

Company:	National Australia Bank (NAB)
Sector:	Financial Services
Report Year:	2013
Headquarters:	Melbourne
Standard Application:	IIRC (AR / IR), ISAE3000 and GRI G3 (“Dig Deeper” supplement)
Format:	Map & Listing (in “Our Approach” supplement)

CR issues map

Through our materiality process and ongoing engagement with internal and external stakeholders, each year we review and refresh our CR issues map. This helps us to remain focused on managing our CR performance in relation to those issues that are relevant to our business. The map also assists stakeholders to understand the breadth of our CR coverage and approach.



Material findings

This year, key issues that were rated as the most material in respect of both importance to stakeholders and potential impact to our business were:

- responsible finance
- diversity
- transparency and disclosure
- customer service and satisfaction
- values aligned culture
- responsible credit practices
- customer security and safety
- ethics and business conduct
- financial crime
- transparency of products and services.

Other guidance mechanisms

In addition to the materiality process we obtain regular feedback throughout the year via a series of governance and stakeholder mechanisms. These include our internal CR Council and Group Environment Committee, which are comprised of the Australian members of our Group Executive Committee.

We also have an external Indigenous Advisory Group and an Advisory Council on Corporate Responsibility (co chaired by Dr Chris Sarra Executive Chair of Stronger, Smarter Institute and NAB Group CEO Cameron Clyne). Through our annual CEO Consumer Briefings with community leaders we talk to diverse segments of the community about the issues they would like us to improve on. These groups also provide an independent view and governance over our CR framework.

In addition, we use the Global Reporting Initiative Sustainability Reporting Guidelines (G3) and Financial Services

Sector Supplement to guide the reporting of our suite of CR reporting.

Assurance and metric selection

To provide a greater level of confidence to stakeholders in our reporting, we engaged EY to provide limited assurance over elements of our 2013 Annual Review. This included our reporting on material corporate responsibility issues in the 2013 Annual Review and Dig Deeper papers, 26 non-financial metrics and associated disclosures, and the Group Financial Performance Data table in the 2013 Annual Review at www.nabgroup.com/annualreport.

A full copy of EY’s Independent Review is available at www.nabgroup.com/annualreport.

Our approach to Corporate Responsibility

Stakeholder group	Types of engagement activities	Corporate responsibility issues of interest
Customers	<ul style="list-style-type: none"> Regular qualitative and quantitative research Customer Council Consumer advocate meetings with senior leadership Customer feedback channels Focus groups on specific issues or for product development Surveys 	<ul style="list-style-type: none"> Fees and charges Customer service Customer security Complaints resolution Access to financial services Responsible investment Financial crime Financial education and literacy
Shareholders and the Investment Community	<ul style="list-style-type: none"> Annual General Meeting Investor presentations Analyst briefings Participation in surveys Meetings Roundtables 	<ul style="list-style-type: none"> Board governance Employee engagement Customer satisfaction Relationship management Diversity and other human capital management issues OH&S and wellbeing Managing our exposure to environmental risks
Employees and Contractors	<ul style="list-style-type: none"> Regular surveys Group-wide Employee Opinion Survey Intranet Staff TV Employee feedback processes Focus groups Confidential alert lines 	<ul style="list-style-type: none"> Access to fair and affordable banking Customer service Responsible finance Responsible investment Access and retention of skilled staff OH&S and wellbeing Diversity and inclusion Values aligned culture Community investment Disaster relief management Financing environmental innovation and business Managing the environmental impact of our operations Responsible procurement practices Customer security Financial crime Sustainable sourcing
Media	<ul style="list-style-type: none"> Briefings Press releases National Press Club sponsorship 	<ul style="list-style-type: none"> Performance and reward Fees and charges Complaints resolution Industrial relations
Government and Regulators	<ul style="list-style-type: none"> Regular meetings and briefings Focus groups Interviews Participation in consultation processes 	<ul style="list-style-type: none"> Customer hardship Providing access to fair and affordable banking Responsible investment Responsible finance Responsible credit procedures Financial literacy Values aligned culture Diversity and inclusion Community investment Off-shoring and outsourcing Managing our exposure to environmental risks Transparency and disclosure
Communities and NGOs	<ul style="list-style-type: none"> Focus groups Surveys Ongoing relationship management 	
Suppliers	<ul style="list-style-type: none"> Supplier forums Supplier surveys Ongoing relationship management Industry forums 	

Materiality assessment process

Each year we use a formal materiality assessment process to help us prioritise the issues in our CR Issues Map (see page 3) – based on their potential impact on our business and their significance to our stakeholders. This materiality process helps guide the CR content of our Annual Review, and our accompanying Dig Deeper papers. It also guides the selection of key metrics included in our executives' CR scorecard, and informs future strategy development.

This year we engaged KPMG to provide advice over our materiality process and to facilitate our internal review of the material CR issues identified. On top of this, we sought advice from our stakeholders on the way forward for our public reporting, particularly in light of our participation in the IIRC Pilot Programme.

Our materiality process included the following steps:

- Benchmarking the materiality process against international best practice and reviewing our CR Issues Map against emerging challenges identified by international bodies such as the UNEP FI, World Economic Forum and World Business Council for Sustainable Development
- Running employee focus groups in Melbourne and Sydney to enable employee input into the materiality process
- Running stakeholder workshops in Melbourne, Sydney and Canberra attended by representatives from research organisations, analysts, community groups, government, environmental groups and consumer advocate groups

- In collaboration with our Investor Relations team, holding a series of one-on-one meetings with institutional investors, super funds and environmental, social and governance (ESG) research companies
- Undertaking an online survey with senior leaders across the business
- Mapping the results of our research, benchmarking, media reviews and our stakeholder engagement into a draft materiality matrix
- Discussing the results with our external Advisory Council on Corporate Responsibility and then seeking final review and approval by our internal CR Council.