



**national  
australia  
bank**

# **NATIONAL AUSTRALIA BANK LIMITED**

## **SUSTAINABILITY POLICY**

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# 1. OVERVIEW

## 1.1 Purpose and Scope

- 1.1.1 The National Australia Bank (NAB) Sustainability Policy supports Employees in implementing the Group's approach to sustainability, including delivery of the long-term pillar of NAB's Group Strategy. In addition, it also supports Employees in implementing the commitments, organisational values and behaviours set out in NAB's [Code of Conduct](#).
- 1.1.2 This 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<sup>1</sup> and its impact on our strategic direction.
- 1.1.3 This policy applies to all Employees across the Group, including directors and officers.

## 1.2 Roles and Responsibilities

- 1.2.1 The NAB Ltd Board is responsible for oversight of sustainability governance. The sustainability function is responsible for implementing and maintaining an overall Sustainability policy for the Group.
- 1.2.2 This policy is to be adopted by all businesses within the Group.
- 1.2.3 The Sustainability function will establish and maintain a framework and related procedures that are consistent with the Group Strategy and ensures that responsibilities and accountabilities are defined and understood.
- 1.2.4 The Sustainability function will provide day to day oversight and facilitation of sustainability governance, strategy, reporting, external voluntary commitments & initiatives, and stakeholder engagement & activities while also monitoring relevant risks and opportunities.
- 1.2.5 The responsibility of tracking and delivery of business unit specific commitments that support sustainability priorities for example indigenous business banking lending growth, affordable housing finance targets and climate financed emissions is placed with the specific business unit.

## 1.3 Related Documents

- 1.3.1 [AA1000 Stakeholder Engagement Standard](#)
- 1.3.2 [Anti-Bribery and Corruption Policy](#)
- 1.3.3 [Conduct Risk Framework](#)
- 1.3.4 [Environmental, Social, and Governance Risk Principles](#)
- 1.3.5 [Group Disclosure & External Communications Policy](#)
- 1.3.6 [Group Environmental Management Policy](#)
- 1.3.7 [Group Environmental Reporting & Offset Management Policy](#)
- 1.3.8 [Group Political Contact and Communications Policy](#)
- 1.3.9 [Group Sustainability Policy Guidance Notes](#)
- 1.3.10 Sustainability Performance and Reporting SOP

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<sup>1</sup> Our systematic approach to stakeholder engagement is informed by the [AA1000 Stakeholder Engagement Standard](#) and the principles of inclusivity, responsiveness, and materiality. We will engage with stakeholders in a respectful, responsive, open and authentic manner on issues of mutual importance, guided by the strategic priorities identified to deliver on the long-term sustainability pillar of our Group Strategy.

- 1.3.11 Sustainability-related Memberships and Initiatives SOP
- 1.3.12 Financial Inclusion SOP
- 1.3.13 [National Australia Bank Limited Code of Conduct](#)
- 1.3.14 Disaster Relief Fund SOP
- 1.3.15 Not-for-Profit Engagement SOP
- 1.3.16 [Risk Management Strategy](#) (including environmental, outsourcing and anti-bribery and corruption requirements)
- 1.3.17 Stakeholder Advocacy and Action SOP

## 2. POLICY REQUIREMENTS

### 2.1 Management

- 2.1.1 On an annual basis, the Sustainability function must benchmark sustainability performance across NAB Group to ensure continuous improvement in performance.

### 2.2 Reporting

- 2.2.1 Annual updates on sustainability performance, environmental, social & governance risks, and other sustainability-related matters must be provided to the NAB Board..
- 2.2.2 The Group Executive Leadership Team must receive annual sustainability updates, including reports on stakeholder engagement activity, and updates on relevant strategies, frameworks and policies.

The below principles apply to all Sustainability-related external reporting across the Group:

- 2.2.3 Integrity: processes, controls and procedures must be in place to maintain the integrity of the Group's Sustainability-related external reporting. All disclosures must align to the [Group Disclosure and External Communications Policy](#).
- 2.2.4 Accountability: all participants in the Sustainability reporting process must ensure the quality (consistency, completeness and accuracy) of the data either generated by them or at their request and ensure adequate sign-off by accountable personnel prior to publication.
- 2.2.5 Verification and assurance: information submitted for use in annual external reporting must be supported by an adequate audit trail, subject to either independent limited assurance or verification by the Group's Enterprise Reporting Assurance function prior to publication.
- 2.2.6 Materiality review: an annual stakeholder engagement and desktop review process must be conducted and managed by the Sustainability function to formally identify material sustainability matters for inclusion in external reporting.

### 2.3 Sustainability-related Voluntary Commitments and Initiatives

- 2.3.1 Participation or signing up to new external voluntary commitments and initiatives must be managed in alignment with NAB's [Change Risk Process](#), including the completion of a business impact assessment and engagement with impacted stakeholders.
- 2.3.2 The Sustainability function must be consulted as an impacted stakeholder as part of any business impact assessment regarding new sustainability-related voluntary commitments or initiatives.

## 2.4 Stakeholder Engagement

- 2.4.1 The sustainability function must be accountable for stakeholder identification & prioritisation, ongoing relationship management and proactive engagement to ensure authentic and collaborative dialogue. The sustainability function must also maintain an internal process to manage stakeholder information.
- 2.4.2 Any engagement with political parties or related organisations must be conducted in accordance with the [Political Contact and Communications Policy](#). All risks identified throughout this process are to be managed in line with the Risk Management Strategy and the [Environmental, Social, and Governance Risk Principles](#).

## 3. POLICY EXEMPTIONS

- 3.1 An exemption is required where a business is unable to comply with the mandatory requirements of this Policy for a defined period no greater than 12 months and immediate action cannot be taken to achieve compliance.
- 3.2 Authority for approval of exemptions is held by the Policy Owner and all exemption requests must be submitted in GRACE to the Policy Owner (Or their nominated delegate) and will be granted at their discretion.
- 3.3 Exemptions and extensions to exemptions must be formally recorded as per requirements set out in the [Group Policy Governance Framework](#). In circumstances where the exemption is expired and the business is not compliant with policy, it is considered as a breach and an event must be raised. Refer to the [Exemptions Procedure Guide](#) for further details.

## 4. POLICY EXCEPTIONS

- 4.1 An exception is required where a Customer, Employee, Division, Sub- Division or Business Unit is unable to comply with the mandatory requirements of this Policy for a defined transaction on a case-by-case basis and immediate action cannot be taken to achieve compliance.
- 4.2 Authority for approval of exceptions is held by the Policy Owner and all exception request must be submitted in GRACE to the Policy Owner (or their nominated delegate) and will be granted at their discretion.
- 4.3 Exception requests must be formally recorded as per requirements set out in the [Group Policy Governance Framework](#).

## 5. POLICY BREACHES

- 5.1 Breaches of this Policy (i.e. non-compliance that is not managed via the formal exemption or exception process) must be managed in accordance with the [Colleague Conduct Framework](#) (including the Misconduct Procedure or any superseding policy or

framework) and recorded per the Risk Management Practice Framework Guidance Note or regional equivalents.

- 5.2 All Policy breaches must be communicated immediately to divisional / regional Chief Risk Officer teams. Any material or systemic breach of this Policy must be communicated to the Policy Owner and appropriate remediation measures agreed and implemented.

## 6. POLICY CHANGES

### 6.1 Administrative Changes

- 6.1.1 Administrative changes to this Policy may be approved by the Policy Owner (or if applicable their nominated delegate)

### 6.2 Other Changes

- 6.2.1 All other changes to this Policy must be submitted by Policy Owner/Manager and approved by the Approval Authority.

## 7. GLOSSARY

| Term                                    | Definition   |
|---|--|
| Annual                                  | Refers to the NAB financial year commencing 1 October.   |
| Chief Risk Officer ('CRO')              | The divisional CRO teams are the 2 <sup>nd</sup> line risk management function within the Group Risk Division organised to oversee all risk for each of the Group Divisions. |
| Control                                 | Mechanisms to reduce the likelihood and/or impact of a risk occurring by anticipating something happening in advance or detecting something that may have already happened.  |
| Division                                | One of the organisation units reporting to the Chief Executive Officer within which, all services of NAB are structured.   |
| Employees                               | Permanent employees of NAB Limited and contingent (contract) staff, including employees of subsidiaries, international branches and representative offices.                  |
| Group                                   | National Australia Bank Limited (NAB) and its controlled entities, including all subsidiaries, international branches and representative offices.                            |
| Group Policy Approval and Review Matrix | The primary and authoritative source for the definition of the Policy Owner, Approval Authority, and review frequency for the Policy.  |
| Must                                    | An action is an absolute requirement and any deviation from this will require a formal policy exemption.   |
| Must not                                | An action is explicitly prohibited and any deviation from this will require a formal policy exemption.   |