08 April 2019

To our stakeholders,

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

Together with our annual Corporate Report 2018, this Communication on Progress describes our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

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

Yours faithfully,

[Signature]
Mr Damien Walsh
Managing Director

HUMAN RIGHTS

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

- Human resources policies including an Anti-Discrimination, Bullying and Harassment Policy, Social Media Policy and Code of Conduct.
- Compliance with legislation relative to human rights in Australia, including the National Employment Standards and Occupational Health and Safety Act.
- Maintaining policies uphold freedom of association, and employee rights to choose collective bargaining.
- Implementation of the bank’s Procurement Policy to assist in reducing the risk of human rights violations in the supply chain.
- Encouraging staff led initiatives like the bank’s GLOW network that supports and celebrates LGBTIQ staff and customers, and their allies.
- Partnerships with organisations like Human Rights Watch to support research into current human rights issues.

Measurement of outcomes

Progress against the bank’s actions outlined above is assessed by management and reported to the Board’s Risk Committee bi-annually. It is also outlined in Bank Australia’s Corporate Report.
• Information about developing a skilled workforce, engaged internal culture, and a diverse and inclusive workforce is on pages 29-33
• Information about Bank Australia’s approach to responsible sourcing is outlined on page 19.

LABOUR STANDARDS

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

• Compliance with all legislation relative to labour violations in Australia, including the National Employment Standards and Occupational Health and Safety Act.
• Implementing a Health, Safety and Wellbeing Policy, which outlines the bank’s commitment to OHS and other wellbeing initiatives.
• The bank has human rights policies to provide good labour standards for our staff including a Parental Leave Policy and Procedure for resolving staff complaints to deal with grievances.
• The bank’s Occupational Health and Safety (OHS) Committee designed to represent all staff in consultation with management on OHS issues and opportunities.
• The bank’s Procurement Policy to assist in reducing the risk of labour standards violations in the supply chain.

Measurement of outcomes

Progress against the bank’s actions outlined above is assessed by management and reported to the Board’s Risk Committee bi-annually. It is also outlined in Bank Australia’s Corporate Report.

ENVIRONMENT

In line with the bank’s responsible approach to banking it has an Environmental Policy and supporting Environmental Management Action Plan (EMAP) which allows the bank to identify operational aspects with a negative environmental impact.

The bank’s approach also includes:

• Maintaining carbon neutral operations. The bank was certified under the National Carbon Offset Standard program in 2018.
• Seven commitments as part of We Mean Business – a global platform to demonstrate business leadership on climate action including:
  o To adopt a science based emissions reduction target.
  o Switching to 100% renewable energy sources (the bank also joined RE100 in 2019).
  o To remove deforestation from supply chains by 2020.
• The bank owns and runs its own Conservation Reserve in Western Victoria in partnership with Trust for Nature and Greening Australia. The land is managed for biodiverse carbon storage and conservation outcomes, as well as community benefit. In 2018, the bank’s ten-year plan for the reserve won a Banksia Award.

Measurement of outcomes

Progress against the bank’s actions outlined above is assessed by management and reported to the Board’s Risk Committee bi-annually. It is also outlined in Bank Australia’s Corporate Report.


• Information about the bank’s approach to environmental management is outlined on pages 35, 40-41, 47, and 70-75.

ANTI-CORRUPTION

As a customer owned financial institution, Bank Australia takes corruption very seriously. Bank Australia has in place policies, procedures and controls to maintain a zero tolerance culture for corrupt behaviour and to ensure robust compliance with all legislation and codes.

In addition, Bank Australia has active representation on the Customer Owned Banking Association (COBA) Fraud Prevention Network.

Bank Australia has maintained a zero tolerance culture for corrupt behaviour, including fraud and money laundering.

Measurement of outcomes

Progress against the bank’s actions outlined above is assessed by management and reported to the Board’s Risk Committee bi-annually. It is also outlined in Bank Australia’s Corporate Report.


• Information about Bank Australia's approach to governance and risk management is outlined on pages 39-40.