

## Corporate responsibility highlights at Teachers Mutual Bank Limited

*We are a values based bank where profit has a purpose. Operating ethically and sustainably is integral to us. It is embedded in who we, are what we do and why we do it. It is built-in, not bolted on.*

1. In 2018 we strengthened our Corporate Social Responsibility Policy, which ‘**establishes our approach to ethical business and social responsibility practices** and how we deliver on our responsibilities and commitments across 200+ actions’.
2. **For the 5<sup>th</sup> year in a row** we are named one of the **World’s Most Ethical Companies** by the *Ethisphere Institute*. We are 1 of 135 companies and **1 of only 4 banks worldwide**. The recognition ‘honours superior achievements in transparency, integrity, ethics and compliance, and underscores an honouree’s commitment to leading with integrity and prioritising ethical business practices.’<sup>i</sup>
3. **For the 6<sup>th</sup> year in a row we’ve been a global leader in community investment** with an investment of 6.9% of pre-tax profits, equal to 9.8% of profits after tax (NPAT). As measured by the LBG, this is 11 times the Au&NZ average, **23 times the Au&NZ finance/insurance sector average**, and 5 times the international average.<sup>ii</sup>
4. **For the 3<sup>rd</sup> year in a row** we’re named as a **2018 Employer of Choice for Gender Equality** by the Workplace Gender Equality Agency, 1 of only 120 organisations. The citation recognises employer commitment and best practice in promoting gender equality in Australian workplaces.<sup>iii</sup> Prior to this we were named 5 years in a row as an Employer of Choice for Women.
5. Our wholesale market **ethical bond issuance reached A\$420 million**, with the single largest issuance of \$200m in July 2018, double the previous issuance of \$100m. The bank **pioneered ethical investment** in 2015 as the first Australian financial institution to have its entire wholesale debt issuance programme of \$500m certified by the Responsible Investment Association Australasia. We remain **the first bank in Australia** to have a Certified Ethical Investment wholesale cash product, and it is **the first** that is based on fossil fuel lending and investing exclusion.<sup>iv</sup>
6. We established **strict ethical exclusion criteria** in our Lending Risk Policy; ‘Such exclusions are where the primary purpose of the entity or business is alcohol, armaments, correctional facilities, cryptocurrency, deforestation or gross environmental degradation, gambling, military activities, political activities, pornography, slavery, tobacco or uranium’.
7. **We lead on climate change and fossil fuels**. The Bank ‘does not use members’ deposits to directly lend to, buy equity or debt in, any large-scale greenhouse polluting activities from fossil fuel exploration, extraction, production and use’.
8. We continued our partnership with the **Global Alliance for Banking on Values (GABV)**, a network of banking leaders from around the world committed to advancing positive change in the banking sector; over 50 institutions, \$173 billion of assets serving 41 million customers. We support the **GABV Principles of Values-based banking**, and we are a signatory of the GABV Kathmandu Pledge.
9. We support the **UN Sustainable Finance Roadmap for Australia** and were the only mutual bank to speak at the **2018 United Nations Environment Programme Finance Initiative (UNEP FI) Conference in Sydney**. 300 Finance sector organisations with \$10 trillion in assets released a Joint Statement in Support of a Sustainable Financial System for Australia and New Zealand.
10. We commissioned the **Key Worker Housing Affordability in Sydney reports**, the first of its kind in Australia. Undertaken by the **University of Sydney’s Urban Housing Lab**, the two wide-ranging studies

provided in-depth analysis of declining levels of housing affordability across greater and metropolitan Sydney for 'key workers' -including teachers, firefighters, nurses, police, ambulance drivers and paramedics, and set out policy solutions.

11. We published *Social Responsibility Performance Benchmarks and Awards* which details **45 results from external, independent organisations over the past six years**. These benchmarks highlight our consistency and excellence in best-practice corporate social responsibility.
12. We measured our environmental, social and governance performance, and **report against 85 targets and KPIs year on year through our Annual Report**.
13. We **mandate and embed sustainability in our supply chain** Vendor Management Framework (VMF). All material, strategic and major suppliers are required to complete a comprehensive CSR Survey that is included as part of their contract.
14. We've achieved **net zero emissions buildings via the mandatory installation of solar PV and LEDs and carbon offsets** on all five owned buildings.
15. We are certified as a **Climate Neutral Company**, which means our business operations are carbon neutral.
16. We **exceed the ASX average** of the percentage of females at all leadership levels; 44% of our Board members, 14% of our Executive team and 41% of Management were women.
17. We're creating **opportunities for Indigenous students**, working with the NSW Department of Education to develop a work placement program for students from Sydney's Western suburbs.
18. Results from our three year support for the **Cufa Children's Financial Literacy (CFL)** program include: **26,454** children educated; **17,410** children actively saving; **220** teachers trained; **1,029** financial literacy lessons held. Each dollar invested generates **\$2.60** of social value.
19. We've sponsored 209 **events that support the professional development** of educators, office, and support staff.
20. We've established two **volunteer days a year**, to allow our people to support their communities. In 2018, **54 staff volunteered 354 hours for charities**.

#### More information:

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<sup>i</sup> WME The Ethisphere Institute is the global leader in defining and advancing the standards of ethical business practice. The World's Most Ethical Company assessment is based upon the Ethisphere Institute's Ethics Quotient (EQ) framework and honours superior achievements in transparency, integrity, ethics and compliance – more information at: <http://ethisphere.com>.

<sup>ii</sup> The LBG is the global standard for measuring and benchmarking corporate community investment. The LBG model provides a comprehensive and consistent set of measures to determine an organisation's contribution to the community, including cash, time, in kind donations, and management costs. [www.lbg-australia.com](http://www.lbg-australia.com).

<sup>iii</sup> The WGEA Employer of Choice for Gender Equality (EOCGE) citation is designed to encourage, recognise and promote active commitment to achieving gender equality in Australian workplaces – [www.wgea.gov.au](http://www.wgea.gov.au). This replaced the EOCW citation.

<sup>iv</sup> Our \$500m Debt Issuance Programme has been certified by RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See [www.responsibleinvestment.org](http://www.responsibleinvestment.org) for details. 4 Issued on July 2.