



SBS Bank Sustainability Report // FY19-20.



Sustainability at heart.



At SBS, we believe that sustainability flows through into all areas of who we are as an organisation. It's one of our founding principles spanning over 150 years.

SBS was founded on the commitment to being sustainable and exercising ethical practices and due care in growing the value of SBS - sustainability is not a new concept for us.

As a member-owned bank, we wear our hearts on our sleeves. This means doing the right thing and that's a great feeling.

Our commitment to sustainability is demonstrated each and every single day in how we listen to and engage with our Members, our involvement in the community, how we treat our team members and how we consider the impact of our decisions right now as well as into the future.

A word from our CEO.



I am extremely proud to be the CEO of SBS Bank as well as being the overall Sustainability sponsor. This means that I'm personally involved in all our individual Sustainability initiatives that we engage in across the business. For me, it's not so much about activities in addition to our core day-to-day business but ensuring sustainability remains at the heart of who we are, why we're here, and every decision we make.

We consistently ask ourselves "is it the right decision for our Members, our communities and our team members?" If the answer is a resounding "yes" then we know it's well worth doing.

Over 150 years ago our first President, James Walker Bain battled his way across 204km of wilderness to walk from Dunedin to Invercargill. James was determined to give the people of the south a way to keep their shillings, florins and pounds safe as well as an opportunity to get a mortgage and own a home.

His passion was to build a financial institution owned by the people and that's exactly what we still are today – a proud customer-owned New Zealand mutual bank.

Homes – Wellbeing – Be a Good Bank.



"For me, it's not so much about activities in addition to our core day-to-day business but ensuring sustainability remains at the heart of who we are, why we're here, and every decision we make."

Over this time we have used the strength of our organisation to advance social change and make a real difference to people's lives. Being so closely connected to our Members' needs is demonstrated through our products, our policies, our relationships with our Members and the very culture of our SBS family.

As I reflect on our 2019-2020 Financial year, I am extremely proud of what we have all achieved as a united team, especially in such uncertain times caused by the Covid-19 pandemic that nobody could have foreseen.

In particular, we formed a new Sustainability team to deliver our sustainability promises, along with a Diversity and Inclusion Committee to ensure we maintain a wide range of perspectives for our decision making.

As always, we welcome and encourage your feedback and engagement on any of our sustainability areas as we continue to grow and improve.

I'd like to thank you, our Members for your encouragement and ongoing support for such a vital part of our business.

Shaun Drylie, SBS Group CEO.

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SBS Bank Team Members take part on the Pink Star Walk in Queenstown.



Our Sustainability Vision.

“To make an authentic sustainable impact for our people, Members and the community we operate in.”

Founded: 23 March 1869

Head office: Invercargill

Employees: 320

Structure: Building Society

Our Sustainable Housing Partners.



“Kāinga Ora brings together the people, capabilities and resources of the KiwiBuild Unit, Housing New Zealand and its development subsidiary HLC. This is designed to enable a more cohesive, joined-up approach to delivering the Government’s priorities for housing and urban development in New Zealand. These priorities include addressing homelessness and making homes more affordable for New Zealanders.”



The Queenstown Lakes Community Housing Trust (QLCHT) was formed in 2007. This trust is an independent, not for profit, community owned organisation.

QLCHT has a range of housing programmes, each designed to assist eligible low to moderate income households, who contribute to the social, economic and environmental wellbeing of this District and are genuinely struggling to commit to the area because of the housing affordability issue.



Housing Foundation is a not-for-profit, charitable trust that assists lower income renting households become homeowners.

They have successfully helped hundreds of households into affordable home ownership, mainly in Auckland and Christchurch through shared ownership and rent to own, and by managing the construction of more than 800 new affordable homes.

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The United Nations Sustainable Development Goals.

Also known as Global Goals, the 17 Sustainable Development Goals (SDGs) were adopted by all the United Nations Member States (including New Zealand) in 2015 as a call to action to end poverty, protect the planet and ensure that everyone enjoys peace and prosperity by 2030.

These SDGs outline the most important areas that the world wants to focus on to achieve its objectives and assist organisations, like SBS define how we can really make a difference in specific areas that contribute to the greater good.

In December 2018/ January 2019, we commissioned some independent market research to ask our key stakeholder groups; our Members, our team members and the community which areas of sustainability were important to them and what we as a bank should focus on.

Key SBS Materiality Research Findings

Essentially all stakeholders want SBS to “Be a Good Bank” first and foremost. As a large employer and organisation we have a responsibility to do what’s right – this is one of our core values.

The majority of respondents thought it was “important that corporate organisations demonstrate responsibility to communities, the environment and the economy.

Members and Employees think it is especially important that SBS Bank demonstrates a clear strategy”

Responsible banking, customer well-being and employee well-being were deemed to be the areas of high importance and high impact on performance and success.

The three Sustainable Development Goals (SDGs) identified as our focus areas were;

- Decent Work and Economic Growth,
- No Poverty, and
- Good Health and Well-being.




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Sustainability Highlights FY19-20.

Our Sustainability Vision is to
"make an authentic impact
on our people, members and
the community in which we
operate."

People – Planet – Profit.

<p>Creation of a Diversity & Inclusion Committee. </p>	<p>330,000  Fewer paper statements being sent out each year.</p>	<p>100%  of Profits retained in New Zealand.</p>
<p>NPS  +66  Customer Satisfaction Rating (Net Promoter Score measured by Nielsen).</p>	<p>320  NZ-made Keep Cups given to team members.</p>	<p>\$120,000  Given to Non-profit organisations through our SBS Star Draw.</p>
<p>1,220  Number of people into their first homes through our First Home Loan scheme.</p>	<p>50% Increase  In call volumes through our Contact Centre in the first two weeks of the Covid-19 Pandemic.</p>	<p>1,700  Home Loan Borrowers assisted through our Covid-19 Financial Assistance Hardship packages.</p>
<p>3,872  New Members this year.</p>	<p>5 Star Rating  From Canstar for the SBS Visa Credit Card for 'Outstanding Value' in the rewards \$12k annual spend category.</p>	<p>2,896  Non-profit groups paying \$0 fees through our SBS Star Transactional Account.</p>
<p>SBS Mutually Helpful  Financial Literacy website created.</p>	<p>43,752 Members  Contacted via email and phone call to individually assist them through Covid19.</p>	<p>Creation of a formal SBS Sustainability team. </p>

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The Southland Loss and Grief Centre team.



Working with our Stakeholders.

As an authentic, transparent and diverse organisation, we want to hear from all our stakeholders. We encourage feedback through our formal channels but also through more informational communication methods. We want to make sure our decisions incorporate their needs.

STAKEHOLDER: Our Members & Communities

- We offer products that align to our focus on social responsibility including:
 - › our partnership with Kāinga Ora – Homes and Communities to assist first homebuyers into owning their own homes,
 - › our tailored SBS Star account package for Non-Profit organisations, and
 - › the introduction of discounted residential rates for sustainable purposes such as home insulation.
- We work closely with third party housing providers such as Queenstown Lakes Community Housing Trust and the New Zealand Housing Foundation to offer lending for shared equity housing.
- We partner with Non-Profit organisations to provide them with our support on an ongoing basis through formal partnerships and guidance initiatives.
- This year we launched our Mutually Helpful website which contains useful videos and articles on Financial Literacy as well as detailed sustainability pages on our website.
- We sent 500 surveys to our Members every week to gather their feedback on our service to ensure we are providing what they need and ascertain how we can improve. We also commission independent market research four times a year which involves conducting market research from our Members.
- All of our Members are invited to attend our Annual General Meeting, usually held in July each year and we welcome questions and viewpoints.

STAKEHOLDER: Our Team Members

- Our team members have formal objectives, 1:1 coaching with their managers and performance recognised on an annual basis which are all based around how they and we are delivering on our Values and the promise we make to our Members.
- Team member engagement and satisfaction surveys are completed every year to enable us to identify what we're doing well and where we need to improve.
- A formal "SBS Roadshow" takes place every year which is led by our CEO and Executive team covering our overall business strategy, industry competition and key initiatives for the year. This is an opportunity for all team members to ask questions and contribute their own ideas.
- Our team members receive a comprehensive remuneration package which includes health insurance, life insurance, KiwiSaver contributions, career development opportunities through our learning and development programmes, financial support to study and purchase technology for the home, youth scholarships for family members, resilience webinars and a tailored team member banking package.

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Financial Literacy. Fostering lifelong opportunities.

Providing quality education is outlined under the UN's Sustainable Development Goal number 4 to "ensure inclusive and equitable quality education and promote lifelong learning opportunities for all."

We believe we have an important role to play in assisting with financial literacy in New Zealand, enabling all New Zealanders today, but also future generations to have the lifelong financial skills they need to support themselves and their families through all stages of life.

We were extremely proud to launch our new sustainability section on our website in December which includes a "handy tips" section covering areas like budgeting, saving and buying a home along with our "Mutually Helpful" financial literacy website which launched in March this year. Mutually Helpful was created to assist our Members and the wider community navigate their way through the financial impacts and stresses from Covid19, and to help them to make good decisions. It includes videos and articles from some of the best experts in the financial services industry as well as some of our community partners talking about the important of both physical and emotional well-being.



sbsbank.co.nz/sustainability

mutuallyhelpful.com

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Bridget De Goldi as part of the
SBS Mutually Helpful Series.

Governance.



Our Board of Directors

Our SBS Board of Directors is comprised of eight independent directors who are responsible for the overall governance of the organisation. We believe it's important to have a diverse range of backgrounds and viewpoints to fully represent all our stakeholder groups. Our Board is currently made up of 25% women (or two out of 8 representatives) including our Deputy Chair. For more information on our SBS Board of Directors please visit our website here:

<https://www.sbsbank.co.nz/About-Us/Our-People>

Diversity in Management

36% of our senior leadership positions are held by women within our organisation. This helps bring a different perspective to our workforce and is certainly an area in which we are currently focusing, not just through gender diversity but across all areas such as age, ethnic background and perspective.

Diversity and Inclusion Committee

This year also saw the creation of our new Diversity and Inclusion Committee which includes team members from around the business who have volunteered to bring their unique perspectives to the table. We want our team members and Members to be able to bring their whole true authentic self to SBS by creating an equitable, diverse and inclusive culture. This Committee is the culmination of a journey which began some time ago through our team members holding Lunch and Learn sessions open to all team members to build more awareness in the Diversity Space. Women leaders attending the Women in Leadership Summit and Women Inspiring Women Conferences continues to build our depth in diversity.

Our Sustainability Steering Committee

Along with the formal establishment of our Sustainability department within SBS, we also set up a separate Sustainability Steering Committee, which includes four members of our Executive Management Team including our SBS Group CEO, Shaun Drylie as the overall Sustainability Sponsor. This committee is responsible for ensuring that sustainability remains a key focus area within the business and helps us shape our overall decisions and direction for the benefit of our Members, our communities and our team members.

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Relationships.



Community Partnerships

As a mutual organisation, our community partnerships have always been an integral part of who we are as an organisation and forms one of the four pillars of our SBS Charter which outlines the “Prosperity of our Community” is one of our reasons for being. This has guided our decision-making process for the last 151 years and we will continue to support our community partners into the future. This can be demonstrated through: the types of products and services we offer on an everyday basis like getting Kiwis into their first homes our tailored banking package for non-profit organisations, and our support for the many other community groups able to continue their great work in their communities with our ongoing support.

Supplier Code of Conduct

We have strong policies and processes in place to ensure that all of our partners and suppliers are bound by the same code of good conduct and ethics that we, as a business adhere to.

All of our suppliers engaged to provide goods or services to us must align themselves to our sustainability objectives by signing our Supplier Sustainability Agreement, which includes supply chain management.

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The SBS Bank Otago Sparks.



0800 727 2265 sbsbank.co.nz

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