

the CSR Citizen

October 2005



"Corporate Social Responsibility (CSR) is when a company achieves sustainable development not only in the economical dimension, but also in the social and environmental dimensions"



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What is Sustainability Reporting?

Credit unions may find that financial reporting alone no longer satisfies the needs of members, employees, suppliers, communities and other stakeholders about the credit union's overall performance.

Credit unions can turn to sustainability reporting, which is the voluntary public presentation of information about an organisation's non-financial performance – environmental, social and ethical - over a specified period, usually a financial year. A report may be published as a stand-alone document, on the credit union's website or incorporated into an annual report.

Internationally, the [Global Reporting Initiative](#) (GRI) 2002 [Sustainability Reporting Guidelines](#) is rapidly becoming the accepted voluntary framework for corporate sustainability or triple bottom line (environment, social and economic) reporting. The GRI Guidelines have been used as the foundations for the reporting aspect of the CSR Toolkit.

Sustainability reporting is a growing trend. In 2004, 23% of Australia's top 509 companies produced sustainability reports.¹

Credit unions that engage in sustainability reporting will not only be industry leaders but **leaders** in Australian business. Sustainability reporting is a strong point of **differentiation**.

¹ Australian Government, Department of Environment and Heritage, *The State of Sustainability Reporting in Australia 2004*, June 2004

<http://www.deh.gov.au/settlements/industry/corporate/reporting/survey.html> (Accessed on 13 October 2005)

Sustainability reporting may sound like too much work for already over-burdened credit unions, and you may ask, why bother? After all, aren't there other things to be getting on with? This leads to our next question, how could a sustainability report benefit your business?

The Business Case for Sustainability Reporting

Advantages of Sustainability Reporting include:

- **'walking the talk'** on the credit union core value of social responsibility, and taking pride in publishing what activities your credit union has been undertaking to be socially responsible
- using the sustainability report as a platform to go to the **media**, the community and other stakeholders to promote your credit union's difference
- a **'self-diagnostic' tool** whereby the credit union can constantly evaluate its internal process on a broader level than financial self evaluation
- **reduced cost of compliance** with new environmental, workplace, governance, financial product and service or investment regulations as you may be ahead of the cue ball through sustainability reporting
- cost-savings through **improved performance** as a result of looking more closely at the use of energy, water and raw materials
- ideas for **product and service innovations** generated by looking at your member's needs from a different angle
- attracting **new members** to the credit union who align themselves with the credit union because of shared value systems
- attracting **local government bodies, not-for-profits, church groups** etc as members who have explicit requirements to bank with a socially responsible financial institution



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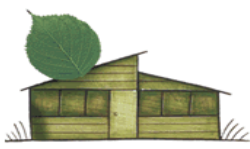
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- a sound understanding of members needs and increased **member loyalty** to the credit union
- **motivated employees**, who feel good about the credit union as a socially responsible financial institution, and are committed to work towards attaining your credit union's goals
- facilitates building improved relations with all credit union stakeholder groups and publishing information on these relations will emphasise to **stakeholders** that your credit union feels accountable for how it manages its relationship with the stakeholder group
- an early warning system for **identifying** possible environmental, social or economic **risks**

The hardest part is deciding to start reporting. After taking that leap, companies realise that it is a small price to pay for all the business benefits, as well as the social and environmental benefits.

Case Study: mecu



mecu aims to become the pre-eminent socially responsible banking brand in Australia. To facilitate this, mecu has developed a "Sustainability Strategy" to ensure sustainability is integrated across the organisation. The Sustainability Strategy culminated this month in the release of mecu's first annual Sustainability Report.

mecu began its commitment to sustainability through developing financial products, which had specific environmental and social qualities such as the mainstream goGreen car and home loan products, which include a range of socially and environmentally responsible features. After starting to redesign its core banking products to include sustainable features, mecu looked at how it could integrate sustainability into its day-to-day operations.

A Board Sustainable Development Sub-Committee is supported by the GM Corporate Services and GM Marketing and Development. This committee is charged with directing and monitoring sustainable development progress in the area of social and environmental impacts and business ethics. mecu also has a staff sustainability group, called Footprints, and has nominated a sustainability advisor in each of its service centres. mecu also appointed a Sustainable Development Manager on a twelve month contract. That contract has now completed and mecu is now in the process of embedding sustainability across its business.

In June 2005, mecu signed a Sustainability Covenant with the Victorian Government through the Environmental Protection Agency (EPA) Victoria, agreeing to protect the environment and contribute to a more sustainable society. The agreement is made in accordance with provisions of the Environment Protection Act 1970. mecu released its first Sustainability Report in October 2005.

In November Victoria's Deputy Premier and Minister for the Environment John Thwaites MP will launch mecu's 2005 Sustainability Report, Sustainability Covenant together and

new credit card product, which again combines a number of social and environmental features.

mecu has ongoing goals to increase its sustainable business practices and is seeing ongoing benefits from its commitment to sustainability.

Links to Credit Union Sustainability Reports

Australia:
[Maleny and District Community Credit Union Ltd](#)
[mecu Limited](#)
[WAW Credit Union Co-operative Limited](#)

Other countries:
[UK Co-operative Bank](#)
[Vancouver City Savings Credit Union](#)

Intern-Change

CUFA would like to sincerely thank its interns **Louise Shepherd, Julie White and Alana Morton** who are concluding their internship this month. Over the last three months, these women have all worked with much dedication on the educational aspect of the CSR Toolkit.

At the same time, CUFA would like to welcome on board its next round of interns **Pamela Mantaring, Jaling Chan and Tom Pemberton**, who will be focusing on the reporting aspect of the Toolkit.

Sustainable Finance Forum

SHAREHOLDERS, STAKEHOLDERS, VALUE & VALUES

Global trends are increasing pressure on business to make more sustainable business decisions, so as to reduce social and regulatory risk for investors. Take the opportunity to hear businesses and community groups debate on how incorporating sustainability into the finance sector could impact your business and investment decisions. Also get an insight into which strategies are most effective for creating sustainable finance.

This shift towards sustainable finance will have relevance to a broad range of businesses and professions, but particularly CFOs, investor relations, analysts, procurement managers and corporate affairs.

The dates for this event are:

- **Sydney:** Wednesday 9th November, 7:00-10am, Wentworth Sofitel
- **Melbourne:** Thursday 17th November, 7:00-10am, Hilton on the Park

Please download the application form from:

http://www.tec.org.au/member/tec/projects/upload/Sustainable_Finance_Invite_Web.pdf



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