

**House of Representatives Standing Committee on Economics
Review of the Four Major Banks (Second Report)
National Australia Bank (NAB)**

NAB19QW:

What analysis has the bank done on the implications of any of these pathways for fossil fuel investments and what implications does this have for the bank?

Answer

As stated in NAB's 2016 Dig Deeper Report (Annexure S), NAB believes the finance sector has an important role to play in assisting the transition to a low-carbon economy that is sustainable. There needs to be a considered and orderly approach to the transition to a low-carbon future to ensure that Australians can have access to secure, reliable and affordable energy and supply that supports our economy. As part of our approach to climate change, NAB has a working group reviewing the risks and opportunities facing NAB and our customers arising from a 2 degree world.

NAB has specific environmental, social and governance (ESG) Risk Principles, which provide an overarching framework for integrating ESG risk considerations into NAB's broader risk management framework. Assessing ESG risks is an ongoing focus.