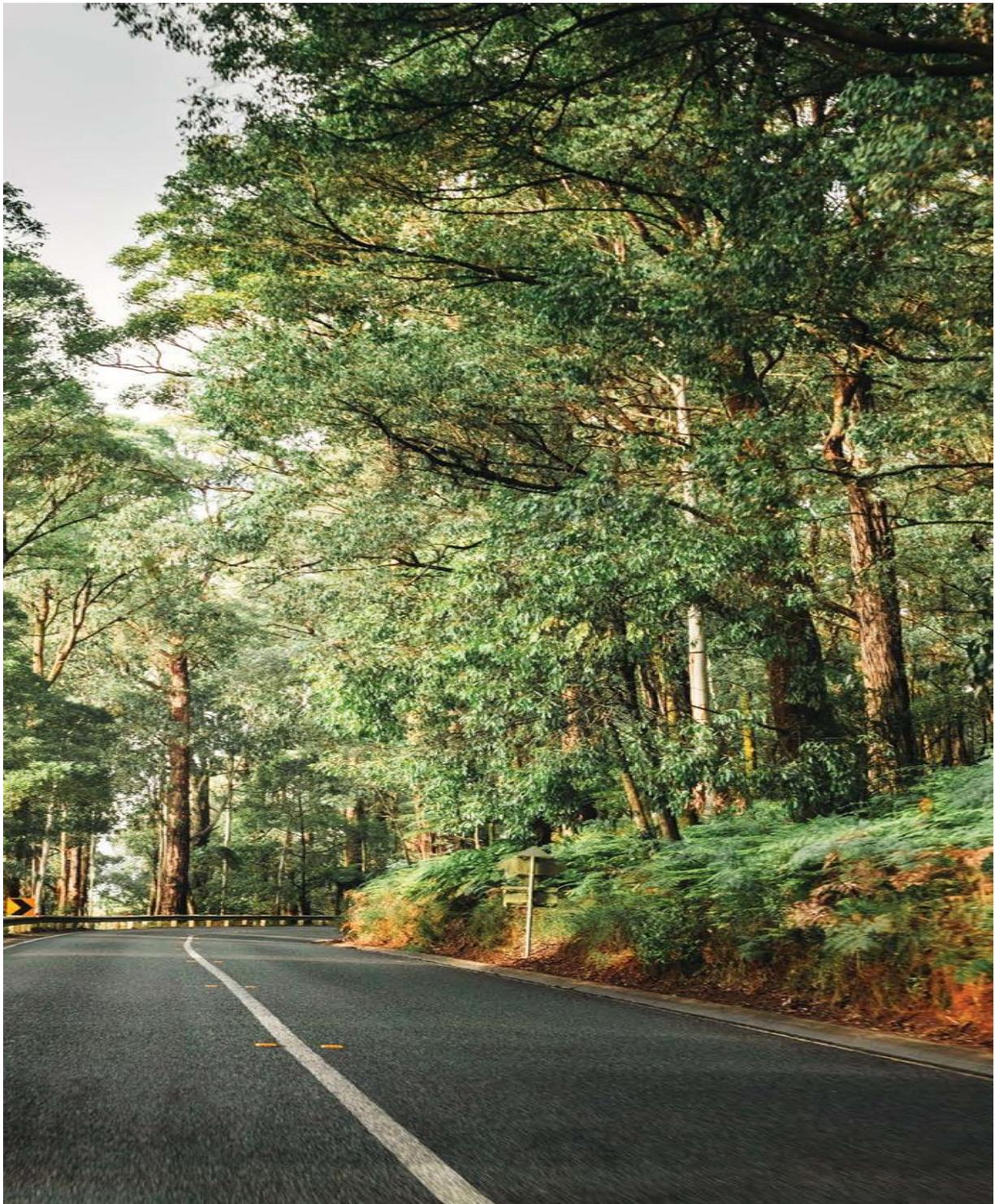




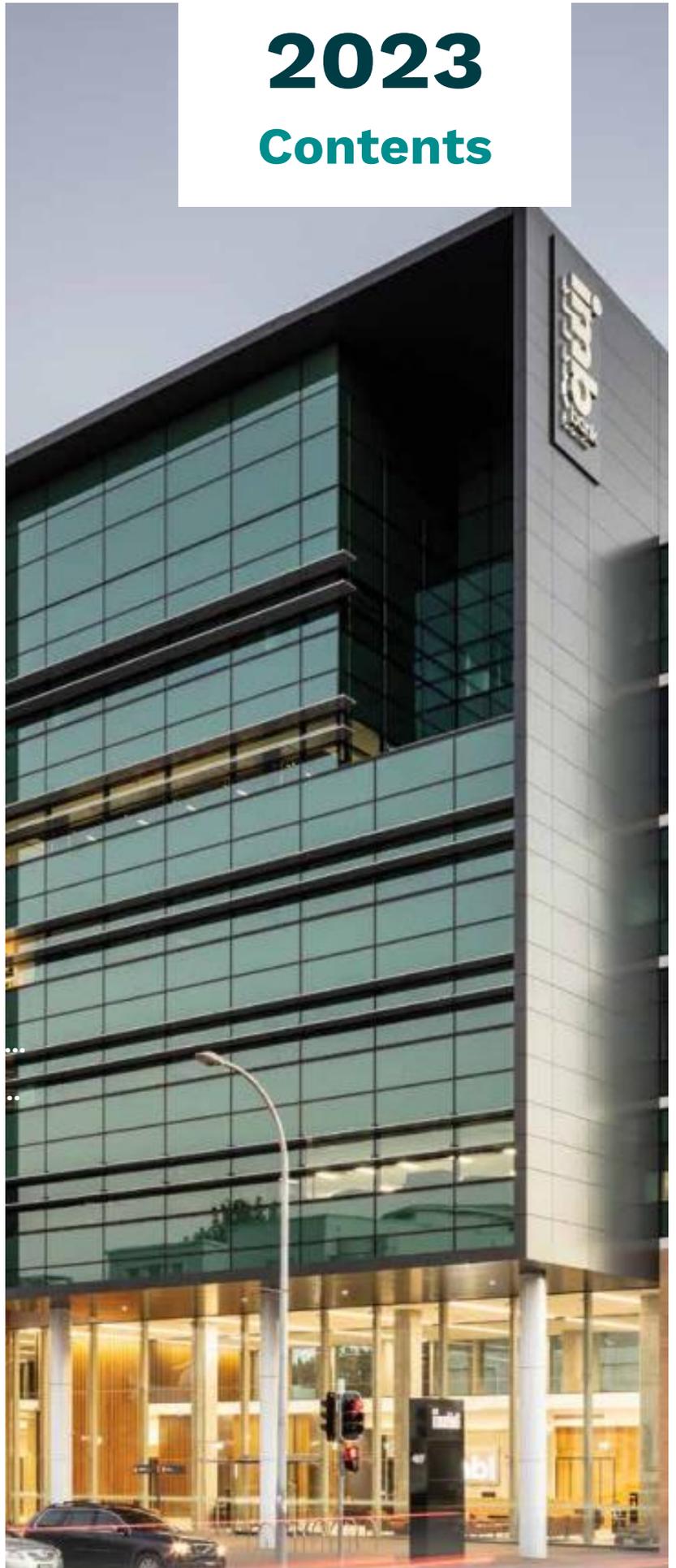
2023

Modern Slavery Statement



2023 Contents

About IMB	3
Our purpose	3
Our values	3
About us	4
Our banking activities	4
Giving back to the community	5
Our suppliers	6
Risks of modern slavery practices	7
Our suppliers	7
Our people	9
Our members	9
Our investments	10
Our approach to tackling modern slavery practices	11
Our management	11
Our policies	11
Our investments	11
Our suppliers	12
Our people	12
Our members	13
Grievances and remediation	13
Our ESG Framework	15
Assessing and reporting on effectiveness	16
Consulting with entities that we own and control	17
Other relevant information	17
Our ongoing commitment	17
Mandatory Criteria	18





About IMB

Established in 1880, IMB Bank has been helping people achieve their financial goals for over 140 years.

This statement is made in accordance with the *Modern Slavery Act 2018 (Act)* and applies to IMB Ltd trading as IMB Bank (IMB Bank), Hunter United and The Shire ...Local Banking (**IMB, our, we, us**) and its subsidiaries (collectively, the **IMB Group**) for the financial year ending 30 June 2023. It sets out the steps taken by the IMB Group during the year to prevent slavery, servitude, forced and compulsory labour and human trafficking in its enterprise and supply chain. This is the fourth such statement the IMB Group has published.

Our purpose

IMB provides simple, authentic, member-owned banking that helps our members and communities to be better off.

Our values

IMB's values reflect the way we do things. They are our guiding principles by which we run the business and conduct ourselves in all interactions with our stakeholders.



We know that we must continuously enhance our policies and procedures to ensure that they deliver on our mutual values and meet the high standards expected of us by our members and the community.

We are committed to respecting all human rights as outlined in the Universal Declaration of Human Rights and specifically the rights of our members, employees, and wider community. In upholding the IMB Bank Values, IMB rejects all forms of slavery, servitude, forced and compulsory labour and human trafficking (**modern slavery practices**) in our enterprise and supply chains.

Acknowledgement of Country

IMB acknowledges the traditional owners of Country and recognises the continuing connection to lands, waters, and communities in which we operate. We pay our respect to Aboriginal and Torres Strait Islander cultures and to Elders past and present.

About us

IMB Ltd trading as IMB Bank (ACN 087 651 974, AFSL 237 391, Australian Credit Licence 237 391), the parent company of the IMB Group, is headquartered in Wollongong, NSW. IMB Bank is a financial services organisation regulated by APRA, ASIC and AUSTRAC and is a member of the Customer Owned Banking Association (**COBA**), an independent organisation representing mutual banks, building societies and credit unions. As a mutual organisation, IMB Bank is owned by and run for the benefit of its customers (who are its “**members**”).

IMB Bank has two subsidiaries, however, none of these entities are reporting entities under the Act. They are: IMB Securitisation Services Pty Ltd ACN 104 474 179 which provides securitisation trust manager services and the IMB Community Foundation Pty Ltd ACN 091 472 178. These entities are 100% owned and controlled by IMB Bank.

As a member of the IMB Group, each subsidiary relies on the parent company, IMB Bank, for the resources it requires to undertake its day-to-day operations. IMB Bank provides or procures all goods and services each subsidiary needs, including meeting any personnel requirements. No subsidiary procures goods and services for itself. They rely on IMB Bank to do this and therefore, their supply chains are effectively IMB Bank’s supply chains.



**52 branches in
NSW, ACT & VIC**



**Over 600
employees**



**Over 215,000
members**

Our banking activities

IMB Bank provides a full range of banking solutions: home and personal lending, savings and transaction accounts, term deposits, business banking as well as a selection of third-party issued insurance and travel products. IMB Bank’s lending activities include the provision of overdrafts, car loans, personal loans, home loans, residential investment loans and equity lines to individual members. We also provide commercial lending to business members to purchase commercial property or equipment and manage cash flows. IMB Bank’s member base consists of both individuals and business entities, who are primarily located on the East Coast of Australia, however through its digital channels, IMB Bank serves members across Australia. IMB Bank does not have any operations established outside of Australia.

IMB Bank directly employs over 600 employees and operates a multi-channel business model, with digital and phone-based services and a network of 52 branches located in New South Wales, the ACT and Victoria. Members have access to internet banking, mobile app, and phone banking 24/7 and can obtain telephony services through IMB’s contact centre, which is also located in Wollongong, NSW. IMB Bank also has a team of mobile lending and business banking specialists who provide tailored services to members.

Other operational activities include the provision, production, processing, and delivery of products and services, making financial investments, leasing of property, marketing and sales related initiatives.

Giving back to the community

IMB Bank recognises its integral role in the community and continues to support business, sport, civic and charitable activities through sponsorships and through the IMB Bank Community Foundation. The Foundation provides grants to not-for-profit projects that make our communities stronger, safer, more sustainable, and inclusive.



\$12m
worth of grants
since 1999

IMB Bank, through its IMB Bank Community Foundation (**ICF**), has provided over \$12 million in support of over 900 community projects in NSW, the ACT and Victoria for over 20 years. All recipients of ICF funding are incorporated and permanently established in IMB Bank's areas of operations within Australia. The ICF has a key focus on projects that provide meaningful and grassroots-level changes that address vital and diverse needs in their communities. Any project that is successful in gaining grants must share IMB Bank's values and reject any form of modern slavery in their operations.

In an environment of domestic challenges and global uncertainty, our community funding has this year supported initiatives to assist survivors of domestic violence, children's wellbeing and safety, food insecurity, mental health and wellbeing for men and women, sustainability and recycling, youth education and support for Australians living with disability.

IMB Bank is committed to promoting Environmental, Social and Governance (ESG) factors in all aspects of our business including through the ICF funding of various community projects. We recognise that our operations, lending practices, and investments can have a significant impact on the environment and the communities we serve.



Our suppliers

IMB Bank is a large purchaser of goods and services required for our enterprise and has a supply chain made up of approximately 250 suppliers with a value of approximately \$50m in the reporting period. We have policies and procedures that enable IMB Bank to partner closely with our direct suppliers to understand their supply chain practices. Our supply chains are mostly local with approximately 85% of suppliers operating within Australia. Approximately 10% of suppliers operate in the United States with the remainder operating from the United Kingdom, New Zealand, Singapore, and the Netherlands.

IMB Bank's major suppliers are engaged on a fixed term basis typically ranging between 1 and 5 years with some arrangements having ongoing renewal provisions. They provide us with goods and services in the following sectors:



Customer engagement which includes marketing and digital services and services supporting our products and digital channels

Business services which include logistics, services supporting our property footprint, document management services, printing services, fit out of premises, security, tools of trade and office supplies, cleaning, training, recruitment and contingent workforce services and professional services (including corporate services, independent auditors, actuarial services, and legal services)

Banking services which include services for payments processing, online payment services, bulk electronic direct credit or debit transactions, ATMs, cheque representation, fraud, and online account opening

Lending Services which include property valuation, credit reporting checks, settlement related services, debt collection systems, and online lending platforms

IT and telecommunications which include cybersecurity infrastructure, data security, cloud storage, internet banking hosting, software, and hardware equipment.

IMB Bank seeks to engage with suppliers that act in a manner consistent with the IMB Bank values, including in relation to modern slavery and human rights. Our Suppliers Code of Conduct, which is provided to the suppliers we seek to do business with, outlines how we expect our suppliers to act, including:

- Demonstrating a commitment to human rights and fair employment practices;
- Providing fair remuneration and work conditions to all workers including equal pay for equal work;
- Ensuring all work is freely chosen – without the use of forced, bonded or involuntary labour; and
- Ensuring workers are of legal age and preventing any form of child labour.

Risks of modern slavery practices

The 2023 Global Slavery Index estimates that on any given day, there were 41,000 individuals living in modern slavery in Australia.



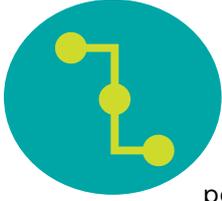
IMB Bank has, over the course of 2023, continued its assessment of modern slavery risk in our operations and supply chain, focusing on ‘risks to people’. We considered the areas in which we could potentially cause, contribute to, or be directly linked to, modern slavery through our operations and supply chain. We then rated the potential risk of modern slavery as low, moderate, and high.

IMB Bank’s exposure to Modern Slavery risk through its operations and supply chain is **low**. This low risk assessment reflects the inherent characteristics of IMB Bank being:

- an Australian-based workforce;
- operations are limited to the Australian financial services industry;
- no direct exposure to raw materials intensive industries;
- limited exposure to overseas manufacturing and sourcing.

Despite this low risk assessment, IMB Bank recognises that it is still exposed to modern slavery risks, particularly in our dealings with third parties, such as our suppliers and member base.

We have identified 4 key categories where there are risks of modern slavery practices in our operations and supply chain.



Our suppliers

In the previous reporting period, IMB Bank engaged an external advisor to conduct preliminary due diligence on a selection of IMB Bank's suppliers that were identified as having potentially elevated modern slavery risk from IMB Bank's initial risk assessment.

The suppliers reviewed were largely in the technology sector or were large financial institutions. The products and services of those entities are of a kind that predominantly involved reliance on the technology and electronics sector. In 2022-2023, IMB took the learnings from the process undertaken by the external advisor and applied these in our internal risk assessment processes and education processes for IMB's internal contract managers, to help IMB Bank further understand the potential risk of the following forms of modern slavery being present in our supply chain:

- Forced labour, which occurs when workers are not compensated at fair market rates (indentured labour, prison labour, child labour and labour that forces hazardous conditions on workers)
- Debt bondage, which occurs when a person is forced to work to repay a debt or other obligation; and
- Deceptive recruiting for labour or services, which occurs in situations where the victim is deceived about whether they will be exploited through a type of modern slavery.

IMB Bank acknowledges that Australia is not only impacted by modern slavery practices within its borders, but that Australia is exposed to the risk of modern slavery through the products it imports. According to Walk Freeⁱ, nearly two-thirds of all forced labour cases are linked to global supply chains, with workers exploited across a wide range of sectors and at every stage of the supply chain. Most forced labour occurs in the lowest tiers of supply chains; that is, in the extraction of raw materials and in production stages.

Imports of products at risk of modern slavery to Australiaⁱⁱ

Product at risk of modern slavery	Import value (in billions of US\$)	Source countries
Electronics	8.9	China, Malaysia
Garments	6.4	Argentina, Bangladesh, Brazil, China, India, Malaysia
Solar panels	1.3	China
Textiles	0.5	China
Fish	0.4	China, Ghana, Indonesia, Taiwan, Thailand

Through its supplier risk assessment processes, IMB Bank has identified the following areas in our indirect supply chains where modern slavery risks are most likely to arise:

- Australian computer and technology services –
 - security and investigation
 - services to finance and investment; and
- Australian business services.

As part of our ongoing commitment to evolve our modern slavery due diligence activities, in 2023 we again sought assistance from an external advisor to undertake a further ‘deep dive’ of modern slavery risk by profiling one of IMB Bank’s key technology suppliers based overseas who was identified in the preliminary risk assessment as having potentially elevated modern slavery risk. In future reporting periods, it is IMB’s intention to roll out a comparable ‘deep dive’ process on other suppliers with a similar risk profile using the learnings obtained from the external engagement.

This review involved identifying risks at a base level (i.e., industry category and geography of operation), and then examined the supplier’s risk mitigation strategies, due diligence, and remedial measures (and whether such activities were contextually proportional (and otherwise adequate) to mitigate the identified risks.

The review concluded the supplier’s product line is reliant upon high-risk inputs such as electronic components and batteries and it operates in high-risk locations, including having several potential connections to manufacturing suppliers within high-risk geographies such as regions of concern in China or the Democratic Republic of Congo. Pleasingly, in respect of these risk factors:

- The supplier’s overall approach to modern slavery risk is mature and appears to be actively engaged in mitigating its broader risk exposure with extensive and well-documented efforts of “on-the-ground” due diligence; and
- The supplier has a well-developed human rights policy framework as well as a grievance and remedial program which has successfully identified and addressed actual instances of potential exploitation.

IMB Bank will continue to take a targeted, risk-based approach to supplier assessments, with the aim of further examining areas of actual modern slavery risk and will take steps to satisfy itself that suppliers have appropriate systems and controls in place which evidence a commitment to ensuring their operations are free of modern slavery and protect human rights.

Based on the work performed over successive reporting periods, IMB Bank has assessed that the risk that IMB Bank causes, contributes to, or is directly linked to modern slavery through its direct supply chain continues to be **moderate**.

As an employer of over 600 people, IMB Bank accepts the potential risk for modern slavery practices to occur across the recruitment process. IMB directly recruits all new employees and fixed term contractors via its internal Human Resources functions in all cases, with few exceptions. All employees are employed under the IMB Bank Enterprise Agreement (which is approved by Fair Work Australia) or standard form individual contracts which comply with all applicable industrial Awards. Such contracts are periodically reviewed by external workplace lawyers to ensure provisions are in line with standard market practice. IMB’s employment arrangements and payroll practices are subject to annual audit. IMB’s Board and the Board People & Culture Committee and Audit Committee have oversight of IMB’s employment and remuneration practices.

Our people



Where IMB is unable to directly conduct a recruitment process (which occurs in only a small number of cases), it may use the services of an external Australian based recruitment agency or professional search firm. IMB Bank recognises Workers employed as temporary workers via recruitment agencies or labour providers have the potential to be at a higher risk of modern slavery. However, in IMB’s context, such workers are employed in professional or skilled roles, pursuant to the standard employment arrangements applicable to all other

employees as outlined above. To reduce the risk of modern slavery occurring in this context, IMB Bank utilises reputable agencies with a demonstrable commitment to protecting against modern slavery. Before entering into agreements with agencies, IMB Bank conducts due diligence and negotiates appropriate anti-modern slavery clauses to ensure the agencies share a consistent approach in relation to preventing modern slavery practices.

All individuals are employed (via any method) only after meeting IMB Bank's standard background and screening processes which consider matters such as entitlement to work and any applicable Visa arrangements.

100% of IMB Bank's workforce lives and works in Australia as their primary work location and operate in highly skilled roles. IMB Bank has minimal reliance on temporary or labour-hire employees engaged through agencies. When such workers are engaged, they are placed into administrative or technical specialist roles.

IMB Bank has therefore assessed the risk of modern slavery occurring through our employment practices to be **low** and considers that it has well-established systems and controls to manage this potential risk.



Our members

As a financial services organisation, IMB Bank accepts that it may be linked to modern slavery practices through the financial services and loans we provide to members. IMB Bank has assessed that there is a **low to moderate** risk of IMB contributing to or being directly linked to modern slavery through its dealings with members.

We have reached this conclusion due to factors such as:

- the size and composition of IMB Bank's member base which is made up primarily of individuals, the vast majority of whom live and work in Australia, and most typically, with proximity to IMB's own physical footprint;
- the limited services IMB Bank provides with respect to cross border transactions;
- conservative credit policies which do not permit for example, lending to individuals or entities that do not reside or operate in Australia, complex lending structures, lending for offshore investment, or lending for mining or large-scale construction and development;
- the high levels of scrutiny applied through onboarding and monitoring of business clients;
- the assessment of IMB Bank's exposure to money laundering and terrorism financing; and
- the sectors in which IMB Bank's customers operate.

Given IMB Bank's purpose and operations, it has a large investment portfolio for the benefit of its members. IMB Bank directly manages its own investment activities and has not appointed any external fund managers to make investments on its behalf.

Our investments



IMB Bank's investment policies continue to be relatively limited in the activities and types of investments it permits and are established to enable IMB Bank to comply with its prudential obligations with respect to investment risk and liquidity requirements. Investments are typically placed in other rated and unrated Australian ADIs, government entities and rated corporate entities. Investments are in the form of term deposits, treasury and bank bills, bonds, and notes. IMB Bank does not have share portfolio investments and

any property investments are premises from which IMB operates its retail branch network. Further information on our approach to investing is set out in our Annual Report.

IMB Bank recognises that there is a risk that we may hold investments in entities that may have exposure to modern slavery either within their operations or their direct supply chain.

In the previous reporting period, IMB Bank engaged an external advisor to conduct preliminary due diligence on a selection of IMB Bank's investment counterparties that were identified as having potentially elevated modern slavery risk. This work found that larger financial institutions with connections to the Xinjiang region of China had elevated modern slavery risk. In response to this observation, IMB Bank has ceased its relationship with one foreign financial institution with potential connections to the Xinjiang region of China.

During this reporting period, as part of our ongoing commitment to evolve our modern slavery due diligence activities, we again sought assistance from an external advisor to undertake a further 'deep dive' of modern slavery risk by profiling one of IMB Bank's largest investments with a multinational investment banking firm.

The key findings of the review were that the entity had:

- shown awareness of the potential modern slavery risks its faces, self-identifying supply chain risks in real estate, outsourcing activities, and IT; and
- adequate information about the modern slavery policies and activities undertaken by the entity, including a well-developed suite of human rights policies and activities with significant material directly targeting modern slavery.

In future reporting periods, it is IMB's intention to roll out a comparable 'deep dive' process on other investment counterparties using the learnings obtained from the external engagement and should entities have an elevated risk in this area, consideration will be given to the redemption of the investment. IMB Bank is continuing its review of its investment policy to provide additional guidance on modern slavery risks.

Based on the work performed over successive periods, IMB Bank has assessed the risk of IMB causing or contributing to modern slavery through its investment activities as **low**.

Our approach to tackling modern slavery practices

IMB Bank's focus remains building broader awareness of the ways in which it can help to eradicate modern slavery. IMB Bank has worked to ensure the below policies and procedures are embedded in the organisation and that it is continuously learning from external industry initiatives aimed at financial services organisations.

IMB has a strong commitment to sustainable and ethical business practices and is continuously improving how Environmental, Social and Governance (**ESG**) principles are incorporated into the enterprise-wide risk management framework for the benefit of the organisation, members, and communities. IMB Bank's values and policy frameworks guide and inform the way business is conducted, and how it can contribute to a better future through diversity and inclusion initiatives and ongoing investment in the communities which IMB Bank serves.

IMB Bank's ESG Working Group sees value in leveraging our work in relation to an ESG framework to strengthen our response to modern slavery. IMB recognises that our operations, lending practices, and investments can have a significant impact on the

environment and the communities in which we operate and is committed to embedding modern slavery risk management in all aspects of our business.



Our management

Ultimate oversight and responsibility for the steps that IMB takes to identify and address the risk of modern slavery practices in operations and supply chains rests with the Board. IMB's progress is reported to and monitored by its Board Risk Committee.

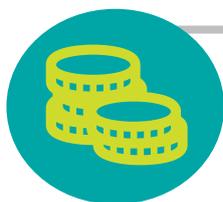
IMB's Board is committed to reducing IMB's exposure to modern slavery practices throughout its operations and supply chain. IMB Bank's enterprise-wide risk management framework considers sustainability / corporate responsibility risks, and these systems enable IMB to monitor and to deliver continuous improvement in the way IMB identifies, assesses, and addresses modern slavery risks.



Our policies

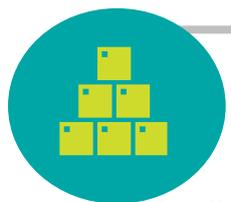
IMB has policies and procedures relevant to identifying, assessing, and mitigating the risks of modern slavery practices in our enterprise as listed below. These are designed to help IMB meet the spirit of the IMB values and to comply with our legal obligations.

We have embedded these policies and procedures across our operations and build awareness in our workforce and supply chains of IMB Bank's expectations and commitments in relation to modern slavery.



Our investments

IMB's investment portfolio and associated risk management frameworks are regularly reviewed and are already subject to well documented risk limits and criteria as contained in IMB Bank's Treasury Risk Management Policy and Liquidity Management Strategy and are subject to review and oversight by IMB Bank's Assets and Liabilities Committee and Board Risk Committee.



Our suppliers

IMB has well-established supplier due diligence processes that have been expanded to enable IMB Bank to effectively identify, assess, manage, mitigate, and report potential and actual material modern slavery risks in our supply chains.

IMB Bank maintains:

- a Modern Slavery Policy under which we expect our people and suppliers to agree not to exploit fundamental human rights;
- a Suppliers Code of Conduct (Code) which sets out our expectation for suppliers in relation to governance, human and labour rights, and work health and safety. A copy of the Code is provided to all (new and existing) suppliers prior to executing any service agreements. In particular, the Code includes a number of commitments in relation to human rights including compliance with local and international standards such as the prohibition on all forms of modern slavery practices. It is our aim that over time, our suppliers will influence their own supply chains through compliance with the Code;
- a risk-based assessment process within our contract management procedures for new and existing suppliers to enable contract managers to identify whether any suppliers

may be at a higher risk of having modern slavery practices in their operations or supply chains; and

- template agreement clauses which consider the risk-based assessment and requires suppliers meet certain obligations such as:
 - Implementing and maintaining effective systems and controls to ensure that there are no modern slavery practices in their business and supply chains.
 - Providing IMB Bank with information and reasonable assistance to enable it to assess modern slavery risks in their business and supply chains.
 - Notifying us if they are aware of or have suspicions about any modern slavery practices within our business and supply chains.

IMB Bank aims to include these template agreement clauses in all agreements. On occasions where we engage with low-risk supplier and are unable to negotiate the clauses into the agreement, such as the acceptance of standard terms and conditions, we obtain confirmation from the supplier that they have received, read, understand, and comply with IMB's Suppliers Code of Conduct.



Our people

As a financial services organisation, IMB operates in a highly regulated environment with respect to its employment arrangements. IMB has well-established policies and procedures concerning recruitment practices and employment screening (including work eligibility checks), employment conditions (including fair pay and hours) and expected workplace behaviour. IMB key conduct and recruitment related policies and procedures address IMB's expectations in relation to modern slavery risks in its direct operations:

- the Code of Conduct includes IMB's zero-tolerance approach to all forms of modern slavery and links to the Modern Slavery Policy;
- the Consequence Management Framework and Recruitment and Staff Movement Policy set out that any person who knowingly engages or otherwise takes any form of action that supports modern slavery in IMB's operations and supply chains may face disciplinary action up to and including termination of employment or engagement with IMB; and
- the Whistleblower Policy promotes honest and ethical conduct amongst our people and suppliers by providing a framework for the escalation of conduct that is non-compliant with our policies and values.

To raise awareness about modern slavery and its social and economic effects, IMB has a focus on providing its workforce with relevant training on identifying and preventing modern slavery within its operations and supply chain. Over the reporting period, IMB delivered targeted training and guidance to its Marketing, Treasury, and IT teams to assist in the identification and prevention of modern slavery as it relates to their role and responsibilities. The training included an explanation of how modern slavery occurs, our reporting obligations under the Act, identifying modern slavery risks within our supply chain (or as part of our investment portfolio specific to the Treasury team), how IMB can address modern slavery risks, the results from the external due diligence risk assessment conducted this year, and how to report any instances of modern slavery risks identified.

During this reporting period, all employees on active duties completed annual online training refreshers surrounding IMB's Code of Conduct which expressly outlines IMB Bank's position against all forms of modern slavery and IMB's expectation of all its employees in this regard.

We have policies, processes, and systems to help reduce and mitigate human rights and modern slavery risks in the banking and lending services we provided to our members. We take a proactive role in identifying potential perpetrators through robust onboarding, transaction monitoring and enhanced customer due diligence programs.

Our members



IMB meets mandatory standards in relation to customer due diligence. Know Your Customer (**KYC**) procedures enable us to confirm who our member is and to assess fraud and Money Laundering / Terrorism Financing risks. Members assessed as high risk for money laundering or terrorism financing undergo enhanced due diligence measures and monitoring, senior management review and compliance approval.

All new members are screened against relevant databases which can provide alerts relevant to modern slavery risks, and all new business banking clients are subject to a central compliance review prior to being able to conduct any business using IMB Bank services. This review includes checks against high-risk industry indicators and other financial crimes indicators. For our larger business banking members, a relationship manager is assigned, and we conduct periodic reviews of business records and in certain cases, visit their business premises to discuss and understand their business.

IMB's Fraud/AML Services and Lending Quality Assurance units are trained to identify specific scenarios that may indicate a risk of modern slavery as part of IMB's monitoring of suspicious matters and high-risk customers. In accordance with our AML/CTF obligations, where a suspicion is formed, reports will be lodged with the appropriate regulator, including AUSTRAC.

These business units stay up to date with typologies provided by the Australian Transaction Reports and Analysis Centre (AUSTRAC), the Attorney General's Department and other industry guidance. We also work with regulators and law enforcement bodies and share relevant information via financial services industry groups.



Grievances and remediation

modern slavery impacts. There are several ways that suppliers, employees, and the community can report potential incidents of modern slavery such as via IMB's whistleblower program, IMB's complaint mechanism and for suppliers through their IMB contact or during their annual review.

IMB is committed to preventing and remediating the harm caused by modern slavery practices. IMB seeks to identify, prevent, mitigate, and account for potential

If IMB identifies or is notified of potential modern slavery practices within its operations and supply chains, the following actions would be taken as appropriate:

- apologise to those impacted and the wider community;
- provide restitution involving both financial and non-financial compensation; and
- commence remediation involving the changing of policies and procedures, employee training and awareness and engagement with relevant suppliers.

Any concerns are investigated in a manner that is fair and objective to all people involved. If instances of modern slavery have been identified within our supply chain, IMB Bank is committed to changing processes and taking action against those who have behaved

incorrectly. Outcomes may also involve reporting the matter to relevant authorities and regulators.

Our ESG Framework



Our approach to corporate social responsibility and ethical conduct has always been reflected in our core organisational values and governance frameworks, which are built on our mutual model of delivering benefits to our members and the communities in which we operate.

As a business, IMB Bank is committed to protecting and respecting human rights including the prevention of modern slavery through our operations and supply chain by implementing controls and raising awareness it.

IMB recognises the importance of considering the ESG implications of our activities and has established an ESG Framework which is influenced by a range of the United Nations' Sustainable Development Goals (**UN SDGs**). The following UN SDGs have been selected to reflect IMB Bank's culture and business model, and we have linked those UN SDGs to our strategic pillars of 'our people' and 'our governance':



The *people pillar* focuses on IMB Bank's employees, who are crucial to the success of the bank, by promoting employee wellbeing, and creating a safe, inclusive, equitable workplace, free from modern slavery. Across our organisational surveys, our employees have told us we have a safe and inclusive place to work, free of discrimination, harassment, and bullying. Respect at Work based on our core value of integrity is foundational to our ability to connect and collaborate with each other and deliver on our purpose to our members and their communities.



The *governance pillar* focuses on IMB Bank's overall governance structure, including its policies, procedures, and decision-making processes. This includes promoting transparency, accountability, and ethical behaviour, as well as ensuring compliance with regulatory requirements. The Board is expected to set the appropriate 'tone at the top' with respect to risk culture and ensure that directors and senior managers model strong risk management behaviours and maintain a consistent approach to risk management (which extends to any modern slavery risks identified). IMB Bank recognises that modern slavery is a complex issue, and we will need to continuously improve and evolve our approach to addressing modern slavery risks within IMB Bank's supply chain and business operations. We will continue to review the effectiveness of the measures we have put in place and report on the progress we have made.

Assessing and reporting on effectiveness

IMB Bank aims to continuously evolve its approach to measuring the effectiveness of how we assess and manage modern slavery-related risks. We are assessing and reporting on the effectiveness of our actions regarding modern slavery consistent with our methodology for measuring the effectiveness of other risks under IMB Bank's 'three lines of defence' model of enterprise risk management. This entails risk reviews and control self-assessments being undertaken by risk owners (first-line), controls assurance testing undertaken by the Risk function (second-line) and regular review of the risk management framework by Internal Audit (third-line). This is supported by monthly and quarterly risk reporting to the Board and Board Risk Committee respectively.

Currently, we monitor compliance with our organisational policies and procedures through internal audit and risk assurance reviews, reviews of complaints raised under our dispute resolution processes and Whistleblowing Policy, completion of compliance training, activity taken under IMB Bank's AML/CTF Compliance Program and the centralised review of new supply contracts and annual reviews of supply contracts. IMB Bank's Fraud/AML Services Unit continued to conduct detailed monitoring and assurance activities in relation to IMB Bank's members.

In the reporting period:

- there were no reports or complaints received by IMB that related to concerns about modern slavery;
- while IMB made a number of reports to law enforcement bodies as a result of its transaction monitoring and customer due diligence, none of these matters were directly related to concerns about modern slavery; and
- there were no instances of enforcement of our modern slavery contract clauses by IMB Bank against any of our direct suppliers.

As part of our future initiatives, IMB Bank seeks to refine the remit of each of IMB Bank's Board Committees to ensure ESG objectives have effective oversight and monitoring frameworks in place, including to assess the effectiveness of modern slavery risk mitigation strategies.



Environmental

- **We will work** to reduce our environmental footprint by minimising our carbon emissions, promoting energy efficiency and using sustainable materials whenever possible.
- **We will conduct** climate risk assessments to identify and manage potential risks within our lending and investment portfolios.
- **We will ensure** our products support sustainable business practices and will explore how we can assist our Members to reduce their own impact on the environment.



Social

- **We will promote** diversity and inclusion in our workforce and provide our Members with competitive products, and practical solutions and excellent service.
- **We will support** local communities through charitable donations, community investment initiatives, and financial education programs.
- **We will support** national reconciliation with our First Nations peoples with the delivery of our 'Reflect' Reconciliation Action Plan.



Governance

- **We will maintain** the highest standards of ethical conduct and transparency in our operations and decision-making processes.
- **We will establish** and maintain robust risk management practices to identify and manage risks associated with ESG factors and other emerging risks.
- **We will provide** regular updates to our stakeholders on our ESG performance and progress towards our goals.

Consulting with entities that we own and control

This Modern Slavery Statement covers each member of the IMB Group, notwithstanding that no IMB Bank subsidiary currently meets the threshold of a reporting entity under the Act. All members of the IMB Group are owned and controlled by IMB Ltd trading as IMB Bank. Each subsidiary relies on the parent, IMB Bank, for the resources it requires to undertake its day-to-day operations. IMB Bank provides or procures all goods and services each subsidiary needs, including meeting any personnel requirements (i.e., the subsidiaries do not have any unique employees), hence each subsidiary works under the management, policies, and process of IMB Bank.

IMB Bank's Group Executive, Board Risk Management Committee, and the Board (which is comprised of all of the same members of the boards of the subsidiary entities) were engaged when preparing this Statement.

Other relevant information

Our ongoing commitment

IMB Bank aims to undertake the following continuous improvement actions in the future:

- continue to review our investment counterparties' and suppliers' responses to modern slavery risks within their supply chains by conducting risk-based due diligence reviews;
- make ongoing enhancements to our supplier procurement and due diligence processes for new services proposed to be obtained by IMB Bank;
- assess the effectiveness of our grievance and remediation mechanisms to ensure they would appropriately respond to suspected incidents of modern slavery;
- continue to deliver a tailored modern slavery training program based on the roles and responsibilities of each IMB Bank business unit.

Mandatory criteria

This Modern Slavery Statement addresses each of the mandatory criteria in section 16 of the Act:

Mandatory Criteria	Page number/s
a) Identify the reporting entity;	3-4
b) Describe the reporting entity's structure, operations, and supply chains;	4-6
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls;	7-11
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes;	11-15
e) Describe how the reporting entity assess the effectiveness of these actions;	16
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls;	17
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.	17

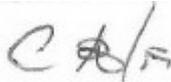
Approval

This Modern Slavery Statement was approved by the *principal governing body* of IMB Ltd trading as IMB Bank as defined by the *Modern Slavery Act 2018* (Cth) on 12 December 2023.

This Modern Slavery Statement is signed by a responsible member of IMB Ltd trading as IMB Bank as defined by the Act.

Name: **Catherine Aston**, Chair of IMB Ltd

Signature:



Dated: December 2023

ⁱ <https://www.walkfree.org>

ⁱⁱ <https://www.walkfree.org/global-slavery-index/country-studies/australia/>