

26 April 2014

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 Corporately according to the Global Compact Communication On Progress Policy.

Yours faithfully,



Mr Damien Walsh
Managing Director

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 Bank's Board. 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 2013 Corporate Report, under Engaged Staff:

<http://bankmecuCorporatereport2013.com.au/Corporate-report/reputation/>

In addition, there are various references to **bankmecu**'s commitment to the UN Global Compact throughout **bankmecu** 's 2013 Corporate Report. Relevance to **bankmecu**'s Sustainability Strategy can be found in **bankmecu**'s Corporate Report 2013:

<http://bankmecuannualreport2013.com.au/annual-report/about-bankmecu/>

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.

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 Corporate Report.

2013 Corporate Report: <http://bankmecuannualreport2013.com.au/>

2013 Corporate Report - Human rights information:

<http://bankmecuCorporatereport2013.com.au/Corporate-report/reputation/>

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 Bank.

bankmecu has developed a UN Global Compact Action Plan to address issues of labour rights, approved by the Bank'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 2013 Corporate Report, under Engaged Staff:

<http://bankmecuCorporatereport2013.com.au/Corporate-report/reputation/>

In addition, there are various references to **bankmecu**'s commitment to the UN Global Compact throughout **bankmecu**'s 2013 Corporate Report. Relevance to **bankmecu**'s Sustainability Strategy can be found in **bankmecu**'s Corporate Report 2013:

<http://bankmecuannualreport2013.com.au/annual-report/about-bankmecu/>

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** has abided by all legislation relative to labour violations in Australia.
- **bankmecu** has in place an Occupational Health and Safety (OHS) Committee designed to represent all staff in consultation with management on OHS issues and opportunities.
- OHS policies are supported by a Wellness Policy, which outlines the subsidies provided to staff.
- **bankmecu** Occupational Rehabilitation Policy requires that, in the event of an accident, the Bank will endeavour to do its best to return staff to their full capacity within the organisation.
- **bankmecu** has in place a Grievance Policy which provides for and encourages access to representation, appeals and grievance systems as required.
- **bankmecu** has in place a Supply Chain Management System to reduce the risk of labour violations in the supply chain.

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 Corporate Report.

2013 Corporate Report: <http://bankmecuannualreport2013.com.au/>

2013 Corporate Report – Employee information:

<http://bankmecuCorporatereport2013.com.au/Corporate-report/reputation/>

2013 Corporate Report – Supply Chain information under Sustainability:

<http://bankmecuannualreport2013.com.au/annual-report/profitability-and-productivity/>

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

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

bankmecu produces a Corporate Report which provides stakeholders with information on how the Company addresses environmental issues relevant to the business, including the secondary impacts of products and services provided.

A description of **bankmecu** 's approach to operational environmental management can be found under 'productivity and profitability' in **bankmecu**'s Corporate Report 2013, under Sustainability:

<http://bankmecuannualreport2013.com.au/annual-report/profitability-and-productivity/>

In addition, there are various references to **bankmecu** 's commitment to the UN Global Compact throughout **bankmecu**'s 2013 Corporate Report. Relevance to **bankmecu**'s Sustainability Strategy can be found in **bankmecu**'s Corporate Report 2013:

<http://bankmecuannualreport2013.com.au/annual-report/about-bankmecu/>

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

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

- **bankmecu** 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 **bankmecu**.
- **bankmecu** has produced a Corporate 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 **bankmecu** 's Corporate Report.

2013 Corporate Report: <http://bankmecuannualreport2013.com.au/>

2013 Corporate Report – Environmental information:

<http://bankmecuannualreport2013.com.au/annual-report/profitability-and-productivity/>

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 Customer Owned Banking Association (COBA) Fraud Prevention Network.

bankmecu's approach to ethics and governance, including corruption, is publicly available in **bankmecu** 's 2013 Corporate Report:

<http://bankmecuannualreport2013.com.au/annual-report/governance/>

In addition, there are various references to **bankmecu** 's commitment to the UN Global Compact throughout **bankmecu** 's 2013 Corporate Report. Relevance to **bankmecu's** Sustainability Strategy can be found in **bankmecu's** Corporate Report 2013:

<http://bankmecuannualreport2013.com.au/annual-report/about-bankmecu/>

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 COBA 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** Corporate Report.

2013 Corporate Report: <http://bankmecuannualreport2013.com.au/>

2013 Corporate Report – Governance information:

<http://bankmecuannualreport2013.com.au/annual-report/governance/>