



national  
australia  
bank

# 2023 Modern Slavery and Human Trafficking **Statement**

To drive this long-term, sustainable approach we are working to identify commercial responses to societal challenges and maintain resilient and sustainable business practices. Modern slavery and human trafficking is included in this approach.

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# Introduction and Reporting Entities

(Mandatory Criterion 1)

This Modern Slavery and Human Trafficking Statement (Statement) is made pursuant to the *Modern Slavery Act 2015* (UK) ('the UK Modern Slavery Act') 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 bodies corporate ('NAB Group' or 'the Group') as at 30 September 2023.

The 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.

**Table 1: Group entities that are reporting entities under the Australian Modern Slavery Act in FY2023**

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National Australia Bank Limited ("NAB")

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National Equities Ltd ("NEL")

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NAB Properties Australia Pty Ltd ("NPAL")

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86 400 Holdings Limited ("ubank")

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National OBU Pty Ltd

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National RMBS Trust 2015-2

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JBWere Limited ("JBWere")

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Advantage Financial Services Pty Ltd ("AFS")

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Advantage Financial Services Holdings Pty Ltd ("AFSH")

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nab Covered Bond Trust

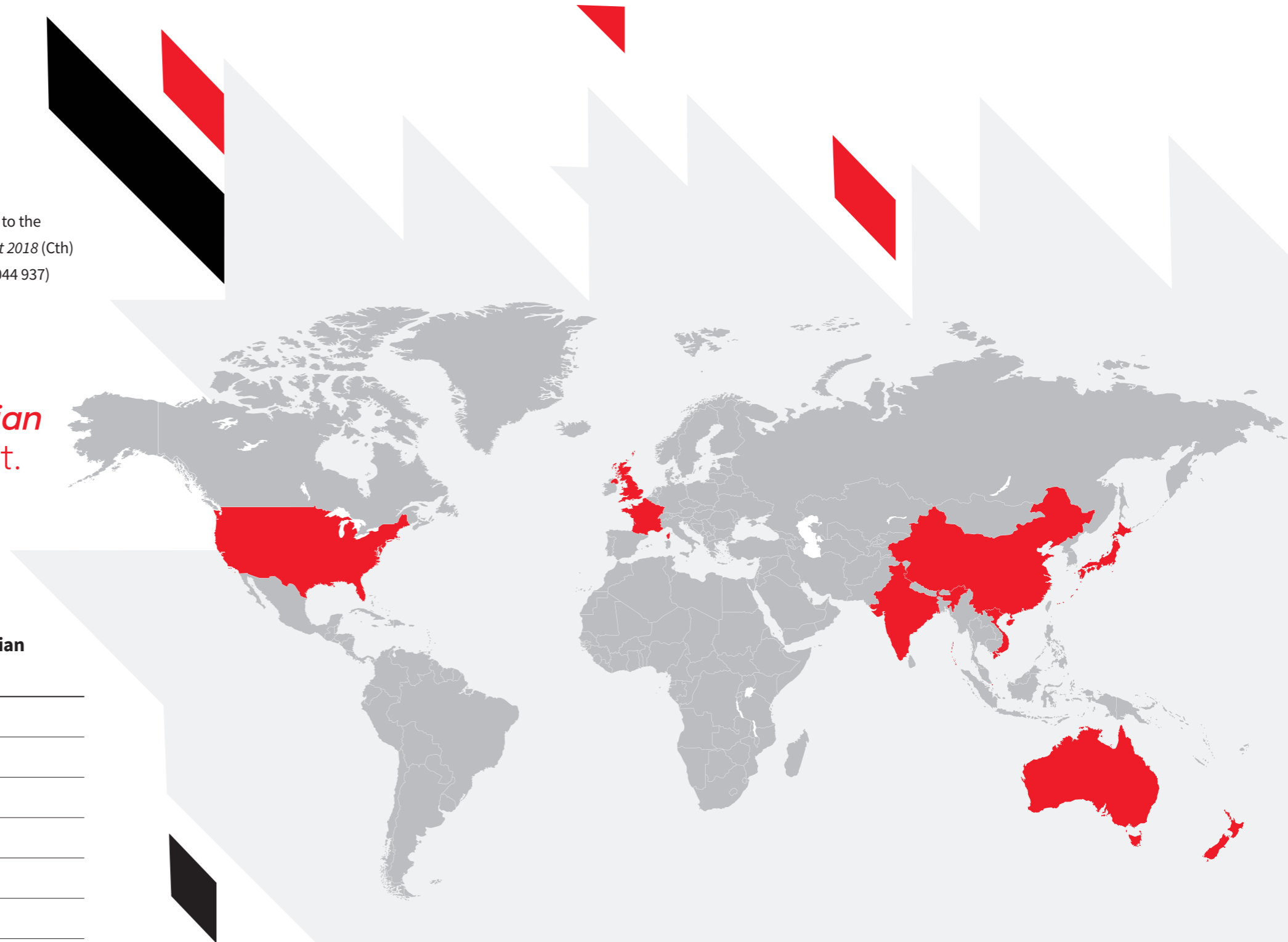
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National RMBS Trust 2012-1

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National RMBS Trust 2008-2

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**Figure 1: NAB's operational locations**

This Statement also covers the Group's offshore subsidiaries and activities, including the Bank of New Zealand (BNZ) and its subsidiaries, JBWere NZ and NAB's offshore branches and subsidiaries in Asia (China, Hong Kong, Singapore, India, Vietnam and Japan), the UK, France and the USA.

Following the Group purchase of Citigroup's Australian consumer business (Citi Consumer Business) on 1 June 2022, NAB continues to transition the Citi Consumer Business into NAB progressively.

This Statement relates to the NAB Group financial year from 1 October 2022 to 30 September 2023 (FY2023).

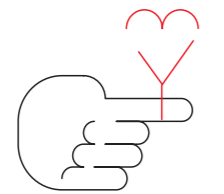
# About NAB Group

## Structure and Operations

(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 and subsidiaries located in Asia, the UK, France and the USA. Key businesses include Business and Private Banking, Personal Banking, Corporate and Institutional Banking, and New Zealand Banking. Major brands in Australia currently include nab, ubank, and JBWere, and in New Zealand, BNZ and JBWere.

The Group employs more than **38,000<sup>1</sup>** colleagues and serves more than **10.8 million** customers through **644** branches and business banking centres, **1,098** ATMs and online banking.



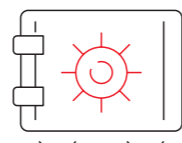
**38,000<sup>1</sup>**  
colleagues



**10.8 million**  
customers



**644**  
branches



**1,098**  
ATMs

A description of the primary activities of the Group's key Divisions and BNZ is provided in Table 2 below.

<sup>1</sup> Number of full-time equivalent colleagues as at 30 September 2023, excluding discontinued operations.

**Table 2: Primary activities of key Divisions and BNZ**

DIVISION	DESCRIPTION	OPERATING REGION
<b>Business and Private Banking</b>	Focuses on NAB's priority small and medium (SME) customer segments. This includes the NAB Business franchise, specialised Agriculture, Health, Government, Education and Community services along with Private Banking and JBWere, as well as the small business segment.	Australia and New Zealand
<b>Personal Banking</b>	Provides banking products and services to customers including securing a home loan and managing personal finances through deposits, credit card or personal loan facilities. Customers are supported through a network of branches and ATMs, call centres, digital capabilities as well as through proprietary lenders and mortgage brokers. Personal Banking includes the Citi consumer business, acquired effective 1 June 2022.	Australia
<b>Corporate and Institutional Banking</b>	Provides a range of products and services including client coverage, corporate finance, markets, asset servicing, transactional banking and enterprise payments. The division serves its customers across Australia, the United States, Europe and Asia, with specialised industry relationships and product teams. It also includes Bank of New Zealand's Markets Trading operations.	Australia, New Zealand, UK, US, France, China, Japan, HK and Singapore
<b>New Zealand Banking</b>	Provides banking and financial services across customer segments in New Zealand. It consists of Partnership Banking, servicing retail, business and private customers; Corporate and Institutional Banking, servicing corporate and institutional customers, and includes Markets Sales operations in New Zealand. New Zealand Banking also includes the Wealth franchise operating under the 'Bank of New Zealand' brand. It excludes the Bank of New Zealand's Markets Trading operations.	New Zealand
<b>Corporate Functions and Other</b>	Includes ubank and enabling units that support all businesses including Treasury, Technology and Enterprise Operations, Digital, Data and Analytics, Support Units and, Support Units (including People and Culture, Risk and Commercial Services).	Australia, New Zealand, UK, US, France, China, Japan, HK, Singapore Vietnam and India

Other operational activities include direct employment of workers; 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. These activities take place across the jurisdictions listed in Table 2 above, and in non-customer facing Innovation Centres located in India and Vietnam.

## Lending and Wealth-related Activities

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.

In **FY2023**, the Group provided customers with **\$708.5 billion** (FY2022: \$688 billion) in loans and advances, including acceptances as at 30 September 2023.

A regional breakdown of the Group's credit risk exposures by geography is provided in Figure 1. This provides credit risk exposures by major geographical area, based on the booking office where the exposure was transacted.



**Figure 1: Group's credit risk exposures by geography<sup>2</sup>**

<sup>2</sup> Group credit risk exposure geography by location of the entity where the exposure is booked.

A sectoral breakdown of the Group's credit risk exposure by Level 1 ANZSIC classification as Exposure at Default (EAD) is provided in Table 3 below.

**Table 3: Group lending profile by Level 1 ANZSIC (EAD) \$m as at 30 September 2023**

INDUSTRY	2023	2022
Accommodation, cafes, pubs and restaurants	11,449	10,722
Agriculture forestry, fishing and mining	68,516	68,477
Business services and property services	23,045	23,904
Commercial property	80,130	84,369
Construction	13,000	12,611
Finance and insurance	217,402	255,702
Government and public authorities	64,501	62,660
Manufacturing	21,505	22,736
Personal	20,770	16,868
Residential mortgage	466,423	445,740
Retail and wholesale trade	32,417	35,096
Transport and storage	24,615	26,690
Utilities	13,942	14,760
Other <sup>3</sup>	34,946	27,295
<b>Total</b>	<b>1,092,662</b>	<b>1,107,630</b>

Wealth-related activities including provision of wealth advice, investment advice, philanthropic advice and family advisory services to clients. Product offerings include access to, but are not limited to, Australian listed investments, international securities, managed funds, multi-currency accounts, unlisted bonds, structured trades, margin lending and deposit products.

<sup>3</sup> 'Other' category includes health and community services, and education.

## Supply Chain

The Group has a global supply chain. 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 (which includes consideration of modern slavery and human trafficking). 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, particularly within the communities in which the Group operates, and more broadly.

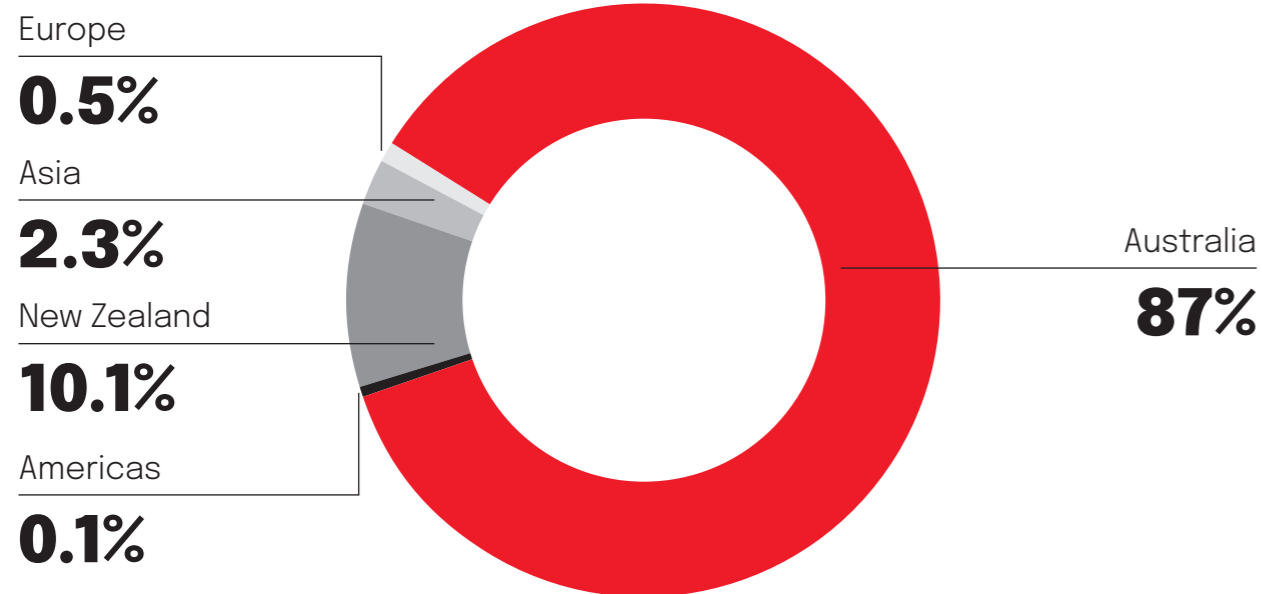


Figure 2: NAB Group (%) Direct Spend by country

<sup>4</sup> Australia and New Zealand only.

<sup>5</sup> Total Group supplier spend including corporate card.

Table 4: Sourcing spend by procurement categories (%) as at 30 September 2023<sup>6</sup>




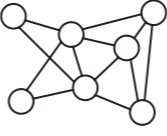
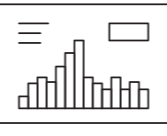
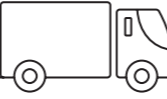

PROCUREMENT CATEGORY	% OF SPEND
 <b>Information, Communications, and Technology (ICT):</b> includes IT applications, hardware and software, telecommunications, infrastructure and data centre, application service providers (ASP) & internet delivered services and IT professional services.	<b>34</b>
 <b>Human Resources &amp; Recruitment:</b> includes recruitment, contingent labour, contractors, probity, training, car fleet, professional memberships, employee benefits, relocation, health & wellbeing, and corporate uniforms.	<b>7</b>
 <b>Property &amp; Facilities Management:</b> includes asset services, cleaning, utilities, waste management, construction management, catering, insurance, rates & taxes, rent and security.	<b>10</b>
 <b>Business Services Enablement:</b> includes professional services (e.g. audit, consulting and legal services) and business process operations (offshore).	<b>13</b>
 <b>Financial Services Enablement:</b> includes valuation services, loyalty programs, insurances, market information services, credit decisioning, card services, lending processing and debt management.	<b>22</b>
 <b>Print, Production, Processing &amp; Logistics:</b> includes card & cheque production, document services, commercial/proprietary print, processing services, office products and stationery, cash management, couriers, postage and mail services and records management.	<b>3</b>
 <b>Other:</b> includes brand, market research, marketing and advertising, publishing, sponsorships, travel, events, functions & conferences, brokerage, financial advisors, memberships (industry and regulatory associations), securities trading and restructure costs.	<b>11</b>

Figure 3 shows a representation of the Group's sourcing spend broken down by country of suppliers' registered offices as provided by supplier agreements and contacts.

<sup>6</sup> Total Group supplier spend excluding corporate card spend.



Figure 3: Total supplier spend (%) by country of suppliers' registered offices<sup>7</sup>

GEOGRAPHY OF SUPPLIER REGISTERED OFFICE LOCATION	% OF TOTAL SUPPLIER SPEND	GEOGRAPHY OF SUPPLIER REGISTERED OFFICE LOCATION	% OF TOTAL SUPPLIER SPEND	GEOGRAPHY OF SUPPLIER REGISTERED OFFICE LOCATION	% OF TOTAL SUPPLIER SPEND
1 Australia	79.69%	7 Singapore	1.05%	13 Switzerland	0.04%
2 New Zealand	9.37%	8 Ireland	0.40%	14 Germany	0.03%
3 India	3.67%	9 Israel	0.12%	15 Canada	0.02%
4 USA	2.23%	10 UAE	0.10%	16 Malta	0.02%
5 Vietnam	1.55%	11 Belgium	0.08%		
6 United Kingdom	1.28%	12 Hong Kong	0.06%		
				<b>Total</b>	<b>99.72%<sup>8</sup></b>

The Group's total supplier spend region is provided here. The region is based on the geography of registered office location provided by our supplier agreements and contacts.

<sup>7</sup> Australia and New Zealand only. Figure excludes corporate card spend.

<sup>8</sup> Remaining 0.28% of total supplier spend geography of registered offices represented across 'other' regions.

## Governance

The Board retains oversight of environmental, social and governance (ESG)-related matters including human rights-related risk. ESG considerations, including those related to human rights, are integrated into business strategy, operations and risk management, where relevant. Modern slavery and human trafficking are examples of human impact crimes and human rights-related risks.

The Board annually approves the Group's Modern Slavery Statement. The Board is supported in its role by the Board Risk & Compliance Committee (BRCC) which has accountability for oversight of the Group's risk profile and risk management (see Figure 4). This includes human rights-related risk, within the context of Board determined risk appetite, although ultimate responsibility for risk oversight, risk appetite and risk management rests with the Board.

The BRCC refers all matters of significant importance to the Board, making recommendations to the Board concerning the Group's current and future risk appetite, risk management strategy and particular risks or risk management practices, including those related to human rights.

The Group Chief Executive Officer & Managing Director oversees enterprise-wide risk management through the Executive Risk and Compliance Committee and its supporting sub-committees. For human-rights related risks (including modern slavery), the key governance sub-committee is the Group Credit & Market Risk Committee (GCMRC). The Group Chief Risk Officer is accountable for oversight and management of human rights, including modern slavery and human trafficking risks, with the Group's Risk Management Strategy and Risk Management Practices Framework.

**Figure 4: ESG Risk Management Oversight**





# Risk of exposure to Modern Slavery

(Mandatory Criterion 3)

As a financial services organisation with a professional workforce<sup>9</sup>, the Group considers the risk of modern slavery within its direct business operations to be low. The majority of colleagues are based in Australia and New Zealand, with most being permanent or fixed term. A breakdown of the Group's workforce by contract type and distribution can be found in the [2023 Sustainability Data Pack](#).

## Case Study: Paying a Living Wage

In New Zealand, Living Wage Movement Aotearoa New Zealand (LWMANZ) was formed in 2013 as an incorporated society by a group of non-government organisations in response to growing poverty and inequality in New Zealand to ensure all New Zealanders have access to a 'living wage'.

LWMANZ has also developed an accreditation system for employers who meet the criteria to become a Living Wage Employer. This is a trademark and cannot be used unless a licence has been signed committing a business to pay no less than the Living Wage to directly employed and contracted workers, delivering services on a regular and ongoing basis.

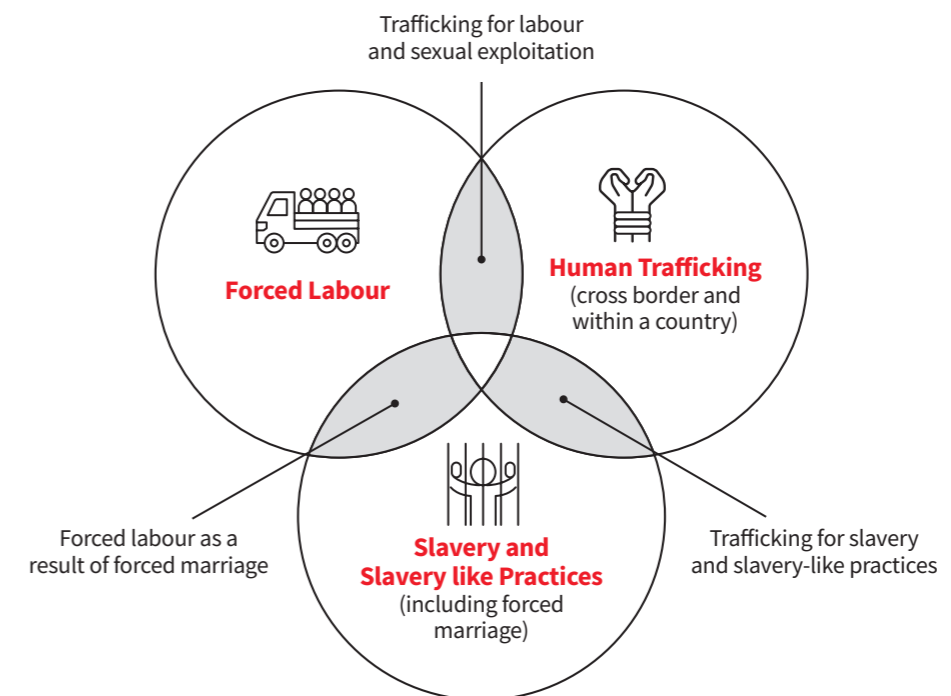
BNZ has been a Living Wage accredited employer ([www.livingwage.org.nz](http://www.livingwage.org.nz)) since July 2020. This means BNZ pays all its people a living wage and that all people who regularly undertake work on its premises and on behalf of the company, including suppliers, pay their people a living wage. For most of FY23, the living wage was NZ\$23.65 per hour and from 1 September 2023 it increased to NZ\$26 per hour. The living wage allows people to pay for the necessities of life by ensuring they can cover expenses such as food, transportation, housing, and childcare and also live with dignity by providing for modest recreational activities and savings.

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 exposed to modern slavery through:

- Customers' use of the Group's products and services to enable activities that may involve modern slavery
- Lending to customers that are involved in modern slavery, or that have modern slavery in their supply chain
- Purchasing goods and services from suppliers involved in modern slavery, or that have modern slavery in their supply chain
- Relationships with other third parties (e.g. those the Group sponsors or has joint ventures with) involved in modern slavery, or that have modern slavery in their supply chain.

Through these relationships, the Group can be exposed to specific types of exploitation that may constitute modern slavery and human trafficking – for example forced labour, child labour, debt bondage, human trafficking, deceptive recruitment, slavery, servitude and forced marriage. Refer to Figure 5 which illustrates the linkages between various forms of modern slavery and human trafficking. As a financial institution, the Group may also inadvertently engage with customers or third parties that are victims or perpetrators of these practices.

**Figure 5: Examples of various forms of modern slavery and human trafficking and the linkages between them<sup>9</sup>**



The Group takes a risk-based approach to managing ESG issues, including human rights-related issues like modern slavery and human trafficking. The Group regularly looks for opportunities to enhance its ESG risk management processes, which includes how it identifies, assesses, mitigates and monitors potential risk areas where the Group could be exposed to human rights concerns, including modern slavery and human trafficking. Colleagues in customer-facing roles identify and manage ESG risks, including modern slavery-related risk, as part of their day-to-day responsibilities. They are supported by colleagues with expertise and understanding of human rights/modern slavery risk who work across a range of Group functions and subsidiaries. For example, in our ESG Risk Management, Legal and Sustainability teams and colleagues with sustainability-related roles embedded in teams within other areas.

The Group maintains 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 (including modern slavery and human trafficking) and for which additional ESG risk assessment and due diligence may be required, due to the industry sectors they operate in. Customers and suppliers can also have a higher risk of modern slavery associated with their extended supply chains when these include high-risk countries for modern slavery – for example, solar panels, garments and other manufactured goods and parts from factories located in these countries.

The Group also maintains a 'modern slavery risk matrix'. This is a resource to help colleagues in sourcing and customer facing areas to 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 and considers factors such as vulnerability and prevalence of modern slavery risk.

<sup>9</sup> Figure adapted from [Global Slavery Index 2023 report](#), page 8.

## Potential Modern Slavery risk exposure arising from customer relationships

There is a risk that the Group's customers or other third-parties may use its financial products in ways that have an adverse impact on people – including using the banking system to launder the proceeds of human impact crimes such as modern slavery and human trafficking. To assist colleagues in identifying indicators of potential modern slavery, or those that may be victims, NAB has developed a 'Human Impact Guide' (Guide).

The Guide was first developed in 2020, with a second edition released in March 2022. The Guide helps NAB's financial crime team members to 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. The ways in which humans can be exploited differs greatly, for example sex trafficking within escort services has different characteristics to labour trafficking of farmworkers. Each crime typology has unique strategies for recruiting and controlling victims and concealing the crime. Similarly, there are various ways 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 provides case studies to assist colleagues. The Guide has also been made available on NAB's intranet for customer facing colleagues. The Guide has been shared with industry and government partners via the Australian Bankers Association and Fintel Alliance.

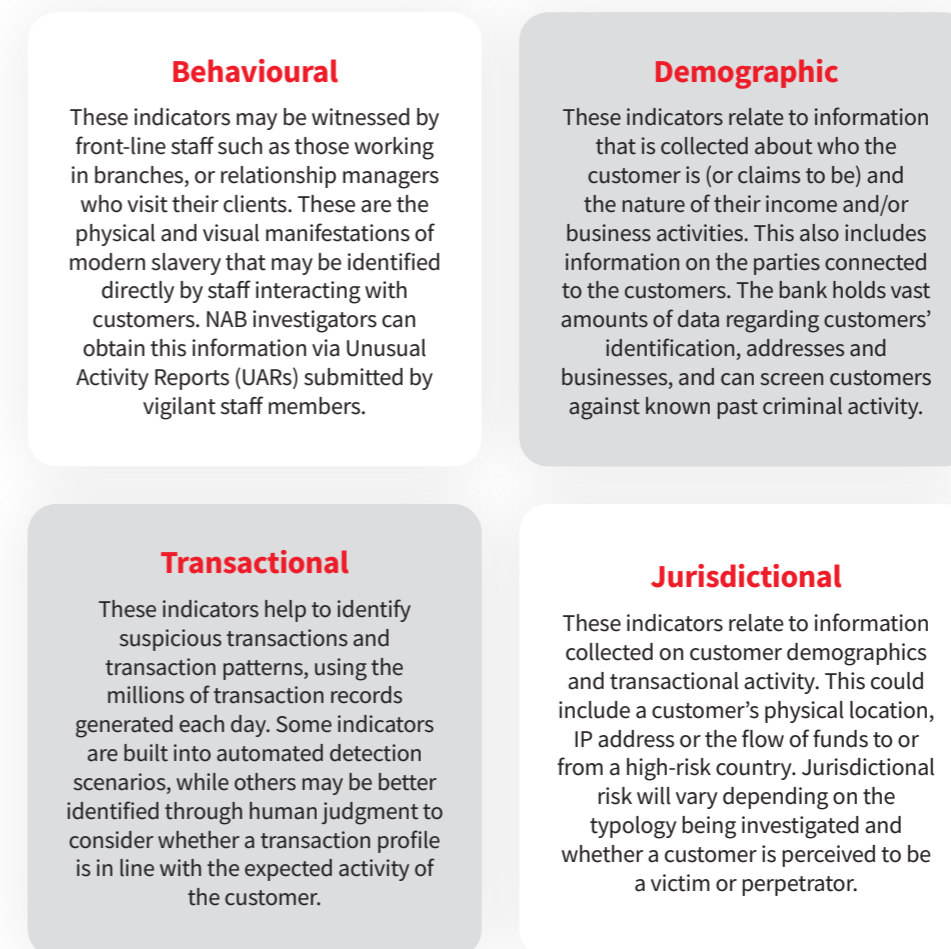
Human impact crimes affect everyone. As part of serving our customers well and helping our communities prosper, the Group has a responsibility to identify, assess and manage our human impact risks. By managing these risks, the Group can take actions to prevent and deter these activities that can have serious impacts on communities. Key features of the Guide include:

- Human impact typologies and sub-typologies including those related to sexual exploitation, child exploitation and financial abuse. This includes forced sexual servitude, internet-based child abuse, self-generated child abuse material, family/ domestic violence, and technology-facilitated abuse. Child exploitation indicators are grouped according to whether they are general in nature, or whether they align to specific types of offending e.g. live streamed child sexual abuse.
- Indicators and key statistics for all typologies to highlight prevalence of, and current trends in, human impact crimes across the globe.
- Jurisdictional indicators for consideration when conducting human impact investigations.
- A section on digital technology – the Group has identified some popular types of applications/software used by offenders. The Guide outlines how they can be used and provides examples of each.
- Definitions which explain key differences between labour hire and labour exploitation.
- Case studies highlighting examples from NAB's human impact investigations that provide real-world indicators and examples to assist investigators.

For banks like NAB, there are a range of ways in which to identify possible human impact crimes like modern slavery, which cover behavioural information, demographic and jurisdictional information, and transactional activity.

The applicability of these indicators will depend on access to the relevant information. For example, some indicators may be visible to branch staff, whereas other indicators require analysis of the customer's transactional activity in order to be identified. Examples of these indicators include (see Figure 6):

**Figure 6: Indicators of human impact crimes**



### Case Study: Child Exploitation


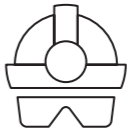








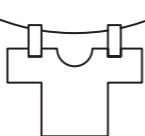
In FY2023, as part of the Fintel Alliance, NAB contributed to a report titled 'Combating the Sexual exploitation of Children for Financial Gain' published by the Fintel Alliance, AUSTRAC, the Australian Federal Police and the Australian Centre to Counter Child Exploitation. The Report covers new and emerging child exploitation threats facing our customers and the community. These include: childlike sex dolls, online child abuse material and sextortion. The growth, adoption and use of technology in recent years has revolutionised the way people communicate, access information, and interact at a global level. However, it has also led to an increase in human impact crimes such as child exploitation, by revolutionising the facilitation of online child sexual abuse material (CSAM), the procurement of childlike sex dolls (CLSD) and sextortion through internet platforms. The Report outlines the typologies, recent investigations, modus operandi, NAB internal risk analysis, collaboration with law enforcement, case studies and red flag indicators broken down via profile, financial and behavioural indicators.

### Case Study: Sextortion

In FY2023, NAB was referred a sextortion investigation by AUSTRAC. NAB identified six NAB customers suspected of sextorting multiple victims, including minors. As part of NAB's customer due diligence, it was identified through transactional indicators, including low value inbound transfers to NAB accounts, with messages that identified them as suspicious. The findings aligned with multiple fraud reports received by NAB during the same period. Information provided to NAB stated the remitters were minors and they transferred the funds to NAB accounts under threat and coercion from various third parties. One of the victims, claimed he was forced to act as a mule to receive and transfer fraudulent funds, as instructed by the facilitator, to prevent his intimate images being distributed. Findings were referred to AUSTRAC for further review of the NAB customers and to analyse the lifecycle of sextortion activities in Australia.

Examples of sectors and areas we have identified with higher potential for modern slavery risk include, but are not limited to, the industry sectors included in Figure 7.

**Figure 7: Potentially high-risk industry sectors where modern slavery risk may be prevalent in our customer base**

POTENTIALLY HIGH-RISK INDUSTRY SECTORS	
 <b>Agriculture and fishing</b>	 <b>Mining</b> (particularly artisanal)
 <b>Domestic and cleaning services</b>	 <b>Construction</b>
 <b>Contract labour</b>	 <b>ICT</b>
 <b>Adult &amp; personal services</b>	 <b>Renewable energy</b> (including solar, batteries and wind turbines)
 <b>Hospitality</b>	 <b>High risk geographies</b>
 <b>Textiles</b>	

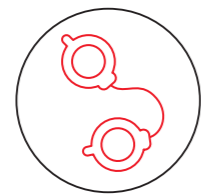
## Potential Modern Slavery risk exposure in our Supply Chain

The Group takes a risk-based approach to ESG risk assessment of its supply chain, including consideration of modern slavery risk. This helps us to identify and update 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:

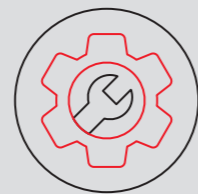
- (i) office consumables such as tea, coffee, sugar, cocoa for kitchens;
- (ii) cleaning services employed by building owners or facilities managers for buildings occupied by NAB;
- (iii) corporate clothing;
- (iv) print and promotional goods and services;
- (v) construction;
- (vi) Information and Communications Technology (ICT) – hardware; and
- (vii) renewable energy.

Ongoing review of the Group’s supply chain confirms these sectors continue to be the key areas of the supply chain which have high potential to expose the Group to modern slavery and human trafficking risks (see Figure 8). Through our review process in FY2022 and FY2023 we identified solar and renewable energy purchase as an additional area of high risk of exposure to modern slavery supply chain risk.

We have estimated that **~8%**<sup>10,11</sup> of procurement is in these sectors that have been identified as potentially higher risk of modern slavery, with a **further ~6%**<sup>10,11</sup> being labour-related procurement (e.g. security services, contingent labour, offshored business operations) where adequacy of labour practices is a consideration.










**~8%**  
**potentially**  
higher risk of  
modern slavery



**~6%**  
**labour-related**  
where adequacy of labour practices  
is a consideration

Figure 8: Key high-risk sourcing sectors for the Group

KEY HIGH-RISK SOURCING SECTORS	
 <p><b>Office consumables such as tea, coffee, cocoa</b></p>	 <p><b>Construction</b></p>
 <p><b>Cleaning services</b></p>	 <p><b>Information and Communications Technology</b></p>
 <p><b>Corporate clothing</b></p>	 <p><b>Solar and Renewable Energy</b></p>
 <p><b>Print and promotional goods and services</b></p>	

<sup>10</sup> Australia and New Zealand only. Figure excludes corporate card spend.

<sup>11</sup> Figure excludes Solar and Renewable Energy total spend data not available for FY2023 due to newly identified high-risk category.

# Actions taken to assess and address Modern Slavery Risk, including Due Diligence and Remediation processes

(Mandatory Criterion 4)

The 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. The Group regularly looks for opportunities to improve its understanding and management of modern slavery and human trafficking-related risk.

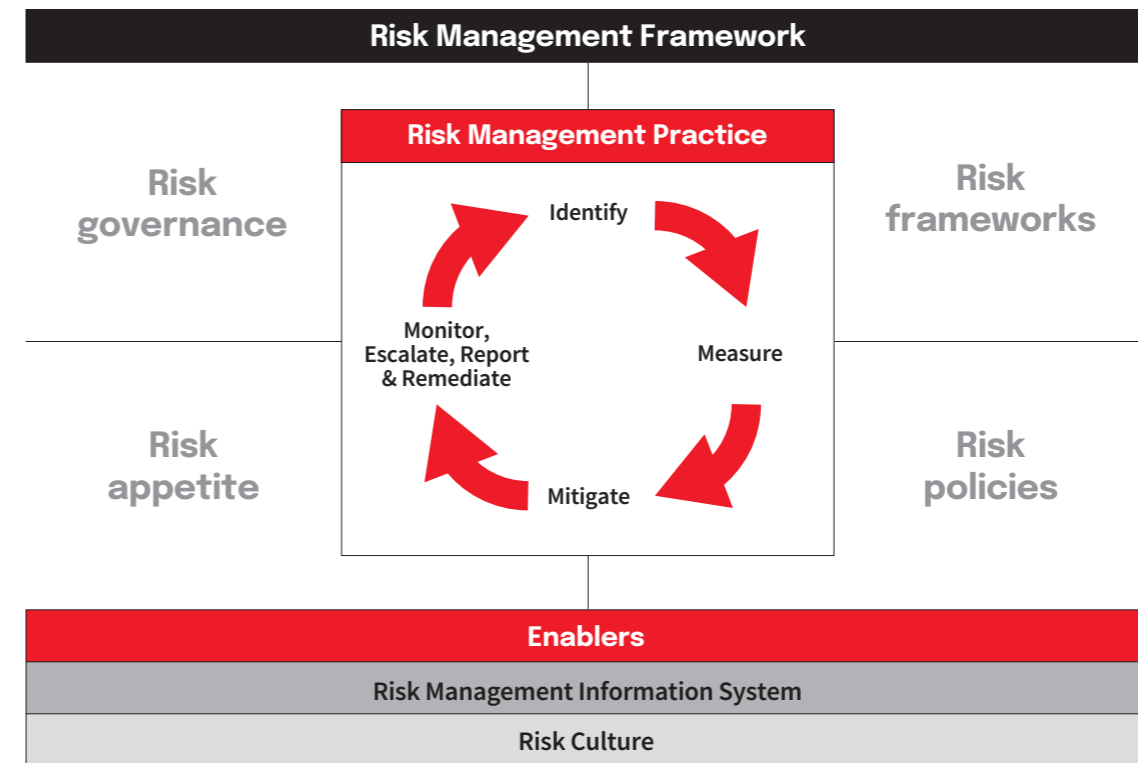
The key actions the Group undertakes to assess and address modern slavery risk have been grouped into the following areas:

- **Risk management** – A description of the Group’s approach to human rights risk management which includes consideration of modern slavery and human trafficking 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-related activities.
- **Ongoing Customer Due Diligence** – 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.
- **Training and communication** – Actions taken to educate colleagues on modern slavery risk.

## Risk Management

The Group understands that ESG risks relating to both customers and suppliers will vary depending on their industry, geographic location and company size. The Group regularly reviews how it incorporates ESG risk into its risk management framework (see Figure 9), policies, practices and processes, at both a Group and Divisional level.

This is supported by ongoing work to embed ESG risk considerations into day-to-day decision making and to refine processes and tools for managing ESG risk, including modern slavery and human rights related concerns, guided by our Group-wide [ESG Risk Principles](#).



**Figure 9: Risk Management Framework**

Sustainability Risk, which includes modern slavery and human trafficking, is a material risk category within the Group’s Risk Management Framework. The Group defines Sustainability Risk as “the risk that ESG events or conditions negatively impact the risk and return profile, value or reputation of the Group or its customers and suppliers”.

The Group’s Risk Appetite Statement explicitly incorporates consideration of human rights and modern slavery. ESG risks are considered in the Group’s risk appetite and risk management framework, including within the Group’s customer-related ESG and supply chain-related policies and risk assessment processes. Modern slavery risk is considered as a part of social risk. Colleagues are expected to consider, and where relevant, address these ESG risks in their everyday activities.

The GCMRC provides oversight of Sustainability Risk. This includes oversight of ESG-related matters, including human rights and modern slavery related risk appetite and management, policies and performance. GCMRC’s remit includes risk appetite, risk profile, limits, portfolio exposures, relevant policies and compliance with ESG-related obligations (including human rights regulatory requirements, voluntary initiatives, goals and targets). When necessary, GCMRC escalates ESG-related risks to the Executive Risk & Compliance Committee (ERCC) and/or Board Risk & Compliance Committee and/or Board.

## Policies

The Group believes that customers, colleagues and members of the community should be treated with dignity, fairness and respect in accordance with the Codes of Conduct that apply to employees of the Group and the [Group Human Rights Policy](#).

The [Group Human Rights Policy](#) (which includes consideration of modern slavery) is approved by the Board. The Group Human Rights Policy states 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 and principles which incorporate requirements to manage human rights risk (including modern slavery risk). These include the following:

- [NAB Code of Conduct](#)
- [ESG Risk Principles](#)
- [Group Procurement Policy](#)
- [Group Outsourcing Policy](#)
- [Group Customer-related ESG Risk Policy](#)
- [Group Equator Principles Policy](#)
- [Group Whistleblower Policy](#)
- [Group Supplier Sustainability Principles](#)
- [AML/CTF Programs](#)

In FY2023, BNZ developed its own standalone BNZ ESG Policy, which reflects the size and structure of its separate banking business and local regulatory requirements. It contains requirements related to human rights, including modern slavery.

Additionally, other wealth-related Group entities have standalone ESG and/or responsible investment policies (i.e. [BNZ Responsible Investment Policy](#) and [JBWere Responsible Investment Policy and Framework](#)). These policies focus on management of ESG factors, including human rights and modern slavery, that are applicable to their investments and wealth-related activities.

## Due Diligence

The Group performs due diligence process for assessing human rights risk, including modern slavery risk in four key areas:

- Supplier
- Customer (credit related)
- Customer (financial crime related)
- Financial Crime
- When responding to grievances received through [grievances@nab.com.au](mailto:grievances@nab.com.au).

The Group's Human Rights Approach, which includes information about the external guidance we drawn on, and how we manage human rights risks, is outlined on our website [here](#) and our Human Rights Due Diligence Process is available [here](#).

## Supply Chain Management

The Group understands that the conduct and performance of suppliers can have a significant impact on our modern slavery and human rights related risk exposure, in addition to broader ESG risk related concerns, as well as the Group's reputation within communities. The Group maintains risk management processes to identify, assess, mitigate and monitor these risks.

The Group has embedded management of ESG risks, including modern slavery and human trafficking, into its supply chain and third-party risk management 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, work under global direction and processes, and JBWere NZ undertake some direct local procurement.

Procurement and supplier management due diligence includes a risk-based ESG risk assessment within the selection process, when certain thresholds and risk indicators are triggered. Key suppliers are asked to sign-up to the Group's Supplier Sustainability Principles (GSSPs) or have equivalent policies and processes to manage their sustainability performance. The GSSPs outline the requirements suppliers are expected to meet to do business with the Group, including requirements in relation to labour practices and human rights.

### Group Supplier Sustainability Principles

The Group Supplier Sustainability Principles set out an expectation that suppliers will, among other things:

- Comply with all relevant local and national laws and regulations, including with relation to unethical behaviour, bribery, corruption and other business practices, as well as complying with global standards specified by the International Labour Organisation's eight ILO Core Conventions.
- Respect human rights and address any infringements or adverse impacts to human rights associated with their business activities.
- Ensure that all employees are legally entitled to work and that no child, involuntary or forced labour is used, including bonded or indentured labour, involuntary prison labour, slavery or trafficking of persons.
- Provide fair pay and working conditions for employees and have written workforce management policies or systems which include diversity in recruitment, equal opportunity, pay equity, anti-discrimination and anti-harassment standards.
- Provide transparent and public reporting on their ESG risks and have a process in place to provide timely disclosure to the Group of material ESG matters concerning their organisation.
- Have a complaints management process for employees, suppliers, customers and other stakeholders impacted by their operations.

Further, 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. Template clauses also include provisions to allow NAB to request evidence of implementation of suppliers' modern slavery risk management policies and processes.

Further details about the Group's supply chain management processes (including the Group Supplier Sustainability Principles) are available [here](#).

## The Group undertakes a base level screening (incorporating adverse media monitoring) of new and significant renewals or changes of all supplier arrangements for ESG risk concerns, including human rights.

For material and selected others, this is followed by a series of ESG-related questions which include modern slavery questions. Where a potentially high ESG risk is identified through this process, the supplier is subject to an additional level of review. Where required, additional mitigation actions are taken to address risks or issues identified.

Actions undertaken within FY2023 to minimise the risk of modern slavery within the Group's supply chains included:

- Continuing to purchase Fairtrade certified tea, coffee and cocoa across NAB's commercial building tea points and Fairtrade certified tea and coffee across BNZ commercial building tea points.
- Continuing to enhance our third-party risk management onboarding process for use by NAB and BNZ to more effectively identify, monitor, and manage risks (including modern slavery) involved in partnering with third parties (suppliers, consultants and other vendors). Suppliers are required to complete ESG questions as part of the due diligence process, with a particular focus on suppliers in high-risk countries and/or high-risk industries.
- Enhancing functionality in the new sourcing system NAB has implemented across the Group. This better automates tracking of responses to ESG related questions and provides for creation and monitoring of action plans and ensures global consistency with current Sourcing processes.

### Baseline Customer Monitoring

The Group performs a risk-based screening of customers to determine whether they are in a high ESG risk-related sector or undertaking activities which may have high associated ESG risk.

### Financing-related Activities

NAB and BNZ Business Banking and Corporate and Institutional Banking Divisions considers exposure to ESG risk, including modern slavery and human rights risk, at a lending portfolio and individual customer level during credit risk assessment processes. As appropriate to the relevant sector, business activity and geography, credit risk assessment processes include due diligence as described below (see Figure 10 and descriptions of Steps 1 to 5).

Figure 10: Credit Risk Assessment



If the Group identifies ESG risk issues as part of its initial customer screening, or notes involvement in high-risk sectors or activities, customers are then subject to a more detailed ESG risk assessment.

### Step 1

**Origination and internal review:** As part of the credit risk assessment and due diligence process NAB and BNZ Business Banking and Corporate and Institutional Banking Divisions are required to undertake negative media screening on customers at origination and internal review. If potential ESG risk issues, including modern slavery related issues, are identified as part of this risk-based screening, or Bankers note involvement in high-risk sectors or activities, then customers are subject to more detailed ESG risk assessment and due diligence in accordance with exposure-related trigger thresholds, as part of the Group's origination or ongoing credit review processes.

### Step 2

**Evaluation:** Detailed credit risk assessment and due diligence is conducted. This includes assessment and identification of material risk issues, incorporating ESG risks. ESG-related checklists and guidance notes on a range of topics and sensitive sectors help guide this activity. This may include assessing a potential customer's background, character, ESG-related performance and the countries in which they operate. As an example of the tools available to support the identification of modern slavery risk, the Group has a modern slavery risk matrix which is used to highlight high risk countries and industries/activities and help bankers identify where modern slavery risk is more likely to arise.

Where lending is project related, we also apply the Equator Principles. The Equator Principles are a set of guidelines through which participating banks throughout the world agree to only finance projects that are managed by the borrower with responsible business practices (both environmental and social) and which meet and comply with the Equator Principles may apply.

In 2023, we reviewed and refreshed our ESG-related guidance, checklists and processes for Corporate and Institutional Banking colleagues as part of a refresh of customer-related ESG risk policies. For BNZ, the review and update to ESG guidance has taken place and been approved. However, this updated guidance will only be rolled out to frontline bankers early 2024.

### Step 3

**Approval:** Lending approval is given where risk (including ESG risk where appropriate) has been assessed and appropriate mitigation considered. Where there is high ESG or reputational risk, matters are escalated to the relevant divisional and/or executive forums, Board Risk & Compliance Committee and/or Board as appropriate.

### Step 4

**Documentation and Settlement:** The customer may be subject to conditions and covenants to address legal obligations, any voluntary compliance obligations (for example, the Equator Principles), and/or to monitor and manage specified ESG risks against agreed performance measures. This includes consideration of ESG performance KPIs when sustainability-linked products are involved.

### Step 5

**Customer Engagement and Monitoring:** Where ESG risk issues have been identified, ongoing customer relationship management includes engagement with customers to discuss their ESG-related performance, issues and initiatives. This engagement helps us to assess customer's ESG performance and to better understand their ESG goals and objectives so we can support them with appropriate products and services and manage ESG and reputation risk that may arise as a result of the customer relationship. It also includes regular review of the customer's compliance with any agreed conditions and covenants with ESG-related requirements. If there is evidence of systemic non-compliance or material issues, this may result in termination of the relationship.

#### Case Study: Corporate & Institutional Bank – Modern Slavery in the Renewables Sector

NAB's Corporate & Institutional Banking (C&IB) team has supported renewable energy infrastructure over many years and through application of the Group's ESG risk assessment process potential modern slavery issues have been identified in the solar supply chain. The Clean Energy Council (CEC) in conjunction with Norton Rose Fulbright published a report titled '[Addressing Modern Slavery in the Clean Energy Sector](#)' in November 2022 on risks and challenges in the renewables supply chain.

Collaboration is taking place across the renewable energy industry globally. The challenges are complex and will take time to resolve but increasing transparency and willingness of customers to acknowledge issues and implement strategies to reduce and eliminate modern slavery risks will contribute to a just low carbon transition.

In FY2023, NAB commenced an in-depth review of modern slavery risk in the renewable energy sector. As part of the review process, NAB has engaged with a number of relevant customers and referred to external guidance, including information provided in the CEC Report and by other international renewable energy industry bodies, advice from NAB's internal ESG-related experts and other external sources and experts. Progress to date includes a portfolio review to confirm high risk jurisdictions and activities are correctly identified and engagement with external experts to help identify where uplifts in frameworks and guidance can improve risk management practices. The next step is to update banker guidance.



## Wealth-related Activities

Within the Group, two key businesses (JBWere and BNZ) conduct wealth-related activities. Both have processes in place to assess and address modern slavery risk.

## JBWere recognises that it has an important and privileged role to play in Responsible Investment (RI) and helping interested clients to invest responsibly.

In July 2021, JBWere launched its [Responsible Investment Policy \(RIP\)](#) and Responsible Investment Framework (RIF) aimed at providing clients with a comprehensive approach to investing with dual goals: performance and purpose. The (RIP) was recently updated in April 2023, with JBWere aiming to review and update this policy on an annual basis. The RIF represents the full scope of responsible investment as defined by JBWere, spanning ESG integration, stewardship of client capital, impact investing, and ethical filters and alignment. Collectively, these pillars align to globally recognised definitions of responsible investment by the Global Sustainable Investment Alliance (GSIA) and reflect global best practice in private wealth.

BNZ's [Responsible Investment Policy](#) provides for ongoing monitoring of modern slavery risks in BNZ's investment funds. BNZ is committed to ensuring that its appointed active managers are considering modern slavery risk in their investment decision-making processes, and that sufficient engagement is undertaken by all its managers with investee companies on this issue. Active fund managers are also required to:

- Report on quarterly engagement, including instances of engagement undertaken and outcomes achieved as a consequence of the engagement.
- Provide regular attestation that ESG-related risks are considered as part of their investment decision-making process.

### JBWere's approach to Modern Slavery Risk is outlined per asset class

JBWere is taking action to manage modern slavery-related risk across asset classes.

#### JBWere Domestic/ International Equities

The JBWere domestic equity research and selection process takes into consideration a number of ESG risk factors, including an assessment of modern slavery risk. The JBWere domestic equities modern slavery risk assessment process includes a review of each potential investee company's Modern Slavery Statement, or other corporate disclosures related to corporate governance, human rights and/or labour relations. Where no primary source Modern Slavery Statement is available, the process utilises MSCI ESG scores associated with labour relations and a review of MSCI ESG controversies data for evidence of increased modern slavery risk. The JBWere domestic equities team conducts its own assessment of the modern slavery risk associated with each potential investee company and includes that assessment within the company's overall Governance score.

The JBWere international equity research and selection process considers modern slavery risk when reviewing candidate stocks. The international equity research team reviews the company's modern slavery statement or other corporate disclosures, and review MSCI ESG controversies data for evidence of increased modern slavery risk.

#### Fixed Income

JBWere fixed income team believes the expected return on a bond or credit instrument must compensate for the risk assumed. To this end, identified modern slavery risks are captured in an issuer's MSCI ESG score and issuer credit rating. In addition to its own views, the team utilises MSCI's ESG ratings as a screening tool to, as a minimum, identify issuers of concern. The team also monitors modern slavery risks through debt investor updates and leverages the credit ratings and analysis of recognised rating agencies such as Standard & Poor's and Moody's on the basis that the level of ratings assigned to an issuer and its debt instruments captures the ESG risks associated with that issuer. The identification and assessment of the ESG factors relevant to a debt issuer feeds directly into any recommendation as to whether or not a JBWere client should buy, hold or sell a bond or hybrid issued by an issuer. In addition, the assessment of modern slavery risks as part of the broader ESG risk assessment relevant to a particular debt issuer also has a direct bearing on the value assigned to any debt instrument of that issuer.

#### Alternative Investments and Investment Fund Research

ESG is a key factor that has been integrated throughout both the Alternative Investments and the Investment Funds Research teams' due diligence process. As part of this process, both teams assess whether an investment manager adheres to Australian modern slavery legislation requirements, where applicable.

If the legislation is not applicable to an investment manager, an assessment is undertaken as to the manager's ability to monitor and verify the supply chains of its portfolio holdings. This assessment forms part of the overall ESG/Responsible Investment rating applied to an investment product. Further verification of such assessments may be garnered using independent, third-party data providers MSCI and Sustainalytics to analyse portfolio holdings for controversies relating to human and/or labour rights, as well as the supply chain. The team is currently working on enhancing its approach to modern slavery risk through engaging with fund managers from our High Conviction List (HCL) to gather responses to the industry standardised modern slavery questionnaire and expanding our approach to modern slavery risk monitoring and, where applicable, risk remediation.

## Ongoing Customer Due Diligence

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 transaction 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 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
- Account monitoring using a range of human impact and money laundering scenarios that may indicate modern slavery.

Financial crime analysts are provided with briefings, training, thematic reviews and typologies material related to human exploitation when new and relevant material is available. Typologies include labour hire exploitation and human trafficking and modern slavery practices such as servitude, forced labour, forced or servile marriage, debt bondage and the exploitation of children.

In addition to activities undertaken by financial crime teams, the 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)
- Colleagues are trained to escalate concerns they may have in relation to modern slavery via the submission of an Unusual Activity Reports (UAR) which is then reviewed and investigated by the financial crime teams
- Concerns may also be raised by colleagues 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 Group colleagues (via UARs)
- Provide training to bankers on the red flags that could indicate human exploitation
- 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 Suspicious Activity Reports (SARs) to the NZ Police Financial Intelligence Unit (FIU). Further action may be taken, as appropriate, in addition to reporting to AUSTRAC or the NZ Police FIU.

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, 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, including human rights issues. The Group is committed to doing business in a responsible manner which includes how the Group manages its operations (including supply chain) and financing activities. Information is provided here on the Group's processes for receiving, investigating and addressing human rights grievances or concerns (including grievances related to modern slavery and human trafficking). Customers or other externally impacted third parties can raise concerns or feedback by sending an email to the Group's dedicated email address ([grievances@nab.com.au](mailto:grievances@nab.com.au)) with details of the issue. Guidance on how to raise a concern can be found in various languages, under the 'Guidance in other language' tab found [here](#). The languages chosen for translation were based on:

- High risk countries defined in the Modern Slavery Index
- Countries associated with NAB's financing activities
- 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. NAB actively promotes a Speak Up culture aimed at allowing everyone to feel welcome, included and empowered to express views, opinions, and concerns. Our Group Whistleblower Program provides a safe and confidential channel that allows employees and contractors to the Group to raise concerns about potential wrongdoings. Concerns can be reported by contacting KPMG's FairCall Service, which is an independently monitored external hotline and reporting service.

This channel is available for reporting modern slavery concerns. Grievances may also be received via social media, direct correspondence, or bodies such as the Australian Human Rights Commission. Our [Group Whistleblower Protection Policy](#) outlines how to make a report, how we support and protect whistleblowers, and how reports are investigated. The Group Whistleblower Program is available to all employees (including directors, officers, employees, former employees, contractors, suppliers, subcontractors and agents of the Group) and subsidiaries across our operations.

Where grievances or concerns are raised, each claim is investigated and addressed as appropriate. This may include engagement with customers and other stakeholders. As part of the investigation process, steps are taken to understand the issue(s) and take appropriate action. Appropriate action may involve referring the matter to the relevant authorities (in the case of suspicions or allegations of modern slavery) and/or engaging with the customer about areas of the organisation that the Group finances. If modern slavery is found to be occurring, remediation processes will need to be considered.

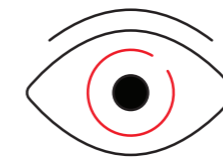
In late FY2022, the Group engaged a specialist business and human rights advisory firm to review its human rights grievance mechanism against the effectiveness criteria set out in the UN Guiding Principles on Business and Human Rights. As a result of this review, changes were made to our grievance mechanism internal guidance to provide greater clarity, particularly with regard to:

- Oversight and reporting lines, complaint handling accountabilities, management of conflicts of interest and how the independence of staff managing complaints is ensured. How complaints are determined to be 'appropriate' for management under the mechanism and whether complaints will be ranked in terms of severity.
- Affirmation that a complaint can still be eligible for consideration regardless of whether customer will cooperate / the complainant exhausted other avenues; complainants can be represented by third parties (such as CSOs).

## Training and Communications

Modern slavery risk is considered with respect to the Group's value chain – being business operations (including customers and the Group's own operations), supply chain and third parties. Colleagues undertake modern slavery training as part of annual Risk Awareness training.

In **FY2023**, NAB achieved a **98.6%** participant completion rate for Risk Awareness training. Annual Financial Crime refresher training, which had a **99.9%** participant completion rate for Australian colleagues also included content on human impact crimes, including modern slavery.



**98.6%**  
**completion**  
participant completion rate for  
Risk Awareness training



**99.9%**  
**completion**  
participant completion rate for  
Annual Financial Crime  
refresher training

# Assessing effectiveness of Modern Slavery Risk Management

(Mandatory Criterion 5)

The Group assesses the effectiveness of its modern slavery risk management through 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 colleagues, assigning obligations to these colleagues and requiring controls to be in place to meet these obligations and test these controls.

Modern slavery risk management obligations are assigned to relevant accountable colleagues within business and customer facing areas across the Group. These areas are required to have controls in place to ensure modern slavery risk is identified and managed in accordance with risk appetite, policies and procedures. This helps the Group to monitor the effectiveness of modern slavery risk management and controls.

Additionally, NAB conducts periodic review and challenge processes to confirm internal compliance with relevant risk appetite, policies and procedures and to ensure risk appetite and policy remains fit for purpose.

Current effectiveness measures include:

- The number of modern slavery issues raised through the Group's grievance processes or identified through due diligence and transaction monitoring processes. Refer to the section above (Identification of potential instances of modern slavery and human trafficking) for more details.
- The number of colleagues who have completed annual Risk Awareness and Financial Crime training – which includes content covering modern slavery risk and human impact crimes respectively. This training takes place during the calendar year so not all colleagues have yet completed their 2023 training.
- The number of suppliers in high-risk sectors for modern slavery which have undergone enhanced risk review. The enhanced third-party risk management onboarding process discussed above will enable more effective identification and risk review of relevant suppliers.

The Group has a Modern Slavery Working Group ('Working Group') through which the Group's modern slavery activities are coordinated across teams, including preparation of this Statement and disclosures on effectiveness measures. The Working Group includes members from business areas across the Group.

## Identification of potential instances of Modern Slavery and Human Trafficking

In FY2023:

- 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.
- There were no Whistleblower program cases raised directly associated with modern slavery.
- No modern slavery and/or human trafficking concerns were raised with the Group about customers through its grievance mechanism.
- NAB identified a number of instances of possible human exploitation by its customers that were investigated and reported to AUSTRAC and law enforcement where required. Further action was taken as appropriate.
- Similarly, in New Zealand, BNZ investigated several instances of possible human exploitation by its customers and reported these to the NZ Police FIU where required.
- The Group's ESG risk assessment processes (which form part of the credit risk and due diligence process), including media scanning, identified a small number of customers with possible modern slavery within their operations or supply chains. In most cases further investigation did not identify modern slavery, however in some instances, the Group has engaged with the customer and is monitoring the actions being undertaken to address the issues.

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. Further information is provided in the *Investigating and managing potential instances of modern slavery and human trafficking* section above

Should a SMR be raised, this may also trigger 'tipping off' provisions under section 123 of Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth), which can limit the Group's ability to disclose details of reported matters. Modern slavery risks and impacts may also be raised and addressed indirectly through investigation of alternate risk factors, particularly those related to financial crime and labour practices.

# Consultation

## on preparing a joint statement

(Mandatory Criterion 6)

During **FY2023**, the Group reviewed its related bodies corporate and Trusts and reconfirmed which entities were likely to trigger the consolidated revenue threshold for being a reporting entity under the *Australian Modern Slavery Act* in FY2023.

An engagement process was conducted with the Group entity Boards (including reporting entity Boards) to ensure they are annually briefed on their accountabilities and informed of: (i) any relevant 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 the 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 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.

Additionally, NAB also engaged with relevant Trustees to agree that NAB would include relevant Trusts in the Group's joint Modern Slavery Statement.

# Other relevant information

(Mandatory Criterion 7)

## COVID-19 Supplier Impacts

The Group has an international supply chain with key suppliers operating in locations that were subject to significant COVID-19 impact (e.g. India) in previous years. During FY2023, the Group has not identified, nor have any suppliers reported to the Group, any material ongoing impacts. The Group continues to engage proactively with key suppliers as part of its supply chain management processes and remains open to working with suppliers to effectively manage any further business or workforce COVID-19 impacts that may arise.

## Engagement in industry working groups and initiatives

In FY2023, the Group participated in a range of industry-related 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:

- Fintel Alliance (an AUSTRAC initiative bringing together public and private sector participants to fight against money laundering, terrorism financing and other serious crime – including financial crime related to modern slavery)
- Australian Banking Association Modern Slavery Working Group
- Responsible Investment Association of Australasia (RIAA) Human Rights Working Group
- Global Compact Network Australia
- The New Zealand Financial Crime Prevention Network – which brings together the NZ Police FIU, the New Zealand Customs Service and the five biggest banks in New Zealand in a public-private partnership aimed at reducing the harm caused by financial crime (including modern slavery).

This statement was approved by the Board of National Australia Bank Limited on 6 November 2023.

Signed



**Ross McEwan**

Group Chief Executive Officer and Managing Director  
6 November 2023

# Appendix 1

## Reporting entity activity overview

ENTITY NAME	DESCRIPTION OF REPORTING ENTITY ACTIVITIES
National Australia Bank Limited (“NAB”)	The parent company, and main operating company, of the Group. The principal activities during the year were banking services, credit and access card facilities, leasing, housing and general finance, international banking, investment banking, wealth management services, funds management and custodian, trustee and nominee services.
National Equities Ltd (“NEL”)	Acts as an holding company for the major banking subsidiaries in the Group which are i) National Australia Group NZ (“NAG NZ”); and ii) Bank of New Zealand (which is a subsidiary of NAG NZ).
NAB Properties Australia Pty Ltd (“NPA”)	Operates as the property holding company – principal activities are to own freehold and building, leasehold improvements as well as furniture, fixtures and fittings which are leased to NAB under an operating lease.
National OBU Pty Ltd (NOBU)	The company’s sole business is selling credit protection on loan/credit facilities (provided to external obligors) held by NAB offshore branches.
JBWere Limited (“JBWere”)	Provider of private wealth management, financial advice and investment services. Operator of Investor Directed Portfolio Service.
Advantage Financial Services Holdings Pty Ltd (“AFSH”)	The holding company for the Advantage Financial Services business. The company provides loans to corporates and/or for business purposes only.
Advantage Financial Services Pty Ltd (“AFS”)	Wholly owned subsidiary of AFSH. The principal activities of the Company are the wholesale origination of residential mortgages and provision of trust management and trust servicing activities.
86 400 Holdings Limited (“Holdings”)	Acts as a holding company for 86 400 Pty Ltd (“Proprietary Limited”) and 86 400 Technology Pty Ltd (“Technology”). Holdings is the service provider to NAB for operations of ubank and the employer of certain ubank employees. Proprietary Limited was formally the ADI for 86 400 business, but had its ADI licence revoked in late 2021 following NAB’s acquisition of Holdings. Proprietary Limited has a number of third party and supplier contracts (e.g. payments and marketing) to operate the ubank business. Technology owns the IP for the core customer experience engine technology for the ubank operating platform, as well as certain technology-related contracts.
National RMBS Trust 2008-2	The trust is used for the purpose of securitising home loans originated by NAB.
National RMBS Trust 2012-1	The Trust is used for the purpose of securitising home loans originated by AFS.
National RMBS Trust 2015-2	The Trust is used for the purpose of securitising home loans originated by NAB.
nab Covered Bonds Trust	The principal activities of the Trust are the acquisition, management and sale of mortgage receivables. These mortgage receivables support a guarantee provided by the Trust to the Trustee associated with the issue of covered bonds by NAB.
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## Important information

- i In providing financial services, the 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 the 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.
- ii See list of reporting entities in NAB Group at beginning of this Statement. An overview of activities undertaken by these entities is provided in Appendix 1: Reporting entity activity overview.

