Green commercial buildings:
New financing or re-financing by NAB of commercial property within our real estate investment trust (REIT) customer base, which ranks within the top 15% of energy efficiency based on the NABERs ratings and referenced to the Climate Bonds Initiative calculator hurdle rates, is included towards NAB’s environmental financing commitment. The amount of financing included for the respective REIT customer, where financing has occurred, is proportion to the percentage of commercial property that sits within the top 15% of energy efficiency in the marketplace for the specific REITs portfolio.

Specialised lending, corporate and securitisation finance for projects that reduce emissions and assist with climate change adaptation and lending to other low carbon businesses
NAB includes specialised lending, corporate and securitisation financing towards our environmental financing commitment for various activities which are set out in the table below. This category also includes finance for low carbon businesses such as renewable energy retailers, providers of solar and energy storage systems and solar installers. Where only a proportion of the activities or assets funded are eligible NAB only counts the proportion of funding provided that is attributable to the eligible activity or asset. If the lending is a syndicated facility NAB only counts our proportion.

All areas/sectors included in the table below:

<table>
<thead>
<tr>
<th>Energy</th>
<th>Energy efficiency</th>
<th>Transport</th>
<th>Water</th>
<th>Waste Management</th>
<th>Land-use</th>
<th>Adaptation Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓Renewables ✓Electricity transmission and distribution for renewables ✓Distribution/Management ✓Products/technology that support smart grid ✓Data centres using Renewable energy ✓Energy Storage</td>
<td>✓Green commercial/residential buildings ✓Energy efficiency tech and products ✓Industrial retrofits</td>
<td>✓Low-emission vehicles/efficient transport ✓Electric vehicle infrastructure ✓Cycling rental schemes &amp; infrastructure ✓Electric vehicle infrastructure</td>
<td>✓Storm water adaptation investments to deal with rainfall volatility ✓Water treatment and recycling ✓Waterway adaptation</td>
<td>✓Waste-to-energy ✓Waste water treatment and methane capture</td>
<td>✓Sustainable Forestry and supply chains ✓Sustainable Agriculture and supply chains</td>
<td>✓Adapting infrastructure to increased heat stress ✓Ports redevelopment to address sea level rise ✓Storm surge protection ✓Broadband</td>
</tr>
</tbody>
</table>

1 The methodology has changed from previous periods in which green commercial property was defined with a minimum 6-star certified NABERs rating. The current methodology includes commercial property in the top 15% of NABERs ratings as defined by the Climate Bonds Initiative hurdle rates.
Asset finance
NAB’s Energy Efficient Bonus (discount lending facility) has been provided to customers who finance energy efficient equipment in accordance with the Clean Energy Finance Corporation’s “Approved Assets List” which is updated regularly and sets out the environmental thresholds that the equipment must meet to qualify. The various asset classes included are vehicles, buildings, industry and agriculture, tractors, headers, solar, batteries. All qualified lending under the Energy Efficient Bonus Scheme is eligible and included towards NAB’s environmental financing target.

Green term deposits
Money deposited by customers into UBank’s Green term deposits is allocated towards lending for projects and assets where activities are eligible under NAB’s SDG Green Bond Framework. Examples include lending in renewable energy, transport, low carbon buildings, energy efficiency and nature based assets which are eligible under the Climate Bonds Taxonomy and contribute to the sustainable development goals. All of UBank Green deposits is included.

Green bonds funding
NAB, or NAB-related-entity issued green bond funding is included towards our environmental financing commitment where the underlying activity funded is eligible under NAB’s SDG Green Bond Framework. If NAB is responsible for 100% of the issuance, then 100% of the bond issuance value is counted towards the environmental financing commitment. If NAB is arranging or managing the issuance for another non-NAB entity then we only allocate NAB’s proportion towards the commitment. If NAB is a sole arranger of the issuance, we include the full issuance. Proceeds of green bonds issued by NAB are used for investments in renewable energy, low-carbon public transport, low-carbon buildings, energy efficiency and nature-based assets which are eligible under the Climate Bonds Taxonomy and contribute to the sustainable development goals.

Advisory activities, underwriting or arranging
NAB includes the value of financing and bond issuances where NAB is advising, arranging or underwriting provided that the activities meet the definitions of green financing as per NAB’s SDG Green Bond Framework. If NAB is not the sole advisor, arranger or underwriter then we only include our proportion of the advisory, arranging or underwriting activity towards our environmental finance commitment.

6 Star Residential properties
Mortgages included towards our environmental financing commitment include new construction and major renovation of houses from 1 October 2015 onwards which have a minimum 6-Star NatHERS (or equivalent) energy efficiency rating. This includes residential financing provided for activities where the identified loan purpose is ‘Construction’ which typically includes major renovation activity where the borrower undertakes a progressive drawdown of the loan amount. For major renovations, State building requirements for such construction activity generally require the overall home to meet a 6-star NatHERS rating (or equivalent). These newly constructed houses and major renovations are estimated to sit within the top 15% of the national housing stock in terms of energy efficiency. To estimate of the percentage of houses with energy efficiency within the top 15% of national housing stock, total housing stock is calculated using Australian Bureau of Statistics census data and Housing Industry Association housing starts data.