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## Acknowledgement of Country

IMB Bank acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures and to Elders past and present, and emerging cultural knowledge holders.

# About IMB Bank

Established in 1880, IMB Bank has been helping people achieve their financial goals for 144 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, our, we, us**) and its subsidiaries (collectively, the **IMB Group**) for the financial year ending 30 June 2024. 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 structure

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 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.

IMB Bank is a proud, growing mutual bank that places our members’ financial needs at the centre of their banking experience, and works with our communities to help them thrive.

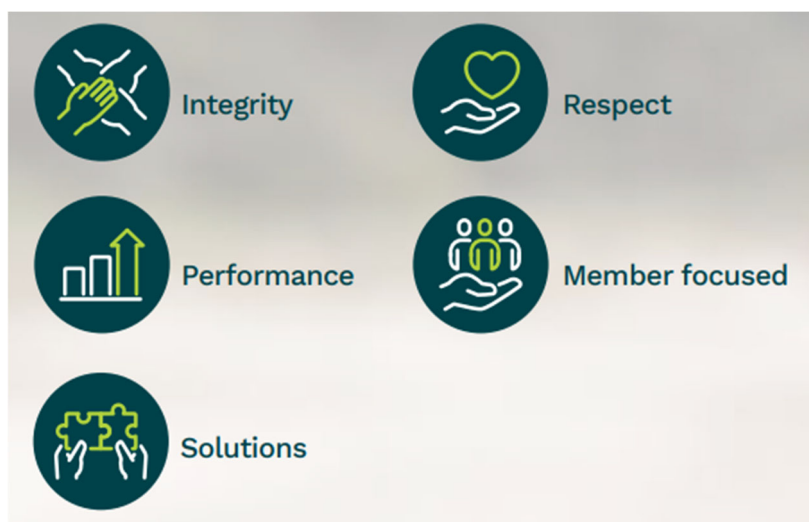
## Our purpose

IMB Bank’s purpose is to provide simple, authentic and connected banking that helps our members and communities to be better off.

## Our values

IMB Bank’s approach to corporate social responsibility and ethical conduct is embedded throughout the core organisational values and governance frameworks, which are built on the mutual model of delivering benefits to both members and the communities in which we operate.

IMB Bank is 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 our values, IMB Bank rejects all forms of slavery, servitude, forced and compulsory labour and human trafficking (**modern slavery practices**) in our operations, enterprise and supply chains.



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

## Our operations

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 products. IMB Bank's lending activities include the provision of overdrafts, car loans, personal loans, home loans and residential investment loans to individual members. We also provide commercial lending to business members to purchase commercial property or equipment.

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 620 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, a mobile banking app, and phone banking 24/7 and can obtain telephony services through the IMB Bank contact centre, which is located in Wollongong, NSW.

IMB Bank has enabled branch-based customer service teams to use the same platforms to support telephone and digital enquiries made by members. Our team of mobile lending and business banking specialists provide tailored services to individual members and small to medium-sized enterprises.

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



**52 branches in  
NSW, ACT and  
Victoria**



**Over 620  
employees**



**Over 220,000  
members**





## Our 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 (**ICF**). The ICF provides grants to not-for-profit projects that make our communities stronger, safer, more sustainable, and inclusive.

The ICF is now in its 25th year and over that time has provided more than \$12 million in support to over 1,000 community projects in NSW, the ACT and Victoria. All recipients of ICF funding are incorporated and permanently established in IMB Bank's areas of operations within Australia. The ICF considers a wide range of important grassroots projects across six key themes - social, educational, community development, environmental, cultural and community connection. The ICF supports organisations to deliver impactful, self-sustaining initiatives and programs to build better, brighter communities.

Against the recent context of economic uncertainty and societal challenges, our community funding continues to support 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 ICF funding of various community projects. Any project that is successful in gaining a grant must share IMB Bank's values and reject any form of modern slavery in their operations.



**\$12m worth  
of grants  
since 1999**



**Supporting our  
communities**



## Our supply chain

IMB Bank is a large purchaser of goods and services required for our operations and has a supply chain made up of approximately 570 suppliers with a value of approximately \$55m in the reporting period. IMB Bank has policies and procedures that enable a close partnership with our direct suppliers to understand their supply chain practices. Our direct supply chains are primarily domestic with approximately 96% of suppliers operating within Australia. The remaining countries of origin include the United States, India, Ireland, New Zealand, Singapore and Slovenia. Our top ten suppliers account for more than 30% of our total supplier spend, with a significant concentration in the information technology and customer engagement sectors.

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. These suppliers provide IMB Bank with goods and services in the following sectors:



**Customer engagement** which includes marketing and digital services and services supporting the distribution of our products and operation of our 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, operating ATMs, cheque representation, fraud prevention and detection, 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 our values, including in relation to modern slavery and human rights. IMB Bank's 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 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

IMB Bank maintains an ongoing process to assess the risks of modern slavery practices in our operations and supply chain. The process seeks to identify situations within our business relationships where coercion, threats or deception may be used to exploit people and adversely impact their freedom.

These situations can be dynamic and require sustained assessment and review to adequately identify actual and potential risks of modern slavery practices, such as:<sup>i</sup>



## Forced labour

Where a person is not free to stop working or not free to leave their place of work.



## Forced marriage

Where someone is married without freely and fully consenting to the marriage because of threats, deception or coercion, or the individual is incapable of understanding the nature and effect of the marriage ceremony, or the individual is under the age of 16 years.



## Servitude

Where an individual is either not free to stop working or leave their place of work and their personal freedom is significantly restricted.



## Debt bondage

Where an individual works to repay a real or perceived debt that is excessive and that they may never be able to pay off. Often, the individual has little control over how long they must work or what type of work they need to do to pay back the debt.



## Deceptive recruiting for labour or services

A situation where a victim is deceived about the type of work they will be doing, the length of their stay, their living or working conditions or how much they will earn.

IMB Bank's overall exposure to modern slavery risks throughout its operations and supply chain remains **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; and
- limited exposure to overseas manufacturing and sourcing.

Despite this low risk assessment, IMB Bank actively reviews the potential for modern slavery practices to impact our enterprise. To assist in our ongoing approach IMB Bank has identified four key operational categories as carrying the greatest potential for modern slavery risks to be present including our supply chain, our people, our members and our investments.

## Our supply chain

Exploitation via global supply chains in the private economy is the most common form of modern slavery. Of the 49.6 million people living in slavery globally, 42 million people are exploited via global supply chains and 27.6 million people are in forced labour.<sup>ii</sup> In Australia 14% of modern slavery victims were subject to forced labour exploitation, however only 1 in 5 victims are identified.<sup>iii</sup> IMB Bank is alive to the risks of modern slavery practices within both our domestic and international supply chains, and the indirect supply chains of those we do business with.

IMB Bank has continued to undertake due diligence of our supply chain throughout the reporting period, both as part of our contract review and renewal program and via targeted modern slavery risk analysis. The aim of our supplier engagement and review in this manner is to identify any risks of modern slavery practices that IMB Bank may be directly or indirectly linked to. During 2023-2024 we built on the analysis undertaken in previous periods to consider the modern slavery risks and actions undertaken by third parties within our supply chain.

In order to assess and address the modern slavery risks present within our supply chain, IMB Bank conducted in-depth analysis into the practices of both an investment counterparty and a multi-national supplier. This process considered:

- The operational and supply chain risks of the third party and their sector;
- The third party's modern slavery response framework;
- Due diligence, risk mitigation and grievance mechanisms employed by the third party;
- Evidence of human rights protection and/or ESG frameworks established by the third party; and
- Media reporting and/or direct allegations against the third party about modern slavery practices.

Our due diligence deep dive of the selected investment counterparty confirmed that they have comprehensive frameworks in place to identify, assess and address the modern slavery risks to their supply chain and operations. The investment counterparty actively utilises external, established and reputable industry standards and guidance to develop and enhance their modern slavery risk assessments. Importantly the investment counterparty was able to demonstrate where they have leveraged their corporate strength to enforce change within their supply chain, when dealing with investment targets and by participation in associations advocating for improved modern slavery outcomes. Conversely, we identified some media commentary pointing out the potential that some of the proactive steps to influence their supply chain were overstated and there is more that they could be doing to drive improvements. This has highlighted the need for IMB Bank to continue to monitor the investment counterparty's risk mitigation actions and assess whether tangible improvements are being achieved over time.

The supplier reviewed was selected based upon their multi-national operations and the specific procurement sector they operate within. IMB Bank's due diligence deep dive on the supplier (and its controlling Group), validated that it has mature frameworks to identify, assess and control modern slavery risks. This includes establishing working groups with other suppliers to consider specific industry and supply chain sector risks on a collective basis. Given the significant breadth of the Group's operations and geographical spread, the inherent modern slavery risks to which it is exposed are significant, and IMB Bank considers the leadership approach it has taken to be warranted. With respect to its domestic operations, the supplier demonstrates good awareness of their supply chain risks and those posed by labour hire employment arrangements, both of which are managed via regular compliance reviews and contractual terms. By gaining a deeper understanding of the kinds of measures this supplier has established, IMB Bank will be able to use these as a point of comparison when conducting future deep dives on other major suppliers.

Whilst the outcomes from these targeted reviews were generally positive, IMB Bank acknowledges the need to continue to take a risk-based approach to supply chain assessments, with the aim of further understanding and examining areas of actual modern slavery risk and how our suppliers are taking action to reduce or mitigate modern slavery. IMB Bank will take ongoing steps to satisfy itself that our suppliers and investment counterparts have appropriate systems and controls in place which evidence a commitment to ensuring their operations are free of modern slavery practices 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**.



Looking ahead, future initiatives include the development of an enhanced Procurement Policy which will support broader ESG objectives. IMB Bank will also participate in a supplier engagement campaign facilitated by our industry association with an external specialist which is aimed at establishing a stronger, coordinated approach to modern slavery due diligence of common suppliers serving Australia's mutual banking sector.

## Our people

As an employer of over 620 people, IMB Bank accepts the potential risk for modern slavery practices to occur across the recruitment process. IMB Bank directly recruits all new employees and fixed term contractors via its internal Human Resources functions, 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 Bank's employment arrangements and payroll practices are subject to an annual audit. IMB Bank's Board and the Board People & Culture Committee and Audit Committee have oversight of IMB Bank's employment and remuneration practices. Targeted Modern Slavery training is delivered to IMB Bank's People & Culture team to raise awareness of modern slavery risk.

In a small number of cases IMB Bank may be unable to directly conduct the recruitment process and will use the services of an 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 higher risk of modern slavery exploitation. However, in IMB Bank's context, such workers are employed in professional or skilled roles, pursuant to the standard employment arrangements applicable to all other employees. To reduce the risk of modern slavery practices 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 exploitation.

All individuals are employed only after meeting IMB Bank's standard background and screening processes which consider matters such as entitlement to work and any applicable Visa arrangements. This process applies to all employees regardless of the method of recruitment.

IMB Bank's entire workforce lives and works in Australia as their primary work location and operate in highly skilled 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 Bank contributing to or being directly linked to modern slavery practices 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 within close proximity to IMB Bank's own physical footprint;
- The limited services IMB Bank provides with respect to cross-border transactions;
- Our 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;
- Ongoing enhancements with respect to digital identification, including the use of biometric information;
- The assessment of IMB Bank's exposure to money laundering and terrorism financing; and
- The sectors in which IMB Bank's customers operate.

## Our investments

Given IMB Bank's purpose and operations, it has a large investment portfolio. IMB Bank directly manages its own investment activities and has not appointed any external fund managers to make investments on our behalf and therefore controls all investment decisions.

IMB Bank's investment policies continue to be relatively limited in the activities and types of investments it permits because they have been 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 owned premises from which IMB Bank 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.

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

# Assessing and addressing modern slavery risks

IMB Bank recognises that modern slavery is a complex problem, and we are committed to implementing controls to assess and address the risks of these practices within our enterprise. IMB Bank will identify and manage risks related to modern slavery and monitor the effectiveness of the actions we take in response to such risks.

IMB Bank maintains policies and procedures which are designed to:

- Increase our employees' awareness of the risks of modern slavery;
- Increase our efforts to address modern slavery as a financial crime;
- Increase awareness of modern slavery as part of procurement and contract management processes;
- Encourage the reporting of any (actual or potential) modern slavery practices that may occur within IMB Bank's operations and supply chains; and
- Enable IMB Bank to identify and assess modern slavery practices and implement actions to deal with such risks (including due diligence and remediation processes).

IMB Bank 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.

## Our management

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

IMB Bank's Board is committed to reducing IMB Bank'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 Bank to monitor and to deliver continuous improvement in the way IMB Bank identifies, assesses, and addresses modern slavery risks.

IMB Bank's ESG Working Group (which is a cross-functional group of senior employees) is now further supported by a dedicated Board ESG Committee, which was established during the reporting year. The strengthening of our ESG framework is a result of the Board's recognition that our operations, lending practices, and investments, not only have a significant impact on our environment and the communities in which we operate, but on the potential for modern slavery exploitation to arise in connection with IMB Bank's operations and supply chain.

## Our policies

IMB Bank has established a comprehensive framework of policies and procedures to assist in identifying, assessing, and mitigating the risks of modern slavery exploitation within our business and supply chain. These documents help employees to apply IMB Bank values in a meaningful and practical manner, and support IMB Bank's compliance with its legal obligations.

IMB Bank has embedded these policies, procedures and governance documents across our operations:

Document	Risk addressed by Policy
IMB Bank Policy Against Modern Slavery	All
ESG Committee Charter	All
Risk Management Framework	All
Operational Risk Management Framework	All
Risk Appetite Statement (incl. assessment of ESG risk)	All
IMB Bank Whistleblower Policy	All
IMB Bank Suppliers Code of Conduct	Our supply chain
IMB Bank Contract Management Procedure	Our supply chain
IMB Bank Template Agreement Clauses	Our supply chain
IMB Bank Treasury Risk Management Policy	Our investments
IMB Bank Liquidity Management Strategy	Our investments
IMB Bank Code of Conduct	Our people
IMB Bank Anti-Discrimination and Equal Employment Opportunity Policy	Our people
IMB Bank Work Health and Safety Policy	Our people
IMB Bank Consequences Management Framework	Our people
IMB Bank Recruitment and Staff Movement Policy	Our people
IMB Bank Anti-Money Laundering and Counter-Terrorism Financing Program	Our members
IMB Bank Lending Policy	Our members
IMB Bank Member Dispute Resolution Guide	Our members

## Our investments

IMB Bank'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 the Treasury Risk Management Policy and Liquidity Management Strategy. These policies are subject to review and oversight by IMB Bank's Assets and Liabilities Committee and Board Risk Committee.

## Our suppliers

IMB Bank's existing supplier due diligence processes have been expanded to enable IMB Bank to effectively identify, assess, manage, mitigate, and report potential and actual modern slavery risks within our supply chains. IMB Bank has also identified the development of an enterprise-wide Procurement Policy as a future initiative, which will further enhance our ability to address modern slavery risks within our supply chain. This will be developed as part of IMB Bank's compliance with CPS 230 Operational Risk which imposes significant obligations on ADIs to manage the risks posed by the use of third parties (and the material suppliers to those parties 'fourth parties').

Business units who engage with our supply chain are well supported by documented procedures, which enable us to set expectations and consequences regarding the management of modern slavery risks:

- Suppliers Code of Conduct (Code) - sets out our expectations 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.
  - The Code includes several commitments in relation to human rights including compliance with local and international standards, such as the prohibition on all forms of modern slavery practices.
  - IMB Bank has recently enhanced the Code to include a positive duty on suppliers, their related entities and subcontractors to take proactive action to prevent and discourage breaches of the Code.
  - It is our aim that over time, our suppliers will influence their own supply chains through compliance with the Code.
- Contract Management Procedure - provides a risk-based assessment process for new and existing suppliers, which enables contract managers to identify whether any suppliers may be at a higher risk of having modern slavery practices within their operations or supply chains.
- Template Agreement Clauses - require suppliers to 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 IMB Bank 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 our preferred clauses into the agreement, we obtain confirmation from the supplier that they have received, read, understand, and comply with IMB Bank's Suppliers Code of Conduct.

## Our people

As a financial services organisation, IMB Bank operates in a highly regulated environment with respect to its employment arrangements. IMB Bank has well-established policies and procedures concerning recruitment practices, employment screening, work eligibility checks, employment conditions including fair pay and hours, and expected workplace behaviour.

IMB Bank's key conduct and recruitment-related policies and procedures outline IMB Bank's expectations in relation to the risk of modern slavery practices within its direct operations:

- Code of Conduct includes IMB Bank's zero-tolerance approach to all forms of modern slavery and directly links to the Policy Against Modern Slavery.
- Recruitment and Staff Movement Policy and Consequences Management Framework provide that any person who knowingly engages or otherwise takes any form of action that supports modern slavery in IMB Bank's operations and supply chains may face disciplinary action up to and including termination of employment or engagement with IMB Bank.
- 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 Bank provides training to its workforce, which assists them to identify and prevent modern slavery within our operations and supply chain. During this reporting period, all employees on active duties completed annual training surrounding IMB Bank's Code of Conduct which expressly outlines IMB Bank's position against all forms of modern slavery and IMB Bank's expectations of all its employees in this regard. Specific business units also receive additional training to provide targeted information and guidance as required.

## Our members

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.

IMB Bank meets mandatory standards in relation to customer due diligence. Our 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 visitation at their business premises to discuss and understand their business.

IMB Bank'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 Bank'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. IMB Bank also works with regulators and law enforcement bodies and shares relevant information via financial services industry groups. In the reporting period staff in relevant business units attended an AUSTRAC webinar on its National Money Laundering and Terrorism Financing Risk Assessments which outlined typologies and factors that are associated with human exploitation. IMB Bank has ensured that its ML/TF Risk Assessment and AML/CTF Compliance Program is responsive to AUSTRAC's views.

## Our response to grievances and remediation

IMB Bank is committed to preventing and remediating the harm caused by modern slavery practices. There are several ways that suppliers, employees, and the community can report potential incidents of modern slavery to IMB Bank. These include IMB Bank's Whistleblower Policy and IMB Bank's dispute resolution mechanisms, whilst suppliers can report directly to their IMB Bank contact or during their annual review.

If IMB Bank identifies or is notified of potential or actual modern slavery practices within its operations and/or supply chains, examples of the types of actions it may take to address this include:

- Making apologies to those impacted and the wider community;
- Providing restitution involving both financial and non-financial compensation; and
- Remediation activities involving the review of policies and procedures, providing further employee training and awareness and direct engagement with relevant suppliers.

IMB Bank has reporting mechanisms to ensure there is visibility of any incidents or concerns raised, and that they 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 model of delivering mutual benefits to both 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 practices within our operations and supply chain by implementing controls and raising awareness. We know that sound ESG practices are essential for earning the trust of our members, employees and the communities we serve.

During the reporting year IMB Bank joined the UN Global Compact Network Australia. As a signatory to the UN Global Compact, IMB Bank is committed to a strategic alignment with the United Nations' Sustainable Development Goals (**UN SDGs**). Linking IMB Bank's strategic pillars to the UN SDGs has been a critical step in demonstrating our commitment to sustainability and responsible business practices and demonstrates our support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment, and Anti-Corruption.

IMB Bank's ESG framework is influenced by UN SDGs, which have been specifically selected to reflect IMB Bank's culture and business model, and linked to our strategic pillars – our members, our people, our community, our environment and our governance:



The ESG framework has been enhanced during the reporting year with the establishment of a dedicated Board ESG Committee. This Committee delivers oversight of IMB Bank's ESG strategies and helps IMB Bank to navigate the changing regulatory and social landscape.

## 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. IMB Bank's values drive its commitment to compliance and support an environment where a strong and embedded compliance culture is at the core of everything IMB Bank does.

IMB Bank assesses and reports on the effectiveness of our actions regarding modern slavery in a manner 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 reviews 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, IMB Bank monitors compliance with our organisational policies and procedures via internal audits and risk assurance reviews, reviews of complaints raised under our dispute resolution processes and Whistleblowing Policy, completion rates for mandatory compliance training, activity taken under IMB Bank's AML/CTF Compliance Program and the centralised review of new supply contracts and annual reviews of existing supply contracts. IMB Bank's Fraud/AML Services Unit conducts detailed monitoring and assurance activities in relation to potential financial crimes.

In the reporting period:

- There were no reports or complaints received by IMB Bank that related to concerns about modern slavery;
- Whilst IMB Bank 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 suspicions 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.

Our future initiatives seek to support and assess our progress in activating modern slavery and related ESG strategies, including consideration of accreditation schemes to independently measure and benchmark impact, and the development of an enterprise-wide procurement policy to support our initiatives with respect to our supply chain. IMB Bank is committed to promoting good ESG outcomes in all aspects of our business and we do this by upholding the following ESG principles:



#### **Environmental**

- We will work to reduce our environmental footprint by reducing our carbon emissions, promoting energy efficiency, and using sustainable materials.
- We will conduct climate risk assessments to identify and manage potential risks within our lending and investment portfolios.
- We will explore how we can assist our members to reduce their impact on the environment.



#### **Social**

- We will promote diversity and inclusion in our workforce.
- We will provide our members with competitive products, practical solutions and excellent service.
- We will support local communities through a staff volunteering policy, charitable donations, community investment initiatives, and financial education programs.
- We will support national reconciliation with First Nations peoples with the delivery of our 'Reflect' Reconciliation Action Plan and the commencement of our 'Innovate' 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 and reports to our stakeholders on 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 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

## Legal and Regulatory impact

IMB Bank regularly reviews modern slavery obligations for any legislative or regulatory change. IMB Bank acknowledges that in November 2024 the Federal Government appointed Australia's inaugural Anti-Slavery Commissioner, to strengthen the work already undertaken by the government, businesses and society to prevent and respond to modern slavery risk. The new Commissioner has a wide remit to help shape the implementation of future modern slavery reforms, including to Australia's Modern Slavery Act. IMB Bank therefore expects that the Federal Government will continue to strengthen modern slavery obligations and will take steps to respond to any heightened expectations.

## Our ongoing commitment

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

- Continue to review our suppliers and investment counterparties' responses to modern slavery risks within their supply chains by conducting risk-based due diligence reviews;
- Undertake in-depth analysis of our suppliers and investment counterparties' to assess their modern slavery risks and frameworks;
- Participate in industry campaigns to conduct due diligence on common suppliers to the mutual ADI industry;
- Make ongoing enhancements to our contract management procedures, including the development of an enterprise-wide procurement policy;
- Undertake 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 provide an appropriate response to suspected incidents of modern slavery; and
- 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 Location
a) Identifying the reporting entity.	3
b) Describe the reporting entity's structure, operations and supply chains.	3-6
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.	7-10
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.	10-14
e) Describe how the reporting entity assess the effectiveness of these actions.	14-15
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls.	15
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.	16



# 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 10 December 2024.

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: 10/12/2024

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<sup>i</sup> <https://www.homeaffairs.gov.au/criminal-justice/files/nap-combat-modern-slavery-2020-25.pdf>

<sup>ii</sup> <https://antislavery.org.au/modern-slavery/>

<sup>iii</sup> <https://antislavery.org.au/modern-slavery/>