



NATIONAL AUSTRALIA BANK LIMITED

GROUP INCLUSION & DIVERSITY POLICY

Policy Governance Schedule

Approval date	September / 2020
Next approval date	August / 2021
Policy Owner	Executive, Inclusion & Diversity
Division	People & Culture
Approval Authority	Board (Via the People & Remuneration Committee)

1 SCOPE AND PURPOSE

- 1.1 NAB Group (comprising National Australia Bank Limited and its wholly owned subsidiaries) has a core purpose to serve customers well and help our communities prosper. Through the Inclusion and Diversity Policy (the **Policy**), NAB aims to value and respect the diversity of our people, customers, suppliers and communities looking to ensure a positive experience for all.
- 1.2 The Inclusion and Diversity Policy ('the Policy') aims through its implementation to:
- Attract and retain diverse teams, enhancing our approach to decision making and innovating for the future
 - Empower individuals to work and grow together in an inclusive, safe and flexible way
 - Leverage the diversity of skills to enhance the customer experience and organisational growth
 - Designing accessible products and services for financial inclusion and those who are vulnerable
 - Support our local communities and be proud of our brand and reputation
- 1.3 NAB aims to create a culture that embraces equality, inclusion and diversity across all areas of our business practices. The following Policy Principles outline [How We Work at NAB](#) and guide our interactions with each other, our customers and the community and promote awareness and diversity management:
- We work collaboratively and grow together and expect all employees to be respectful in their interactions and communications with each other, our customers, suppliers and the community – acting with honesty and integrity.
 - We value and are open to the opinion of others and are curious to learn from others recognising a wealth of knowledge, skills and ideas that we can tap into.
 - Our leaders' role model and reinforce inclusive behaviours ensuring that our management practices and decisions are based on fairness and merit. This includes recruitment, access to learning, career development, succession planning, promotions, performance management, recognition and remuneration.
 - We recognise the need to support flexibility in the way we work. To the extent that it is reasonably possible, we look to accommodate the needs of our employees who may be vulnerable at any point of their career or life stage aiming for sustained performance and retention.
 - We promote a high level of engagement and performance, ensuring all employees have equitable access to opportunities to learn, develop, reskill and grow.
 - We expect everyone to demonstrate the appropriate workplace behaviours and look to ensure the safety and wellbeing of all. We do not tolerate unlawful discrimination, bullying, harassment (including sexual harassment), vilification or victimisation.
 - We will continue to strive to ensure NAB is an equal opportunity employer. We are committed to respecting the rights of Indigenous people in communities across the world and to continuously review our policies and practices to ensure Indigenous inclusion.
 - We aim to recruit, select and promote based on role requirements and acquire talent based on skills, experiences and suitability to the role. We ensure a diverse pool of candidates are considered and we do not unlawfully discriminate against a person on

the basis of a protected attribute, including, but not limited to sex, age, race and other attributes outlined in Section 8 Glossary of this Policy or under anti-discrimination laws.

- We will make every effort to understand the reasons for resignations that may impact our progress and will look to ensure our I&D principles applied during restructures and significant organisational changes.

- 1.4 This Policy applies to all NAB employees (also known as colleagues), including directors, officers, contractors, interns, seconded employees, temporary workers and volunteers engaged across NAB globally. This includes NAB subsidiaries and offshore branches.
- 1.5 The Group Inclusion & Diversity Policy aligns to the ASX Corporate Governance Council 'Corporate Governance Principles and Recommendations'¹ and uses them as the minimum expectations for NAB (Group).
- 1.6 Globally, we are committed to respecting human rights and avoiding human rights harm. We also support advancing equality between women and men and are a proud signatory to the Statement of Support for the Women's Empowerment principles (a collaboration between the UN Women and UN Global Compact).
- 1.7 If there is a conflict or inconsistency between this Policy and the laws and regulations of a country, those laws and regulations take precedence to the extent of the conflict or inconsistency, unless this Policy places a higher requirement and compliance with this Policy would not result in a breach of the local laws or regulations.
- 1.8 This Policy should be read in conjunction with other NAB policies and guidelines that outline our commitment to expected behaviours and conduct of all implemented through other relevant codes, policies and procedures outlined in Section 7.

2 ROLES AND RESPONSIBILITIES

- 2.1 The Board People and Remuneration Committee is responsible for monitoring and assessing on an annual basis the effectiveness of the I&D strategy, policy and practices in achieving the stated measurable objectives and ensuring progress in achieving a diverse and inclusive workplace.
- 2.2 The Executive Leadership Team (ELT) has direct accountability for execution of the I&D Strategy and continues to focus on promoting the right values and behaviours to support a workforce in which colleagues feel empowered and encouraged to perform at their very best.
- 2.3 The I&D team is responsible for the governance of diversity and inclusion at NAB.
- 2.4 All NAB leaders are expected to foster an inclusive culture where individual differences are understood, respected, valued and promoted.
- 2.5 All colleagues are expected to understand, respect, value and promote individual differences.

3 POLICY REQUIREMENTS

- 3.1 The I&D measurable objectives for NAB have been set by the Board and agreed by the ELT and are overseen by them within their Divisions. The ELT and their direct reports are expected to take action against each of these priorities to drive culture change and support the needs of the business and NAB overall:
 - Diverse leadership teams and talent pipelines

¹ 4th Edition, February 2019

- At each salary level 40-60% of either gender represented
 - NAB Board (non-executive directors) 40-60% of either gender represented
 - NAB Group subsidiary boards – 40-60% of either gender represented
 - Inclusive workplace culture – Engagement Score top 20% (including by diverse segments)
 - Fair remuneration – seek to reward people fairly and support our objective of gender pay equity < 10% by 2025.
- 3.2 To support leadership accountability, I&D related performance management objectives (KPIs) will be put in place for all people leaders. These KPIs will be reviewed as part of the annual performance management process.
- 3.3 NAB's inclusion and diversity measurable objectives must be evaluated against internal targets and appropriate external benchmarks annually at a minimum, and reported to the Board.
- 3.4 Disclosure must be made of progress against gender diversity objectives at financial year end via NAB's annual reporting suite and communicated to colleagues internally. Other disclosure requirements include, but are not limited to, reporting against the ASX Corporate Governance Council's Principles and Recommendations, UN Global Compact Principles and Human Rights requirements, the Workplace Gender Equality Act 2012 and other diversity related frameworks and standards.

4 POLICY EXEMPTIONS

- 4.1 An exemption is required where a business is unable to comply with the mandatory requirements of this Policy for a defined period of time no greater than 12 months and immediate action cannot be taken to achieve compliance.
- 4.2 The Approval Authority delegates the approval of exemptions to the Group Executive People & Culture.
- 4.3 Exemption requests must be submitted to the Group Executive People & Culture and will be granted at their discretion. Refer to the Exemptions Procedure Guide for further detail.

5 POLICY EXCEPTIONS

- 5.1 An exception is required where a business is unable to comply with the mandatory requirements of this Policy for a defined transaction on a case-by-case basis and immediate action cannot be taken to achieve compliance.
- 5.2 Exceptions requests must be submitted to the Policy Owner and will be granted at their discretion.

6 POLICY BREACHES

- 6.1 Breaches of this Policy (i.e. non-compliance that is not managed via the formal exemption or exception process) must be managed in accordance with the Employee Conduct Management Policy and recorded per the Events Management Standard Operating Procedures and other policies as amended from time to time or regional equivalents. Failure to comply with this Policy may result in disciplinary and remedial actions which could

include; counselling, formal warning or termination of employment. There may also be consequences for individuals as a result of external legal or regulatory action.

- 6.2 Employees must report all instances of breaches of this Policy to the Policy Owner. For the avoidance of doubt, a target is a goal. Failing to meet a target does not constitute a breach of this Policy.

7 RELATED DOCUMENTS

Documents related to the Policy include:

1. NAB Code of Conduct
2. NAB Group Whistleblower Protection Policy
3. Employee Conduct Management Policy
4. Health, Safety and Wellbeing Policy
5. Discrimination & Harassment Policy
6. Workplace Bullying Policy
7. Domestic Violence Support Policy
8. NAB Enterprise Agreement 2016
9. Group Human Rights Policy
10. Environmental, Social and Governance (ESG) Risk Principles
11. Employee Complaints Procedure
12. Group Remuneration Policy
13. Board Composition & Renewal Policy
14. Other policies as introduced and amended from time to time

8 GLOSSARY

Term	Definition
Diversity	<p>Accepting each person as an individual irrespective of differences used to differentiate groups and people from each other (both visible and invisible). <i>It is about our commitment to equality and treating all individuals – our employees, clients and the communities in which we operate - with fairness and respect.</i></p> <p>Such differences include but are not limited to age, gender, physical abilities, disability, nationality, cultural background (race, colour, descent), ethnicity, marital, family or relationship status, religious or political beliefs, sexual orientation, gender identity, carer responsibilities, pregnancy, breastfeeding, socio-economic background and flexible working arrangement.</p>
Equality	<p>Ensuring that every individual has an equal opportunity to make the most of their lives/talents.</p> <p>We aim to remove barriers and look to eliminate all forms of unlawful discrimination and harassment which may be caused by personal stereotypes and prejudices.</p>
Inclusion	<p>An environment that makes every individual or group feel comfortable and safe to speak up and be themselves, where similarities and differences are not just accepted, but are valued and utilised to achieve a common goal or objective (business goals or outcomes).</p>
Must	<p>An action is an absolute requirement and any deviation from this will require a formal policy exemption.</p>