

27 April 2012

To our Stakeholders,

I am pleased to confirm that bankmecu reaffirms its support of the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

With this communication we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

We support public accountability and transparency and therefore commit to submit a report on progress annually according to the Global Compact Communication On Progress Policy.

Yours faithfully,



Mr Damien Walsh  
Managing Director

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## **HUMAN RIGHTS**

***Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.***

bankmecu is demonstrating leadership across the Australian mutual banking sector by promoting and developing more responsible business practices. This responsible approach to banking includes addressing issues relevant to human rights.

bankmecu has developed a UN Global Compact Action Plan to address issues of human rights, approved by the Company's Sustainable Development Committee. All action items are the specific responsibility of designated members of the Senior Management Team.

bankmecu has in place Human Resource policies covering equal opportunity, workplace behaviour, racial and religious tolerance, affirmative action, anti-discrimination, grievance and acceptable conduct.

A public statement on human rights is available in bankmecu's 2010/11 Annual Report:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-6/human-rights.html>

In addition, there are various references to bankmecu's commitment to the UN Global Compact throughout bankmecu's 2010/11 Annual Report. Relevance to bankmecu's Sustainability Strategy can be found in Chapter 1:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-1.html>

***Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.***

Specific response to action items in bankmecu's UN Global Compact Action Plan include:

- bankmecu has maintained Human Resource policies covering equal opportunity, workplace behaviour, racial and religious tolerance, affirmative action, anti-discrimination, grievance and acceptable conduct.
- bankmecu has abided by all legislation relative to human rights in Australia.
- bankmecu has continued to maintain policies that uphold freedom of association, and employee rights to choose collective bargaining.
- bankmecu has maintained Human Resource policies to ensure equal opportunity, respectful workplace behaviour, racial and religious tolerance, anti-discrimination, grievance and acceptable conduct.
- bankmecu has become a member of and is attending meetings of the UNGC Human Rights Working Group for Business. Through this membership bankmecu shall gain a better understanding of how Human Rights issues are relevant to bankmecu and what appropriate responses can be implemented.
- bankmecu's GM Development has been appointed a Director of Credit Union Foundation Australia (CUFA). CUFA has developed a set of policies which aim to ensure the protection of human rights

***Description of how the company monitors and evaluates performance.***

Progress against the above actions is assessed by management, reported to the Board Audit and Compliance Committee quarterly and are reported in bankmecu's Annual Report.

2010/11 Annual Report - Sustainability Commitments and Performance Summary:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-1/sustainability-commitments-and-performance-summary.html>

2010/11 Annual Report - Human rights:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-6/human-rights.html>

**LABOUR STANDARDS**

***Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.***

bankmecu strives to provide a rewarding, supportive and challenging work environment, with opportunities for employees to fully develop their personal and professional skills. Maintaining labour standards is integral to a sustainable work culture and ultimately to the longevity of the Company.

bankmecu has developed a UN Global Compact Action Plan to address issues of labour rights, approved by the Company's Board. All action items are the specific responsibility of designated members of the Senior Management Team.

bankmecu's approach to managing labour is publicly outlined in bankmecu's 2010/11 Annual Report:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-6.html>

In addition, there are various references to bankmecu's commitment to the UN Global Compact throughout bankmecu's 2010/11 Annual Report. Relevance to bankmecu's Sustainability Strategy can be found in Chapter 1:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-1.html>

***Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations.***

Specific responses to action items identified in bankmecu's UN Global Compact Action Plan include:

- bankmecu's GM Development has been appointed a Director of CUFA and will ensure that CUFA funded projects (to which bankmecu contributes funding to aid international development) uphold constructive Labour Standards.

***Description of how the company monitors and evaluates performance.***

Progress against the above actions is assessed by management, reported to the Board Audit and Compliance Committee quarterly and reported in bankmecu's Annual Report.

2010/11 Annual Report - Sustainability Commitments and Performance Summary:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-1/sustainability-commitments-and-performance-summary.html>

2010/11 Annual Report - Employees:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-6.html>

2010/11 Annual Report - Communities:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-9.html>

## **ENVIRONMENT**

***Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.***

The natural environment provides bank**mecu** with the resources required to carry out day-to-day operations. Minimising bank**mecu**'s impact on the environment will help to ensure the Company's sustainability by reducing operating costs and placing less strain on finite natural resources for future generations.

bank**mecu** has developed a UN Global Compact Action Plan to address issues of environmental protection, approved by the Company's Sustainable Development Committee. All action items are the specific responsibility of designated members of the Senior Management Team.

bank**mecu** produces an Annual Report which provides stakeholders with information on how the Company address environmental issues relevant to the business, including the secondary impacts of products and services provided:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-1.html>

A description of bank**mecu**'s approach to operational environmental management can be found in Chapter 8:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-8.html>

In addition, there are various references to bank**mecu**'s commitment to the UN Global Compact throughout bank**mecu**'s 2010/11 Annual Report. Relevance to bank**mecu**'s Sustainability Strategy can be found in Chapter 1:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-1.html>

***Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.***

Specific responses to action items identified in bank**mecu**'s UN Global Compact Action Plan include:

- bank**mecu** has implemented an Environmental Management System (EMS) which facilitates identification of any operational aspects with a negative environmental impact. The EMS drives positive environmental outcomes and continual improvement across bank**mecu**.
- bank**mecu** has produced an annual Sustainability Report that is transparent and clearly outlines defined accountabilities and requirements under the UN Global Compact.

***Description of how the company monitors and evaluates environmental performance.***

Progress against the above actions is assessed by management, reported to the Board Audit and Compliance Committee quarterly and reported in bank**mecu**'s Annual Report.

2010/11 Annual Report - Sustainability Commitments and Performance Summary:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-1/sustainability-commitments-and-performance-summary.html>

2010/11 Annual Report - Environment:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-8.html>

## **ANTI-CORRUPTION**

***Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.***

As a financial institution dealing with its customers' money, bankmecu takes corruption very seriously. bankmecu has in place policies, procedures and controls to maintain a zero tolerance culture for corrupt behaviour and to ensure robust compliance with all legislation and codes. In addition, bankmecu has active representation on the Abacus' Fraud Prevention Network.

bankmecu's approach to ethics and governance, including corruption, is publicly available in bankmecu's 2010/11 Annual Report:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-3.html>

In addition, there are various references to bankmecu's commitment to the UN Global Compact throughout bankmecu's 2010/11 Annual Report. Relevance to bankmecu's Sustainability Strategy can be found in Chapter 1:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-1.html>

***Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.***

Specific responses to action items identified in bankmecu's UN Global Compact Action Plan include:

- bankmecu has maintained a zero tolerance culture for corrupt behaviour including fraud.
- bankmecu has complied with all relevant legislation and codes that are in place to protect customers' money and personal information.
- Through its participation in the Abacus' National Fraud Prevention Network, bankmecu has acted on available information to prevent corrupt activity across the mutual banking sector.

***Description of how the company monitors and evaluates anti-corruption performance.***

Progress against the above actions is assessed by management, reported to the Board Audit and Compliance Committee quarterly and reported in bankmecu's Annual Report.

2010/11 Annual Report - Sustainability Commitments and Performance Summary:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-1/sustainability-commitments-and-performance-summary.html>

2010/11 Annual Report - Ethics and Governance:

<http://www.bankmecu.com.au/reports/annual-report-2011/chapter-3.html>