions, i.e. our financed emissions. We set our first and second set of interim 2030 sectoral portfolio emissions reduction targets (for cement, power generation, oil and gas, iron and steel, aluminium, Aviation and thermal coal) linked to this net zero emissions by 2050 target in FY2022. This first and second round of interim targets was disclosed in November 2022 and November 2023 as part of our annual report suite. As these targets cover our customers' emissions, we are not planning to neutralise any unabated financed emissions with permanent carbon removals at 2050. NAB Group *has been carbon neutral for its operational carbon footprint (Scope 1, 2 and some Scope 3 emissions excluding financed emissions) since 2010. With respect to financed emissions, we will instead focus our efforts on helping customers to decarbonise through conditional and limited purpose financing and shifting our portfolio to lower emissions intensity consistent with our goal to align our lending portfolio to net zero emissions by 2050*

(7.54.3.11) Target objective

The objective of these portfolio/sector targets is to align our high emitting sector portfolios to a 1.5 degree aligned trajectory.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:
☑ No

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:
☑ No, and we do not plan to within the next two years

(7.54.3.17) Target status in reporting year

Select from:
☑ Underway

(7.54.3.19) Process for reviewing target

Under NZBA guidelines we are expected to review our targets every 5 years. In addition to this, we undertake regular reviews within this period to test assumptions and to understand how the world is tracking against the pathway described in the scenario. NZBA Guidelines also require targets to be 1.5 degree aligned, as a result we will review that our initial targets are 1.5 degree aligned where possible.
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:
☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*5*	*`Numeric input*
To be implemented	*0*	*0*
Implementation commenced	*3*	*93*
Implemented	*938*	*507284*
Not to be implemented	*381*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Other, please specify :Office Upgrade

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

9

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 2 (location-based)

☑ Scope 2 (market-based)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

7144

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

0

(7.55.2.7) Payback period

Select from:
☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ Ongoing

(7.55.2.9) Comment

Moving into an energy efficient corporate office in New York.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings
☑ Building Energy Management Systems (BEMS)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply
☑ Scope 3 category 4: Upstream transportation & distribution

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

430

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

0

(7.55.2.7) Payback period

Select from:
☑ No payback

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ Ongoing

(7.55.2.9) Comment

Network sites improvements: Installing timed hot water units.

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings
☑ Lighting

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

31

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply
☑ Scope 3 category 1: Purchased goods & services

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

11112

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

134928

(7.55.2.7) Payback period

Select from:
☑ 11-15 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ Ongoing

(7.55.2.9) Comment

Upgrading end of life lighting at 700 Bourke Building, Melbourne, Australia.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☑ Dedicated budget for other emissions reduction activities

(7.55.3.2) Comment

NAB Group maintains a dedicated budget for energy efficiency, carbon reduction and other environmental initiatives.

Row 2

(7.55.3.1) Method

Select from:

☑ Internal incentives/recognition programs

(7.55.3.2) Comment

Successful implementation of emissions reduction activities is incorporated in the performance assessment for relevant Property, Environment and Technology employees. Emissions and power reduction targets are also incorporated in key Property and Technology services agreements.

Row 3

(7.55.3.1) Method

Select from:

☑ Other :Environmental standards considered in procurement of goods and services

(7.55.3.2) Comment

NAB Group continues to work with partners and suppliers to ensure that appropriate energy efficiency, carbon reduction and environmental standards are met when procuring goods and services that have a significant impact on our carbon footprint (i.e. provision of IT and associated energy efficiency requirements; as well as including energy requirements in our office building and branch property design standards).

Row 4

(7.55.3.1) Method

Select from:

☑ Internal price on carbon

(7.55.3.2) Comment

NAB Group includes an internal carbon price in our business case template for environmental capital works. This is used to help drive capital investment in energy efficiency and carbon reduction initiatives.

Row 5

(7.55.3.1) Method

Select from:

☑ Dedicated budget for energy efficiency

(7.55.3.2) Comment

NAB Group maintains a dedicated budget for energy efficiency, carbon reduction and other environmental initiatives.

Row 6

(7.55.3.1) Method

Select from:

☑ Internal finance mechanisms

(7.55.3.2) Comment

NAB Group considers forecast increases in energy costs in business cases for energy efficiency opportunities and capital works.

[Add row]

(7.73) Are you providing product level data for your organization's goods or services?

Select from:

☑ No, I am not providing data

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☑ Yes

(7.79.1) Provide details of the project-based carbon credits canceled by your organization in the reporting year.

Row 1

(7.79.1.1) Project type

Select from:

☑ Solar

(7.79.1.2) Type of mitigation activity

Select from:

☑ Emissions reduction

(7.79.1.3) Project description

The Bundled Solar Power by Solararise generates renewable electricity through solar energy. The project is a bundled projects which involves the installation of 120 MW across different states of India. The serial number of the offsets cancelled is 6647-329216685-329232121-VCU-034-APX-IN-1-1762-01012017-31122017-0.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

10235

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2017

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ VCS (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Consideration of legal requirements

☑ Investment analysis

☑ Other, please specify :sensitivity analysis

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ No risk of reversal

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Other, please specify :CDM approach applied for the project methodology ACM0002 (version 22.0) states the following with respect to leakage: “No other leakage emissions are considered”.

(7.79.1.13) Provide details of other issues the selected program requires projects to address

All applicable VCS program rules, requirements, methodologies and supporting documentation is publicly available via VERRA's, as the issuing body, website (https://verra.org/programs/verified-carbon-standard/vcs-program-details/). This includes VCS requirements related to double-counting, safeguarding against negative economic, environmental and social harm, and stakeholder inclusivity, amongst other requirements that projects must comply with. Regarding project potential sources of leakage, the CDM methodology applied further states that "the emissions potentially arising due to activities such as power plant construction and upstream emissions from fossil fuel use (e.g. extraction, processing, transport etc.) are neglected.” Further, VERRA have affirmed that risk of reversal has been deemed not relevant for this activity type defined by this methodology

(7.79.1.14) Please explain

6647-329216685-329232121-VCU-034-APX-IN-1-1762-01012017-31122017-0 AUD0.94/t

Row 2

(7.79.1.1) Project type

Select from:

☑ Solar

(7.79.1.2) Type of mitigation activity

Select from:

☑ Emissions reduction

(7.79.1.3) Project description

The Bundled Solar Power by Solararise generates renewable electricity through solar energy. The project is a bundled projects which involves the installation of 120 MW across different states of India. The serial number of the offsets cancelled is 6646-329154366-329216684-VCU-034-APX-IN-1-1762-01012018-25042018-0

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

15686

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2018

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:
☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:
☑ VCS (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply
☑ Consideration of legal requirements
☑ Investment analysis
☑ Other, please specify :sensitivity analysis

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply
☑ No risk of reversal

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply
☑ Other, please specify :CDM approach applied for the project methodology ACM0002 (version 22.0) states the following with respect to leakage: “No other leakage emissions are considered”.

(7.79.1.13) Provide details of other issues the selected program requires projects to address

All applicable VCS program rules, requirements, methodologies and supporting documentation is publicly available via VERRA's, as the issuing body, website (https://verra.org/programs/verified-carbon-standard/vcs-program-details/). This includes VCS requirements related to double-counting, safeguarding against negative economic, environmental and social harm, and stakeholder inclusivity, amongst other requirements that projects must comply with. Regarding project potential sources of leakage, the CDM methodology applied further states that "the emissions potentially arising due to activities such as power plant construction and upstream emissions from fossil fuel use (e.g. extraction, processing, transport etc.) are neglected.” Further, VERRA have affirmed that risk of reversal has been deemed not relevant for this activity type defined by this methodology

(7.79.1.14) Please explain

6646-329154366-329216684-VCU-034-APX-IN-1-1762-01012018-25042018-0 AUD0.94/t

Row 3

(7.79.1.1) Project type

Select from:

☑ Other, please specify :Savanna burning

(7.79.1.2) Type of mitigation activity

Select from:

☑ Emissions reduction

(7.79.1.3) Project description

This project involves strategic and planned burning of savanna areas in the high rainfall zones during the early dry season to reduce the risk of late dry season wild fires. The serial number of the offsets cancelled is 3772978789-3,772,988,162.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

4374

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2019

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ Other regulatory carbon crediting program, please specify :Australian Carbon Credit Units (ACCU)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Consideration of legal requirements

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ No risk of reversal

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Other, please specify :Under the ACCU Scheme, leakage is deemed not relevant for this project type

(7.79.1.13) Provide details of other issues the selected program requires projects to address

For a project to be eligible for registration with the Clean Energy Regulator (CER) under the ACCU Scheme, formerly the Emissions Reduction Fund, (unless the method covering the project specifies otherwise), it must: • not have begun to be implemented before it has been registered with the Clean Energy Regulator (the newness requirement), • not be required to be carried out by or under a Commonwealth, State or Territory law (the regulatory additionality requirement), and • not be likely to be carried out under another Commonwealth, state or territory government program in the absence of registration under the Emissions Reduction Fund (the government program requirement). Further information on these requirements is publicly available via the CER website (https://www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund). The project is registered under the Carbon Credits (Carbon Farming Initiative—Emissions Abatement through Savanna Fire Management) Methodology Determination 2015. This method sets out the rules for running and earning credits for the project. Division 2 of the method sets out the newness and additionality requirements. For a savanna fire management project under the Determination, the only abatement that is credited is abatement that is additional to what was achieved during the baseline period. That is, if the project proponent had begun early dry season fire management before project commencement, they would only generate credits for abatement over and above the abatement that was achieved in the baseline period. Regarding reversal risk, CER have affirmed that the project operates under an emissions avoidance only method. As such, there is no permanence period and no reversal risk. The savanna fire management emissions avoidance method credits activities that reduce the emission of greenhouse gases from fire in savannas in northern Australia, through a reduction in the frequency and extent of late dry season fires. Further, CER have affirmed that leakage is not relevant for this project. Leakage is not of concern for land-based emission avoidance methodologies as the ACCUs generated are directly attributed to permanent reductions of emissions compared to the baseline period inside of a defined project area.

(7.79.1.14) Please explain

3,772,978,789 -3,772,988,162 AUD21/t

Row 4

(7.79.1.1) Project type

Select from:

☑ Other, please specify :Savanna burning

(7.79.1.2) Type of mitigation activity

Select from:

☑ Emissions reduction

(7.79.1.3) Project description

This project involves strategic and planned burning of savanna areas in the high rainfall zones during the early dry season to reduce the risk of late dry season wild fires. The serial number of the offsets cancelled is 8,328,144,897-8,328,156,066.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

7990

(7.79.1.5) Purpose of cancelation

Select from:

☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:

☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2021

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:

☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ Other regulatory carbon crediting program, please specify :Australian Carbon Credit Units (ACCU)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Consideration of legal requirements

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ No risk of reversal

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Other, please specify :Under the ACCU Scheme, leakage is deemed not relevant for this project type

(7.79.1.13) Provide details of other issues the selected program requires projects to address

For a project to be eligible for registration with the Clean Energy Regulator (CER) under the ACCU Scheme, formerly the Emissions Reduction Fund, (unless the method covering the project specifies otherwise), it must: • not have begun to be implemented before it has been registered with the Clean Energy Regulator (the newness requirement), • not be required to be carried out by or under a Commonwealth, State or Territory law (the regulatory additionality requirement), and • not be likely to be carried out under another Commonwealth, state or territory government program in the absence of registration under the Emissions Reduction Fund (the government program requirement). Further information on these requirements is publicly available via the CER website (https://www.cleanenergyregulator.gov.au/ERF/Want-to-participate-in-the-Emissions-Reduction-Fund). The project is registered under the Carbon Credits (Carbon Farming Initiative—Emissions Abatement through Savanna Fire Management) Methodology Determination 2015. This method sets out the rules for running and earning credits for the project. Division 2 of the method sets out the newness and additionality requirements. For a savanna fire management project under the Determination, the only abatement that is credited is abatement that is additional to what was achieved during the baseline period. That is, if the project proponent had begun early dry season fire management before project commencement, they would only generate credits for abatement over and above the abatement that was achieved in the baseline period. Regarding reversal risk, CER have affirmed that the project operates under an emissions avoidance only method. As such, there is no permanence period and no reversal risk. The savanna fire management emissions avoidance method credits activities that reduce the emission of greenhouse gases from fire in savannas in northern Australia, through a reduction in the frequency and extent of late dry season fires. Further, CER have affirmed that leakage is not relevant for this project. Leakage is not of concern for land-based emission avoidance methodologies as the ACCUs generated are directly attributed to permanent reductions of emissions compared to the baseline period inside of a defined project area.

(7.79.1.14) Please explain

8,328,144,897-8,328,156,066 AUD47/t

Row 5

(7.79.1.1) Project type

Select from:

☑ Wind

(7.79.1.2) Type of mitigation activity

Select from:

☑ Emissions reduction

(7.79.1.3) Project description

The Gansu Changma Wind Farm Project involves a large group of wind farms located in Gansu province in China. At full capacity, the output of the project is expected to be of 20,000MWh/year, which is delivered to the state-owned power grid. The serial number of the offsets cancelled is 6494-323911901-323981900-VCU-034-APX-CN-1-717-01012017-31122017-0.

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

25942

(7.79.1.5) Purpose of cancelation

Select from:
☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:
☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2017

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:
☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:
☑ VCS (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply
☑ Consideration of legal requirements

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply
☑ No risk of reversal

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply
☑ Other, please specify :CDM approach applied for the project methodology ACM0002 (version 22.0) states the following with respect to leakage: “No other leakage emissions are considered”.

(7.79.1.13) Provide details of other issues the selected program requires projects to address

All applicable VCS program rules, requirements, methodologies and supporting documentation is publicly available via VERRA's, as the issuing body, website (https://verra.org/programs/verified-carbon-standard/vcs-program-details/). This includes VCS requirements related to double-counting, safeguarding against negative economic, environmental and social harm, and stakeholder inclusivity, amongst other requirements that projects must comply with. Regarding project potential sources of leakage, the CDM methodology applied further states that "the emissions potentially arising due to activities such as power plant construction and upstream emissions *from fossil fuel use (e.g. extraction, processing, transport etc.) are neglected." Further, VERRA have affirmed that risk of reversal has been deemed not relevant for this activity type defined by this methodology.*

(7.79.1.14) Please explain

6494-323911901-323981900-VCU-034-APX-CN-1-717-01012017-31122017-0 AUD0.86/t

Row 6

(7.79.1.1) Project type

Select from:
☑ Hydro

(7.79.1.2) Type of mitigation activity

Select from:
☑ Emissions reduction

(7.79.1.3) Project description

The Sarbari-I small hydro project is a small run-of-the-river power project, where water from the river (Sarbari Khad) is diverted through a power house to generate renewable power. The serial number of the offsets cancelled is 5707-256004976-256005600-VCU-034-APX-IN-1-483-01012018-31012018-0

(7.79.1.4) Credits canceled by your organization from this project in the reporting year (metric tons CO2e)

625

(7.79.1.5) Purpose of cancelation

Select from:
☑ Voluntary offsetting

(7.79.1.6) Are you able to report the vintage of the credits at cancelation?

Select from:
☑ Yes

(7.79.1.7) Vintage of credits at cancelation

2018

(7.79.1.8) Were these credits issued to or purchased by your organization?

Select from:
☑ Purchased

(7.79.1.9) Carbon-crediting program by which the credits were issued

Select from:

☑ VCS (Verified Carbon Standard)

(7.79.1.10) Method the program uses to assess additionality for this project

Select all that apply

☑ Investment analysis

(7.79.1.11) Approaches by which the selected program requires this project to address reversal risk

Select all that apply

☑ No risk of reversal

(7.79.1.12) Potential sources of leakage the selected program requires this project to have assessed

Select all that apply

☑ Other, please specify **:**CDM approach applied for the project methodology ACM0002 (version 22.0) states the following with respect to leakage: “No other leakage emissions are considered”.

(7.79.1.13) Provide details of other issues the selected program requires projects to address

All applicable VCS program rules, requirements, methodologies and supporting documentation is publicly available via VERRA's, as the issuing body, website (https://verra.org/programs/verified-carbon-standard/vcs-program-details/). This includes VCS requirements related to double-counting, safeguarding against negative economic, environmental and social harm, and stakeholder inclusivity, amongst other requirements that projects must comply with. Regarding project potential sources of leakage, the CDM methodology applied further states that "the emissions potentially arising due to activities such as power plant construction and upstream emissions from fossil fuel use (e.g. extraction, processing, transport etc.) are neglected.” Further, VERRA have affirmed that risk of reversal has been deemed not relevant for this activity type defined by this methodology.

(7.79.1.14) Please explain

5707-256004976-256005600-VCU-034-APX-IN-1-483-01012018-31012018-0 AUD1.04/t
[Add row]

C12. Environmental performance - Financial Services

(12.1) Does your organization measure the impact of your portfolio on the environment?

Banking (Bank)

(12.1.1) We measure the impact of our portfolio on the climate

Select from:
☑ Yes

(12.1.2) Disclosure metric

Select all that apply
☑ Financed emissions

(12.1.5) We measure the impact of our portfolio on forests

Select from:
☑ No, but we plan to do so in the next two years

(12.1.6) Primary reason for not measuring portfolio impact on forests

Select from:
☑ Lack of tools or methodologies available

(12.1.7) Explain why your organization does not measure its portfolio impact on forests

We started with an operational focus (for example changing paper purchasing to reduce impacts on forests). Through our Natural Capital program, we are leveraging the outcomes from our research to develop metrics that support our customers in their management of forest related risks and assets. We will be guided by the developments of the TNFD to measure portfolio impacts.

(12.1.8) We measure the impact of our portfolio on water

Select from:
☑ No, but we plan to do so in the next two years

(12.1.9) Primary reason for not measuring portfolio impact on water

Select from:
☑ Lack of tools or methodologies available

(12.1.10) Explain why your organization does not measure its portfolio impact on water

We started with an operational focus (changed water use and set reduction targets). Through our Natural Capital program, we are leveraging the outcomes from our research to develop metrics that support our customers in their management of water related risks and assets. We will be guided by the developments of the TNFD to measure portfolio impacts.

(12.1.11) We measure the impact of our portfolio on biodiversity

Select from:

☑ No, but we plan to do so in the next two years

(12.1.12) Primary reason for not measuring portfolio impact on biodiversity

Select from:

☑ Lack of tools or methodologies available

(12.1.13) Explain why your organization does not measure its portfolio impact on biodiversity

We started with an operational focus (changed water use and set reduction targets). Through our Natural Capital program, we are leveraging the outcomes from our research to develop metrics that support our customers in their management of water related risks and assets. We will be guided by the developments of the TNFD to measure portfolio impacts.
[Fixed row]

(12.1.1) Provide details of your organization's financed emissions in the reporting year and in the base year.

Banking (Bank)

(12.1.1.1) Asset classes covered in the calculation

Select all that apply

☑ Loans

☑ Project finance

☑ Undrawn loan commitments

☑ Real estate

(12.1.1.2) Financed emissions (metric unit tons CO2e) in the reporting year

24130000

(12.1.1.3) % of portfolio covered in relation to total portfolio value

1.27

(12.1.1.4) Total value of assets included in the financed emissions calculation

13876807400.00

(12.1.1.5) % of financed emissions calculated using data obtained from clients/investees (optional)

60

(12.1.1.6) Emissions calculation methodology

Select from:

☑ The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

(12.1.1.7) Weighted data quality score (for PCAF-aligned data quality scores only)

3

(12.1.1.8) Financed emissions (metric unit tons CO2e) in the base year

24.13

(12.1.1.9) Base year end

06/29/2022

(12.1.1.10) % of undrawn loan commitments included in the financed emissions calculation

0

(12.1.1.11) Please explain the details of and assumptions used in your calculation

NAB uses Exposure at Default (EAD) instead of on balance sheet loans as a financial metric for reporting in the calculation of our financed emissions. EAD is a measure calculated with both drawn and undrawn limits. It includes 100% of the drawn limit and a proportion of the undrawn limit, which varies by type of financial product. We have therefore responded to 12.1.1.10 with zero (0) because the actual % of undrawn limits included in EAD varies between 20 to 100% by product. The EAD calculation is part of our regulatory capital calculation framework. Our PCAF-weighted data quality scores are based on our financed emissions, which incorporate EAD and valuations. The net result is a score of 2.75.
[Fixed row]

(12.2) Are you able to provide a breakdown of your organization's financed emissions and other portfolio carbon footprinting metrics?

	Portfolio breakdown
Banking (Bank)	*Select all that apply* ☑ Yes, by industry

[Fixed row]

(12.2.1) Break down your organization's financed emissions and other portfolio carbon footprinting metrics by asset class, by industry, and/or by scope.

Row 1

(12.2.1.1) Portfolio

Select from:

☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

☑ Power generation

(12.2.1.7) Value of assets covered in the calculation

6700000000

(12.2.1.8) Financed emissions or alternative metric

2700000

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ No

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

NAB uses Exposure at Default (EAD) instead of on balance sheet loans as a financial metric for reporting in the calculation of our financed emissions. EAD is a measure calculated with both drawn and undrawn limits. It includes 100% of the drawn limit and a proportion of the undrawn limit, which varies by type of financial product. The actual % of undrawn limits included in EAD varies between 20 to 100% by product. The EAD calculation is part of our regulatory capital calculation framework.

Row 2

(12.2.1.1) Portfolio

Select from:

☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:
☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:
☑ Fossil Fuels

(12.2.1.7) Value of assets covered in the calculation

1900000000

(12.2.1.8) Financed emissions or alternative metric

4900000

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:
☑ No

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

NAB uses Exposure at Default (EAD) instead of on balance sheet loans as a financial metric for reporting in the calculation of our financed emissions. EAD is a measure calculated with both drawn and undrawn limits. It includes 100% of the drawn limit and a proportion of the undrawn limit, which varies by type of financial product. The actual % of undrawn limits included in EAD varies between 20 to 100% by product. The EAD calculation is part of our regulatory capital calculation framework.

Row 3

(12.2.1.1) Portfolio

Select from:
☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:
☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:
☑ Manufacturing

(12.2.1.7) Value of assets covered in the calculation

1170000000

(12.2.1.8) Financed emissions or alternative metric

7800000

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ No

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

NAB uses Exposure at Default (EAD) instead of on balance sheet loans as a financial metric for reporting in the calculation of our financed emissions. EAD is a measure calculated with both drawn and undrawn limits. It includes 100% of the drawn limit and a proportion of the undrawn limit, which varies by type of financial product. The actual % of undrawn limits included in EAD varies between 20 to 100% by product. The EAD calculation is part of our regulatory capital calculation framework.

Row 4

(12.2.1.1) Portfolio

Select from:

☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

☑ Transportation services

(12.2.1.7) Value of assets covered in the calculation

10900000000

(12.2.1.8) Financed emissions or alternative metric

3100000

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ No

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

NAB uses Exposure at Default (EAD) instead of on balance sheet loans as a financial metric for reporting in the calculation of our financed emissions. EAD is a measure calculated with both drawn and undrawn limits. It includes 100% of the drawn limit and a proportion of the undrawn limit, which varies by type of financial product. The actual % of undrawn limits included in EAD varies between 20 to 100% by product. The EAD calculation is part of our regulatory capital calculation framework.

Row 5

(12.2.1.1) Portfolio

Select from:

☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:

☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:

☑ Infrastructure

(12.2.1.7) Value of assets covered in the calculation

343200000000

(12.2.1.8) Financed emissions or alternative metric

2030000

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:

☑ No

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

NAB uses Exposure at Default (EAD) instead of on balance sheet loans as a financial metric for reporting in the calculation of our financed emissions. EAD is a measure calculated with both drawn and undrawn limits. It includes 100% of the drawn limit and a proportion of the undrawn limit, which varies by type of financial product. The actual % of undrawn limits included in EAD varies between 20 to 100% by product. The EAD calculation is part of our regulatory capital calculation framework.

Row 6

(12.2.1.1) Portfolio

Select from:
☑ Banking (Bank)

(12.2.1.2) Portfolio metric

Select from:
☑ Absolute portfolio emissions (tCO2e)

(12.2.1.3) Industry

Select from:
☑ Food, beverage & agriculture

(12.2.1.7) Value of assets covered in the calculation

36400000000

(12.2.1.8) Financed emissions or alternative metric

3600000

(12.2.1.9) Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Select from:
☑ No

(12.2.1.12) Please explain the details, assumptions and exclusions in your calculation

NAB uses Exposure at Default (EAD) instead of on balance sheet loans as a financial metric for reporting in the calculation of our financed emissions. EAD is a measure calculated with both drawn and undrawn limits. It includes 100% of the drawn limit and a proportion of the undrawn limit, which varies by type of financial product. The actual % of undrawn limits included in EAD varies between 20 to 100% by product. The EAD calculation is part of our regulatory capital calculation framework.
[Add row]

(12.3) State the values of your financing and insurance of fossil fuel assets in the reporting year.

Lending to all fossil fuel assets

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

3490000000

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.3

(12.3.6) Details of calculation

Total exposure of 3.4bn as at 30 September 2023 includes: - 3.01bn of exposure to customers extracting fossil fuels as at 30 Sept. 2023, and 0.48bn of exposure to customers using fossil fuels to generate power. as at 30 Sept. 2023. Total Group exposure at default (EaD) was 1,092bn as at 30 Sept. 2023. NAB Group's methodology (based upon 1993 ANZSIC codes) includes calculating exposure on a net EAD basis. The calculation excludes exposure to counterparties predominantly involved in transmission and distribution. Vertically integrated retailers have been categorised as renewable where majority of their generation activities sourced from renewable energy and have been excluded. NAB Group has no direct lending to coal-fired power generation assets remaining, however, there is indirect exposure to coal-fired power categorised internally as Mixed Fuel as a result of NAB Group's corporate level exposure to gentailers, which have a mix of generation assets (including coal, gas and renewables) within their generation portfolio. Oil and gas extraction EAD includes lending (e.g. revolving/term lending and guarantees) and other markets-related exposures (e.g. derivatives, foreign exchange, repurchase agreements). Thermal coal exposures includes direct exposure (including lending and guarantees) to customers whose primary activity is thermal coal mining and includes performance guarantees for the rehabilitation of existing coal mining assets.

Lending to thermal coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

240000000

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

0.24bn of exposure to customers extracting thermal coal as at 30 Sept. 2023. 0 of exposure to customers burning thermal coal to generate power. Total Group exposure at default (EaD) was 1,092bn as at 30 Sept. 2023. NAB Group's methodology (based upon 1993 ANZSIC codes) includes calculating exposure on a net EAD basis. The calculation excludes exposure to counterparties predominantly involved in transmission and distribution. Vertically integrated retailers have been categorised as renewable where majority of their generation activities sourced from renewable energy and have been excluded. NAB Group has no direct lending to coal-fired power generation assets remaining, however there is indirect exposure to coal-fired power categorised internally as Mixed Fuel as a result of NAB Group's corporate level exposure to gentailers, which have a mix of generation assets (including coal, gas and renewables) within their generation portfolio. Thermal coal exposures includes direct exposure (including lending and guarantees) to customers whose primary activity is thermal coal mining and includes performance guarantees for the rehabilitation of existing coal mining assets.

Lending to met coal

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

210000000

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

(12.3.6) Details of calculation

0.21bn of exposure to customers extracting metallurgical coal as at 30 Sept. 2023l. Total Group exposure at default (EaD) was 1,092bn as at 30 Sept. 2023. NAB Group's methodology (based upon 1993 ANZSIC codes) includes calculating the exposure on a net EAD basis.

Lending to oil

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:

☑ No, but we plan to report our portfolio's exposure to fossil fuel in the next two years

(12.3.7) Primary reason for not providing values of the financing and/or insurance to fossil fuel assets

Select from:

☑ Other, please specify :Customer categorisation does not distinguish between oil and gas. Exposure figures for both fossil fuels are aggregated, with the aggregated figures being disclosed against Gas within this response.

(12.3.8) Please explain why you are not providing values of the financing and/or insurance to fossil fuel assets

Customer categorisation does not distinguish between oil and gas. Exposure figures for both fossil fuels are aggregated, with the aggregated figures being disclosed against Gas within this response.

Lending to gas

(12.3.1) Reporting values of the financing and/or insurance of fossil fuel assets

Select from:
☑ Yes

(12.3.2) Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

3040000000

(12.3.3) New loans advanced in reporting year (unit currency – as specified 1.2)

0

(12.3.5) % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0.2

(12.3.6) Details of calculation

Total exposure was 3.04bn as at 30 September 2023 including: - 2.56bn of exposure at 30 Sept. 2023 to customers extracting both oil and gas, noting that Group customer categorisation (and therefore exposure categorisation) does not distinguish between oil and gas, as customers operating in this area are involved in the extraction of both fuel types and any effort to apportion with any certainty would prove challenging, and 0.48bn of exposure at 30 Sept. 2023 to customers using gas to generate power. Total Group exposure at default (EaD) was 1,092bn as at 30 Sept. 2023. NAB Group's methodology (based upon 1993 ANZSIC codes) includes calculating exposure on a net EAD basis. The calculation excludes exposure to counterparties predominantly involved in transmission and distribution. Vertically integrated retailers have been categorised as renewable where majority of their generation activities sourced from renewable energy and have been excluded. NAB has no direct lending to coal-fired power generation assets remaining, however there is indirect exposure to coal-fired power categorised internally as Mixed Fuel as a result of NAB Group's corporate level exposure to gentailers, which have a mix of generation assets (including coal, gas and renewables) within their generation portfolio.
[Fixed row]

(12.4) Does your organization provide finance and/or insurance to companies in the commodity value chain? If so, for each commodity and portfolio, state the values of your financing and/or insurance in the reporting year.

Lending to companies operating in the timber products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☑ Production

☑ Processing

☑ Trading

☑ Manufacturing

☑ Retailing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

2453910564.81

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

(12.4.6) % value of the exposure in relation to your total portfolio value

0.2

Lending to companies operating in the palm oil value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☑ Unknown

Lending to companies operating in the cattle products value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply

☑ Production

☑ Processing
☑ Trading
☑ Manufacturing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

15761109106.24

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

(12.4.6) % value of the exposure in relation to your total portfolio value

1.4

Lending to companies operating in the soy value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Production
☑ Processing
☑ Trading
☑ Manufacturing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

32601342.11

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the rubber value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:

☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Processing
☑ Trading
☑ Manufacturing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

68203567.85

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the cocoa value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Manufacturing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

439847.94

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

(12.4.6) % value of the exposure in relation to your total portfolio value

0

Lending to companies operating in the coffee value chain

(12.4.1) Finance or insurance provided to companies operating in the value chain for this commodity

Select from:
☑ Yes

(12.4.2) Commodity value chain stage coverage

Select all that apply
☑ Production
☑ Processing
☑ Trading
☑ Manufacturing

(12.4.3) Portfolio exposure (unit currency – as specified in 1.2)

214588190.88

(12.4.4) New loans advanced in reporting year (unit currency – as specified in 1.2)

0

(12.4.6) % value of the exposure in relation to your total portfolio value

0
[Fixed row]

(12.5) In the reporting year, did your organization finance and/or insure activities or sectors that are aligned with, or eligible under, a sustainable finance taxonomy? If so, are you able to report the values of that financing and/or underwriting?

Banking (Bank)

(12.5.1) Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

Select from:
☑ Yes

(12.5.2) Taxonomy under which portfolio alignment is being reported

Select from:
☑ Other, please specify :Climate Bond Initiative & Green Bond Principles aligned lending, and NAB Green Bond Framework compliant lending

(12.5.3) Total assets in your portfolio (unit currency as selected in 1.2)

1092662000000.00

(12.5.25) Share of aligned assets contributing to climate change adaptation that is enabling based on CAPEX of investees in the reporting year

0

(12.5.26) Total assets aligned with the taxonomy in the reporting year

1926000000

(12.5.27) % of portfolio that is aligned with the taxonomy in the reporting year

0.2

(12.5.28) Description of assets excluded from alignment calculation and reasons for exclusion

The amount and ratio disclosed are new NAB lending for FY23 that includes CBI compliant lending and Green Bond Principles (GBP) aligned lending associated with NAB's Green Bond Framework including renewables, green CRE (REIT), low carbon transport, water infrastructure, electrical grids and storage and forestry, land conservation and restoration. Any lending which does not meet the criteria of the above frameworks has been excluded.

(12.5.32) "Do No Significant Harm" requirements met

Select from:
☑ No

(12.5.33) Details of "Do No Significant Harm" analysis

Not applicable as the Group is not bound by the European Taxonomy regulation.

(12.5.34) Details of calculation

Total assets in the portfolio
[Fixed row]

(12.6) Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues?

	Existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues
	Select from: ☑ Yes

[Fixed row]

(12.6.1) Provide details of your existing products and services that enable clients to mitigate and/or adapt to the effects of environmental issues, including any taxonomy or methodology used to classify the products and services.

Row 1

(12.6.1.1) Environmental issue

Select all that apply

☑ Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

☑ Mitigation

☑ Adaptation

(12.6.1.3) Portfolio

Select from:

☑ Banking (Bank)

(12.6.1.4) Asset class

Select from:

☑ Loans

(12.6.1.5) Type of product classification

Select all that apply

☑ Products that promote environmental and/or social characteristics

☑ Products that have sustainable investment as their core objective

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☑ LMA Green Loan Principles

☑ LMA Sustainability Link Loans Principles

☑ Externally classified using other taxonomy or methodology, please specify :Climate Bonds Taxonomy,/Climate Bonds Standard Sector Criteria to screen and select "use of proceeds" lending consistent with net zero by 2050/1.5C max scenario.

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☑ Carbon removal

☑ Renewable energy equipment

☑ Ecosystem protection

☑ Ecosystem restoration

☑ Low-emission transport

☑ Energy efficiency measures

☑ Green buildings and

☑ Other, please specify **:Grid-scale energy storage**

(12.6.1.8) Description of product/service

These are loans to Corporate and Institutional customers that specifically incentivise customers to reduce environmental (and social) impacts. The green or sustainability-linked loans, including the KPIs, are subject to an independent second party opinion to verify that the KPIs, if implemented successfully by the customer, are expected to result in a reduction in environmental or social impacts. These loans are typically classified as green or sustainable depending on the KPIs agreed.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0.2

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

100

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☑ Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

Customers with sustainability-linked loans are incentivised to address a range of adverse environmental impacts arising from their operations including, but not limited to: GHG emissions, potential for impacts on biodiversity in sensitive areas, production of waste, and emissions to air and water. The sustainability-liked loans use agreed KPIs to incentivise a reduction in adverse impacts on environmental (and social) factors. Please note that the amounts provided in response to this question do not include a small amount (AUD683m) of green lending that occurred in FY23 and was reported on a drawn amount basis, instead of EAD, which is the measure used to respond to this question. We have excluded this amount to ensure consistency with the EAD metric given in response to Question 1.09. Additionally, our forestry and water financing activities are included in this row due to the relatively small proportion they would represent as a proportion of the total lending portfolio if disclosed separately.

Row 4

(12.6.1.1) Environmental issue

Select all that apply

☑ Climate change

(12.6.1.2) Product/service enables clients to mitigate and/or adapt to climate change

Select all that apply

☑ Mitigation

☑ Adaptation

(12.6.1.3) Portfolio

Select from:

☑ Banking (Bank)

(12.6.1.4) Asset class

Select from:

☑ Bonds

(12.6.1.5) Type of product classification

Select all that apply

☑ Products that promote environmental and/or social characteristics

☑ Products that have sustainable investment as their core objective

(12.6.1.6) Taxonomy or methodology used to identify product characteristics

Select all that apply

☑ Climate Bonds Taxonomy

☑ Green Bond Principles (ICMA)

(12.6.1.7) Type of solution financed, invested in or insured

Select all that apply

☑ Energy efficiency measures

☑ Green buildings and equipment

☑ Low-emission transport

☑ Renewable energy

(12.6.1.8) Description of product/service

NAB issues green bonds that meet the use of proceeds requirements of the Green Bond Principles and/or applicable Climate Bond Initiative Standards. The amount reported in this row comprises relevant Green Bond issuance by NAB and green tranches in NAB's RMBS. It includes NAB's proportional share of debt market instruments across all Joint Lead Managers, includes bonds and asset-backed securities where NAB participated as part of underwriting and arranging activities.

(12.6.1.9) % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0.4

(12.6.1.10) % of asset value aligned with a taxonomy or methodology

100

(12.6.1.11) Product considers principal adverse impacts on environmental factors

Select from:

☑ Yes

(12.6.1.12) Details on how the principal adverse impacts on environmental factors are considered in this product

The funding raised with these products supports the provision of an interest rate incentive for customer green loans where the known use of proceeds addresses adverse environmental impacts arising from the operations of customers including, but not limited to: GHG emissions, potential for impacts on biodiversity in sensitive areas, production of waste, and emissions to air and water. Please note that this excludes 92m of securitisation activities in which NAB participated in this year (as this is a fee-earning activity as opposed to lending and would require accounting for in a different manner or separate line item).
[Add row]

(12.7) Has your organization set targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring?

Forests

(12.7.1) Target set

Select from:
☑ No, we have not set such targets and we do not plan to in the next two years

(12.7.2) Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring

NAB is a member of the TNFD Forum. NAB has been participating in the Australian Government's TNFD education and awareness raising activities. This has included providing detailed feedback on the TNFD recommendations and implementation challenges through the Australian Banking Association and government consultation processes. NAB is developing a roadmap that will allow us to respond to the TNFD. Any future forest-related targets will be considered as this work progresses. NAB does consider the issue of deforestation in its ESG risk assessment process, where applicable.

Water

(12.7.1) Target set

Select from:
☑ No, we have not set such targets and we do not plan to in the next two years

(12.7.2) Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring

NAB is a member of the TNFD Forum. NAB has been participating in the Australian Government's TNFD education and awareness raising activities. This has included providing detailed feedback on the TNFD recommendations and implementation challenges through the Australian Banking Association and government consultation processes. NAB is developing a roadmap that will allow us to respond to the TNFD. Any future water-related targets will be considered as this work progresses. NAB does water risk and issues in its ESG risk assessment process, where applicable.
[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply
☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change
☑ Renewable Electricity/Steam/Heat/Cooling generation

(13.1.1.3) Verification/assurance standard

General standards
☑ ASAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

KPMG provided limited assurance over data points included in NAB Group's carbon risk and opportunity disclosures. This includes the % of renewable energy generation in our power generation book which is publicly reported in our half and full year investor packs, and our 2023 Climate Report demonstrating how we are helping customers to make the low carbon transition. This data has been used in NAB Group's CDP responses. Reference: See pages 1-4 of the 2023 Carbon Risk Disclosure Assurance Report.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

assurance-carbon-risk-disclosure.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

☑ Biodiversity

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Financial services

☑ Other data point in module 12, please specify :Environmental Financing disclosure

(13.1.1.3) Verification/assurance standard

General standards

☑ ASAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

KPMG provided limited assurance over data points included in NAB Group's carbon risk and opportunity disclosures. This includes NAB Group's environmental finance in 2023; including 4.5bn of new green lending, green CRE (REIT) lending, securitisation, and underwriting and arranging activities of new green customer securities. This is publicly reported in our half and full year investor packs, and our 2023 Climate Report demonstrating how we are helping customers to make the low carbon transition. This data has also been used in NAB Group's CDP responses. Reference: See pages 1-4 of the 2022 Carbon Risk Disclosure Assurance Report

(13.1.1.5) Attach verification/assurance evidence/report (optional)

assurance-carbon-risk-disclosure.pdf

Row 3

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Progress against targets

(13.1.1.3) Verification/assurance standard

General standards

☑ ASAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

KPMG provided limited assurance over NAB Group's progress against its science-based operational emissions reduction target.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

assurance-carbon-neutral.pdf
[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

	Additional information	Attachment (optional)
	Not applicable	*2023-annual-report.pdf*

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Group Chief Executive Officer

(13.3.2) Corresponding job category

Select from:
☑ Chief Executive Officer (CEO)
[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:
☑ No