

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

NAB25QW: More broadly, has the bank altered, or do you have any plans to alter, lending practices because of current or future physical impacts of climate change?

Answer

NAB assesses all lending applications on a case-by-case basis, taking into account a range of factors. One of these factors is the risks relating to environmental, social and governance (ESG). In addition to traditional credit risk assessments, this includes assessing ESG risks. NAB assesses and updates its risk framework to adapt to the changing external environment. More information on NAB's approach to ESG risk management, including at origination and during the evaluation process, is available on p17, p40 and p42 in the 2016 NAB Dig Deeper Paper (Annexure S).