

**TEACHERS MUTUAL  
BANK LIMITED**

# **Modern Slavery Statement 2022**

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*Respecting Human Rights.*

Teachers Mutual Bank Limited  
**AFSL/Australian Credit Licence: 238981**  
**ABN: 30 087 650 459**

# Acknowledgement of Country



Teachers Mutual Bank Limited acknowledges the Traditional Custodians of Country throughout Australia and recognises their continuing connection to land, waters and community. We pay our respects to them and their cultures; and to Elders both past and present.

## About this Modern Slavery Statement

This Modern Slavery Statement (Statement) is made in accordance with the Australian *Modern Slavery Act 2018* (Cth) (Act). It applies to and describes the steps taken by Teachers Mutual Bank Limited during the financial year ending 30 June 2022 to identify, manage and mitigate the specific risks of modern slavery in its operations and supply chain.

This statement has been approved by the Board of Directors.

A handwritten signature in black ink, appearing to read 'Maree O'Halloran', with a long horizontal line extending to the right.

**Maree O'Halloran**  
Chair of the Board of Directors

November 2022

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# From the Chair and CEO

## We strive at all times to be a bank for good, for those who do good.

This is Teachers Mutual Bank Limited's third Modern Slavery Statement outlining the progress we have made to identify, manage and mitigate the specific risks of modern slavery in our operations and supply chain.

A commitment to respecting all human rights, as outlined in the Universal Declaration of Human Rights and core International Labour Organisation conventions, is formalised in our Corporate Social Responsibility Policy.

During the past year the world around us has continued to change with the ongoing challenges of the pandemic, extreme weather events across our country, as well as the uncertain geo-political landscape. The community and consumers expect companies to do more than just make money. They expect companies to make meaningful contributions to society and act in a responsible way.

As our Bank celebrates 56 years in 2022, we are proud to say that we have continued to build on the values established when we began providing financial services in 1966. We exist for our Members and our model of mutual banking has always been driven by sustainability.

Today, we are one of Australia's largest mutual banks and we are committed to being a world-leader in socially responsible banking. Socially responsible banking drives everything we do. We're proud to be a bank for good, for those who do good. We put people before profit – it's central to the way we do business. As we move towards a more sustainable future, acting in the best interests of our Members, our communities and the environment will lay the foundations for long-term success. We believe we can use our bank to create a better world for our Members and the community. Our Members contribute so much to our society through their work in education, emergency services and healthcare and they want their bank to align with their values. That is why social responsibility is embedded into all of our operations.

A global, collaborative and strategic response is needed to tackle the challenge of modern slavery. As a financial services provider, we acknowledge the risk of being linked to human rights impacts, including via our members and customers, our investments and suppliers. We are working to understand our impacts and exercise positive influence where possible.

As a trusted financial services provider, and significant employer, we recognise that we have a role to play in the global goal to eradicate modern slavery practices, and we expect our people and partners within our value chain to share our commitment. We aim to continuously improve our due diligence to prevent harm and eliminate the risks of modern slavery.



**Maree O'Halloran**  
Chair of the Board of Directors



**Steve James**  
CEO

# Our structure, operations and supply chain

## Structure and Operations

For 56 years Teachers Mutual Bank (formerly Teachers Credit Union) has provided key financial services for those in the education sector.

Today, Teachers Mutual Bank Limited is one of Australia's largest mutual banks with more than 230,000 members and over \$10 billion in assets supporting five divisions: Teachers Mutual Bank, UniBank, Firefighters Mutual Bank, Health Professionals Bank and Hiver, that provide financial services to essential workers in the education, emergency services, and healthcare sectors. Teachers Mutual Bank Limited is the ultimate parent company and its controlled entities are Q.T. Travel Pty Ltd (ABN 63 010 167 503), Tertiary Travel Service Pty Ltd trading as Tertiary Travel (ABN 28 008 900 981) and Edsec Funding Trust No 1. (This Modern Slavery Statement and supply chain review relates to all controlled entities in the group, refer Appendix 1.)

We conduct business throughout Australia, with our head office located in Homebush, NSW, and 10 other offices across the country. We directly employ 577 staff; 96 part time and 481 full time.

We are a member of the Global Alliance for Banking on Values (GABV), a global network of banking organisations deeply committed to creating positive change in society as a whole. As a values-based business, we are a signatory to the GABV Kathmandu Pledge. Using ethical, sustainable and socially responsible practices is something our members have come to expect and appreciate.

Being responsible and ethical are part of our core promise to members and society. In 2022, for the ninth year running, Teachers Mutual Bank Limited was named as one of the World's Most Ethical Companies by the Ethisphere Institute. This recognition honours superior achievements in transparency, integrity, ethics and compliance and underscores an honouree's commitment to leading with integrity and prioritising ethical business practices.

In January 2022, we became a Certified B Corporation, proudly joining over 5,000 organisations worldwide, 1 of 42 banks and credit unions, committed to using business as a force for good. Certified B Corporations meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

**In June 2022, we were honoured to win Green Bank of the Year 2022 in the Finder Green Awards. The Awards recognise Australian sustainability leaders across a broad range of industries. We're proud to be recognised amongst other pioneering organisations that know that integrating sustainable business practices is the way of the future.**

# Our structure, operations and supply chain

## Mapping our targets to the UN Sustainable Development Goals (SDGs)

We support the SDGs, which present a framework for sustainable business practices at the economic, social, and environmental levels, and set out a path to fight inequality and injustice, protect our planet, and end extreme poverty.

No matter how large or small, and regardless of their industry, all companies can contribute to the SDGs. While the scale and scope of the global goals is unprecedented, the fundamental ways in which businesses can contribute remain unchanged. The UN Global Compact asks companies to first do business responsibly and then pursue opportunities to solve societal challenges through business innovation and collaboration. In FY2022, the Bank actioned 14 of the 17 SDGs.



More information about our business is set out in our [2021-2022 Annual Report and Sustainability Update](#).

## Our Members and Products

As a mutual bank, we are owned by and run for the benefit of our Members. As our Members own the organisation, there is no trade-off between shareholders and customers. Every Member has one equal vote and one share in the business.

We primarily serve the Australian essential worker sector by providing banking and financial products and services to those individuals (and their family members) from across the teaching, tertiary education, firefighting / emergency and healthcare sectors. We are grounded in our communities and serve the real economy by primarily using Member deposits to lend to other Members.

Our Members are Australian citizens or permanent residents of Australia. We focus on personal banking. We do not have any operations in foreign jurisdictions.

We're proud to be leading the way in responsible investment. Every mortgage and savings product we offer is certified by the Responsible Investment Association Australasia (RIAA) based on strict criteria and at no extra cost to our Members. Third-party verification means our credentials can be trusted. Our business strives to give consumers the opportunity to shop ethically for banking products. At 30 Jun 2022, we reached an incredible \$10.8 billion in Certified RIAA products.

# Our structure, operations and supply chain

Our main products are basic deposit products (such as savings accounts, transaction accounts), non-cash payment products (such as cards) and loan products (such as home loans, personal loans and credit cards).

We also provide telegraphic transfer and foreign exchange services to our Members. In addition to our main products, we arrange for an independent company, Members Automotive Services Pty Ltd trading as Teachers Car Buying Service, to provide car buying services to members of Teachers Mutual Bank in NSW and ACT.

We also arrange for the issuance of general insurance products, such as home and contents, car and caravan, as an agent for Allianz Australia Insurance Limited; and life insurance products as an agent for Zurich Australia Limited. Our subsidiary, Edsec Funding Trust No.1 is a funding vehicle to obtain liquid funds from the Reserve Bank of Australia.

## Our Supply Chain

We procure a range of goods and services from a diverse supply chain comprising 588 direct suppliers. Our supplier arrangements range from one-off purchases with non-contracted suppliers through to multi-year, large value strategic partnerships governed by master agreements. We recognise that each of these suppliers has their own complex web of supply chains.

We understand the opportunity our supply chain provides to create positive impact through diverse sourcing strategies and practices. We aim to promote social and economic participation by continuing to expand relationships with Indigenous owned businesses and other B Corporations, and to continue to expand these groups over time.

Fostering strong relationships built on mutual respect is fundamental to our procurement strategy, and as such, we seek to ensure that we build long-term strategic relationships with our suppliers.

Supplier spend is managed in the following categories:



### Customer Engagement

Includes marketing and digital services, services supporting our products, digital channels, contact centres and car buying services.



### Corporate Services

Includes office services, logistics, supporting our property footprint, security, travel and entertainment, tools of trade and office supplies, training, recruitment and contingent workforce services and professional services.



### Technology

Includes IT, payment processing, telecommunications, computer hardware and software, mobile and terrestrial telephone and data services.

# Identifying our modern slavery risks

Modern slavery includes slavery, servitude, forced labour, forced marriage, the worst forms of child labour, debt bondage, deceptive recruiting for labour or services and human trafficking. Our approach to human rights is embedded in how we do business. We are committed to respecting all human rights as outlined in the Universal Declaration of Human Rights and guided by the 2011 United Nations Guiding Principles on Business and Human Rights (UNGPs). The UNGPs outlines 'the corporate responsibility to respect human rights' and that business may cause, contribute or be directly involved with adverse human rights impacts as a result of business relationships in its value chain.

## Our modern slavery risks

We acknowledge that there are risks of involvement in modern slavery across our operations and supply chain through our various roles:



### Employer

There is a risk that there could be exploited labour within indirect employment arrangements.



### Investor

There is a risk that we could invest in entities with links to modern slavery.



### Partner and Sponsor

There is a risk that we could partner, support or donate financially or through advocacy to organisations involved in modern slavery.



### Members

There is a risk that some Members may use our products for activities that involve modern slavery.

Members may transact to and from certain geographies or by facilitating investment in certain sectors.

These could include linkages to modern slavery through entities that may use financial services to launder money derived from modern slavery.

We acknowledge that we may also have Members who are vulnerable persons subject to exploitation or exposed to modern slavery risk through personal or work circumstances.



### Purchaser of Goods and Services

There is a risk we could purchase goods or services involved in modern slavery in their creation or provision.

This could be impacted by sourcing practices, engaging in one-off purchases and/or the use of non-contracted suppliers.

In addition we acknowledge that risks in our supply chain may be higher where we procure goods and services that are manufactured in, or use raw materials from, industries and/or countries that are at a higher risk for modern slavery.



# Our actions to address modern slavery risks

In FY2022 the Bank commenced the implementation of a new system to automate and streamline oversight of third party relationships. This will assist in monitoring, accessing, and managing risks from third-party vendors. It will streamline oversight of vendor relationships, establish measurements, controls and processes to quickly understand, prioritise, and manage risks.

We continue to assess our operations, supply chain and investment portfolio to improve our understanding of modern slavery risk. There were no actual or suspected instances of modern slavery identified during this reporting period.

In this period we utilised a third party proprietary algorithm and data-analysis system to identify and examine modern slavery risks. The methodology maps the supply chain up to 10 tiers of inputs. Tier 1 in the supply chain represents the supplier with whom we have a direct relationship. Tier 2 represents the suppliers of our Tier 1 supplier, and Tier 3 represents the suppliers of Tier 2, and so on.

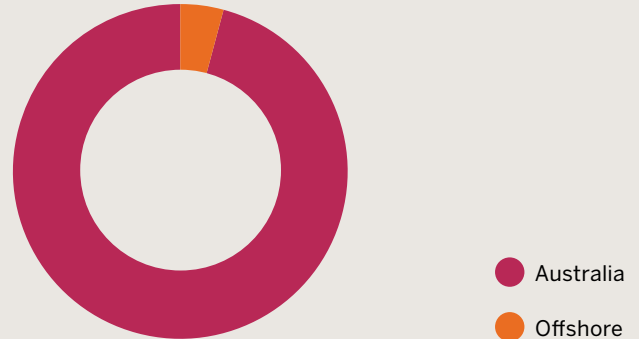
The methodology provides an estimate of modern slavery risk in our supply chain based on industry type, country of tier 1 supplier and our relative spend/invested amounts. This provides an indication of industries that are more likely to be at a greater risk of modern slavery. This likelihood is reflected in an overall 'slaves per million dollars' and is known as the Total Relative Slavery Risk Rating.

The risk rating illustrates where further due diligence is required. Suppliers and Investments with higher 'slaves per million dollars' spent are identified as those that hold the greatest modern slavery risk.

## Supply Chain

In FY2022, we procured goods and services from 588 suppliers, ranging from very large, established corporates critical to our business operations, to those that provide us with low value, infrequent products and services. Our supply chain includes 25 suppliers domiciled offshore, the majority of which are in the USA. In total 75% of our spend is with 8% of our suppliers.

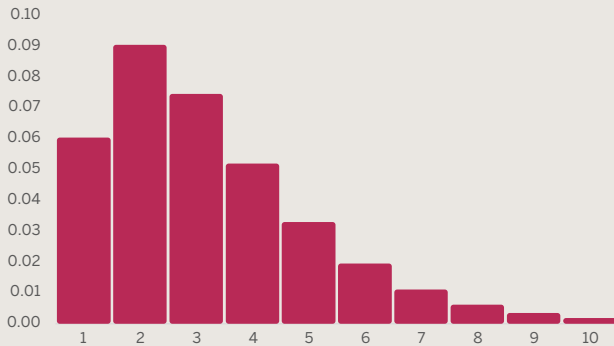
**Proportion of our supply chain domiciled offshore vs in Australia**



Our risk assessment enabled us to examine the risks hidden within our supply chain. The methodology indicates that the highest likelihood of slavery in the supply chain is occurring in Australia.

# Our actions to address modern slavery risks

## Modern slavery risks by tier of supply chain



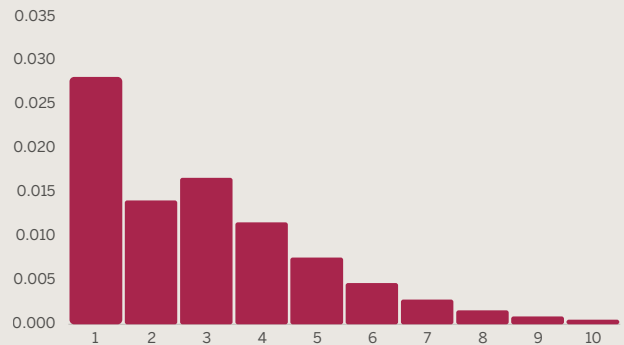
The risk assessment further identifies the comparative population of people working in slavery or slavery-like conditions within our supply chain. It indicates that Tier 2 is where the greatest risk of slavery may exist and where we will prioritise due diligence for FY2023. The theoretical slavery footprint is an estimate of probable slaves associated with the value spent, industry and country throughout the supply chain.

In FY2023 we will also focus on embedding our system to provide stringent controls and immediate assessment capability to on-board the right partners who share our commitment to eradicate modern slavery practices.

## Investment Portfolio

In this reporting period we also undertook a risk assessment of our investments. The analysis indicated that the highest likelihood of slavery in our investment supply chain is occurring in China. It also indicated that Tier 1 is where the greatest risk of slavery may be found. The proprietary methodology tracks slavery-tainted dollars throughout the global economy. The slavery risks identified may exist at any point within the tiers assessed. It provides the basis for further due diligence to be performed on these high-risk priority areas.

## Modern slavery risks by tier of investments



Enhanced due diligence is regularly undertaken on our investments. New investments are selected by assessment against our Sustainability Investment Exclusion criteria and a review of the organisations commitment to eradicate modern slavery practices.

# Our actions to address modern slavery risks

## Due diligence in our supply chain

### New and Existing Supplier Screening

We are aware, the risk of encountering modern slavery practices in our operations lies where we do not have direct management control and supervision. This may include contractors or suppliers who provide staff (amongst others, in cleaning, security or catering).

We have a Vendor Governance Framework (VGF) in place. The VGF establishes our process to identify, assess, manage, mitigate and report material Corporate Social Responsibility (CSR) risks in our supply chain. All material, strategic and emerging suppliers are contractually required to complete a comprehensive Sustainability survey initially and then every two years to assist us in assessing supplier CSR risk. Processes such as screening, risk assessment and supplier due diligence both during on-boarding and ongoing are continually reviewed and strengthened to ensure they remain as effective as possible in mitigating the risk of modern slavery practices in our supply chain.

**We utilise screening technology, which screens entities against a global proprietary database of adverse media information. All suppliers are screened on a regular basis, ensuring that when/if new adverse information becomes available through the database we are made aware of that fact.**

In the event that a supplier is associated with an adverse media article, an alert is generated and further due diligence undertaken to assess impacts and decide on the appropriate mitigation actions. All suppliers continue to be screened with no reportable concerns. All suppliers are screened prior to on-boarding.

## Addressing High and Medium Risk Suppliers

Where a supplier is identified as high or medium risk (due to their industry and geographic location), we undertake a due diligence process to understand how and if modern slavery risks are being managed by the supplier, which includes any/all of the following actions:

- Gathering and assessing publicly available information where available, including the suppliers' policies and procedures.
- If required, contacting suppliers directly to verify (where information is publicly available) or to request information on their approach to addressing modern slavery within their operations or supply chain.
- Inserting a modern slavery clause, where deemed necessary, on contract renegotiation or in new supplier contracts.

In the case of cleaning contractors we engage, we take steps to ensure that work is only undertaken by the contracted entity and is not further outsourced. This includes ensuring that the contracted entity has undertaken an occupational health and safety prequalification and has appropriate insurance, and that all staff engaged are employed directly (not through subcontractors, unless specialised services are required and we are made aware of this) and have appropriate rights to work within Australia. Where deemed necessary, we will also request proof of wage payments.

## Contractor Management

We use an online contractor management, prequalification, and compliance solution. This pre-qualifies contractors, performs checks including reputation, licences and insurances. This also provides a site orientation and specific induction and training, as well as a record of these activities. This means we can be confident that when contractors access our sites they are compliant with our requirements.

# Our actions to address modern slavery risks

## Risks and due diligence in our lending operations

We ensure environmental, social and governance (ESG) issues are embedded in our lending and investment practices, and written in our Treasury Credit Risk and Lending Risk Policy.

**This includes those that have a higher risk of exposure to modern slavery practices. We do not lend to, or invest in, sectors where the primary purpose of the entity or business is alcohol, armaments, correctional facilities, cryptocurrency, deforestation or gross environmental degradation, fossil fuels, gambling, military activities, political activities, pornography, slavery, tobacco or uranium.**

We also do not use deposits to directly lend to, buy equity or debt in, any large-scale greenhouse polluting activities from fossil fuel exploration, extraction, production and use.

## Tackling financial crime

Modern slavery practices are crimes and the perpetrators are likely to seek to launder the proceeds through the financial system to legitimise them. We leverage intelligence, analytics, investigations and partnerships with other financial institutions and regulators to identify, mitigate and deter financial crime. We have processes that analyse the types of activities that are likely to be indicative of modern slavery practices.

We are aware that child sexual exploitation (CSE) is among the worst forms of modern slavery and that this activity can involve victims and perpetrators in any jurisdiction including Australia. Payment for this activity takes a variety of forms. We have engaged with partner agencies to discuss current typologies thus enabling us to better profile and detect payments that may relate to CSE, and have implemented client transaction monitoring practices targeted specifically at this behaviour.

We adhere strictly to our reporting obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* in order to enable law enforcement to take any action it deems necessary.

# Raising awareness and training



We aim to empower our staff to identify, mitigate, manage and report on modern slavery risks in their roles. Training is delivered through an online module as part of our work to build internal awareness and capability. This year we worked on an approach to expand the rollout of training to all employees to provide broader visibility to this issue. The training provides education on the various forms of modern slavery, the cost and impact on individuals, businesses and the wider community, business activities and industries where modern slavery practices are prevalent and provides

practical examples on addressing modern slavery risks. The training also provides information on our obligations under the Act.

**We continue to work with our Learning and Development team to acquire a revised training module specifically targeted at modern slavery risk management in the financial services industry.**

# Grievance mechanisms and remediation



We aim to identify, prevent, mitigate and account for our adverse human rights impacts. We are committed to providing for or cooperating in remedy when appropriate. We provide mechanisms through which grievances can be raised.

Concerns and instances in which modern slavery practices are occurring or is suspected, breaches in labour or human rights or non-compliance with our policies can be raised through our complaints and dispute resolution process or our Whistleblower Policy. Concerns may be raised through a variety of channels, including phone, email and in writing, with all mechanisms publicly available.

Our Whistleblower Policy has been developed to protect those reporting and ensure that concerns can be raised without individuals being subject to victimisation, harassment or discrimination. We are committed to ensuring that concerns are assessed in a timely manner, and addressed fairly and confidentially, in line with our policy.

Where there is evidence of a failure to adhere to standards in preventing acts of modern slavery and human trafficking, we choose to engage,

rather than divest. The UNGPs recognise different remedies that organisations may seek to provide (or cooperate in providing) if they identify that they have caused or contributed to human rights harm. These could include:

- Apologies;
- Restitution;
- Rehabilitation;
- Financial or non-financial compensation and punitive sanctions (criminal or administrative, such as fines); or
- Prevention of harm through, for example, injunctions or guarantees of non-repetition.

A remediation plan will be developed with suppliers or investments should an incident of modern slavery be identified for ongoing tracking, management and reporting.

We trust our Statement is a means for our employees across our organisation and supply chain to be confident in our commitment to identifying, mitigating and remediating risks, and that they come forward if they feel that a breach of our standards has, or may, occur.

# Policies and Frameworks

## Policies and Processes

Conducting business ethically and responsibly is fundamental to how we operate. Our behaviour is underpinned by our values, which includes our commitment to ethical business. Policies and processes which outline our expectations include:

POLICY / PROCESS DOCUMENT	PURPOSE
AML – CTF Program	Sets out how we comply with our legislative obligations for anti-money laundering and counter-terrorism financing.
Code of Conduct	Outlines our commitment to treat others with respect, dignity and fairness, and ensuring a safe and healthy work environment for all employees, contractors, visitors, members and customers.
Complaints Resolution Policy	Outlines our approach to complaints handling. We are committed to working with complainants to understand their issue and providing an appropriate outcome.
Corporate Social Responsibility Policy	Outlines our approach to ethical business and social responsibility practice and how we deliver on our responsibilities and commitments. It includes our commitment to respecting human rights, and specifically the rights of our employees, our members, and our communities.
Customer Owned Banking Code of Conduct	Sets standards of good practice for customer owned banks.
Human Resources Policy	Governs employment and personnel matters, including our commitment to ensuring appropriate remuneration and benefits for employees and contractors, and providing a workplace free of discrimination and harassment.
Vendor Governance Committee Charter	Outlines oversight of policies, procedures and tools.
Vendor Governance Policy	Outlines management of the supply chain (including vendors, third parties, and partners) and related contracts, performance, relationships and risks.
Vendor Governance Framework	Outlines the monitoring procedures used to manage operational risk associated with third party arrangements.
Vulnerable Persons Policy	Outlines our approach to supporting vulnerable persons.
Whistleblower Policy	Outlines our approach to the reporting of unethical, corrupt, illegal or undesirable conduct and to ensure that those who do report can do so safely, securely and with confidence that they will be protected and supported by us.

# Governance

Our Board has ultimate oversight over our actions to address the risk of modern slavery practices within our business and our partnerships with suppliers.

The Board approves and fosters an appropriate corporate culture consistent with our values. The Board Risk and Compliance Committee, a subcommittee of the Board, monitors and reports on our progress in tackling modern

slavery practices in our operations. Day-to-day responsibility and execution of actions, such as engaging with new suppliers and ensuring adherence to our policies and procedures, is led by our management team.

## Risk Management Framework

A 'Three Lines of Defence' (3LOD) model has been adopted to actively manage risks. The Risk Appetite Statement is cascaded throughout the business, is monitored and reported within the 3LOD model which is described as:

1

### Line 1: Business Management

The primary area responsible for risk management. It lies with the business – the area where the risks are generated and managed,

2

### Line 2: Risk Management

Responsible for risk advice, control and challenge. It provides the analytical insight, oversight and challenge, and assurance that business decisions reflect the Board's risk appetite, and:

3

### Line 3: Internal Audit Function

Providing independent review and assurance.

The Bank's Risk Management Framework illustrates the structure within which the Bank identifies, measures, evaluates, monitors and reports risk.



# Risk Management Framework



External Audit

# The **impact** of COVID-19

In 2022, we continued our focus on keeping our people safe while supporting our members and our business partners including our suppliers.

Since the start of the COVID-19 pandemic, the world has seen an increase in cybercrime, including online fraud, investment scams and identity theft. We are committed to safeguarding our Members' personal details, financial transactions and money. We use advanced security systems, transaction monitoring and fraud prevention tools to help keep our Members safe from scams and financial loss.

We introduced our Security Promise as our guarantee that we are working around the clock to protect our members, their identity and their money. This means we will repay money lost to fraud so long as they have complied with our terms and conditions and haven't contributed to the loss.

**The majority of staff maintained a flexible, hybrid working arrangement, with significant periods of working from home due to rising cases of COVID-19 and influenza. Physical distancing, the use of personal protective equipment (PPE) and hygiene measures were maintained to avoid any potential disruptions to our services.**

One of the vital goals for the Bank was to maintain the connection with our people while we worked from home. We established a strong workplace community online, including regular updates from Management about the evolving situation. We also encouraged attendance at wellbeing seminars on topics such as resilience, ways to take care of your mental health and promoting exercise.

During the peak of the COVID-19 cases and throughout the major flooding events in 2022, we sent text messages to check on the welfare of employees.

To assist our Members experiencing vulnerability, we provided practical financial support. This year, our Financial Hardship program helped 95 Members to navigate their changing circumstances. We understand that no matter how well we plan, financial difficulties can sometimes arise and we have a responsibility as a credit provider to be as supportive as possible, and clearly explain the options available to our Members.

We also continued to maintain an open dialogue with our suppliers and a commitment to strong long-term relationships throughout.

While we may not have come as far as we thought with some initiatives we have not lost our focus on identifying, managing and mitigating the specific risks of modern slavery in our operations and supply chain.

# Assessing the effectiveness of our actions



We are committed to continually improving our approach to modern slavery and advancing human rights. We acknowledge that measures of effectiveness are critical to assist in informing appropriate actions to address our risks. We identify appropriate action based on the following principles:

1

## Prioritisation

We place a focus on where the greatest risks of modern slavery are identified in our operations, lending, supply chain and investments.

2

## Leadership

We use our industry influence to spread knowledge and drive greater advancement in managing modern slavery risks.

3

## Collaboration

We work with like-minded organisations and stakeholders to continually learn about and reduce the risk and occurrence of modern slavery.

# Progress on Commitments

**We aim to continually improve our approach to advancing human rights and to monitor progress against our FY22 commitments and have identified priorities for FY23**

● ● ● GREEN – Complete    ● ● ● AMBER – Partially complete

COMMITMENTS	STATUS	COMMENT
Undertake an industry and best practice modern slavery benchmarking assessment, to identify gaps and opportunities to improve performance	● ● ●	<b>Complete</b> – The Responsible Sourcing Gap Analysis report was delivered in FY2022 and a roadmap was developed in conjunction with Vendor Governance activities for continuous improvement.
Continue to evolve our approach to addressing modern slavery and human rights through the development of a framework and implementation roadmap, using the inputs of the benchmarking assessment to inform future actions. This will also include a review of our key performance indicators	● ● ●	<b>Complete</b> – A roadmap was developed in conjunction with Vendor Governance activities for continuous improvement.
Establish a working group to continue the development of our organisational capability in the management of risks of modern slavery practices	● ● ●	<b>Complete</b> – The Vendor Governance Committee's responsibilities includes building organisational capability in the management of risks of modern slavery practices.
Ensure adequate resources are assigned to modern slavery risk management and operations	● ● ●	<b>Complete</b> – A Vendor Governance Manager was appointed in FY2022 with responsibilities for Vendor Governance process activities including Modern Slavery risk assessment.
Develop a Supplier Code of Conduct, outlining our expectations of suppliers in regards to corporate social responsibility, human rights and eradication of modern slavery practices considerations	● ● ●	<b>Continue in FY23</b> – A Supplier Code of Conduct was drafted and will be implemented in FY22.

# Progress on Commitments

COMMITMENTS	STATUS	COMMENT
Ensure existing policies, including Code of Conduct, Human Resources Policy and Corporate Social Responsibility Policy appropriately reference our position on human rights consistent with the Universal Declaration of Human Rights. Ensure that, where possible, these policies apply to all employees and upstream and downstream business partners, including contractors, suppliers, clients and investee companies.	● ● ●	<b>Completed</b> – The revision and update of the Vendor Governance Policy was completed. The establishment of a Vendor Governance Committee was completed and a new Vendor Governance Framework was introduced.
Finalise, publish and implement the revised Vendor Governance Framework	● ● ●	<b>Complete</b> – A new Vendor Governance Framework was introduced.
Review and refine our risk assessment methodology in line with industry practice to ensure we remain informed in relation to the risk posed by its suppliers and clients	● ● ●	<b>Complete</b> – The Bank subscribed to the Fair Supply ESG Dashboard to assist with the risk assessment.
Review existing controls to ensure adequacy in assessing all business activities (operations, lending and supply chain) for modern slavery risks, focusing on activities where we may directly cause or contribute to modern slavery practices. Revise and update where required	● ● ●	<b>Completed</b> – all policies and frameworks are now up to date and will be reviewed as required at specified review period.
Ensure the existing grievance mechanisms are communicated to business partners as a way of reporting instances or suspicions of modern slavery or human rights abuses. Ensure that these mechanisms are available in multiple languages	● ● ●	<b>Continue in FY23</b> – existing grievance mechanisms to be communicated to business partners in conjunction with Supplier Code of Conduct.
Develop a remediation methodology outlining the process for addressing verified incidences of modern slavery, ensuring that the approach puts victims first	● ● ●	<b>Continue in FY23</b> – a corrective action plan (CAP) will be developed in line with UNGPs.
Work with our training partner to acquire a revised training module specifically targeted at modern slavery risk management in the financial services industry, to be rolled out to all staff involved with procurement and dealing with suppliers	● ● ●	<b>Continue in FY23</b> – the Bank’s training approach was reviewed in FY22 however a suitable replacement training module was not identified, this will continue in FY23.

# Progress on Commitments

COMMITMENTS	STATUS	COMMENT
Undertake a training needs analysis to understand requirements for general and specialised training for particular departments. Develop an overall training approach	● ● ●	<b>Continue in FY23</b> – training was reviewed in FY22 and an agreement was reached to roll training out to all staff. This will be reviewed by the VGC.
Identify opportunities to collaborate with peers and business partners through formal and informal multi-stakeholder initiatives, and industry bodies	● ● ●	<b>Continue in FY23</b> – TMBL participated in the Responsible Investment Association Australasia (RIAA) Human Rights Working Group and will continue to look for further opportunities to engage and collaborate. The Vendor Governance Manager aims to establish a peer network if one does not already exist in the mutual sector.

We are committed to continuous learning and innovating our approach to proactively mitigate and address the risks of modern slavery in our value chain. During the coming year we will continue to strengthen our approach.

# Appendix 1: Overview of reporting entities



Teachers Mutual Bank Limited is the ultimate parent company and its controlled entities are Q.T Travel Pty Ltd (ABN 63 010 167 503), Tertiary Travel Service Pty Ltd trading as Tertiary Travel (ABN 28 008 900 981) and Edsec Funding Trust No 1.

Tertiary Travel Service Pty Ltd and Q.T Travel Service Pty Ltd ceased all operations on 31 March 2021. Any suppliers contracted to Teachers Mutual Bank Limited will continue to be assessed and managed as normal. All other suppliers will cease to have a relationship with Teachers Mutual Bank Limited. The Edsec Trust No1 is a wholly owned securitisation vehicle and has no dedicated staff or suppliers.

# Appendix 2: Australian Modern Slavery Act Mandatory Criteria

## Australian Modern Slavery Act Mandatory Criteria

This Statement was prepared to meet the mandatory reporting criteria set out under the Australian Modern Slavery Act. The table below identifies where each criterion is addressed within this statement.

AUSTRALIAN MODERN SLAVERY ACT MANDATORY CRITERIA	THIS STATEMENT
Identify the reporting entity.	<ul style="list-style-type: none"> <li>About this statement (page 2)</li> </ul>
Describe its structure, operations and supply chains.	<ul style="list-style-type: none"> <li>Our structure, operations and supply chain (page 5)</li> </ul>
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	<ul style="list-style-type: none"> <li>Identifying our modern slavery risks (page 8)</li> </ul>
Describe the actions taken by the reporting entity and any entities that the reporting entity owns or controls to assess and address these risks, including due diligence and remediation processes.	<ul style="list-style-type: none"> <li>Our actions to address modern slavery risks (page 9)</li> <li>Grievance mechanisms and remediation (page 14)</li> </ul>
Describe how the reporting entity assesses the effectiveness of these actions being taken to assess and address modern slavery risks.	<ul style="list-style-type: none"> <li>Assessing the effectiveness of our actions (page 19)</li> </ul>
Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement).	<ul style="list-style-type: none"> <li>Appendix 1 Overview of reporting entities (page 23)</li> </ul>
Any other relevant information.	<ul style="list-style-type: none"> <li>Message from the Chair &amp; CEO (page 4)</li> <li>Progress on commitments (page 20)</li> </ul>