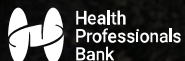
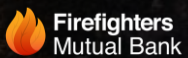


TEACHERS MUTUAL  
BANK LIMITED

# BANKING FOR GOOD





# WHAT THIS REPORT DOES

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**Can a bank really be a force for good?  
We think so.**

- **This reports details Teachers Mutual Bank Limited's credentials, policies and certifications that position the Bank as one of the world's leading socially responsible banks.**



**Teachers Mutual Bank Limited  
acknowledges the Traditional Custodians of  
Country throughout Australia and their  
continuing connection to land, water and  
communities.**

**We pay our respects to Aboriginal and  
Torres Strait Islander cultures: their Elders  
past and present and extend that respect to  
all Aboriginal and Torres Strait Islander  
Peoples today.**

# BANKING FOR GOOD – SNAPSHOT

**1 OF 47**

**BANKS & CREDIT UNIONS WORLDWIDE**

to become a Certified B Corporation

**85+ AWARDS & BENCHMARKS** in the past 10 years

**91.4% MEMBER VOTE** to change the Bank's Constitution to incorporate B Corp

**10 YEARS**

NAMED ONE OF THE WORLD'S MOST ETHICAL COMPANIES BY ETHISPHERE

**Green Bank of the Year 2022**

in the Finder Green Awards (Highly Commended in 2023)

**\$12.2 BILLION**

of RIAA Certified products on the balance sheet.

The only bank named in 2023 as a **RESPONSIBLE INVESTMENT LEADER** by Responsible Investment Association Australasia for the **3rd year** in a row.

**100%** EV car fleet by 2027

**100%** of our buildings running on renewable electricity.

**THE ONLY AUSTRALIAN BANK**

with 98% of products sold certified by Responsible Investment Association Australasia

**98%** Employees support our commitment to Bank for Good. 92% think it's genuine.

**1<sup>ST</sup> RECONCILIATION ACTION PLAN** with 39 targets.

**43,110 Cambodian children**

Received training through our Cufa Children's Financial Literacy program.

An aerial photograph of a dense, green forest. A waterfall is visible in the center-right, cascading over rocky terrain. The forest is thick with trees, and the overall scene is vibrant and natural.

# **ABOUT US – BANKING FOR GOOD AND FOR THOSE WHO DO GOOD**

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**We are a world-leading socially responsible bank.**

- **The Bank is a force for good where social responsibility drives everything we do – our people, practices and products.**
- **We are one of the largest customer owned banks in Australia with 234,000 members and \$10.7 billion in assets.**

# A WORLD-LEADING SOCIALLY RESPONSIBLE BANK

Teachers Mutual Bank is a force for good where social responsibility drives everything we do – our people, practises and products.

We are one of the largest customer owned banks in Australia with 234,000 members and \$10.7 billion in assets.

## Teachers Mutual Bank Limited is one bank with five divisions

We serve people working in key sectors essential to our society: education, emergency services and health.

### Doing good for 50+ years

Since 1964 Teachers Mutual Bank (formerly the NSW Teachers Credit Union) has provided financial services to those in the education sector. In 2016, Teachers Mutual Bank merged with University Credit Society Limited and Fire Brigades Employees Credit Union Limited. In 2019, we launched Health Professionals Bank, and in 2021 we launched our digital-only bank, Hiver.



## Mutual ownership: power in the hands of our Members

- We are a Bank, but have a different structure than most other banks. **Our Members own the organisation**, which means there is no trade-off between the priorities of shareholders and Members.
- Instead of profits being distributed to institutional shareholders and investors via dividends, **profits are reinvested in the Bank**. This benefits all Members and their communities.
- Our foundation is personal banking for members – not business or commercial banking.
- **Being a profit- for- purpose bank** is our business model and philosophy.

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## OUR PURPOSE

At Teachers Mutual Bank Limited our purpose is at the centre of everything we do. It is built in, not bolted on.

**We're a bank for good for those who do good.**

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## OUR VISION

To be the number 1 bank in our niches by delivering personalised and innovative banking experience to our Members.

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## OUR VALUES

**Sustainability:** We invest our Members' money ethically and responsibly. We run our bank for people, planet, and profit.

**Advocacy:** We act in the best interest of our Members for a sustainable organisation.

**Passion:** We put our Members at the heart of everything we do.

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# DEMONSTRATING OUR CREDENTIALS

**Our commitment to be a world-leading, socially responsible bank is verified by third party certification and assessment.**

This provides our members and stakeholders proof that our sustainability credentials can be trusted, and a clear view of how we are banking for good.

Credentials count. Independent third-party verification, rigorous standards and comprehensive reporting are essential to build trust. Our members, employees and partners can be confident that we are as socially responsible as we say.

- 1. External verification:** We undertake external, independent third-party verification to provide evidence and results of our commitments and performance over time. This validates data, systems and processes across hundreds of metrics for the whole bank.
- 2. Global standards:** We measure ourselves against some of the toughest world standards and are ranked against thousands of global companies. World's Most Ethical Companies and B Corp measure the entire bank, not a one-off project or activity.
- 3. Reporting:** We measure, report and evaluate our business performance to provide transparency and accountability for all stakeholders.
- 4. Governance:** We have aligned our policies, practises and procedures with international best practice standards to ensure they are robust, integrated and transparent.

- 5. Ten-year track record:** We publish more than 80 external results, which highlight our consistency and leadership in social responsible banking year-on-year. Standards are continually being revised and the bar is always rising.
- 6. Technical excellence:** World's Most Ethical Companies, RIAA Responsible Investment Products and B Corp have extensive technical rigour and details in the public domain.

## Social responsibility is built in, not bolted on to the bank

**Our purpose, mission and values** – what we do and why we exist

**Our culture and history** – socially responsible for more than 50 years

**Our legal structure** – as set out in our constitution

**Our business model** – of member-owned mutual banking

**Our policies, practices and procedures** – how we do things

**Our business target** – to be a world leading socially responsible bank





# **WHY BANKING FOR GOOD MATTERS**

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**Banking for good matters to our Members and our future.**

- **It is essential to our Bank's success and ability to compete as a banking leader in a \$1.3 trillion ESG market for our Members and customers now and in the future.**

# BANKING FOR GOOD IS ESSENTIAL TO OUR STRATEGY

**We are leaders in responsible investment, which is now a \$1.3 trillion market in Australia.**

ESG issues (Environmental, Social and Governance) are strategic pillars for commercial and competitive success for all banks and financial institutions. Banking for Good positions our Bank for strategic success and reinforces our advantage as a mutual bank.

## KPMG Mutuels Industry reviews

- **Over 50% of respondents placed high importance on ESG**, as a way to differentiate themselves (almost double 27% in 2021).
- **31%** believe this is an important area for their organisations, **but are not looking to go above and beyond (drop from 70% in 2021)**.
- There is a **growing need to invest in ESG initiatives**.
- ESG has gone **from a fringe topic of interest to a large part of the working week** for the Boards and Executive teams of financial institutions. It is with this backdrop that financial institutions are revisiting their purpose.
- As understanding and appreciation increases that ESG is as much **about commercial success as it is about doing good** – leaders are embedding ESG within their business strategy as a point of differentiation.
- Traditionally, mutual banks have differentiated themselves through their unique member bond and high level of customer trust. The increased prominence of ESG across the global financial services industry **poses a challenge for mutuals to maintain their advantage**.

## The booming responsible investment sector in Australia

Financial markets in Australia are fully embracing responsible investment. ESG considerations are now deeply embedded across investment markets in Australia – and are being hardwired into financial market laws and regulation.

What was once considered leading practice in Responsible Investment is now the baseline. The Responsible Investment Benchmark Report 2023 study shows that Australia's responsible investment market is valued at \$1.3 trillion in 2022, or 36% of the market, made up of those demonstrating a strong and comprehensive approach to responsible investment.



# WHY BANKING FOR GOOD MATTERS TO OUR MEMBERS

**Good people deserve a good bank. Members can do good with their money.**

**They can align their banking with their values at no extra cost.**

Our Members contribute so much to society, they deserve a bank that makes a positive social impact.

## Our Commitment

- We invest **your money** responsibly and ethically under strict rules.
- We don't lend **your money** to industries that pollute the planet.
- The money **you borrow** from us never comes from polluting industries.
- Socially responsible products are the standard; **every single** mortgage sold and deposit account opened is a Certified responsible product.
- **Your money** helps to profit your community.
- **When you join us**, you join a bank that is a force for good.

**Our Members tell us that being socially responsible is very important to them, more than 89% of Members in our most recent survey said that corporate social responsibility at the Bank is very important to them.**

(2022 TMBL Member survey)

**Your choice of bank can make a big impact; when your money is invested responsibly, it makes a big difference to the world.**

# WHY BANKING MATTERS TO OUR MEMBERS

**More consumers are choosing an ethical bank because they understand the impact that they can have.**

Expectations on banks and financial organisations are high and Australians are overwhelmingly concerned about where their money goes – especially younger demographics who will drive future growth.

## Australians want their money to have a positive impact

- **67%** have heard of responsible investing, **up from 50% in 2020**.
- 61% would try to save and **invest more if they knew** it made a positive difference in the world.
- 80% say it is important that their bank and super fund delivers positive impacts.
- 84% **want** their super fund or bank to commit to reducing greenhouse gas emissions.

## They are concerned about greenwashing

- 72% are concerned that responsible investors engage in greenwashing (80% of Gen Z compared to 66% of Baby Boomers).
- **This stops 65% from switching to an ethical bank.**
- **75%** say they would be **more likely to invest** in responsible products that have been independently certified.
- **Independent certification** could convince 88% of those who already invest responsibly or plan to in the next 12 months to invest more.

## Banking concerns

- **65% do not believe the claims** banks make about responsible investment.
- **The biggest barriers** to switching to an ethical bank were lack of independent information (81%) and perceived lack of credible options (73%).



# HOW WE STRIVE FOR GLOBAL LEADERSHIP

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Third-party verification provides evidence that we are a world leading socially responsible bank.

- We are a B Corp Bank, one of only 47 in the world.
- We have been named as One of the World's Most Ethical Companies for ten years in a row.

# HOW WE STRIVE FOR GLOBAL LEADERSHIP



We are one of only 47 banks in the world to be a certified B Corp.

B Corps are global leaders in using business as a force for good.

The combination of third-party verification, public transparency, and legal accountability makes B Corp Certification unique, credible, and significant; it builds trust as it measures what matters most.

## B Corp is a tough global standard

- It is unique as it measures the **entire bank's performance** and social and environmental impact across all operations.
- **B Corps are legally required** to consider the impact of their decisions on all stakeholders: customers, workers, communities, and the environment.
- B Corps meet **high standards** of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.
- Certification is administered by the non-profit global organisation **B Lab**, which creates the standards, policies, tools, and programs that underpin the certification.

## Why being a B Corp matters

- It **aligns with our purpose** and proves it's not just words.
- It is **the future global model** for socially responsible companies.
- It **further strengthens** our global credentials.

Certified B Corporations are legally required to consider the impact of their decisions on all their stakeholders.

- To become a B Corp, businesses must embed stakeholder governance into their company's constitution. This holds directors accountable for making decisions that consider the long-term impacts on communities, employees, and the environment.
- In November 2022 TMBL Members voted overwhelmingly in favour (91.4%) to update the Bank's Constitution to reflect B Corp status.

New Constitution rules for B Corp

10.4 In discharging their duties under this constitution, the Corporations Act and the general law, the directors of the Company (a) must consider, and cause the other officers of the company to consider: (v) the impact of the company's operations on the community and the environment; (vii) the ability of the company to create an overall positive impact on society and the environment. (b) Need not give priority to a particular matter referred to in paragraph (a) over any other matter, unless the company has stated in this constitution that the directors of the company must give priority to certain matters related to the pursuit or creation of any objects listed in this constitution.

# B CORP BY THE NUMBERS

Our overall score of 102.4 is strong for a first time certification. We aim to increase our score by January 2025.

## ASSESSES FIVE PILLARS



Governance



Workers



Customers



Community



Environment

MORE THAN

**300**

Scored questions



Median score is

**55**

Most companies score between

**40 and 100**



**7435 BCORPS WORLDWIDE**



**595**

in Australia and Aotearoa New Zealand region

Average score for B Corps in Australia and Aotearoa New Zealand region is

**96**



**12 MONTH**

process with multiple verification rounds



Certified B Corps must score at least

**80 POINTS OUT OF 200**

B Corp Certification is

**HOLISTIC**

not exclusively focused on a single social or environmental issue

# B CORP BY THE NUMBERS

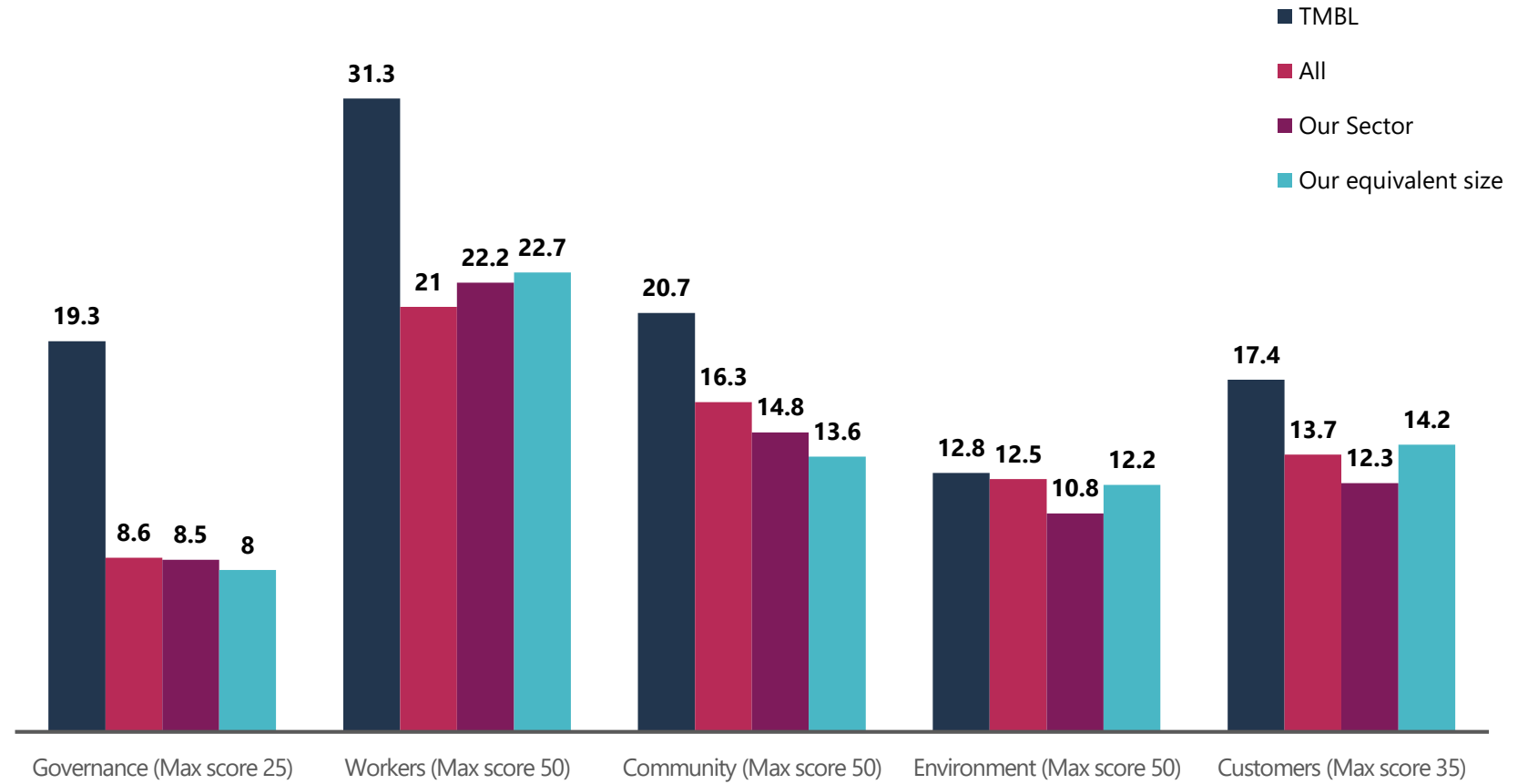
Our overall score of 102.4 is strong for a first time Certification, and we aim to increase our score by January 2025.

OUR SCORE IS  
**102.4**

We became a B Corp in January 2022, the certification is to January 2025

Our Members voted **91.4%** in favour of updating our Constitution to include our B Corp legal requirements in 2022.

### Australian B Corp Score Comparisons January 2023



Footnote: Certified B Corps and BIA applicants who complete >75% assessment



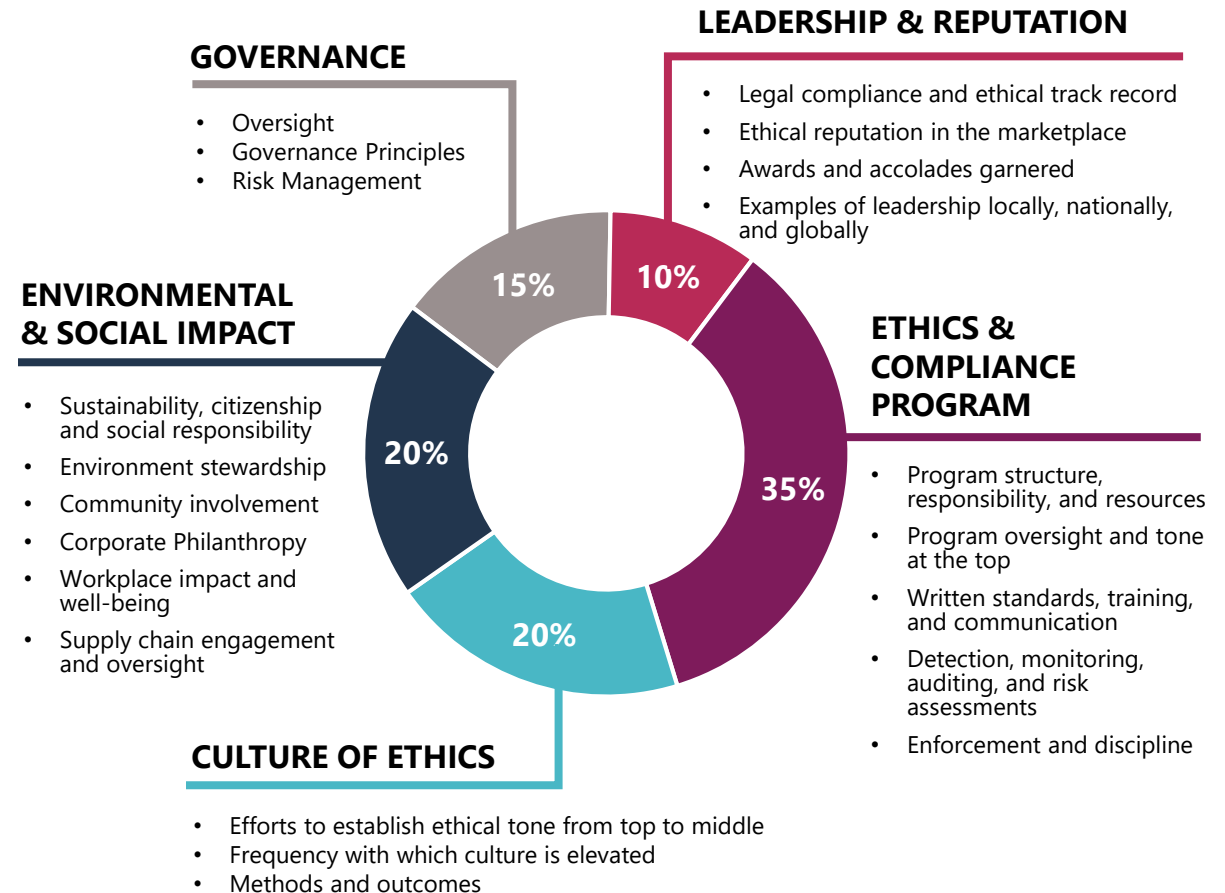
# ONE OF THE WORLD'S MOST ETHICAL COMPANIES

We have been named as One of the World's Most Ethical Companies for ten consecutive years 2014 – 2023, one of only four banks on a list of 135 companies.

This recognition demonstrates the Bank's ongoing commitment to global ethical leadership, and honours companies demonstrating business integrity through best-in-class ethics, compliance, and governance practices.

## The World's Most Ethical Companies assessment

- The assessment is **rigorous and objective**, and has **more than 200 questions** on culture, environmental and social practices, ethics and compliance activities, governance, diversity, and initiatives that support a strong value chain.
- It serves as an operating framework **to capture and codify the leading practices of organizations across industries and around the globe**.
- It evaluates a company's performance using **hundreds of inputs** organised into five weighted categories.
- Every year the Ethisphere methodology evolves to address new and emerging ethics, compliance, and governance best practices, and in **2023, 40 percent of the assessment was updated**.



# HOW WE INVEST AND LEND RESPONSIBLY

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**The #1 Bank in Australia for responsible investment.**

**We invest our Members money responsibly, with strict ethical and ESG criteria.**

**All our retail deposits, mortgages, and wholesale funding products are Certified as Responsible Investment by RIAA - at no cost to the consumer.**

**To date, \$12.2 billion of Certified product on the balance sheet.**



# HOW WE INVEST OUR MEMBERS MONEY RESPONSIBLY AND ETHICALLY

**We don't invest in or lend money to industries that pollute the planet, and the money borrowed from us is not sourced from polluting industries.**

ESG exclusions and policies apply to 100% of lending and investment\*, 100% of Assets and Liabilities, across the whole balance sheet, and 100% of all 'non-individual' Company Pty applications.

## Our ESG (Environmental Social and Governance) exclusion policies

- ESG exclusions are embedded in our Board-approved *Lending Risk*, *Treasury Credit Risk* and *Wholesale funding* policies.
- Exclusions apply to 12 industries, including alcohol, gambling, fossil fuels, and tobacco, as well as industries that create environmental degradation, human rights abuses and labour rights violations. We also do not donate money, gifts or time to support political candidates or organisations.
- The intent of these policies is also captured in the Bank Risk Appetite Statement, which reads in part, '*The Bank is committed to: Ethical business and social responsibility practices; RIAA Certification for our products, based on ESG Credit Exclusion criteria*'.
- Our ESG policies underpin our Responsible Investment Association Australasia (RIAA) product certifications, recognised as the gold standard. This covers circa 98% of all products sold by the Bank.

## Treasury Credit Risk Management Policy

The bank does not provide finance (i.e. directly lend to, invest in, buy equity or debt) to corporations that operate in these industries;

- **Alcohol** (production and distribution)
- **Controversial weapons manufacturing and sales** (cluster munitions, anti-personnel mines, and nuclear, biological and chemical weapons, depleted uranium)
- **Animal cruelty** (testing on animals, live exports)
- **Gambling** (products or services or operations and ownership)
- **Fossil fuels** (coal, oil and gas - exploration for and extraction of reserves, exports, combustion for power generation, and major suppliers to the oil, coal and gas industries)
- **Logging**
- **Palm oil** (non –Roundtable on Sustainable Palm Oil production, distribution and significant ownership)
- **Pesticides**
- **Nuclear power** (including uranium mining, excluding medical uranium use)
- **Pornography** (production or ownership or operation or distribution)
- **Tobacco** (growing and production retailing and sales, packaging, manufacture of nicotine alternatives and tobacco-based products)
- **Industries** that create environmental degradation, human rights abuses and labour rights violations.

\*Excludes secondary trades

# BANKING PRODUCTS ARE CERTIFIED AS RESPONSIBLE INVESTMENT

All our retail deposits, mortgages, and wholesale funding products are Certified by RIAA.

This is 98% of all products sold.<sup>1</sup> Certification is built in as standard across all five brands, and at zero cost to the consumer.

## About RIAA Certification

- The **Responsible Investment Association Australasia's (RIAA) Responsible Investment Certification Program** is the leading initiative for distinguishing quality responsible, ethical and impact investment products and services in Australia and New Zealand.
- RIAA's Responsible Investment Certification Symbol is used to **differentiate quality, true-to-label responsible investment products**, which meet the Responsible Investment Standard.
- Products bearing RIAA's Certification Symbol have been **assessed as credible responsible investments**. They systematically account for environmental, social and governance factors along with demonstrating a rigorous, transparent approach and organisational commitment to responsible investing.
- RIAA's Certification Symbol is recognised by investors and consumers across the region, **providing confidence that a product or provider is delivering on its responsible investment promise** and meeting the Australian and New Zealand Standard for responsible investing.
- RIAA's Certification Program is the longest running responsible investment program in the world, and its Certification Symbol, a Registered Trademark owned and managed by RIAA, **is the most trusted mark for responsible investment products and service providers**.

### RIAA Certified Responsible Investment (RI) products:

1. Have formal, consistent, documented, and auditable RI strategies and processes
2. Make honest claims and are appropriately labelled
3. Avoid significant harm
4. Account for ESG factors in the investment process
5. Have relevant and accessible RI disclosures
6. Are managed by active stewards
7. Are managed by organisations with a formalised commitment to responsible investing
8. Provide educational information to Members and customers.

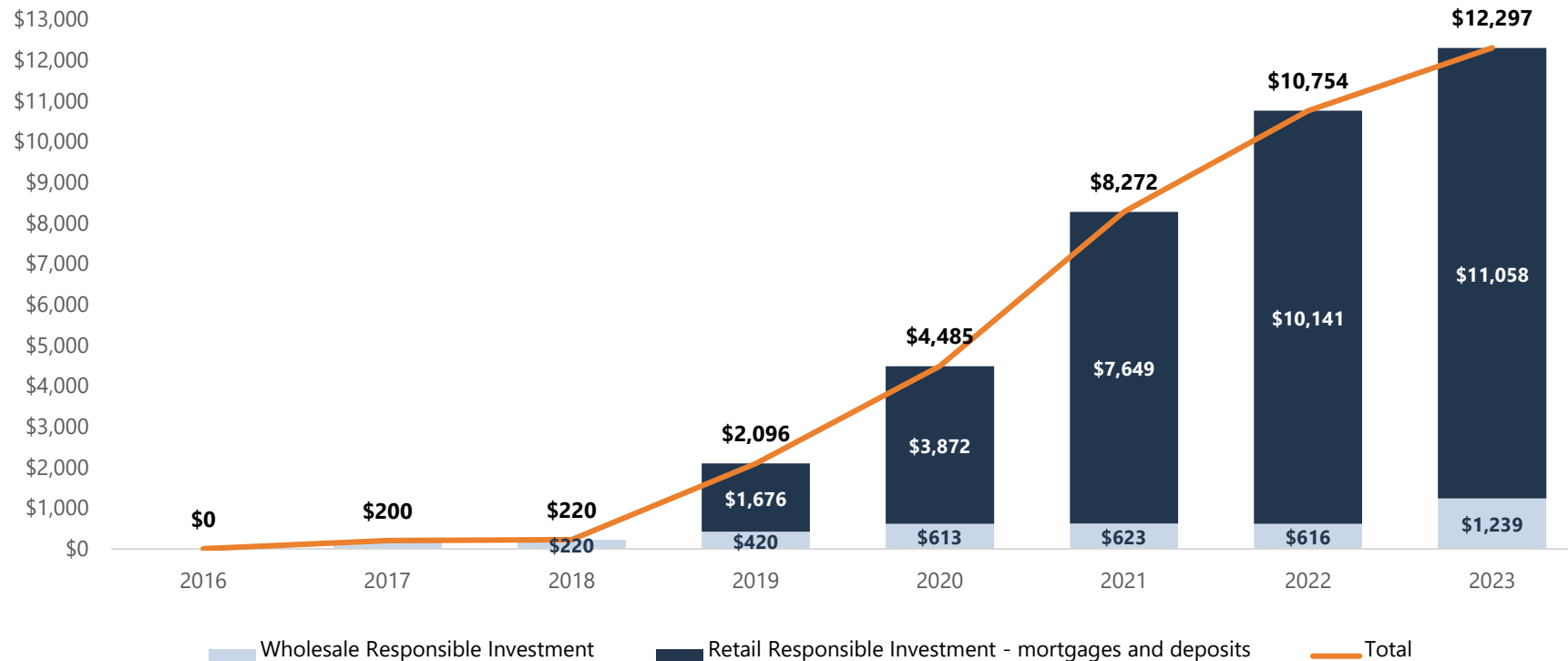
<sup>1</sup> Note that some products are ineligible for Certification – e.g. credit cards, insurance products

# THE MARKET IMPACT OF OUR RIAA CERTIFIED RESPONSIBLE INVESTMENT PRODUCTS

As at 30 June 2023, the cumulative total of all wholesale and retail RIAA Certified assets and liabilities on the balance sheet is \$12.2 billion. In three years, this has increased 176% by \$7.16 billion.

In the 12 months to 30 June 2023, the Bank's total RIAA Certified product portfolio increased by 14% (\$1.46bn) from \$10.76 billion to \$12.2 billion.

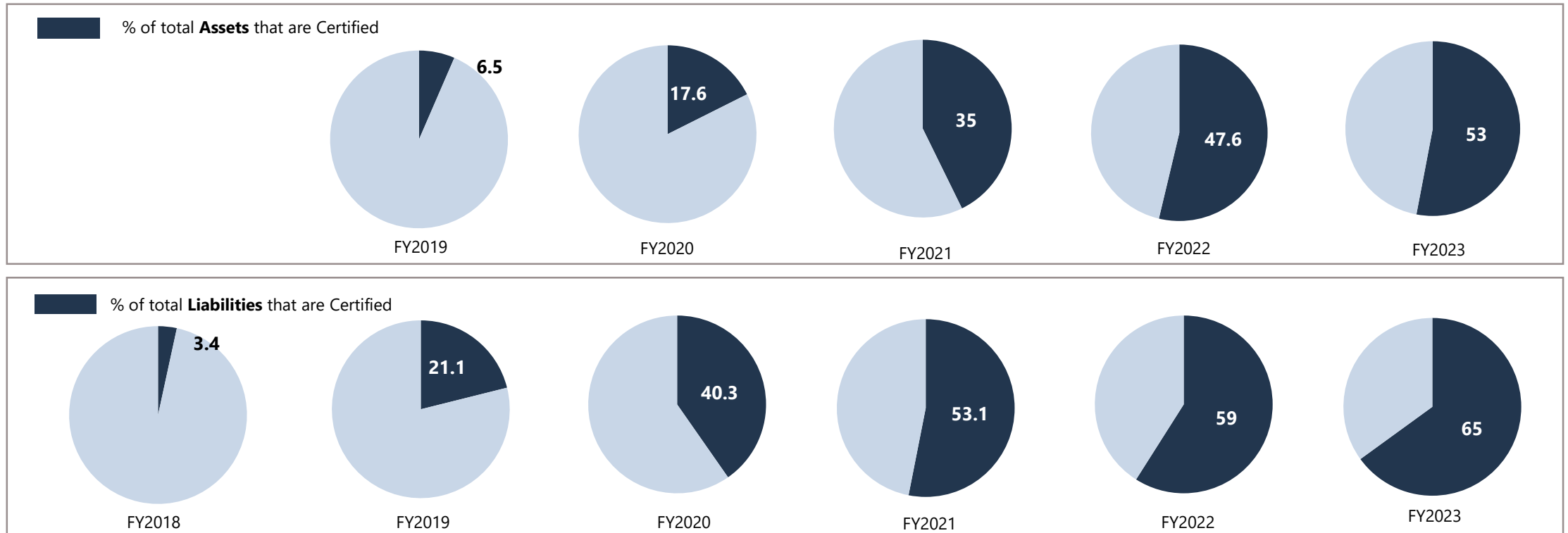
RIAA Certified Products: cumulative total of all assets and liabilities  
- wholesale and retail. Total on the TMBL balance sheet as at June 30, 2023



# THE MARKET IMPACT OF OUR RIAA CERTIFIED RESPONSIBLE INVESTMENT PRODUCTS

The breakdown of RIAA Certified products on the balance sheet is 51.7% (assets) and 64.7% (liabilities).

Certified RIAA Responsible Investment products on the TMBL balance sheet 2018–2023. % of total Assets and Liabilities that are Certified as of 30 June 2023.



# THE BANKING RESPONSIBLE INVESTMENT LEADER

**We are the only bank recognised as a Responsible Investment Leader for three years in a row, within an Australian ESG market of \$1.3 trillion.**

1 of 54 leaders in 2023, 1 of 74 leaders in 2022 and 1 of 54 leaders in 2021.

Teachers Mutual Bank Limited has been named a Responsible Investment Leader by the Responsible Investment Association Australasia (RIAA). This recognises our commitment to responsible investing and attributes as an investment manager.

A Responsible Investment Leader is a responsible investor that demonstrates an exceptional ability to deliver on its responsible investment promises.

In 2023, to reflect evolving expectations of responsible investment leadership domestically and internationally, the standard to be named a Responsible Investment Leader was raised.

Responsible Investment Leaders are investment managers in the top 20% of scores on RIAA's Responsible Investment Scorecard. High standards of stewardship and reporting on outcomes set leaders apart from non-leaders.

RIAA's Scorecard has 26 questions, up from 17 and covers four pillars of responsible investing practice:

- Pillar 1: Coverage of and commitment to responsible investing and transparency;
- Pillar 2: Enhancing risk management through explicit and systematic consideration of ESG factors and other screens, including their reporting;
- Pillar 3: Being strong stewards for more sustainable and resilient assets and markets; and
- Pillar 4: Allocating capital to benefit stakeholders and contribute to solutions as well as measuring and reporting outcomes.





# HOW WE'RE RESPONDING TO CLIMATE CHANGE AND CREATING POSITIVE SOCIAL IMPACT

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**We do not invest in or take money from the fossil fuel industry, and we were the first bank to call for a 45% emissions cut by 2030.**

- **Acting on climate change, reconciliation, diversity and inclusion, community investment and tackling poverty in Cambodia through improving children's financial literacy.**



# HOW WE'RE ACTING ON CLIMATE CHANGE

**We do not invest in or take money from the fossil fuel industry and have pioneered banking without fossil fuels**

Since the 2015 Paris Agreement, we have cut our emissions by 80% while our assets grew by 60%.

## Action in past 7 years – FY17-FY23

- We have grown assets by 60%, members by 22% and full-time equivalent employees by 15%.
- Between FY2017 and FY2021, TMBL's operational emissions reduced by 920 tCO<sub>2</sub>-e, a 40% reduction.
- By purchasing Greenpower for FY22 and FY23, the Bank's Scope 2 emissions (electricity) effectively reduced to zero for the offices where Greenpower is purchased. This resulted in a further 896 tCO<sub>2</sub>-e reduction in emissions.
- Overall, this represents an **80% decrease in emissions from FY2017 to FY2023**.

## \$1.43 million invested in emissions reduction since 2016

- **90%** of this is **for EVs, LEDs and PV**, only 2.5% of spend on renewable energy offsets.
- A commitment to have a **100% EV car fleet by 2027**.

## Emissions intensity – FY17-FY23

- In terms of assets, the Bank's emissions intensity reduced by **87%** from 0.34 to 0.04 in tCO<sub>2</sub>-e per million \$ of assets (Scope 1, 2 and 3).
- In terms of employees (fFTE), the Bank's emissions intensity reduced by **82%** from 4.63 to 0.81 tCO<sub>2</sub>-e per FTE (Scope 1, 2 and 3).

# HOW WE'RE DELIVERING A 100% ELECTRIC VEHICLE CAR FLEET BY 2027

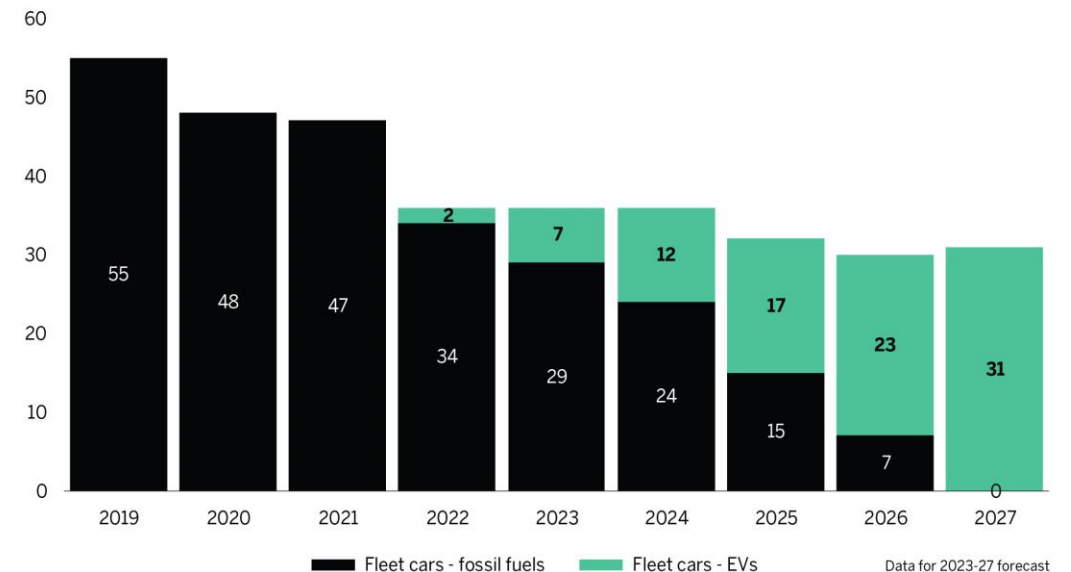
**\$2 million investment for 31 Electric Vehicles (EVs) and 12 charging stations at four Bank offices in Sydney, Brisbane and Perth.**

In 2022, the Bank stopped purchasing fossil-fuelled cars and committed to switching its national car fleet to 100% EVs by 2027, up from 6% in 2022.

- **Ban on fossil-fuelled cars** In 2022, the last petrol car was purchased by the Bank.
- **EV spend more than doubles our previous climate investment** The \$2 million investment for EVs only for six years (2022-2027) is **250%** higher than that of the six years prior (2016-2021) \$800k for all climate reduction technologies (PVs, LEDS energy efficiency).
- **\$2.8 million to cut emissions since the Paris Agreement.** The total and committed investment to cut direct emissions (offices, buildings, cars).
- **30-fold increase of EV scale.** This \$2 million EV investment is 31 times that made in an EV car in 2013.
- **EV powered mobile banking** By 2027, any Member who receives a work or home visit from a Bank rep will only be driving an EV car.
- **100% green powered at the Bank** The EVs will run on 100% renewable electricity when charged at one of the Bank's offices.
- **Million Kilometre switch** By 2027, the EVs will have travelled 1.38 million kilometres (92x around Australia), and then travel 465,000kms per year.

## Progress to a 100% EV fleet by 2027 at the bank

Car Fleet type and numbers



# HOW WE'RE GIVING BACK TO THE COMMUNITY

## Giving back to our community is built into our Constitution.

It states we will: 'promote, encourage and bring about human and social development among individual Members and within the larger community within which Members work or reside.'

Our community investment is based on a best-practice framework providing a clearly defined and transparent methodology.

### Our impact in numbers in FY23

- \$1.1 million direct cash in community investment.
- \$24,880 donated via employee giving and donations.
- A long term partnership with CUFA to address poverty in Cambodia, helping more than 43,110 children to date.
- Our staff raised more than \$2,550 for Cufa Mad Day, and volunteered 108 hours of their time.
- Community investment of \$1.1 million is 4% of NPAT (Net Profit After Tax). 1% is considered best practice.



# HOW WE DRIVE SOCIAL IMPACT WITH FINANCIAL LITERACY IN CAMBODIA

**Our partnership with development agency Cufa has a positive impact for 43,110 children, 992 teachers and 127 schools.**

**Cufa** is an international development agency committed to alleviating poverty and creating sustainable results across the Asia Pacific.

**The agency focuses on** economic, education and employment activities to help people experiencing poverty or on low incomes to make, save and keep more money.

**The agency's Children's Financial Literacy Program (CFL)** has been making a positive difference for the past decade. It is sponsored by DFAT through their Australian NGO Cooperation Program (ANCP).

**Since 2016**, the Bank has funded two thirds of the CFL program – an investment of \$380,000 over eight years.

## **National Curriculum Roll-out pilot**

- **Cufa, DFAT and the Cambodian Government** are examining options for a national roll-out of CFL with various stakeholders including the Asian Development Bank (ADB), National Bank of Cambodia (NBC) and Ministry of Education Youth and Sports (MoEYS).
- **The aim will be** to reach 7,228 primary schools with nearly 2 million students.
- **A three-month Pilot Program** in primary and secondary schools is already underway and aims to integrate financial education into the Cambodian school curriculum.

## **The Children's Financial Literacy Program aims to:**

1. Increase the financial literacy of children aged 6-11 years old
2. Encourage critical saving habits
3. Educate students on financial services
4. Help children set up their savings accounts in community-owned banks
5. Specific goals for gender and disability inclusion
6. Take account of cross cutting social issues.

# HOW WE DRIVE SOCIAL IMPACT WITH FINANCIAL LITERACY IN CAMBODIA

The social impact of the CFL over 8 years

## THE IMPACT OF OUR WORK

**43,110**  
**CHILDREN**  
received financial literacy training

**23,461**  
**CHILDREN**  
started saving

**992 teachers**  
Joined  
**109 teacher workshops**

Total Social Return on Investment is **\$3,420,000** from a cash investment of \$380,000

**7,420**  
**Financial literacy sessions** held in  
**127 schools**

**3,040** home visits to  
**7,310** people

**Bank staff** have donated an extra **\$46,000** via workplace giving, fundraising and charity days.

## WHAT OUR INVESTMENT SUPPORTS

The Bank provides more than \$50,000 per year to the project which funds a range of project costs



**6,200**  
Ronny Riel lesson booklets



**Range**  
of school materials for children  
Notebook, pens, pencils



**Class**  
training material



**Printing**  
and copying for class lessons



**Tour**  
Saving bank study tour



**2x**  
Project officers



**3 days**  
Training to CUFA Staff  
To ensure they are equipped with appropriate skills and knowledge



**1 hour**  
Workshops for teachers and school directors at each school



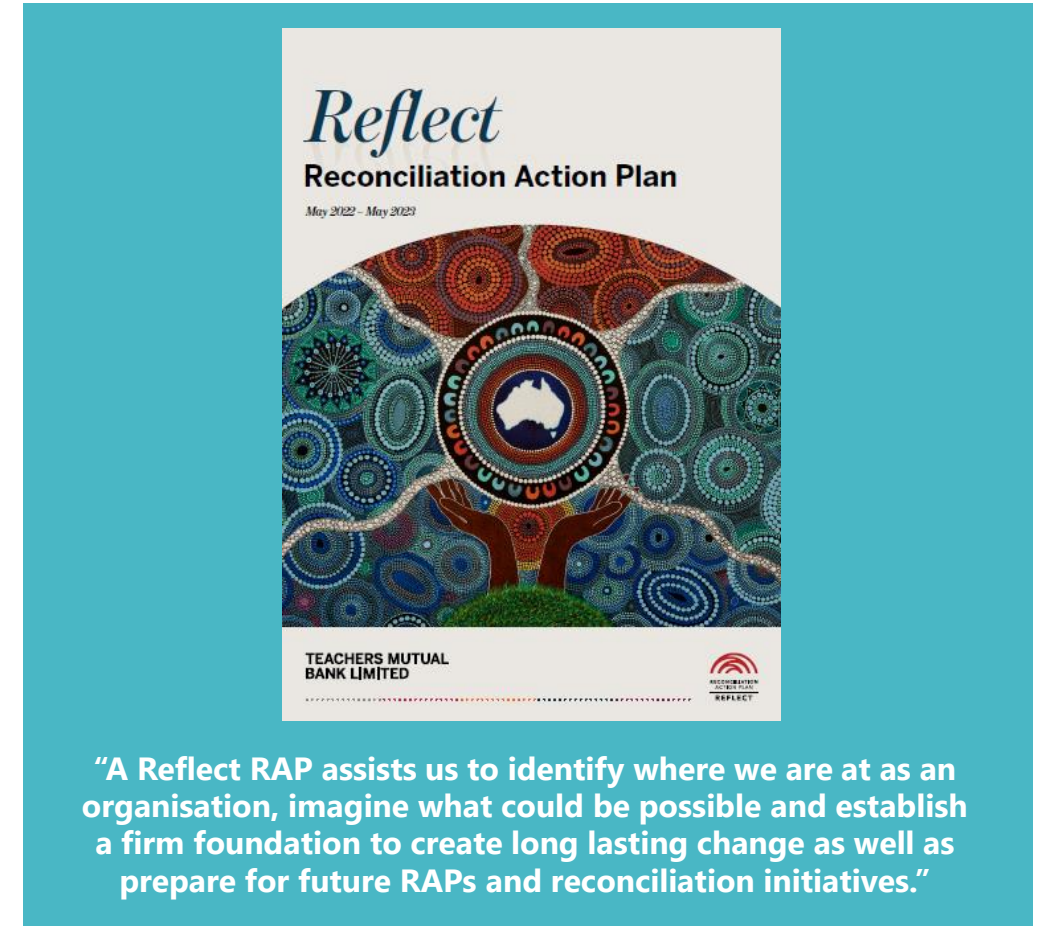
**Travels**  
(In-country) and monthly monitoring of the program

# HOW WE'RE CONTRIBUTING TO RECONCILIATION WITH FIRST NATIONS AUSTRALIANS

**As a values-based, socially responsible bank, it is important that we acknowledge past injustices.**

**In June 2022, the Bank launched its first Reconciliation Action Plan (RAP) – our first formal step on our reconciliation journey – and our opportunity to develop deeper, longer-lasting relationships with Aboriginal and Torres Strait Islander peoples.**

- **Our vision for reconciliation** is that it is embedded across our organisation and informs the way we work and interact with each other, our Members and the wider community. We want to have a meaningful impact by establishing and strengthening mutually beneficial relationships with Aboriginal and Torres Strait Islander peoples and organisations.
- **Since 2006**, RAPs have provided a framework for organisations to leverage their structures and diverse spheres of influence to support the national reconciliation movement. The RAP program's strength is its framework of relationships, respect, and opportunities, allowing an organisation to strategically set its reconciliation commitments in line with its own business objectives, for the most effective outcomes.
- **Our Reflect RAP is part of our commitment** to diversity and inclusion. It provides a firm foundation from which we can contribute to reconciliation through ongoing cultural awareness and employee engagement programs that will evolve over time. Our vision for reconciliation is that it is embedded across our organisation and informs the way we work and interact with each other, our Members and the wider community.



# HOW WE'RE BUILDING A DIVERSE AND INCLUSIVE ORGANISATION

**We're committed to creating a fair and inclusive workplace for everyone.**

We're committed to fostering workplace diversity and ensuring all our people can reach their full potential.

In December 2021, we introduced a new Diversity and Inclusion Policy, which promotes a workplace that is:

- Welcoming
- Psychologically safe
- Free from discrimination and inequality.

In support of our Policy, we focus on helping our staff to bring their best selves to work, in whatever way works for them through a number of initiatives and programs:

- **Well@work** - a program to foster a positive, healthy culture and promote the right working environment for all employees
- **Shine** - a program to recognise, connect and celebrate our people
- **Hybrid working** - we are reimagining our office spaces, recognising that people work differently, while acknowledging the value of collaboration
- **Volunteering** - all employees are entitled to two paid days (pro rata) of Volunteer Leave per year to assist a charity of their choice.

**“We believe that every employee has the right to feel comfortable and included at all times.”**

# ADVOCATING FOR SYSTEMATIC CHANGE

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**Building a world where finance serves people and the planet.**

- **Advocating for systematic changes to the Australian and global banking system.**
- **A small bank with big goals to make a positive difference by doing good.**



# HOW WE'RE ADVOCATING FOR CHANGE

**We partner with values-based banks to change the global banking system.**

We support a bold plan to align Australia's financial system with a sustainable, resilient, and prosperous future for all Australians.

## Global Alliance for Banking on Values (GABV)

GABV is an international network of leaders in the banking industry that use finance to serve people and the planet.

- 71 Members serve 60 million customers and hold over US\$200 billion in assets.
- The collective goal is to make the banking system more transparent and support positive economic, social and environmental change.
- We are one of four Australian Members.

## The Australian Sustainable Finance Institute (ASFI)

ASFI was established to promote the flow of more money to create a sustainable, resilient and inclusive Australia

- 140 representatives from across the Australian finance sector, civil society, academia, regulators and Government came together to create the Australian Sustainable Finance Roadmap.
- Released in November 2020, the Roadmap sets out 37 recommendations to realign the Australian financial system by 2030.
- The Bank has been involved with ASFI since 2018 as an active participant and has been showcased for leadership at embedding sustainability.

## Global Tobacco-Free Finance pledge

The Tobacco-Free Finance Pledge was launched on 26 September 2018 at United Nation's Headquarters, and included support from the Honourable Malcolm Turnbull 29th Prime Minister of Australia.

- The Bank is a Signatory of the Tobacco-Free Finance Pledge, 1 of 161 financial institutions worldwide, a growing network of financial institutions that are working towards a tobacco-free world.

# AUSTRALIAN SUSTAINABLE FINANCE INSTITUTE

**ASFI is committed to realigning the finance sector to direct capital to support greater social, environmental and economic outcomes.**

ASFI states that the health, sustainability and stability of our economy is inextricably linked with the health, sustainability and stability of our people, society and the natural systems on which we all depend.

**2018**

The commitment to build the Roadmap was made at the 2018 United Nations Environment Programme Finance Initiative (UNEP FI) conference on Financing a Resilient and Sustainable Economy in Sydney. **Teachers Mutual Bank Limited** was invited to speak on the panel discussing sustainable banking practise across the banking sector.

**2019**

Teachers Mutual Bank Limited is one of three mutual banks in the 80+ group that contributed and formed the Roadmap Recommendations.

**2020**

The Roadmap is released and **Teachers Mutual Bank Limited** supports the 37 Recommendations. **1 of 4** key recommendations is for financial system participants **to embed sustainability into their organisation's purpose, strategy and leadership** *'Embedding Sustainability into Leadership - 'Sustainability should be led from the top of FIs and mainstreamed through the business' purpose, strategy, risk management framework, remuneration structures and organisational culture.*

**2021**

ASFI releases the Momentum Tracker report, mapping the progress of the financial services sector together with governments, regulators, civil society and academics in implementing the ASFI Roadmap. Teachers Mutual Bank Limited is 1 of 30 case studies in the report contained in the section 'Embedding sustainability into leadership',

**2022**

ASFI releases the *Australian Sustainable Finance Progress Tracker Second Report*, that spotlights **Teachers Mutual Bank Limited as the Case Study** for embedding sustainability in organisational leadership and practice. The report was released on 28 October, 2022 at the inaugural *Australian Sustainable Finance Summit* **Teachers Mutual Bank Limited** was invited to speak on the leadership panel.

**2023**

Teachers Mutual Bank Limited is the first mutual and the 35<sup>th</sup> financial organisation to join AFSI as a member. .

# THE RECOGNITION WE'VE RECEIVED

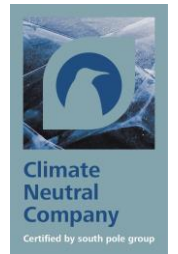
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**A decade-long track record of leadership in social responsibility.**

- **85+ leadership benchmarks and awards.**
- **Our performance is measured against the toughest standards worldwide and in Australia, and we are ranked amongst thousands of global companies, in sectors beyond finance.**
- **External, independent third-party measurement provides transparency and accountability and verifies and validates our systems and processes across thousands of data points, and metrics.**
- **Over time, external standards are continuously revised and strengthened so the bar is always rising, and performance is measured over multiple years.**

# THE RECOGNITION WE'VE RECEIVED

A decade-long track record of leadership in social responsibility.



# A DECADE OF RECOGNITION AND PROGRESS

Our 80 performance results and awards over the past 10 years, demonstrate our continuous commitment to social responsibility leadership in Australia and globally.

## Performance

<p><b>B Corp – a global leader in using business as a force for good (1)</b></p> <p><b>Certified B Corporation by B Lab</b></p>	<ul style="list-style-type: none"> <li>• <b>2022 to 2025 (January):</b> A B Corp or Certified B Corporation with a score of 102.4 points.</li> </ul>	<p><b>One of the World’s Most Ethical Companies (10)</b></p> <p><b>Ethisphere Institute</b></p>	<ul style="list-style-type: none"> <li>• <b>2023:</b> 1 of 4 banks named and the only Australian company</li> <li>• <b>2022:</b> 1 of 5 banks named and the only Australian company</li> <li>• <b>2021:</b> 1 of 5 banks named and the only Australian company</li> <li>• <b>2020:</b> 1 of 4 banks named and the only Australian company</li> <li>• <b>2019:</b> 1 of 5 banks named and the only Australian company</li> <li>• <b>2018:</b> 1 of 4 banks named and the only Australian company</li> <li>• <b>2017:</b> 1 of 3 banks named and the only Australian company</li> <li>• <b>2016:</b> 1 of 4 banks named and 1 of 2 Australian companies</li> <li>• <b>2015:</b> 1 of 5 banks named and 1 of 2 Australian companies</li> <li>• <b>2014:</b> 1 of 5 banks named and 1 of 3 Australian companies</li> </ul>
<p><b>Certified Responsible Investment, wholesale (2)</b></p> <p><b>Responsible Investment Association Australasia (RIAA)</b></p>	<ul style="list-style-type: none"> <li>• <b>2015 – 2025</b> TMBL \$500m Debt Issuance Programme – Information Memorandum Dated 29 September 2014</li> <li>• <b>2019 – 2025</b> TMBL \$500m Debt Issuance Programme – Information Memorandum Dated 26 November 018</li> <li>• <b>2019 to 2025</b> - As of August 20 2019 all new Wholesale Short Term Deposits sold/issued by the Bank to any of the Bank’s wholesale counterparties are Certified Responsible Investment. Short Term Deposit funding is comprised of: Negotiable Certificates of Deposit (NCDs), Wholesale term deposits, Wholesale overnight deposits (11am cash – at call).</li> </ul>	<p><b>UN Sustainable Development Goals (2)</b></p> <p><b>2030 Agenda for Sustainable Development</b></p>	<ul style="list-style-type: none"> <li>• <b>2022:</b> mapped 13 of the 17 Goals</li> <li>• <b>2021:</b> mapped 13 of the 17 Goals</li> </ul>
<p><b>Certified Responsible Investment, retail mortgages and deposits (2)</b></p> <p><b>RIAA</b></p>	<ul style="list-style-type: none"> <li>• <b>2019 – 2025</b> As of December 1, 2018, all new retail mortgage and deposit products sold by the Bank are certified as Responsible Investment by the RIAA.</li> </ul> <p><i>Note: RIAA Certification periods are between 2-3 years. 2025 dates is to August 17<sup>th</sup></i></p>	<p><b>Fossil Free Certification – Bank Green 2022</b></p>	<ul style="list-style-type: none"> <li>• Financial institutions that are Fossil Free Certified have pledged not to finance new fossil fuel companies or projects</li> </ul>
<p><b>Responsible Investment Leader</b></p> <p><b>RIAA</b></p>	<ul style="list-style-type: none"> <li>• <b>2021 and 2022:</b> the only bank named a Responsible Investment Leader</li> <li>• <b>2021:</b> named for leading Responsible Investment practice within banking</li> </ul>	<p><b>ASFI Momentum Tracker report 2021 / ASFI Progress report 2022 (2)</b></p> <p><b>Australian Sustainable Finance Initiative (ASFI)</b></p>	<ul style="list-style-type: none"> <li>• <b>2022:</b> the only financial company named as the case study for Embedding sustainability into leadership</li> <li>• <b>2021:</b> 1 of 30 case studies for of Embedding sustainability into leadership</li> </ul>
		<p><b>Annual Verification of GHG statements Point Advisory</b></p>	<ul style="list-style-type: none"> <li>• 2021 August Verification of greenhouse gas statements</li> </ul>

# A DECADE OF RECOGNITION AND PROGRESS

**Our 85+ performance results and awards over the past 10 years, demonstrate our continuous commitment to social responsibility leadership in Australia and globally.**

## Awards

<b>Green Bank of the Year (3) Finder Awards</b>	<ul style="list-style-type: none"> <li>• <b>2023:</b> Highly Commended</li> <li>• <b>2022:</b> Winner</li> <li>• <b>2021:</b> Finalist</li> <li>• <b>2020:</b> Finalist</li> </ul>	<b>NSW Government Green Globes (3) - Celebrating excellence, leadership, and innovation in sustainability</b>	<ul style="list-style-type: none"> <li>• <b>2016:</b> Joint Winner, Climate Change Leadership</li> <li>• <b>2014:</b> Finalist, Climate Change Leadership</li> <li>• <b>2013:</b> Finalist, Business Sustainability</li> </ul>
<b>Best Bank in CSR/ESG (7) Australian Retail Banking Awards (formerly AB+F)</b>	<ul style="list-style-type: none"> <li>• <b>2020:</b> Winner, Most Innovative Green Initiative</li> <li>• <b>2018:</b> Finalist, Best Bank in CSR</li> <li>• <b>2017:</b> Finalist, Best Financial Institution in CSR</li> <li>• <b>2016:</b> Winner, Best Bank in Socially Responsible Performance (ESG)</li> <li>• <b>2015:</b> Winner</li> <li>• <b>2014:</b> Finalist</li> <li>• <b>2013:</b> Winner</li> </ul>	<b>Best Career Development Programme (1) - Australian Retail Banking Awards</b>	<ul style="list-style-type: none"> <li>• <b>2018:</b> Winner</li> </ul>
<b>Sustainability Leaders 2022 (Australian Financial Review)</b>	<ul style="list-style-type: none"> <li>• <b>2022:</b> Shortlisted</li> </ul>	<b>FM Facilities Management Industry Awards for Excellence (1)</b>	<ul style="list-style-type: none"> <li>• <b>2016:</b> Finalist, Sustainability and Environmental impact</li> </ul>
<b>Mutual Bank of the Year (1) Australian Retail Banking Awards (formerly AB+F)</b>	<ul style="list-style-type: none"> <li>• <b>2017:</b> Winner</li> </ul>	<b>Sustainability Leadership Large Organisations, World Environment Day Award (2)</b>	<ul style="list-style-type: none"> <li>• <b>2014:</b> Winner</li> <li>• <b>2013:</b> Finalist</li> </ul>
<b>Large Business Sustainability Leadership (2) Banksia Sustainability Awards</b>	<ul style="list-style-type: none"> <li>• <b>2016:</b> Finalist</li> <li>• <b>2014:</b> Finalist</li> </ul>	<b>United Nations Association of Australian (UNAA)</b>	
<b>Leadership Awards, Climate Alliance (2)</b>	<ul style="list-style-type: none"> <li>• <b>2016:</b> Winner, Innovator of the Year</li> <li>• <b>2014:</b> Joint Winner, Board Leadership of the Year</li> </ul>	<b>Customer Owned Banking Association (COBA) (1)</b>	<ul style="list-style-type: none"> <li>• <b>2012:</b> Winner, Sustainability Award</li> </ul>
<b>Australasian Employee Engagement Companies of the Year (1) 2016 ANZ Employee Engagement Awards</b>	<ul style="list-style-type: none"> <li>• <b>2016:</b> 1 of the Top 10</li> </ul>	<b>Sustainability award</b>	
		<b>Financial Times Climate Leaders Asia -Pacific 2023</b>	<ul style="list-style-type: none"> <li>• <b>2023:</b> 1 of 275 the top tier leaders</li> </ul>
		<b>Finance for the Future Awards Deloitte, ICAEW A4S (Accounting for Sustainability)</b>	<ul style="list-style-type: none"> <li>• <b>2023:</b> Finalist, Moving Financial Markets</li> </ul>



# APPENDIX

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**Global leadership in socially responsible banking is founded in technical depth, comprehensive credentials and detailed information.**

# THE IMPACT AREA PILLARS OF B CORP

## Governance

**Governance evaluates a company's overall mission, engagement around its social/ environmental impact, ethics, and transparency.**

This section also evaluates the ability of a company to protect their mission and formally consider stakeholders in decision making through their corporate structure (e.g. benefit corporation) or corporate governing documents.

## Workers

**Workers evaluates a company's contributions to its employees' financial security, health & safety, wellness, career development, and engagement & satisfaction.**

In addition, this section recognises business models designed to benefit workers, such as companies that are at least 40% owned by non-executive employees and those that have workforce development programs to support individuals with barriers to employment.

## Community

**Community evaluates a company's engagement with and impact on the communities in which it operates, hires from, and sources from.**

Topics include diversity, equity & inclusion, economic impact, civic engagement, charitable giving, and supply chain management. In addition, this section recognizes business models that are designed to address specific community-oriented problems, such as poverty alleviation through fair trade sourcing or distribution via microenterprises, producer cooperative models, locally focused economic development, and formal charitable giving commitments.

## Environment

**Environment evaluates a company's overall environmental management practices as well as its impact on the air, climate, water, land, and biodiversity.**

This includes the direct impact of a company's operations and, when applicable its supply chain and distribution channels. This section also recognizes companies with environmentally innovative production processes and those that sell products or services that have a positive environmental impact. Some examples might include products and services that create renewable energy, reduce consumption or waste, conserve land or wildlife, provide less toxic alternatives to the market, or educate people about environmental problems.

## Customers

**Customers evaluates a company's stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels.**

In addition, this section recognises products or services that are designed to address a particular social problem for or through its customers, such as health or educational products, arts & media products, serving underserved customers/clients, and services that improve the social impact of other businesses or organizations.



# WORLD'S MOST ETHICAL COMPANIES ASSESSMENT

## Ethics and Compliance program

The criteria used for this category are fully aligned to corporate best practices, administrative and regulatory guidance, relevant case law, and the hallmarks of an effective ethics and compliance program as outlined by the Federal Sentencing Guidelines, Chapter 8, including:

- Program Structure, Oversight, Responsibility, and Resources
- Written Standards (including policies and procedures)
- Ethics and Compliance Training, Awareness, and Communication
- Detection, Monitoring, and Auditing
- Enforcement, Discipline, and Incentives.

## Governance

This category examines the availability and quality of systems designed to ensure strong corporate governance.

Governance criteria are evaluated within the context of the structure of the applicant company - whether it is privately held, publicly traded, a partnership, or a non-profit. Over time, Ethisphere has updated this category with revised questions on governance practices such as committee chair rotation, tenure limitations, and stakeholder exposure.

## Culture of Ethics

Getting a sense of an organisation's culture of ethics is rising in significance: regulators are asking about it, investors are demanding it, and the best companies are doing it.

This significance is reflected in our methodology: 20 percent of an applicant's score is attributed to its overall culture of ethics.

However, measuring culture is not a one-size-fits-all process. When evaluating a company's culture and attempts to measure it, Ethisphere accounts for the efforts taken to establish ethical tone from the top and from the middle of the organization, the frequency with which culture is evaluated, which methods and metrics are used, and how those measurements get turned back into action.

## Environmental & Social Impact

This category evaluates a company's approach to its self-evaluation of priorities and methodologies in the wider Environmental, Social, and Governance (ESG) universe.

Specifically, these activities involve environmental stewardship, community involvement, corporate philanthropy, workplace impact and well-being, and supply chain engagement and oversight. The quality and effectiveness of the initiatives are considered, in addition to stated and measurable goals, accountability, and transparency. Ethisphere has recently revised questions in this category to better understand the processes companies use to engage with their stakeholders, align their reporting with industry and other framework standards, and get a sense of their commitments to human rights, inclusivity efforts, and employee needs.

## Leadership and Reputation

This category measures two distinct yet related subjects.

First, our analysis of a company's leadership examines concrete examples of corporate leadership in local, national, industry, and/or global initiatives that promote business ethics, responsible and sustainable business practices, environmental stewardship, good governance, transparency, and social responsibility. We are looking for companies that take the lead in such initiatives instead of merely following others that pave the way.

Second, we evaluate a company's reputation through its legal compliance, litigation, and ethical track record, along with the strength of the company's ethical reputation in the marketplace. We conduct additional research outside of an applicant's submission. This category considers positive indicators of a company's leadership in sustainability, treatment of employees, culture, ethics and compliance programs and practices, and other areas. It also takes into account negative indicators. Note that over time, this category has evolved from multiple-choice questions to ones requiring narrative responses.

# ABOUT RIAA AND CERTIFIED PRODUCTS

## Responsible Investment Leaders

TMBL has been named a Responsible Investment Leader by the Responsible Investment Association Australasia (RIAA) in its landmark annual study. This recognises our commitment to responsible investing and attributes as an investment manager.

Responsible Investment Leaders are investment managers in the top 20% of scores on RIAA's Responsible Investment Scorecard. A Responsible Investment Leader is a responsible investor that demonstrates an exceptional ability to deliver on its responsible investment promises.

This year, to reflect evolving expectations of responsible investment leadership domestically and internationally, the standard to be named a Responsible Investment Leader was raised. Responsible Investment Leaders are now classified as the top 20% of fund managers, which constituted 54 Responsible Investment Leaders in 2022. High standards of stewardship and reporting on outcomes set Responsible Investment Leaders apart from non-leaders.

All 272 investment managers in the Research Universe were assessed against RIAA's Responsible Investment Scorecard. RIAA's Scorecard consists of 26 questions this year, compared to just 17 questions last year. The Scorecard was revised with new questions, response options and altered scoring of some questions to keep up with market trends. The Scorecard covers four pillars of responsible investing practice:

- Pillar 1: Coverage of and commitment to responsible investing and transparency;
- Pillar 2: Enhancing risk management through explicit and systematic consideration of ESG factors and other screens, including their reporting;
- Pillar 3: Being strong stewards for more sustainable and resilient assets and markets; and
- Pillar 4: Allocating capital to benefit stakeholders and contribute to solutions as well as measuring and reporting outcomes.

## Independent third-party verification, certification

- The Responsible Investment Association Australasia's (RIAA) Responsible Investment Certification Program is the leading initiative for distinguishing quality responsible, ethical and impact investment products and services in Australia and New Zealand.
- RIAA's Responsible Investment Certification Symbol is used to differentiate quality, true-to-label responsible investment products which meet the Responsible Investment Standard.
- Products bearing RIAA's Certification Symbol have been assessed as credible responsible investments. They systematically account for environmental, social and governance factors along with demonstrating a rigorous, transparent approach and organisational commitment to responsible investing.
- RIAA's Certification Symbol is recognised by investors and consumers across the region, providing confidence that a product or provider is delivering on its responsible investment promise and meeting the Australian and New Zealand Standard for responsible investing.
- RIAA's Certification Program is the longest running responsible investment program in the world, and its Certification Symbol, a Registered Trademark owned and managed by RIAA, is the most trusted mark for responsible investment products and service providers.
- Products and providers certified by RIAA are featured on the [Responsible Returns](#) online tool, connecting consumers who care about responsible and ethical investing to find products and providers that match their investment beliefs and personal values.
- What are the requirements? In order to certify products as certified responsible investments, RIAA assesses them against its RI Certification Standard. The Certification Standard is underpinned by eight requirements that act as the guiding principles of the RI Certification Program. Since its inception the RI Certification Standard has evolved significantly, reflecting the dynamic evolution of responsible investment.
- Strong demand for certification meant that 96 products were certified in 2022, reaching a total of 270 certified products at the close of 2022.

RIAA's Certification Symbol signifies that:

- A product or service has implemented an investment style and process that systematically takes into account environmental, social, governance or ethical considerations, and this investment process reliability has been verified by an external party. The product or service meets the operational and disclosure practices of Certification Program requirements.

# ABOUT RIAA AND CERTIFIED PRODUCTS

Certified responsible investment products must:

1. Have formal, consistent, documented, and auditable RI strategies and processes.
2. RI strategies are fully explained in legal product documentation such as the Product Disclosure Statement (retail), Information Memorandum or Pitch book (wholesale) and/or equivalent documentation that supports the product;
3. Make honest claims and are appropriately labelled. Claims: are named to accurately reflect the social, environmental, sustainability and/or ethical outcomes or responsible investment strategy applied to the product.
4. Avoid significant harm: can detail how the responsible investment product strategy results in a product for investors that, as a minimum avoids significant harm.
5. Account for ESG factors in the investment process: can evidence how the responsible investment strategy accounts for the explicit inclusion of environmental, social and governance factors.
6. Have relevant and accessible RI disclosures
7. Are managed by active stewards: can detail the stewardship practices applied to the management of the responsible investment product and articulate the improved investee governance outcomes of these practices.
8. Are managed by organisations with a formalised commitment to responsible investing: managing or issuing organisations can demonstrate their organisation-wide commitment to promote, advocate for or support approaches to responsible investment that align capital with achieving a healthy and sustainable society, environment and economy.
9. Provide educational information to members and customers about the responsible investment strategies and investment outcomes.

And

1. Meet operational and disclosure requirements and make publicly available specific details of their services as laid out under the respective category of the Certification Standard
2. Invite their members, clients and peers to hold them to account for their behaviours consistent with the Program Code of Conduct
3. Be subjected to the Quality and Thresholds Test

4. Promote the Standard by incorporating the Certification Symbol into marketing and communications material in accordance with the Certification Symbol Licensee Agreement and the Licensee Marketing Kit and Style Guide
5. Agree to participate in good faith in the [Program's Concerns & Grievance Policy and Procedures](#) with a view to protecting the reputation of responsible investment peers, individual investors and/or the responsible investment industry as a whole
6. Hold current membership with the Responsible Investment Association Australasia
7. Be operating/offered for investment in Australia and/or New Zealand
8. Be current and legally trading
9. Not be persistently subject to legal proceedings and/or regulator investigation
10. Commit to notify RIAA of material changes in product or service characteristics that may impact the suitability of the product remaining certified under the Program.

RIAA's Responsible Investment Leader or Responsible Investment Certification - Being a Responsible Investment Leader recognises an investment manager's whole organisation attributes as a responsible investor. In contrast, RIAA's Responsible Investment Certification Symbol is used to differentiate quality, true-to-label responsible investment products that meet the Australian and New Zealand Responsible Investment Standard.

RIAA Definition - Responsible investment, also known as sustainable or ethical investment, is a broad-based approach to investing which factors in people, society and the environment, as well as financial performance and risks, when making and managing investments. Responsible investment considers a broad range of risks and value drivers in addition to reported financial risk. It includes considering ESG factors throughout the process of researching, analysing, selecting and monitoring investments. It acknowledges that these factors can be critical to understanding the fundamental value of an investment and risks posed to the future financial value.

RIAA definition Negative/exclusionary screening refers to the systematic exclusion of certain sectors, companies, activities, regions or issuers from funds based on certain criteria or ethical lenses. Exclusion criteria often include product categories or sectors (e.g. fossil fuels, weapons, tobacco), company practices (e.g. animal testing, violation of human rights, corruption) or controversies.

# GLOSSARY

Data is for Teachers Mutual Bank Ltd (TMBL), which has five divisions; Hiver Bank (launched in 2021) Teachers Mutual Bank, Firefighters Mutual Bank, Unibank and Health Professional Bank (launched February 2019). Firefighters Mutual Bank merged with TMBL in November 2016 and Unibank merged in July 2015, so awards and benchmarks include those brands for the relevant period, typically over a Financial Year.

**B Corp.** B Corp are global leaders in using business as a force for good. B Corps meet high standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. B Corp Certification is a rigorous, verified performance assessment across 5 areas: Governance, Workers, Customers, Community, Environment, with a minimum score of 80 points, 300+ scored questions, multiple verification rounds, a series of interviews and data provision. <https://www.bcorporation.net/en-us/find-a-b-corp/company/teachers-mutual-bank-limited>

**RIAA.** Wholesale DIP, Short Term Deposits and the Retail mortgages and deposits have been certified by RIAA according to the strict operational and disclosure practices required under the Responsible Investment Certification Program. See [responsibleinvestment.org](https://responsibleinvestment.org) for details. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certificate Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence. [www.responsibleinvestment.org](http://www.responsibleinvestment.org)

RIAA Responsible Investment Leaders achieve a score of 15 out of 20 or above on RIAA's Responsible Investment Scorecard as captured and assessed for the Responsible Investment Benchmark Report 2021 and 2022. RIAA's Scorecard consists of 15 questions, covering four key pillars. <https://responsibleinvestment.org/resources/benchmark-report/>

**The EOCGE 2015** citation is designed to encourage, recognise and promote e active commitment to achieving gender equality in Australian workplaces. The EOCGE citation commenced in 2014, replacing the predecessor citation, the EOWA Employer of Choice for Women. The citation is strategically aligned with the Workplace Gender

**Equality Act 2012 (Act).** The EOCGE citation is a voluntary leading practice recognition program that is separate to compliance with the Act. [www.wgea.gov.au](http://www.wgea.gov.au)

**The Ethisphere institute** is a global leader in defining and advancing the standards of ethical business practices that fuel corporate character, marketplace trust, and business success. The World's Most Ethical Companies assessment process includes more than 200 questions on culture, environmental and social practices, ethics and compliance activities, governance, diversity, and initiatives that support a strong value chain. The process serves as an operating framework to capture and codify the leading practices of organizations across industries and around the globe.

**2021's Australia's Best Workplaces to Give Back**, Good Company 2021 Archives - Best Place to give back. <https://www.bestplacetogiveback.com.au/>

**Fossil Free Certification** Financial institutions that are Fossil Free Certified have pledged not to finance new fossil fuel companies or projects, and the majority already do not do so. Fossil Free Certification is the simplest, most straightforward way to signal to customers, professionals in the banking sector, and the general public that a sustainability-conscious financial institution is truly putting its money where its mouth is. <https://bank.green/>

**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/)

Teachers Mutual Bank Limited has been certified for various levels by **South Pole** a leading provider of global sustainability financing solutions and services. [www.southpole.com](http://www.southpole.com)

**The CR Index** was a robust tool to help companies systematically measure, manage and integrate responsible business practice. Developed in consultation with business leaders the first CR Index survey was launched in 2002, and has since been replaced with a newer measurement. [www.bitc.org.uk](http://www.bitc.org.uk)

**The Australian Centre for Corporate Social Responsibility (ACCSR)** was a pioneer in corporate social responsibility in Australia and a leader in stakeholder based methodologies to address sustainability risk management. [www.accdr.com.au](http://www.accdr.com.au)

**The Australian Climate Leadership Summit**, on 5 November 2015, brought together major Australian businesses, representatives from government, investors and NGOs to announce significant climate commitments. The Summit is an initiative of the Carbon Disclosure Project (CDP) [www.cdp.net](http://www.cdp.net) <http://www.climate-leadership.org/media-release-20151105>

**The Australian Retail Banking Awards** (formerly the Australian Banking & Finance Awards AB+F) are the only awards dedicated exclusively to achievement within the retail banking industry. The AB+F award recognises companies who demonstrate environmental protection, respect for human rights, the continuing improvement of working employment and relations conditions, social commitment, responsibility attitudes with suppliers and customers and transparency and effectiveness of corporate governance. In 2017 the category was changed to 'Best Financial Institution in Corporate Social Responsibility' (CSR), and in 2018 to 'Best bank in CSR'. [www.australianbankingfinance.com](http://www.australianbankingfinance.com) [www.australianretailbankingawards.com.au](http://www.australianretailbankingawards.com.au)

**Finder Green** awards recognise Australia's greenest industry leaders. <https://www.finder.com.au/finder-green-awards>

**ASFI** The ASFI roadmap, launched in November 2020, comprising 80 organisations spanning insurers, major banks, superannuation funds, civil society, and academia, made 37 recommendations. <https://www.asfi.org.au/tracker-1> and Progress Tracker — ASFI

**Sustainability Leaders 2022 by the Australian Financial Review.** The Australian Financial Review 'Sustainability Leaders' The Australian Financial Review Sustainability Leaders list is based on assessment of each entrant's nominated sustainability innovation – whether it is an initiative, product, service or strategy. Innovations are then assessed using Boston Consulting Group proprietary Sustainable Business Model Innovation (SBM-I) methodology.

**The Banksia Foundation.** Large Business Sustainability Leadership award recognises a large business that has demonstrated leadership by fully integrating sustainable principles and practices into operational business activities, reducing the organisation's footprint and adding value to society. [banksiafdn.com](http://banksiafdn.com)

**Climate Alliance Limited** is a not-for-profit, membership based company that engages with business leaders and communicates the opportunities and risks of climate change. The Climate Alliance Business Leadership Awards recognise Australian business leaders and organisations that have demonstrated leadership by addressing the opportunities or risks presented by climate change. [www.climatealliance.org.au](http://www.climatealliance.org.au)

**The 2016 ANZ Employee Engagement Awards & Conference** in association with Reward Gateway announced its 2016 Top 10 ANZ Employee Engagement Companies of the Year. [www.ee-awards.com](http://www.ee-awards.com)

**The NSW Government's Green Globe Awards** are the leading environment awards, recognising environmental excellence, leadership and innovation in NSW. [www.environment.nsw.gov.au/greenglobes](http://www.environment.nsw.gov.au/greenglobes)

**The RFI award** celebrates the institution that offers the best career development opportunities. The entrant must address the following criteria in their nomination: Participation and completion rates. Measures of how the programme increases innovation and improves the work capacity within the organisation, furthers participants' careers and develops leadership skills. How does the organisational culture support and value the training and learning? Show how the training and learning forms an integral part of the organisation's strategic planning. Describe the use of networks, partnerships and supply chains to facilitate training and learning, where applicable. Provide evidence of the development and use of e-learning. [www.australianretailbankingawards.com.au](http://www.australianretailbankingawards.com.au)

**The FM Industry Awards for Excellence** are presented by the Facility Management Association of Australia. Each year they recognise leadership and innovation in the management, operation and maintenance of Australia's built environment across 8 categories. [www.fma.com](http://www.fma.com)

**Sustainability Leadership**, large organisations. Each year, in support of UNEP World Environment Day (June 5), the United Nations Association of Australia (UNAA) recognises innovative and outstanding environmental programs and initiatives from across Australia and the important work of Australian environmental leaders through its World Environment Day Awards. [www.unaavictoria.org.au/awards-programs/world-environment-day-awards](http://www.unaavictoria.org.au/awards-programs/world-environment-day-awards)

**2022's Australia's Best Workplaces to Give Back**, Good Company 2022 Archives - Best Place to give back. <https://www.bestplacetogiveback.com.au/>

**Finder Green awards** recognise Australia's greenest industry leaders. <https://www.finder.com.au/finder-green-awards> update link - <https://www.finder.com.au/finder-awards/green>

# TEACHERS MUTUAL BANK LIMITED



**Registered office: Teachers Mutual Bank Limited**

**Phone: 13 12 21 | Email: [enquiry@tmbl.com.au](mailto:enquiry@tmbl.com.au)**

**Address: 28-38 Powell Street Homebush NSW 2140 | PO Box 7501  
Silverwater NSW 2128**

**ABN: 30 087 650 459 | AFSL/Australian Credit Licence: 238981**

**[www.tmbl.com.au](http://www.tmbl.com.au)**