

NAB'S SUPPLIER *Sustainability Program*

more
than
money



Frequently Asked Questions

1. What is NAB's¹ Supplier Sustainability Program?

NAB has a Supplier Sustainability Program to manage environment, social and governance (ESG) risks within its supply chain. The objectives of the program are to educate, influence and support our supply chain to improve its sustainability performance. The program involves the following components:

- Implement the Group Supplier Sustainability Principles;
- Monitor compliance to the Group Supplier Sustainability Principles;
- Develop sustainability initiatives with suppliers;
- Support and recognise suppliers' sustainability performance; and
- Report on performance.

2. What are NAB's Group supplier sustainability requirements?

NAB's Group Supplier Sustainability Principles specify the requirements for contracted suppliers providing goods and services to NAB. These principles specify the requirements in relation to:

- Corporate Governance;
- Workforce Policies & Human Rights;
- Work Health & Safety;
- Environmental Management;
- Risk Management;
- Supply Chain Management;
- Community; and
- Supplier Diversity.

Suppliers should review NAB's Group Supplier Sustainability Principles and ensure they have the necessary policies, processes and systems in place to meet each of the requirements.

3. Why does NAB have a Supplier Sustainability Program?

As a large global purchaser of goods and services, NAB recognised that our sustainability performance extends to the management of our supply chain. The business conduct of our

suppliers can have a significant impact on NAB's sustainability performance and our reputation within the communities in which we operate. NAB's Supplier Sustainability Program was developed to manage the risks within our supply chain. At the program's core are NAB's Group Supplier Sustainability Principles which outline the requirements our suppliers must meet. These Principles ensure we mitigate the risks in our supply chain and improve our indirect sustainability performance.

4. What are the benefits of complying with NAB's Group Supplier Sustainability Principles?

Suppliers who comply with NAB's Group Supplier Sustainability Principles can benefit from a number of financial and intangible benefits, such as:

- Minimising the social and environmental impacts of their organisation;
- Building brand value amongst a growing community that is aware of the importance of sustainability;
- Differentiating products and enhancing potential within export markets;
- Achieving cost reductions and improving resource efficiency;
- Reducing the possible risk of reputational damage to their organisation;
- Increasing awareness and management of ESG risks and opportunities in their own supply chain; and
- Either start or continue to do business with NAB.

5. How does NAB support small to medium enterprises (SMEs) in implementation?

NAB's Group Supplier Sustainability Principles have been developed to ensure they are fair and achievable for SMEs. NAB does not detail specific requirements in relation to the content or format of policies, processes or systems. Therefore, the scope of a supplier's sustainability policies and processes will reflect the scale of its operations and the related risks.

NAB has also developed a range of guidance material on the Supplier Sustainability Program to assist suppliers. If SMEs have specific queries on NAB's Supplier Sustainability Program, they are encouraged to contact us directly.

¹ NAB means National Australia Bank Limited and its subsidiaries.

6. How will NAB monitor compliance with the Group Supplier Sustainability Principles?

NAB has included its Group Supplier Sustainability Principles within its standard tender documents. Potential suppliers are required to indicate whether their business operations comply with each of the Group Supplier Sustainability Principles. Suppliers who do not meet NAB's Group Supplier Sustainability Principles should refer to Q7 for more information.

Compliance is managed as part of our annual due diligence process for material and strategic suppliers as well as through our assessment process.

If selected for assessment, suppliers will be required to provide a range of evidence to confirm their compliance and will be advised of the intended assessment and given time to prepare the requisite evidence.

7. What happens if a supplier does not meet NAB's Group Supplier Sustainability Principles?

NAB will work with suppliers who do not meet the Group Supplier Sustainability Principles to develop an action plan so that the areas of non-compliance are rectified within an agreed timeframe. Select requirements (e.g. meeting laws and regulations and prohibiting child or forced labour) will need to be met before a contract is executed.

8. Will the information I provide to NAB remain confidential?

Information provided by a supplier either as part of the tender process or as part of the process to assess compliance with NAB's Group Supplier Sustainability Principles will be kept confidential by NAB or any third party engaged to assist in the assessment except to the extent required by law or regulatory authority.

Suppliers may be provided with data in relation to their sustainability performance in comparison to their peers as a group of suppliers. However, information about one supplier will not be provided to other suppliers or customers.

9. Are further changes to NAB's Group Supplier Sustainability Principles anticipated?

NAB will endeavour to keep change to the Group Supplier Sustainability Principles to a minimum. However, due to improvements and changes in sustainability practices, changes in legislation or regulation, we may need to periodically make updates.

When improvements are made to incorporate best practice, we will ensure that we keep our suppliers updated.

10. How can suppliers work with NAB to develop sustainability initiatives?

NAB is committed to working with its supply chain partners to explore and implement sustainability initiatives to improve performance. We welcome any supplier who has an initiative that they would like to explore to get in contact with your NAB relationship manager to commence a formal review process.

11. Will suppliers be recognised for exemplary sustainability performance?

During the tender assessment, in addition to complying with the Group Supplier Sustainability Principles, NAB provides suppliers with the opportunity to detail any related initiatives they are undertaking. These initiatives will be considered when selecting preferred suppliers.

NAB also recognises exemplary supplier sustainability performance through our annual Supplier Awards Program.

12. Where can I get more information?

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

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

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