

# Our 2018 sustainability report.



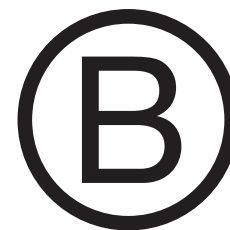
**At Beyond Bank Australia, we're 'the other way to bank' for a reason. It's because we care about the impact our business has on society.**

As a customer-owned bank, our purpose is to create and return lifetime value for our customers and their communities. We recognise the importance of this mutual relationship. And, by reinvesting our profits back into our business, we continue to better serve our customers and support our communities.

Sustainability is a commitment to the future. It means operating in a way that considers people, profit and planet. And, as a values-driven bank, it's important that this is clearly demonstrated.

We believe in a better way of doing business that has a positive impact beyond today. As the first and largest bank in Australia to become B Corp certified, we're proud to be using our business as a force for good.

**Certified**



**Corporation<sup>®</sup>**

As a B Corp, we meet the highest standards of social and environmental performance, accountability and transparency.

The Beyond Bank sustainability report for the financial year ending 30 June 2018, provides an insight into our community and sustainability strategy. It highlights our performance and the impact we have had across the B Corp areas of governance, our people, customers, community and environment.

This report has been aligned to the B Impact Assessment framework in order to demonstrate our impact across each of these five areas.

Our impact has also been linked to the 17 UN Sustainable Development Goals to demonstrate how our business is helping to transform our world.

**"It's not about how much money you make as an organisation, it is what you do with it that counts."**

Robert Keogh, CEO.

**Beyond Bank**  
AUSTRALIA

# We're committed to sustainability across our business.

Sustainability is one of our five core values helping to inform decision-making at every level of our business.

We understand that the bank's decisions for today, has consequences for tomorrow – be it social, economic or environmental.

## Banking sustainably.

In recent times, due to the banking Royal Commission, the financial services industry has been under intense scrutiny. We have been deeply shocked and concerned by the revelations levelled at our industry and are saddened by the impact this has had on ordinary Australians.

This has been a challenging time for the banking industry, but as a customer-owned bank, it has also presented us with an opportunity to highlight why we are different. Our focus is not on

shareholder value and returns, it's on our customers. They are our owners and we strive to provide a banking service that meets their needs in a fair and ethical manner. We do this by reinvesting profits back into the business to benefit customers and to support our communities. That's why we are 'the other way to bank'.

## Balancing profits with people and planet.

Last year we invested a remarkable 9.5% of our net profits after tax back to the community through a range of partnerships – some big, some small – but all valuable to our local regions.

Our organisation has a responsibility to support, engage and be active in our local communities. That's why the board of the Beyond Bank

Australia Foundation has placed a strong focus on addressing the key societal challenges faced in the areas of affordable housing, aged care and disability support.

We're incredibly proud to be the first and largest B Corp bank in Australia and of the role we play in being the best bank for our customers and communities.

We will continue to measure what matters, and to ensure our business has a positive impact on people, profit and planet.



Anne O'Donnell  
Chair



Robert Keogh  
Chief Executive Officer



# Our customers and communities.

Beyond Bank is one of Australia's largest customer-owned banks, with over 240,000 customers nationwide. We operate across seven regions supporting our local communities in every one. Across the nation we support 4,000 community partners.

We pride ourselves on our customer service and the strong relationships that we build. With a customer satisfaction rate of 89%, one of the highest in the industry, we are always striving to go beyond for our customers and communities.



**We operate across seven regions, supporting our local communities in every one.**



**Over  
240,000  
customers.**



**4,000  
community  
partners.**



**Customer  
satisfaction  
rate.**

**89%**

# FY18 highlights.

## Reinvesting

**9.5%**

of our net profit after tax back into the community through our community programs and partnerships.



**4,000**

community organisations have partnered with Beyond Bank.

**\$600,000**

was returned through our community reward program.



**Best for the World**

in governance by scoring in the top 10% of all B Corps globally 2017 and 2018.



**Best Bank**

in Corporate Social Responsibility Australian Retail Banking Awards 2017 and 2018.



**1,087**

hours were volunteered by our people across our regions.



**24,400**

salary packaging services provided to more than 24,400 eligible community sector employees across Australia.

Certified



Corporation

**Re-certified**

as a B Corp, using our business as a force for good.



**20,000**

students have participated in our Beyond Money program, designed to provide our young people with financial education for life.



# Our strategy for good.

## Our vision

is to be the leading customer-owned financial services group – renowned for enriching the lives of customers and their community.

## Our purpose

is to create and return lifetime value for our customer owners and their communities.

## Our values

are customer-owners first, mutuality, community, integrity and sustainability.



# Our commitment.

## People.

We value the contribution of our people and the support of our customers by helping to make our communities better places to live and work.



## Profit.

We aim to do more good with our profits by creating and returning value to our customers and their communities through mutual relationships.



## Planet.

We strive to reduce our environmental footprint by using resources efficiently, reducing consumption, and helping our customers and people to do the same.



# Creating shared value.

In 2013, Beyond Bank developed a community strategy focused around shared value. It shifted away from a primarily philanthropic approach, and began developing a community division that was dedicated to delivering shared value through mutually beneficial partnerships.

This shift also included looking at our banking products and developing a customised product that delivers a social benefit.

One such product is our Community Reward Account, where customers can save their money and support community causes that are important to them.

Our team of Community Development Managers and support staff operate across all of our regions, helping to build deep connections and strengthen our relationships within the community.

The concept of shared value aligns to who we are and our cooperative business model, as well as our organisational values of mutuality and community. This means we have a greater impact within the community sector, while growing our business.

**Creating more good together.**



# The best bank for our community.

This commitment to being a better business is just one of the reasons why we were recognised as the Best Bank for Corporate Social Responsibility at the Australian Retail Banking Awards for the second consecutive year. This award is a testament to the dedication and efforts of our people in making our bank, the best bank for our community.



# Our Foundation.

The Beyond Bank Australia Foundation was established in 2007. Since then we have contributed \$21.3M to our communities through the Foundation and Community Development Programs and Partnerships.

Support funds are established for each region where we operate to enable the Foundation to further support our local communities. The Foundation receives an annual contribution from the profits of Beyond Bank. This is distributed to the regional support funds, which are used to support investments in the community.

The Directors of the Beyond Bank Foundation Board include: David Nichol (Chair), Rebecca Richardson and Robert Keogh. Jodie Leonard served as a Director since 2013 up until the completion of her term in November 2017.

The Foundation Board has placed a strong focus on addressing the key societal challenges faced in the areas of affordable housing, aged and disability support.

In addition, the Foundation continues to provide support when natural disasters occur. Last financial year there were thankfully no natural disasters in our regions.



David Nichol  
(Chair)



Rebecca Richardson  
(Director)



Robert Keogh  
(CEO)



## Sustainability governance framework.

We believe in a better way of doing business, beyond today.

Through shared values and our commitment to sustainability, the positive impact of Beyond Bank becomes a key measure of success.

We have developed a sustainability governance framework that is designed to embed sustainability holistically within our business.

Our governance group is responsible for making sure the improvement opportunities identified through our B Corp impact assessment are implemented and integrated throughout our business.

This is executed through our Beyond Today Ambassadors and operational working groups.

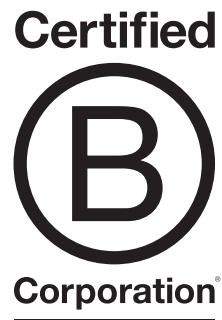
# Using our business as a force for good.

Certified B Corps are part of a global movement to use business as a force for good. They represent good companies that are redefining success in business by balancing profit with purpose. B Corp certification allows us to measure the impact our business has on our stakeholders as well as demonstrating our commitment to being a better bank.

**Just like fair trade coffee represents a good product, B Corps represent good companies.**

We believe that to truly serve our customers and our communities, we must make a positive contribution to society.

In November 2017, we successfully re-certified as a B Corp. This was an important step forward for our business as we continue to embed sustainability within our organisation and our everyday decision making.



To become a certified B Corp, we were required to undergo a rigorous assessment process. This involves completing the online B Impact Assessment tool and achieving a minimum score of 80 out of 200 points.

This is the benchmark set for high performance. This assessment is then externally verified by B Lab which is the not-for-profit organisation behind the B Corp movement.

As a community partner of B Lab Australia and New Zealand, Beyond Bank plays a leadership role to support and grow the B Corp movement in Australia. One of the great benefits of this certification is the community of like-minded businesses that come together to support one another.

Helping this community to thrive is important to us so that we can all deepen the positive impact we have together.





**“For Beyond Bank, our focus isn’t our score, but our impact. We want to ensure that our impact is meaningful, sustainable and aligned to our overall business objectives.”**

Peter Laforest, General Manager Brand and Marketing



# Our impact.

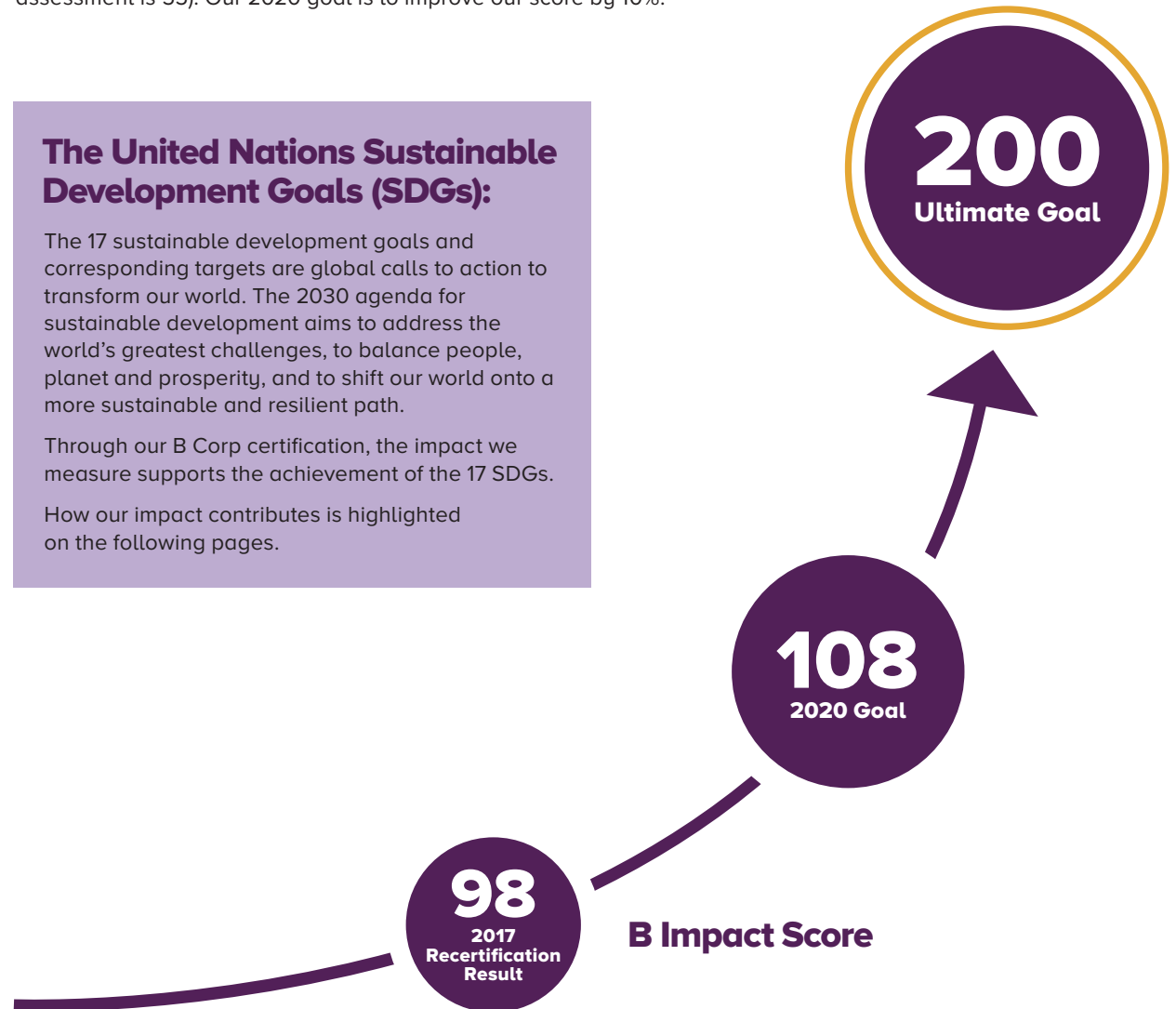
We must constantly be moving forward and embracing opportunities as best practice standards change. We’re more committed than ever to use our B Corp certification as a roadmap to continually improve the impact of our business. We have identified improvement initiatives associated with each B Corp area to help guide our continued progress. Our 2017 B Impact score is 98 (the average median score for businesses taking the assessment is 55). Our 2020 goal is to improve our score by 10%.

## The United Nations Sustainable Development Goals (SDGs):

The 17 sustainable development goals and corresponding targets are global calls to action to transform our world. The 2030 agenda for sustainable development aims to address the world’s greatest challenges, to balance people, planet and prosperity, and to shift our world onto a more sustainable and resilient path.

Through our B Corp certification, the impact we measure supports the achievement of the 17 SDGs.

How our impact contributes is highlighted on the following pages.



“We adhere to the customer-owned banking code of practice, which outlines ten key promises we make to our customers. It means we will always be fair and ethical when dealing with our customers. It’s part of our commitment to being a responsible bank.”

Ray O’Brien, Chief Risk Officer



# Governance.

## Ethics • Accountability • Transparency

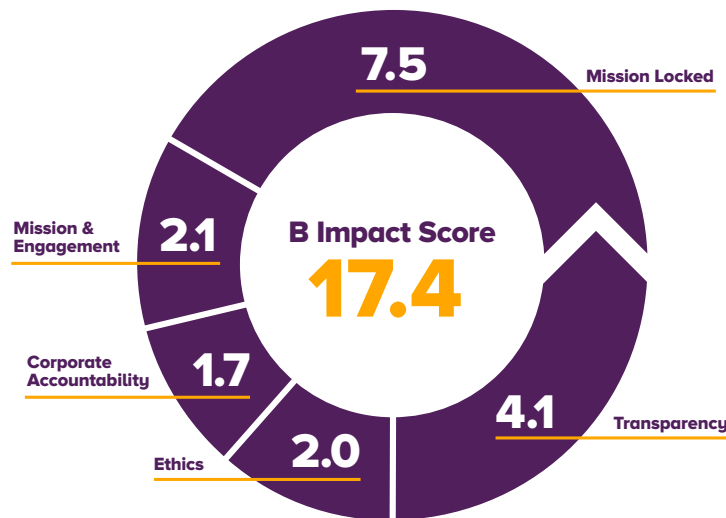
At Beyond Bank, good corporate governance and cooperative endeavour is the foundation on which our business has grown. As a B Corp, we are assessed on our commitment to preserving our mission, ethics and the overall accountability and transparency of our practices and policies.

### FY18 Performance

- ✓ Honoured as Best for the World in Governance in 2017 and 2018 by scoring in the top 10% of all B Corps globally.
- ✓ Six #BankChat forums held across our regions to share our business performance with our people.

### FY19 Initiatives

- Feedback from our customers and stakeholders is essential to our performance. We will continue to improve our engagement so we better understand what is important to them.
- ✓ Review opportunities to engage stakeholders on social and environmental performance.



**“For our people to be engaged we need to care about the whole person, both at work and outside of work.”**

Danielle Jiranek,  
General Manager People & Culture



# Our people.

## Culture • Fair • Wellness

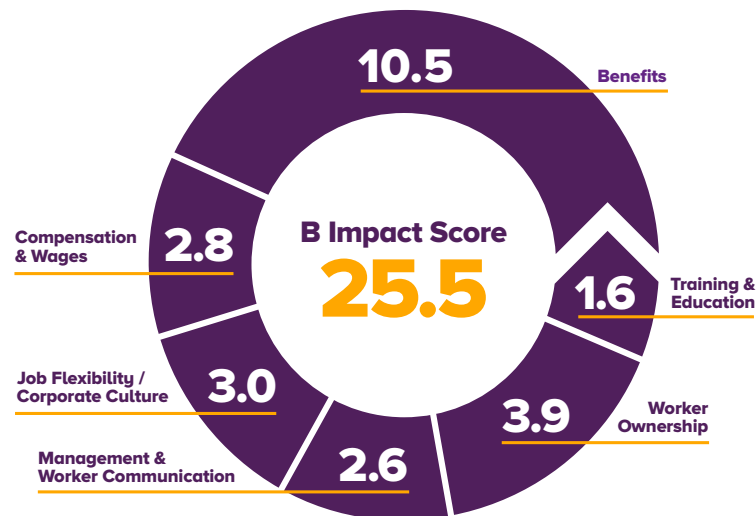
Our people are at the heart of everything we do. As a B Corp, we are assessed on our relationship with our people. This includes how we treat our workers through compensation, benefits and training, as well as the work environment and the culture our organisation fosters. We are committed to supporting the wellness of our people and setting them up for success, professionally and personally.

### FY18 Performance

- ✓ Launched our employee wellness connection committee focused on ‘healthy money, healthy mind & body, healthy life’.
- ✓ Implemented 15 min exercise challenge.
- ✓ 16 of our leaders participated in an Inspiring Leadership program.
- ✓ Won the 2017 Australian Human Resources Institute Award for Corporate Social Responsibility.

### FY19 Initiatives

- ✓ Launch a number of healthy mind sessions across our business.
- ✓ Pilot a health assessment program to support good mental and physical health.
- ✓ Further our agenda to be a more inclusive organisation that supports vulnerable people within our society.



### UN SDGs



**“We aim to go beyond for our customers. We deliver an exceptional customer experience by valuing the relationships we have with our customers. We also want our customers to be proud of their bank, knowing their money is supporting good in their community.”**

Nick May, General Manager Customer Experience



# Customers.

## Value • Well-being • Future

As a customer-owned bank, we always put our customers first. As a responsible and ethical bank we want to continue to ensure we are meeting our customers’ needs, as well as society expectations. We are also here to support our customers’ financial well-being by helping them develop a clear pathway to achieve their goals.

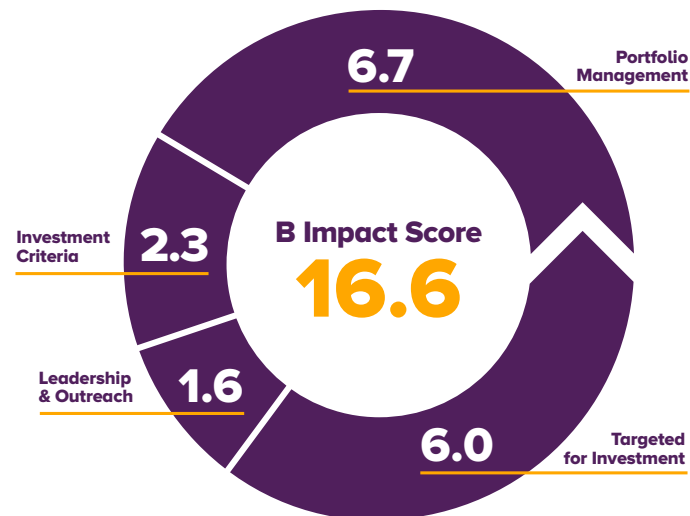
As a B Corp, we are assessed on how our products and services target underserved populations and whether they promote a public benefit or are designed to help solve a social or environmental issue.

### FY18 Performance

- ✓ Achieved an average customer satisfaction rating of 89%
- ✓ 3,592 new salary packaging customers joined us.

### FY19 Initiatives

- ✓ Review ethical banking policies and practices.
- ✓ Explore product options that incorporate social and environmental benefits.



**“We express ourselves through what we do, we live our values and we believe in a better way of doing business. We call it doing good by doing good.”**

Peter Rutter, General Manager Community Development



# Community.

## Equality • Local • Partnerships

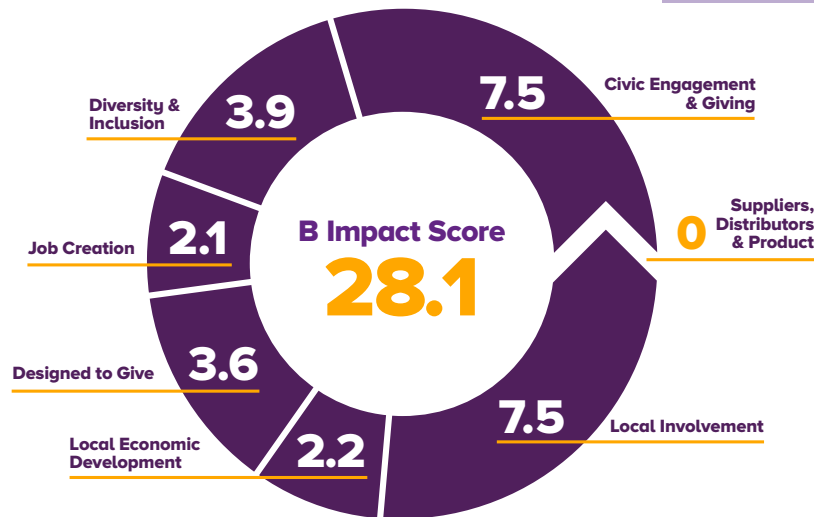
Community is in our DNA; it's part of who we are as an organisation and our story. We are interdependent. We exist to support our customers and their community, because collectively we're stronger together. As a B Corp, we're assessed on our involvement in the local community. This includes our policies and practices around community service and charitable giving, as well as diversity and inclusion, and our supplier relationships. Understanding our social impact and how we give back, as well as determining how we can add more value to the community are key focus areas for our business.

### FY18 Performance

- ✓ Contributed 9.5% of our net profit after tax to supporting our community.
- ✓ Launched a 'Switched on Smart Women' program through our diversity and inclusion committee to empower our female employees.
- ✓ 1,087 hours volunteered as part of our community leave program.

### FY19 Initiatives

- ✓ Refresh our employee volunteering program.
- ✓ Undertake a social impact project related to our community programs.
- ✓ Develop an adult financial education program.
- ✓ Review supply and procurement practices to incorporate sustainable procurement principles.



“To be a successful business, we need to continue to evolve and innovate. To challenge business as usual and look for ways to reduce our footprint on the planet for future generations.”

Wayne Matters, Deputy Chief Executive Officer



### Emissions Performance

Total GHG emissions (tCO2e) - 1,875  
 Total Scope 1 Emissions (tCO2e) - 365  
 Total Scope 2 Emissions (tCO2e) - 841  
 Total Scope 3 Emissions (tCO2e) - 668

### Energy Performance

Total Energy Consumption (electricity GJ): 9,802

# Environment.

## Quality · Balance · Tomorrow

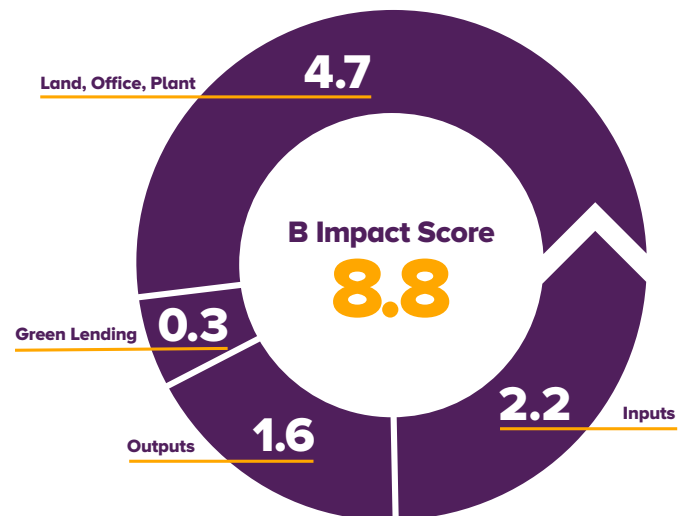
The health of our people and our communities is only as healthy as the environment that sustains them. Taking effective action against climate change, using our resources efficiently and minimising our environmental footprint is how we create a better future beyond today. As a B Corp, we are assessed on the environmental performance of our facilities, our energy and resource use, and emissions as well as the environmental impact of our supply chain.

### FY18 Performance

- ✓ 650 Keep Cups (a fellow B Corp) were distributed to our people, saving over 240,000 disposable coffee cups from going to landfill annually.
- ✓ 16% reduction in total greenhouse gas emissions from FY14 baseline year.

### FY19 Initiatives

- ✓ Reduce GHG emissions across our operations by 20% from FY14 baseline year.
- ✓ Implement energy efficiency projects and review renewable energy opportunities.
- ✓ Install solar panels on our head office in Adelaide.
- ✓ Develop a sustainability standard for our properties and facilities.





# Thank you.

We would like to thank you for entrusting us with your financial security, and for supporting us in being a bank that is using business as a force for good.

Your feedback is important to us. How can we continue to share our important impact journey with you and what would you like to see from your bank?

Your ideas, questions and comments regarding this report and how we can further improve can be directed to [community@beyondbank.com.au](mailto:community@beyondbank.com.au)