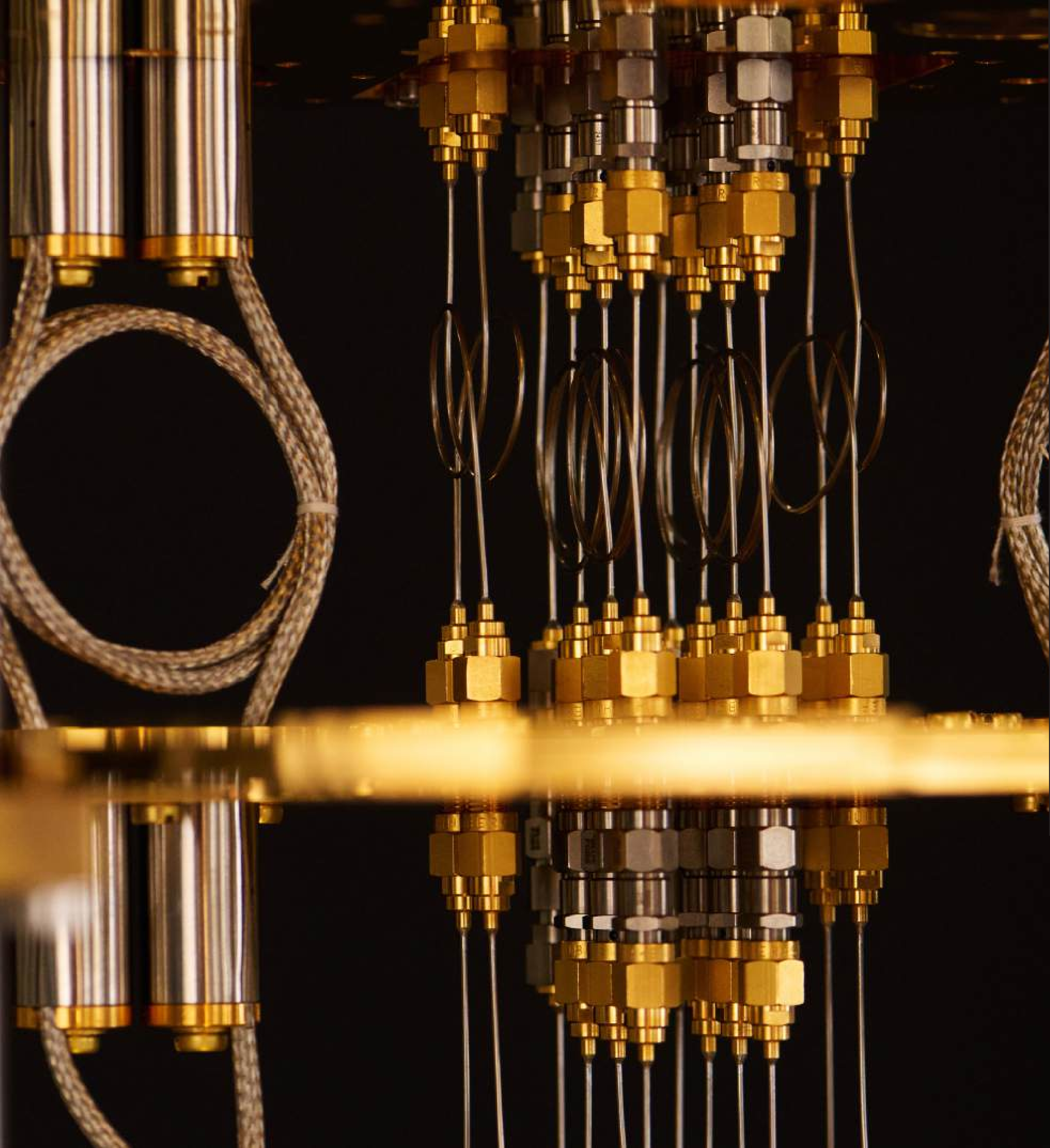
National Reconstruction Fund Corporation

2026–27 Corporate Plan

Acknowledgement of Country

The National Reconstruction Fund Corporation acknowledges the Traditional Custodians throughout Australia and recognises the continuing contribution of First Nations peoples to Australian industry and society. We pay respects to all Aboriginal and Torres Strait Islander peoples and to their Elders, past and present.



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Introduction

Statement of Preparation

The Board, as the accountable authority of the National Reconstruction Fund Corporation (NRFC), presents the 2026–27 Corporate Plan (Plan) which covers the periods from 2026–27 to 2029–30, as required under paragraph 35 (1) (b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Martijn Wilder AO

Chair, National Reconstruction Fund Corporation

Foreword

Chair’s Foreword

With the National Reconstruction Fund Corporation having successfully completed its second full year of operations in 2025–26, the outlook for 2026–27 and beyond is focused on delivery and continued strategic policy alignment. The NRFC has an ambitious goal to invest more than $2.7 billion to support Australian businesses in 2026–27. To achieve this, everyone from the Board, the Executive Leadership Team and our staff will be striving as a team to deliver on our mission to revitalise Australian manufacturing, deliver sovereign capability across Priority Areas of the national economy and help innovative Australian companies to compete and win on a global scale.

2026–27 marks the first full year of operations for the NRFC’s new Sub-Funds – Net Zero Fund, Economic Resilience Program, and the Forestry Growth Fund. These Sub-Funds will complement the NRFC General Portfolio but will look to focus investment and support into critically important areas of the economy, responding to challenges and opportunities in Australia’s emerging context.

With a new mandate, a Ministerial Statement of Expectations, and a refreshed strategy, the NRFC in 2026–27 is well placed to deliver over both the short and longer term. In addition to entrenching and strengthening investments under the General Portfolio, the NRFC will make its first investments during 2026–27 under the Net Zero and Forestry Growth sub-funds. For the Economic Resilience Program, 2026-27 will see continued provision of vital liquidity through participating banks to supply chain critical businesses impacted by global economic instability. For the Net Zero and Forestry Growth funds, the investments made in 2026–27, will respectively support businesses to decarbonise, increase productive capacity, and boost national sovereign capability for the benefit of all Australians.

For the longer term, the NRFC’s legislated investment performance framework encourages and actively supports the provision of capital to foster and develop opportunities, particularly those with strong potential to deliver environmental, social and economic returns. The framework helps to facilitate Ministerial expectations conveyed in the Statement of Expectations for the NRFC to emphasise investing in the national interest with a focus on long term outcomes for Australia. We look forward to announcing a range of investments during 2026-27 that fulfill these ambitions.

The Board as the NRFC’s Accountable Authority, is confident in the team we have recruited, the prudent investment in technological capability we have made, and the strong momentum we have generated.

On behalf of the NRFC Board, we look forward to leading the NRFC in 2026–27 and investing with strategic intent and commercial rigour to deliver positive impact and returns for all Australians.

Our Achievements

Since the NRFC commenced operations in September 2023, we have:

Over 30 investments
announced or committed

Over $2.0 billion
in capital committed

$5.5 billion in private
capital leveraged

Supported over **9000**
Australian jobs

Invested across
8 priority areas

Purpose

The purpose of the National Reconstruction Fund Corporation (NRFC) is to facilitate increased flows of finance into priority areas of the Australian economy.

The NRFC is Australia's sovereign investor that exists to create future prosperity by revitalising Australian manufacturing. We will do this by investing $15 billion across eight priority areas to achieve the greatest impact.

We invest on behalf of the Australian people, for Australia's future.

Strategy

In delivering against our purpose, the NRFC will prioritise opportunities that strengthen Australia's manufacturing capability. Through our investments we aim to:

- **Build sovereign capabilities** through domestic manufacturing of products that are critical to our economic and national security;
- **Achieve targeted returns**, reflecting our customers' success, so we can reinvest to compound our impact;
- **Create and preserve high-quality jobs**, through our customers, their supply chains, and the broader economy;
- **Help large industrial facilities to decarbonise** and transition to net zero and scale up domestic manufacturing of renewables and low emissions technologies; and
- **Develop new industries** and domestic manufacturing capabilities in priority sectors.

In pursuit of our objectives, we do the following things differently from other investors to achieve our objectives:

- We are a patient, flexible investor and can fund at scale to deliver intended outcomes. This means we prioritise long-term national impact over short term profit. We adopt a commercial approach that considers risk and return alongside impact. The flexibility of our mandate means we can structure our investments to best deliver manufacturing capability and capacity rather than adopting a one-size-fits all approach.
- We concentrate our investments where we have the greatest conviction to achieve our ambitions. In particular, to build sovereign capability and new industries, we will support multiple businesses within the same sub-sector to help build an industry and ecosystem. We will also contemplate significant investments in larger, nation building businesses and projects.
- We fill gaps in the market and provide confidence to attract other investors. We seek to catalyse investment from institutional and strategic investors into priority areas and alongside us into investments to amplify our impact and achieve more than we could with our funds alone.
- We will work with our customers to help them succeed. We commit to understanding proposals, communicating openly and honestly, respecting confidentiality and acting with professionalism and integrity. As we deepen our sectoral understanding we aim to share this knowledge for broader industrial success.

The execution of our strategy is underpinned by three critical inputs: People, Processes and Partners.

Our impact

The *National Reconstruction Fund Corporation (Investment Mandate) Direction 2026* (Investment Mandate) sets out that the Corporation is expected to help attract additional private finance and investment in the priority areas in order to transform and diversify Australian industry, and to improve the competitiveness of Australian businesses across the domestic industry value chain.

In line with this, the NRFC Board must have regard to:

- growing or improving industrial capability
- helping industry pursue value-adding opportunities
- improving economic diversity
- attracting private finance or investment
- greenhouse gas emissions reduction targets and decarbonisation
- creating secure jobs and a skilled, adaptable workforce
- boosting supply chain resilience
- commercialising Australian innovation.

Under section 17 of the *National Reconstruction Fund Corporation Act 2023* (the NRFC Act), the Board must also have regard to encouraging and improving economic participation by historically underrepresented groups, including:

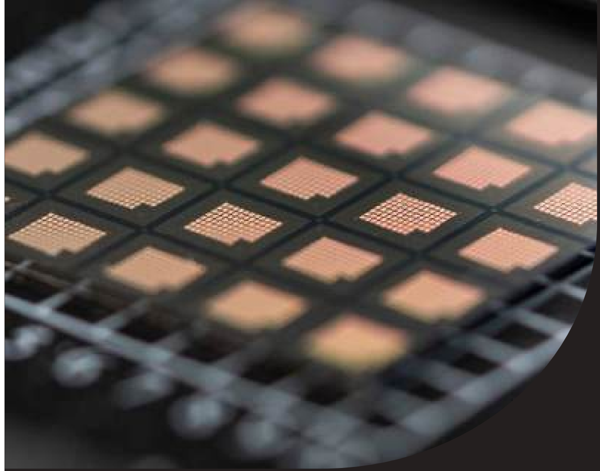
- women
- First Nations Australians
- people with a disability
- people of culturally and linguistically diverse backgrounds.

Finally, the NRFC must also have regard to the desirability of investments to help support:

- sustainability and circular economy principles and solutions
- regional development
- national security.

These considerations are applicable to all funds, but with different emphases to reflect the intent of the specific sub funds. Further, for the Economic Resilience Program and Net Zero Fund the NRFC must have regard to communities, regions and workers impacted by the net zero transition.

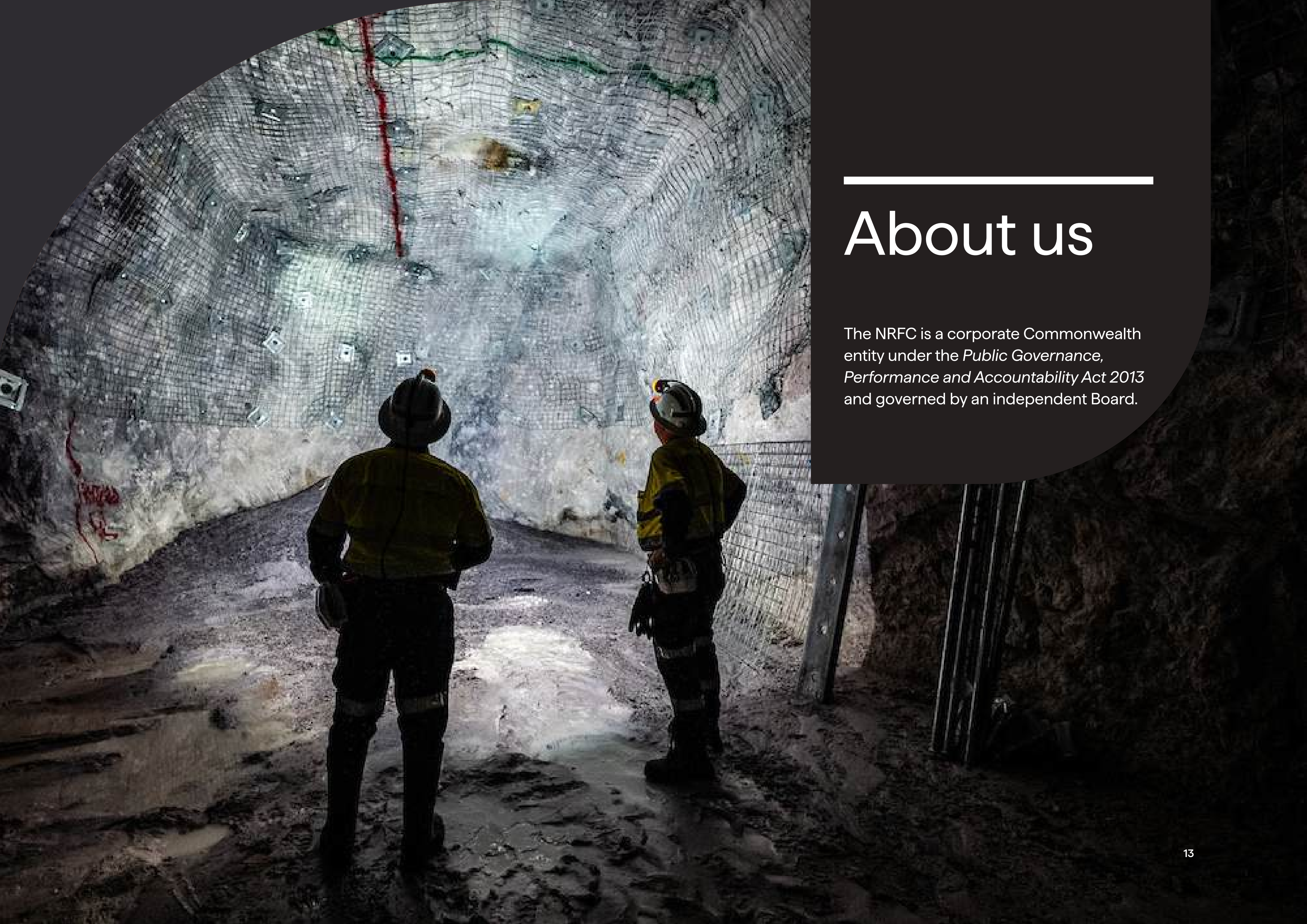
The NRFC in 2026-27 will explore a range of qualitative and quantitative mechanisms to better understand the broader impact of its investments.



NRFC Impact Framework

The NRFC Impact Framework sets out how we prioritise, identify, measure, track, manage and communicate the impacts of our activities. It is an important tool to demonstrate the difference our activities are making for Australia, and the progress we are making towards our mandated public policy objectives.

The framework identifies qualitative and quantitative indicators that we will collect from our borrowers and investee companies, and will help formalise how we estimate and evaluate the broader economic, societal, and other impacts of the NRFC's work over time.



About us

The NRFC is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* and governed by an independent Board.

Responsible Ministers

Senator the Hon Tim Ayres - Minister for Industry and Innovation and Senator the Hon Katy Gallagher – Minister for Finance are the responsible Ministers under the NRFC Act.

Subsidiaries

The NRFC does not have subsidiaries but may establish subsidiary entities in future.

The *National Reconstruction Fund Corporation (Priority Areas) Declaration 2026* sets out eight priority areas of the Australian economy in which the NRFC can invest:

Renewables and low emission technologies

Value-add in agriculture, forestry and fisheries

Defence capability

Transport

Value-add in resources

Enabling capabilities

Medical science

Industrial manufacturing and critical supply chains (new)

The *National Reconstruction Fund Corporation* Investment Mandate requires the Corporation to allocate investments to target the following funding levels over the medium to long term:

$1.5 billion

for medical manufacturing

$1 billion

for value-adding in resources

$1 billion

for critical technologies in the national interest

$1 billion

for advanced manufacturing

$500 million

for agriculture, forestry, fisheries, food and fibre

In addition to the General Portfolio, the NRFC manages the Net Zero Fund, the Economic Resilience Program, and the Forestry Growth Fund.

Investment Mandate/Priority Areas Declaration

In April 2026, the Australian Government issued a revised *National Reconstruction Fund Corporation (Investment Mandate) Direction 2026* and *National Reconstruction Fund Corporation (Priority Areas) Declaration 2026*, which are available on our website. The Investment Mandate sets directions for the NRFC's investment functions, how we exercise our investment powers including deployment of capital through the General Portfolio and each of the sub-funds.

In addition to setting the direction for the NRFC in progressing Australian Government objectives, the revised Mandate and Declaration also facilitate the development and delivery of the sub-funds.

Statement of Expectations/Statement of Intent

Responsible Ministers provided the NRFC with its second Statement of Expectations (the Statement) in April 2026. The provision of the Statement reflects an evolving operating context involving heightened global uncertainty, industry and supply chain disruption, and a stronger government focus on economic security and resilience.

The Statement makes clear the role of the NRFC in delivering key government priorities including the Future Made in Australia agenda, supporting enabling technologies such as AI and quantum, and continuing to build and support advanced manufacturing in areas such as clean energy, housing and defence.

The responding Statement of Intent, which was published in July 2026, reaffirms the NRFC's commitment in meeting the objectives set for it by government and remaining tightly focused on its policy objectives. The Statement of Intent notes the aim of the NRFC in 2026–27 to build upon momentum achieved since its establishment in 2023 to boost investment in Australian sovereign capability and supply chain resilience.

The Funds

General Portfolio

The NRFC general portfolio supports the revitalisation of Australian manufacturing through investments across all priority areas.

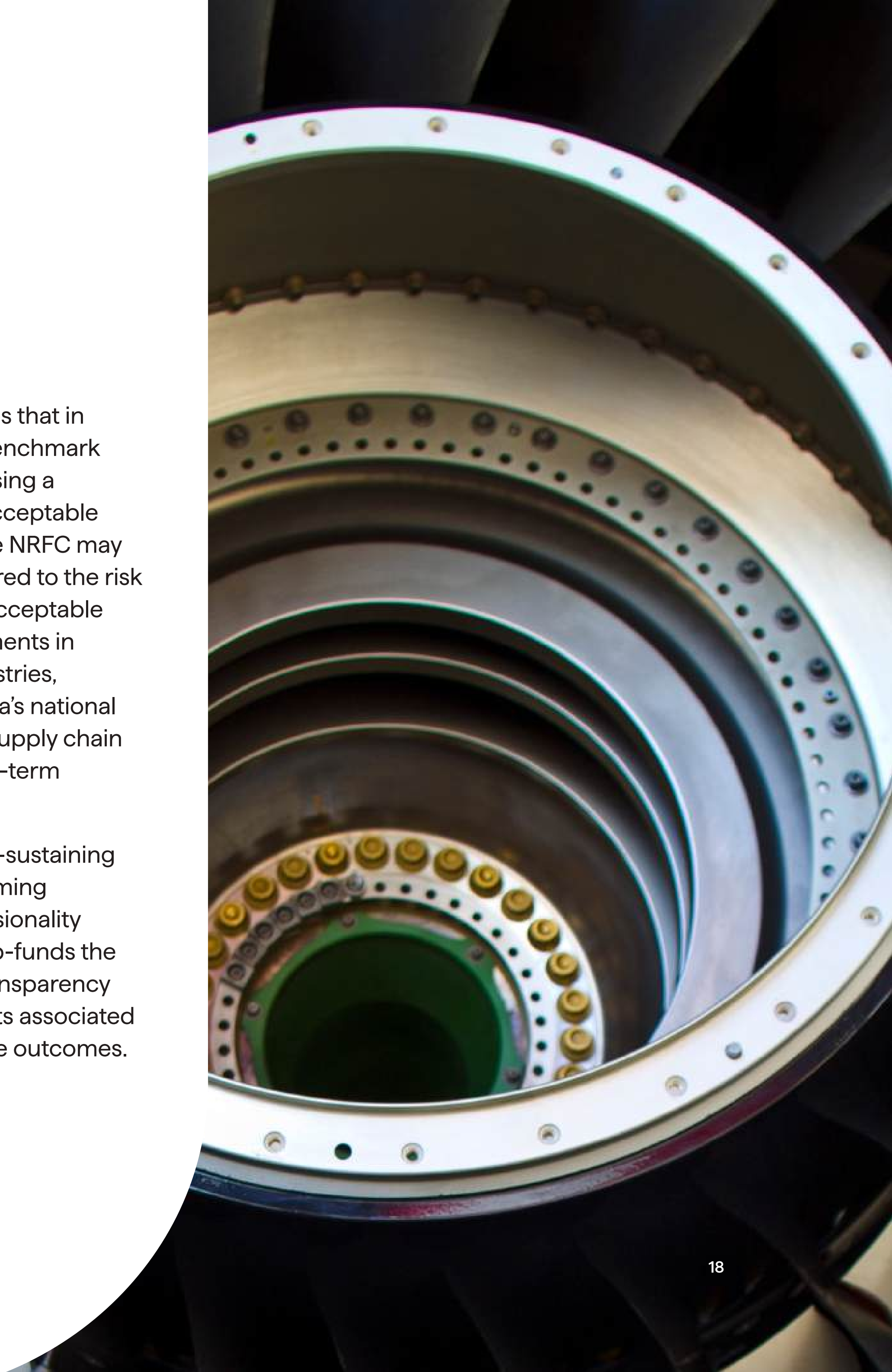
It must target a cumulative average return of 2-3 per cent above the five-year Australian Government bond rate as the benchmark return of the Corporation's General Portfolio over the medium to long term.

For investments in the General Portfolio the NRFC will look to target priority areas of the economy over the medium to long-term:

$1.5 billion	Medical manufacturing
$1 billion	Value-adding in resources
$1 billion	Critical technologies in the national interest
$1 billion	Advanced manufacturing
$500 million	Agriculture, forestry, fisheries, food and fibre

The Investment Mandate provides that in targeting the General Portfolio benchmark return, the NRFC must operate using a commercial approach, with an acceptable but not excessive level of risk. The NRFC may take on higher risk (when compared to the risk that it would normally consider acceptable for other investments) for investments in emerging technologies and industries, investments that support Australia's national security, sovereign capability or supply chain resilience, or projects with longer-term payback periods.

The NRFC has targeted to be self-sustaining in operational cashflow in the coming year. Acknowledging the concessionality arrangements under the new sub-funds the NRFC will continue to provide transparency and clarity on the operations costs associated with sub-funds in seeking to drive outcomes.



Net Zero Fund

The Net Zero Fund provides up to $5 billion in concessional finance to support large industrial facilities to decarbonise, improve energy efficiency and transition to net zero, and for the scaling up of domestic manufacturing of renewables and low emissions technologies.

The Net Zero Fund has a lower benchmark rate of return to enable the NRFC to invest in earlier-stage proposals, first-of-a-kind projects, or those with large upfront capital requirements and longer repayment periods compared to investments made under the NRFC's General Portfolio.

Economic Resilience Program

The Economic Resilience Program provides up to $1 billion in financial accommodation in the form of zero interest loans to support Australian manufacturing and logistics businesses to respond to market disruption or to maintain and build industrial capabilities that contribute to Australia's national interest, particularly Australia's strategic or economic resilience.

Forestry Growth Fund

The Forestry Growth Fund provides up to $150 million in concessional finance to support the wood product manufacturing sectors to modernise and advance processing capabilities and increase the value of outputs, including in relation to wood products used for housing construction.

The Forestry Growth Fund has a lower benchmark rate of return to enable the NRFC to invest in earlier-stage proposals, first-of-a-kind projects, or those with large upfront capital requirements and longer repayment periods compared to investments made under the NRFC's General Portfolio.

Operating Context

The NRFC's ability to deliver on its purpose is affected by the changing global environment and our evolving place within in it. Keys for success include the capability of our people and the frameworks, systems and processes that facilitate them.

Environment

Global conflict and uncertainty are creating challenges across the Australian economy. The NRFC is operating in an increasingly complex environment where Australian industry is exposed to geopolitical tensions and structural changes, as well as rapid technological change and environmental pressures.

Our operating environment is impacted by the macroeconomic factors that affect all investors, including the Reserve Bank of Australia's cash rate, and the availability and cost of capital, energy and skilled labour. These factors may in turn affect the market's appetite to invest or the desire of potential NRFC proponents to develop new projects.

The NRFC will continue to collaborate across the government, finance, business and research sectors to address any challenges that arise.

The Government expects the NRFC to deliver investments that align with national priorities and strengthen Australian production and investment capabilities, drive productivity and competitiveness, and create secure, sustainable and well-paid jobs for Australians.

Australia's industrial sector faces a pivotal transformation amid the global push towards net zero emissions, while remaining competitive.

The NRFC's investment in Australian industry focuses on securing and strengthening existing industrial capability and seizing emerging opportunities. Supporting other industry policies and initiatives such as the Future Made in Australia agenda and Industry Sector Plans, the NRFC will strategically invest to revitalise the industrial base and ensure Australia remains globally competitive.

Climate Change and Targets

Australia has a legislated long-term goal to reach net zero emissions by 2050. Australia's September 2025 interim emissions reduction aims for a 62-70% reduction by 2035 (when compared to 2005 levels). This is set to be driven by more renewable electricity generation, lowering emissions through electrification and efficiency, expanding clean fuel use, accelerating new technologies and scaling up net carbon removals.

The NRFC's investments through the Net Zero Fund aim to make a key contribution to supporting the transition to a net zero economy.

Sovereign Industrial Capability

Sovereign industrial capability has become increasingly important as global supply chains face disruption from geopolitical tensions, strategic competition and economic fragmentation. Strengthening domestic capability across priority sectors reduces exposure to external shocks, supports national security and underpins long-term economic resilience. Through its mandate and long-term investment horizon, the NRFC supports investments that deepen domestic industrial capability, anchor critical supply chains onshore and crowd in private capital, contributing to a more resilient and future ready Australian economy.

Capability

To develop and implement investment strategies, in 2026–27 the NRFC will continue to maintain and build existing and specialist capabilities.

Our People

As a key input to the Strategy, the NRFC will continue to invest in our people. For 2026-27 and beyond we will aim to attract and retain a team of highly talented professionals motivated by our purpose. At the NRFC, our people enable us to deliver on our mandate – a group of highly experienced, committed professionals who join and stay because of our purpose and culture.

We have a culture that draws on best practice from the public and private sectors to help the NRFC achieve its objectives in a way that embraces diversity of thought, background and experience.

Our CARE values are at the heart of our culture, guiding and shaping ways of working throughout the employee experience. Regardless of role, everyone is expected to perform and lead with:

- Curiosity – self awareness, continuous learning and open mindedness
- Accountability – initiative, ownership and courage
- Respect – inclusion, empathy and recognition
- Enterprise mindset – strategic thinking, collaboration and customer focus

Our values also underpin the wellbeing of our people by ensuring a safe, respectful and flexible working environment, where everyone has a voice. We recognise the critical role of diverse experiences; skill sets and points of view. Our recruitment approaches actively promote and encourage an inclusive workplace culture where women, those from First Nations and CALD background, and people with a disability are welcomed.

To set ourselves up for success, we continue to invest in attracting and developing talent, in alignment with our clearly defined, forward-thinking enterprise leadership and technical capability framework. This includes rewarding our people in an equitable, transparent and market-led way, while providing recognition and development opportunities that reflect our 'one of a kind' employee value proposition – *the career experience of a lifetime, to help shape Australia's future*.

With these strong foundations in place and a clear strategic plan, we are fully focused on making the NRFC an employer of choice through 2026–27 and delivering our mission for the Australian people.

Our Board

The Board of the NRFC is responsible for deciding the strategies and policies to be followed by the NRFC and ensuring the proper, efficient and effective performance of the NRFC's functions. The Board's role is to ensure the proper efficient and effective performance of the NRFC in undertaking its activities under s17 of the NRFC Act, and the PGPA Act and PGPA Rule.

Board appointments are supported by an NRFC induction and onboarding program. To ensure Board members' skills remain current and fit for purpose during their term, they are supported by an annual training and skills program. The NRFC also undertakes annual performance evaluations of the Board and its Committees. This is to ensure that the Board is effectively performing its functions and delivering on the strategic objectives set out by the Government.

Reconciliation Action Plan (RAP)

The NRFC is committed to advancing reconciliation with First Nations people in Australia. The proposed Reconciliation Action Plan is an important internal and external demonstration of the NRFC's commitment to reconciliation through accountability, impact, meaningful engagement and in partnership with First Nations Peoples.

The NRFC's Reflect RAP will continue to focus on developing and strengthening relationships with First Nations people, engaging people and stakeholders in reconciliation, and identifying opportunities to empower Aboriginal and Torres Strait Islander people to bridge outcomes – economically, socially, and in health and education.

Processes

Processes

The NRFC will implement efficient systems for deploying capital, supporting customers, tracking impact and managing risk.

The NRFC's technology approaches support the strategy by delivering the key systems and capabilities for efficiently providing capital, supporting customers, tracking impact and managing risk. The NRFC's technology strategy is centred on delivering appropriate capabilities that drive efficiency, effectiveness, and strong organisational performance.

Building from the intent to provide our people with a strong, reliable and secure technology ecosystem, 2026–27 will be a critical technology year for the NRFC, with a broad range of capabilities progressed and embedded across the organisation.

Focused on mission-critical operational domains including investment origination and management, financial stewardship, and customer experience, these deployments recognise the need to enhance technology capabilities and mature the organisation to respond to the increasingly complex investment environment.

Through the provision of a single view of counterparties, opportunities, and investment decisions, the NRFC's investment in relationship management capability will improve coordination, transparency, efficiency and consistency across the investment portfolio.

The asset management system will augment other capability by enabling active management of the Funds, including performance monitoring, valuation, risk, environmental, social, and governance (ESG) impact and portfolio-level reporting.

Further, the deployment of loan administration capability will enable accurate and timely operational data that integrates directly into the portfolio management solutions, reducing manual processing and operational risk.

Artificial Intelligence

In 2026–27 we will continue to invest in and broaden the NRFC's AI capability. At present the Corporation utilises generative AI systems, albeit within a secure environment with appropriate restrictions and training, to safeguard information. To support this, the NRFC has an approved AI Policy, with AI governance and frameworks in place. These will continue to evolve in 2026–27.

Commonwealth Climate Disclosure

The NRFC Board is the accountable authority under section 12 of the PGPA Act and has ultimate responsibility for oversight of climate-related risks and opportunities.

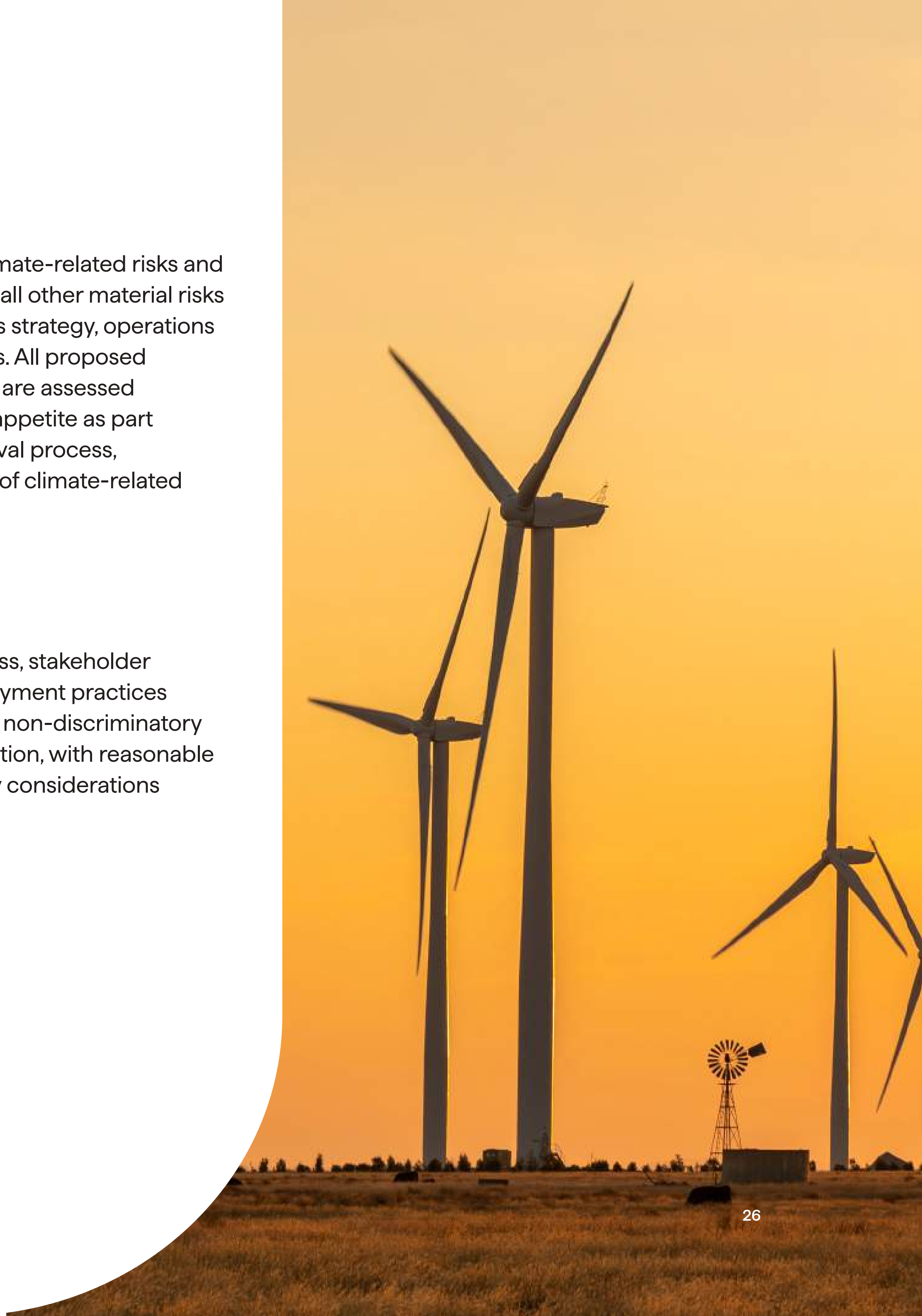
During the reporting period, the Board and its committees will continue to oversee climate-related risks as part of the NRFC's enterprise risk management framework. The Board is supported by the Audit and Risk Committee (ARC) and the Executive Risk Committee (ERC), from both operational and investment perspectives.

The Board and Committee charters were updated during 2025–26 to explicitly reflect responsibility for climate-related risks and opportunities. Climate-related risks are included within the Board-approved Risk Appetite Statement, and relevant metrics are monitored and reported through the quarterly Board risk report.

The Board considers climate-related risks and opportunities alongside all other material risks when overseeing NRFC's strategy, operations and investment activities. All proposed investment transactions are assessed against the Board's risk appetite as part of the investment approval process, including consideration of climate-related risks where relevant.

Anti-discrimination

NRFC's investment access, stakeholder engagement and employment practices are designed to support non-discriminatory and accessible participation, with reasonable adjustment/accessibility considerations where relevant.



Partners

The NRFC works with others to gain sectoral insights, deal flow, scale and amplify impact.

The NRFC works with partners in the government ecosystem, including with its portfolio department, the Department of Industry, Science and Resources (the Department) to ensure work and outcomes are aligned to the policy objectives for the NRFC. To coordinate and assist with its central purpose of revitalising Australian manufacturing, the NRFC also productively collaborates with relevant bodies such as the Clean Energy Finance Corporation, the Australian Renewable Energy Agency, the Northern Australia Infrastructure Facility, Export Finance Australia, Housing Australia, the Net Zero Economy Authority, as well as state-based departments and investment entities.

To ensure the organisation has access to the required technical and scientific capabilities, the NRFC maintains strong relationships with bodies such as the Commonwealth Scientific and Industrial Research Organisation (CSIRO), as well as universities and cooperative research centres.

With access to the right investment and industry knowledge networks a critical enabler for the construction and maintenance of a high performing investment portfolio, the NRFC will continue to strengthen its diverse industry networks. This includes banks and private equity funds, co-investment partners such as superannuation funds, specialist fund partners, unions, deal enablement companies, and industry peak bodies. This also includes the use of targeted engagement channels for regional manufacturers, First Nations businesses, disability-led enterprises, women-led firms, CALD business networks, industry clusters, and transition-affected communities.

Risk Management

The NRFC's ability to identify, assess and manage risk effectively is a fundamental enabler of sustainable performance and delivery on our objectives.

Responsible risk taking is a core activity that enables the organisation to generate positive returns over the medium to long term.

The NRFC's risk management arrangements are designed to ensure that risks are identified, assessed and, where relevant, mitigated in order to preserve and enhance the value of the organisation.

Risk Oversight

The Board is ultimately responsible for NRFC's risk management activities. To assist in overseeing these functions, various sub-committees have been established including the Audit and Risk Committee, Board Investment Committee and Remuneration People and Culture Committee.

These committees work in conjunction with various executive level committees, including the Executive Risk Committee and Executive Investment Committee to support ethical decision making.

Risk Management Policy (RMP) and Risk Appetite Statement (RAS)

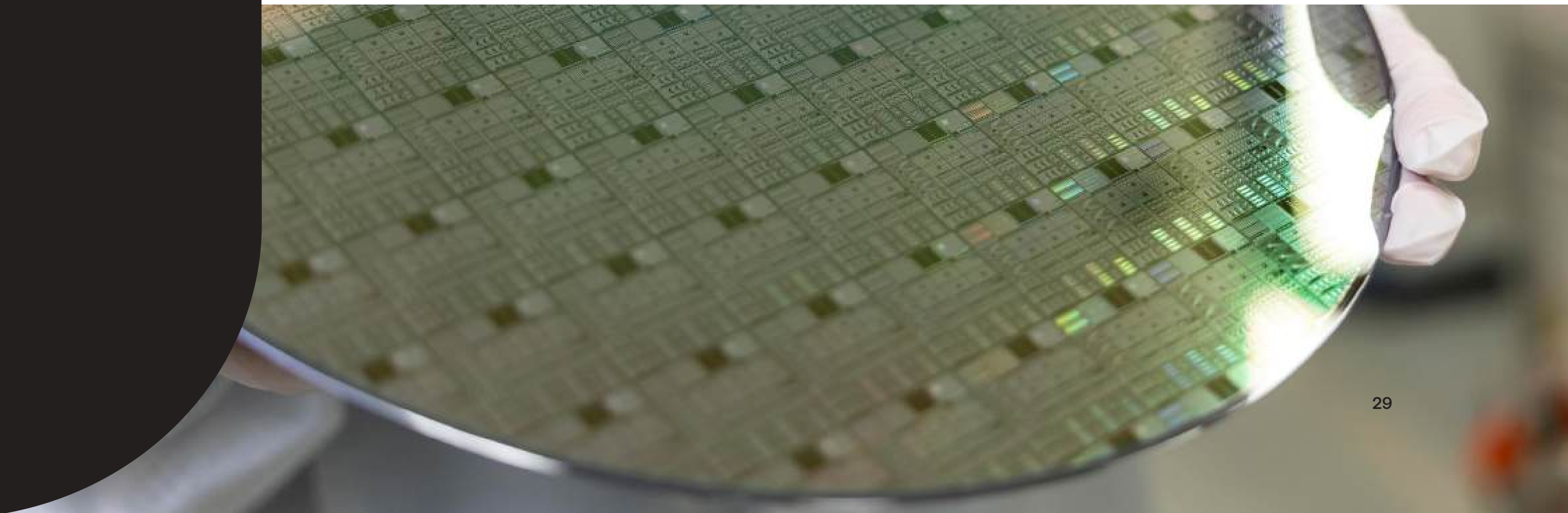
The NRFC Board has implemented an enterprise-wide RMP which sets out the Board's approach to managing risk in the pursuit of the NRFC's objectives.

The Board chooses to align the RMP with the Commonwealth Risk Management Policy as better practice.

The RMP is complemented by the RAS which records and communicates the Board's appetite for key risks.

The Risk Appetite Statement will be updated in 2026–27 to reflect the expanded Investment Mandate requirements. NRFC has a unique appetite for investment risk, specifically a higher risk tolerance in relation to (a) investments in emerging technologies and industries (b) investments that support Australia's strategic interests and (c) investments with a long-term payback periods.

The Board expects Management to operate within these parameters, and to proactively identify and escalate any activity that is outside appetite in a timely way.



Three lines of defence

The NRFC adopts a "three lines of defence" approach to risk management.

- First Line of Defence: The NRFC's functional areas are generally the "owners" of our key risks. In some cases, the Chief Risk Officer or Chief Legal Officer "own" individual risks where this is necessary to ensure there is an appropriate segregation of duties or to recognise where expertise resides within the organisation.
- Second Line of Defence: The functions headed by the Chief Legal Officer and the Chief Risk Officer provide independent test and challenge on whether Management is operating within Board's risk appetite as set out in the RAS.
- Third Line of Defence: The NRFC's Internal Audit function provides structured technical reviews to give the Board independent verification on Management's compliance with the RMP. The NRFC has an outsourced Internal Audit team reporting directly to the Audit and Risk Committee.

Key risks

The NRFC faces financial and non-financial risks such as strategic risks, investment risks, portfolio risks, technology risks, people risks and compliance risks.

The NRFC's approach to identifying, assessing and managing these risks includes measures to:

- identify and establish an understanding of the risk;
- identify and evaluate existing control measures;
- determine the likelihood and consequence of any loss arising from the risk materialising; and
- determine the organisation's response accordingly.

The NRFC has a detailed risk reporting framework in place with a mix of lead and lag risk indicators.

Risk Maturity

NRFC will continue to improve our risk management activities with the ambition of achieving an 'embedded' risk maturity (level 4 out of 5 from Comcover's Risk Management Benchmarking Survey).

Strategic, investment and technology risk are expected to be the focus of 2026–27, with targeted engagement of the 1st Line of Defence to embed risk further into decision making and change management processes.

NRFC will continue to refine our Climate Risk and Opportunity Assessment to support Commonwealth Climate Disclosures in our 2026–27 Annual Report.

Board

The NRFC is governed by an independent Board whose members are jointly appointed by its two responsible Ministers. The Board reports to the Australian Parliament through the responsible Ministers. The functions of the NRFC Board are prescribed in the NRFC Act, including:

- to decide strategies and policies to be followed by the NRFC;
- to ensure the proper, efficient, and effective performance of the NRFC's functions; and
- any other functions conferred on the Board by the Act.

The Board has the power to do all things necessary or convenient to be done for or in connection with the performance of its functions.

The Board has established the following Non-executive Board Committees:

- the Audit and Risk Committee;
- the Remuneration, People and Culture Committee; and
- the Board Investment Committee.

Each Committee may make recommendations to the Board for a decision in relation to any matter within its responsibility.

Executive Committees

The CEO has responsibility for the management of the NRFC, assisted by the Executive Team and its specialist committees:

- the Executive Risk Committee; and
- the Executive Investment Committee.

Each Committee may make recommendations to the CEO for a decision in relation to any matter within its responsibility.

Management Accountability

The NRFC Executive Team is responsible for the development and execution of the NRFC strategy, investment and portfolio management functions and financial performance, in addition to operational activities. Members of the Executive Leadership Team have deep investment, financial, government, technical and industry expertise, reflecting the scale and scope of the NRFC.

Performance

Supporting our strategy are Key Performance Activities

Delivering investments

Undertake debt or equity investments in targeted sectors that facilitate the flows of finance into priority areas of the Australian economy.

Making a positive difference

Support opportunities to diversify and transform Australia's industry and economy and drive public policy outcomes.

Partnering and engaging with stakeholders

Build and nurture relationships to support facilitation of our mandate. In addition to investment, NRFC aims recognised as a professional and reliable co-investment partner.

Key Activity **01**

Delivering investments to facilitate flows of finance into priority areas

The NRFC can provide finance at commercial and concessional rates to meet the needs of organisations that are growing and transforming Australian manufacturing capability. In doing so, the NRFC seeks to facilitate flows of finance into the eight priority areas, and leverage additional capital.

Data for each of these measures is collected either at the point of investment or, in the case of the return on investment, over the medium to long term.

Performance measure	Key performance indicators		Target 26–27	27–28	28–29	29–30
Commercial and self-sustainable investments in targeted sectors that facilitate the flows of finance into priority areas of the Australian economy.	1. Total capital committed (all funds)		$2,725m	$2,950m	$4,150m	$2,491m
	2. Private capital leveraged		NRFC General Portfolio: Private capital - 1:2			
	3. Return on investment	NRFC General Portfolio	Target rate of return 2-3% over the 5-year Australian Government Bond rate over the medium to long term			
		Net Zero Fund	Target rate of return 1% less than the 5-year Australian Government Bond rate over the medium to long term			
		Forestry Growth Fund				
	4a. Diverse portfolio *priority areas*		NRFC General Portfolio: all			
	4b. Diverse portfolio *states* and *territories*		NRFC General Portfolio: 6			

Collection and reporting: Progress for the current year against this indicator is provided to the Audit and Risk Committee each quarter. Results are published in the annual report including by individual deal and/or on a portfolio basis.

Definitions

Diverse portfolio	The diversity of the portfolio measures both the investment across the priority areas and also geographical diversity of the portfolio across Australian states and territories. These may be different according to the profile of individual funds.
Economic Resilience Program	The Economic Resilience Program is intended to deliver zero interest loans to support businesses impacted by market disruptions or help maintain and build national strategic and economic resilience.
Forestry Growth Fund	The Forestry Growth Fund is intended to provide concessional finance to support wood product manufacturing sectors to: modernise and advance processing capabilities, including new facilities; and increase the value of its outputs, including with respect to wood products used for housing construction.
Funds	Refers to the NRFC portfolio of individual funds. These include the General Portfolio, the Net Zero Fund, the Economic Resilience Program, and the Forestry Growth Fund.
General Portfolio	Refers to the main NRFC funding facility, as distinct from the Net Zero Fund, Economic Resilience Program, or Forestry Growth Fund.
Net Zero Fund	The Net Zero Fund is intended to deliver investments to support: large industrial facilities to decarbonise, improve energy efficiency, and transition to net zero or; the scaling up of domestic manufacturing of renewables and low emissions technologies.
Priority Areas	Designated sectors of the economy in which the NRFC will invest. These are set by the Australian Government.
Private capital leveraged	This measure shows how the NRFC is crowding in private capital as part of the ecosystem of investment for Australian manufacturing capability. This is measured at the point of investment. **Total NRFC committed funding aggregated across fund: Total committed funding (across the fund and minus any public sector sourced funding (eg. other SIVs)) vs equivalent private sector funding.** Applies only to the General Portfolio.
Return on investment	For the General Portfolio, the Corporation must target an average return on investment across the portfolio of 2-3% over the 5-year Australian Governance Bond over the medium to long term. Under the Net Zero Fund, the Corporation must target an average rate of return 1% less than the 5-year Australian Government Bond rate over the medium to long term. For the Forestry Growth Fund, the Corporation must target an average rate of return 1% less than the 5-year Australian Government Bond rate over the medium to long term.
Total capital committed	This measure is total capital committed by the NRFC during the period.

Key Activity **02**

Making a positive difference

As part of the NRFC legislative mandate, the NRFC will build upon positive momentum and generate impact for Australia's sovereign capability and resilience.

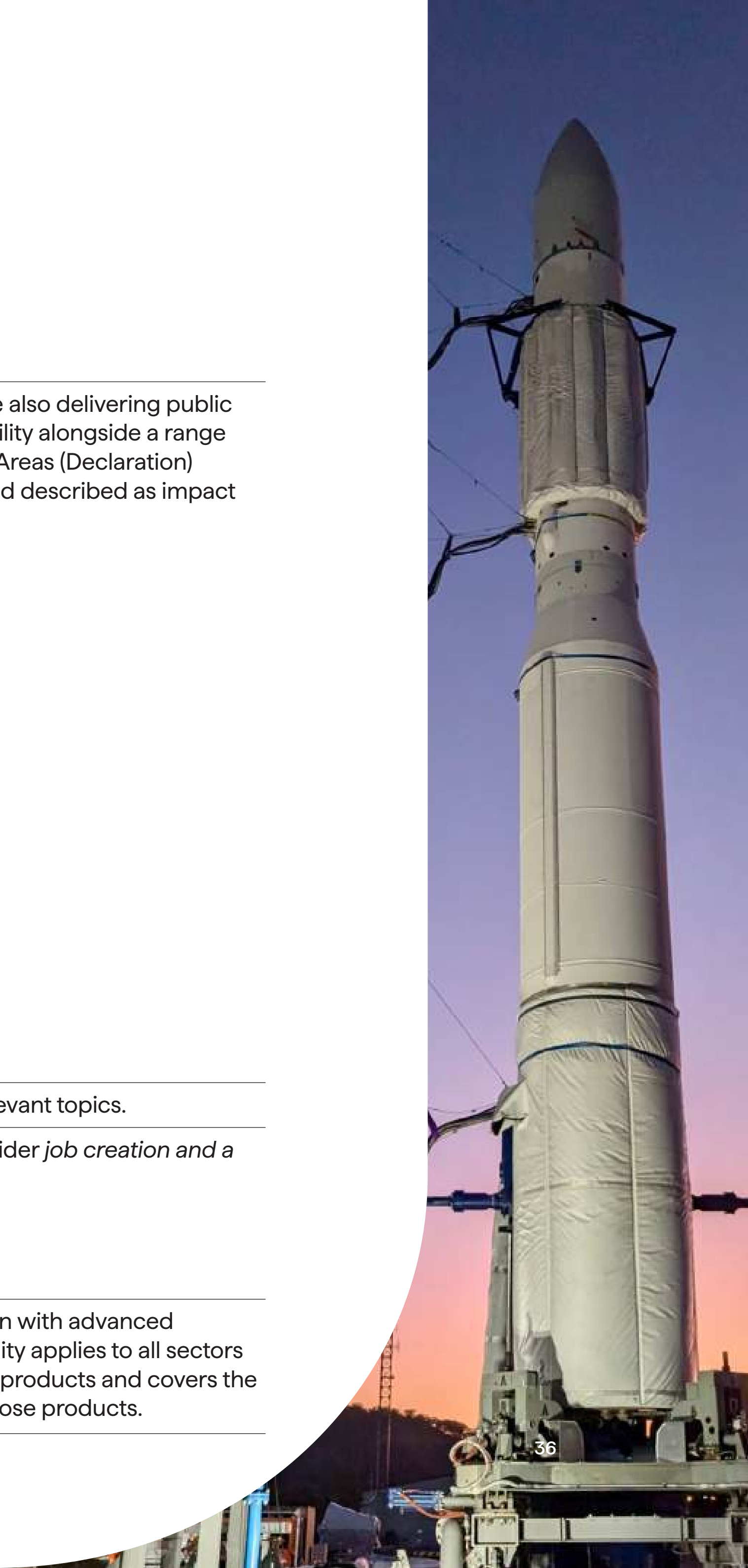
The measures in this key activity are designed to evaluate the extent to which the NRFC portfolio is able to impact positive change leveraging multiple funds and achieve public policy outcomes in addition to the financial outcomes specified in Key Activity 1.

Performance measure	Key performance indicators	Target 26–27	27–28	28–29	29–30
Support opportunities to diversify and transform Australia's industry and economy and drive public policy outcomes.	Investments support, diversify and transform Australia's industry and economy and deliver public policy outcomes: Investments contribute to increased capability and support in at least one of the other s17(NRFC Act)/ c10 NRFC (Investment Mandate) Direction 2026 requirements; and/or crowd-in private investment.	NRFC investments support, diversify and transform Australia's manufacturing capability through the following factors: i. growing or improving **industrial capability**; and/or ii. improving industry ability to pursue **value adding** opportunities; and/or iii. supporting a long-term improvement in **economic diversity**.			
		NRFC investments support: **Sovereign Industrial Capability** i. national security ii. supply chain resilience iii. commercialisation of Australian innovation and technology **or Participation and Inclusion** i. Job creation and a skilled and adaptable workforce ii. economic participation of historically underrepresented groups iii. regional development **or Sustainable Future** i. emissions reduction targets and supporting decarbonisation ii. supporting sustainability and circular economy principles and solutions.			
	Research that supports and enhances Australia's manufacturing capability.	4 x insights that support and enhance Australia's manufacturing capability.		6 x insights that support and enhance Australia's manufacturing capability.	

Collection and reporting: Progress for the current year against these indicators is provided to the Audit and Risk Committee each quarter. Results are published in the annual report.

Definitions

Investments support the diversification and transformation of Australia's industry and economy and deliver public policy outcomes	The NRFC has a broad remit to diversify and transform Australia's industry and economy while also delivering public policy outcomes. The requirements for transformation in the Australian manufacturing capability alongside a range of public policy outcomes are significant and have been established in the NRFC Act, Priority Areas (Declaration) and Investment Mandate. They have been grouped together within the Impact Framework and described as impact factors for ease of assessment and evaluation: 1. Diversify and transform Australia's manufacturing capability through the following factors: i. growing or improving industrial capability; and/or ii. improving industry ability to pursue value adding opportunities; and/or iii. supporting a long-term improvement in economic diversity. 2. Sovereign Industrial Capability is achieved through the following factors: i. national security; ii. supply chain resilience; iii. commercialisation of Australian innovation and technology 3. Participation and Inclusion is achieved through the following factors: i. Job creation and a skilled and adaptable workforce; ii. economic participation of historically underrepresented groups; and/or iii. regional development. 4. Sustainable future is achieved through the following factors: i. emissions reduction targets and supporting decarbonisation; ii. supporting sustainability and circular economy principles and solutions. 5. Crowd-in private capital and investment: this is measured in Key Activity 1
Insights	Research or insights relating to the NRFC Priority Areas, Australian manufacturing or other relevant topics.
Job creation and a skilled and adaptable workforce	A job is a relationship between an employed person and their employing enterprise. We consider *job creation and a skilled and adaptable workforce* includes: • Jobs that have been preserved and maintained in Australian businesses • Jobs created directly through the Investment • Jobs created indirectly including in the supply chain
Manufacturing	Manufacturing is a contemporary practice that combines methods of creation and production with advanced technologies to enhance efficiency, productivity and competitiveness. Manufacturing capability applies to all sectors of the economy. Manufacturing is a capability that transforms raw materials or parts into new products and covers the entire product lifecycle, including activities that design, refine, make, distribute, and service those products.



Key Activity 03

Stakeholder partnership and engagement

The NRFC is part of the rich ecosystem of manufacturing capability and financing in Australia and is committed to working together with stakeholders and partners to transform Australia's manufacturing capabilities. The NRFC has commenced formal evaluation of those relationships to ensure that they create value and opportunities within the ecosystem.

Media sentiment, responsiveness to enquiries and a favourable Net Promoter Score demonstrate the commitment of the NRFC to increasing the awareness of our mission and to building relationships to support our purpose.

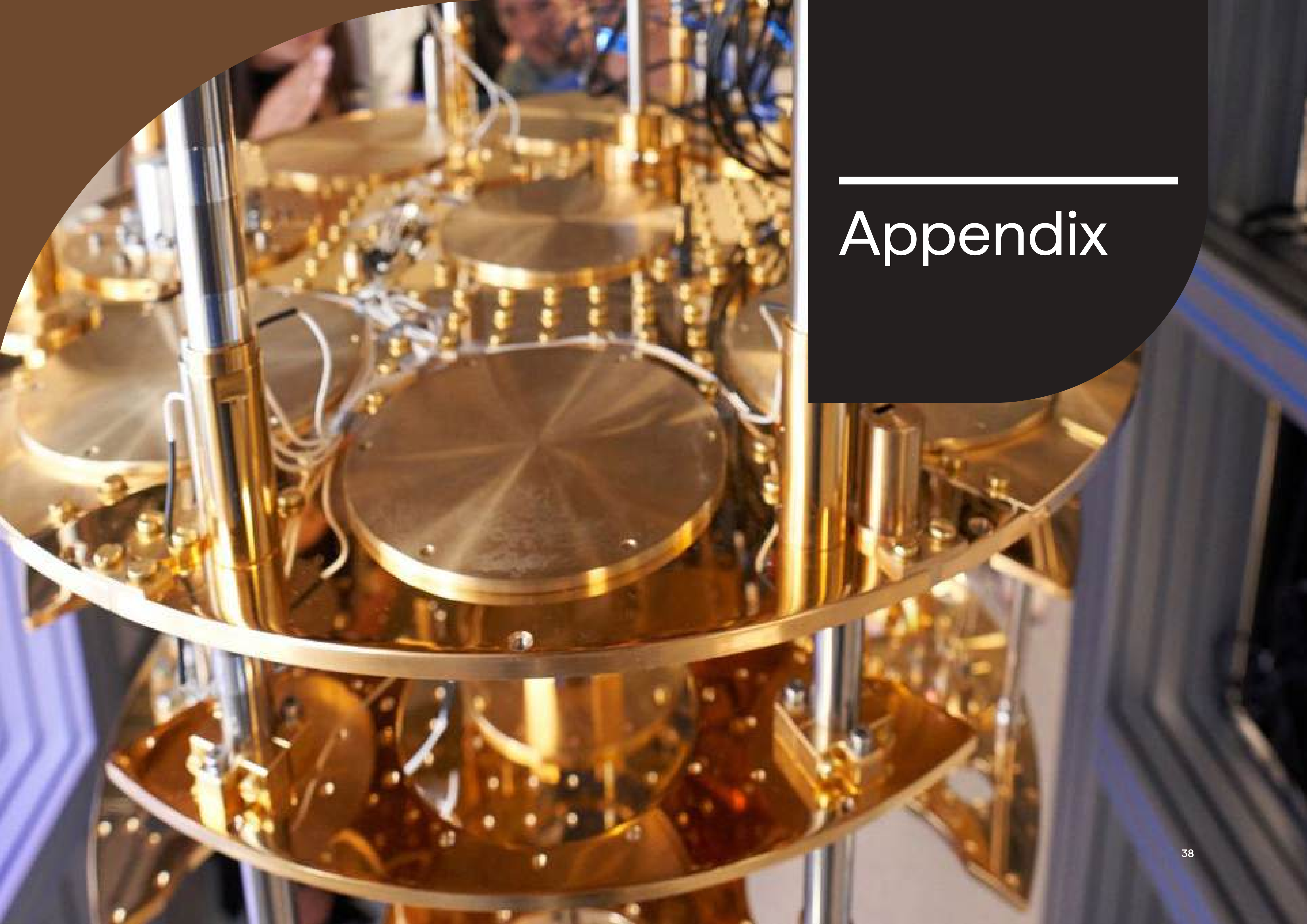
Performance measure	Key performance indicators	Target 26–27	27–28	28–29	29–30
Build and nurture relationships to support facilitation of our mandate. In addition to investment, NRFC recognised as a professional and reliable co-investment partner.	Collaboration within the ecosystem.	Positive Net Promoter Score (NPS) survey results from investees and relevant stakeholders.			

Collection and reporting: Progress for the current year against this indicator is provided to the Audit and Risk Committee each quarter. Results are published in the annual report.

Definitions

Investees	All investees and those seeking NRFC investment.
Net Promoter Score (NPS)	NPS is a metric that gauges how stakeholders engage with the NRFC on parameters such as responsiveness, communication, capability and reporting.
Relevant stakeholders	Other relevant stakeholders may include co-investors, peer specialist investment vehicles (SIV), peak/ industry bodies, and government stakeholders.

Appendix



Appendix 1: List of requirements

PGPA Rule reference	Required element	Legislative requirement	Page number(s)
s16E(2) item 1	Introduction	The following: (a) a statement that the plan is prepared for paragraph 35(1)(b) of the Act; (b) the reporting period for which the plan is prepared; (c) the reporting periods covered by the plan.	5
s16E(2) item 2	Purposes	The purposes of the entity.	10
s16E(2) item 3	Key activities	For the entire period covered by the plan, the key activities that the entity will undertake in order to achieve its purposes.	32
s16E(2) item 4	Operating context	For the entire period covered by the plan, the following:	
s16E(2) item 4(a)	(a) Environment	(a) the environment in which the entity will operate;	21
s16E(2) item 4(b)	(b) Capability	(b) the strategies and plans the entity will implement to have the capability it needs to undertake its key activities and achieve its purposes;	23
s16E(2) item 4(c)	(c) Risk	(c) a summary of the risk oversight and management systems of the entity, and the key risks that the entity will manage and how those risks will be managed;	28–30
s16E(2) item 4(d)	(d) Cooperation	(d) details of any organisation or body that will make a significant contribution towards achieving the entity's purposes through cooperation with the entity, including how that cooperation will help achieve those purposes;	27
s16E(2) item 4(e)	(e) Subsidiaries	(e) how any subsidiary of the entity will contribute to achieving the entity's purposes.	14
s16E(2) item 5	Performance	For each reporting period covered by the plan, details of how the entity's performance in achieving the entity's purposes will be measured and assessed through: (a) specified performance measures for the entity that meet the requirements of section 16EA; and (b) specified targets for each of those performance measures for which it is reasonably practicable to set a target.	32–37

National Reconstruction Fund Corporation