

review +renew

CORPORATE RESPONSIBILITY
AND STAKEHOLDER REPORT

2010-2011

Report details

This is ME Bank's first corporate responsibility and stakeholder report, covering the year 1 July 2010–30 June 2011, and all our operations except where otherwise stated. We intend to report our progress annually.

We used the Global Reporting Index (GRI) framework to help define the content for this report. In particular, we used the GRI reporting guidance from its sector supplement for the financial services industry, the Financial Services Sector Supplement (FSS). More details about the GRI and the FSS can be found at: globalreporting.org

Our stakeholders

Our stakeholders are the people who influence our activities and who are affected by our operations. They include: our customers, our employees, our owners, the industry super fund community, trade unions, government (primarily at a federal level), regulatory authorities and the communities in which we operate.

To develop this report we took the views of our stakeholders into account. We canvassed the views of stakeholders, both internal and external to ME Bank. The groups consulted were: employees including managers and a Board member (internal stakeholders); equity shareholders (our owners); union representatives, regulators, and finance sector representatives (external stakeholders).

Contact us

ME Bank
Level 28,
360 Elizabeth Street,
Melbourne VIC 3000
responsibility@mebank.com.au

Material issues

As well as canvassing stakeholder views on the issues that we should discuss in this report, we also made a corporate assessment of the most material issues for ME Bank to cover. The following table shows the issues that were considered material.

Table 1 : Material issues by priority

Highest priority
Financial viability
Business metrics
Customer service/meeting customer needs
Employee profile and policies e.g. training, diversity and OHS
Medium priority
Environmental impact – operations
Involving the unions
Leadership in governance
Human rights
Contribution to public policy
Community investment
Financial contribution to the community
Data privacy
Advice/education given to customers
Lower priority
Environmental impact – products
Support for local suppliers/organisations
Community investment
Disclosure/transparency
Environmental commitments



ME Bank has self-declared this report as fulfilling the requirements for a Global Reporting Initiative Application Level C.

Contents

ME Bank	2
Our values	2
Our strategic statement	2
Guiding principles	3
Our mission	3
Our shareholders	3
Our connections	3
Chairman and CEO's statement	4
Our Board and governance	5
Director and Executive remuneration	7
Operating structure and leadership	7
Our performance	8
Our future	10
2011–2012 goals and targets	11
Our company	12
Managing our corporate responsibility	12
Stakeholder engagement	13
Public policy advocacy and government relations	13
Environment, social and governance issues in the investment sector	14
Procurement	14
Anti-corruption	14
Our customers	15
Products and services	16
Employer banking	16
Technology transformation	16
Privacy and data security	16
Responsible lending and marketing	16
Awards	17
Our people	18
Our workforce	18
Training and development	19
Health and safety	19
Ethical workplaces	19
Our community	20
National Breast Cancer Foundation and the Mother's Day Classic	20
Workplace Giving	21
ME Bank Centre	21
Affordable housing	21
Our planet	22
Resource efficiency	23
Climate change	23
'Green' Melbourne head office	24

Global Reporting Initiative Index

Key achievements 2010–2011

Post tax profit
\$26.012 million

+\$1.7 million in sponsorships and donations during 2010–2011

10.93% reduction in paper use from 2009–2010 levels

706 permanent employees

50% female | 50% male

Standard variable home loan rate lower than the major banks every month for the last 10 years

Data source: Infochoice. Compares the ME Bank Super Members Home Loan (SMHL) standard variable rate with the standard variable home loan rates of ANZ, NAB, CBA and Westpac on the first day of each month (01/06/01 – 01/06/11)

+ME Bank

ME Bank

From the beginning, ME Bank has been a very different kind of bank, created with the support of industry super funds and unions to benefit their members.

It's in our DNA to provide members with a genuine alternative to the profit-driven big banks, offering products that are simple, fair and transparent.

That doesn't just mean providing better value banking – it incorporates an approach to responsible lending that strives to make sure you never take on an unmanageable level of debt.

This also means delivering exceptional customer service. When you call ME Bank, you speak to a real person – not a machine – right here in Australia. It's hardly surprising then, that compared to other banks, people who bank with ME Bank are consistently more likely to be satisfied and more likely to promote their bank to other people.*

So why pay more for your banking than you have to? Why pay higher interest on your home loan? Why get less interest on your savings? Why pay more in bank fees?

If you're a member of an industry super fund or union, take advantage of the better service and better value banking offered by ME Bank.

After all, it was the bank created for you.

*CoreData brand management Net Promoter Score (NPS) Survey December 2010: The NPS of customer satisfaction is determined by taking the percentage of "promoters", those who are highly likely to recommend the product or service, and subtracting the percentage of "detractors", those who are unlikely to recommend.

Our values



Figure 1: Our values

Our strategic statement

ME Bank is a challenger bank. Our distinctive competitive advantage is our partnership with the industry super funds, their unions and employer associations. We will align with their strategic purposes by providing their members and employers with simple, fair and low cost banking products and services. We will achieve an 8.7% return on equity and a member penetration rate of 6.7% by 2014.

ME Bank's target market is the members and employers of industry super funds, unions and their members, and participating employer associations.

Guiding principles

Table 2: Guiding principles

1	Customers	ME Bank is a customer centric bank focusing on distribution through the workplace. Changes to products, process and technology need to benefit customers.
2	Shareholders	ME Bank will deliver a return on invested capital which meets or exceeds the requirements of its shareholders.
3	High performance	Each business unit will be empowered to execute its operational plan and will be held accountable for achieving agreed outcomes.
4	Operational effectiveness	ME Bank will operate as One Team to achieve an operational efficiency which is market best practice.

Our mission

To assist our customers achieve a better quality of life

This is achieved by saving our customers both:

Time	We understand and meet our customers' needs, efficiently and effectively.
Money	Low-cost banking products and services.

Our mission acknowledges the industry super funds' purpose of:

Achieving a more dignified retirement for working Australians.

Our shareholders

Our connection with industry super funds is a strength of our organisation. We are a private company, formally part of the Industry Super Holdings (ISH) Group, which also includes funds management company Industry Funds Management Pty Ltd and Industry Fund Services Pty Ltd, provider of specialist financial products, services and support for industry super funds and their members. At 1 July 2011 our shareholders are 32 industry super funds.

During the year, ISH Group shareholders approved "demerging" ME Bank from the ISH Group, effective 1 July 2011. The demerger means that our shareholders own shares in the Bank directly.

Our headquarters are in Melbourne, Australia and we have branches or offices in all Australian states and territories, as well as a significant online presence and a team of mobile bankers who bring banking to our customers and to the workplace.

Our connections

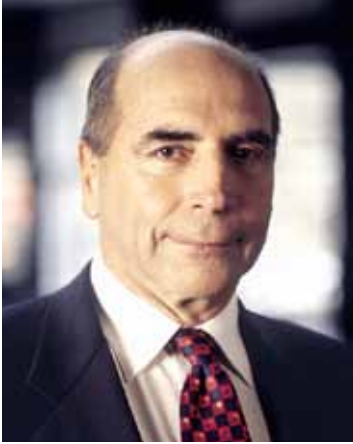
ME Bank is a signatory to the United Nations Global Compact (UNGC), the UN Principles for Responsible Investment (UNPRI), the UN Environment Program Finance Initiative (UNEPFI) and has a sustainability covenant with the EPA Victoria.

Our other memberships and associations include the Australian Bankers Association, the Australian Direct Marketing Association, Australian Institute of Management, Women In Super, the Green Building Council of Australia, Human Resources Leadership Council, Australasian Retail Credit Association, Risk Management Association and the Financial Services Institute of Australia.



Figure 2: Shareholders as at 1 July 2011

+ Chairman and CEO's statement



Mr Bernie Fraser
Chairman



Mr Jamie McPhee
Chief Executive Officer

Welcome to ME Bank's first corporate responsibility and stakeholder report

This is our first report to our key stakeholders – customers, owners, employees and affiliates – about how we are addressing some of the big issues that go to the heart of our economic, social and environmental responsibility. We believe our approach to banking – with its emphasis on fairness – provides us with an advantage in integrating the principles of corporate responsibility into our operations.

This report has been prepared to comply with the world standard in corporate responsibility reporting, the Global Reporting Initiative (GRI) and indicates our commitment to addressing our economic, social and environmental impacts in a transparent way. We are at the early stages of our journey and this report outlines the steps we have taken to date.

A year of review and renewal

In years to come the 2010-11 year will be seen as a significant one for ME Bank in that it marked the time when we moved into a new phase of our development. It was a year of review and renewal.

Last year, we successfully navigated the volatility in international financial markets that continue to flow from the Global Financial Crisis. At the same time we laid the groundwork for a revitalised organisation, which we expect will enable us to serve our customers better in future. Solid financial results were delivered.

In our transition to a values based, high performing organisation we can expect to encounter further challenges; but will meet these with energy and confidence knowing we have a unique opportunity to provide a genuine banking alternative for our customers.

The year ahead

Realising this opportunity will require a team approach to upholding our values and pursuing sustainable growth.

We have established five strategic objectives for the 2011-12 year which touch on all parts of our organisation, including:

- Operational excellence – delivering exceptional service at low cost with manageable risk;
- Technology transformation – rebuilding our technology platform to support our growth aspirations and our customer service objectives;
- Organisational capability – building our culture and capabilities to deliver high performance;
- Risk capability – developing our risk capability to support growth in our asset base;
- Workplace Banking – a new channel to deliver on our promise of more convenient banking.

In June, ME Bank celebrated 10 years as a licensed bank. A good deal has been achieved over the last decade but we are looking to make a much greater impact on the Australian banking landscape over the next five years.

+ Our Board and governance

Strong leadership and governance is vital to ensure high performance across all dimensions of our activities – financial, environmental and in relation to our people and the communities in which we operate. Our Board of Directors is the most senior governing body of our organisation; its role is to protect the rights and interests of ME Bank and to create value for our shareholders and their members, having due regard to the interests of other stakeholders.

The Board approves the strategic direction for the company and monitors its implementation. The Board is responsible for appointing the CEO, monitoring organisational performance, ensuring appropriate risk

management systems are in place and supporting the development of the desired culture and capabilities at ME Bank.

Board members are chosen for their attributes, skills, knowledge and experience. Our seven-member board is comprised of independent Directors (we use the Australian Prudential Regulation Authority (APRA) guidelines to determine independence: see apra.gov.au). The CEO is not a member of the Board.

The Directors are appointed for a three year term, and are eligible to stand for re-election by the shareholders at our annual general meeting. At this meeting, shareholders are able to raise issues for discussion with the Board.

Table 3: ME Bank Board members as at 30 June 2011

Independent Directors	Experience
Mr Bernie Fraser (Chair)	Mr Fraser is a former Secretary to the Treasury and Governor of the Reserve Bank of Australia. During the year, he was an independent Director of AustralianSuper and Cbus, and he is Chair of ISH Group.
Ms Anna Booth	Ms Booth is a former National Secretary of the Textile, Clothing and Footwear Union of Australia, Vice President of the Australian Council of Trade Unions (ACTU), Director of the Sydney Organising Committee for the Olympic Games, Commonwealth Bank of Australia, National Road Motorists Association, Chair of Industry Funds Investments Ltd and member of the Westpac Customer Committee. Ms Booth is currently a Director of a number of companies in the ISH Group, and an Executive Director of her own workplace relations consultancy firm CoSolve Pty Ltd. Ms Booth is non-executive Chair of the listed law firm Slater and Gordon Ltd.
Ms Anne De Salis	Ms De Salis has a diverse career spanning the public and private sectors, with considerable experience in financial services. She has held senior Executive / Director positions with AMP Limited, MBF Australia Limited, the Commonwealth Treasury and the Office of the Prime Minister, Rt Hon Paul Keating. As a non-executive Director since 1996 and a fellow of the Australian Institute of Company Directors, Ms De Salis has worked on a wide variety of boards and is a Director of the NSW TAFE Commission and a trustee Director of SAS Trustee Corporation (NSW State Super) and Funds SA. Ms De Salis is a business consultant with The Academy Network and an Executive coach with Executive Coaching International. During the year Ms De Salis also sat on the Boards of other entities in the ISH Group.
Mr Sandy Grant	Mr Grant has been in the finance sector for over 40 years, principally in superannuation and related activities, and mainly in general management and marketing functions. He joined Colonial Group in September 1966 and enjoyed over 30 years' service with them until leaving in mid-1997 to join Industry Fund Services as Managing Director. Mr Grant remained at IFS until September 2004, when he left to take on the role as CEO of Cbus, the superannuation fund for workers in the building and construction industry. Mr Grant retired as the CEO of Cbus in March 2008 and is a Director of ACTU Member Connect Pty Ltd, CareSuper, Master Builders Victorian Foundation Ltd, Superpartners Pty Ltd, and a number of entities in the ISH Group.
Mr Brian Pollock	Mr Pollock is Chairman of A E Smith Pty Ltd and the Macquarie Real Estate Equity Fund series of companies. Mr Pollock has over 35 years experience in superannuation, financial services and property investment. A former National President, he is one of only seven members to have been awarded National Life Membership of the Property Council of Australia. During the year he was a Director of Clivepe Limited (Receivers and Managers Appointed)(Administrators Appointed), formerly Clive Peeters Limited, retiring in November 2010. Mr Pollock also sits on the Boards of other entities in the ISH Group.
Mr John Ries	Mr Ries retired at the end of 1998 from the ANZ Bank as an Executive Director after a career of 38 years. During the year he was a Director of Clivepe Limited (Receivers and Managers Appointed), (Administrators Appointed); formerly Clive Peeters Limited, retiring in November 2010. Mr Ries also sits on the Board of Industry Super Holdings.
Mr Garry Weaven	Mr Weaven is chair of Industry Funds Management and chair of Pacific Hydro Ltd. Mr Weaven's background includes periods as Assistant Secretary of the ACTU and as Senior Consultant to Westpac Financial Services. Mr Weaven also sits on the Boards of other entities in the ISH Group.

+Our Board and governance

Environmental, Social and Governance (ESG) issues are discussed by the Board and are also raised at the senior Executive level. In the year to the end of June 2011, a number of initiatives commenced to consolidate the understanding of ESG issues into formal policies. Since the end of the reporting period, the Board has noted our statement on climate change which commits ME Bank to adopting a carbon reduction strategy, and the company has established a formal Corporate Responsibility and Reputation Committee, which will report periodically to the Board to guide its response to ESG issues.

Procedures are also in place to handle potential conflicts of interest involving Directors and these processes are designed to maintain the independence and integrity of the Board. Board members are required to declare any potential conflicts of interest and abstain from involvement in discussion and decision-making on those matters unless agreed otherwise by Directors who have not declared a potential conflict of interest.

To help it carry out its responsibilities, the Board has established four standing committees which report to it on a range of significant issues. The committees and their relationship to the governance structure of the organisation are shown below.

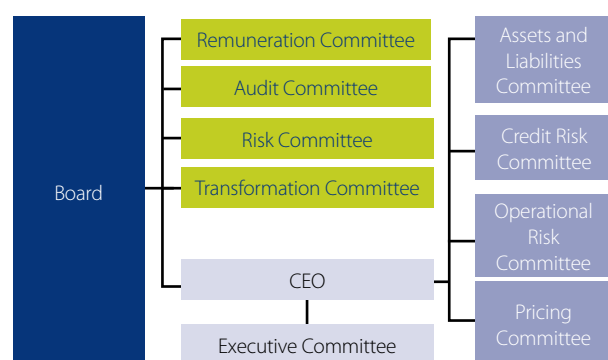


Figure 3: Board and committee structure

The responsibilities of each Board committee are set out in the table below.

Table 4: Committees of the Board and their responsibilities

Committee	Responsibility
Audit	Provide an objective view of the effectiveness of the Company's financial reporting framework including reporting policies and controls, compliance with applicable accounting standards, integrity of the Company's financial statements, compliance with Australian Prudential Regulation Authority's statutory reporting requirements and the adequacy and performance of the Company's internal audit function. Mr Ries held the chair of the Committee during the year.
Remuneration	Make recommendations about the Company's Remuneration Policy and program, and the remuneration for the senior Executive officers, non-executive members of Committees and Board appointees (including the CEO) and the non-executive Directors. Mr Weaven held the chair of the Committee during the year.
Risk	Review operational, credit, market and liquidity and newly identified strategic risk throughout all facets of the Company's business and oversee, monitor and review the Company's risk management principles and policies, strategies, processes and controls. Ms Booth held the chair of the Committee during the year.
Transformation	Monitor, including advising on investment decisions and reviewing risk, and make recommendations to the Board throughout all facets of, the Technology Transformation Program. Mr Pollock held the role of Chair of the Committee during the year.

Director and Executive remuneration

Remuneration for Directors is deliberately set at a proportion of the remuneration of our second-tier banking peers, to reflect our philosophy that profits should be returned to members and to ensure that Directors are primarily motivated by the Bank's values and serve the broader interests of the organisation.

Remuneration for Executives – including the CEO – and the Board is overseen by the Remuneration Committee. For senior Executives, remuneration is linked to market relativities as well as individual and overall company performance, with agreed performance measures.

Each year, the Board Chair reviews each Director's achievements and facilitates an evaluation of the Board's performance, including Board committees. Directors review the performance of the Chair and provide feedback through review channels.

Operating structure and leadership

The past year carried a focus on structuring our organisation and developing our leadership capabilities to position the Bank for continuing success. Our new organisational structure empowers each business unit to execute operational plans while maintaining an emphasis on meeting agreed whole-of-business objectives. As a result there has been a renewed emphasis on collaboration and communication, and a number of improvements to performance reporting and measurement. We have also implemented transparent committee structures and established clearer accountability between our management team and the Board. Employees raise issues with the Board via group executives and monthly management reporting.

As part of our commitment to building a values based, high performing organisation we embarked on a comprehensive program of individual, team and leadership development. This 'united leadership' approach engages both our Executive and leadership teams to contribute to the design and implementation of our organisational development and leadership strategy.

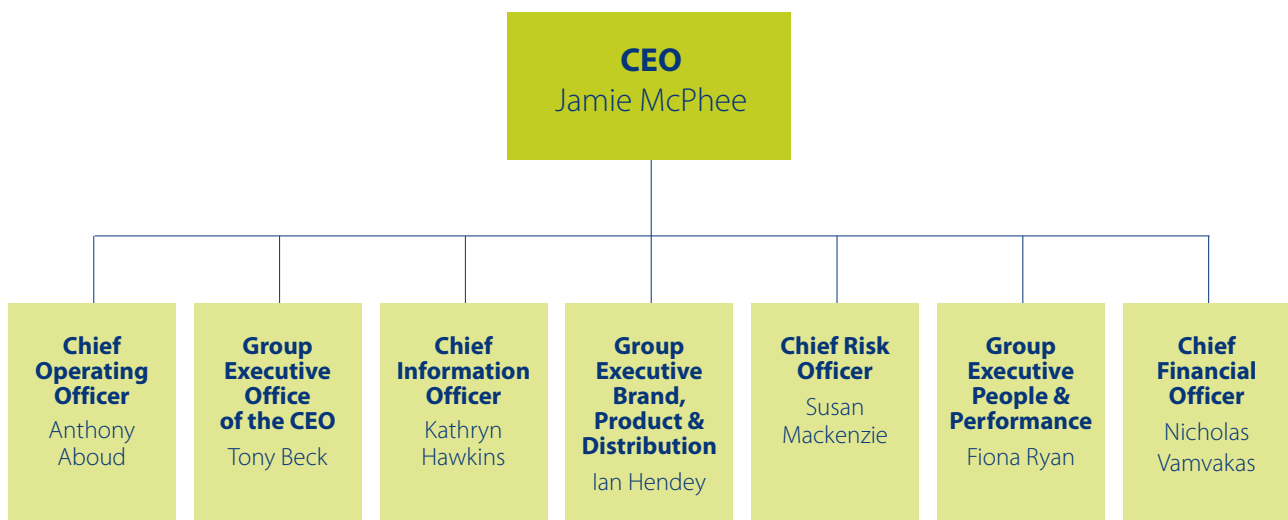


Figure 4: Organisational structure

+Our performance

During the reporting period, the impact of volatility and uncertainty in global financial markets affected virtually all financial institutions around the world, including ME Bank. In addition to these external challenges, ME Bank also undertook a significant process of internal review and change.

Despite this difficult environment, the Bank had solid achievements.

ME Bank continues to grow as a challenger in the Australian banking sector. Now with more than \$6 billion in total balance sheet deposits, our continued growth is a testament to our ability to meet the needs of our customers with simple, straightforward and value-for-money banking services.

Our distinctive competitive advantage is our partnership with the industry super funds in Australia and their unions and employer associations.

Accordingly, our target market consists of the members and employers of industry super funds, unions and their members, and participating employer associations. We intend to grow our business in partnership with these organisations.

ME Bank's financial performance this year was strong in the face of challenging external conditions. We achieved a profit of over \$26 million post tax, on earnings of \$179.4 million. Return on investment continues to trend upward and the Bank's cost-to-income ratio is reducing as we migrate from a funds management model to a more traditional banking structure.

2010–2011 Key Financial Performance Measures

Table 5: 2010–2011 Key Financial Performance Measures as at 30 June 2011

Financial metric	2010–2011	2009–2010	2008–2009
Post tax profit (\$ million)	26,012	15,463	11,766
Return on total capital	6.1%	5.3%	5.10%
Funds under management (\$ billion)	18.67	18.72	18.47
Capital ratio	14.5%	16.2%	11.6%
Income tax (\$ million)	11.1	11.1	4.8
Total expenses (\$ million)	151.94	138.63	131.92

Customers	Numbers of accounts	\$ million
Interest ME	73,060	237
Online savings account	45,163	670
Term deposits	7,999	473
First home savers account	8,748	75
Everyday transaction account	2,628	3
Super member home loans	118,732	15,816
Personal loans	13,994	153
Credit cards	48,342	142

While these measures demonstrate our ongoing financial strength and achievements, our customer focus is one reason why we are growing so solidly.

We always factor the best interests of our customers into our decisions, which often means we take a different approach to the major Australian banks.

For example, in November 2010, ME Bank was one of only five financial institutions from a total of 98 which chose not to raise home loan interest rates above the Reserve Bank's official increase.

During the year volatility in financial markets and uncertainty influenced consumer sentiment and drove changes in consumer behaviour resulting in slower credit growth than anticipated. While mortgage sales were lower than expected, this was offset by a lower repayment rate than forecast, meaning that the overall size of our lending portfolio remained in line with the previous year, at \$18.7 billion.

We expect volatility in global markets to remain for some time with the home loan market in Australia continuing to be a challenge, but we remain focused on negotiating these circumstances.

+Our future

We began five key initiatives during the year. Each of these addresses a strategic objective for ME Bank, and each is designed to drive further growth and performance for the Bank in the coming three years.



Figure 5: Five key initiatives

2011–2012 goals and targets

A number of goals and targets are in place to ensure we meet our strategic objectives for the 2011–2012 financial year.

Table 6: 2011–2012 goals and targets

Our performance	
Profit (after tax) target	31.4m
Return on total equity (after tax) target	6.5%
Cost-to-income ratio target	75%
Our company	
Credit quality target	-0.11%
Implement operational excellence framework	
Implement sustainable procurement strategy	
Our customer	
Workplace Banking penetration rate target	15% per worksite
Customer engagement measured by external customer surveys target	Top percentile
Implement Direct Banking strategy	

Our people	
Employee engagement measured by staff survey target	70%
Implement leadership and talent strategy	
Implement occupational health and safety action plan	

Our community	
Staff participation in Workplace Giving program target	10%
Report on community investment expenditure by activity type	

Our planet	
Implement carbon reduction strategy including targets	
Implement paper use reduction strategy including targets	
Achieve 5 star green star rating for our Melbourne head office	

+Our company

We recognise the need for transparency and accountability in the financial services sector. We aim to demonstrate our commitment to responsibility and to promoting social progress whenever we can.

ME Bank's values and culture are strongly aligned to the goals of financial, social and environmental responsibility.

When we talk about helping our customers achieve a better quality of life, we take a broad view of that responsibility – meaning we understand our contribution beyond providing good value banking products and services.

We also take seriously our responsibility to our customers, staff, our community and the environment.

That sense of responsibility is reflected in our approach to being transparent and accountable. We aim to keep our product design and features simple, with a transparent approach to fees and charges for customers. We are also working towards making banking more convenient

through initiatives such as Workplace Banking and the upgrade of our internet banking services to provide more functions for customers to undertake their banking online.

ME Bank's specific mandate is to assist industry super funds to meet their commitment to their members and this translates into addressing the needs and aspirations of our target market. This includes demonstrating our dedication to corporate responsibility, stakeholder engagement and organisational accountability throughout our sphere of influence.

Managing our corporate responsibility

Over the past few years, we have steadily developed our corporate responsibility capabilities. We launched our corporate responsibility program in July 2009 to address our financial, social and environmental impacts across five pillars (see Figure 6: ME Bank Responsibility Program).



Figure 6: ME Bank Responsibility Program

Two years ago, we established a staff sustainability network, which co-ordinates internal sustainability initiatives such as carbon reduction, recycling and community giving.

During the reporting period we established the Corporate Responsibility and Reputation Committee (CRRC). The CRRC is comprised of senior managers (including Executive team members) from across the business and reports periodically to the ME Bank Board. Its responsibilities include:

- Embedding corporate responsibility and reputation objectives within the Bank's business units;
- Identifying issues of relevance for ME Bank's corporate responsibility performance; and
- Identifying issues of relevance for the protection and promotion of ME Bank's reputation.

Stakeholder engagement

Understanding and engaging our stakeholders is a priority at ME Bank. Many of our key stakeholder groups also provide distribution channels, and stakeholders within our network are central to our business success.

In recognition of the importance of effective stakeholder engagement, we have implemented a dedicated partnership management approach which addresses stakeholder groups across industry categories. We are actively involved with industry super funds, unions and employer groups to develop stronger relationships between our partners.

We engage with other stakeholders in a variety of ways – in particular with our customers as they access our products and services. We have formal and informal meetings with regulators, and we have established a range of internal communication channels and tools to support our people.

Public policy advocacy and government relations

We take an active approach to engaging in public policy matters that affect the interests of ME Bank customers and our other stakeholders. We participate in a number of industry forums such as the Australian Bankers Association through which we are able to express our views and seek to influence policy.

Two significant issues of public policy arose during the year on which we engaged directly. They were:

1. Banking Competition

In December 2010, the Government announced a wide-ranging reform agenda designed to protect and improve banking competition. ME Bank supported measures to improve liquidity and funding, enhance consumer protection and choice and to promote mutually owned approved deposit-taking institutions (ADIs). ME Bank provided a submission and appeared before the subsequent Senate Enquiry into Banking Competition.

2. Financial Claims Scheme

In the wake of the Global Financial Crisis, the Government announced a guarantee on retail deposits with ADIs. This guarantee was initially capped at \$1 million per account holder and subject to review. ME Bank worked closely with industry participants and provided a submission to the Council of Financial Regulators to support continued members deposit protection at more sustainable and economically responsible levels (\$250,000).

ME Bank contributes to key public policy debates to ensure our customers' and stakeholders' interests are protected and advanced. We intrinsically understand the importance of active participation and engagement as critical to progressive social and economic outcomes.

Environment, social and governance issues in the investment sector

As a signatory to the United Nations Principles for Responsible Investment (UNPRI), ME Bank acknowledges the relevance of environmental, social and governance issues within the investment sector.

As a participant in the professional services category of UNPRI, our involvement in this initiative represents a commitment to providing and promoting services that support the implementation of the Principles by those within our business network, primarily our shareholding industry super funds.

We continue to increase our understanding of the application of UNPRI in our signatory category and within our unique business model.

Procurement

We understand the importance of upholding the principles of corporate responsibility throughout our supply chain and we appreciate the need to understand the impacts of our procurement practices.

About one third of the paper that we use is recycled, and a large percentage of our paper is carbon neutral, that is, the emissions produced during its manufacture were offset by the supplier (see section, Our planet). However our goal in the coming period is to formalise and expand our commitment by developing a supply chain and procurement approach addressing social and environmental issues.

Anti-corruption

ME Bank is committed to the protection of its employees and customers and to maintaining the integrity of the Bank's operations and reputation.

To this end, we have policies and systems in place to protect against fraud, crime or serious misconduct within the Bank. We comply with Australia's *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* which aims to reduce the risk of Australian businesses being misused for the purposes of money laundering or terrorism financing, and to meet the needs of law enforcement agencies for information about possible criminal activity and terrorism.

We have also implemented a range of policies and procedures around the identification and verification of customers who use bank services.

Relevant ME Bank employees undertake annual training on how to identify a suspicious matter and the appropriate actions regarding suspicions. If ME Bank forms a suspicion when dealing with a customer that may relate to an offence, tax evasion or proceeds of crime, ME Bank must complete a suspicious matter report. Offences include money laundering, terrorism financing, operating under a false identity or an offence under a Commonwealth, State or Territory law.

A 'Speak Up' program was instituted in December 2010, supporting employees to report actual or suspected instances of fraud, crime or serious misconduct and all employees are trained in the policy as part of their induction. During the year there were no reported instances of internal fraud at the Bank.

+Our customers

At ME Bank, we genuinely integrate the customer perspective into the way we do business. This means that across our organisation, we always consider how business decisions and actions will impact the customer and their experience of our products and services.

The owners of ME Bank – the industry super funds – have a primary objective to act in the best interests of their members. These members are the customers of ME Bank, and therefore we too have a commitment to consider the best interests of our customers in all that we do.

We believe the results of this customer focussed approach are evident in our achievement of the highest score of any bank in Roy Morgan Research's June 2011 Customer Satisfaction survey results, with 89.5% of those surveyed saying they are satisfied*. This follows success in the CANSTAR Blue survey, in which ME Bank was awarded the 2011 Most Satisfied Customers Award in the challenger bank category. Our Members Equity Credit Card was awarded CANSTAR CANNEX 5 Star Rating in January 2011 and it was a Top 3 Finalist, Cheapest Credit Card, Bank Category, in *Money* magazine's Best of the Best Awards 2011.

We believe there is more we can do to integrate the voice of the customer into our activities. During the reporting period we launched our Voice of the Customer Committee aimed at understanding and addressing the needs of our customers. Additionally, our key strategic objective of continuous improvement towards operational excellence is focussed on improving the customer experience. Through new approaches to continuous improvement, such as the lean methodology which maximises customer value while minimising waste and inefficiency, we are proud to report advances in areas we know are important to our customers, such as reduced waiting periods for decisions regarding product applications.

We consider the best interests of our customers in the long-term, not just in terms of single transactions. This provides us with an important perspective that ensures needs based lending and the responsible provision of products and services remains our focus.

*Source: Roy Morgan Research Customer Satisfaction Report (June 2011)

Products and services

Our product development team is acutely aware of the product responsibility aspects of its work. There is a 'fairness' element in all our products: whether that is in our credit policies, where we don't try to grow our business through inappropriate loosening of our credit requirements; or our approach to interest rates, where we do not automatically charge our customers the highest rate of interest on credit card balances.

A key product introduced during the year was the ME Bank *EveryDay* Transaction Account, which comes with a Debit MasterCard®, and provides customers with convenient savings and transaction facilities and online access to account functionality.

We also introduced the ME Bank Member Package, available to members of eligible industry super funds and unions. This is a complete banking solution, including a lower interest home loan, 100% offset transaction facility with no transaction fees and a low rate MasterCard with no annual fee.

The other major service introduced during the year is Workplace Banking, which is being trialled in five Victorian workplaces. Through this initiative, customers have greater access to banking services by being able to bank at work, and with the help of our Workplace Bankers, can review their personal banking needs with convenience.

Employer banking

We offer a range of banking services to employers – primarily business loans, leasing and asset finance – which are currently under review with the aim of providing improved services and effectively responding to feedback from this group of customers.

In the coming year, we will develop and implement an employer banking strategy which will allow us to develop the people and products required to meet the needs of our employer banking customers.

Technology transformation

We are also investing in improved customer service through our Transformation Program, which was approved during the reporting period. This Program is expected to deliver efficiencies across the business, and will streamline processes to make it easier for our customers to do business with us.

The Transformation Program will support a new targeted product range and enhance the customer experience through our online, telephone and email banking environments.

In all, the Transformation Program will implement 15 projects over a three-four year time frame, to ensure that our technology aligns with our business design and supports the strategic objectives of the Bank. This represents a major investment in the future of ME Bank, by increasing efficiency and improving the customer experience.

Privacy and data security

We comply with the federal *Privacy Act 1988* and we ensure our staff undertake the appropriate training. We have online training and face to face modules around privacy. In all our dealings with new and existing customers, we ensure we undertake accurate identification processes.

We provide continuous oversight and improvement to policies, procedures and frameworks adopted by the Bank to maintain the integrity and security of our data. As we develop new products and implement new technology, we take a proactive approach to applying risk assessments to ensure information security remains within regulations and meets stringent corporate standards.

Responsible lending and marketing

Our links to industry super funds, our background and our values insist on a responsible approach to marketing our products and to lending, and that translates into simple, value for money banking products, in many cases with no ongoing fees, and transparency in the way that we communicate our offering.

We undertake careful and thorough assessment of credit transactions to ensure our customers are not overextended. The introduction of the National Consumer Credit Protection Act in 2010 mandated a number of measures to ensure providers of consumer credit and services do so responsibly. At ME Bank, complying with this legislation required minimal change to our existing processes, indicating the strength of our responsible lending approach.

We abide by regulations and legislation on the marketing and promotion of financial products and services and we had no reported instances of non-compliance with regulations or codes relating to marketing and promotion in the reporting period.

ME Bank *EveryDay* Transaction Account with PINK Debit MasterCard®

In May 2011, ME Bank joined with the National Breast Cancer Foundation (NBCF) to offer the ME Bank *EveryDay* Transaction Account with PINK Debit MasterCard.



For every purchase made using the PINK card, ME Bank donates 1 cent to the NBCF's research projects funding prevention and cure.

The PINK Debit MasterCard is not only a way of showing our support for the NBCF – it allows us to assist our customers to do the same.

Awards 2010–2011



CANSTAR Blue Most Satisfied Customers Award 2011.



Money magazine's Best of the Best Awards 2011, 2010 and 2009, Gold Winner, Cheapest Personal Loan, Bank Category.



Your Money, 2011 Silver Medal, Best Straight-up Online Savings Account.



CANSTAR CANNEX 5 Star Rating - Credit Card January 2011 and August 2010.



Mozo People's Choice Awards 2010 Best Home Loan Provider.



Money magazine's Best of the Best Awards 2011, Top 3 Finalist, Cheapest Credit Card, Bank Category.



AFR Smart Investor, Blue Ribbon Award 2010, Winner Short-Term Deposit Category.

Figure 7: ME Bank Awards

+Our people

We are committed to providing an engaging, fair and safe workplace for all of our people. We are proud of our unique organisation and our focus on supporting and developing our people.

At ME Bank, we appreciate the fundamental link between our people and our success. We recognise our opportunity to leverage our unique culture and values to build and strengthen our organisation.

The past year has seen the groundwork laid for a more sustainable approach to managing our people.

Our focus has been to build the capabilities of our people – developing leadership, nurturing talent and fostering an enterprise-wide performance culture.

Key to this objective is our transition to a values based culture – this means engaging our people around our values and assisting them to enact these during workplace interactions and decision making. Our values and associated behaviours provide points of reference for our people as we continue to build our organisational capability.

Many of our Executive team have joined us in the past year and there are also many new faces in our leadership team. Not surprisingly then, integrating new people into our business and incorporating new ways of operating have been both a challenge and a significant achievement during the reporting period.

Our goals for the coming year involve implementing many of the plans we developed during the reporting period. We will focus on supporting improved productivity and efficiency, which in turn enables us to provide greater benefits to our customers. We are piloting Workplace Banking and developing a team of bankers focussed on the innovative challenge of bringing banking services to the workplace. We will also implement a significant training and development program for our sales team to help develop the capabilities which are fundamental to our success.

Our workforce

At 30 June 2011 we employed 706 permanent employees and 48 contractors. Most (87%) of our employees are employed full time; the majority of our employees are based in Victoria.

As an employer, we support the right of workers to freedom of association and collective bargaining – 100% of our workforce is covered by collective bargaining agreements.

Other key statistics about our workforce are illustrated below:

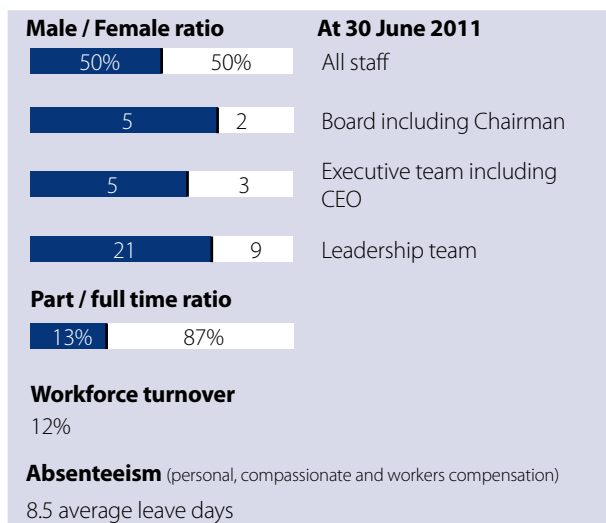


Figure 8: Key workforce statistics

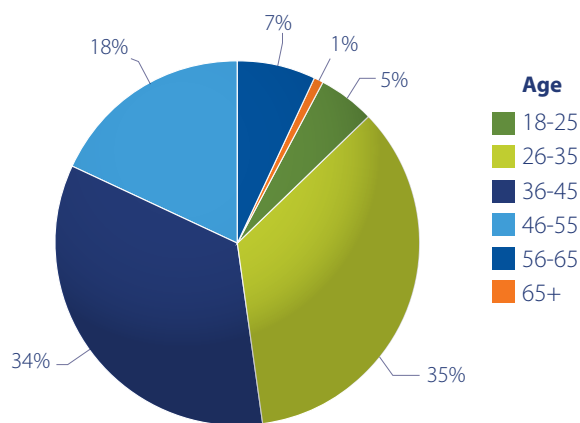


Figure 9: ME Bank workforce by age

Training and development

A strategic priority for ME Bank is developing the capabilities of our workforce. Training and development for employees naturally plays an important role in addressing this priority. All employees participate in our performance review process and training at ME Bank encompasses bank policies and procedures, management training and personal development training.

All our employees undertake online training in ME Bank policy, including our Dignity at Work Policy, which covers anti-discrimination and equality of opportunity. In total each year, our workforce undertakes more than 700 hours of training in equal opportunity and anti-discrimination issues.

We also offer a number of in-house training modules available to all staff and addressing a diverse range of topics such as effective coaching and decision making, emotional intelligence, critical thinking and navigating change.

A goal for the coming year is the development of a comprehensive training needs analysis for our workforce. This involves identifying the training needs associated with business roles, to empower our people to perform and develop as part of the ME Bank team.

Health and safety

ME Bank recognises its ethical and legal obligation to provide a safe and healthy workplace for employees, contractors, customers and visitors.

We are committed to involving people at all levels of the business in managing occupational health and safety matters in the workplace.

We believe that engagement on the part of all employees is vital to the success of our Occupational Health and Safety Policy. Mechanisms for consultation with employees on health and safety matters are established through elected Occupational Health and Safety Representatives at all our major workplaces and through our National Occupational Health and Safety Committee.

Key statistics on our occupational health and safety performance are:

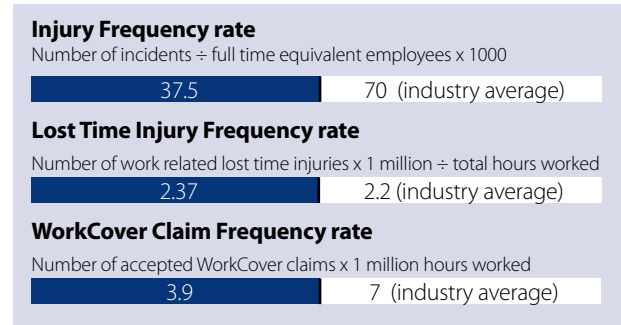


Figure 10: Key occupational health and safety statistics

During the coming year, we will undertake an occupational health and safety audit, resulting in an action plan covering our workforce Australia wide.

Ethical workplaces

Treating people with respect is part of our values. This translates into a Code of Conduct that emphasises ethical and positive ways of dealing with one another and with our customers, suppliers and other stakeholders. We expect all our staff to behave with honesty and integrity and we have policies requiring staff to avoid conflict of interest.

ME Bank's policy and practice is to maintain a work environment free from unlawful discrimination and harassment, bullying and violence. This is underpinned by our Dignity at Work Policy, which is actively enforced. ME Bank does not tolerate discrimination, harassment, vilification, bullying or workplace violence and any inappropriate behaviours are taken seriously. There were no incidents of discrimination at ME Bank during the reporting period.

We have a complaints resolution procedure which outlines employee options for addressing unacceptable behaviour, including discrimination, harassment and bullying.

Additionally, ME Bank Contact Officers provide information to employees on the Dignity at Work Policy and procedures, including assisting with identifying issues and presenting options for resolving complaints.

+Our community

We understand the link between the strength of our business and the health of the communities on which we depend. We work to contribute in meaningful ways that make a difference.

The values that have underpinned ME Bank from its establishment are also evident in our approach to supporting the community. Employees are encouraged to take part in a number of initiatives, including Workplace Giving and volunteering at our major sponsored event, the Mother's Day Classic for breast cancer research, a community fun run/walk which takes place in major Australian capital cities in May each year.

During the year ME Bank donated \$50,000 to the Queensland Flood Relief Appeal, supported the Australian Red Cross and undertook a range of sponsorships supporting community organisations.

In total during the year, we provided more than \$1.7 million in sponsorships and donations.

National Breast Cancer Foundation and the Mother's Day Classic

Breast cancer accounts for the loss of up to 2,600 Australian lives each year. Approximately 14,000 cases are diagnosed annually, including at least 100 men. As a platinum partner of the National Breast Cancer

Foundation (NBCF), ME Bank is committed to supporting the work of the NBCF including support for victims and their families, and research to find a cure.

The Mother's Day Classic is organised by Women in Super. For more than a decade, this national event has provided the community with the opportunity to celebrate Mother's Day while supporting breast cancer research.

A record 120,000 Australians stepped out to support breast cancer research in Mother's Day Classic events across the country on Sunday 8 May 2011.

On the day 97 volunteers and more than 170 participants from ME Bank supported the event, which raised more than \$3 million for breast cancer research.

ME Bank has been the major sponsor of the Mother's Day Classic since 2005 and we also made a \$50,000 contribution through the Do More, Every Day for Breast Cancer Research campaign in 2011. Each year, staff, their families and friends support the event through participation, volunteering, sponsorship and fundraising.



Mother's Day Classic 2011

Workplace Giving

During the year we introduced a Workplace Giving Program that allows staff to make fortnightly post-tax contributions via payroll to one of six chosen community partners. ME Bank will match all money donated through the Workplace Giving initiative to the value of \$50,000 per year.

The selection of Workplace Giving partners supports a broad range of social causes and, in some instances, enables ME Bank to work with super funds and affiliates on issues of shared concern.

ME Bank Centre

In an example of a partnership with the community, ME Bank became involved with the Richmond Football Club in Melbourne as the naming rights partner of the club's new home. Opened in early 2011, the facility, known as the ME Bank Centre, is located at Punt Road Oval, Richmond, Victoria.

The ME Bank Centre includes the Korin Gamadjji Indigenous Institute (meaning 'Grow and Emerge'), a high performance football centre, indoor sports hall, training offices, museum and multipurpose facilities which will be utilised by community groups and members.

The Indigenous Institute within the ME Bank Centre provides the Richmond Football Club with the opportunity to continue building upon its strong historical ties with indigenous communities as well as offer positive educational development and employment outcomes for indigenous Australians.

Affordable housing

In early 2009, ME Bank approved funding of \$9 million to assist with the construction of 131 studio apartments and 30 family units at 660 Elizabeth Street, Melbourne. The project was undertaken by Yarra Community Housing, a registered housing association providing affordable rental housing for a mix of previously homeless people as well as singles and families on low and moderate income.

The project to construct this 10 storey building was the result of many years of researching, designing and developing affordable housing for some of the most marginalised members of our community.



Figure 11: ME Bank Workplace Giving partners

+Our planet

We understand the need to act to help save our planet. By working to minimise our environmental footprint and assisting our customers to reduce their own impacts, we seek to play our part in securing our shared future.

Care for the environment is implicit in our mission to assist customers to achieve a better quality of life, and good environmental stewardship is closely aligned to our culture and values.

We are aware that our environmental impact extends to the products and services we provide and source, as well as the investment decisions we make.

Our major impacts are in energy and paper use and in both these areas we have initiatives in place to reduce our consumption.

The Board and Executive team have general oversight of environmental performance, but we have also taken steps this year to enhance ESG governance through the establishment of a Corporate Responsibility and Reputation Committee, reporting to the Executive Committee, which identifies ESG issues for the organisation and works with the business to develop

targets and initiatives to address those issues. This work is supported by a staff sustainability network, which co-ordinates staff environmental and community efforts.

Improvement in our paper usage is also expected as a result of our Lean Project, which will be implemented during the 2011-2012 year. This project neatly illustrates how sustainability and environmental improvements link with efficiency savings and improved customer experiences. Through mapping the customer experience from first contact with ME Bank through to account establishment, the project has identified efficiency gains from minimising re-work, better use of online documentation and streamlined processes. The benefits include reduced paper use, cost savings for document storage and increased convenience for customers.

To minimise the environmental impacts of our products and services we have moved to recycled or carbon neutral paper for the majority of our customer product information and marketing collateral, and we encourage the use of online banking to minimise paper processes for customers.

We have adopted the precautionary principle in our approach to environmental impacts – that is, where there is no scientific consensus regarding the adverse impact of a particular action or policy, this is not used as a reason to postpone action to prevent adverse impacts.

Resource efficiency

The main resources we use are paper in our offices and in printed materials and electricity for heating, cooling and lighting.

For the year to the end of June 2011, our energy use was approximately 1,698,000 kilowatt hours, which produced 1936.12 tonnes of CO₂ equivalent emissions. We expect that this figure will reduce in the 2011-2012 year due to our head office move to a more energy efficient building (see Green Building case study, below).

A breakdown of CO₂ equivalent emissions is below:




Scope 1: Direct emissions		% of total CO ₂ e
	Car fleet travel	23.18
	394 kilolitres 726.67 tonnes CO ₂ e	
Scope 2: Indirect emissions		% of total CO ₂ e
	Electricity	61.75
	1,698,317 kilowatt hours 1936.12 tonnes CO ₂ e	
Scope 3: Other indirect emissions		% of total CO ₂ e
	Air travel	15.07
	1,690,096 kilometres 472.58 tonnes CO ₂ e	
Total	3135.37 tonnes CO₂ e	100.00

Figure 12: A breakdown of CO₂ equivalent emissions

ME Bank uses paper in its offices and in printed materials for customer information and banking activities such as application forms.

Of the 122,608 tonnes of paper used during the year, 95% was carbon neutral – in which emissions during manufacture were offset – and more than 30% was recycled content.

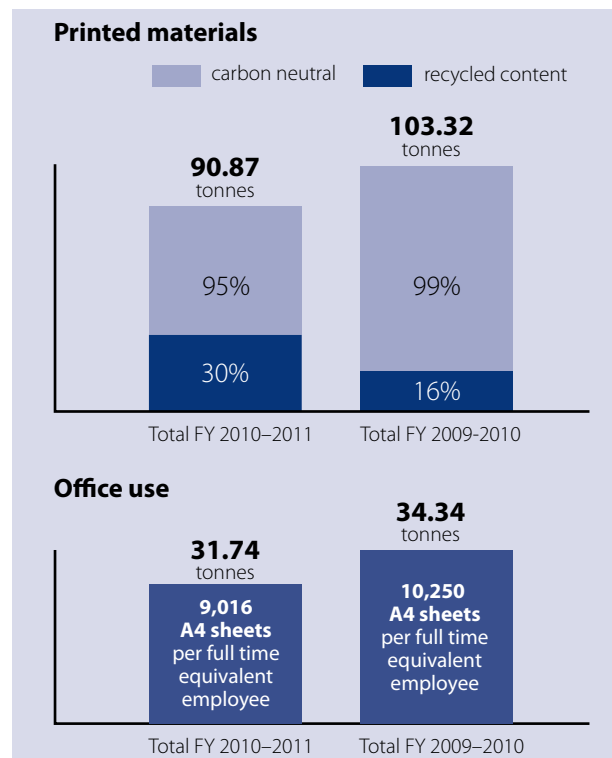


Figure 13: Printed materials

We currently do not have systems that will enable us to provide a consolidated view of electronic equipment purchased and recycled, although we will consider this input in future reports.

Climate change

Our response to climate change is in keeping with our commitment to provide a genuine banking alternative for our customers.

We accept the prevailing scientific view of the reality of climate change, which we believe could impact our customers and our investments.

We endorse setting a price on carbon emissions as a low-cost way to reduce carbon pollution, but we advocate adequate compensation to protect our customers and industry from adverse consequences as Australia transitions to a low carbon economy. From an investment perspective, we believe governance, transparency and disclosure will be critical to ensuring efficient allocation of resources and optimum investment returns as the economy responds to a carbon price signal.

In July 2011 the Board of ME Bank noted a policy statement on climate change which had been developed during the reporting period, and which includes a commitment to a carbon reduction strategy for the Bank. The carbon reduction strategy has six facets:

1. **Measure:** we will measure our carbon emissions in accordance with international protocols;
2. **Objectives:** we will set objectives to reduce carbon emissions and a target for carbon neutrality;
3. **Avoid and reduce:** we will act to avoid and reduce carbon emissions where possible;
4. **Switch:** we will seek to shift reliance upon carbon intensive energy to renewable energy sources;
5. **Offset:** we will assess and review the effectiveness of our carbon reduction initiatives and offset remaining emissions consistent with our carbon neutrality objective; and
6. **Assist:** we will explore opportunities to provide targeted assistance to our staff and customers to reduce their own emissions.

We also see that climate change is likely to have some direct implications for ME Bank in the following key respects:

- **Customers:** the critical issues of transition and compensation will be matters of significant debate with a direct impact on our customers. ME Bank has an opportunity (and a responsibility) to promote an equitable and socially just outcome.
- **Employment:** our customers and members of affiliated unions and super funds face employment consequences as trade exposed and carbon intensive sectors of the economy are affected by the transition to clean energy. Issues concerning new employment opportunities, job protection, skills and training transition are of direct concern for our affiliates.
- **Investment risk:** members of industry super funds, unions and employer associations are exposed to investment risk through their holdings in carbon related investments. As the economy in general and businesses in particular responds to a carbon price signal, governance, transparency and disclosure will be critical to ensuring efficient allocation of resources and optimum investment returns.

'Green' Melbourne head office

In May 2011, ME Bank moved into a new 'green' head office in Melbourne after months of detailed planning. To guide our relocation into more sustainable accommodation, we joined the Green Building Council of Australia (GBCA), a non-profit organisation committed to developing a sustainable property industry in Australia by encouraging green building practices. Our participation in the GBCA informed the design and construction of the new head office which features: reduced energy and water use; improved waste management; use of low volatile organic compound paints; zoned lighting with automatic switch off function throughout; noise absorbing carpet, walls and feature panels; greater use of natural light and window shading; and more than double the Green Star requirement for indoor plants to clean the air and enhance the office experience.

In addition, furniture for the new office was selected for its environmental and ergonomic credentials. Where furniture from our previous tenancy met our criteria, it was re-used. Integrating the office fit-out with the previous tenant's 'make good' period enabled us to reduce waste, and during the fit-out 80% of waste was recycled.



Global Reporting Initiative Index

GRI Indicator	Description	Fully or partially reported	Page
1.1	Chairman and CEO Statement	✓	4
2.1	Name of organisation	✓	Front cover
2.2	Primary brands, products, and/or services	✓	9, 16, 17
2.3	Operational structure of organisation	✓	7
2.4	Location of organisation's headquarters	✓	3
2.5	Number of countries where the organisation operates	✓	3
2.6	Nature of ownership and legal form	✓	3
2.7	Markets served	✓	3, 9
2.8	Scale of the reporting organisation	✓	9, 19
2.9	Significant changes during the reporting period	✓	Our first report
2.10	Awards	✓	17
3.1	Reporting period	✓	Inside front cover
3.2	Date of most recent previous report	✓	Our first report
3.3	Reporting cycle	✓	Inside front cover
3.4	Contact point for the report	✓	Inside front cover
3.5	Process for defining report content	✓	Inside front cover
3.6	Boundary of the report	✓	Inside front cover
3.7	Limitations on the scope or boundary of the report	✓	None except where stated
3.8	Reporting on joint ventures and other entities	✓	N/A
3.10	Explanation of re-statements	✓	Our first report
3.11	Significant changes from previous reporting periods	✓	Our first report
3.12	Table of standard disclosures	✓	This index
4.1	Governance structure	✓	5-7
4.2	Chair of the highest governance body	✓	5
4.3	Independent and/or non-executive Board members	✓	5
4.4	Mechanisms to provide recommendations or direction to the Board	✓	5
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance)	Partial	7
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	✓	6
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	✓	2-3, 19
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	✓	5-7
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	Partial	7
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	✓	23
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses	✓	3
4.13	Memberships in associations and/or national/international advocacy organisations	✓	3
4.14	List of stakeholder groups	✓	Inside front cover
4.15	Basis for identification and selection of stakeholders	✓	Inside front cover
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	✓	13
4.17	Key topics and concerns raised by stakeholders and how the organisation has responded to those, including through its reporting	Partial	Inside front cover

GRI Indicator	Description	Fully or partially reported	Page
Economic			
	Disclosure on Management Approach	✓	8-9
EC1	Direct economic value generated and distributed	✓	9
EC2	Risks and opportunities for the organisation related to climate change	✓	23-24
EC4	Significant financial assistance received from government	✓	None
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit	Partial	21
Environmental			
	Disclosure on Management Approach	✓	22-24
EN1	Materials used by weight or volume	✓	23
EN2	Percentage of materials used that are recycled input materials	✓	23
EN4	Indirect energy consumption by primary source	✓	23
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Partial	22-24
EN16	Total direct and indirect greenhouse gas emissions by weight	✓	23
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	✓	22-24
Labour			
	Disclosure on Management Approach	✓	18-19
LA1	Workforce	✓	19
LA2	Employee turnover	✓	19
LA4	Percentage of employees covered by collective bargaining agreements	✓	18
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	✓	19
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	Partial	19
LA 12	Percentage of employees receiving regular performance and career development reviews	✓	19
LA13	Composition of governance bodies and breakdown of employees by gender, age group and other indicators of diversity	✓	19
Society			
	Disclosure on Management Approach	✓	12-14
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures	✓	14
SO4	Actions taken in response to incidents of corruption	✓	14
SO5	Public policy positions	✓	13
Human Rights			
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	✓	19
HR4	Total number of incidents of discrimination and actions taken	✓	None
Product Responsibility			
PR5	Customer satisfaction	✓	15-17
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	✓	None
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	✓	None
Financial Services Sector Supplement – Product and Service Impact			
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	✓	14
FS15	Policies for the fair design and sale of financial products and services	✓	15-16



Monza Digital Recycled is now Certified Carbon Neutral by The Carbon Reduction Institute (CRI) in accordance with the global Green House Gas Protocol under the international Standard ISO 14040. Monza Digital Recycled contains 55% recycled fibre (25% post consumer and 30% pre consumer) and 45% elemental chlorine free pulp. All virgin pulp is derived from well-managed forests and controlled sources. It is manufactured by an ISO 14001 certified mill.