



Published on *Pro Bono Australia* (<http://www.probonoaustralia.com.au>)

[Home](#) > Banking On Values

## Banking On Values

By *Lina Caneva*

Created 05/11/2014 - 09:06

### EXECUTIVE INSIGHT

Updated: Wednesday, November 5, 2014 - 09:06

Share 0
 Tweet 0
 Google + 0
 Share 0
 Email 0

This week's Executive Insight, Pro Bono Australia News speaks to Bankmecu's Nikki Jordan to find out how this small Australian customer-owned bank is proving its mettle on the international stage.

### EXECUTIVE INSIGHT

How as News Alert

This week's Executive Insight, Pro Bono Australia News speaks to Bankmecu's Nikki Jordan to find out how this small Australian customer-owned bank is proving its mettle on the international stage.

Bankmecu is known as the only Australian member of the Global Alliance for Banking on Values, as an early mover in integrated reporting, and for its mutual structure which turns customers into shareholders.

Building on its community investment program, which sees up to 4 per cent of after tax profits go towards both social and environmental projects, the bank has recently begun additional initiatives in the areas of conservation and benchmarking.

Nikki Jordan is the Manager of Sustainable Development, providing advice across the business around environmental and social programs at Bankmecu.

As the bank prepares to release its annual sustainability report this week, Pro Bono Australia News spoke to Jordan about some of the bank's unique projects and what she foresees as some of the hot topics in the CSR arena in future.

## Banking on Values

One of the bank's current projects is a unique physical and tangible representation of its commitment to offset its own impacts.

Bankmecu has purchased almost 1000 hectares of land five hours north west of Melbourne to form its conservation land bank. The bank is revegetating the space, which is a mix of high quality vegetation and marginal farmland, and putting protections in place to ensure it is preserved. The land bank is used to carbon offset the substantial amount of car loans Bankmecu finances.

"We also provide biodiversity offsets for new homes and construction loans," Jordan says. "We recognise that when we're financing new homes there will be land cleared, so we're setting aside the equivalent area in our conservation land bank."

At first glance an environmental project, the conservation land bank has also had initially unexpected social impacts, Jordan says.

"With the conservation land bank, initially it began to mitigate our environmental impacts, but the social benefits have been quite far reaching. It's created employment opportunities, we use local contractors and we engage with local school groups who come out to the property and learn about it as part of their curriculum."

Bankmecu joined the Global Alliance for Banking on Values in May 2012, and remains the only Australian member. The group is a global collective of sustainable banks and financial institutions pursuing the triple bottom line, which Jordan says aligns closely with Bankmecu's philosophies. The bank hosted the global GABV conference in Melbourne in March.

"Because the other banks are similar like-minded banks, we saw it as an opportunity to learn from them. All the banks are doing different things, focusing in different areas, and operate in different contexts, but there was a lot of information sharing and idea sharing," Jordan says.

"I've been working with GABV to develop a scorecard to enable us to benchmark ourselves against one another, so we're coming up with criteria around what a GABV bank should be, setting some standards.

"One of the areas that's been harvested is percentages of investment towards initiatives that benefit people, planet or prosperity, those sorts of things - trying to build your bank up in those areas so you're having a positive impact."

## Integrated Early

Bankmecu was an early mover in the integrated reporting space in Australia, trialling the guidelines of the International Integrated Reporting Council as an IIRC pilot company.

Jordan says the bank's progress on reporting has been significant.

"We've come a long way in sustainability reporting," she says. We've been producing a sustainability report since 2005. Four years ago we started merging our annual report and our sustainability report together.

"We'd combined them already, and we wanted to be innovative in reporting. A driver for us in getting involved in integrated reporting was the desire to produce a more concise and meaningful report for our customers.

"It has been really valuable. The key things that have changed since we started integrated reporting are that we've aligned our corporate reporting with our strategic plan, which we hadn't been done before, and we have since renewed our strategic plan which has enabled the production of this year's report and made it much more precise and much more strategic.

"It's also enabled me to cut down the size of the report - from 145 pages to about 45!"

"We've still utilised traditional GRI sustainability reporting guidelines and produced our statutory financial accounts, but we've pulled in a bit of everything. Integrated reporting seems to draw on sustainability indicators to dig up things from our financial accounts that are relevant to our strategic plan.

It's been a key thing and for the business, I think it's been breaking down silos - there has been a lot more communication across business, and strategic thinking about how we all connect, and that comes from aligning the report with our strategy."

The process is simplified, Jordan says, by the bank's mutual structure.

There exist to serve our customers. They basically guide our business so we're very interested in what they have to say. We don't have the conflict that large banks have between shareholders and customers - shareholder and customers are one of the same...We're very keen in that regard."

## Strength Without Scale

Jordan says that smaller size has not necessarily been a disadvantage for the 350 employee-strong bank.

"We obviously don't have the resources of the big banks. We don't have the capacity to do the large scale projects, but having said that because we're small we're quite nimble," she says.

"We can change things quite easily, everyone is very accessible. I think it would be a lot easier for us to bring about change.

"I think in that regard we can demonstrate some leadership, and the big banks can learn from us in regard. They're prominent because they've got scale and they do a lot of good things, but they could do a lot more.

"The reason banks have done so well [in sustainability rankings] is that they do spend a lot of money in the communities and they've done a lot around creating efficiencies.

"Carbon has been a big issue and then biodiversity too. I think impact investment - making sure you're investing in the things that have social and environmental return, not just financial return.

"One area we've been noticing is around divestment investment. We've had a lot of people coming over to us because they wanted to divest from the big banks. I think they are coming under increasing pressure."

Jordan foresees problems in the future if issues are not addressed by businesses now.

"I think a lot of businesses are aware of the risks and what's happening, but I don't think there's the urgency yet, even though it's there.

"I don't want to get political but the Government probably hasn't helped in that regard. There's some uncertainty around things with carbon that would have driven change. I see a lot of social implications if we don't address climate change. Biodiversity loss and carbon are two issues that are going to merge I think and become very problematic in future.

Bankmecu, Jordan says, tries to set an example.

"We try to demonstrate leadership by doing what others should do and be innovative in that regard," she says.

"Looking at our whole value chain, our whole business, thinking about how we can do things better."

Like this story? Want more? [Subscribe to our Online News Service - it's FREE!](#) <sup>[1]</sup>

[Facebook Share](#) 0 [Twitter Tweet](#) 0 [Google +](#) 0 [LinkedIn Share](#) 0 [Email](#) 0

[Corporate Engagement](#) <sup>[2]</sup> [bankmecu](#) <sup>[3]</sup> [co-op](#) <sup>[4]</sup> [environment](#) <sup>[5]</sup> [Feature](#) <sup>[6]</sup> [Feature Article](#) <sup>[7]</sup> [IIRC](#) <sup>[8]</sup> [integrated reporting](#) <sup>[9]</sup> [Investment](#) <sup>[10]</sup> [land](#) <sup>[11]</sup> [mutual](#) <sup>[12]</sup> [Nikki Jordan](#) <sup>[13]</sup> [profits](#) <sup>[14]</sup> [reporting](#) <sup>[15]</sup> [social](#) <sup>[16]</sup> [Sustainability](#) <sup>[17]</sup> [Sustainability](#) <sup>[18]</sup>

## Read More Recent News

[NFP Pregnancy Stress App Launches](#) <sup>[19]</sup>

18 November 2014

[Why Women Should not use the NFP Sector to Reach Corporate Boardrooms](#) <sup>[20]</sup>

18 November 2014

[Australia Moves Up International Scale of Generosity](#) <sup>[21]</sup>