



Great
Southern
Bank

Communication on Progress (COP)

2021-2022

Table of Contents

- Acknowledgement of Country..... 3
- Introduction..... 4
- 'Forever Home' 2021 Sustainability Strategy 5
- Statement from the CEO 6
- Human Rights Principles..... 7
- Labour Principles..... 9
- Environment Principles 11
- Anti-Corruption Principles 13



Acknowledgement of Country



We acknowledge the Traditional Owners of the lands on which we operate and pay our respects to Elders past and present, and to emerging community leaders. We also acknowledge the important role Aboriginal and Torres Strait Islander peoples continue to play within the communities in which Great Southern Bank operates and where our team members reside.



Introduction

For more than 75 years, Great Southern Bank been putting its customers first, and today looks after the financial needs of more than 382,000 Australians.

We have changed our name from CUA to Great Southern Bank but we remain customer-owned and firmly focused on helping all Australians own their own homes.

Being a responsible bank is backed by our commitment to doing business in ways that benefit our customers and communities, today and into the future.

In this update for the financial year 2021-2022, Great Southern Bank seeks to demonstrate our commitment to the Ten Principles of the United Nations Global Compact. We are proud to share our progress over the period and to explain where we are going next as part of our sustainability strategy.

Read our [annual report](#) to learn more about Great Southern Bank and what we achieved in 2022.







'Forever Home' 2021 Sustainability Strategy

In 2021, Great Southern Bank developed a Sustainability Strategy called 'Forever Home.' This reflects the bank's non-financial commitments and establishes an ESG framework to deliver positive impact for our customers, community and people.

Developing a sustainability strategy is a significant step for us and sits alongside work already underway to address financial vulnerability and help people find a safe and stable place to call home. Our approach is holistic, forward looking, and aligned to our purpose.

Our sustainability work is structured around three strategic pillars: a home for all Australians; an Australia for future generations; and a bank for today and tomorrow. Each pillar relates to specific environmental, social, and governance (ESG) issues that are critical to our stakeholders. These ESG issues in turn relate to specific United Nations Sustainable Development Goals (UNSDGs) to better align our activities and impact with global efforts for a more sustainable future.

Strategic pillar	Why is it important?	Related material ESG Issues	Related Sustainable Development Goal
A home for all Australians	Our profits are generated for the benefit of our customers and communities who are at the heart of everything we do. We are driven by our social purpose – to help all Australians own their own home.	<ol style="list-style-type: none"> 1. Member experience and wellbeing. 2. Financial vulnerability and resilience. 3. Financial wellbeing for Indigenous Australians. 4. Fair and accessible products. 	<p>1 NO POVERTY</p>  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> 
An Australia for future generations	We recognise our role in creating an economy and financial system that is equipped to address global challenges for the next decades. Amongst them, climate change and the transition to a low carbon economy are some of the most significant challenges impacting the prosperity of our customers, society and the economy and a source of both risk and opportunity.	<ol style="list-style-type: none"> 5. Climate action and disaster support. 6. Responsible banking and sustainable profits. 	<p>13 CLIMATE ACTION</p> 
A bank for today and tomorrow	Since inception in 1946, we have challenged the banking status quo by providing responsible, affordable, and accessible services. We continue to stand for integrity and purpose providing transparent information on how we conduct our business.	<ol style="list-style-type: none"> 7. Governance, risk, and ethical conduct. 8. Financial crime, cybersecurity and privacy. 9. Team member experience and wellbeing. 	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 



Statement from the CEO

As a signatory to the United Nations Global Compact and as an organisation proudly committed to doing business responsibly, I'm pleased to present Great Southern Bank's inaugural progress report.

In June 2021, we joined the Global Compact, making a public commitment to its Ten Principles on human rights, labour, environment, and anti-corruption. We are focused on embedding those principles within the strategic decision-making, culture, and day-to-day operations of our organisation. We are also engaged in collaborative projects with like-minded partners to advance the broader development goals of the United Nations, particularly around sustainability.

For Great Southern Bank, sustainability means doing business responsibly and in ways that benefit our customers, communities, and the environment, today and tomorrow. This approach is underpinned by our support for the United Nations Sustainable Development Goals (SDGs).

Our board-approved environmental, social, and governance (ESG) sustainability strategy called 'Forever Home' identifies the SDGs most relevant to our business and where we believe we can achieve the most impact. For us, these are eliminating poverty (1), decent work and economic growth (8), climate action (13), and peace, justice, and strong institutions (16).

This year, we have accelerated our sustainability focus, including:

- The release of our first Taskforce for Climate-related Financial Disclosure Statement (TCFD)
- The launch of our first Reconciliation Action Plan (RAP)
- The development of our first Climate Action Plan, including a pledge to achieve net zero emissions by 2040 and
- The completion of our first Financial Inclusion Action Plan (FIAP).

We know that there is more to do but, with these steps, we are moving in the right direction and actively contributing to a more sustainable business and a more sustainable world.



Paul Lewis
Chief Executive Officer



Human Rights Principles

Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2 Make sure that they are not complicit in human rights abuses

Great Southern Bank Strategic Pillar	Related material ESG Issues	Related Sustainable Development Goal (SDG)
A home for all Australians	Member experience and wellbeing	SDG 1: No Poverty SDG 8: Decent Work and Economic Growth
	Financial vulnerability and resilience	
	Financial wellbeing for Indigenous Australians	

Practical Actions & Implementation

Customers and communities are at the heart of everything we do, and we are driven by our fundamental belief that all Australians should have access to stable and affordable housing. The way we do business supports and protects internationally proclaimed human rights and is demonstrated through our efforts around financial inclusion, reconciliation, and social impact.

We have developed policies and action plans to guide the day-to-day implementation of Great Southern Bank's social values and to ensure we are not complicit in actual or potential negative human rights impacts.

Our Code of Conduct connects the dots between our purpose, values, and policies. This Code is applicable to all our entities, team members, leadership, and contractors. Our Safety Health and Wellbeing Policy also supports our commitment to human rights by detailing our own expectations around these issues as well as our approach to meeting Australia's high regulatory standards.

Another way Great Southern Bank practically implements our social values is through advancing financial inclusion throughout Australia. We recently completed our first Financial Inclusion Action Plan (FIAP), successfully delivering on all 15 actions we committed to when we launched the plan in September 2020.

We made a public commitment to improving financial inclusion and well-being for our customers through targeted action across four areas: providing fair, affordable, and accessible products and services; fostering an organisational culture to enhance the financial capability of our people; understanding and improving our responses to financial vulnerability; and removing barriers and providing opportunities for economic security, equality, and growth.

The launch of Great Southern Bank's Respect Reconciliation Action Plan in December 2021 represented an important step in our ongoing reconciliation journey. The plan provides a clear roadmap upon which to strengthen our relationships, build respect and opportunities with First Nations peoples.

RELEVANT POLICIES & PLANS

- Code of Conduct: Ethics and Integrity in Practice
- [Reconciliation Action Plan 2021-2022](#)
- [Financial Inclusion Action Plan 2020-2021](#)
- Safety Health & Wellbeing Policy



We have sought to align our actions to our purpose of helping all Australians own their own home, by working in partnership with Aboriginal and Torres Strait Islander peoples to address barriers to financial and social inclusion.

Our RAP builds on the bank's history of working with First Nations peoples to grow financial wellbeing, including its merger 15 years ago with First Nations Credit Union and subsequent establishment of the First Nations Foundation.

We are committed to having a positive impact on the communities we live amongst and operate in and are partnering with other like-minded organisations with valuable expertise to achieve these commitments. Our Connected Future Partnership with Australian Red Cross and Infolink received international recognition for supporting the needs and building the digital capability of people being excluded in an increasingly digital world. Together, we've designed tools to support our customers, developed a scalable model to build digital skills by mobilising local communities, and delivered financial literacy training across four states.

Measurement of Outcomes

As part of Great Southern Bank's FIAP, we launched a 'CareRing' pilot in March 2021 which has so far been accessed by 185 customers experiencing vulnerability. The program aims to address some of the underlying causes of financial vulnerability by providing a range of wrap around support, including independent financial counselling, support for incidents of family violence, and help accessing government services. Because of the programs' positive outcomes, we extended it through to 2023.

Reconciliation Australia formally endorsed our first RAP in January of 2022, a strong outcome and significant step towards reconciliation.

In 2021, our Connected Future Partnership program earned global recognition, winning a Shared Value Award.

Next Steps

We are preparing to develop our next FIAP, building upon successful initiatives such as the CareRing pilot program which we are extending through to at least 2023. We will also remain an active member of the Financial Inclusion Action Plan Program.

Great Southern Bank will continue to deliver upon the commitments and activities detailed in our inaugural RAP. We will use this as a guide to build our cultural capability and to implement improvements to attract and retain more Aboriginal and Torres Strait Islander team members, consider the perspectives of Aboriginal and Torres Strait Islander peoples in the design of our products and services, and to include Aboriginal and Torres Strait Islander businesses in our supply chain. Over time, this and future RAPs will also help us deliver on our social sustainability goal of improving access to state and affordable housing.



Labour Principles

Principle 3 Business should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4 The elimination of all forms of forced and compulsory labour

Principle 5 The effective abolition of child labour

Principle 6 The elimination of discrimination in respect of employment and occupation

Great Southern Bank Strategic Pillar	Related material ESG Issues	Related Sustainable Development Goal (SDG)
A home for all Australians	Fair and accessible products	SDG 8: Decent Work and Economic Growth

Practical Actions & Implementation

Great Southern Bank is committed to upholding high labour standards and contributing to the elimination of modern slavery. We employ approximately 1,200 people throughout Australia and are focussed on providing a safe, healthy, and respectful workplace for them. Beyond our direct employees, we are also striving to improve labour conditions in our supply.

As a customer-owned bank, our customers are our owners. This includes having voting rights at Annual General Meetings, giving them an important voice in shaping our priorities and future. We actively encourage our customers to participate in our governance by asking questions about management, financial, and non-financial performance.

Great Southern Bank acknowledges the serious issue of forced, compulsory, and the worst forms of child labour and is committed to combatting modern slavery. We are in full compliance with the Australian Modern Slavery Act 2018 (Cth) and publish public modern slavery statements annually on the Australian Government's [Registry](#). We have conducted an initial risk assessment to identify where we may be exposed to the issue and embedded counter-slavery provisions in our supplier contracts and purchase order terms and conditions.

Great Southern Bank has a suite of policies and standards to guide the practical action and implementation of our labour principles. Our Code of Conduct sets a consistent and high behavioural and ethical standard for all our leaders, employees, and contractors. Our People and Culture Policy and our Diversity and Inclusion Standard detail our focus on maintaining a positive, values-based, diverse, and inclusive workplace where people have a sense of belonging, are valued, connected, and respected. Our Whistleblower Policy and Bullying, Harassment and Anti-Discrimination Standard provide platforms to air grievances and remedy issues.

Measurement of Outcomes

In 2020, we developed a Measuring Effectiveness Framework to review the impact of implemented counter-slavery measures. This framework helped measure our counter-slavery outcomes and resulted in additional supplier assessments and supplier questionnaires the following year.

More broadly, we measure our outcomes around labour practices and standards through our whistleblower system which is available on our website.

RELEVANT POLICIES & PLANS

- [Modern Slavery Statement](#) 2021
- Whistleblower Policy
- Diversity and Inclusion Standard
- People and Culture Policy
- Contracting and Outsourcing Policy
- Procurement and Supplier Management Standard
- Bullying, Harassment and Anti-Discrimination Standard
- [Group Privacy Policy](#)



Next Steps

Great Southern Bank's 2021 Modern Slavery Statement includes an action plan detailing our planned actions to address modern slavery. This year, we are focused on enhancing modern slavery training for relevant teams, additional supply chain risk assessments, updating our policies, and conducting counter-slavery-aligned due diligence prior to making future investments. Our 2022 Modern Slavery Statement is currently being prepared and will be submitted at the end of the calendar year in compliance with the Australian Act.



Environment Principles

Principle 7 Businesses should support a precautionary approach to environmental challenges

Principle 8 Undertake initiatives to promote greater environmental responsibility

Principle 9 Encourage the development and diffusion of environmentally friendly technologies

Great Southern Bank Strategic Pillar	Related material ESG Issues	Related Sustainable Development Goal (SDG)
An Australia for future generations	Climate action and disaster support	SDG 13: Climate Action
	Responsible banking and sustainable profits	

Practical Actions & Implementation

Great Southern Bank has made responding to the issue of climate change a key priority within our sustainability strategy and our business. We became certified carbon neutral in 2021 under the Government's Climate Active program, the first Australian customer-owned bank to do so. This was achieved through our offsetting program with an entirely Aboriginal-owned not for profit business undertaking traditional fire management to reduce emissions, as well as through renewable energy projects in India that support rural communities.

RELEVANT POLICIES & PLANS

- [Climate Action Plan \(CAP\)](#)
- [Taskforce On Climate Related Financial Disclosures \(TCFD\)](#)
- [Sustainability Strategy](#)
- [Climate Active Carbon Neutral Standard for Organisation PDS](#)

We believe it is important that we continue to clearly demonstrate the steps we are taking to reduce our environmental footprint and limit our impact on the changing climate. This is why we are making changes within our own business as well as supporting our customers and helping them make more informed decisions.

In April 2022, we released our first climate-related risk disclosure in line with the global Taskforce on Climate Related Financial Disclosure (TCFD).

The next step was publishing our first Climate Action Plan (CAP) 2022-2024, which we did in June 2022. This maps out our journey to net zero emissions, including setting science-based targets and adopting global reporting standards. We have pledged to achieve our net zero goal by 2040, ten years ahead of the target date set in the Paris Agreement.

We are working to offer our customers services designed to help manage and mitigate climate risk. Increasingly, climate change is impacting the ability of our customers to afford, maintain, and insure their home. In response, we are working to support our customers during the immediate recovery from natural disasters and are helping build future resilience by championing renewable energy, access to efficiency upgrades, and new green products.

Measurement of Outcomes

We believe that our carbon neutral certification through the Government's Climate Active program is a strong measure of our environmental commitments. We also do not directly invest in or have lending exposure relating to fossil fuel extraction or fossil fuel energy production. Additional data is disclosed in our Climate Related Financial Disclosure, including our operational greenhouse gas emissions, resource consumption, and financed emissions by emissions share and intensity by asset class and by sector.



Next Steps

Great Southern Bank has made detailed and public commitments on climate action, building resilience, managing climate risks, and partnering for positive impact. These are detailed in our Climate Action Plan and the next steps section of our Climate Related Financial Disclosures. They include:

- Aligning our GHG emissions reduction targets with the Paris Agreement
- Sourcing 100% renewable energy for our offices and branches by 2030
- Being net zero by 2040
- Maintaining carbon neutral certification under Climate Active
- Supporting customer access to housing upgrades that increase their physical resilience to extreme weather events
- Promoting affordable energy efficiency and the adoption of renewables
- Advocating for our customers to maintain appropriate levels of home and contents insurance
- Identifying opportunities for the bank and our team members to support disaster responses
- Embedding climate risk governance across our business
- Understanding and managing climate risks to ensure we are a sustainable bank for our customers today and in the future
- Reporting annually against the TCFD framework
- Strategically partnering with community, industry, NGOs, and government organisations to advance tangible climate action
- Continuing to work with the Customer Owned Banking Association (COBA) and Business Council of Co-operatives and Mutuals (BCCM) to strengthen industry capacity in climate action and climate-related risk
- Partnering with service providers to decarbonize our procurement and supply chains
- Sharing success stories to inspire our business banking customers on their way to net zero



Anti-Corruption Principles

Principle 10 *Businesses should work against corruption in all forms, including extortion and bribery*

Great Southern Bank Strategic Pillar	Related material ESG Issues	Related Sustainable Development Goal (SDG)
A bank for today and tomorrow	Governance, risk, and ethical conduct	SDG 16: Peace, Justice, and Strong Institutions
	Financial crime, cybersecurity, and privacy	
	Team member experience and wellbeing	

Practical Actions & Implementation

Great Southern Bank aims to promote and support a culture of honest and ethical behaviour across its business and proactively works to combat corruption in all forms, including extortion and bribery. We adhere to Australia's stringent laws on this topic and ensure effective implementation of our counter-corruption commitments through our policies and standards.

Great Southern Bank's Code of Conduct highlights the importance of all employees protecting the communities in which we operate as well as the integrity of the bank through meeting our anti-bribery and corruption, anti-money laundering, and counter-terrorism obligations and commitments.

Our Financial Crime Standard facilitates the development of controls and procedures to ensure we manage regulatory changes, the growing demands of our customers, and the evolving criminal sophistication. This standard aims to combat fraud, identify theft, bribery, terrorism financing and laundering the proceeds of crime.

We also have in place an Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Program. It is used to conduct risk assessments of our customers at onboarding and throughout the client relationship.

Great Southern Bank's Gifts Standard provides clear protocols on how money can be used or donated. This ensures that donations are not used to gain undue influence or support criminal or terrorist organisations, as well as to avoid possible laundering situations.

In addition to human rights and labour issues, our whistleblower system is also designed to ensure all employees, contractors, and suppliers can report any suspected unethical, illegal, fraudulent, or undesirable financial conduct. This system is made public through our website.

Measurement of Outcomes

Great Southern Bank complies with all relevant Australian State and Federal laws and regulations and our industry code, including:

- Anti-Money Laundering and Counter-Terrorism Financing Act 2006
- Anti-Money Laundering and Counter-Terrorism Financial Rules
- Autonomous Sanctions Act 2011
- Autonomous Sanctions Regulations 2011
- Corporations Act 2001
- Relevant Commonwealth and State Criminal Code legislation

RELEVANT POLICIES & PLANS

- Risk Management Policy
- Risk Appetite Statement
- Risk Management Strategy
- Gifts Standard
- Financial Crime Standard
- Anti-Money Laundering and Counter-Terrorism (AML /CTF) Policy
- Anti-Money Laundering and Counter-Terrorism Financing (AML /CTF) Program
- Whistleblower Policy
- Code of Conduct



Additionally, through our AML/CTF program, Great Southern Bank conducted a review of our existing customers and suppliers and enhanced our ongoing due diligence programs for transaction monitoring.

Next Steps

Our counter-corruption sophistication is increasing as we add to our relevant policy suite and standards, including by progressing the development of the Sanctions and Name Screening Standard.

Further work is under way to update our Anti-Money Laundering and Counter-Terrorism Financing (AML /CTF) Program and develop various financial crime typologies – including for modern slavery – to enhance ongoing due diligence for transaction monitoring.





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