

NATIONAL AUSTRALIA BANK MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

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This Modern Slavery and Human Trafficking Statement (Statement) is made pursuant to the *Modern Slavery Act 2015* (UK) and the *Modern Slavery Act 2018* (Cth) (the Australian Modern Slavery Act) by National Australia Bank Limited (ABN 12 004 044 937) (NAB) in respect of NAB and its related 'reporting entities' as defined in the Australian Modern Slavery Act ("NAB Group" or "the Group") (**Mandatory criterion 1**).

The NAB Group entities listed below are reporting entities under the Australian Modern Slavery Act in their own right. Each of the listed reporting entities has approved the preparation of a joint statement on their behalf.

NAB Group entities that are reporting entities under the Australian Modern Slavery Act:

- National Australia Bank Limited ("NAB")
- National Equities Ltd ("NEL")¹
- NAB Properties Australia Pty Ltd ("NPA")
- National OBU Pty Ltd ("NOBU")
- NBA Properties Pty Ltd ("NPPL")
- Advantedge Financial Services Pty Ltd ("AFS")
- Advantedge Financial Services Holdings Pty Ltd ("AFSH")
- Finance & Systems Technology Pty Ltd ("FST")
- JBWere Limited ("JBWere")
- MLC Wealth Limited ("MLCW")²
- MLC Investments Limited ("MLCI")
- MLC Asset Management Services Limited ("MSL")
- National Wealth Management Holdings Limited ("NWMH")
- NULIS Nominees (Australia) Limited ("NULIS")
- GWM Adviser Services Limited ("GWMAS")
- National RMBS Trust 2008-2
- National RMBS Trust 2012-1
- National RMBS Trust 2015-2
- nab Covered Bond Trust

This Statement also covers the NAB Group's offshore subsidiaries and activities, including the Bank of New Zealand (BNZ) and its subsidiaries and NAB's offshore branches in Asia,

the UK, and the USA. As announced on 31 August 2020, the NAB Group has agreed to sell its MLC Advice, Platform & Superannuation and Asset Management businesses, including MLC Investments Limited, MLC Asset Management Services Limited, MLC Wealth Limited, National Wealth Management Holdings Limited, NULIS Nominees (Australia) Limited and GWM Adviser Services Limited, to IOOF Holdings Ltd. These companies will remain part of the NAB Group until the sale completes, which is expected in 2021.

This Statement relates to the NAB Group financial year 1 October 2019 to 30 September 2020 (FY2020).

About NAB Group (**Mandatory criterion 2**)

NAB Group is a financial services organisation that provides a range of financial products and services. The majority of the Group's financial services businesses operate in Australia and New Zealand, with branches located in Asia, the UK and the USA. Key businesses include Business and Private Banking, Personal Banking, Wealth, Corporate and Institutional Banking, and New Zealand Banking. Major brands in Australia currently include nab, UBank, JBWere and MLC, and in New Zealand, BNZ and JBWere.

Banking activities include provision of various types of transactional accounts, acceptance of deposits (including current, savings and term deposits), loans and advances (including mortgages, auto loans, business loans, and personal loans), overdrafts, credit cards, custodial services, bank guarantees, collection and transfer of funds, underwriting, capital raising and other forms of finance and related services.

Wealth activities include provision of financial advice, superannuation, asset management and investment platforms, execution only and investor-directed services, managed and discretionary accounts and research.

Other operational activities include direct employment of workers³; provision, production, processing, and delivery of products and services, financial investments, managed/operated joint ventures, leasing of property, charitable activities, product distribution, strategic sourcing, marketing and sales.

1 In FY2020, NEL did not trigger the Australian Modern Slavery Act reporting threshold. However, the Group anticipates it will trigger in FY2021, and so NEL is included here for completeness. In anticipation of NEL being included in the Modern Slavery Act reporting requirement in FY2020, the NEL Board approved the preparation of a joint statement as part of the Group's current year consultation process to meet the requirements of the Modern Slavery Act.

2 MLCW, MLCI, MSL, NWMH, NULIS and GWMAS are part of a business division known as MLC Wealth, which provides asset management, investment platforms, superannuation and financial advice (via employed and self-employed advisers operating under advice licensees) and for the purpose of this statement are referred to as "MLC Wealth entities".

3 In providing financial services, NAB Group employs a professional, largely adult, workforce where the risk of modern slavery is low. All employees are employed in compliance with local labour laws – including meeting any requirements in relation to child labour. Some of the Group's employees are immigrants or skilled workers holding work visas, and similarly are employed in compliance with local labour laws and in accordance with the relevant jurisdiction's immigration criteria. Temporary staffing agencies are used to provide resources to assist with a range of banking and administrative functions. In Australia, these labour suppliers have contracted terms and conditions requiring compliance to local legislation and NAB Group's own Sustainability Principles. Where the Group operates in Australian States which have labour hire licencing laws the Group's only uses licenced labour hire companies. In New Zealand, BNZ also has contractual terms and conditions for its labour suppliers that require compliance to local legislation.

NAB Group employs more than 34,000 people and serves approximately 9 million customers through 859 branches and business banking centres, 1572 ATMs and online banking. In FY2020, the Group provided customers with \$592.6bn (FY2019: \$598.9bn) in loans and advances including acceptances and had \$110,796m (FY2019: \$150,784m) in funds under management as at 30 September 2020.

NAB Group has a global supply chain made up of over 1,500 contracted suppliers and representing a total value of \$5.1bn in purchased goods and services. Supply chain relationships include suppliers from the following key sectors: Information, Communications, and Technology (ICT); Property Services (including Facilities Management, Utilities, Cleaning, Waste Management and Security); Business Process Offshoring; Logistics and Correspondence; Consulting and other Professional Services; Marketing; Print and Promotional Goods and Services; Fleet Management; Office Supplies; Corporate Clothing and Financial Services (including other banks, brokers, contracted portfolio managers, insurers, third-party investment managers, investment advisers, and investment administrators).

The Group seeks to do business with suppliers and other third parties that have similar values, ethics and sustainable business practices, including those related to human rights and modern slavery. The Group recognises that as a large purchaser of goods and services, the business conduct and performance of its suppliers can influence its impact and reputation within the communities in which the Group operates.

NAB Group understands that the environmental, social and governance (ESG) risks relating to both customers and suppliers will vary depending on their industry, geographic location and company size (modern slavery risk is considered as a part of social risk). Therefore, ESG risks are considered in the Group's risk appetite and risk management framework, including the scope of NAB's customer-related policies (including credit policies) and processes and supply chain-related policies. Employees are expected to consider, and where relevant, address these ESG risks in their day-to-day activities.

Risk of exposure to modern slavery (Mandatory criterion 3)

As a financial services organisation with a professional workforce⁴, NAB Group considers the risk of modern slavery within its direct business operations to be low. However, the Group recognises that through its supply chain, other third-party relationships and financing activities (via customers and investments made on its own behalf or by its customers) it can be indirectly exposed to the risk of modern slavery and human trafficking.

The Group has conducted an ESG risk assessment of its supply chain, which considered modern slavery risk, to identify potential areas where the Group could be exposed to modern slavery and human trafficking risks. The key areas identified and focused on to date include: (i) office consumables such as tea, coffee, sugar, cocoa and biscuits for kitchens; (ii) cleaning services employed by building owners or facilities managers for buildings occupied by NAB; (iii) corporate clothing; and (iv) print and promotional goods and services. Ongoing review of the Group's supply chain confirms these sectors continue to have high potential to expose the Group to modern slavery and human trafficking risks and further areas have been identified for focus in FY2021, including construction and ICT.

NAB Group is continuously enhancing risk management processes to identify, assess, mitigate and monitor potential risk areas where the Group could be exposed to human rights concerns, including modern slavery and human trafficking. This includes:

- The use of a 'High Risk ESG sectors and sensitive areas list' which is used to determine customers and suppliers that may have a higher risk of ESG issues and for which additional ESG risk assessment and due diligence may be required. High risk sectors/activities highlighted as having high potential for modern slavery risk include agriculture – particularly when contract labour is used – adult services, cleaning services, personal services, and mining – particularly artisanal mining – to name a few.
- The use of a modern slavery risk matrix developed in FY2020 to help employees in customer facing areas identify and assess potential for modern slavery and human trafficking. The matrix lists countries and sectors/activities that may have a higher risk of modern slavery. Examples of sectors identified with higher potential for modern slavery risk include, but are not limited to, domestic and cleaning services, contract labour, adult services, hospitality, construction, textiles, agriculture, franchising, fishing, mining, printing and sectors and businesses with supply chains extending into high risk countries for modern slavery.

Additionally, during FY2020, NAB developed a *Human Impact Guide* ("Guide") to help the Financial Crime Operations (FCO) team members understand and recognise the range of situations or sectors which are most susceptible to human impact crimes. These human impact crimes include human trafficking and modern slavery practices such as servitude, forced labour, forced or servile marriage, debt bondage and the exploitation of children. From sex trafficking within escort services to labour trafficking of farmworkers, the ways in which humans can be exploited differs greatly. Each crime typology has unique strategies for recruiting and controlling victims and concealing the crime. Similarly, there are a number of ways in which to identify possible victims and offenders involved in human impact crimes, which are outlined in the Guide. The Guide also describes indicators of modern slavery and human trafficking and case studies to help employees identify these crimes through their analysis of customer transactions and KYC⁵ activities. In FY2021, a version of this Guide will be delivered to Personal Banking employees.

Actions taken to assess and address modern slavery risk, including due diligence and remediation processes (Mandatory criterion 4)

NAB Group commenced integrating consideration of modern slavery into its frameworks, policies, systems and processes in 2016, following the introduction of the UK Modern Slavery Act, to enable the Group to assess and address modern slavery and human trafficking related risks.

Each year, further work is undertaken to improve the Group's understanding and management of modern slavery and human trafficking-related risk. In FY2020, a series of internal working groups considered the risk of modern slavery within the Group's business activities, suppliers and customers. This work identified improvements to policies and processes for FY2021.

⁴ Refer to footnote 3.

⁵ Know Your Customer.

The NAB Group has taken, and will continue to take, a number of actions to assess and address modern slavery risk. These actions have been grouped into the following areas:

- Governance and risk management – A description of NAB Group’s governance and risk management approach which includes consideration of modern slavery risk.
- Supply chain management – A summary of the Group’s supply chain management practices and activities to address and assess modern slavery risk.
- Financing/Wealth – A description of the approach to managing modern slavery in the Group’s financing and wealth management activities.
- Transaction monitoring – Information about transaction monitoring activities to detect and help prevent modern slavery associated with use of the Group’s products and services.
- Identification and investigation of modern slavery instances – A description of the actions taken by the Group when potential modern slavery or human trafficking activities are identified.
- Grievances/complaints – An overview of grievance, complaints and feedback processes, which also provide a channel for external stakeholders to raise concerns about suspected instances of modern slavery.
- Modern slavery instances – Information about the detection of modern slavery.
- Training and communication – Actions taken to educate employees on modern slavery risk.

Governance

The NAB Board has ultimate responsibility for governance and oversight of modern slavery risks and approval of this Statement. The Group Human Rights Policy (which addresses modern slavery risks explicitly) is approved by the Board.

The Group Chief Executive Officer and Managing Director oversees enterprise-wide risk management through the Executive Risk Committee and its supporting sub-committees. For human-rights related risks (including modern slavery), key governance sub-committees include the Group Non-Financial Risk Committee (for Operational Risk and Compliance Risk) and the Group Credit & Market Risk Committee (for Credit Risks and Market Risks).

Risk appetite, policies and principles

The FY2020 annual review and refresh of the Group’s Risk Appetite Statement explicitly incorporated consideration of human rights and modern slavery.

Across the Group, we believe we should treat customers, colleagues and members of the community with dignity, fairness and respect in accordance with the Codes of Conduct that apply to employees of the Group and the Group’s Human Rights Policy. The Human Rights Policy states that that the Group does not tolerate slavery, human trafficking, forced or child labour, or child exploitation. In addition to the Human Rights Policy, the Group has various other policies which incorporate requirements to manage human rights risk (including modern slavery risk). These policies include the following:

- National Australia Bank [Code of Conduct](#)
- [ESG Risk Principles](#)
- Group Procurement Policy
- Group Outsourcing Policy
- Group Credit Policy
- [Group Whistleblower Protection Policy \(PDF, 325KB\)](#)

NAB Group’s Human Rights Policy is reviewed annually. The FY2020 review incorporated amended wording to better reflect requirements of the Australian Modern Slavery Act. As part of this annual review the Group consulted with a number of relevant social non-governmental organisations (NGOs).

MLC Wealth entities and BNZ adopt Group policies in line with their own internal processes for adoption following, or in parallel to, approval by NAB Limited. For NAB, and other Group related entities, Group policies automatically apply once approved.

Additionally, a number of Group entities (e.g. [BNZ](#), MSL and NULIS) have Environmental, Social and Governance (ESG) and/or responsible investment policies. These policies focus on management of ESG factors, including human rights and modern slavery, that are applicable to their investments and wealth-related activities.

Supply chain management

NAB Group has embedded management of ESG risks, including modern slavery and human trafficking, into its supply chain processes. The procurement of most goods and services provided to the Group is managed via centralised Strategic Sourcing functions in Australia (for all Group entities in the jurisdiction) and New Zealand (for BNZ). Offshore branches undertake some direct local procurement.

Procurement and supplier management due diligence includes an ESG risk assessment within the selection process. Suppliers are asked to sign-up to the Group’s Supplier Sustainability Principles. These Principles outline the requirements suppliers are expected to meet to do business with the Group, including requirements in relation to labour practices and human rights.

NAB’s standard supply contract templates contain modern slavery clauses which require service providers to commit to not using forced labour, slavery or servitude and to having their own policies and procedures designed to ensure compliance with anti-slavery laws. Clauses also include provisions to allow NAB to request evidence of implementation of suppliers’ modern slavery risk management policies and processes. In FY2020, NAB piloted receiving and reviewing summaries of audit report findings of offshore factories where product purchased by NAB is manufactured from suppliers in a High ESG Risk sensitive sector. This will be expanded to other suppliers in High ESG Risk sectors who use offshore manufacturing to supply NAB with products. Further details about NAB Group’s supply chain management processes (including the Group Supplier Sustainability Principles) are available [here](#).

BNZ has similar supply chain management processes to NAB. BNZ plans to enhance its risk assessment and due diligence processes and controls to help identify, assess and address modern slavery risk. This includes reviewing suppliers (both new and existing) and modern slavery risk management and processes.

The Group's MLC Wealth entities utilise NAB and BNZ procurement processes for general products and services procured for these entities. However, their investment supply chain requires further specific assessment of the underlying institutional investment/fund managers by these entities.

Actions undertaken within FY2020 to minimise the risk of modern slavery within the NAB Group's supply chains included:

- Continuing to purchase Fairtrade certified tea, coffee, sugar and cocoa;
- Undertaking ESG risk assessment on material suppliers and all active suppliers in High ESG Risk sectors of security, clothing and textiles, cleaning and promotional products; and
- Embedding processes for assessing ESG risk (including human rights and modern slavery) into the new source-to-pay system which was implemented in Australia in FY2019.

Financing, wealth management and financial advice-related activities

Existing Group ESG credit risk policy and processes incorporate a risk-based approach to assessing human rights risk (incorporating modern slavery and human trafficking) as part of credit risk assessment and due diligence (which includes use of the Group's 'High Risk ESG sectors and sensitive areas list' to determine customers that may have a higher risk of ESG issues). However, to provide more detailed guidance in identifying and assessing modern slavery risk, a modern slavery risk matrix was recently developed to highlight countries and industries/activities where the likelihood of modern slavery risk is high.

Examples of actions taken to assess and address modern slavery risk include:

- The modern slavery risk matrix was used in conducting a review of investment managers selected by MSL to manage a managed fund called MLC Wholesale Horizon 4 Balanced Portfolio and the MySuper Growth investment option available for investment by members of the MLC Super Fund (together "Portfolios"). The review found that most investment managers selected by MSL invest in countries with a low risk of modern slavery. However, where managers invest globally in line with major global indices, this global list includes investments in a number of countries with potentially higher modern slavery risk, although investments in these countries only represent a small portion of the Portfolios' total investments (i.e. 0.332% and 0.239% respectively, at 31 July 2020).
- BNZ Investment Services Ltd (BISL) is working with its investment consultant to identify risks associated with modern slavery and investment activities questionnaires have been sent out to fund managers used by BISL. Questionnaire responses will help identify types of modern slavery risks as well as improve clarity and transparency across supply chains and identify areas for further due diligence. Responses to these questionnaires are expected by Q4 2020.
- The process employed by MSL to select and conduct ongoing review of investment managers includes consideration of whether the manager demonstrates a commitment to managing ESG factors. ESG factors typically considered by the investment managers include human rights and modern slavery. Managers are required to evidence incorporation of ESG factors into their decision making and proxy voting processes (if applicable) as part of their periodic reporting.

Additionally, operational due diligence on a manager, includes consideration of the manager's ESG policy, information about how the manager incorporates ESG factors into investment and proxy voting decisions, as well as whether the manager is a signatory to the Principles for Responsible Investment.

Transaction monitoring, financial crime management and modern slavery

Customers engaged in modern slavery may pose money laundering risks to the Group. For example, customers may launder the proceeds from slavery and cash activity associated with human trafficking through their bank accounts, or via banking products. The Group undertakes customer due diligence and monitoring activities to identify, manage and mitigate the risk that its products and services might be used to launder money or fund terrorism. These activities may identify modern slavery activity by customers of the Group and require appropriate responses.

The NAB Group's financial crime teams in Australia and New Zealand carry out:

- Enhanced Customer Due Diligence (ECDD) investigations on customers deemed to be high risk of money laundering or terrorism financing; and
- Account monitoring using a range of human impact and money laundering scenarios that may indicate modern slavery.

Financial Crime Analysts are provided with briefings, thematic reviews and typologies material related to human exploitation when new and relevant material is available.

In addition to activities undertaken by financial crime teams, NAB Group has a number of additional processes which help to identify potential instances of modern slavery and/or human trafficking in its operations and value chain:

- KYC and due diligence processes may identify concerns that require follow-up in relation to the Group's value chain (supply chain, third parties and customer relationships);
- Employees are trained to escalate concerns they may have about modern slavery via the submission of an Unusual Activity Report (UAR) which is then reviewed and processed by the financial crime teams; and
- Concerns may also be raised by employees or suppliers via the Group's Whistleblower hotline. In this case, the concern would be reviewed by the Whistleblower team in conjunction with the Group's Risk team to determine the appropriate course of action.

Investigating and managing potential instances of modern slavery and human trafficking (the process)

The Group's financial crime teams in Australia and New Zealand:

- Investigate suspected cases of human exploitation identified through the monitoring they undertake;
- Investigate unusual activity associated with products and services identified by NAB Group employees (via UARs); and
- Report to regulators and law enforcement as required on possible crime-related activity. In Australia Suspicious Matter Reports (SMR) are submitted to AUSTRAC, should the investigation find evidence of suspicious activity. In New Zealand, BNZ and JBWere NZ report matters to the NZ Police Financial Intelligence Unit (FIU). Further action may be taken, as appropriate, in addition to reporting to the relevant regulator.

Depending on the situation, the Group may engage directly with a supplier, third party or customer to better understand how they are managing their modern slavery risks. Following this engagement, the Group may include relevant clauses in contracts or may terminate an agreement, or exit a relationship where it is determined that the party is not managing their risk appropriately.

Grievance and feedback mechanisms

The Group recognises it is important to listen and respond to concerns raised by customers and other stakeholders on a wide range of issues. The Group is committed to doing business in a responsible manner – this includes how the Group manages its operations (including supply chain) and financing activities. Therefore, in FY2020, improvements were made to website information [here](#) to provide more detail on NAB Group's human rights grievance process (which includes grievances related to modern slavery and human trafficking). Concerns can be raised by completing the [complaints, compliments and feedback form](#). In FY2021 this process will be improved by providing information on how to complete this form, in relation to a human rights related concern, in a number of languages other than English. The languages chosen for translation are based on:

- high risk countries defined in the Modern Slavery index;
- countries associated with NAB's financing activities; and
- non-English speaking languages in the countries in which NAB operates.

In addition, the Group has a Whistleblower Protection Policy and associated Group Whistleblower Program that allows employees and contractors to the Group to raise concerns in a confidential manner. This channel is available for reporting modern slavery concerns. Grievances may also be received via social media, direct correspondence or bodies such as the Human Rights Commission.

Where grievances or concerns are raised, these are investigated and addressed as appropriate. This may include engagement with customers and other stakeholders. In these cases, steps are taken to understand the issue(s) and take appropriate action. This may involve referring the matter to the appropriate authorities (in the case of suspicions or allegations of modern slavery), or engaging with the customer about areas of the organisation that NAB Group finances. It also includes the need to consider remediation processes and remedy⁶ if modern slavery is occurring.

Identification of potential instances of modern slavery and human trafficking

In FY2020:

- No instances of modern slavery or human trafficking were identified in direct association with the Group's own operations, or through sourcing-related risk assessments, including ESG risk assessments, in relation to the Group's supply chain.
- No Whistleblower program cases were associated with modern slavery.
- No modern slavery and/or human trafficking concerns were raised with the Group about customers through its feedback channels/grievance mechanism.

- NAB's FCO team identified a number of instances of human exploitation that were investigated and reported to AUSTRAC and law enforcement where required. Further action was taken as appropriate. Similarly, in New Zealand, BNZ's Financial Crime Management Centre investigated instances of suspected human exploitation and reported these to the NZ Police FIU where required.
- One instance was identified where public allegations were raised of potential child labour in the customer's supply chain. This was identified through the Group's ESG risk assessment process, which is part of the credit risk and due diligence process. The Group engaged with the customer and is monitoring the actions being undertaken to address the issue.

When a modern slavery or human trafficking concern is raised, the Group conducts any required investigations in accordance with regulatory requirements, policy and procedures, which may include reporting the matter to law enforcement, and raising of SMRs with AUSTRAC. Should a SMR be raised, this may also trigger 'tipping off' provisions under section 123 of *Anti-Money Laundering/Counter Terrorist Financing Act*, which can limit the Group's ability to disclose details of reported matters.

Training and communications

Modern slavery risk is considered with respect to the Group's value chain – being business operations (including customers and NAB Group's own operations), supply chain and third parties. All employees have received training on modern slavery through annual mandatory Risk Awareness training and/or a specific Modern Slavery training for UK-based employees. This training provides guidance on the Group's approach to modern slavery risk, signs of modern slavery and the key channels for escalation of concerns/possible modern slavery and human trafficking instances for investigation.

Assessing effectiveness of modern slavery risk management (Mandatory criterion 5)

When the Group assesses the effectiveness of modern slavery risk management this means the Group is assessing its ability to detect and address modern slavery risk and reduce exposure to modern slavery risk in its operations, or through exposure to third parties in the Group's value chain (customers, suppliers and other third parties).

A key part of the Group's approach to risk management is identifying accountable people, assigning obligations to these people and requiring controls to be in place to meet these obligations and test these controls.

In order to monitor and assess effectiveness of modern slavery risk management across the Group, in FY2020, modern slavery risk management obligations were assigned to relevant people within business and customer facing areas across the Group. These areas are now required to have controls in place to ensure modern slavery risk is identified and managed in accordance with risk appetite, policies and procedures. This will help the Group to monitor the effectiveness of modern slavery risk management and controls.

Additionally, Risk functions conduct periodic review and challenge processes to confirm compliance with relevant risk appetite, policies and procedures and to ensure risk appetite and policy remains fit for purpose.

⁶ Remedy may include apologies, restitution, rehabilitation, financial or non-financial compensation, as well as the prevention of harm through, for example, injunctions or guarantees of non-repetition.

As referred to above, MLC Wealth entities expect investment and fund managers to evidence incorporation of the ESG factors into their decision making and proxy voting processes (if applicable) as part of their periodic reporting. ESG factors typically considered by the investment managers include human rights and modern slavery.

Consultation on preparing a joint statement (Mandatory criterion 6)

During FY2020, the Group identified related bodies corporate which triggered the consolidated revenue threshold for being a reporting entity under the Australian Modern Slavery Act.

An engagement plan was developed to ensure entity Boards⁷ (including reporting entity Boards) were briefed, so they were aware of their accountabilities and informed of: (i) work under way to assess the potential for each entity to be exposed to modern slavery risk in its value chain (from suppliers through to customers), (ii) plans and progress related to modern slavery risk management across NAB Group, and (iii) key actions being undertaken to understand and manage modern slavery risk relevant to each entity's activities.

Each reporting entity Board in the NAB Group (as per the list included in the introduction to this Statement) approved the preparation, and publication, of a joint statement on its behalf, being this statement. Engagement and consultation also occurred with other subsidiaries and entities owned and controlled by the Group to ensure they were aware of their modern slavery obligations through working group and Board meetings.

NAB has also consulted with the trustee for the relevant trusts, which agreed to participation in a joint statement prepared on their behalf by NAB.

Other relevant information (Mandatory criterion 7)

Impacts of COVID-19

COVID-19 has had limited impact on the Group's supply chain both from the perspective of NAB Group's requirements and impacts on supplier's own operations and supply chains.

During COVID-19, for NAB's suppliers in High ESG Risk sectors, advanced notice was provided where practicable of expected decrease in demand; regular communication was maintained and in some cases, NAB extended delivery times with primary suppliers, which would flow on to Tier 2 suppliers.

In order to consider the impacts of COVID-19 on the operations of suppliers to NAB Group, from February 2020, the crisis management response to COVID-19 included a work stream to address impacts on the Group's supply chain. This was intended to identify, as quickly as possible, any impacts to NAB's supply chain as a result of the COVID-19 pandemic. At the time, although only China was known to be impacted, NAB sought to identify across its material suppliers any supplier currently or likely to be impacted (throughout their supply chain) as a result of COVID-19. Suppliers identified to have a likely or actual impact (with Business Continuity Plans activated) were reviewed to ensure continuity of supply could be maintained. In some circumstances, amendments to existing arrangements were required e.g. to provide contractual relief to enable 'work from home' arrangements. Throughout the height of the pandemic, frequent contact was maintained with suppliers, with weekly oversight reporting submitted through the Crisis Management team and to NAB Executives outlining any key risks within the supply chain.

⁷ See list of reporting entities in NAB Group at beginning of this Statement.

The Australian Government indicated that the risk and detection of child exploitation has increased significantly during the COVID-19 pandemic. The FCO team considers such information in its monitoring of the external threat environment and reports as required.

Engagement in industry working groups and initiatives

In FY2020, the Group participated in a number of industry working groups and initiatives to continue to grow its understanding and awareness of modern slavery and human trafficking risk, risk management options, grievance processes and cases. These working groups and initiatives included:

- Australian Banking Association Modern Slavery Working Group
- Responsible Investment Association Human Rights Working Group
- Global Compact Network Australia Modern Slavery Community of Practice

This statement was approved by the Board of National Australia Bank Limited on 3 November 2020.

An amendment to this Statement to include trusts as reporting entities was approved by the Board of National Australia Bank Limited on 5 November 2021.

Signed



Ross McEwan

Group Chief Executive Officer and Managing Director
8 November 2021