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National Australia Bank

2021 MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

REPORTING ENTITIES

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 'reporting entities' as defined in the Australian Modern Slavery Act ("NAB Group" or "the Group") as at 30 September 2021, and those companies comprising MLC (defined below - refer section Discontinued Wealth operations) for the period in which those companies formed part of the Group (**Mandatory criterion 1**).

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.

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

National Australia Bank Limited ("NAB")	JBWere Limited ("JBWere")
National Equities Ltd ("NEL") ¹	Advantagedge Financial Services Pty Ltd ("AFS")
NAB Properties Australia Pty Ltd ("NPA")	Advantagedge Financial Services Holdings Pty Ltd ("AFSH")
GWM Adviser Services Limited ("GWMAS")	
National RMBS Trust 2015-2	nab Covered Bond Trust
National RMBS Trust 2012-1	National RMBS Trust 2008-2

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 in Asia (China, Hong Kong, Singapore, India, Indonesia and Japan), the UK, and the USA.

On 19 May 2021, the Group acquired 100% of the shares in 86 400 Holdings Ltd, the holding company of Australian neobank, 86 400 ("86 400"). This entity did not meet the threshold to be a reporting entity for the 2021 financial year.

This Statement relates to the NAB Group financial year 1 October 2020 to 30 September 2021 (FY2021).

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, 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.

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-related activities include 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.

Other operational activities include direct employment of workers²; 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.

The Group employs more than 32,000³ colleagues and serves approximately 8 million customers through 748 branches and business banking centres, 1482 ATMs and online banking. In FY2021, the Group provided customers with \$629 billion (FY2020: \$594 billion) in loans and advances including acceptances as at 30 September 2021.








Supply Chain

The Group has a global supply chain. Supply chain relationships include suppliers from the following key sectors:

~5,900
registered
suppliers

~1,200
contracted
suppliers

\$~4.5
billion spend

Procurement category	% of spend
 Information, Communications, and Technology (ICT): includes IT applications, hardware and software, telecommunications, infrastructure and data centre, application service providers (ASP) & internet delivered services and IT professional services	36
 Human Resources & Recruitment: includes recruitment, contingent labour, contractors, probation, training, car fleet, professional memberships, employee benefits, relocation, health & wellbeing, and corporate uniforms	8
 Property & Facilities Management: includes asset services, cleaning, utilities, waste management, construction management, catering, insurance, rates & taxes, rent, security	11
 Business Services Enablement: includes professional services (e.g. audit, consulting and legal services) and business process operations (offshore)	8
 Financial Services Enablement: includes valuation services, loyalty programs, insurances, market information services, credit decisioning, card services, lending processing and debt management	11
 Print, Production, Processing & Logistics: 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.	4
 Other: includes brand, market research, marketing and advertising, publishing, sponsorships, travel, events, functions & conferences, brokerage, financial advisors, memberships (industry and regulatory associations), securities trading, restructure costs.	22

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.

The 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. ESG risks are considered in the Group’s risk appetite and risk management framework, including within NAB’s customer-related policies (including credit policies) and processes and supply chain-related policies. Colleagues 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 workforce², 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 [2021 Sustainability Data Pack](#).

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 for 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. As a financial institution, it may also inadvertently engage with customers or third parties that are victims or perpetrators of these practices.

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 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 and (vi) Information and Communications Technology (ICT) – hardware. 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. We have estimated that approximately 4.5% of procurement is in these identified sectors that have a higher risk of modern slavery, with a further ~6% being labour-related procurement (e.g. security services, contingent labour, offshored business operations) where adequacy of labour practices is a consideration.

Key high-risk sourcing sectors for the Group



Office consumables such as tea, coffee, sugar, cocoa



Cleaning services



Corporate clothing



Print and promotional goods



Construction



Information and Communications Technology (ICT)

The 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. Colleagues with expertise and understanding of human rights/modern slavery risk work across a range of Group functions and subsidiaries. These colleagues identify, develop and implement improvements to policies and processes to manage this risk, where relevant, as part of their roles.

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 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 extend into high-risk countries for modern slavery – for example, solar panels and other manufactured goods and parts from factories located in these countries.

In FY2021, the Group further refined its modern slavery risk matrix. This is being used to help colleagues in sourcing and 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. In FY2021, the Group piloted the integration of this information within an enhanced third-party management process. It is planned this will roll out across NAB's Australian and BNZ's New Zealand supplier base in FY2022.

Examples of sectors with higher potential for modern slavery risk include, but are not limited to:



Agriculture and fishing



Domestic & cleaning services and Contract labour



Adult & personal services



Hospitality



Textiles



Mining (particularly artisanal)



Construction



ICT



High risk geographies

In addition, 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. To assist colleagues in identifying indicators of potential modern slavery, or those that may be victims, NAB has developed a Human Impact Guide ('the Guide'). 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 case studies to help colleagues identify these crimes through their analysis of customer transactions and KYC⁴ activities. A version of this Guide has also been developed and made available on NAB's intranet for frontline colleagues. A further version has been shared with industry and government partners via the Australian Bankers Association and Fintel Alliance.

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:

- Governance and risk management – A description of the 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-related 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 colleagues 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 and Compliance 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 and the Group Credit & Market Risk Committee.

Risk appetite, policies and principles

The Group's Risk Appetite Statement explicitly incorporates consideration of human rights and modern slavery.

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's Human Rights Policy. The 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:

- National Australia Bank [Code of Conduct](#)
- [ESG Risk Principles](#)
- Group Procurement Policy
- Group Outsourcing Policy
- Group Credit Policy
- [Group Whistleblower Policy](#)
- [Group Supplier Sustainability Principles](#)

The Group's Human Rights Policy was reviewed in FY2021 with minor changes made to align to revised internal policy requirements and feedback from internal and external stakeholders. As in prior years, the Group engaged with a number of external non-government organisation stakeholders to seek feedback on the policy and some changes were made on the basis of this feedback. 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, other Group entities have ESG and/or responsible investment policies (e.g. [BNZ Responsible Investment Policy](#)). 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

The 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.

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

Actions undertaken within FY2021 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 commercial building tea points and Fairtrade certified coffee across BNZ commercial building tea points.
- Piloting an enhanced 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 will be required to complete ESG questions as part of their due diligence process, with a particular focus on suppliers in high risk countries and/or high-risk industries. It is anticipated this will roll out across NAB's Australian and BNZ's New Zealand supplier base in FY2022.
- Enhancing modern slavery questions within ESG question sets used by BNZ frontline and sourcing colleagues. ESG risk assessment questions, including those for modern slavery, are reviewed on an ongoing basis and have previously been enhanced for NAB colleagues.

Financing-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). To support identification of modern slavery risk, the Group's modern slavery risk matrix is used to highlight countries and industries/activities where the likelihood of modern slavery risk is high.

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 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 Investing Policy and Framework aimed at providing clients with a comprehensive approach to investing for a dual goal: performance and purpose. The RI framework represents the full scope of RI as defined by JBWere, spanning Environmental, Social and Governance (ESG) integration, stewardship of client capital, impact investing, and ethical filters and alignment. Collectively, these pillars align to globally recognised definitions of RI by the Global Sustainable Investment Alliance (GSIA) and reflect global best practice in private wealth. JBWere broadly splits investments into three main asset classes: Equities (domestic and international), Fixed Income and Alternative Investments.

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 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 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 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.

BNZ's RI Policy was updated in FY2021 and provides for ongoing monitoring of modern slavery risks in BNZ's investment funds through regular engagement with managers. Active fund managers are required to:

- Engage with investee companies on modern slavery
- Use quarterly engagement reporting to include instances, where available, of engagement undertaken and outcomes achieved as a consequence
- Provide regular attestation that modern slavery risks are considered as part of their investment decision making process.

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 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, 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 about modern slavery via the submission of an Unusual Activity Reports (UAR) which is then reviewed and processed 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)
- 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, 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 – this includes how the Group manages its operations (including supply chain) and financing activities. Therefore, in FY2021, further improvements were made to website information [here](#) to provide more detail on the Group's processes for receiving, investigating and addressing human rights grievances or concerns (which includes grievances related to modern slavery and human trafficking). Concerns can be raised by sending an email to the Group's dedicated email address (grievances@nab.com.au) with details of the issue, following the guidance [here](#). The improvements also included guidance on how to contact us to raise a human rights-related concern, in languages other than English. 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 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 the Group finances. It also includes the need to consider remediation processes and remedy⁵ if modern slavery is occurring.

Identification of potential instances of modern slavery and human trafficking

In FY2021:

- 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 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 investigated instances of suspected human exploitation 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 potential modern slavery within their operations or supply chains. In most cases further investigation did not identify modern slavery, however there were some instances of poor labour practices; for these the Group has engaged with the customer and is monitoring the actions being undertaken to address the issue. In other cases, due diligence is ongoing to better understand whether there is a modern slavery concern and any actions required.

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 the Group's own operations), supply chain and third parties. All colleagues are required to undertake modern slavery training as part of annually required Risk Awareness training. 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. Modern slavery risk management obligations are assigned to relevant accountable 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 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 training – which includes a module covering modern slavery risk (this training forms part of regulatory required training). This training takes place during the calendar year so not all colleagues have yet completed their 2021 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 enhanced risk review for relevant suppliers.

During FY2022, the Group will continue to consider how it can improve measuring the effectiveness of its modern slavery risk management processes.

CONSULTATION ON PREPARING A JOINT STATEMENT

(Mandatory criterion 6)

During FY2021, the Group reviewed its related bodies corporate and reconfirmed which entities were likely to trigger the consolidated revenue threshold for being a reporting entity under the Australian Modern Slavery Act in FY2021.

An engagement plan was developed to ensure entity Boards⁶ (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 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.

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)

COVID-19 Supplier Impacts

Some of NAB’s key suppliers operate in locations that have been subject to significant COVID-19 impacts (e.g. India). With strong support and engagement from NAB, these suppliers have been effective at managing the impacts on their businesses and workforce.

As the pandemic continued into 2021, NAB closely oversaw and monitored material outsourced suppliers located in India that provide critical services. NAB’s role included working closely with these suppliers to ensure maintenance of health and safety within their workplaces and case by case adoption of strategies to specifically address local COVID exposures. Strategies included NAB authorising and supporting changes to work arrangements and suppliers providing internal vaccination programs and intensified well-being engagement with their staff.

More broadly NAB’s regular governance and engagement with suppliers continued, and in many cases was intensified during this period, adjusting NAB’s monitoring protocols to use of remote communication rather than site visits – where visits would normally have occurred.

Engagement in industry working groups and initiatives

In FY2021, the Group participated in 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 Modern Slavery Community of Practice

In FY2022, the Fintel Alliance will form a new working group for six months to build on the Fintel Alliance’s previous work in combating child exploitation in 2019. The working group will update the current indicators report and consider feedback from overseas agencies, the International Centre for Missing and Exploited Children (ICMEC) and the Australian Institute of Criminology (AIC). The working group will develop ways to strengthen our response to detection and prevention of child exploitation.

Discontinued Wealth operations

NAB completed the sale of MLC Wealth Limited and its subsidiaries; (“MLC”), to IOOF Holdings Limited (“IOOF”) on 31 May 2021. The transaction included MLC’s advice, platforms, superannuation & investments and asset management businesses. As part of NAB’s ongoing commitment to its customers, NAB has retained legal ownership of MLC’s advice entities, for the purpose of completing advice-related remediation programs. Other assets of the advice entities and employees of the advice business were transferred to IOOF as part of the transaction.

The MLC reporting entities under the Australian Modern Slavery Act for the period from 1 October 2020 to 31 May 2021 (inclusive) are listed below⁷ (Mandatory criterion 1):

MLC Wealth Limited (“MLCW”)	MLC Investments Limited (“MLCI”)
MLC Asset Management Services Limited (“MSL”)	NULIS Nominees (Australia) Limited (“NULIS”)

A description of the activities of these entities is provided in the Appendix to this Statement.

The operational activities of MLC (**Mandatory criterion 2**) included direct employment of some workers² (MLCW) and provision of asset management, investment platforms, superannuation and financial advice (via employed and self-employed advisers operating under the advice entities retained by NAB).

MLC had approximately 3000 staff and served around 1.2 million clients as at 31 May 2021. MLC had \$126 billion in Funds Under Administration and \$175.2 billion Assets Under Management as at 30 June 2021⁷.

While owned by NAB in FY2021, until the sale was completed on 31 May 2021, MLC adopted Group policies in line with their own internal processes for adoption following, or in parallel to, approval by NAB.

While part of the Group, MLC utilised Group procurement processes for general products and services procured for these entities.

MLC, like the Group, may be exposed to modern slavery-related risk (**Mandatory criterion 3**) through its supply chain, other third-party relationships and investment activities.

MLC primarily used Group processes described under **Mandatory criterion 4** above to assess and address modern slavery risk, including due diligence and remediation processes. However, the investment supply chain of MLC's investment entities were subject to further specific assessment of its appointed investment managers.

For example, as part of its process to select and conduct ongoing review of underlying investment managers, MSL includes consideration of whether the underlying 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 back to MSL. Each quarter, MSL asks its managers to outline their approach to modern slavery risks within their own business and their assessment of how well modern slavery risks are managed within their underlying security holdings. 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. In June 2021, MSL updated its Responsible Investment Policy and included specific consideration of modern slavery risk. The policy is available [here](#).

As part of MSL's quarterly review of its appointed investment managers, there have been modern slavery risks identified in the underlying securities held by investment managers. The following are some examples of how modern slavery risks are being actively managed by MSL's appointed investment managers:

- One of MSL's Australian Equities managers spent time with a diversified Australian company, focusing on their supply chain management. Their view was that the company has strong policies which incorporate scrutiny on human rights and the environmental footprint of their suppliers. The company is transparent on their policies and also discloses a summary of their audits, violations that have occurred and remediation actions. The company is aware that they are exposed to potential high risks across their tier 2, 3 and 4 suppliers which are not covered by their supplier policies and is working on new initiatives to monitor them more closely.
- One of MSL's Global Equities managers noted that child labour in the cocoa supply chain is one area where they have seen a negative effect as a result of the pandemic, as child labour tends to rise when children have no access to school and during economic downturns. The inability of adult workers to move around the country due to lockdowns may also have been a factor according to a recent report by the International Cocoa Initiative. They continue to engage with the company on this directly and through a data analytics provider.

MLC undertakes the activities described under **Mandatory criterion 5** above to assess the effectiveness of modern slavery risk management in both its own operations and that of its underlying investment managers through identifying accountable people, assigning obligations and controls to these people to ensure modern slavery risks are identified and managed in accordance with risk appetite, policies and procedures. The effectiveness of the modern slavery controls is assessed periodically by Risk functions, and the results are reported to the Board.

The MLC reporting entities were consulted as part of the process for preparing this joint statement (**Mandatory criterion 6**). Approval was sought from the MLCI, MLCW, MSL and NULIS Boards respectively, to be included as part of the NAB Joint Modern Slavery Statement for the period up until and until the date of sale of the MLC Wealth business to IOOF; on 31 May 2021.

This statement was approved by the Board of National Australia Bank Limited on 5 November 2021.



Ross McEwan
Group Chief Executive Officer and Managing Director
8 November 2021

APPENDIX 1: REPORTING ENTITY ACTIVITY OVERVIEW

Entity Name	Description of reporting entity activities
National Australia Bank Limited (“NAB”) ABN 12 004 044 937	The parent company, and main operating company, of the Group. The principal activities of the Group 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”) ABN 77 004 956 549	Acts as a holding company for the major banking subsidiaries in the Group which are i) National Australia Group New Zealand; and ii) Bank of New Zealand (which is a subsidiary of NAG NZ)
NAB Properties Australia Pty Ltd (“NPA”) ABN 85 004 956 521	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.
JBWere Limited (“JBWere”) ABN 68 137 978 360	Provider of private wealth management, financial advice and investment services. Operator of Investor Directed Portfolio Service.
Advantagedge Financial Services Holdings Pty Ltd (“AFSH”) ABN 57 095 300 502	The holding company for the Advantagedge Financial Services business. The company provides loans to corporates and/or for business purpose only.
Advantagedge Financial Services Pty Ltd (“AFS”) ABN 36 130 012 930	Wholly owned subsidiary of Advantagedge Financial Services Holdings Pty Ltd. The principal activities of the Company are the wholesale origination of residential mortgages and provision of trust management and trust servicing activities.
GWM Adviser Services Limited (“GWMAS”) ABN 96 002 071 749	Conducts remediation activities and complaint handling services for Wealth Advice-related clients and undertakes related ongoing regulatory and commercial activities to satisfy licence conditions and requirements as a holder of an AFSL
National RMBS Trust 2008-2 Trustee ABN 55 372 514 676	The trust is used for the purpose of securitising home loans originated by National Australia Bank Ltd.
National RMBS Trust 2012-1 Trustee ABN 66 990 397 538	The trust is used for the purpose of securitising home loans originated by Advantagedge Financial Services Pty Ltd.
National RMBS Trust 2015-2 Trustee ABN 39 694 963 752	The trust is used for the purpose of securitising home loans originated by National Australia Bank Ltd.
nab Covered Bond Trust Trustee ABN 12 126 138 446	The principal activities of the trust are the acquisition, management and sale of mortgage receivables.

NULIS Nominees (Australia) Limited (“NULIS”)
ABN 80 008 515 633

NULIS act as corporate trustee for Registerable Superannuation Entities (RSEs). As at 30 June 2021, the immediate parent entity is MLCW and the ultimate parent entity is IOOF Holdings Limited.

MLC Wealth Limited (“MLCW”)
ABN 97 071 514 264

MLCW provides management, administration and related services to entities within the MLCW consolidated group. MLCW act as parent entity and holding company for the MLCW consolidated group. As at 30 June 2021, MLCW’s immediate and ultimate parent entity is IOOF Holdings Limited.

MLC Investments Limited (“MLCI”)
ABN 30 002 641 661

MLCI acts as a responsible entity for managed investment schemes and as an operator of investor directed portfolio services. As at 30 June 2021, MLCI’s immediate parent entity is MLCW and the ultimate parent entity is IOOF Holdings Limited.

MLC Asset Management Services Limited (“MSL”)
ABN 38 055 638 474

MSL provides investment management services. As at 30 June 2021, MSL’s immediate parent entity is MLCW and the ultimate parent entity is IOOF Holdings Limited.

Important information

1. In FY2021, 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. In FY2021, NEL did not trigger the Australian Modern Slavery Act reporting threshold, however, the Group anticipates it may trigger in FY2022, and so NEL is included here for completeness.
2. 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.
3. Number of full-time equivalent colleagues as at 30 September 2021, excluding discontinued operations
4. Know Your Customer.
5. 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.
6. 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
7. In 2021, MLC Wealth Reporting Entities changed the end of financial year date from 30 September to 30 June to align with the IOOF Holdings Limited (“IOOF”) year end. MSL was an MLC Wealth Reporting Entity for the year ended 30 September 2020. However, given the sale of MLC Wealth to IOOF the Reporting Period for MSL has been changed to align with the NAB Reporting Period for the purpose of this Statement. Despite MSL’s consolidated revenue being slightly less than \$100m for the Reporting Period, MSL has been included in this Statement on the basis that its operations have not changed since the year ended 30 September 2020, in which its consolidated revenue was greater than \$100 million, and it jointly reported under the Group’s Modern Slavery Statement.