

Modern Slavery Statement.

under the *Modern Slavery Act 2018* (Cth)

Reporting period 01 July 2024 – 30 June 2025



Defence
Bank

Defence Bank Limited
ABN 57 087 651 385

Principal Governing Body Approval

Defence Bank Limited's Board approved this Modern Slavery Statement on 25 November 2025 pursuant to the requirements of the *Modern Slavery Act 2018 (Cth)*.

The contents of this Statement have been reviewed, confirmed as accurate and signed by a duly authorised person. This statement is signed by Bruce Murphy in his role as Chair of the Defence Bank Board on 25 November 2025.



Signature

Bruce Murphy – Chair, Defence Bank

Name and signing capacity

25 November 2025

Date

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Part One: Reporting Entity Structure, Operations, Supply Chains and Consultation

Defence Bank Limited (ABN 57 087 651 385) (“Defence Bank”, “we” and “our”) submits this, our third, Modern Slavery Statement under the Act for the financial year ending 30 June 2025.¹

Defence Bank was formed in March 1975 as Defence Force Credit Union Co-operative Limited² and is an Australian financial services provider that focuses on serving active and retired members of the ADF and their families.

Defence Bank is member-owned, with profits re-invested back into the Bank to maximise the service and competitive products offerings for our members. As at 30 June 2025 Defence Bank had **81,527** members.

Defence Bank’s offerings remain consistent across reporting periods, with our focus on quality financial services and products, including:

- **Savings and investment** - everyday banking, online savings accounts, term deposits, retirement savings
- **Loans** - personal loans, car loans, home loans and offset facilities.
- **Insurance** - general, home and contents insurance (including barrack room), vehicle, landlord, travel and health.
- **Travel and International** - cash passport, foreign currency exchange, telegraphic money transfers

We aim to provide our members with flexible and reliable access to finance through offering credit cards, debit cards and digital wallets.

Defence Bank’s retail branches provide unparalleled coverage across Australia’s Defence Force Bases and are spread across the following **26 locations**, covering every state and territory, excluding Tasmania:

<u>ACT</u> ADFA, Brindabella, Russell, Duntroon	<u>NSW</u> Garden Island, HMAS Albatross, Singleton, Holsworthy, Richmond, Albatross, Wagga Wagga	<u>VIC</u> Bandiana, East Sale, Puckapunyal, Victoria Barracks, Watsonia
<u>QLD</u> Amberley, Lavarack, Townsville, Willows, Enoggera	<u>NT</u> Darwin, Robertson Barracks	<u>SA</u> Edinburgh <u>WA</u> HMAS Stirling

Defence Bank’s head office is in Melbourne.

¹ Many of the descriptions about static aspects of the mandatory reporting criteria (our corporate structure, operations, core supply chains and response framework) remain the same, or substantially similar, to our previous two statements. Due to the consistency in our core business operations and procurement activities, these descriptions continue to accurately reflect responses to the Act’s mandatory reporting criteria.

² Defence Bank became a Bank and changes its name to Defence Bank in 2012.

Defence Bank employed **218 full-time and 17 part-time employees**, a total of 227.9 full-time-equivalent positions. Approximately 38% of our team works in administrative positions, and 62% are in customer-facing roles.

Supply Chains (including investments)

Defence Bank engaged with 363 unique suppliers (compared with 352 in FY24).

The industry categories covered by our procurement activities remains consistent with the description provided in our two previous Statements, and continue to include:

- Business, consulting, legal and professional service providers
- Commercial cleaning of branch and offices premises
- Computer, IT and software providers
- Education providers
- Financial services
- Government services
- Hotel and restaurant suppliers
- Insurance providers

In terms of the geographical breakdown, our direct suppliers remain entirely Australian based with the exception of 10 overseas suppliers (USA-4, the Netherlands-1, Israel-1, UK-1, France-1 and Jersey-1 and New Zealand-1). The total spend for FY25 to overseas suppliers amounted to \$258,454.

In terms of investments, Defence Bank's portfolios continue to be exclusively held in Australian entities, Australian branches of leading foreign financial entities, or Australian/State government investment bodies.

Company Structure and Controlled Entity Consultation

Defence Bank is Australian Public Company Limited by Shares.

Defence Bank has one controlled entity, **DBL Funding Trust No. 1** which is a wholly owned corporate structure for facilitating Residential Mortgage-Backed Securitisation (RMBS) transactions. As it is wholly integrated within, and dependent upon, Defence Bank's operational leadership and processes, there is full consultation with, and coverage of, this Trust to in relation to any anti-slavery initiatives and modern slavery reporting undertaken by Defence Bank.

The principal governing body of Defence Bank is our Board of Directors. Two senior Australian Defence Force personnel serve on the Board. Our Chief Risk Officer and Chief Financial Officer continue to have executive oversight of actions to identify, assess, address and report on potential areas of modern slavery risk.

Part Two: Identifying, Assessing and Addressing Modern Slavery Risk

Our operations

With our business activity occurring exclusively within Australia and in the highly regulated financial services sector, Defence Bank continues to assess our operations as low-risk for all forms of modern slavery. Our workforce is directly employed, predominantly tertiary educated, protected under written contracts and applicable Australian workplace laws and regulations.

Supply chains

From a modern slavery risk perspective, we do not consider there to have been any material changes to our procurement activities this reporting period compared to previous years. Our procurement of goods and services to facilitate our day-to-day core operations as an Australian bank remains consistent with previous reporting periods.

The relevant industry categories assessed for relatively higher potential risk exposure were identical to our first two reporting periods, including:

Business, Insurance and Financial services	Computer related services
Printed Media services	Garments and Apparel products (Staff uniforms)

The assessed areas of potentially elevated modern slavery risk are predominantly in deeper tiers, with the following common characteristics continuing to prevail:

- key raw material inputs (including conflict minerals) and the manufacturing of electronic componentry for computer products and other technologically advanced electronics; and
- foreign-sourced raw material inputs such as paper pulp and cotton.

Investments

With investments continuing to be exclusively in Australian entities or Australian-based arms of global financial institutions, this area remains assessed as very low for modern slavery risk.

Organisation-wide awareness of modern slavery issues from the top down

Defence Bank continues its established practice of annual, organisation-wide training on modern slavery issues. Achieving 100% completion rates this year, across senior staff and at the Executive and Board Levels, we consider increasing our institutional knowledge of modern slavery issues to be a real strength.

Through concerted efforts over successive reporting periods, the entire Defence Bank team has increased corporate awareness of key modern slavery risk issues in an Australian business context, including approaches for identifying, assessing and addressing risk.

Individual Supplier Due Diligence

Defence Bank undertook a periodic review of existing suppliers in the early in the reporting period. One of the outcomes of this process was to inform our targeted engagement of 26 companies amongst our existing key suppliers.

Suppliers were selected based on spend and sector (industry and country), with several Australian print media suppliers included in this cohort. The engagement materials were developed by our long-term external consultants and sought disclosure from supplier's on (potentially unpublished) risk identification and assessment, policies and procedures, capacity building and training amongst staff, supplier due diligence and engagement, and grievance and remediation procedures.

Using our external consultant's specifically developed evaluation processes, individual company risk mitigation scores were calculated across the key pillars of:

- Policy & Governance
- Risk Identification & Assessment
- Training & Education
- Due Diligence
- Grievance and Remediation
- Measuring Effectiveness
- External / Industry Collaboration)

Suppliers examined in this due diligence process covered the following industry sectors:

- Accommodation/Hospitality
- Executive Recruitment
- Legal Services
- Print Media
- Computer Software
- Technology Consultant

Consistent with good practice and the importance of maintaining supplier confidence, including to maximise the likelihood of positive participation future in due diligence initiatives, we are not publishing detailed results of this process. However, the following is a brief and general overview.

All respondent suppliers demonstrated governance and policies initiatives relevant to modern slavery. Some suppliers demonstrated more advanced frameworks for due diligence, specific human rights grievance mechanisms and internal capacity building (including training and education). For other suppliers, this was a notable area for future improvement.

Continued coverage of modern slavery issues in supplier contracts

Ensuring that, if appropriate, key supplier contracts contain provisions that specifically address modern slavery risk is now considered a "business-as-usual" practice at Defence Bank. All new material contracts are assessed for modern slavery considerations risk at the pre-execution stage.

Grievance Procedures

During the reporting period, Defence Bank did not receive any modern-slavery-related complaints, or other reports in our supply chains, operations or investments.

Under Defence Bank's Whistleblower Policy, complaints or concerns relating to human rights issues (including potential modern slavery practices) can be reported internally or via an independent hotline.

If a modern slavery-related complaint or concern is made via Defence Bank's Whistleblower Policy, it will be handled at the Executive level. Individual responsibility will be designated to Defence Bank's Chief People Officer ('CPO'), CFO or CRO, depending on the nature of the concern to be investigated.

Part Three: Measuring Effectiveness

Defence Bank considers a hallmark of an effective overall anti-slavery response is through seeking to continuously improve across all key pillars, including:

- Policy & Governance
- Risk Identification & Assessment
- Training & Education
- Due Diligence
- Grievance and Remediation
- External and Industry Collaboration

For the next reporting period, Defence Bank will plan our focus initiatives having regard to potential gaps / areas for improvement within and across these pillars.

We also recognise the importance of candour and transparency in progress tracking over successive reporting periods and acknowledge that several planned actions were not progressed to the extent envisaged when looking forward in last year's Statement, including:

- Developing and implementing a formal Due Diligence Checklist' to assist when selecting potential vendors and screening higher-risk vendors for modern slavery risk. Whilst this action has not been formally completed, as discussed above, Defence Bank considers that key staff, through our considered and sustained training initiatives, are already well equipped when it comes to vendor selection and potential high-risk suppliers.
- The second planned phase of individual supplier due diligence (described above), which involves further and direct engagement with suppliers in relation to identified areas for potential improvement.
- Engage with relevant industry bodies to broaden institutional awareness of modern slavery issues in our sector.

As part of our matter-of-fact approach to measuring effectiveness, Defence Bank has prioritised an assessment of whether these delayed actions continue to represent appropriate focus areas for the next reporting period, or whether alternative actions are more feasible.

Finally, in the next reporting period, Defence Bank plans to conduct a feasibility assessment of expanding our existing "top-down" responsibility for anti-slavery actions through increasing the frequency of Board oversight on modern slavery issues. This may be achieved via regular reports to a Board Subcommittee.



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