

**national
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Green Bond Report 2023

Key information

This Green Bond Report (Report) includes general background information about the activities of National Australia Bank Limited ABN 12 004 044 937 (NAB) and its controlled entities (together, the Group) for the year ended 30 September 2023 (unless otherwise stated herein). It is information in a summary form and does not purport to be complete.

This Report does not constitute an offer or invitation for the sale or purchase of securities, nor does it form part of any prospectus or offering document relating to any securities of NAB. Distribution of this Report may be restricted or prohibited by law. Recipients are required to inform themselves of, and comply with, all such restrictions or prohibitions and NAB does not accept liability to any person in relation thereto.

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In this Report, a designation of 'green', 'social', 'sustainable' and/or 'sustainability-linked' is based on the application of relevant external guidelines and principles, such as the International Capital Market Association (ICMA) Green/Social/Sustainability-Linked Bond Principles, ICMA Sustainability Bond Guidelines, Loan Market Association (LMA)/Asia Pacific Loan Market Association (APLMA)/Loan Syndications and Trading Association (LSTA) Green/Social/Sustainability-Linked Loan Principles and/or the Climate Bonds Standard sector criteria.

This Report contains statements that are, or may be deemed to be, forward looking statements, including climate-related goals, targets, pathways and ambitions. These forward looking statements may be identified by the use of forward looking terminology, including the terms "believe", "estimate", "plan", "project", "anticipate", "expect", "goal", "target", "intend", "likely", "may", "will", "could" or "should" or, in each case, their negative or other variations or other similar expressions, or by discussions of strategy, plans, objectives, targets, goals, future events or intentions. You are cautioned not to place undue reliance on such forward looking statements. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Group. This may cause actual results to differ materially from those expressed or implied in such statements. There are uncertainties, assumptions and judgements underlying climate-related metrics that limit the extent to which climate-related metrics are useful for decision-making and you are cautioned not to place undue reliance on the information in this Report. The measures and forward-looking statements in this Report reflect the Group's best estimates, assumptions and judgements (including in relation to customer and other third party data over which the Group has no control) as at the date of the Report, however, the uncertainty in climate-related metrics, methodologies and modelling may lead to the Group changing its views in the future.

The information in this Report has been prepared based on NAB's financial year ended 30 September 2023. The reporting period for some third party data included in this Report does not align with NAB's financial year ended 30 September 2023. As a result, some third party data in this Report is for a different 12 month period (e.g. 1 July 2022 to 30 June 2023). Where this is the case, information for the closest 12 month period available was used.

NAB has only used client information in case studies and tables within this Report where readily available. Dashes in tables within the *Impact and use of proceeds by region* section indicate that information is not available.

Introduction

NAB is pleased to present its annual Green Bond Report for the financial year ended 30 September 2023. This Report relates to NAB's Green Bond and NAB's Green Residential Mortgage Backed Security (Green RMBS) tranches as at 30 September 2023 and provides reporting on the use of the proceeds for these instruments and their environmental impact.

The report supports NAB's efforts to be transparent about the methodologies underlying its Green Bond Reporting and the attribution of key aspects of the environmental impact arising from NAB's lending activities.

NAB seeks to implement key aspects of best practice for annual impact reporting, based on guidelines developed by the ICMA set out in the June 2023 publication of the [Harmonised Framework for Impact Reporting](#), together with input from investors, assurance providers and guidance from other sources including the Climate Bonds Initiative (CBI) and the Green Bond Principles (GBP). NAB continues to work with these stakeholders and seeks to improve its annual impact reporting and disclosure over time.

Addressing sustainability

Sustainability is embedded within the 'long-term' pillar of NAB's strategy. NAB's ambition is to drive commercial responses to society's biggest challenges, create resilient and sustainable business practices, and innovate for the future. NAB's management of environmental matters falls within this strategy.

Environmental issues, including climate change, biodiversity loss and ecosystem degradation, are considered across the business. NAB recognises the critical role that natural capital and biodiversity play in underpinning economic activity and human wellbeing, and has further progressed its understanding and management of nature-related risks and opportunities. This includes supporting customers as they respond to the opportunities and risks which result from their impacts and dependencies on nature. More information on NAB's approach to biodiversity and natural capital can be found in NAB's [2023 Annual Report](#).

NAB's climate strategy

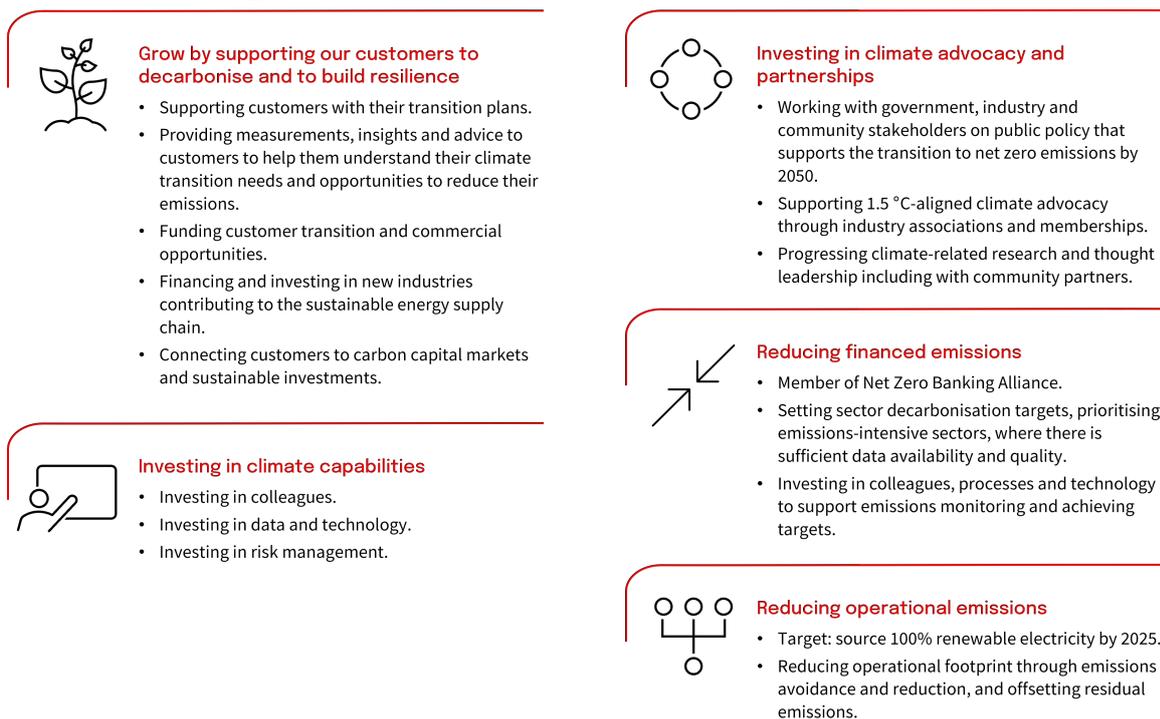
NAB's climate strategy is aligned to our strategic ambition - to serve customers well and help our communities prosper. NAB is seeking to act as a catalyst for climate action through the financing we provide and the insights we share with customers. Our climate strategy is designed to help maximise the climate transition's economic benefits for customers, NAB and the community, and to help achieve emissions reduction consistent with a maximum temperature rise of 1.5°C above pre-industrial levels by 2100. The climate strategy ambition will be achieved through our strength as a relationship-led bank, by supporting customers to reduce their emissions and realise associated opportunities. This requires a long-term view together with short-term actions and continuous progress.

NAB Green Bonds provide an opportunity for investors to direct capital towards projects and assets or other related expenditures that may contribute towards the objectives of the Paris Agreement or may address environmental challenges including pollution reduction and control, reducing biodiversity loss and ecosystem degradation, improving water security and the development of a circular economy.

NAB regularly discloses progress against its climate strategy, including associated goals, targets, and risk settings.

Figure 1 presents a summary of NAB's climate change priorities. Detailed disclosure on NAB's management of the impacts of climate change, progress against targets and broader sustainability performance is available in NAB's [2023 Climate Report](#), as well as in the [2023 Annual Report](#) and the [2023 Sustainability Data Pack](#). Bank of New Zealand (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 [BNZ's Sustainability Reports](#) for further details.

Figure 1: NAB's climate strategy priorities



NAB's Green Bond Framework

NAB's Green Bond Framework

NAB has developed and implemented a NAB Green Bond Framework (Framework) which applies to its Green Bond and its Green RMBS, which are certified under the Climate Bonds Standard (CBS) and also supports and contributes towards meeting the United Nations' Sustainable Development Goals (UN SDGs).

The Framework has been developed to help NAB meet the requirements of the CBS, which integrates the International Capital Market Association (ICMA) GBP. The Framework describes the processes to support NAB's Green Bond issuance, in the following areas:

- (a) Use of proceeds.
- (b) Process for evaluation and selection of eligible projects and assets.
- (c) Management of proceeds.
- (d) Reporting.
- (e) External review and assurance.

Use of proceeds

NAB allocates an amount equivalent to the net proceeds of the Green Bond and Green RMBS towards financing, or refinancing, a portfolio of projects and assets that are in accordance with the Framework and meet eligibility requirements for certification in compliance with version 4.0 of the CBS and associated sector criteria.

Process for evaluation and selection of eligible projects and assets

NAB has established a Socially Responsible Investment Forum which oversees the Framework and Green Bond reporting.

The eligible projects and assets supporting the Green Bond (Green Bond Collateral Pool) may be replenished as underlying loans are repaid, non-compliant projects or assets are removed, and additional eligible projects and assets are identified and funded or reallocated into the Green Bond Collateral Pool.

Management of proceeds

NAB has implemented processes for the identification, approval, tagging, tracking and reporting of lending for eligible green projects and assets within NAB's core systems. This includes monthly verification to confirm that an amount equal to the net proceeds of all outstanding NAB Green Bonds has been fully allocated against eligible projects and assets.

Reporting

NAB adopts annual Green Bond reporting in line with ICMA GBP for reporting, including an annual verification for the NAB Green Bond and the Green RMBS. For the Green Bond, this Report will contain details including, but not limited to:

- Net proceeds raised from the Green Bond.
- Proceeds from the Green Bond allocated against each of the Green Bond eligible categories identified within the Framework.
- A listing of eligible projects and assets included within the Green Bond Collateral Pool.
- Where possible, qualitative and/or quantitative environmental impact reporting measures for the eligible projects and assets within the Green Bond Collateral Pool, including calculation methodologies utilised in impact reporting.
- Any unallocated proceeds from the Green Bond and details of temporary investments (if any).
- Confirmation from a verification agent that the use of proceeds of the Green Bond complies with the Framework and CBS requirements.

Disclosure of information related to projects, assets and expenditures financed or re-financed by NAB Green Bond proceeds will be made subject to NAB's confidentiality obligations and the availability of information.

Amounts are presented in Australian dollars (unless otherwise stated), which is NAB's functional and presentation currency.

External review and assurance

On an annual basis, NAB will engage an appropriate verification agent or agents to provide assurance over the NAB Green Bond Report, including impact reporting.

The independent verification agent also provides assurance that the Green Bond and Green RMBS remain compliant with the Framework and the post-issuance requirements of the CBS. Following this annual verification update, the verification agent issues its verification statement.

For the verification of this Report, NAB has retained DNV GL as the independent verification agent for its Green Bond and Green RMBS. The NAB annual Green Bond Report and Verification Statement are published on the [NAB Capital & Funding website](#).

Green Bond

Green Bond summary

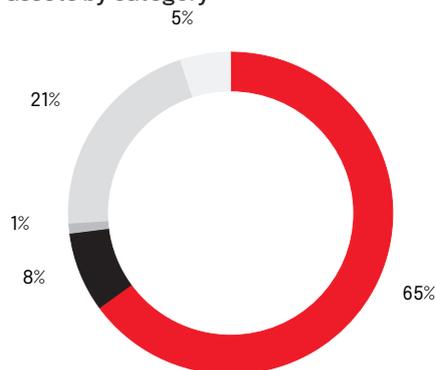
As at 30 September 2023, NAB had AUD 6,669,469,795 of assets in its Green Bond Collateral Pool located across Australia and New Zealand, the United Kingdom (UK), Europe, and the United States of America (USA). With AUD 1,637,733,377 outstanding in the Green Bond there was a surplus of AUD 5,031,736,418 of collateral as at 30 September 2023.

Issuances / Assets	Total (AUD)
Green Bond Collateral Pool	6,669,469,795
Green Bond Issuances	1,637,733,377
Surplus in Green Bond Collateral Pool	5,031,736,418

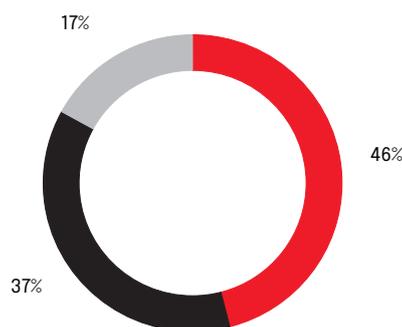
Geographic split of eligible assets in Green Bond Collateral Pool

Asset category	Location			Total
	Australia & New Zealand	Europe & UK	USA	
Renewable energy and energy efficiency	972,844,196	2,448,393,599	911,078,654	4,332,316,449
Low carbon transport	321,933,445	-	206,505,242	528,438,687
Sustainable water and waste water management	77,844,989	-	-	77,844,989
Green buildings	1,367,811,670	-	-	1,367,811,670
Environmentally sustainable management of living natural resources and land use	363,058,000	-	-	363,058,000
Grand Total	3,103,492,300	2,448,393,599	1,117,583,896	6,669,469,795

Eligible assets by category



Eligible assets by region



- Renewable energy and energy efficiency
- Low carbon transport
- Sustainable water and wastewater management
- Green buildings
- Environmentally sustainable management of living natural resources and land use

- Australia & New Zealand
- UK & Europe
- USA

Green Bond (cont.)

NAB's Green Bond

As at 30 September 2023, NAB had one outstanding senior unsecured Green Bond, certified in compliance with the CBS, with proceeds fully allocated to financing and refinancing a portfolio of CBS eligible projects located across Australia and New Zealand, the UK, Europe, and the USA. The identified portfolio of eligible projects is consistent with transitioning to a low-carbon economy and contributing towards meeting the UN SDGs.

NAB SDG EUR Green Bond	
Format	Fixed Rate MTNs
Issue Amount	EUR 1 billion
Issue Date	24 May 2022
Final Maturity Date	24 May 2028
ISIN	XS2484111047
Certification and assurance	<ul style="list-style-type: none">• Certified in compliance with the CBS and in accordance with the NAB Green Bond Framework.• Assurance provided by DNV GL.
Use of Proceeds	Proceeds are earmarked for financing, or refinancing, a portfolio of projects and assets that meet eligibility requirements for certification under the CBS which also support and contribute towards the low-carbon transition and meeting the UN SDGs.

Additional information about NAB Green Bonds can be found on the [NAB Capital & Funding webpage](#).

Impact and use of proceeds

UN SDG Alignment and Contribution⁽¹⁾

NAB Green Bond proceeds will be set aside for financing, or refinancing, portfolios of projects and assets which meet eligibility requirements for certification under the CBS, and also support and contribute towards low-carbon transition and meeting the UN SDGs as described below. Eligible categories and project types are identified within the CBI Climate Bonds Taxonomy and are supported by sector criteria published by the CBI.

Renewable energy and energy efficiency

Aligns to:



Affordable & Clean Energy and towards UN SDG Target 7.2 – By 2030, increase substantially the share of renewable energy in the global energy mix.



Sustainable Cities & Communities and towards UN SDG Target 11.6 – By 2030, reduce the adverse per capita environmental impact of cities.

Smart meters



Affordable & Clean Energy and to UN SDG Target 7.3 – By 2030, double the global rate of improvement in energy efficiency.

Low carbon transport

Aligns to:



Industry, innovation and infrastructure and to UN SDG Target 9.1 – Sustainable & resilient infrastructure.



Sustainable Cities & Communities and to UN SDG Target 11.6 – By 2030, reduce the adverse per capita environmental impact of cities.

Water infrastructure

Aligns to:



Ensure availability and sustainable management of water and sanitation for all and to UN SDG Target 6.3 – By 2030, improve water quality.



Industry, innovation and infrastructure and to UN SDG Target 9.1 – Sustainable & resilient infrastructure.

Green buildings (commercial office)

Aligns to:



Affordable & Clean Energy and to UN SDG Target 7.3 – By 2030, double the global rate of improvement in energy efficiency.



Sustainable Cities & Communities and to UN SDG Target 11.6 – By 2030, reduce the adverse per capita environmental impact of cities.

Green buildings (residential for NAB Green RMBS)

Aligns to:



Affordable & Clean Energy and to UN SDG Target 7.3 – By 2030, double the global rate of improvement in energy efficiency.



Sustainable Cities & Communities and to UN SDG Target 11.6 – By 2030, reduce the adverse per capita environmental impact of cities.

(1) The above was sourced from the SDI Asset Owner Platform, Taxonomy, <https://www.sdi-aop.org>.

Impact and use of proceeds by region

NAB's sequential numbering of assets reflects the dynamic and changing nature of the portfolio with new assets consistently being added and removed from NAB's Green Bond Collateral Pool. NAB has only used client information where readily available. Dashes in the tables below indicate that information is not available.

The energy efficiency of smart meters is estimated by calculating annual energy savings per household. The energy generation of all other assets listed below is measured based on annual energy production. Refer to 1.0 in the Methodology on page 18 for information relating to the annual energy (MWh) estimated to be produced or saved by each asset.

Renewable energy and energy efficiency

Australia & New Zealand

Asset	CBI sector criteria	A/M ⁽¹⁾	Status (C/O) ⁽²⁾	Annual energy produced/saved (MWh) ⁽³⁾	NAB's outstanding drawn debt amount (AUD)	Annual GHG emissions avoided (tCO ₂ -e)	NAB's % share of debt (attribution of impact) ⁽⁴⁾	Annual GHG emissions avoided attributable to NAB (tCO ₂ -e) ⁽⁵⁾
Wind 1	Wind	M	O	116,984	49,912,562	102,946	18%	18,968
Wind 2	Wind	M	O	426,178	32,741,898	140,639	25%	35,160
Wind 3	Wind	M	O	217,349	4,787,234	71,725	100%	71,725
Wind 4	Wind	M	O	510,078	27,553,639	91,814	32%	29,482
Wind 5	Wind	M	O	478,918	26,953,353	378,345	28%	105,937
Wind 6	Wind	M	O	1,517,912	89,370,775	1,396,479	13%	176,383
Wind & Solar 1	Wind & Solar	M	O	2,835,717	106,990,747	2,390,642	6%	135,935
Wind & Solar 2	Wind & Solar	M	O	3,226,345	139,224,628	2,686,453	6%	168,101
Solar 1	Solar	M	O	231,834	26,312,571	76,505	19%	14,767
Solar 2	Solar	M	O	237,371	18,509,257	78,333	16%	12,436
Solar 3	Solar	M	O	181,824	34,099,477	160,005	34%	54,623
Solar 4	Solar	M	O	371,814	13,000,000	293,733	100%	293,733
Fund 1	Wind	M	O	1,238,932	37,866,667	1,139,818	9%	107,903
Fund 2	Wind & Solar	M	O	489,299	72,477,610	437,366	9%	41,099
Fund 3	Wind & Solar	M	O	1,676,867	23,333,333	1,267,569	37%	463,099
Portfolio 1	Wind & Hydropower	M	O	859,026	38,115,310	684,695	38%	260,974
Securitisation 1	Solar	M	O	-	19,314,838	3,995	10%	386
Smart Meters 1	Electrical grids and storage	M	O	-	40,007,331	-	5%	-
Smart Meters 2	Electrical grids and storage	M	O	-	17,928,803	-	13%	-
Smart Meters 3	Electrical grids and storage	M	O	-	154,344,163	-	10%	-
Total				14,616,448	972,844,196	11,401,062		1,990,711

(1) Column indicates whether the project aims to mitigate climate change (M) or adapt to climate change (A). Refer to 5.0 in the methodology on page 21 for definitions.

(2) Column indicates whether the project was under construction (C) or operational (O) as at 30 September 2023. Certain multi-stage projects classified as 'operational' may still have portions of the project under construction.

(3) Refer to 1.1 in the methodology on page 18 for information relating to the annual energy (MWh) produced or saved by each asset.

(4) Calculated as NAB's committed debt limit/total group syndicate debt limit.

(5) Refer to 1.0 in the methodology on page 18 for calculations relating to emissions avoided for the renewables portfolio.

Impact and use of proceeds by region (cont.)

Renewable energy and energy efficiency (cont.)

UK & Europe

Asset	CBI sector criteria	A/M ⁽¹⁾	Status (C/O) ⁽²⁾	Annual energy produced/saved (MWh) ⁽³⁾	NAB's outstanding drawn debt amount (AUD)	Annual GHG emissions avoided (tCO2-e)	NAB's % share of debt (attribution of impact) ⁽⁴⁾	Annual GHG emissions avoided attributable to NAB (tCO2-e) ⁽⁵⁾
Wind 1	Wind	M	O	163,251	53,691,741	44,894	47%	20,902
Wind 2	Wind	M	O	1,257,800	73,304,733	345,895	13%	43,865
Wind 3	Wind	M	O	508,170	42,184,597	139,747	8%	10,498
Wind 4	Wind	M	O	106,850	19,776,035	30,559	85%	25,826
Wind 5	Wind	M	O	3,854,667	23,213,119	770,933	1%	5,551
Wind 6	Wind	M	O	2,327,304	20,329,951	640,009	1%	9,387
Wind 7	Wind	M	O	820,958	112,054,452	225,763	20%	44,151
Wind 8	Wind	M	O	4,096,885	283,462,781	1,126,643	100%	1,126,643
Wind 9	Wind	M	O	-	103,177,599	-	8%	-
Wind 10	Wind	M	O	-	99,336,960	-	12%	-
Wind & Solar 1	Wind & Solar	M	O	366,316	96,036,746	100,737	24%	23,800
Wind & Solar 2	Wind & Solar	M	O	2,978,000	245,442,943	818,950	32%	258,616
Wind & Solar 3	Wind & Solar	M	O	357,038	98,866,106	98,185	33%	32,245
Bioenergy 1	Bioenergy	M	O	1,664,900	26,570,968	457,848	2%	9,694
Solar 1	Solar	M	O	249,835	32,483,338	68,705	41%	28,200
Solar 2	Solar	M	O	2,669,880	103,088,120	768,320	27%	210,457
Solar 3	Solar	M	C	-	37,435,440	-	4%	-
Fund 1 ⁽⁶⁾	Wind & Solar	M	O	-	1,181,095	-	1%	-
Fund 2	Wind & Solar	M	C	-	150,881,658	-	9%	-
Fund 3	Wind & Solar	M	C	-	200,574,259	-	31%	-
Fund 4 ⁽⁷⁾	Wind & Solar	M	O	5,376,000	145,979,313	295,680	10%	30,454
Fund 5	Wind, Bioenergy, Hydropower & Solar	M	O	1,327,131	47,236,298	364,961	15%	53,662
Fund 6	Wind & Solar	M	O	215,697	9,534,823	46,878	50%	23,652
Fund 7	Wind & Solar	M	O	512,564	95,722,748	92,739	84%	77,503
Portfolio 1	Wind & Solar	M	O	6,207,152	126,139,919	1,820,753	15%	265,974
Portfolio 2	Wind & Solar	M	C	-	12,179,032	-	5%	-
Smart Meters 1	Electrical grids and storage	M	O	91,284	55,066,819	25,103	6%	1,478
Smart Meters 2	Electrical grids and storage	M	O	462,455	52,035,307	127,175	5%	6,439
Smart Meters 3	Electrical grids and storage	M	O	100,937	81,406,699	27,758	8%	2,194
Total				35,715,074	2,448,393,599	8,438,235		2,311,191

(1) Column indicates whether the project aims to mitigate climate change (M) or adapt to climate change (A). Refer to 5.0 in the methodology on page 21 for definitions.

(2) Column indicates whether the project was under construction (C) or operational (O) as at 30 September 2023. Certain multi-stage projects classified as 'operational' may still have portions of the project under construction.

(3) Refer to 1.2 in the methodology on page 18 for information relating to the annual energy (MWh) produced or saved by each asset.

(4) Calculated as NAB's committed debt limit/total group syndicate debt limit.

(5) Refer to 1.0 in the methodology on page 18 for calculations relating to emissions avoided for the renewables portfolio.

(6) This facility is a revolving credit facility and is drawn down for the purpose of acquiring solar and wind farms. As such, there will be no emissions calculations associated with this entity.

(7) A portion of the fund's renewables were grouped under three countries. NAB chose the lowest of the countries' emissions factors to provide the most conservative estimate of the emissions avoided.

Impact and use of proceeds by region (cont.)

Renewable energy and energy efficiency (cont.)

USA

Asset	CBI sector criteria	A/M ⁽¹⁾	Status (C/O) ⁽²⁾	Annual energy produced/saved (MWh) ⁽³⁾	NAB's outstanding drawn debt amount (AUD)	Annual GHG emissions avoided (tCO ₂ -e)	NAB's % share of debt (attribution of impact) ⁽⁴⁾	Annual GHG emissions avoided attributable to NAB (tCO ₂ -e) ⁽⁵⁾
Wind 1	Wind	M	O	4,952,079	14,964,962	1,842,173	5%	90,632
Wind 2	Wind	M	O	530,385	17,843,011	292,773	30%	88,414
Wind 3	Wind	M	O	295,789	37,402,177	74,835	13%	9,783
Wind 4	Wind	M	O	222,832	26,099,288	56,376	13%	7,370
Geothermal 1	Geothermal energy	M	O	5,512,734	41,670,655	1,394,722	2%	22,304
Solar 1	Solar	M	O	120,688	75,515,487	48,735	9%	4,233
Solar 2	Solar	M	C	-	38,739,945	-	4%	-
Solar 3	Solar	M	O	-	158,906,878	-	20%	-
Solar 4	Solar	M	O	123,153	20,806,409	96,306	16%	15,849
Solar 5	Solar	M	O	912,261	156,184,650	324,591	21%	67,478
Wind & Solar 1	Wind & Solar	M	O	8,087,804	112,813,894	3,347,468	13%	436,655
Fund 1	Wind & Solar	M	O	-	59,445,688	-	3%	-
Portfolio 1	Wind & Solar	M	O	1,968,855	150,685,610	796,977	13%	105,516
Total				22,726,580	911,078,654	8,274,956		848,234

(1) Column indicates whether the project aims to mitigate climate change (M) or adapt to climate change (A). Refer to 5.0 in the methodology on page 21 for definitions.

(2) Column indicates whether the project was under construction (C) or operational (O) as at 30 September 2023. Certain multi-stage projects classified as 'operational' may still have portions of the project under construction.

(3) Refer to 1.3 in the methodology on page 18 for information relating to the annual energy (MWh) produced or saved by each asset.

(4) Calculated as NAB's committed debt limit/total group syndicate debt limit.

(5) Refer to 1.0 in the methodology on page 18 for calculations relating to emissions avoided for the renewables portfolio.

Impact and use of proceeds by region (cont.)

Clean transportation

Australia & New Zealand

Asset	CBI sector Criteria	A/M ⁽¹⁾	Status (C/O) ⁽²⁾	Number of electric vehicles and charging infrastructure	NAB's outstanding drawn debt amount (AUD)	Annual total number of passenger trips	Annual total kilometres (Km)	Operational information ⁽³⁾
Low Carbon Shipping 1	Low carbon transport	M	C	N/A	5,816,713	N/A	N/A	Funding is for the construction of two CBI certified ferries in New Zealand.
Low Carbon Transport 1	Low carbon transport	M	O	N/A	39,846,623	4,104,264 ⁽⁴⁾	978,562 ⁽⁴⁾	<ul style="list-style-type: none"> • Train stops with hearing induction loops, auditory announcements, accessible ramps, level boarding to light rail vehicles and tactile elements. • Energy recovery via regenerative braking system. • Electricity used to power rail vehicles, maintenance and administration buildings is 100% renewable. • Rainwater harvested from the track and re-used to water the trees and plants along the 12km route. • Fibreglass reinforcing material used instead of traditional steel reinforcement, reducing the volume of concrete and steel required. • Light rail vehicles have lightweight, eco-friendly materials. • First light rail system in Australia to have dedicated spaces for bicycles on board each light rail vehicle. • Achieved Infrastructure Sustainability As-built rating of "Leading".
Low Carbon Transport 2	Low carbon transport	M	O	N/A	73,162,259	-	9,303,271 ⁽⁴⁾	<ul style="list-style-type: none"> • Trains feature energy efficient LED cabin lighting and regenerative braking technology. • Maintenance facility uses solar panels to supplement power usage and manages storm water with dedicated bio-basins. • Estimated 7,946 tonnes of avoided CO₂ emissions over project life (relative to a baseline that includes public transport).
Low Carbon Transport 3	Low carbon transport	M	C	N/A	73,828,600	N/A	N/A	<ul style="list-style-type: none"> • Solar panels installed at Trains Facility 1 and at service buildings along rail line to supplement those installed at Station 2 in April 2022 and Station 3 in December 2021. • Station 2 achieved a "Leading" Infrastructure Sustainability rating for its design stage submission. • Station 3 and Junction package achieved a "Leading" Infrastructure Sustainability As-built rating. • 93% of construction and demolition waste reused or recycled.

Impact and use of proceeds by region (cont.)

Asset	CBI sector Criteria	A/M ⁽¹⁾	Status (C/O) ⁽²⁾	Number of electric vehicles and charging infrastructure	NAB's outstanding drawn debt amount (AUD)	Annual total number of passenger trips	Annual total kilometres (Km)	Operational information ⁽³⁾
Low Carbon Transport 4	Low carbon transport	M	C	N/A	48,394,733	20,792,685 ⁽⁵⁾	-	<ul style="list-style-type: none"> 100% of operational electricity consumption of rail fleet for year ending 30 June 2023 offset by large-scale generation certificates procurement and retirement. On track to achieve or exceed 95% of sustainability targets.
Low Carbon Transport 5	Low carbon transport	M	O	N/A	16,502,009	N/A	N/A	Asset consists of a hybrid diesel-electric crane which uses innovative hydro-pneumatic technology to increase energy efficiency and reduce diesel use.
Low Carbon Transport 6	Low carbon transport	M	C	N/A	20,779,705	N/A	N/A	<ul style="list-style-type: none"> Rail fleet - 99% of construction and demolition waste reused or recycled. 51% supplementary cementitious materials replaced.
Low Carbon Transport 7	Low carbon transport	M	O	-	43,561,634	-	13,261,302 ⁽⁴⁾	Features of rail fleet include: <ul style="list-style-type: none"> Smart air conditioning. Improved lighting using energy saving LED lighting. Energy recovery via regenerative braking system. Improved disability access with additional handrails, priority seats and more wheelchair spaces.
Low Carbon Transport 8	Low carbon transport	M	O	40	41,169	N/A	N/A	Asset consists of a securitisation warehouse which provides customers loans for both new and used electric vehicles and electric vehicle charging infrastructure.
Total					321,933,445	24,896,949	23,543,135	

(1) Column indicates whether the project aims to mitigate climate change (M) or adapt to climate change (A). Refer to 5.0 in the methodology on page 21 for definitions.

(2) Column indicates whether the project was under construction (C) or operational (O) as at 30 September 2023. Certain multi-stage projects classified as 'operational' may still have portions of the project under construction.

(3) Operational information has been provided by customers and has not been independently verified by NAB.

(4) Last twelve months (LTM) to December 2023.

(5) LTM to September 2023.

Impact and use of proceeds by region (cont.)

Clean transportation (cont.)

USA

Asset	CBI sector criteria	A/M ⁽¹⁾	Status (C/O) ⁽²⁾	Number of electric vehicles and charging infrastructure	NAB's outstanding drawn debt amount (AUD)	Annual total number of passenger trips	Annual total kilometres (Km)	Operational information
Low Carbon Transport 1	Low carbon transport	M	O	-	91,870,609	-	-	-
Low Carbon Transport 2	Low carbon transport	M	O	-	114,634,633	-	-	-
Total					206,505,242			

(1) Column indicates whether the project aims to mitigate climate change (M) or adapt to climate change (A). Refer to 5.0 in the methodology on page 21 for definitions.

(2) Column indicates whether the project was under construction (C) or operational (O) as at 30 September 2023. Certain multi-stage projects classified as 'operational' may still have portions of the project under construction.

Sustainable water and wastewater management

Australia

Asset	CBI sector criteria	A/M ⁽¹⁾	Status (C/O) ⁽²⁾	NAB's outstanding drawn debt amount (AUD)	Current installed capacity	Annual total emissions (tCO ₂ -e)	Gigalitres of fresh drinking water made available in 2023
Desalination Plants	Water infrastructure	A	O	77,844,989	In aggregate, the plants can supply 241.25GL of water to their surrounds annually, if required.	100% of the plants' energy is contracted from renewable sources or offset by Renewable Energy Certificates.	62.4

(1) Column indicates whether the project aims to mitigate climate change (M) or adapt to climate change (A). Refer to 5.0 in the methodology on page 21 for definitions.

(2) Column indicates whether the project was under construction (C) or operational (O) as at 30 September 2023. Certain multi-stage projects classified as 'operational' may still have portions of the project under construction.

Impact and use of proceeds by region (cont.)

Green buildings

Australia

Green buildings have an important role to play in Australia contributing to the achievement of the Paris Agreement goals. Loans in the Green Bond Collateral Pool to finance green buildings had a total value of AUD 1,367,811,670. Commercial buildings in the Green Bond Collateral Pool have an average NABERS energy rating of 5.4, which is above the NABERS published Australian average of 4.9 stars for commercial buildings.

Asset	CBI sector criteria	A/M ⁽¹⁾	Status (C/O) ⁽²⁾	NAB's eligible low carbon commercial buildings drawn debt amount outstanding	Annual portfolio average NABERS energy rating ⁽³⁾	Annual portfolio energy savings achieved (MJ)	Annual portfolio GHG emissions avoided (tCO ₂ -e)
175 Australian low carbon commercial office projects funded	Green buildings	M	O	1,367,811,670	5.4	515,341,680	119,773

(1) Column indicates whether the project aims to mitigate climate change (M) or adapt to climate change (A). Refer to 5.0 in the methodology on page 21 for definitions.

(2) Column indicates whether the project was under construction (C) or operational (O) as at 30 September 2023. Certain multi-stage projects classified as 'operational' may still have portions of the project under construction.

(3) Applies to the total portfolio area of all buildings in the portfolio rather than just NAB's % of debt.

Environmentally sustainable management of living natural resources and land use

Australia

Asset	CBI sector criteria	A/M ⁽¹⁾	Status (C/O) ⁽²⁾	NAB's outstanding drawn debt amounts (AUD)	Estimated increase in area planted (Ha) 2023	Estimated increase in number of new trees planted 2023	Estimated native forest preserved (Ha)	NAB's % share of debt (attribution of impact) ⁽³⁾	Estimated annual total GHG emissions sequestered (tCO ₂ -e)	Annual GHG emissions avoided attributable to NAB (tCO ₂ -e)
Forestry 1	Forestry	M	O	100,000,000	No increase in plantation size	Total of 5,317,600 seedlings planted in calendar year 2023. Planted area within estate increased by 242 hectares in calendar year 2023.	Total native forest areas managed by asset was 121,701 hectares.	83%	53,000,000	44,166,667
Forestry 2	Forestry	M	O	150,000,000	-	-	-	47%	531,626	247,629
Forestry 3	Forestry	M	O	58,058,000	-	-	-	66%	-	-
Forestry 4	Forestry	M	O	55,000,000	-	-	-	100%	-	-
Total				363,058,000					53,531,626	44,414,296

(1) Column indicates whether the project aims to mitigate climate change (M) or adapt to climate change (A). Refer to 5.0 in the methodology on page 21 for definitions.

(2) Column indicates whether the project was under construction (C) or operational (O) as at 30 September 2023. Certain multi-stage projects classified as 'operational' may still have portions of the project under construction.

(3) Calculated as NAB's committed debt limit/total group syndicate debt limit.

NAB's Green Residential Mortgage Backed Security

NAB's Green RMBS

In 2018, NAB issued the first Australian Green RMBS (RMBS 2018-1, Green Tranche A1-G), and in 2022, NAB issued a second Australian Green RMBS (RMBS 2022-1), both certified in compliance with the CBS.

	NAB RMBS 2018-1 – Green Tranche A1-G	NAB RMBS 2022-1 – Green Tranche A1-G
Format	Green RMBS A1-G Notes	Green RMBS A1-G Notes
Issue Amount (AUD)	300 million	500 million
Outstanding Issue Amount as at 30 September 2023 (AUD)	58 million	309 million
Issue Date	15 February 2018	30 June 2022
Final Maturity Date	24 August 2049	22 December 2053
ISIN	AU3FN0040622	AU3FN0069035
Assurance	<ul style="list-style-type: none"> • Certified in compliance with the CBS. • Assurance provided by DNV GL. 	<ul style="list-style-type: none"> • Certified in compliance with the CBS. • Assurance provided by DNV GL.
Use of Proceeds	Proceeds earmarked against NAB originated mortgages for Australian residential properties that meet the CBS sector specific criteria for low carbon buildings.	Proceeds earmarked against NAB originated mortgages for Australian residential properties that meet the CBS sector specific criteria for low carbon buildings.

Green buildings (residential) – eligible asset pool for NAB RMBS 2018-1 A1-G green tranche as at September 2023

Project name	Asset type	Details	A/M ⁽¹⁾	Status (C/O) ⁽²⁾	Eligible low carbon residential mortgages balance outstanding (AUD)	Annual emissions avoided (tCO ₂ e)
Australian Residential Mortgages	Australian low carbon residential buildings	Mortgages for 517 residential properties which meet the CBS criteria for Australian low carbon residential buildings diversified across New South Wales, Victoria, and Tasmania.	M	O	105,573,380	106

(1) Column indicates whether the project aims to mitigate climate change (M) or adapt to climate change (A). Refer to 5.0 in the methodology on page 21 for definitions.
(2) Column indicates whether the project was under construction (C) or operational (O) as at 30 September 2023.

Green buildings (residential) – eligible asset pool for NAB RMBS 2022-1 A1-G green tranche as at September 2023

Project name	Asset type	Details	A/M ⁽¹⁾	Status (C/O) ⁽²⁾	Eligible low carbon residential mortgages balance outstanding (AUD)	Annual emissions avoided (tCO ₂ e)
Australian Residential Mortgages	Australian low carbon residential buildings	Mortgages for 1,308 residential properties which meet the CBS criteria for Australian low carbon residential buildings diversified across New South Wales, Victoria, and Tasmania.	M	O	462,478,497	435

(1) Column indicates whether the project aims to mitigate climate change (M) or adapt to climate change (A). Refer to 5.0 in the methodology on page 21 for definitions.
(2) Column indicates whether the project was under construction (C) or operational (O) as at 30 September 2023.

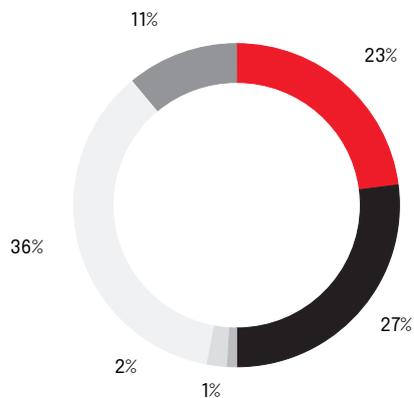
Breakdown of NAB RMBS 2018-1 green mortgage pool as at September 2023⁽¹⁾

Green loan status as at September 2023	Number of loans	Balance of loans (AUD)	Number of loans (as a % of NAB RMBS 2018-1 total green and non-green mortgage pool)	Balance of loans (as a % of NAB RMBS 2018-1 total green and non-green mortgage pool)
Green mortgage	517	105,573,380	21%	24%
Non-green mortgage	1,913	329,843,977	79%	76%
Total	2,430	435,417,357	100%	100%

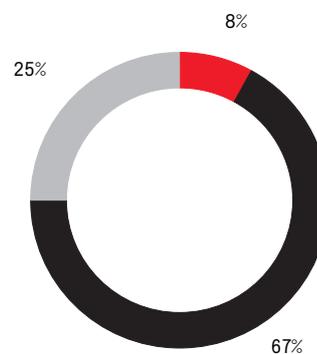
Green mortgages - Geographic distribution as at September 2023	Number of loans	Balance of loans (AUD)	Number of loans %	Balance of loans %
NSW non-metro	134	24,709,156	26%	23%
NSW Sydney metro	126	28,386,031	25%	27%
TAS Hobart metro	4	783,056	1%	1%
TAS non-metro	2	273,440	0%	0%
VIC Melbourne inner city	7	2,208,443	1%	2%
VIC Melbourne metro	175	37,714,523	34%	36%
VIC non-metro	69	11,498,731	13%	11%
Total	517	105,573,380	100%	100%

Green loans - Distribution of loans by Property Type as at September 2023	Number of loans	Balance of loans (AUD)	Number of loans %	Balance of loans %
Apartment/Unit/Flat	39	8,775,559	8%	8%
House	359	70,028,860	69%	67%
Other	119	26,768,961	23%	25%
Total	517	105,573,380	100%	100%

Balance of loans - geographic distribution



Balance of loans - property type



- NSW non-metro
- NSW Sydney metro
- TAS Hobart metro
- VIC Melbourne inner city
- VIC Melbourne metro
- VIC non-metro
- Apartment / Unit / Flat
- House
- Other

(1) NAB, Capital and Funding, <https://capital.nab.com.au/secured-funding/securitisation-reporting>.

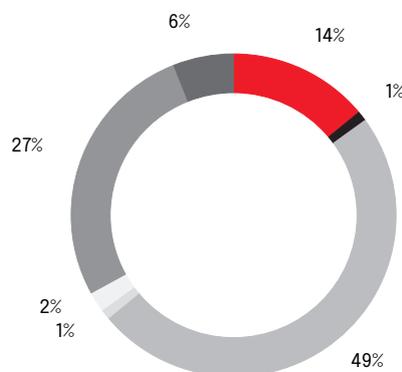
Breakdown of NAB RMBS 2022-1 green mortgage pool as at September 2023⁽¹⁾

Green loan status as at September 2023	Number of loans	Balance of loans (AUD)	Number of loans (as a % of NAB RMBS 2022-1 total green and non-green mortgage pool)	Balance of loans (as a % of NAB RMBS 2022-1 total green and non-green mortgage pool)
Green mortgage	1,308	462,478,497	41%	47%
Non-green mortgage	1,897	511,403,069	59%	53%
Total	3,205	973,881,566	100%	100%

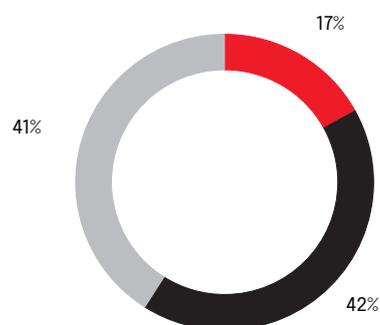
Green mortgages - Geographic distribution as at September 2023	Number of loans	Balance of loans (AUD)	Number of loans %	Balance of loans %
NSW non-metro	240	63,459,104	18%	14%
NSW Sydney inner city	8	4,896,557	1%	1%
NSW Sydney metro	525	228,126,951	40%	49%
TAS Hobart metro	10	3,020,733	1%	1%
TAS non-metro	5	974,010	0%	0%
VIC Melbourne inner city	24	8,089,780	2%	2%
VIC Melbourne metro	381	126,847,644	29%	27%
VIC non-metro	115	27,063,718	9%	6%
Total	1,308	462,478,497	100%	100%

Green loans - Distribution of loans by Property Type as at September 2023	Number of loans	Balance of loans (AUD)	Number of loans %	Balance of loans %
Apartment/Unit/Flat	235	76,536,796	18%	17%
House	596	197,214,534	46%	42%
Other	477	188,727,167	36%	41%
Total	1,308	462,478,497	100%	100%

Balance of loans - geographic distribution



Balance of loans - property type



- NSW non-metro
- NSW Sydney inner city
- NSW Sydney metro
- TAS Hobart metro
- VIC Melbourne inner city
- VIC Melbourne metro
- VIC non-metro

- Apartment / Unit / Flat
- House
- Other¹

(1) Other largely comprises of multi-unit and high-density apartments, and completed houses that were once vacant land.

(1) NAB, Capital and Funding, <https://capital.nab.com.au/secured-funding/securitisation-reporting>.

Methodology and definitions

1.0 Annual GHG Emissions avoided – Renewable energy and energy efficiency

1.1 Australia

- Australian power generation data was sourced from the [Clean Energy Regulator for the 2022-2023](#) reporting period and the Scope 2 emissions factors (electricity) and the associated Scope 3 emissions factors (transmission and distribution losses) were sourced from the [2008 NGERs Measurement Determination](#) and the matching period [National Greenhouse Accounts Factors \(2023\)](#) respectively.
- The emissions avoided calculation used was as follows: Annual energy produced (MWh) x applicable electricity emissions factor (kg CO₂-e/KWh) = tonnes CO₂-e avoided.
- Impact attributable to NAB was calculated by applying NAB's % of the total issued debt to the total GHG emissions avoided by each project or portfolio.

1.2 UK & Europe

- Amounts are presented in Australian dollars (unless otherwise stated), which is the NAB's functional and presentation currency.
- UK and European power generation data was sourced from operational reports available for each renewable energy generation project. For some of these projects, operational data was unavailable for the period and therefore an estimate was made based on available project data. In some instances, data was not available at the time of reporting, and therefore was not included.
- The emissions avoided calculation used was as follows: Estimated MWh of electricity produced per annum x applicable electricity emissions factor (per country) (kg CO₂-e/KWh) = tonnes CO₂ emissions avoided.
- The emissions factors for projects in the UK were sourced from the Department for Business, Energy & Industrial Strategy (DBEIS) [UK Government Greenhouse gas reporting: conversion factors 2023](#).
- The emissions factors for Europe (Ireland, Portugal, Spain, France, Belgium, Germany, Norway, Poland, Finland and Sweden) were sourced from the International Energy Agency's (IEA) CO₂ emissions from fuel combustion 2022. The generation and Transmission & Distribution (T&D) factors also came from IEA.
- For smart meters, annual energy saved was calculated by applying a 3% saving on the annual UK household consumption of gas and electricity, where one household is equivalent to one meter connection. Annual consumption figures and average savings data were sourced from the [Department for Energy Security & Net Zero UK](#).
- Impact attributable to NAB was calculated by applying NAB's % of the total issued debt to the total GHG emissions avoided by each project or portfolio.

1.3 USA

- Amounts are presented in Australian dollars (unless otherwise stated), which is the NAB's functional and presentation currency.
- US power generation data was sourced from operational reports available for each renewable energy generation project. For some of these projects, operational data was unavailable for the period and therefore an estimate was made based on available project data.
- The emission factors for the US were sourced from [The Climate Registry 2023 default emission factors](#) and the T&D factors came from the IEA CO₂ emissions from fuel combustion 2022.
- Impact attributable to NAB was calculated by applying the NAB's % share of debt to the total GHG emissions avoided by each project or portfolio.

2.0 Green buildings (Annual energy savings and annual GHG emissions avoided)

- Commercial property data in reference to the buildings in NAB's CRE portfolio was sourced from a combination of:
 - internal reporting;
 - client reports;
 - company websites;
 - [Australian Government's Commercial Building Disclosure Program \(CBDP\)](#); and
 - Average NABERS Energy star rating, average energy intensity and annual carbon intensity sourced from [NABERS Annual Report 2022-2023](#).
- Annual Portfolio Energy Savings achieved (MJ): (Average Statewide Base Building Energy Intensity (MJ/sqm) – Building 'A' Energy Intensity) (MJ/sqm) x Net Lettable Area (sqm) of Building 'A'.
- Annual Portfolio GHG Emissions Avoided (tCO₂-e): (Average Statewide Base Building Carbon Intensity (tCO₂-e/sqm) – Building 'A' Carbon Intensity (tCO₂-e/sqm)) x Net Lettable Area (sqm) of Building 'A'.
- Average NABERS Energy star rating, Annual Portfolio Energy Savings Achieved and Annual Portfolio GHG Emissions Avoided apply to the total portfolio area of all buildings in the portfolio rather than just NAB's % of debt.

3.0 Clean transportation

- Amounts are presented in Australian dollars (unless otherwise stated), which is the NAB's functional and presentation currency.
- Operational information was provided by the asset owner.
- For information on trips taken and sustainability initiatives, refer to Clean Transportation table on page 11.

4.0 Green mortgages

The operational carbon emissions of specific dwellings within NAB's Green Mortgage Portfolio have been estimated as a function of the minimum energy performance (star rating) requirement that applied (if any) at the time of construction of the dwelling in the relevant jurisdiction, the dwelling type (which is associated with different average dwelling sizes, or gross floor area), and the dwelling's location (post code, which is associated with its climate zone under the National House Energy Rating Scheme (NatHERS)). Once the greenhouse gas emissions associated with the electricity and gas consumption as a function of jurisdiction are calculated they are compared with that of a 'stock average' dwelling, of the same type, size and location. This is then used to determine any estimated carbon savings from the Green Mortgage dwelling relative to the stock averages, in terms of annual tonnes of carbon dioxide equivalents (tCO₂-e) and percentages.

5.0 Definitions

The following definitions are derived from Commonwealth and State Government information on climate change adaptation and mitigation:

- Adaptation⁽¹⁾: Taking practical actions to manage risks from climate impacts, protect communities and strengthen the resilience of the economy.
- Mitigation⁽²⁾: Activities that are designed to reduce greenhouse emissions and/or increase the amounts of greenhouse gases removed from the atmosphere by greenhouse sinks.

6.0 Complexities and limitations inherent in climate-related methodologies

Climate-related metrics are underpinned by methodologies containing uncertainties, assumptions and judgements that limit the extent to which they can be relied upon. This applies to all climate-related metrics, including (without limitation) historical metrics relating to emissions and forward-looking climate metrics, such as goals, targets, climate scenarios or projections and pathways. A summary of the Group's understanding of the main challenges associated with climate-related data, methodology and metrics relevant to NAB's Green Bond follows:

- Data availability, quality and timeliness vary considerably within and across businesses, industries and geographies. Climate-related metrics are, in many cases, based on estimates, and rely on data that the Group does not generate or control, including property valuations used for Commercial Real Estate calculations, building codes used as a proxy for carbon performance of RMBS assets, emissions factors, and operational generation data for renewable energy generation assets. This may result in under or overestimates of climate-related risks or performance.
- Reliance on third party data can lead to lags in time between available data and the publishing of the Group's annual Green Bond reporting.
- While the Group's Green Bond reporting is based on ICMA Harmonised Framework for Impact Reporting and other guidelines including the CBI, and the GBP, these and other climate-related frameworks and standards are often voluntary. A range of frameworks and methodologies are used by corporate organisations reporting on climate related information and metrics which makes comparison by investors and others evaluating the climate performance of corporate organisations difficult.
- Estimating emissions and emissions reductions is complex and requires significant methodological choices, judgements and assumptions. Methodologies vary across jurisdictions and global standards are still emerging. This means methodologies used to estimate emissions and emissions reductions are likely to change over time, impacting existing estimates, and reduction estimates based on existing estimates.
- Climate science is continually evolving. Scenarios and projections adopted by projects funded by NAB's Green Bond may have varying reliance on the commercialisation of currently unproven technologies to meet emissions reduction targets. Investment in these technologies may fail to achieve the intended outcomes. Overreliance on unproven technologies to meet project targets may impact the accuracy of estimates of emissions avoidable attributable to particular projects. Climate scenarios are modelled over a significantly longer time-frame than more traditional financial scenario modelling and therefore the complexity and risk of error is higher.

(1) Australian Government, Department of Agriculture, Water and the Environment, 'Adapting to Climate Change', <https://www.environment.gov.au/climate-change/adaptation>.

(2) NSW Government, 'Climate change mitigation', <https://climatechange.environment.nsw.gov.au/About-climate-change-in-NSW/NSW-Government-action-on-climate-change/Climate-change-mitigation>.

Contact us

NAB welcomes feedback from NAB's investors, other stakeholders, and market participants.

Please email your queries and comments to: **NAB Debt Investor Relations** at debtinvestorrelations@nab.com.au