



# 2025 Equator Principles Report

1 October 2024 – 30 September 2025

## About NAB

National Australia Bank Limited (“NAB”) and its controlled entities (“Group”) is a financial services organisation that provides a comprehensive and integrated range of banking and financial products and services. The Group has operations based in Australia, New Zealand, the United Kingdom, France, North America and Asia.

The Group’s financial year (“FY”) is the reporting period commencing 1 October and ending 30 September. All data is as at 30 September 2025 and for the 2025 FY (“FY2025”) unless otherwise stated. All references to currency are in Australian dollars (AUD) unless explicitly stated.

## About Equator Principles

The Group became a signatory to the Equator Principles<sup>1</sup> (“EP”) on 25 October 2007. The Group considers EP requirements when lending for specific projects.

## NAB’s portfolio of project-related financing

The Group’s strategic ambition is to be the most customer centric company in Australia and New Zealand. As a major bank, our business touches almost all areas of the Australian and New Zealand economies. The Group’s portfolio of project-related financing plays an important role in supporting Australia and New Zealand’s growth, as well as providing key infrastructure in other countries where the Group operates.

In FY2025:

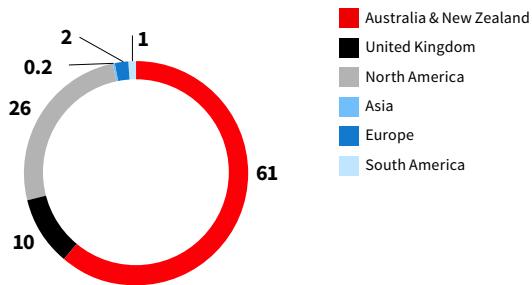
- Project-related financing represented around 0.6% of total Group Exposure at Default (“EaD”)<sup>2</sup>. Of this lending, 97% of project-related lending was in designated countries<sup>3</sup> and 3% was in non-designated countries
- The Group closed 19 new project-related transactions<sup>4</sup>.

Transactions can be declined at any stage in negotiation or due diligence. In FY2025, no transactions were declined specifically based on social or environmental risks or issues.

**Table 1: 2025 EP project-related finance portfolio: Transactions by EP Categories<sup>5</sup>**

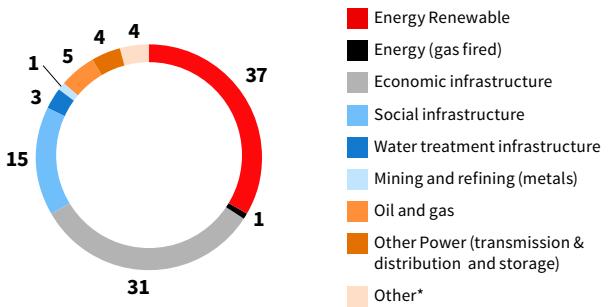
EP category	Number of projects	Projects as a % of total portfolio value
A	5	5
B	65	66
C	28	29
<b>Total</b>	<b>98</b>	<b>100</b>

**Figure 1: EP project-related portfolio by region (% of total EP project-related portfolio exposure expressed as EaD as at 30 September 2025)\***



\*Total may not sum up to 100 due to rounding.

**Figure 2: EP project-related portfolio finance by sector (% of total EP project-related portfolio exposure expressed as EaD as at 30 September 2025)**



\*The Group’s EP-related finance portfolio no longer contains coal-fired power generation or coal mining projects

The economic infrastructure segment of the project-related finance portfolio (as EaD) breaks down into the following key areas:

- Airports – 19.4%
- Data Centres – 27.2%
- Ports – 14.1%
- Rail – 19.7%
- Roads & tollways – 6.7%
- Terminals – 9.9%
- Other infrastructure – 3%.

The social infrastructure segment of the project-related finance portfolio (as EaD) breaks down into the following key areas:

- Government buildings – 11.2%
- Hospitals and medical centres – 24.9%
- Schools – 7.6%
- Student accommodation – 9.9%
- Other – 46.4%

1 See <http://www.equator-principles.com/> for more information, including the Equator Principles definition of project finance which is used by the Group

2 EaD is a parameter used in the calculation of economic capital or regulatory capital under Basel II for a banking institution. It is the gross exposure under a lending facility upon default of a customer.

3 Designated Countries are those countries deemed to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment. A list of designated countries is published by the Equator Principles Association [here](#). Non-designated countries are those countries not found on the list.

4 One project reached financial close at the end of FY2024 but was not included in NAB’s 2024 Equator Principles Report. This project has been included in the reporting for FY2025 throughout this report.

5 The EP categorises projects into three categories. The categories are: Category A – Projects with potential significant adverse environmental and social risks and/or impacts. Category B – Projects with potential limited adverse environmental and social risks and/or impacts. Category C – Projects with minimal or no adverse environmental and social risks and/or impacts.

**Table 2: EP project-related finance portfolio by sector and by year (% of total EP project-related portfolio exposure expressed as EAD as at 30 September 2025)\*. This financing is tagged as EP in NAB's system.**

Sector	FY2025 (%)***	FY2024 (%)
Energy (renewable)	37	32
Energy (gas-fired)	1	2
Economic infrastructure	31	38
Social infrastructure	15	13
Water treatment infrastructure	3	3
Mining and refining (metals)	1	3
Oil and gas	5	4
Other*	4	5
Other power (transmission & distribution and storage)	4	**NR

\*The Group's EP-related finance portfolio no longer contains coal-fired power generation or coal mining projects. See page 18 of the Group's 2025 Climate Report for details about the Group's coal, oil and gas sustainability risk-related settings.

\*\*NR means not reported. This is a new category included in FY2025 reporting.

\*\*\*Total may not sum up to 100 due to rounding.

## Project finance for energy infrastructure

A key aspect of the Group's project-related financing is support for renewable and low carbon assets and infrastructure. This supports execution of the Group's climate strategy, which is aligned to the Group's strategic ambition. The Group acknowledges that climate change is a significant risk to the planet and a major challenge for society to address. Beyond this risk, there is a significant economic opportunity as the world transitions to a low-carbon future.

The Group's climate strategy responds to the risks and opportunities of climate change, including managing our operational and financed emissions, financing the low-carbon transition and providing products and services to help customers decarbonise and build resilience. Cumulatively since 2010, NAB has been Australia's leading bank for project finance to the global renewable energy sector<sup>6</sup> helping the Group's customers and communities make the low-carbon transition. In FY2025, the Group's financing for renewable energy assets represented a cumulative total generation capacity of 114,156 megawatts ("MW"). An additional 21,497 MW of installed renewable energy generation capacity was added to the portfolio in FY2025. This included wind and solar assets in Australia, US and the UK.

In FY2025, the Group's estimated<sup>7</sup> share of total location-based Scope 1 and 2 greenhouse gas ("GHG") emissions associated with Australian designated<sup>8</sup> generation assets for which NAB provides project-related financing (and tagged as EP transactions in NAB's system) was 392,520 tonnes of carbon dioxide equivalent ("tCO<sub>2</sub>-e"). This estimate is based on NAB's participation in financing for each facility as a percentage of debt as at 30 September 2025 (FY2024: 502,206 tCO<sub>2</sub>-e). There was a 22% decrease in project finance-related emissions within NAB's Australian designated power generation asset portfolio in the reporting period compared to those in the NGER 2023 reporting period. This was primarily due to lower levels of non-renewable energy generation in the NGER 2024 reporting period, resulting in lower emissions.

In FY2025, NAB continued to support customers as they invest in a sustainable future through our environmental finance ambition of \$80 billion by 2030. The ambition is a cumulative measure of performance from the period 1 October 2023 to 30 September 2030. As at September 2025, cumulative environmental finance reached \$17.7 billion<sup>9</sup>. NAB will continue to progress towards achieving this ambition to support customers undertaking mitigation efforts to decarbonise, adapt and build resilience.

From 1 October 2025, NAB requires a Customer Transition Plan for new or renewed corporate lending or project-level lending and capital markets facilitation for Corporate and Institutional Banking ("C&IB") customers in the following sectors<sup>10</sup>:

- Power generation, where at time of lending, 25% or more of electricity generated by the customer is from thermal coal
- Oil and gas
- Metallurgical coal.

Updates on implementation of the Group's climate strategy are reported through to management, executive and the Board. Public disclosure is provided in the Group's 2025 [Climate Report](#) in the 'Our climate strategy' section on page 7 and in the 'Sustainability Risk Management' section on page 34 of the [Annual Report](#).

6 Data Source: Rankings based on IJGlobal League Table MLA, Renewables, both cumulative data from 1 January 2010 to 30 September 2025.

7 As these GHG emissions are not generated directly by NAB, NAB has relied on public information disclosed by the Australian Clean Energy Regulator, which is information reported by designated generation facilities for the purpose of National Greenhouse and Energy Reporting. The methodology involved identifying the reported location-based Scope 1 and 2 GHG emissions associated with each generation facility NAB project financed in Australia. These were then multiplied by NAB's participation in financing for each facility as % of debt as at 30 September 2025. NAB's share of location-based Scope 1 and 2 GHG emissions were then aggregated to get the total tCO<sub>2</sub>-e for the portfolio of power generation assets NAB project financed in Australia.

8 Designated generation facilities are facilities where the principal activity is electricity generation and where the facility is not part of a vertically-integrated production process. The emissions figure calculated for NAB's project finance portfolio of Australian designated generation facilities covers 100% of the Australian power generation assets (measured as MW capacity of the power generation facilities) included in NAB's project finance portfolio.

9 Amount includes new transactions and re-financing.

10 Refer to page 5, 2025 [NAB Group's Climate Report](#).

## Project finance case studies

The Group provides finance for projects across a range of sectors. This year's project finance case studies feature examples of finance for renewable energy and social housing projects.

### From pasture to power: Te Rahui Solar Farm

The Te Rahui Solar Farm ("the Project") is a renewable energy development located near Taupō in New Zealand's North Island. Its location was selected for strategic proximity to Transpower's 220 kV transmission line, enabling efficient grid connection and future integration of battery storage<sup>11</sup>.

Led by Todd<sup>12</sup>, the Project is being delivered by a partnership between Nova Energy (a Todd subsidiary) and Meridian Energy. It will convert a 1,022 ha dairy farm into a large-scale solar power station, delivering 400 MW of solar capacity in two stages of 200 MW each. The Project will support New Zealand's transition to renewable energy by addressing growing demand and diversifying the national energy mix.

NAB, acting through its subsidiary, Bank of New Zealand (BNZ), is part of a syndicate with four other banks providing debt facilities to finance the Project.

Site preparation is currently underway, with construction of the first stage scheduled to commence in early 2026 and commissioning expected in 2027. Once both stages are operational, the Project will generate electricity sufficient to supply approximately 100,000 homes<sup>13</sup>. Meridian Energy will purchase 100% of the generated electricity under a power purchase agreement and will on-sell 50% to Nova Energy through a separate contract.

Engagement has been integral to the Project. The resource consent process included public meetings and opportunities for the local community and iwi<sup>14</sup>/hapū<sup>15</sup> stakeholders to provide input and feedback.

Resource consent for the Project was confirmed by Waikato Regional Council and the Taupō District Council under New Zealand's Resource Management Act in April 2024 following an assessment of environmental impacts and cultural considerations. The Project is committed to ongoing dialogue and engaging local contractors and iwi and hapū during the construction and operation phases of the Project.

The Project is also committed to delivering benefits for local biodiversity and communities. Key initiatives to date include riparian planting of native species along waterways, wetland restoration, incorporation of mātauranga Māori (the knowledge system of the Māori<sup>16</sup> people) in the environmental monitoring program, and engaging with local iwi, hapū and specialists to plan an employment and training program to facilitate employment.



The solar demonstration plant at the site of the Te Rahui Solar Farm project.

Additional mitigation measures during construction include erosion and sediment control, stormwater management, and practices designed to minimise soil disturbance and protect waterways.

As part of its due diligence and credit risk review, BNZ assessed a broad range of environmental and social factors. This included verification of environmental approvals and management plans, biodiversity considerations, noise mitigation measures, contamination risks, cultural heritage, human rights, climate-related risks, and the stakeholder engagement process. Supply chain due diligence also considered modern slavery risks associated with photovoltaic (PV) modules, inverters and tracker technology. An independent consultant was engaged to provide external validation of these assessments.

The Project was reviewed against the Equator Principles and classified as Category B.

<sup>11</sup> [New Zealand's Largest Solar Farm, Te Rāhui, Set to Begin Construction Near Taupō](#)

<sup>12</sup> [Home | Todd](#)

<sup>13</sup> [Meridian and Nova finalise joint venture and financing for Te Rahui solar farm | Meridian Energy](#)

<sup>14</sup> Refers to a large group (tribe) of people descended from a common ancestor and associated with a distinct territory.

<sup>15</sup> Refers to sub-tribe.

<sup>16</sup> Indigenous peoples of Aotearoa/New Zealand.

## Supporting clean energy in California

The Gonzaga Ridge Wind Farm ("the Project") is a renewable energy initiative located in Merced County, California. The Project involves repowering an existing wind facility in Pacheco State Park, increasing its capacity from 18 MW to 147.5 MW, and adding a 50 MW battery energy storage system (BESS)<sup>17</sup>. This redevelopment will provide enough electricity to power approximately 120,000 homes each year and offset around 593,000 tCO<sub>2</sub>-e annually<sup>18</sup>. The repowering replaces 162 legacy turbines with 25 modern units, increasing efficiency and output while reducing the Project's physical and ecological footprint. In FY2025, NAB participated in a syndicate to provide debt facilities for the Project.

The Project covers approximately 2,250 acres within Pacheco State Park and includes the construction of a new 70-kilovolt transmission line to connect the wind farm to a Los Banos substation. The new turbines are designed to operate within strict wind speed and noise tolerances. During the development and construction phases, the Project is expected to create approximately 200 jobs, including skilled trades, apprenticeships, and local contracting opportunities. The Project will also provide ongoing employment for operations and maintenance staff, as well as valuable field experience for apprentices in the electrical and construction trades<sup>19</sup>.

An Environmental Impact Report was prepared under the California Environmental Quality Act, addressing a wide range of environmental factors, including noise, visual impacts, and biological resources. The project implemented a Bird and Bat Conservation Strategy, aquatic resources assessments, and temporary 'frog gates' along access roads to protect amphibians during construction. Noise impacts were assessed and found to be within regulatory limits, with mitigation measures in place to minimise disturbance to both wildlife and park visitors<sup>20</sup>. The Project is voluntarily planning construction activities to avoid sensitive periods for wildlife and disturbed areas will be restored post-construction.

As part of its commitment to sustainability, the Project will decommission and recycle 378 tonnes of turbine blades from the old facility, processing them into concrete additives rather than sending them to landfill.

The Project has been designed to provide habitat protection where possible. Ongoing monitoring will help maintain compliance with permit conditions and management of environmental risks.



Public consultation included information sessions and ongoing dialogue with local stakeholders, park authorities, and regulatory agencies.

As part of NAB's due diligence and credit risk process, a review of ESG risks was undertaken. Environmental risk assessment included review of the Environmental Impact Report, biodiversity management, noise and visual impact mitigation, and strategies for recycling legacy turbine blades to reduce landfill waste. Social checks focused on cultural heritage assessments, First Nations communities engagement, and stakeholder consultation processes. Supply chain due diligence addressed modern slavery risks associated with turbine and BESS component suppliers. Independent external consultants review the Project's environmental and social management plans. NAB assessed the Project against Equator Principles, classifying it as Category B.

<sup>17</sup> [Gonzaga Ridge Wind Repowering Project](#)

<sup>18</sup> [SFPUC Commits to Largest Wind Development in CleanPowerSF History – CleanPowerSF](#)

<sup>19</sup> [SFPUC Commits to Largest Wind Development in CleanPowerSF History – CleanPowerSF](#)

<sup>20</sup> [Draft Environmental Impact Report for the Gonzaga Ridge Wind Repowering Project](#)

## Creating affordable living in Toowoomba

Regional Queensland centre Toowoomba has experienced significant population growth, driven by domestic migration, strong local industries, and ongoing infrastructure investment<sup>21</sup>. To help meet the growing demand for housing, the Toowoomba Social and Affordable Housing Development (“the Project”) supports Queensland’s broader goal of delivering 53,500 social and community homes by 2044.

Located in Newtown, Toowoomba, the Project involves the redevelopment of an urban site to provide 185 new homes, including 89 social and 96 affordable housing units across four buildings of five to six stories<sup>22</sup>. The site was selected for its strategic proximity to local amenities, employment opportunities, and public transport, fostering community integration and accessibility for future residents.

In March 2025, NAB, as part of a bank syndicate, provided debt facilities for the Project. The Project is being delivered through a partnership between Mission Australia Housing (MAH), Newtown QLD Pty Ltd and McNab Developments (QLD) Pty Ltd. MAH will manage tenancy and asset services.

Construction commenced in April 2025, with full completion expected by mid-2027.

The Project received Ministerial Infrastructure Designation approval on 30 September 2024 following public consultation between 12 August and 16 September 2024<sup>23</sup>. The process included public exhibitions and feedback sessions. Supporting reports include a Construction Environmental Management Plan, Acoustic Report, Waste Management Report, and Traffic Impact Assessment Report.



The Project’s design and construction process incorporates features to deliver on accessibility, and community integration goals. Social benefits include an uplift in affordable housing supply, improved community wellbeing, and support for vulnerable populations.

As part of NAB’s due diligence and credit risk assessment, NAB reviewed the arrangements in place to identify and manage environmental, social, and governance risks associated with the Project. Due diligence also included independent external review. The Project was evaluated against EP requirements and categorised as Category C.

<sup>21</sup> [Diverse industries, population increase drive Toowoomba Region’s economic growth](#)

<sup>22</sup> [Palisade and Mission Australia Partner to Deliver 185 Social and Affordable Dwellings in Toowoomba - Palisade Group](#)

<sup>23</sup> [Fast-tracked social and affordable housing for Toowoomba - Ministerial Media Statements](#)

## The Group's FY2025 EP compliance data

The total number of project-related transactions that triggered the EP, were tagged as EP in NAB's system and reached financial close<sup>24</sup> in FY2025 was 19.

In accordance with the EP Version IV ("EP IV")<sup>25</sup> reporting requirements, Table 3 shows the Group's FY2025 project finance data broken down by sector, region and country type and whether an independent review has been conducted.

These transactions are tagged in NAB's system as EP transactions.

**Table 3: Project finance data for transactions triggering EPs in FY2025**

Breakdown by Category	A	B	C
Project finance transactions tagged in NAB Group's system as triggering the EP during the period 1 October 2024 to 30 September 2025.	1	11	6
<b>By Sector</b>			
Energy (gas-fired)	0	0	0
Energy (renewable)	1	9	0
Oil & Gas	0	0	0
Infrastructure (road, rail, airports, ports, pipelines, and telecommunication)	0	0	4
Social Infrastructure (schools, hospitals, prisons, and public buildings)	0	0	1
Infrastructure (water)	0	0	0
Other Power (transmission & distribution and storage)	0	2	1
<b>By Region</b>			
Americas	1	2	5
Europe, Middle East & Africa	0	1	0
Asia Pacific	0	8	1
<b>By Country Type</b>			
Designated	1	11	6
Non-designated	0	0	0
<b>Independent Review<sup>26</sup></b>			
Yes	1	11	6
No	0	0	0

In addition, there were no project-related corporate loans, and no acquisition transactions which triggered the EP. The Group does not provide project-related advisory services.

Table 4 shows the Group's FY2025 project-related refinance for project finance loans data broken down by sector, region and country type and whether an independent review has been conducted. These transactions have been tagged in NAB's system as EP transactions.

**Table 4: Project-related refinance for project finance data for transactions triggering EPs in FY2025**

Sector	Total
Project-related Refinance for Project Finance in NAB Group's system as triggering the EP during the period 1 October 2024 to 30 September 2025.	1
<b>By Sector</b>	
Energy (gas-fired)	0
Energy (renewable)	1
Oil & Gas	0
Infrastructure (road, rail, airports, ports, pipelines, and telecommunication)	0
Social Infrastructure (schools, hospitals, prisons, and public buildings)	0
<b>By Region</b>	
Americas	0
Europe, Middle East & Africa	0
Asia Pacific	1
<b>By Country Type</b>	
Designated	1
Non-designated	0

<sup>24</sup> Defined in the EP as "the date on which all conditions precedent to initial drawing of the debt have been satisfied or waived".

<sup>25</sup> EP IV came into effect on 1 October 2020 and have been applied to projects and data in this report which covers the FY2025 reporting year – 1 October 2024 to 30 September 2025.

<sup>26</sup> Conducted in accordance with Principle 7 – Independent Review.

In accordance with the reporting requirements of EP IV, Table 6 provides project name reporting for EP transactions which reached financial close in FY2025.

**Table 6: Project-related project name reporting**

Project Name	Calendar Year	Sector	Host Country	Type of Finance
Boulder Creek Wind Farm	2024	Energy (renewable)	AU	Project Finance
Project Bighorn	2024	Infrastructure (road, rail, airports, ports, pipelines and telecommunication)	USA	Project Finance
Hashknife Energy Center	2024	Energy (renewable)	USA	Project Finance
Honeycomb BESS Portfolio	2024	Other Power (transmission & distribution and storage)	USA	Project Finance
Project Marvel	2024	Infrastructure (road, rail, airports, ports, pipelines and telecommunication)	USA	Project Finance
Coastal Virginia Offshore Wind Project	2024	Energy (renewable)	USA	Project Finance
Wambo Wind Farm (Stage 1&2)	2024	Energy (renewable)	AU	Project Finance
Warradarge Wind Farm (Stage 2)	2024	Energy (renewable)	AU	Project Finance
Golden Plains 1 Wind Farm	2025	Energy (renewable)	AU	Project-related refinance for Project Finance
Central West Orana Renewable Energy Zone	2025	Other Power (transmission & distribution and storage)	AU	Project Finance
MAHQ Toowoomba Limited	2025	Social Infrastructure (schools, hospitals, prisons, public buildings)	AU	Project Finance
Eccles BESS	2025	Other Power (transmission & distribution and storage)	Scotland	Project Finance
Project Gonzaga	2025	Energy (renewable)	USA	Project Finance
Project Pitt	2025	Energy (renewable)	USA	Project Finance
Project Rush Hour	2025	Infrastructure (road, rail, airports, ports, pipelines and telecommunication)	USA	Project Finance
Project Skyline	2025	Infrastructure (road, rail, airports, ports, pipelines and telecommunication)	USA	Project Finance
Tauhei Solar Farm	2025	Energy (renewable)	New Zealand	Project Finance
Te Rahui Solar Farm	2025	Energy (renewable)	New Zealand	Project Finance
Wooreen Energy Storage System	2025	Other Power (transmission & distribution and storage)	AU	Project Finance

## EP implementation

The Group recognises that companies operate within a complex business environment that includes sustainability challenges. These sustainability challenges encompass climate change, biodiversity loss, human rights considerations, and impacts on ecosystems and communities, including Indigenous peoples and can give rise to sustainability-related risks and opportunities.

The Group has designated ‘Sustainability Risk’ as a material risk category and defines Sustainability Risk as “*the risk that Environmental, Social and Governance (ESG) events or conditions negatively impact the risk and return profile, value or reputation of the Group or its customers and suppliers*”.

To assist in managing sustainability risk, the Group has a set of [ESG Risk Principles](#) which provide an overarching framework for integrating sustainability risk considerations into the Group’s day-to-day decision-making.

The Group takes a risk-based approach to managing sustainability-related risks and issues and considers exposure to sustainability risk at both a lending portfolio and an individual customer level. At the individual customer level, sustainability risk is assessed on a case-by-case basis as part of the credit risk assessment and due diligence process. This includes an assessment of sustainability risks associated with particular sectors.

Colleagues in relevant customer-facing roles identify and manage sustainability risks as part of their day-to-day responsibilities. They are supported by colleagues with specialist expertise and understanding of sustainability risks who work in Group functions and subsidiaries. For example, by our ESG Risk Management (“ESGRM”), Legal and Sustainability teams and colleagues with sustainability-related roles embedded in teams within other areas.

In addition to the Group’s general sustainability and customer-related ESG risk policies and practices, the Group has a specific policy that sets out requirements that address implementation of the EP. The Group’s EP Policy reflects EP IV requirements. During the credit risk assessment process for corporate and institutional lending, it is the Group’s practice to identify potential project finance and corporate finance transactions where the EP could apply.

For relevant project and corporate finance transactions, tailored due diligence is undertaken as required by the Group’s general credit policies and the Group’s EP and sustainability risk and ESG-related policies by NAB and Bank of New Zealand’s (BNZ) specialised finance colleagues. This includes categorisation (A, B or C) of projects. EP due diligence is in addition to the Group’s standard ESG risk assessment requirements which include risk-based screening to determine whether the customer and project-related activity are in a high ESG risk-related sector or which may have potentially high sustainability risk due to associated ESG factors. If NAB and BNZ specialised finance colleagues identify sustainability risk issues as part of initial customer screening, or note

involvement in high-risk sectors or activities, customers are subject to a more detailed ESG risk assessment, in accordance with exposure-related trigger thresholds, as part of the Group’s credit risk and due diligence process. Further information on our ESG risk assessment process as part of credit risk assessment and due diligence is provided in the Sustainability Risk Management section of the Group’s 2025 [Annual Report](#) pages 34-36.

Relevant transactions that trigger EP requirements are tagged in NAB’s system as being EP transactions for reporting and risk management purposes. This also facilitates follow-up with customers to ensure they are meeting EP requirements.

The Group’s specialised finance teams originate project-related financing, including project finance, corporate-related lending and refinancing. These origination teams are supported by Client Management and Execution (“CME”), Credit Decisioning and ESGRM teams. The ESGRM team provides sustainability risk and EP subject matter expertise.

The relevant origination team will typically agree the technical, environmental and social scope of work, the requirements for site visits during the due diligence process, and the selection of independent experts/consultants as part of their preparatory work on a transaction. The extent of NAB’s or BNZ’s involvement in scoping the environmental and social due diligence requirements will vary with their respective role in a syndicate (whether it is a lead role or not) and the type of transaction/finance involved.

Independent environmental and social experts may be used to assist the origination teams, where applicable, and in accordance with the EP.

Where there are potentially controversial issues or significant sustainability risks associated with a potential project finance transaction, the ESGRM team may also review material relevant to a transaction after referral from the origination deal team, CME or Credit team.

As project-related lending usually involves a syndicate of banks, it is the Group’s general experience that there is often consensus reached among the banking group on project category assignment.

When potential projects occur in non-designated countries (defined in EP IV), this includes applying International Finance Corporation Performance Standards<sup>27</sup>. Standards 5 (Land Acquisition and Involuntary Resettlement) and 7 (Indigenous Peoples) are particularly relevant when reviewing how the Group’s customers are managing land rights, Indigenous rights and the associated impacts on local communities.<sup>28</sup>

Loan documentation covenants are reviewed by the relevant transaction team, and where appropriate, NAB or BNZ legal teams. Standard facility agreements typically contain covenants sufficient to satisfy the EP covenant requirements where necessary these are amended on a case-by-case basis.

27 Refer to [2012-ifc-performance-standards-en.pdf](#)

28 NAB’s New Zealand subsidiary

The transaction team tracks a project's compliance with the EP. This includes seeking client consent for Project Name reporting. Client consent requests are tracked, recorded and held in a central location.

## Monitoring ongoing EP compliance

At a minimum, the Group undertakes an annual review of every EP transaction. This may include site visits by the relevant transaction team (and may also include Credit and ESGRM colleagues) and independent monitoring where necessary (generally during construction and operations for complex and/or Category A projects).

The Group also requires clients to provide reports on general construction and operational compliance. The frequency and scope of this reporting is based on the risk associated with a project – for example, it may be monthly, quarterly, half-yearly or annually. A higher risk project typically requires more frequent reporting so the Group can monitor that it is being developed in accordance with project approvals, project documents and any additional requirements of the relevant Group transaction team.

## Reporting to management

The Group Credit and Market Risk Committee, and when relevant, the Board Risk & Compliance Committee and/or the Board, receive reports on the Group's lending book exposure to industry sectors with potentially higher ESG risk sensitivities (as designated by the Group internally), such as mining and energy generation. This reporting includes project-related lending.

The Group also monitors the carbon intensity of its project finance energy generation portfolio and has publicly disclosed interim decarbonisation targets for priority sectors developed in accordance with Partnership for Accounting Financials (PCAF) Green House Gas (GHG) accounting methodologies (PCAF Standard)<sup>29</sup>. Further information on NAB's portfolio decarbonization targets are available in the Group's 2025 Climate Report.

## Training

In FY2025, NAB's C&IB Training, Change and CME teams in consultation with ESGRM, delivered an ESG eLearn training module to new employees to embed standardised knowledge and practices relating to sustainability risk across relevant colleagues in the Division. This eLearn covered EPs requirements.

In FY2025, NAB also reviewed and refreshed its customer-related ESG Risk policies, risk appetite and High ESG Risk Sensitive Sectors and Areas List. Further work was also undertaken on development of a digital form designed in an application to improve the efficiency and quality of the ESG risk assessment process undertaken by colleagues in this banking segment. The 'App' streamlines the ESG risk assessment process conducted by C&IB bankers by: (1) consolidating various sustainability-related checklists, which includes Equator Principles; and (2) codifying risk appetite, policy and process requirements. It also enables structured data capture to support a better understanding of sustainability risks at a customer and portfolio level, including for EP risk assessment and reporting purposes. C&IB completed piloting the App during the year and commenced broader rollout across the Division.

Further, as part of prudent risk management and the Group's continuing alignment to regulatory expectations, a new climate change guidance note was developed and published to help C&IB bankers understand how to include climate risk insights and assessment in credit risk assessment. This supports climate change risk assessments in the EPs framework.

## Reporting methodology

The Group produces data and provides case studies to meet EP reporting requirements associated with Principle 10 and to demonstrate implementation of the EP. The EP data published in this report represents the Group's identified EP-related portfolio managed by C&IB and BNZ. The EP portfolio data is validated and reconciled through interviews and data checks with colleagues across NAB's offices in Australia, New York and London and BNZ in New Zealand.

The Group's EP portfolio is segmented in a variety of ways to produce the data.

## Assurance over EP data

In FY2025, EY provided limited assurance over selected information in NAB's Equator Principles Report for the year ended September 2025. EY's assurance report can be located [here](#).

Further information on the Equator Principles can be found at [www.equator-principles.com](http://www.equator-principles.com).

<sup>29</sup> Available at <https://carbonaccountingfinancials.com/files/downloads/PCAF-Global-GHG-Standard.pdf>