



# SUSTAINABILITY REPORT 2022.



*Hawthorndale Care Village Project Manager Helen Robinson  
with SBS Group CEO Mark McLean.*



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# Loving Banking – Sustainability at Heart.



Sustainability has always been at the heart of who we are, and supporting Members into home ownership and beyond was the reason that we were founded right here in New Zealand over 150 years ago.

As an award-winning, Member-owned bank, we are focused on delivering the best value on home loans to first home buyers and to our other Members through employing ethical practices in our everyday operations.

## **Our Sustainability Vision,**

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



## A Word from our CEO.



As a mutual organisation, you, our Members, are at the very heart of who we are and our reason for being. We remain 100% committed to providing mutual benefits and value to our Members through our people, our products and our services.

Our Sustainability vision has continued to be an important focus area for SBS which has once again been evidenced through our commitment to helping Kiwi find a place to call home. This has been demonstrated through the new SBS FirstHome Combo which launched in August 2021, as well as our ongoing partnership with sustainable housing providers such as the Queenstown Lakes Community Housing Trust, the Housing Foundation, and Kāinga Ora – Homes and Communities.

To have helped more than 1,383 new homeowners into their very own homes in the past 12 months (March 22 - Feb 23) was an outstanding achievement in an extremely unsettled year. We are proud of the difference we have made in their lives, and we were delighted to have been recognised as the 2022 Canstar Bank of the Year for Home Loans and First Home Buyers.

This independent award from Canstar pays testament to the efforts of the entire SBS Bank team in ensuring that both our competitive pricing and superior product features continue to provide our Members with yet another reason to bank with a mutual organisation that puts its Members at the heart of everything it does.



**"SBS was founded on the principles of sustainability over 153 years ago as we sought to improve the prospects of our communities by helping them achieve their dreams of home ownership."**

We are also conscious of our own environmental impact and remain committed to an ongoing reduction in our environmental and carbon footprint. We have continued our environmental program looking into each area of our operations and our teams have taken this to heart. We continue to demonstrate a reduction in our environmental footprint, with a further 29% reduction in vehicle emissions, and a printing reduction of nearly one million pages from the past financial year.

Our teams have also been getting out and volunteering in projects to help our environment through "working bees" such as the Cranford Basin tree planting day in Christchurch and our ongoing sponsorships including the Southern Coastal Charitable Trust who give their time and dedication to keeping our coastline clean.

We have continued to collaborate with partners such as Kāinga Ora – Homes and Communities to help our first home buyers achieve their goal of home ownership, with these community partnerships demonstrating our commitment to align to our key themes of homes, wellbeing and being a good bank. This can be seen through our relationships with organisations such as the Hawthorndale Care Village, Southland Loss and Grief Centre, Graeme Dingle Foundation Marlborough, Breast Cancer Foundation NZ, and Ronald McDonald House South Island.

**Mark McLean**, SBS Group CEO.

# Sustainability Vision.



SBS Bank's sustainability is founded on three of the 17 Sustainable Development Goals, also known as Global Goals, which were adopted by the United Nations Member States in 2015 as a call to action to end poverty, protect the planet and ensure that everyone enjoys peace and prosperity by 2030. These goals were selected following a materiality assessment as a key area of focus for SBS Bank to help achieve our objectives and make a positive difference for our Members and the community.

## The three Sustainable Development Goals (SDGs) continuing to be the focus for SBS are:



These Sustainable Development Goals guide direction for our own key sustainability themes as an organisation. These key themes are:

### **Be a Good Bank**

As a large employer and organisation, we want to “Be a Good Bank” in everything we do and we believe that we have a responsibility to do what’s right. This is both one of our core values and one of our key sustainability themes.

### **Homes**

As a member-owned bank that was founded on the principle of helping New Zealanders into home ownership we believe that Homes is a natural fit for SBS as an organisation.

### **Well-being**

We are committed to supporting the emotional and physical health of our Members, communities and team members which is demonstrated through our service propositions, our sponsorship partnerships and our internal well-being programmes.

# Environmental Management.



**Pete Taylor**, Environmental Manager,  
Marketing/Sustainability.

SBS is delighted to have Pete Taylor in our team as the Group's Environmental Manager. This new role sees environmental and climate change management elevated to the forefront of how we operate, and with Pete leading the team, we are confident SBS will soon be leaders in this field.

Pete has been with the Group since July 2022 and has progressed with the implementation of some exciting initiatives. In the 2022-2023 year, Pete led the development of the Group's first Environmental Policy, Environmental Strategy, and has worked on embedding climate change governance with the Group's Board and Audit & Risk Committee. Pete also stood up the Group Environmental Committee, who are implementing several environmental initiatives including sustainable procurement, reducing emissions in operations, and managing waste across our sites.

Pete comes with extensive environmental management experience, primarily in the public sector. In his prior position, Pete led the environmental management of New Zealand's largest and most complex project in Antarctica – the \$344M Scott Base Redevelopment.

This role involved developing the strategy and framework for environmental management in a challenging environment and under an international legal framework.

Pete is excited for the journey ahead with SBS and will be leading many projects ranging from an Environmental, Social, and Governance materiality assessment to inform the Group's long term strategy, and climate-related risk and opportunity management.

# FY21-22 ESG Summary.



**"Our key sustainability themes of homes, well-being and being a good bank form our very reason for being. These key themes encompass our responsibilities and commitment to environmental, social and governance issues."**

Pete Taylor, Environmental Manager.

## **Environmental**

We are committed to protecting our environment and reducing our own footprint. These areas of focus are growing for SBS with the appointment of an Environmental Manager, and the development of an Environmental Strategy for the wider SBS Group.

2022 saw the development of our baseline carbon emissions report, which we will submit for third-party accreditation at the conclusion of the 2023 financial year. We have seen further reductions in paper statements being posted out this year, as we improved our digital offering and provided our Members with the guidance and tools to use our online banking platforms more confidently. Our fleet of new hybrid vehicles has contributed to an ongoing reduction in fleet emissions by 29% from the 2021 financial year.

## **Social**

The SBS team in Cromwell rolled up their sleeves to help with the Lot 47 house building project to raise over \$800,000 for the local St John Ambulance service. In Timaru, the teams were out in their communities with our local sustainability partners tree planting and delivering much needed food supplies to the local foodbank. Our communities are an important part of who we are.



**"SBS Bank is really excited to be involved with the Shop2Give digital marketplace. It's a great way to give back to the community by supporting local causes through a customer's everyday shopping and aligns strongly with our position as the bank with heart. This will help to deliver real impact through a seamless experience."**

Mark McLean, SBS Group CEO.

We have recently partnered with Raizor in the Shop2Give online marketplace. This was developed for the benefit of Members, local non-Members wanting to support charitable initiatives and local community causes with their purchasing decisions. Every transaction generates a rebate which is donated to the user's nominated charitable cause.

### **Governance**

Our Sustainability Steering Committee is in the process of transitioning to an SBS Group Environmental Committee, and is looking to implement some new and exciting sustainability initiatives. The Sustainability Steering Committee has provided the direction and focus to assist with the overall priorities and decision-making for the business.

SBS has begun the journey of Climate Change governance with the SBS Board and Audit and Risk Committee taking accountability for climate-related risks and opportunities.



# FY21-22 Footprint.

## SBS Bank Emissions Reduction.

**29%**



**Reduction in fleet emissions.**

Reduction from the 2020-2021 financial year.  
Total emissions reduction of 57% between 19/20 to 21/22.

**32%**



**Reduction in internal printing.**

930,000 sheets of paper saved from printing between 20/21 and 21/22.  
Total reduction of 47% between 19/20 to 21/22.

**26%**



**Reduction in letters sent.**

132,000 fewer letters sent between 20/21 and 21/22.  
Total reduction of 27% between 19/20 to 21/22.



SBS Nelson branch staff assisting in a clean-up at Tahunanui Beach following flooding.

# Housing Partners.



**"To make an authentic sustainable impact for our people, Members and the communities we operate in."**

Mark McLean, SBS Group CEO.

## Our Sustainable Housing Partners.



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 well-being of the District and are genuinely struggling to commit to the area because of the housing affordability issue. SBS is a supporter and lender into the Secure Home assisted ownership programme. The objective of Secure Home is to provide not only decent and affordable housing, but long-term housing stability and security in the same way that home ownership does.



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.



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. This has been achieved through shared ownership and rent to own, and by managing the construction of more than 800 new affordable homes.

SBS will be offering loans to Members as part of the New Zealand Housing Federation Shared Ownership scheme. NZHF will become co-owners of the property and will provide a minimum of 20% equity with the Member able to apply for a home loan for the remainder of the purchase price.



## First Home Partnership – Kāinga Ora Homes and Communities.

Kāinga Ora – First Home Partner is a shared ownership scheme administered by Kāinga Ora – Homes and Communities as another way to help first home buyers into their own home. The borrower is the majority homeowner, but they initially share ownership of their home with Kāinga Ora. This scheme is designed to help those who have an insufficient deposit or cannot service a larger mortgage on their own just yet.

With First Home Partner, the home buyer provides a minimum deposit of 5% toward the purchase price of the home. Kāinga Ora then contributes an agreed upon amount in return for an equivalent share in ownership – up to 25% of the purchase price or \$200,000 (whichever is lower). The buyer then progressively purchases back the share of the home owned by Kāinga Ora at the current market value, increasing their share of ownership in the home. The goal is to achieve full ownership within 15 years, which we think is something very special.



# CANSTAR Awards.



We were delighted to be recognised as the 2022 Canstar Bank of the Year - Home Loans. As a mutual bank, our Members have been an integral part of our commitment to delivering outstanding value for over 153 years. We demonstrate this through our product and service offerings including our home loans.

This independent award from Canstar pays testament to the efforts of the entire SBS Bank team in ensuring that both our competitive pricing and superior product features continue to provide our Members with yet another reason to bank with a mutual organisation that puts its Members at the heart of everything we do.

SBS Group CEO, Mark McLean said;

“ In a highly competitive field, SBS stood out due to the value it provides to customers, and the products on offer. We congratulate them for their success.”

“ More than ever, when looking for a mortgage, you need a lender you can trust to support you at every step of your house purchasing journey. One that provides great-value rates and professional advice and guidance.”

“ If you are a prospective first home buyer, then only one lender should be on your mortgage radar, the winner of Canstar's 2022 award for Bank of the Year - First Home Buyers: SBS Bank.”



Meet the Wolfs – another family in their first home with the help of the SBS FirstHome Combo.



# Environmental Strategy.

**SBS has adopted a new Environmental Strategy to set a foundation of Environmental Management for the next financial year. During this time, SBS will be undertaking a materiality assessment to determine the environmental, social, and governance priorities through to 2030.**

Climate Action	Resource Efficiency	Markets
<p>The UN Intergovernmental Panel on Climate Change (IPCC) has warned that a rapid and unprecedented transformation of the global economy is required to limit global warming to a 'safe' limit of 1.5°C. Understanding and managing our material climate related risks and opportunities are key challenges for the SBS Group.</p> <p>SBS is committed to understanding the impacts of Climate Change on our operations and Members, measuring and disclosing our emissions, and developing a science-based pathway to net-zero emissions, aligned with the Paris Agreement commitment to limiting global warming to 1.5°C.</p>	<p>SBS is committed to transitioning our procurement of goods and services to those with the lowest environmental impact and greatest economic and social benefits, while implementing strategies to avoid unnecessary consumption. Sustainable design and/or operation principles will be embedded in new build and refurbishment projects to provide healthy and regenerative places for working that minimise use of natural resources in their construction and operation.</p>	<p>The next seven years will be a critical period of change, as the global community works to halve global emissions by 2030. During this transition phase, substantial investment by every sector of the economy into new technologies and jobs will be needed to reduce energy use, eliminate emissions and restore ecological value. The SBS Group has identified key transition opportunities and is committed to delivering on them.</p>



SBS Riccarton Branch Manager Brendon McKenna (right), and John Christensen from Sumner Ferrymead Foundation, with Ella Lewis-Sandfort, the 2022 recipient of the 21 Day Outward Bound Course Scholarship, which SBS Bank sponsored.

# Sponsorships.



## Our Members & Communities

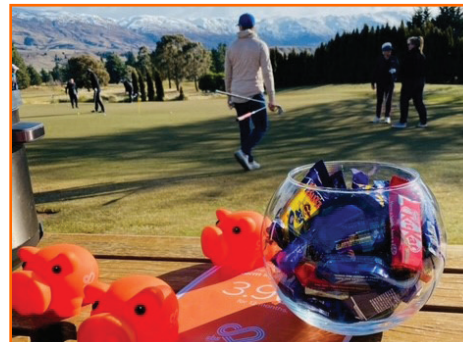
SBS proudly sponsors community groups, charities, sporting teams and events throughout the country. We encourage our team members to get involved in their communities through volunteer days, supporting charities, and participating in events.



SBS was proud to be the official sponsor of the Alzheimer's Southland Memory Walk in 2022. The annual event see members of the community come together to raise awareness and show support for those affected by Alzheimer's.



SBS Papanui and Riccarton team members mucking in with Conservation Volunteers NZ planting trees at the Cranford Basin, Christchurch.



SBS supporting local with the sponsorship of the Women's Winter Golf Tournament in Cromwell. More than 120 ladies from Southland and Otago attended this annual event.



SBS was back as the official sponsor of the 2022 Timaru Family Works Food Bank.

# Relationships.



SBS Bank CEO Mark McLean with the Central Otago Budget Services team, Pam Hughes (left) and Jo Ellison (right), experiencing a 'day in the life' of a financial mentor, an initiative through FinCap's partnership with the New Zealand Banker's Association (NZBA).

## Community Partnerships

Our community partnerships are an integral part of who we are and form one of the four pillars of our SBS Charter. This outlines that the "Prosperity of our Community" is core to our DNA as an organisation. This has helped shape our decision-making for more than 153 years and we will continue to support our community partners into the future.

This commitment can be demonstrated through:

- Our tailored banking package for non-profit organisations.
- The types of products and services we offer on an everyday basis such as getting New Zealanders into their first homes.
- Our financial assistance to a large number of community groups so they are able to continue doing what they do best.

## Supplier Code of Conduct

We have robust policies and processes in place at SBS to ensure that all of our partners and suppliers we work with adhere to the same code of good conduct and ethics that we are committed to as a business.

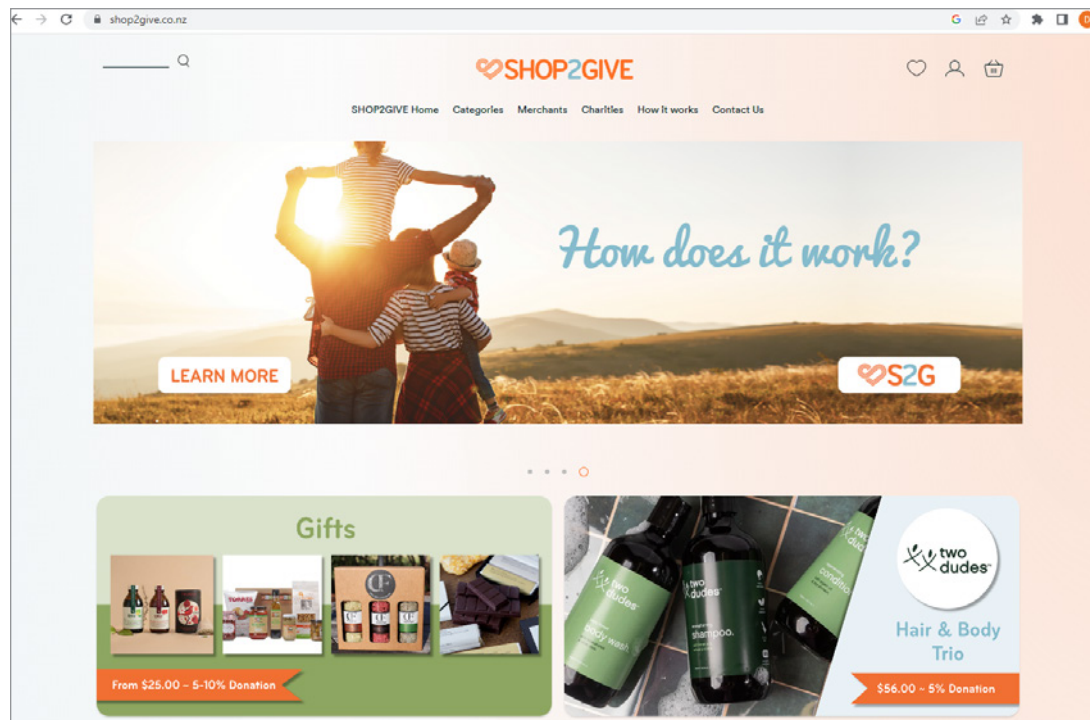
All of our suppliers contracted to carry out work for us must align themselves to our sustainability objectives by signing our Supplier Sustainability Agreement, which includes supply chain management.

# Products.



## Shop2Give

Shop2Give is an online marketplace developed by Raizor to assist community causes and charitable initiatives by giving back to them from every purchase made. Every transaction generates a rebate which is donated to the customer's nominated charitable cause.



## SBS Star Accounts

Not-for-profit organisations focused on supporting and giving back to the community are supported with our SBS Star banking package. The SBS Bank Star package includes an everyday, call savings and term investment accounts, where the transactional account is fee-free (no monthly account fees), has no minimum opening balance and offers the chance to win one of ten \$500 prizes every month!

# Diversity & Inclusion.

The Diversity and Inclusion strategy focuses on a number of key areas:

## Key focus areas:

Gender Diversity  
Cultural Diversity  
Generational Diversity

## Minor focus areas:

Mental Health and Disability  
LGBTQIA+  
Modern Families

Our Diversity and Inclusion Committee includes representatives from around the organisation who bring different perspectives to the discussion table. The Committee has succeeded in widening and deepening our understanding of key issues, prejudices, cultural differences and the other challenges that many of us face in different ways.

Through the exceptional work that this committee has done, our team are learning and developing every day.

As an official sponsor of Volunteer South, we were thrilled to support the Dunedin Volunteer Expo.



The SBS team were excited to celebrate the first official public holiday for Matariki (Māori New Year) in Aotearoa

### Flexibility

Flexibility and maintaining a healthy work-life balance are essential benefits to retain and attract talent across all generations. Ensuring we could offer flexible options to our teams, suited to both their lifestyles and the business, was a key focus for this year.

We have been managing the need to work effectively from home and the office as made necessary over the past couple of years by lockdowns and self-isolation. This year was no different and began with most of our team members working from home. In August we started transitioning back to the office, and as hybrid work became more important to our teams we wanted to make sure we had the correct policies and tools in place to be able to support them in this new world.



### Creating understanding and awareness

Our Committee has been instrumental in formulating and delivering a programme of work that sees the business recognise and celebrate events and initiatives throughout the year. This can be in the form of providing our teams with a better understanding of the history and cultural significance of certain days or raising funds and awareness for worthy causes.

### Diversity and Inclusion Strategy

Our Diversity and Inclusion Strategy has been in place for three years, and in 2023 we will be working on revising and updating our Strategy to ensure our key and minor focuses reflect the needs of our team members, the community, and our organisation.

Papanui and Riccarton team members alongside The Gut Foundation providing kai to local tamariki and teaching the importance of gut health on World Microbiome Day.

# Governance.



## Governance and Leadership

Our SBS Board of Directors, as at the end of 2022, comprised of seven 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 and we remain committed to improving this.

## Diversity in Management

50% of our leadership positions are held by women within our organisation (an increase of 6% from the previous report). This helps bring a different perspective to our workforce and is an area in which we are continually focusing, not just through gender diversity, but across all areas such as age, ethnic background and perspective.

## Diversity and Inclusion Committee

Our Diversity and Inclusion Committee includes team members from around the organisation, who bring varying perspectives to the discussion table. The committee has helped us succeed in widening and deepening our understanding of key issues, prejudices, cultural differences and the other challenges that many of us face in different ways. Through the exceptional work that this committee has delivered, our team are learning and developing every day.



SBS Bank team members supporting Breast Cancer Foundation NZ in the Pink Ribbon Walks.