

National Australia Bank GRI Index

This year we have applied Version 3.0 of the GRI's Sustainability Reporting Guidelines (G3) and report at an A+ application level in our 2012 GRI Index.

Where appropriate the index refers the reader to suitable sources of the required information which form our 'Annual Reporting Suite', including our 2012 Annual Review, 2012 Annual Financial Report, Dig Deeper supplements (also referred to as Dig Deeper papers), corporate responsibility supplements and online content (www.nabgroup.com).



2012 National Australia Bank Limited ABN 12 004 044 937 AFSL and Australian Credit Licence 230686 91646A1112





Statement GRI Application Level Check

GRI hereby states that **National Australia Bank** has presented its report “National Australia Bank 2012 Annual Review” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 26 November 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI globe logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The “+” has been added to this Application Level because National Australia Bank has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.
www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 16 November 2012. GRI explicitly excludes the statement being applied to any later changes to such material.

GRI Application Level

The GRI's Sustainability Guidelines specify a classification system for degree of application of the guidelines to reporting. Reports intended to qualify for level C, C+, B, B+, A or A+ must contain each of the criteria that are presented in the column for the relevant level in the diagram illustrated above.

Our 2012 Annual Reporting Suite (including this GRI Index) was prepared to meet the requirements of application level A+. Our 2012 Annual Review has been checked by GRI and has been confirmed as A+.



Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Responsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

*Sector supplement in final version

Document Key

AFR	2012 Annual Financial Report
AR	2012 Annual Review
DDC	2012 Dig Deeper Customer Supplement
DDCM	2012 Dig Deeper Community Supplement
DDE	2012 Dig Deeper Environment Supplement
DDP	2012 Dig Deeper People Supplement
DDSC	2012 Dig Deeper Supply Chain Supplement
WEB	http://www.nabgroup.com/

Profile Disclosures

Strategy & Analysis

Profile Disclosure	Description	Reported	Commentary or Reference
1.1	Statement from the most senior decision-maker of the organisation.	Fully	AR : Chairman's Message (4-5), Group CEO (6-9)
1.2	Description of key impacts, risks, and opportunities.	Fully	<p>AR: Chairman's Message (4-5), Group CEO (6-9), Our Business (2-3), Our Strategy (12-19), Our Performance (20-25), Risk management (10-11)</p> <p>Each year we conduct a materiality assessment to identify the corporate responsibility (CR) issues which are most important to our stakeholders and our business. Our materiality process is detailed in our online supplement ‘Our approach to CR’</p> <p>This year, the material issues identified through this process included:</p> <ul style="list-style-type: none"> • Values-aligned culture • Customer service • Responsible finance • Access to fair and affordable banking • Customer hardship • Responsible credit procedures • Community investment <p>Where possible, we have included key metrics on these matters, and a full list of these material issues are identified in our annual <i>Dig Deeper</i> papers. 2012 <i>Dig Deeper</i> papers are available here.</p>

Organisational Profile

Profile Disclosure	Description	Reported	Commentary or Reference
2.1	Name of the organisation.	Fully	National Australia Bank Limited (NAB)
2.2	Primary brands, products, and/or services.	Fully	AR : Our Business (2-3)
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	As above
2.4	Location of organisation's headquarters.	Fully	800 Bourke Street, Docklands, Victoria, Australia 3008
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Fully	AR : Our Business (2-3)
2.6	Nature of ownership and legal form.	Fully	NAB has securities listed in Australia and overseas. AFR : Inside Cover/Shareholder Information (168)
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	AR : Our Business (2-3)
2.8	Scale of the reporting organisation.	Fully	AR : 2012 Results (1), Our Business (2-3), Group Performance (20-21)
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	AFR : Report of the Directors (7)
2.10	Awards received in the reporting period.	Fully	AR : Snapshot/Inside cover, 2012 Results (1), Enhancing our reputation (18-19). Our awards are also detailed throughout our Dig Deeper papers . See the 'Other Matters' section (page 33) within our 2012 Full Year Results .

Report Parameters

Profile Disclosure	Description	Reported	Commentary or Reference
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	1 October 2011 – 30 September 2012
3.2	Date of most recent previous report (if any).	Fully	Our 2012 Annual Review is published in November 2012. Available online.
3.3	Reporting cycle (annual, biennial, etc.)	Fully	We produce an integrated report (incorporating CR performance) on an annual basis.
3.4	Contact point for questions regarding the report or its contents.	Fully	AR: Contact Details (32)
3.5	Process for defining report content.	Fully	<p>Each year we conduct extensive engagement both formally and informally with our investors, analysts, employees, consumer advocate groups and community groups ('materiality process') to understand the material issues that are most important to our business and ensure that our Annual Review is focused on the issues that matter most to our stakeholders and our business. Our approach has also been informed by the International Integrated Reporting Council's (IIRC) guidance on integrated reporting. As one of only 80 members of the IIRC Pilot Program, we are actively participating in the development of this reporting framework.</p> <p>We are constantly benchmarking our performance against our peers. We use internationally recognised indices such as the Dow Jones Sustainability Index and the FTSE4Good Index to help us understand where we focus our efforts.</p> <p>Our annual peer and media review also helps us ensure that our CR agenda is in line with best practice.</p> <p>Our approach is informed by taking all of the information above into account, including the GRIG3 framework, when we communicate with our stakeholders, in particular through our Annual Review.</p> <p>Our materiality process is detailed in our online supplement 'Our approach to CR'</p>

Report Parameters - continued

Profile Disclosure	Description	Reported	Commentary or Reference
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	AR : About this Annual Review / Contents page, Our Business (2-3)
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Fully	AR : About this Annual Review / Contents page
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Fully	As above
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	Data measurement techniques are based on the indicator protocols unless methodologies are otherwise stated. Methodologies and assumptions are identified where appropriate in footnotes or the body of the text where the data resides.
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	Re-statements are footnoted in the Annual Review and our Dig Deeper papers , none of which were material.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	AFR : Report of the Directors (7-8)
3.12	Table identifying the location of the Standard Disclosures in the report.	Fully	This table - available online .
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	AR : Ernst & Young Assurance Report (36) DDE : KPMG Assurance Statement over environmental reporting (28-29)

Governance, Commitments, and Engagement

Profile Disclosure	Description	Reported	Commentary or Reference
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	AR: Governance (28-29)
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	Mr Michael Chaney AO is Chairman and non-executive director of NAB's Board of Directors. Mr Cameron Clyne is Managing Director and NAB Group CEO.
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	AR: Board of Directors (31)
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	AFR: Corporate Governance (47) AR: Governance (28-29)
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Fully	AFR: Corporate Governance (43), Report of the Directors (19-33) AR: Our remuneration framework (29) WEB: Remuneration management
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	AFR: Corporate Governance (42) AR: Governance (28-29)
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.	Fully	AFR: Corporate Governance (41-42), Report of the Directors (4-7) AR: Board of Directors (30) and Executive Team (31)

Governance, Commitments, and Engagement - continued

Profile Disclosure	Description	Reported	Commentary or Reference
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	<p>Our purpose is to do the right thing and help our people and customers realise their potential. This is part of who we are and guides how we do business. Our CR approach is founded on this purpose. It's focused on getting the fundamentals right for our customers, being a good employer and addressing our broader responsibility to society. We know that when we get it right for our shareholders and our customers, we also make NAB a great place to work and ensure the future prosperity of individuals and their communities.</p> <p>WEB: NAB Code of Conduct</p> <p>WEB: NAB Beliefs and Behaviours</p>
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	AR: Governance (28-29)
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	AFR: Corporate Governance (43), Report of the Directors (19-33)

Governance, Commitments, and Engagement - continued

Profile Disclosure	Description	Reported	Commentary or Reference
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Fully	<p>NAB does not explicitly reference the precautionary approach in its risk management framework. However, in day-to-day operations we employ sound risk management practices which are described on our NAB Group website at www.nabgroup.com</p> <p>This year we continued to strengthen our risk management framework. Additionally, we have completed development of environmental, social and governance (ESG) risk principles that help us consider a broader set of risks in our day-to-day business decisions. We believe that by being aware of ESG risk, and having policies and tools to manage those risks, we are better able to deliver sustainable returns over the long-term. We have also delivered ESG risk training to more than 28,000 employees in Asia and Australia over the past 12 months.</p> <p>AR: Risk management (10-11)</p> <p>Every year, we also carry out a formal materiality review to identify the CR issues which are most important to our stakeholders and our business. The outcomes of this process guide the content of our Annual Review, our commitments for the coming year and link to the metrics in our CR Scorecard (which is used as an internal performance tool). This year we sought feedback from investors, analysts, employees, government, community partners, consumer advocacy groups, non-government organisations and business leaders on issues they felt were relevant to NAB. Key issues that were rated as material to our stakeholders and our business leaders included: values aligned culture, customer service, responsible finance, access to fair and affordable banking, customer hardship, responsible credit procedures and community investment.</p> <p>Our materiality process is detailed in our online supplement 'Our approach to CR'</p>

Governance, Commitments, and Engagement - continued

Profile Disclosure	Description	Reported	Commentary or Reference
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Fully	<p>Our corporate governance approach is informed by internationally recognised best practice principles, framework and tools, including:</p> <ul style="list-style-type: none"> • UN Global Compact • Equator Principles • UNEP FI • Carbon Disclosure Project • Natural Capital Declaration • London Benchmarking Group • Universal Declaration of Human Rights • OECD Guidelines for Multinational Enterprises • UN Principles for the Empowerment of Women (New Zealand) <p>Also see page 31 of our <i>Environment Dig Deeper</i> paper.</p>
4.13	Memberships in associations.	Fully	As above
4.14	List of stakeholder groups engaged by the organisation.	Fully	Our stakeholder engagement process, including a list of stakeholders and the issues of importance to these stakeholders is detailed in our online supplement ' Our approach to CR '.
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	<p>We are guided in our stakeholder engagement by the AA1000 Stakeholder Engagement Standard. This process included stakeholder mapping of key stakeholder groups based on an assessment of their level of interest and influence. Outcomes of this assessment fed directly into our materiality assessment (issues identified by stakeholder groups which were assessed high priority on stakeholder maps were given higher scores in our assessment of material issues).</p> <p>Our stakeholder engagement process, including a list of stakeholders and the issues of importance to these stakeholders is detailed in our online supplement 'Our approach to CR'.</p>

Governance, Commitments, and Engagement - continued

Profile Disclosure	Description	Reported	Commentary or Reference
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	Our stakeholder engagement process, including a list of stakeholders and the issues of importance to these stakeholders is detailed in our online supplement ‘Our approach to CR’ .
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Fully	<p>Every year, we also carry out a formal materiality review to identify the CR issues of most importance to our stakeholders and our business. The outcomes of this process guide the content of our Annual Review, our commitments for the coming year and link to the metrics in our CR Scorecard. This year we sought feedback from investors, analysts, employees, government, community partners, consumer advocacy groups, non-government organisations and business leaders on issues they felt were relevant to NAB. Key issues that were rated as material to our stakeholders and our business leaders included: values aligned culture, customer service, responsible finance, access to fair and affordable banking, customer hardship, responsible credit procedures and community investment.</p> <p>A full list of material issues, and detail on our stakeholder engagement process is available in our online supplement ‘Our approach to CR’.</p>

Management Approach and Performance Indicators

Product & Services Impact

Product Portfolio			
Performance Indicator	Description	Reported	Commentary or Reference
FS1	Policies with specific environmental and social components applied to business lines.	Fully	AR : Corporate Responsibility (26)
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Fully	AR : Corporate Governance (28-29), Corporate Responsibility (26)
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Fully	DDC : Project financing (12), Socially Responsible Investment (13)
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Fully	This year we completed development of risk principles to further embed ESG risk considerations into our day-to-day business decisions. We believe that by being aware of ESG risk, and having policies and tools to manage those risks, we are better able to deliver sustainable returns over the long-term. We have also delivered ESG risk training to more than 28,000 employees in Asia and Australia over the past 12 months.
FS5	Interactions with clients/investors/business partners regarding environmental and social risks and opportunities.	Fully	<p>Every year, we also carry out a formal materiality review to identify the CR issues of most importance to our stakeholders and our business. The outcomes of this process guide the content of our Annual Review, our commitments for the coming year and link to the metrics in our CR Scorecard. This year we sought feedback from investors, analysts, employees, government, community partners, consumer advocacy groups, non-government organisations and business leaders on issues they felt were relevant to NAB. Key issues that were rated as material to our stakeholders and our business leaders included: values aligned culture, customer service, responsible finance, access to fair and affordable banking, customer hardship, responsible credit procedures and community investment.</p> <p>Detail on our performance this year can be found in our Dig Deeper papers.</p>
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Fully	DDC : Business Footings (3)

Product & Services Impact – continued

Product Portfolio			
Performance Indicator	Description	Reported	Commentary or Reference
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Fully	DDC : Detailed throughout our 2012 <i>Customer Dig Deeper</i> paper, including our microfinance loans program, and other work that we undertake to improve financial inclusion and capability.
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Fully	DDE : Detailed throughout our 2012 <i>Environmental Dig Deeper</i> paper. DDC : See the 'Responsible Lending' section of our 2012 <i>Customer Dig Deeper</i> paper which describes our investment in renewable energy. We have reported the sector breakdown for our project finance portfolio, along with the percentage of the NAB Group's total loans and advances, including loans at fair value represented by our project finance.
Audit			
Performance Indicator	Description	Reported	Commentary or Reference
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Fully	AR : Corporate Responsibility (26)
Active Ownership			
Performance Indicator	Description	Reported	Commentary or Reference
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues.	Not	We mostly take a 'Manager of Managers' approach to the provision of investment products; therefore we do not have direct access to the companies in which we invest. Our Environmental Finance, Project Finance and Agri-business Banking teams have regular conversations with clients on sustainability risks and opportunities. However, we do not have systems to collect quantitative data to allow us to fully report on this indicator.

Product and Services Impact – continued

Active Ownership			
Performance Indicator	Description	Reported	Commentary or Reference
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Fully	<p>DDC: Responsible Investment (13)</p> <p>We offer a range of socially responsible investment (SRI) options. These investments are screened by the fund managers on social and environmental criteria. We make these investment options available through MLC's various investment platforms. Our SRI fund portfolio is shown online and it represents 0.26% of our total funds under management and administration.</p>
FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting.	Fully	<p>Through MLC, our Australian wealth management business, we mostly take a "Manager of Managers" approach to the provision of investment products. The outcome of this approach is an efficiently implemented portfolio, which is diversified across asset classes, within asset classes and across investment managers. This approach is based on a number of fundamental investment beliefs, one of which is that diversification leads to more consistent outcomes. For International holdings through "Manager of Managers" investments, responsibility for proxy voting is delegated to the underlying fund managers.</p> <p>MLC's proxy voting policy for other Funds Under Management (FUM) is to access and vote all proxies for every resolution in respect of holdings beneficially owned by MLC entities in companies publicly listed in Australia (unless MLC has no discretion to vote). Where practicable, MLC votes on all proxies for every resolution in respect to Superannuation holdings beneficially owned by members of the products. MLC exercises proxy voting rights for domestic FUM and votes on resolutions as declared on the MLC website</p>

Economic

Management Approach

Our goal

Our goal is to deliver sustainable and satisfactory returns to our investors. We believe that what is good for our customers is also good for business. So by focusing on the customer, offering fair products and services – and by simply being a better bank for our people and the community – we can achieve great results for all our stakeholders. We are not just looking at the short term – our strategy is about planning for the future.

Our responsibility

Our purpose is to do the right thing and help our people and customers realise their potential. This is part of who we are and guides how we do business. Our corporate responsibility (CR) approach is founded on this purpose. It is focused on getting the fundamentals right for our customers, being a good employer and addressing our broader responsibility to society. We believe that when we get it right for our customers and make NAB a great place to work, our investors stand to benefit. Put simply, our purpose and commitment to CR is good for our business.

Further information on the management of our Economic Performance, Market Presence and Indirect Economic Impacts are available within our [Annual Review](#), [Annual Financial Report](#) and our series of [Dig Deeper papers](#).

Economic Performance			
Performance Indicator	Description	Reported	Commentary or Reference
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	DDCM : Economic Contribution (6-7)
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Fully	Refer to our 2012 Carbon Disclosure Project (CDP) submission
EC3	Coverage of the organisation's defined benefit plan obligations.	Fully	AFR : Note 32 (103)
EC4	Significant financial assistance received from government.	Not	This is described in the GRI G3 Sustainability Reporting Guidelines as significant financial assistance received from a government in comparison with taxes paid as a measure of the host governments contributions' to the reporting organisation. Having regard to the nature of the NAB Group's businesses and having made limited internal inquiries, to the best of our knowledge, we do not believe that the NAB Group is a significant or material recipient of subsidies other than deductions allowed by tax legislation for all relevant or qualifying tax payers. Therefore, on the basis of materiality we have not reported this information.

Economic - continued

Market Presence			
Performance Indicator	Description	Reported	Commentary or Reference
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Fully	DDSC : Detailed throughout our <i>Supply Chain Dig Deeper</i> paper. We do not have a specific policy; we state that we generally use local suppliers unless the relevant goods or service provision is negotiated as part of a master contract negotiated for the NAB Group. Suppliers are selected on the basis of a range of commercial requirements including CR criteria. Find out more about our supplier selection process on page 4 of our <i>Supply Chain Dig Deeper</i> paper.
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	NAB does not have a specific policy regarding local hiring, as our significant operations are based in major capital cities of OECD countries. However, we hire employees based on merit and appropriateness of their skill set for any advertised position. The majority of our employees are hired from within the region that each of our businesses operate. DDP : Providing pathways to employment (7)
Indirect Economic Impacts			
Performance Indicator	Description	Reported	Commentary or Reference
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Partially	Our business mainly operates in built up areas in cities and towns, therefore this indicator is not of direct relevance to our operations. We do not directly undertake infrastructure developments of the nature described by this indicator. We do provide in-kind support to not-for-profit organisations and non-government organisations from time to time in the form of access to our buildings and pro bono skilled volunteering. See our Community Dig Deeper paper for further information.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	We are a global organisation with over 43,300 employees; we pay salaries and invest in the development of our people. We are the leading provider of project finance to renewable energy projects in Australia – a position we've held for seven years. We have a focus on supporting sustainable business through our supply chain and work to ensure our customers have access to fair and affordable banking. In addition to the above, we make significant tax contributions in the areas in which we operate. See the Economic Contribution section of Community Dig Deeper paper for further information (page 6-7).

Environment

Management Approach

We are committed to managing the impact of our business on the environment. Taking a sustainable approach to managing our business is not only important for the environment, but the long-term growth and resilience of our business.

Our environmental agenda incorporates strategies covering:

- Climate Change
- Resource Efficiency: Beyond Carbon Neutral
- Natural Value

You can read more about:

- [Our Approach to the Environment](#)
- [Our Carbon Neutral Commitment](#)
- [Resource Efficiency: Beyond Carbon Neutral](#)
- [Natural Value](#)
- [Environmental Performance and Reporting](#)

Materials			
Performance Indicator	Description	Reported	Commentary or Reference
EN1	Materials used by weight or volume.	Fully	DDE : Note 3: GHG Emissions (18) As a service based organisation, paper is the only material identified as material for reporting purposes.
EN2	Percentage of materials used that are recycled input materials.	Fully	DDE : Note 5: Waste to landfill and recycle (21)
Energy			
Performance Indicator	Description	Reported	Commentary or Reference
EN3	Direct energy consumption by primary energy source.	Fully	DDE : Note 2: Energy consumption and production (16-17) provides total direct energy consumption.
EN4	Indirect energy consumption by primary source.	Fully	DDE : Note 2: Energy consumption and production (16-17) provides indirect energy consumption.

Environment - Continued

Energy - continued			
Performance Indicator	Description	Reported	Commentary or Reference
EN5	Energy saved due to conservation and efficiency improvements.	Fully	DDE : Note 2: Energy consumption and production (16-17)
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Fully	DDE : Products and services (10)
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Fully	DDE : Note 2: Energy consumption and production (16-17)
Water			
Performance Indicator	Description	Reported	Commentary or Reference
EN8	Total water withdrawal by source.	Fully	DDE : Note 7: Water Consumption and Trade Effluent Discharge (24)
EN10	Percentage and total volume of water recycled and reused.	Fully	As above
Biodiversity			
Performance Indicator	Description	Reported	Commentary or Reference
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not	None. We do not report on this issue as the disclosure is not material to our business because NAB's operations are all located in urban built environments and therefore have no direct impact on biodiversity rich habitats.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Not	None. We do not report on this issue as the disclosure is not material to our business because NAB's operations are all located in urban built environments and therefore have no direct impacts on biodiversity rich habitats.
EN13	Habitats protected or restored.	Fully	DDE : Considering natural value (8-9)
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	As above

Environment - continued

Emissions, Effluents and Waste			
Performance Indicator	Description	Reported	Commentary or Reference
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	DDE : Note 3: GHG Emissions (18-19)
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	As above
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	As above
EN19	Emissions of ozone-depleting substances by weight.	Fully	As above
EN20	NOx, Sox, and other significant air emissions by type and weight.	Fully	As above
EN21	Total water discharge by quality and destination.	Fully	DDE : Note 7: Water Consumption and Trade Effluent Discharge (24)
EN22	Total weight of waste by type and disposal method.	Fully	DDE : Note 5: Waste to landfill and recycle (21) We have responded to this indicator and have reported on all relevant and material sources of waste in our 2012 Environmental Dig Deeper paper. As we are a service-based company, the waste we generate is office-based waste that is non-hazardous in nature and normally described as commercial rather than industrial waste.
EN23	Total number and volume of significant spills.	Fully	DDE : Environment Compliance (12) There have been no significant spills from any NAB storage facility in the reporting year.
Products and Services			
Performance Indicator	Description	Reported	Commentary or Reference
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Fully	DDE : NAB's Environmental Agenda (3) Information on our approach to the environment is also available online . Financial products and services do not typically have direct environmental impacts. There is however an indirect impact through the activities of customers to whom we lend. Our stakeholders have told us that this indirect impact is of concern to them. NAB Group's adoption of the Equator Principles is one way we are reducing the potential environmental and social impact of our lending. Our environmental credit risk policies also help address the potential indirect environmental impacts of our lending. See page 12 of our Customer Dig Deeper paper for information on our approach to project financing.

Environment – continued
Products and Services - continued

Performance Indicator	Description	Reported	Commentary or Reference
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not	None. We do not report on this indicator as the disclosure is not relevant to the types of products and services provided by our business. However during 2012, we undertook a paper reduction initiative in Australia to encourage customers to suppress their paper statements. This resulted in a 154% increase in customers opting in to online statements from the month prior to the message campaign. DDE : Note 4. Office paper purchased (20)

Compliance

Performance Indicator	Description	Reported	Commentary or Reference
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Fully	DDE : Environmental compliance (12) During 2012, NAB Group, so far as we are aware, did not incur any significant fines, penalties, or non-monetary sanctions for non-compliance with any environmental laws and regulations.

Transport

Performance Indicator	Description	Reported	Commentary or Reference
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce.	Fully	DDE : Note 6: Transport and Travel (23)

Labour Practices and Decent Work

Management Approach

We're committed to being the best employer and we recognise that with over 43,000 employees, we play a significant role in the lives of a diverse range of people. Our focus on leadership, culture and capability helps us to build a better workplace and an organisation with which our customers want to do business and where people really want to work.

Employment			
Performance Indicator	Description	Reported	Commentary or Reference
LA1	Total workforce by employment type, employment contract, and region.	Partially	AR : Group Performance Table (20) DDP : About our People (2)
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	AR : Group Performance Table (20) DDP : Turnover (4)
Labour/Management Relations			
Performance Indicator	Description	Reported	Commentary or Reference
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	DDP : Workplace Relations (11)
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Fully	DDP : Workplace Relations (11) NAB has a policy in place with respect to significant organisational change. In each business as part of our collective agreements, there are commitments to consult employees regarding significant organisational change prior to the implementation of that change.
Occupational Health and Safety			
Performance Indicator	Description	Reported	Commentary or Reference
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Fully	AR : Group Performance Table (20) DDP : Health & Wellbeing (9-11)
LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	DDP : Health & Wellbeing (9-11) NAB is an active member of the Australian Bankers Association Pandemic Preparedness Working Group and has developed extensive policies and procedures consistent with the Working Group's guidelines to manage risks such as Pandemic disease outbreaks.

Labour Practices and Decent Work - Continued

Training and Education			
Performance Indicator	Description	Reported	Commentary or Reference
LA10	Average hours of training per year per employee by employee category.	Fully	DDP : Building Capability (8)
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Fully	DDP : Supporting an ageing workforce (6)
Diversity and Equal Opportunity			
Performance Indicator	Description	Reported	Commentary or Reference
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Fully	AFR : Diversity (50-51) DDP : Diversity (5-7)
LA14	Ratio of basic salary of men to women by employee category.	Fully	DDP : Diversity (5)

Human Rights

Management Approach

We have established a series of global policies and initiatives which support and uphold our commitment to the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the Universal Declaration of Human Rights. Importantly, human rights is a key consideration in the development of policies impacting our people, such as in the areas of diversity, health and safety and equal opportunity. Additionally we consider human rights in our lending and sourcing activity through our ESG Risk Principles and through application of Equator Principles to all project financing.

Further information on our approach to human rights can be found in our most recent [UN Global Compact \(UNGC\) Communication on Progress](#).

Investment and Procurement Practices

Performance Indicator	Description	Reported	Commentary or Reference
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Fully	Our operations are mainly in OECD countries which have legislation covering human rights issues. Therefore, this is not a material issue for the NAB Group. Where we invest in non-OECD countries, 100% of project finance deals are assessed against the Equator Principles. Our approach to human rights is described in our 2012 UN Global Compact Communication on Progress .
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Fully	Based on our screening, no suppliers were declined and no conditions imposed, on the basis of not meeting Human Rights screening and criteria. For more information see our Supply Chain Dig Deeper paper .

Non-Discrimination

Performance Indicator	Description	Reported	Commentary or Reference
HR4	Total number of incidents of discrimination and actions taken.	Fully	DDP : Discrimination Incidents (11)

Human Rights - continued

Freedom of Association and Collective Bargaining

Performance Indicator	Description	Reported	Commentary or Reference
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Fully	As above

Child Labour

Performance Indicator	Description	Reported	Commentary or Reference
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Fully	NAB employs an adult professional workforce in all countries in which it operates.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	Fully	NAB does not have operations at risk of forced or compulsory labour. DDP : Workplace relations (11)

Society

Management Approach

We appreciate the special role a bank has in the community and broader economy. That's why we're always looking to develop deeper relationships with our communities – through partnerships and initiatives that focus on supporting education, financial and social inclusion and mental health. Our contribution to the economy goes beyond our community investment. We are a global organisation with over 43,000 employees; we pay salaries and invest in the development of our people. We are the leading provider of project finance to renewable energy projects in Australia. We have a focus on supporting sustainable business through our supply chain and work to ensure our customers have access to fair and affordable banking. In addition to the above, we make significant tax contributions in the areas in which we operate.

See our [Dig Deeper papers](#) for more information on these areas.

Community

Performance Indicator	Description	Reported	Commentary or Reference
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Fully	DDCM : Dig Deeper Community (2)
FS13	Access points in low-populated or economically disadvantaged areas by type.	Fully	DDC : Rural Coverage in Australia (14)
FS14	Initiatives to improve access to financial services for disadvantaged people.	Fully	DDC : Financial Inclusion (9-11) DDCM : Inclusion (4)

Corruption

Performance Indicator	Description	Reported	Commentary or Reference
SO2	Percentage and total number of business units analysed for risks related to corruption.	Fully	NAB has extensive risk management policies and processes in place to reduce the risk related to corruption. We have in place a Code of Conduct, which all employees are made aware of, and must complete training on. We also have operational procedures in place, for relevant areas, which include delegations of authority and role separation so we can reduce the risk of corruption. All business units are required to regularly go through operational risk assessment, therefore reporting on the percentage of business units analysed is not seen as material. WEB: NAB Code of Conduct

Society - continued
Corruption – continued

Performance Indicator	Description	Reported	Commentary or Reference
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	Fully	Anti-corruption training forms part of our compliance training related to our Code of Conduct. All employees must complete this training. WEB: NAB Code of Conduct
SO4	Actions taken in response to incidents of corruption.	Fully	NAB has in place a compliance training program associated with our Code of Conduct to ensure all employees understand that corrupt behaviour is not acceptable. We also have in place a Whistleblower Protection Program to provide an avenue for employees to raise issues of concern. Each business unit considers risk of corruption as part of overall operational assessment. Some specialised businesses have additional Codes of Conduct, in addition to the NAB Group Code of Conduct, where additional risk has been identified. The NAB Group also has an Anti-Fraud policy, which includes consideration on corruption. WEB: NAB Code of Conduct

Public Policy

Performance Indicator	Description	Reported	Commentary or Reference
SO5	Public policy positions and participation in public policy development and lobbying.	Fully	The Australian Government introduced a Lobbying Code of Conduct and a Register of Lobbyists in 2008 which apply to lobbyists who act on behalf of third party clients. Although NAB is not captured under these processes, we are supportive of them. NAB makes submissions to Parliamentary and Government inquiries and these submissions are publicly available on the inquiry websites.

Compliance

Performance Indicator	Description	Reported	Commentary or Reference
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	AFR: Report of the Directors (8-9)

Product Responsibility

We are committed to getting the fundamentals right for our customers. Key to our ongoing success is the deep relationships we build with our customers and developing products and services that embed our fair value philosophy. We believe that it differentiates us from our competitors, and allows us to add real value – by providing better, fairer products and specialised help, guidance and advice.

Customer Health and Safety

Performance Indicator	Description	Reported	Commentary or Reference
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not	We do not report on this indicator as the disclosure is not relevant to the types of products and services provided by our business. However, we do provide 'health warnings' on our credit card-related direct mail and in branch brochures to help customers to manage their levels of debt.

Product and Services Labeling

Performance Indicator	Description	Reported	Commentary or Reference
PR3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Fully	Each of our key businesses meet product and service information and disclosure requirements relevant to the countries in which our products and services are sold (100%). In Australia, this includes the Code of Banking Practice, the Corporations Act, Competition and Consumer Act and Privacy Act. Our website includes information on fees, rates, taxes and terms, as well as calculators and tools to help our customers choose the products that are right for them. WEB: Interest Rates, Fees and Charges WEB: Calculators and Financial tools
FS16	Initiatives to enhance financial literacy by type of beneficiary.	Fully	DDC: Financial Inclusion (9-11) DDCM: Inclusion (4)

Product Responsibility - continued

Marketing and Communications			
Performance Indicator	Description	Reported	Commentary or Reference
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Fully	<p>Compliance training includes a module on trade practices compliance to ensure employees, particularly those in marketing and communications, understand their obligations to provide appropriate information for customers. We also have engaged in a program to simplify our customer communication. We include the appropriate and required product disclosure statements and general advice warnings on our products and services.</p> <p>The Australian Code of Banking Practice sets standards of good banking practice when dealing with individual or small business customers, prospective customers and their guarantors.</p> <p>All banks that adopt the Code are contractually bound by their obligations under the Code. NAB adopted the revised Code at the end of August 2003.</p> <p>WEB: Code of Banking Practice WEB: Australian Bankers Association WEB: Corporate Governance (Continuous Disclosure)</p>
Compliance			
Performance Indicator	Description	Reported	Commentary or Reference
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	AFR: Report of the Directors (8-9)