

28 April 2015

To our stakeholders,

I am pleased to confirm that **bankmecu** reaffirms its support of the 10 principles of the Global Compact with respect to human rights, labour, environment and anti-corruption.

Together with our annual Corporate Report 2014, this Communication on Progress describes our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. A third party review of the adherence of our Corporate Report 2014 to the GRI G4 reporting framework found that **bankmecu** satisfies the framework in accordance 'core' requirements.

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

Yours faithfully,



Mr Damien Walsh
Managing Director

HUMAN RIGHTS

In line with the bank's responsible approach to banking, it has a strategic plan, with supporting policies and procedures in place, to ensure human rights are upheld.

bankmecu has in place 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 in place a Supply Chain Management System to assist in reducing the risk of human rights violations in the supply chain.

Information about **bankmecu**'s approach to developing a skilled workforce and engaged culture is outlined in **bankmecu**'s Corporate Report:

<http://bankmecu2014corporatereport.com.au/corporate-report/capabilities-2/1-2/>

Measurement of outcomes

Progress against the bank's actions outlined above is assessed by management and reported to the Board's Audit and Compliance Committee quarterly. It is also outlined in **bankmecu's** Corporate Report.

2014 Corporate Report: <http://bankmecu2014corporatereport.com.au/>

All material indicators relevant to human rights under the Global Reporting Initiative G4 Guidelines are reported in the GRI table of **bankmecu's** annual Corporate Report: <http://bankmecu2014corporatereport.com.au/gri/>

There were no reported incidents of discrimination or corrective actions required during the 2014 reporting period. <http://bankmecu2014corporatereport.com.au/gri/gri-part-2/>

LABOUR STANDARDS

In line with the bank's responsible approach to banking it has a strategic plan, with supporting policies and procedures in place, to ensure labour standards are upheld.

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 has an Occupational Rehabilitation Policy which requires that the bank will endeavour to do its best to return staff to their full capacity within the organisation in the event of an accident.

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 assist in reducing the risk of labour violations in the supply chain.

Information about **bankmecu's** approach to developing a skilled workforce and engaged culture is outlined in **bankmecu's** Corporate Report:

<http://bankmecu2014corporatereport.com.au/corporate-report/capabilities-2/1-2/>

Measurement of outcomes

Progress against the bank's actions outlined above is assessed by management and reported to the Board's Audit and Compliance Committee quarterly. It is also outlined in **bankmecu's** Corporate Report.

2014 Corporate Report: <http://bankmecu2014corporatereport.com.au/>

All material indicators relevant to labour practices and decent work under the Global Reporting Initiative G4 Guidelines are reported in the GRI table of **bankmecu's** Corporate Report: <http://bankmecu2014corporatereport.com.au/gri/>

There were no incidents of non-compliance with laws and regulations reported during 2014. <http://bankmecu2014corporatereport.com.au/gri/gri-part-2/>

ENVIRONMENT

In line with the bank's responsible approach to banking it has a strategic plan, with supporting policies and procedures in place, to ensure the bank's impact on the environment is minimised.

bankmecu has implemented an Environmental Management System (EMS) which allows the bank to identify operational aspects with a negative environmental impact. The EMS drives positive environmental outcomes and continual improvement. Information about the bank's approach to environmental management is outlined in **bankmecu's** Corporate Report:

<http://bankmecu2014corporatereport.com.au/corporate-report/value/4-2/>

bankmecu has also incorporated environmental features into product development. Information about **bankmecu's** approach to product development is outlined in **bankmecu's** Corporate Report:

<http://bankmecu2014corporatereport.com.au/corporate-report/capabilities-2/3-2/>

Measurement of outcomes

Progress against the bank's actions outlined above is assessed by management and reported to the Board's Audit and Compliance Committee quarterly. It is also outlined in **bankmecu's** Corporate Report.

2014 Corporate Report: <http://bankmecu2014corporatereport.com.au/>

- Treading lightly on the planet:
<http://bankmecu2014corporatereport.com.au/corporate-report/value/4-2/>
- Developing responsible banking products:
<http://bankmecu2014corporatereport.com.au/corporate-report/capabilities-2/3-2/>

All material indicators relevant to environmental practices under the Global Reporting Initiative G4 Guidelines are reported in the GRI table of **bankmecu's** annual Corporate Report: <http://bankmecu2014corporatereport.com.au/gri/>

There were no incidents of non-compliance with laws and regulations reported during 2014: <http://bankmecu2014corporatereport.com.au/gri/gri-part-2/>

ANTI-CORRUPTION

As a customer owned financial institution, **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 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.

Information about **bankmecu**'s approach to governance, risk management and compliance is outlined in **bankmecu** 's Corporate Report 2014:

<http://bankmecu2014corporatereport.com.au/corporate-report/systems/>

Measurement of outcomes

Progress against the bank's actions outlined above is assessed by management and reported to the Board's Audit and Compliance Committee quarterly. It is also outlined in **bankmecu**'s Corporate Report.

2014 Corporate Report: <http://bankmecu2014corporatereport.com.au/>

- Developing an effective governance framework:
<http://bankmecu2014corporatereport.com.au/corporate-report/systems/1-2/>
- Managing risk: <http://bankmecu2014corporatereport.com.au/corporate-report/systems/2-2/>
- Maintaining regulatory compliance:
<http://bankmecu2014corporatereport.com.au/corporate-report/systems/3-2/>

All material indicators relevant to anti-corruption under the Global Reporting Initiative G4 Guidelines are reported in the GRI table of **bankmecu**'s annual Corporate Report: <http://bankmecu2014corporatereport.com.au/gri/>

There were no incidents of non-compliance with laws and regulations reported during 2014: <http://bankmecu2014corporatereport.com.au/gri/gri-part-2/>