



Modern Slavery Statement

1 July 2024 – 30 June 2025



**Australian
Military Bank**



This Modern Slavery Statement is made by Australian Military Bank Ltd (“Australian Military Bank”, “the Bank”, “we, our, us”) in accordance with the Modern Slavery Act 2018 (Cth) for the reporting period 1 July 2024 to 30 June 2025. The Statement has been approved by the Board and describes the foundational steps taken by the Bank to identify, assess and address modern slavery risks in its operations and supply chains, along with the Bank’s approach to continuous improvement.

1. About Australian Military Bank

The Bank is a member-owned mutual bank established more than 60 years ago to serve current and former members of the Australian Defence Force (ADF) and their families. With a strong connection to the Defence community, the Bank provides accessible and responsible financial services tailored to the needs of members operating across Australia and overseas.

The Bank offers a full suite of retail banking products including transaction and savings accounts, credit cards, personal loans, home lending, and digital banking solutions. As an Australian Prudential Regulatory Authority (APRA) regulated authorised deposit-taking institution and holder of an Australian Financial Services Licence (AFSL), we operate in a highly regulated environment with robust expectations regarding risk, conduct, governance and financial crime compliance.

As at 30 June 2024, the Bank employed 212 people, all located in Australia. The Bank maintains 19 branches and on-base locations nationally, including presence at major ADF installations. Being a mutual bank, our business model is centred on reinvesting value back into our members and the broader Defence community.

Governance and Oversight

Modern slavery governance is integrated into the Bank’s broader risk and compliance framework. The Board oversees the Bank’s approach to managing modern slavery risks and approves this Statement. The Board is supported by the Board Risk Committee, Chief Executive Officer, and Chief Risk Officer, who collectively ensure that modern slavery risk considerations are embedded across ethical conduct, procurement and vendor management, financial crime prevention, and operational risk management. This governance structure enables a coordinated and proportionate approach aligned with our size, operating model and risk profile.

The Bank does not own or control any other reporting entities.

2. Our Operations

The Bank’s operational exposures to modern slavery risk relate to its roles as an employer, retail bank and lender, purchaser of goods and services, and investor.

Employer

The Bank employs a professional Australian-based workforce across head office, branches and on-base locations. All employees are engaged under Australian workplace relations laws, with access to whistleblower protections and formal grievance channels. The Bank has limited reliance on labour-hire or temporary contractors. As a result, the risk of modern slavery within our direct workforce is considered low.





Retail Bank and Lender

As a provider of financial services, the Bank recognises the potential for customers or third parties to misuse banking products to facilitate financial flows linked to labour exploitation, trafficking or other modern slavery-related offences. These risks are mitigated through the Bank's AML/CTF Program, customer due diligence processes, transaction monitoring, and escalation frameworks.

Purchaser of Goods and Services

To support its operations, the Bank procures goods and services including technology infrastructure, telecommunications, cybersecurity, professional services, facilities services, uniforms, marketing materials, stationery, and document management. The Bank engaged 152 suppliers during the reporting period. While the majority of suppliers are Australia-based, some products (e.g. IT hardware, uniforms) originate from global supply chains that may involve higher-risk regions or sectors.

Investor (Treasury Operations)

The Bank manages liquidity and investment portfolios in accordance with APRA prudential standards. Investments primarily comprise Australian bank securities, deposits and government instruments. As a result, the Bank's modern slavery investment exposure is considered very low.

3. Our Supply Chains

The Bank's supply chains consist predominantly of **services-based providers**, with a smaller portion relating to goods.

Key categories include:

- ▶ Banking and payments infrastructure
- ▶ Technology and software providers
- ▶ Cybersecurity, data and telecommunication services
- ▶ Professional advisory firms (audit, legal, compliance, consulting)
- ▶ Facilities and operational support services
- ▶ Document management, scanning and archive services
- ▶ Marketing, print, merchandise and uniform suppliers
- ▶ Labour hire or specialist contractors (limited use)

The Bank engages Mutual Marketplace (MM) as its procurement partner to support certain sourcing and supplier management activities. MM maintains its own modern slavery governance framework, including its Modern Slavery Statement (FY2024-3681), Supplier Code of Conduct and due diligence processes, which outline MM's expectations of suppliers regarding ethical conduct, labour practices and human rights. While we draw upon MM's modern slavery assessments and controls for MM-managed suppliers, the Bank retains full responsibility for compliance with the Modern Slavery Act 2018 (Cth). The Bank conducts its own supplier due diligence and applies its own modern slavery risk assessment and ongoing oversight across all other suppliers that are not managed through MM.

The Bank acknowledges that several procurement categories, including uniforms and textiles, printing and mailing services, electronics and IT equipment, cash-handling logistics, facilities services, and offshore IT delivery, carry higher potential exposure to modern slavery due to global supply-chain complexity, subcontracting, and known sector-wide vulnerabilities.





4. Identifying and Understanding Modern Slavery Risks

The Bank's assessment of modern slavery risk recognises both direct and indirect exposures inherent to financial institutions.

Operational Risks

Although direct operational risk is assessed as low, potential areas of indirect exposure include:

- ▶ Labour-intensive facility or cleaning services
- ▶ Subcontracting arrangements used by service providers
- ▶ Customer-facing interactions where modern slavery victims or perpetrators may be encountered
- ▶ Misuse of financial products for funds linked to exploitation

Supply Chain Risks

The Bank acknowledges that modern slavery risks may be present within certain high-exposure procurement categories, even where first-tier suppliers are Australian-based. These include:

- ▶ Textiles and uniforms — due to manufacturing concentration in high-risk regions and limited visibility into lower-tier suppliers
- ▶ Electronics and IT equipment — a globally recognised sector with complex multi-tier supply chains and heightened exploitation risks
- ▶ Cleaning, maintenance, and facilities services — often characterised by vulnerable workforces and multi-layer subcontracting
- ▶ Cloud, offshore data services, and outsourced operational support — where labour conditions and jurisdictional practices may vary
- ▶ Suppliers engaged through MM or other procurement channels that rely on third- and fourth-party arrangements

These risks reflect broader industry vulnerabilities rather than Bank-specific findings but are considered relevant to the Bank's supply chain profile.

Risk Identification Approach

The Bank identifies and assesses risks by considering:

- ▶ Country of manufacture or service delivery
- ▶ Sector and industry risk indicators
- ▶ Labour intensity and known exploitation patterns
- ▶ Visibility (or opacity) of third- and fourth-party supply chain tiers
- ▶ Supplier governance maturity, including policy commitments and reporting
- ▶ Availability of modern slavery disclosures or statements
- ▶ Nature of the goods or services (e.g. electronics, textiles, offshore labour)

This approach supports proportionate, risk-based decision-making that aligns with our size, supply-chain complexity and operating model.





5. Actions Taken During the Reporting Period

Given this is our first Modern Slavery Statement, the focus for this period has been on establishing foundational elements to support future maturity.

The actions below represent initial steps, which will evolve cautiously and proportionately over time.

Governance and Policy Foundations

- ▶ Adoption of a Board-approved Modern Slavery Policy.
- ▶ Integration of modern slavery considerations across relevant internal frameworks including the Code of Conduct, Whistle Blower Policy, recruitment processes, Service Provider Management Procedure and Operational Risk Management Procedure.
- ▶ CRO designated as Policy Owner, supported by the Executive Team.

Supplier and Contract Review Foundations

- ▶ Initial mapping of ~150 suppliers across service categories. This mapping enabled the classification of all suppliers into high, medium and low risk categories based on industry sector, supply-chain characteristics, subcontracting arrangements, and country-of-origin indicators
- ▶ Baseline assessment of supplier risk categories (goods vs services, onshore vs offshore exposure).
- ▶ Inclusion of modern slavery clauses into contract templates for use at renewal or new engagements where appropriate.
- ▶ Preliminary review of higher-exposure supplier categories (uniforms, IT hardware, facilities services).

Awareness and Capability-Building

- ▶ Introductory modern slavery awareness sessions delivered to all employees, procurement, risk and compliance and business units with supplier engagement responsibilities.
- ▶ Training covers indicators of modern slavery, escalation pathways, financial crime connections, and the Bank's internal responsibilities.

Financial Crime Controls

- ▶ Continued operation of AML/CTF Program, including customer risk assessment, sanctions checks and transaction monitoring.
- ▶ Recognition of typologies including wage exploitation patterns, labour trafficking flows, deceptive recruitment, and online exploitation.

These activities lay the groundwork for a proportionate and risk-based approach that can be gradually strengthened over future reporting periods.





6. Financial Crime Detection and Escalation

The Bank recognises the close intersection between modern slavery and financial crime. Through anti money laundering and counter terrorism financing (AML/CTF) controls, including onboarding screening, KYC verification, customer risk assessment, and transaction monitoring, the Bank may detect patterns associated with labour exploitation, forced servitude, or trafficking. Where concerns arise, the Bank escalates matters internally and, where required, lodges Suspicious Matter Reports (SMRs) with AUSTRAC.

7. Grievance and Reporting Mechanisms

Employees and external stakeholders are able to raise concerns, including potential modern slavery issues, through a range of confidential channels. These include line management, Human Resources, the Chief Risk Officer, and the Bank's protected Whistleblower channel. All concerns received are assessed and investigated, with appropriate actions taken to support remediation and to address any contributing factors identified.

8. Assessing Effectiveness

As a first-year reporting entity, the Bank's approach to assessing effectiveness is focused on establishing baseline expectations rather than formal metrics. These include

- ▶ Breadth of suppliers reviewed during the initial mapping process
- ▶ Integration of modern slavery clauses into contract templates
- ▶ Increased staff awareness and foundational training
- ▶ Escalations or issues raised via risk channels or whistleblower mechanisms (none identified during this period)
- ▶ Alignment with policies and procedures introduced in FY25.

Effectiveness will also be assessed through the Bank's formal Supplier Modern Slavery Risk Assessment, which categorises suppliers into high, medium and low risk and informs enhanced due diligence requirements for higher-risk supplier categories.

The Bank expects to refine these measures gradually as capabilities and systems mature. Further enhancements are planned to refine oversight, record-keeping, and supplier engagement.

9. Consultation Across the Bank

Preparation of this Statement has involved consultation across key areas of the Bank, including Risk & Compliance, People & Culture, Finance, and relevant operational business units. The Bank does not own or control any other reporting entities for the purposes of the Modern Slavery Act.





10. Future Focus

Looking ahead, the Bank will continue to build its modern slavery framework in a measured and proportionate way, reflecting its size, supply chain profile and risk exposure.

Areas of ongoing focus include:

- ▶ Enhancing engagement with suppliers in higher-risk categories where appropriate
- ▶ Progressive uplift of contract clauses as agreements renew
- ▶ Continued integration of modern slavery considerations into supplier reviews
- ▶ Strengthening internal awareness and staff guidance materials
- ▶ Monitoring changes in regulatory expectations and modern slavery typologies

While recognising that modern slavery risk management is an ongoing journey, the Bank seeks to continually improve its practices in a practical and risk-based manner aligned with its size, operations and mutual banking context.

Approval

This Modern Slavery Statement was approved by the **Board of Australian Military Bank Ltd** on 3 December 2025, in accordance with section 13 of the Modern Slavery Act 2018 (Cth).

Darlene Mattiske-Wood
Chief Executive Officer

Australian Military Bank Ltd

Date: 18 December 2025





**Australian
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