

SOCIALLY RESPONSIBLE INSTITUTION OF THE YEAR

BANK WESTPAC
MUTUAL BANKMECU

From renewable energy to Sydney's Mardi Gras, our banks lead the way in raising awareness of the important issues

AS IS THE CASE WITH BEAUTY, SOCIAL responsibility cannot be skin deep. Australian banks have been rocked by advice scandals, pressured by environmentalists to stop funding coal and accused of funding unscrupulous payday lending. Our eminent panel of judges for the Socially Responsible Bank of the Year award dug deep to evaluate which bank had social responsibility in its DNA. "An embedded culture of social responsibility is critical for institutions as important as banks," says panelist David Rickards.

Our panel evaluated not just the "what" but also the "why" and "how" banks support social and environmental programs. "Are banks taking a leadership position in which they can influence not just public policy but society's consciousness or awareness on very important issues?" asks panelist David Macri.

Here's how banks fared on the big questions:

Social responsibility - ingrained or bolted on? Here Westpac shines: ambitious social and environmental targets are made public and senior executive bonuses are put on the line for their delivery.

Does the bank go it alone or collaborate? NAB topped the group with a strong track record of effective collaboration to achieve an impact.

Does the bank lead? Westpac's strong policy submissions and CEO advocacy stood out and ANZ's leadership on diversity and inclusion is impressive.

How deep is good governance? Westpac shines again. It is clear that social responsibility is driven from its board and senior management down.

We evaluated social, environmental and climate change programs as well as leadership. ANZ stood out for sustained investments in social research, financial education programs aimed at vulnerable and low-income Australians; as well, its mobile phone banking and microfinance in the Pacific region are impressive. ANZ boldly aims to build "the most diverse and inclusive workforce of any major bank in our region". It has invested deeply in diversity, reconciliation and disability programs and is the principal partner of the Sydney Gay and Lesbian Mardi Gras.

Westpac leads on environmental performance: it systematically reduces environmental impact across its business. NAB was close behind, taking leadership on placing an economic value on natural ecosystems to support business sustainability.



THE JUDGING PANEL

Mara Bun, director of Green Cross Australia, led the panel

Amanda Cornwall, public policy consultant

David Macri, CIO Australian Ethical Investments

Carole Renouf, director of capital campaigns and special projects at St Vincent's Hospital

David Rickards, founder, Social Enterprise Finance Australia

As panelist Amanda Cornwall noted: "What stands out is that the big banks are now openly incorporating climate change risks into their business and they're offering products to support investment in energy efficiency and renewable energy." Fifty-nine per cent of Westpac's energy financing is directed to renewable energy and \$8 billion has been invested in or lent to clean-tech and environmental services. Westpac's advocacy for strong climate policy also impressed.

The 2015 Socially Responsible Bank of the Year gong goes to Westpac, whose visible public leadership is ingrained in management practices.

Our Socially Responsible Mutual of the Year is bankmecu. This mutually owned bank has an impressive community investment program, takes indigenous reconciliation seriously and is showing real leadership on environmental protection.

Bankmecu investment is consistent with community values and it champions positive social and environmental impact. Its products reward energy efficiency and renewable energy. It invests in conservation and biodiversity to offset its greenhouse emissions via an innovative Conservation Landbank.

The panel was impressed with Community Mutual's strong grassroots social initiatives. It also loved how ING DIRECT's Dreamstarter program uses crowdfunding to help social entrepreneurs get exciting social-change projects off the ground.

But Bankmecu gets the gong for its deep-rooted culture of social and environmental innovation and for leadership in communicating a strong vision of community benefit.

Social responsibility by our financial institutions is vital, as governments step away from social and environmental funding. Panelist

Carole Renouf says we all have an interest in our banks doing good: "Social and environmental impact is *your* business because business is uniquely placed to make the difference."

