

Thank you for your email about the recent report published by Oxfam on the issue of improper land acquisition. We value our long standing relationship with Oxfam and welcome discussion on these issues which are important to NAB and the broader community.

We are not able to provide specific information about individual clients for legal and confidentiality reasons, so information is best sought from those companies direct. However, we would like to share with you some information about NAB's approach to responsible finance, which we hope will help address the concerns you raised.

NAB has established a set of Environmental, Social and Governance (ESG) Risk Principles which provide an overarching framework for integrating responsible finance considerations into NAB's risk management framework and day-to-day decision-making. We consider exposure to ESG risk at both a lending portfolio and an individual customer level. At the customer level, ESG risk is assessed on a case-by-case basis as part of the lending due diligence process.

When deciding whether to lend to a customer, NAB assesses the risk through a number of lenses including economic, environmental and social considerations. This includes assessing a potential customer's background, character, track record and the countries in which it operates.

NAB's assessment of social risks incorporates consideration of issues related to human rights such as improper land acquisition.

We are signatories to the Equator Principles which require us to consider issues such as land acquisition and involuntary resettlement for project-related lending. We have also committed to uphold a number of global standards and guidelines addressing human rights, including the Universal Declaration of Human Rights and the OECD Guidelines for Multi-national Enterprises.

As a significant bank to the agriculture sector, we understand that investment in agricultural activities is vital to provide food and other soft commodities needed by all communities. We also believe that this should be done in a responsible way, which is why we incorporate ESG risk assessment into our lending due diligence process.

While there are currently no agreed industry standards for the accounting, reporting or disclosure of ESG risks or impacts arising from finance, NAB is involved in a number of international initiatives to help address this gap. More details about our involvement in these initiatives and approach to ESG risk management are available on our website at the links provided below.

We will also be consulting with Oxfam to develop a public statement that will help all of our stakeholders understand NAB's approach to avoiding social risks such as improper land acquisition through our ESG risk process.

Should you have any further questions, please do not hesitate to contact me by email at rosemary_a_bissett@national.com.au.

Rosemary Bissett
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RELATED LINKS

Managing Environmental and Social Risk: <http://cr.nab.com.au/what-we-do/managing-environmental-risk>

Memberships and industry initiatives: <http://cr.nab.com.au/how-we-work/memberships-industry-initiatives>

2013 Environment Dig Deeper: <http://cr.nab.com.au/docs/environment-dig-deeper.pdf>