

20 March 2019

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AMP Limited (ASX/NZX: AMP)

2018 annual reporting suite

Part One: 2018 annual report

Part Two: Appendix 4G

Part Three: Shareholder review

Part Four: Sustainability report 

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2018 sustainability report

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CEO's message

Welcome to AMP's 2018 sustainability report.



The AMP sustainability report is an important part of our **annual reporting suite**. It outlines how we will take on the challenges of a changing world and help build a better future for our customers, our people and our community.

AMP's financial strength has always been matched by its strong social purpose. It's why I have so much faith in this iconic company. We were founded on the belief that we can make a positive difference to people's lives and, indeed, it is our duty to do so.

A vital way we engage with the community is through the AMP Foundation – our philanthropic arm. In 2018, I'm pleased to say it invested almost \$5 million into the community, including supporting programs that provide life-changing educational and employment opportunities for disadvantaged Australians.

AMP Capital has gained a reputation for not only environmental, social and governance analysis, but also action. This was evident in 2018 when it fully divested \$440 million worth of tobacco manufacturing-related holdings – one in a series of responsible investing milestones.

But AMP's capacity to do good goes well beyond our Foundation and ethical investment framework. We certainly believe we have an important role to play not only in the financial system, but also in the communities in which we operate. People will always want to own their own homes, take care of their families and retire well. However, to achieve these almost-universal goals in an increasingly complex world, most people need help.

I know AMP has the depth of experience and know-how to provide this help, far and wide. The biggest barrier to doing so is trust. The trust we built up over the past 170 years – with clients, regulators, shareholders and the community – was eroded in 2018 when the Royal Commission highlighted our serious mistakes.

These issues, including charging customers fees for services not received, and super products that did not provide value, are being addressed. In 2018 we accelerated our remediation program to ensure all affected advice customers are compensated as quickly as possible. We also reduced MySuper fees for 600,000 customers, while reducing remuneration for our executives.

To prevent these issues from recurring, we strengthened our reporting and governance practices, investing in technology, controls and processes. We also invested in people who have the talent and will to navigate significant external and regulatory change.

Have no doubt, the level of disappointment in letting our customers and community down runs deep within AMP. Yet this gives me confidence that we will learn from our mistakes and will do our utmost to be worthy of our stakeholders' trust.

Trust, and how we respond to social challenges, will be the bedrock of AMP's future sustainability. I joined AMP at the start of this journey and understand we have far to go. But I believe the commitment to greater transparency and accountability is a positive step.



Francesco De Ferrari
Chief Executive Officer

Who we are and what we do

AMP helps people to manage their finances and reach their goals.

We offer solutions across financial advice, investment management, banking, life insurance, superannuation, self-managed superannuation funds, retirement income and investing.

Australian wealth management:

We help people to save for and to live well in retirement with our retail and workplace superannuation products, self-managed superannuation fund services and retirement income solutions and investments for individuals.

AMP provides financial advice through our national network of employed and self-employed advisers. Our employed advisers offer a face-to-face advice service under the AMP Advice brand and a phone-based advice service under AMP Assist/Direct. AMP's network of aligned financial advisers operate within self-employed businesses licensed and authorised under AMP Financial Planning, Hillross Financial Services and Charter Financial Services.

AMP Bank: AMP Bank provides customers with residential and investment property home loans, deposit and transaction accounts and SMSF products. Our customers can access our bank products via a variety of channels, including online, by phone and through AMP financial advisers.

AMP Capital: We manage investments in equities, fixed income, diversified, multi-manager and multi-asset funds on behalf of clients around the world. AMP Capital also manages real estate and infrastructure assets on behalf of funds and clients in Asia, the Middle East, Europe, the UK and North America.

New Zealand wealth management:

In New Zealand we provide customers with financial products and services, directly and through one of the largest networks of financial advisers in the country. In 2018, AMP was the fourth-largest KiwiSaver Scheme provider with 10% of the total KiwiSaver market and about 225,000 customers.

Sold businesses

In October 2018, AMP announced the decision to divest its Australian and New Zealand wealth protection and mature businesses to Resolution Life.

- **Wealth protection (life insurance):** This business provides life insurance, income protection and disability insurance solutions.
- **Mature business:** Managing closed insurance and superannuation products that are no longer being sold, this business is managed for yield and capital efficiency.

These sales represent a major step in reshaping AMP as a simpler, more focused group. The transaction is expected to complete by the end of the third quarter in 2019.



Resetting and rebuilding

AMP faced significant challenges throughout 2018 as a result of issues within our business and across the broader market. The issues identified – especially those highlighted during the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry – were not new. Many had been identified and reported to regulators, and activities were underway to redress. However, they did fall short of community expectations and the standards we expect of ourselves. We are addressing these matters and are focused on ensuring we deliver value for our shareholders and customers.

Throughout the year, the following priorities were identified and delivered:

- **Prioritise customers and restore confidence** – by remediating customers, improving value and simplifying the number of products offered
- **Transform advice** – by accelerating our Advice Improvement Program, meeting changing regulatory and consumer expectations, and improving adviser training and development
- **Deliver portfolio review** – through the sale of our wealth protection and mature businesses we are becoming a simpler business focused on wealth management, investments and banking
- **Strengthen risk management, internal controls and governance** – by investing in these areas through a multi-year program to further enhance risk governance
- **Maintain business momentum** – by focusing on maintaining momentum in a challenging environment while prioritising customers and supporting our people to perform at their best.

The appointment of Chairman David Murray and CEO Francesco De Ferrari in 2018 were important steps in demonstrating our absolute commitment to reinventing AMP, our governance practices and our culture. Our board has given our new CEO a mandate to transform AMP.

For more information on our business, see the 2018 AMP annual report.

Details on our corporate governance structures and approach to risk management are provided in the 'Corporate governance at AMP' statement in our [annual report](#).



About this report

The purpose of this report is to outline how we monitor and manage the risks and opportunities associated with our material sustainability issues, and to provide a snapshot of our performance in each area.

This report provides an aggregated view of our sustainability performance and is complemented by our disclosures to the Carbon Disclosure Project ([CDP](#)), the Global Real Estate Sustainability Benchmark ([GRESB](#)), and AMP Capital's reporting as a signatory of the UN Principles for Responsible Investment ([UNPRI](#)).

Our sustainability report forms part of our **annual reporting suite**, which includes:

- the financial disclosures in our 2018 annual report
- governance and risk management disclosures in our 'Corporate governance at AMP' statement
- AMP's annual tax report, available on the [AMP shareholder centre](#).

Report scope

The scope of our report covers AMP's operations globally for the period 1 January 2018 to 31 December 2018. The entities that are within AMP Limited's operational control boundary are AMP Financial Services, AMP Capital Investors and their subsidiaries and the AMP Foundation.

The premises of the aligned advisers are not under AMP Limited's operational control, and therefore the energy consumption and other environment impacts of aligned advisers do not form part of the disclosures in the 'Climate change and the environment' section of this report.

Aligned advisers are business partners of AMP and operate under our Australian Financial Services Licences to provide services to our customers. They have been included where relevant in this report.



Material issues

Material issues of greatest importance to our customers, our people and our community were identified through a business-wide assessment process in 2017.

The assessment process involved reviewing and analysing feedback from a cross-section of employees, analysis from our in-house ESG specialists, analyst and investor feedback, reviews of media coverage on financial services issues and our competitors' materiality issues, feedback from our business partners and regulatory feedback and recommendations.

From this research we identified 11 material issues of importance to both our business and our stakeholders.

These issues were re-assessed in 2018 in light of the issues raised by the Royal Commission and feedback from regulators, customers and the community. Eleven issues, determined through external guidance on material sustainability issues for financial services (Sustainability Accounting Standards Board Materiality Map as well as the Sustainability Yearbook 2018 from RobecoSAM AG) and peer disclosures, were deemed to be of importance and were reconfirmed as:



Our customers

1. Customer experience
2. Digital disruption and innovation
3. Cyber security and privacy
4. Regulatory and legislative environment



Our people

5. Ethical conduct and professional standards
6. Inclusion and diversity
7. Supporting and developing our people



Our community

8. Climate change and the environment
9. Responsible investing
10. Sustainable supply chain
11. Community investment

This report provides an overview of 2018 performance and planned future priorities and actions.

1. Customer experience

The financial services sector is a key pillar of the Australian economy.

It is essential that customers have access to quality financial products and services to secure their financial future, and are able to place trust in the services received. This trust was tested in 2018 both across the industry and at AMP.

The issues highlighted by the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, including fees charged to our customers for services they didn't receive, superannuation products that did not provide the sufficient value to members, the charging of higher insurance premiums for delinked super fund members where AMP was not aware of the member's smoker status, and group life insurance premiums charged to deceased members, fell short of community expectations and the standards we hold for ourselves.

We are committed to resetting the business so we can deliver on our purpose of helping customers manage and protect their wealth.

We also want to make quality financial advice available and affordable for all Australians. A key part of this is to deliver a consistent, expert, proactive and personalised experience to all customers.

In 2018...

2018 was a challenging year for AMP, with the Royal Commission showing that we have fallen short of community expectations and the standards to which we hold ourselves. We recognise the crucial importance of addressing these matters and rebuilding trust to ensure we deliver value for our customers. We have been working hard across the business to improve the experience customers have with us, through actions such as resolving issues in advice, simplifying superannuation, acting on customer feedback, supporting responsible lending and improving our investment performance.

In our 2017 sustainability report, we set out a number of goals for 2018, including to continue the customer-centred transformation of our business, simplify our products and services and make them more accessible. While we made progress on these objectives in 2018, we are continuing to work towards them.



Resolving issues in Advice

In 2017, AMP established a dedicated program of work – the Advice Improvement Program (AIP) – to address known issues within our financial advice business. Its purpose is to deliver process, governance and cultural changes to strengthen monitoring and supervision in the advice business. Accelerated in 2018, this program aims to improve the consistency of customer outcomes and will enable us to better monitor that the advice provided is in the best interests of our customers. Further details on the initiatives underway to strengthen the advice business are provided in the ‘Ethical conduct and professional standards’ section.

We accelerated our Review and Remediation Program to ensure affected customers are identified (such as those charged fees for no service, or those who received poor quality advice) and appropriately compensated as quickly as possible. We have agreed key elements of our approach with ASIC. We are committed to ensuring all customers in the program will be remediated within three years.

The program addresses both employed and aligned advisers. We have set aside a provision of \$656 million (pre-tax and including program costs) to remediate our customers, determined on the basis of the estimated pool of impacted customers.

Simplified, better value super

We are simplifying our superannuation offering to provide a more focused and competitive offering to our customers, with features that are clear and easy to understand.

As part of our continuing commitment to customers, as well as reflecting plans for the simplification of our superannuation product offering, in 2018 we announced and implemented fee reductions to our flagship MySuper products. This reduced fees for 600,000 existing customers and enhanced the competitiveness of our MySuper product suite.

We also believe in the importance of supporting and improving the financial literacy of our customers to help them make informed choices. This is a primary driver for how we welcome new customers and help them to understand their super accounts. Our Welcome Journey highlights what customers can do to get super basics right, including understanding their insurance cover, how their super is invested, the importance of beneficiary nominations and how consolidation can mitigate the proliferation of account fees.

Acting on customer feedback

We want to ensure our customers’ voices are heard. Our Net Promoter System (NPS) plays an important role in helping us assess how well we meet their needs and expectations. In 2018, we asked more than 450,000 customers and business partners for their feedback and made more than 120 changes in our systems and processes in response. NPS is also a performance measure in AMP’s short-term incentive bonus assessment for some employees.



AMP Customer Advocate

AMP continues to strengthen its support for customers via the AMP Customer Advocate. One of the key objectives of this role is to help customers of the Australian business who believe that their complaints have not been appropriately resolved through AMP's usual complaint resolution processes. Taking an independent view, the AMP Customer Advocate acts to ensure our customers receive fair and reasonable complaint outcomes and that AMP's complaints processes are accessible, robust and transparent. The Customer Advocate also works closely with senior leaders across the business to learn from these experiences and drive better overall customer experiences and outcomes.

2018 saw the function scale rapidly to a formal Office of the Customer Advocate team, with sound processes and well established relationships throughout the organisation. We are continuing to enhance the governance and assurance of complaints, including increasing transparency and reporting of complaints up to the AMP Limited Board.

Responsible lending

We recognise the importance of the responsible lending obligations for lenders and brokers to ensure we are making sufficient inquiries into a customer's requirements, as well as their ability to service the loan.

To ensure we are meeting our regulatory requirements and helping customers obtain loans that are appropriate for them, AMP Bank implemented a number of initiatives in 2018 including:

- introducing a Broker Interview Guide to capture broker and applicant conversations to ensure loan purpose and requirements of the borrower are documented correctly and consistently
- sending reminder letters at six and 12 months prior to a fixed interest-only loan period finishing, to alert them to the principal and interest loan commencing.

Investment performance

AMP Capital manages a wide range of investments, with a strong focus on achieving client goals and exceeding benchmark performance. An example of a benchmark used by AMP Capital is the performance of the ASX 200, which is used to measure performance for many Australian equity funds. Similar benchmarks are used for many of our listed market (equities and bonds) funds.

This focus continued in 2018, resulting in 61% of AMP Capital's assets under management meeting or exceeding client goals over three years to December 2018. These results are supported by continued strength in real assets, with AMP Capital Infrastructure investments meeting 100% of client goals and Real Estate investments meeting 98% of client goals over a three-year period. While the performance of multi-asset balanced funds improved in 2018, it remained impacted by lower exposure to unlisted assets versus peer funds.



Future outlook

Our new CEO has a clear mandate to drive change and develop a strategy to reset AMP to become a simpler business focused on wealth management, investments and banking. This will be supported by strengthened risk management, internal controls and governance.

In 2019, we will leverage our capabilities to engage and service our customers, and continue to work on advice issues and the customer-centred transformation of our business, including product and platform simplification.

We will continue to prioritise and accelerate our advice remediation program to ensure all affected customers are appropriately compensated.

The AMP Customer Experience Team – which helps internal teams enhance the customer experience – and the Customer Advocate will drive the identification and resolution of systemic issues across the organisation, implementing enhanced governance and assurance of the AMP Customer Complaints Framework, and developing and delivering the AMP Group Vulnerable and Disadvantaged Customer Principles and Policy.

We will also focus on strengthening responsible lending processes by introducing comprehensive credit reporting, improving our verification requirements and implementing changes in response to changing regulatory requirements on responsible lending conduct.

In 2018...

Metric	Value
Customers assisted by the AMP Customer Advocate ¹	536
Complaint reviews completed by the AMP Customer Advocate	136
Complaint reviews resolved in favour of the customer ^{2,3}	54%
<i>Enhanced resolution for the customer</i>	14%
<i>New outcome for the customer</i>	40%
Changes made to our systems and processes in response to NPS feedback	120
Number of superannuation customers whose fees were reduced	600,000
AMP Capital assets under management meeting or exceeding expectations	61%
AMP Capital Infrastructure investments meeting or exceeding client goals	100%
AMP Capital Real Estate investments meeting or exceeding client goals over a three-year period	98%

1 Customers who had their concerns resolved by AMP following assistance from the AMP Customer Advocate.

2 Calculated as a percentage of complaint reviews completed by the AMP Customer Advocate.

3 Percentage represents the sum of 'Enhanced resolution for the customer' and 'New outcome for the customer'.

2. Digital disruption and innovation

Advances in technology are rapidly changing the way we live, work and interact to an extent that would have been hard to imagine 20 years ago.

Digital transformation is driving fundamental shifts in how financial service providers operate in a competitive landscape.

As technological changes enable us to improve and innovate our products and services, customer expectations are also evolving. To keep pace with expectations and leverage the possibilities of digital transformation, the need for AMP to innovate is greater than ever. Our goal is to develop and deliver digital customer experiences that are personalised, effortless and proactive, and help us build more direct relationships with our customers.

It is imperative that we ensure our product offerings are easy to access and use in the face of continued digital disruption in the industry.

In 2018...

With the introduction of open banking and a growing fintech sector, 2018 saw significant digital disruption in the financial services industry. We know consumers are looking for market-leading solutions that are secure and specific to their financial needs. AMP is responding to the technical changes required with key programs, including Goals 360, online tools to help manage wealth and artificial intelligence (AI) for online interactions.

Our goals for 2018 were to: extend our AMP Goals 360 modelling platform, continue to explore new technologies – including AI and voice activation – to simplify processes and provide greater access to financial advice, tools and services, and share business, technology and social innovation ideas at the 2018 Amplify festival.

Goals 360

In 2018, AMP continued to enhance its AMP Goals 360 platform. Launched in December 2017, Goals 360 is an innovative financial planning experience that helps our customers explore, plan, track and realise their financial goals in a visual and personalised way.

Goals 360 won multiple awards in 2018. These included four awards at the 60th anniversary of the Good Design Awards, including the prestigious Best in Class for Design Strategy, as well as an award from Chant West for Best Fund: Innovation.

We continue to improve the user experience. For instance, a pilot program began in early 2018 focused on remote delivery of services to customers who cannot easily visit an adviser in person. Customers can meet with their adviser via computer or mobile phone, using video chat and screen sharing. This enables advisers to provide a similar experience to an in-person visit.



Improved online tools and experience

In 2018, we delivered the refined finance-tracking mobile Money Manager tool and introduced a new micro-budgeting element to make money management easier for our customers. We developed these tools by applying human-centred design concepts to ensure our digital service is customer-focused.

We launched Money Manager and micro-budgeting within our core mobile application, My AMP, which enables customers to have an overall view of their finances. With this new functionality, users can track their spending by categories, including travel, entertainment and food. Money Manager automatically categorises these transactions and customers are able to track their spending across the month. Since its launch, we have seen a significant uptake in our customers using micro-budgeting.

In addition, our AI Click to Chat program was implemented from May to October 2018 across the website and within My AMP to develop more personalised experiences and answer customers' frequently asked questions.

AMP has been using AI and data analytics for some time. Our wealth management business has introduced analytics to better predict retirement outcomes for customers – showing customers in real-time how their superannuation and investments will accumulate, and the sort of retirement they will be able to afford. We are also using analytics to detect new or unexpected activity from customers that may indicate they need our support.

Amplify 2018

Since its launch in 2005, our Amplify innovation festival has grown in size and reach. In 2018, 2,446 attendees from more than 420 Australian companies accessed 30 of the world's boldest thinkers. Amplify 2018 explored emerging trends across business models, technology, customer experience, robotics, artificial intelligence, innovation and disruption. More information can be found at amp.com.au/amplify.

Future outlook

We want to utilise best-in-class technology to enable efficient processes and deliver a high-quality customer experience, including broadening access to financial help beyond face-to-face advice.

We will continue to put customer needs at the heart of our technological developments, including applying human-centred design to ensure the online tools and interactions are personalised, effortless and proactive. The Australian financial services industry is being disrupted and consumer behaviours will change in the coming years. AMP will leverage digital developments so we can service customers of the future marketplace, while delivering a secure digital experience for our customers.

In 2018...

Metric	Value
Number of Goals 360 sessions completed in 2018	11,361
Total customers using My AMP at end of 2018	341,400
Total My AMP App downloads at end of 2018	92,306
Good Design Awards for AMP's Goals 360	4

3. Cyber security and privacy

While technological advancements provide great opportunities for us to innovate and offer new digital solutions for our customers, they also bring new cyber security and privacy risks.

It is critical that we continually strengthen our cyber security network and have detective, preventative and responsive controls in place to ensure our systems and customer information are protected.

Cyber security and privacy are of the utmost importance to AMP, as our business is centred around customers providing us with highly sensitive information, including personal details and finances.

People trust us to secure their personal information and use it only for the purposes they expect, and we are committed to ensuring our systems and processes meet this expectation. AMP's privacy policies and statements set out how and why we collect and use information and the measures we take to protect the personal information we receive from customers and shareholders.

In 2018...

Our key focus throughout the year was on raising the privacy and data security awareness of our employees, improving cyber security controls and ensuring appropriate reporting and remediation of data breaches.

Our goals for this issue in 2018 were to: continue to build a strong cyber security culture and maintain our data breach response plan, enhance our capabilities to ensure our controls remain effective and build awareness among employees

about changes to mandatory data breach reporting. As outlined in this section, we have undertaken a number of initiatives, showing strong progression in our journey towards achieving these goals.

Customer privacy is a priority at AMP and, as such, we conduct our activities in line with the detailed commitments in our privacy policy, available at amp.com.au/privacy.

Raising privacy awareness

In 2018, evolving from our existing team of privacy officers, we established a Privacy Office that is focused on ensuring personal data is protected throughout the AMP Group wherever personal information is processed.

In the past year, we finalised and began rolling out our Privacy Impact Assessment Framework, which is overseen and assessed by our Privacy Office. This framework ensures that projects handling personal data meet privacy compliance requirements and appropriately manage any privacy risks. Since July 2018, we have applied this framework to 21 projects and business changes. In all cases, the Privacy Office's recommendations were accepted, ensuring privacy risks were avoided or managed and privacy compliance obligations were met.

As part of our commitment to protecting the privacy of our customers and people, in 2018 we became a Bronze Member

of the International Association of Privacy Professionals (IAPP). This non-profit privacy professionals' association enables AMP to stay up to date with the latest developments in privacy and data protection. In addition, we have acquired IAPP's comprehensive privacy training library.

We also updated our **Privacy Policy** and **Code of Conduct**, both of which came into effect on 1 January 2019.

Data security and cyber security awareness

We are committed to continually enhancing our cyber resilience and related capabilities. We regularly test, review and enhance our security capabilities to ensure our controls remain effective in reducing the impacts of cyber incidents, as well as meeting increasing regulatory requirements.

We provide training to help our employees understand the value of data, the impact if it is mishandled or exposed, as well as their responsibilities in keeping AMP customer and employee data secure and confidential. To keep cyber security knowledge current and front of mind for our employees, we run regular cyber security awareness sessions across all areas of AMP on a variety of topics.



In addition, the AMP Cyber Security Team regularly runs phishing simulations that imitate real attacks across AMP. This provides employees with real-life experience and enables them to confidently and proactively report anything suspicious for investigation. Regular cyber security news, advice and information is also shared across the AMP business using a cyber security collaboration platform.

Reporting data breaches

Data breaches involve the loss, unauthorised access or disclosure of personal information. This can include an error by a company, that of a third party or malicious attacks by hackers. AMP takes privacy, data security and our obligations to report and notify customers very seriously. We have comprehensive incident response and data breach response plans, which ensure a proactive approach to unauthorised access, and disclosure or loss of personal information. In 2018, we extended our data breach response plan to all AMP offices worldwide.

This year we notified the Office of the Australian Information Commissioner of six data breaches, and the UK Information Commissioner's Office was notified of one data breach. These were related to malicious acts in three cases, and human error or system faults in the remaining four cases. In all cases, we notified the

impacted individuals and took steps to prevent future breaches by fixing system issues, conducting additional training, deleting or de-identifying data that is no longer required and referring any relevant information to law enforcement.

In May 2018, the EU General Data Protection Regulation came into effect. This regulation applies to all personal data of AMP customers and employees residing or doing business within the European Economic Area. AMP has undertaken a risk assessment to identify and address gaps in our compliance with this regulation, as well as steps to mitigate and reduce any risk of non-compliance.

We are also committed to working with governments and external agencies to improve data breach reporting and to mitigate cyber risks. Additionally, we are proactive and cooperate fully with law enforcement to ensure malicious events are investigated and resolved. AMP is an active partner of the Australian Government's Joint Cyber Security Centre (JCSC) program. The intent of JCSC is to strengthen Australia's cyber security capability and resilience through effective partnership and collaboration. The joint partnership between business, government, academia and non-profit organisations provides participants with a broad understanding of the threat environment and facilitates information sharing and collaboration on shared cyber security challenges.

AMP is also a partner of Australia's national Computer Emergency Response Team (CERT), which is the primary government contact point for major Australian businesses to receive and respond to cyber security incident reports. It also supports and advises businesses on how to respond to and mitigate cyber incidents.

Future outlook

In 2019 and beyond, privacy and cyber security will remain integral to AMP and our business operations. We will require that all employees globally complete privacy and data security training from February 2019, which for the first time will be available to our employees in China and Japan in their local languages.

We will continue to grow our technical capabilities in cyber security to ensure that data entrusted to us remains secure. Key upcoming initiatives include participating in Privacy Awareness Week in May 2019, to promote and raise awareness of privacy issues and the importance of protecting personal information.

Case study: Writing secure code

We understand that cyber security and data protection are not just technology-related issues, and that the actions or inactions of our employees can have a significant impact on the cyber resilience of AMP. For this reason, cyber security awareness and culture are a significant part of our control environment. As part of our ongoing focus on cyber security awareness at AMP, we provide our IT developers with secure code training using the Secure Code Warrior platform.

The intent of the initiative is to empower our IT developers on an ongoing regular basis and provide them with the knowledge and skills required to write secure code right from the start.

By providing secure coding skills, we achieve faster and more secure product development, while continuing to build a positive security culture at AMP.

Embedding secure code design into our applications upfront not only improves AMP's cyber security, but also makes IT projects more efficient as it reduces rework later in the software development life cycle and helps move secure products to market rapidly.

4. Regulatory and legislative environment

The financial services sector has experienced considerable regulatory and legislative change in recent years, as well as media and political scrutiny.

The regulatory and legislative environment is important for AMP as it sets the boundaries and the rules in which our business operates and our customers are served. Failure to effectively anticipate and respond to regulatory and legislative changes adversely impacts our reputation and business – and in turn, our customers, our people and our investors.

We manage this risk by having dedicated resources to implement required change programs, as well as by frequently and actively engaging with government, regulators and industry bodies to anticipate, monitor and implement regulatory and legislative change. AMP has also strengthened our risk culture focus to ensure we are keeping our legal and regulatory responsibilities front of mind in our daily activities.

In 2018...

The Royal Commission has been a catalyst for change across the financial services sector and within AMP. We have already taken steps to restore trust and confidence with customers and the community, government and regulators. We are also contributing cooperatively and constructively to the regulatory, policy and legislative debate. Our work on improving our risk culture is detailed in the subsequent section on Ethical Conduct and Professional Standards.

Under Acting CEO Mike Wilkins, and continuing under our new CEO Francesco De Ferrari, the much-needed process of resetting our relationship with our regulators has begun and progress to date has been positive. AMP supported the Royal Commission, as we believe a strong and stable financial system is critical to the nation's economy and to all Australians. We have and will continue to do all we can to help restore the community's trust and confidence in AMP and the financial services industry, including working to address the recommendations from the Royal Commission.

Another focus is on strengthening our regulatory reporting and governance practices. In July 2018, the Group Regulatory Governance Team (GRGT) – a centralised regulatory engagement function – was formed. The GRGT's purpose is to lift the consistency, accuracy and timeliness of reporting, increase the self-identification of issues, then undertake deeper root cause analysis to ensure shorter resolution times. AMP also invested significantly in talent, technology, controls and process improvement to ensure issues that came to light in 2018 are not repeated. The GRGT has already driven greater transparency of regulatory commitments and interactions, capturing volume and type of regulator interaction in a centralised depository.

Governance, Risk and Compliance (GRC) system

We understand expectations of how quickly we report and mitigate breaches will only increase and that new tools, such as the Governance, Risk and Compliance (GRC) system, will help provide standardisation, automation and better data analytics and reporting. The GRC system is a multi-year program that will enable AMP to move away from multiple systems to one core system to raise and manage incidents, issues, breaches, risks, controls and compliance obligations across the AMP group.

Part of AMP's ServiceNow platform, it provides inbuilt workflows and notifications that ensure we understand and manage incidents, breaches and issues in a way that is consistent with our three lines of defence model. It will also provide us with a clearer view of the events and problem areas that impact the risks facing our organisation, and the activities undertaken to control and manage our risks and to comply with obligations. The first module (Incident, Issues and Breach Management) has been implemented. It will be followed by Risks and Controls, Compliance Management, Business Continuity Management and Internal Audit Management modules, which will be delivered across multiple phases.



Regulatory and legislative change approach

It is vital that AMP participates in policy and legislative developments that impact our customers and the various AMP business units. We have a dedicated team to monitor and actively represent our customers and stakeholders on the complex legislative framework that impacts the financial services industry, as well as important discussions on the potential outcomes for banking products, retirement incomes, life insurance and financial advice.

In 2018 we contributed to many of these important policy and regulatory developments by:

- making submissions to the Advice, Superannuation, Life Insurance and Policy rounds of the Royal Commission
- actively engaging in and providing feedback on significant legislative and regulatory reforms, including the Design and Distribution Obligations and Product Intervention Power reforms, the seven FASEA Standards for professionalising the financial advice industry and the Protecting Your Super Package, introduced as part of the 2018 Federal Budget
- incorporating changes recommended by the Australian Financial Complaints Authority (AFCA) into systems and processes, in particular, via AMP's Customer Advocate function

- ensuring compliance with the obligations set out in the Banking Executive Accountability Regime (BEAR) within AMP Bank by the 1 July 2019 deadline
- examining and considering applicability to AMP of the recommendations of the Productivity Commission Inquiry into Superannuation: Assessing Efficiency and Competitiveness and actively contributing to the debate on the future of super
- reviewing the outcomes of the Productivity Commission Inquiry into Competition in the Australian Financial System
- taking steps to comply with the UK Modern Slavery Act 2015, which requires large companies to be transparent about their efforts to eradicate slavery and human trafficking in their supply chain and any part of their business and considering the implications of the new Australian Modern Slavery Act
- engaging with industry bodies more broadly – AMP is an active participant in multiple industry forums, such as the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC).

AMP operates in multiple jurisdictions around the globe. Each one of these jurisdictions has legislative and regulatory requirements that AMP is committed to meeting.

Future outlook

2019 will be another year of significant regulatory and legislative change. AMP will:

- work constructively with the government, regulators, advisers, trustees and other bodies to ensure that, as the recommendations made in the Royal Commission Final Report move into definitive legislative reform, the outcomes are clear, simple and meet the best interests of customers
- ensure we comply with our new obligations as contained in the recently passed Modern Slavery Act 2018
- embed the GRGT's operating model within AMP and continue to grow the capacity of the team
- expand our focus to include all regulators and entities with regulatory functions (for example AFCA, the Office of the Australian Information Commissioner and the Australian Competition and Consumer Commission).



5. Ethical conduct and professional standards

Trust in the financial services sector, including AMP, has been eroded through the findings of the Royal Commission.

In order to earn back the trust of customers, shareholders, regulators and the community, we must continue to improve the culture, governance, accountability and internal processes across the group. Ensuring that our people and advisers operate ethically and to high professional standards is critical to earning back trust.

We want to meet community expectations and act in the best interests of our customers. We have more to do and we are committed to doing it.

In 2018...

We took a variety of measures to strengthen our conduct, and focus on our customers' best interests, including strengthening our risk management, culture and governance processes. We also reviewed and updated our Code of Conduct, and enhanced our whistleblower training and supported quality advice.

Good conduct is core to our culture, as every one of our employees is required to conduct themselves ethically and professionally. In 2018, several cultural issues were identified, which resulted in a commitment to cultural reform. This reform is driven from the top of our organisation and is now led by our new CEO and Chairman.

We set out the following objectives for 2018: support AMP-aligned advisers to meet the Financial Adviser Standards and Ethics Authority's education requirements, continue to provide tools, training and expert support to advisers and continue to promote our Whistleblowing Policy to AMP employees and advisers. Initiatives were then developed to support progress on these objectives, which are noted in more detail in this section. The achievement of these objectives is an ongoing priority for our business.

Strengthening our risk management, culture and governance

In May 2018, AMP established a program to change how we do business to better meet the expectations of our stakeholders. During the year, the program focused on the activities needed to respond to issues raised at the Royal Commission, including accelerating remediation of clients.

In 2018, AMP completed an APRA self-assessment. We have since commissioned an independent investigation into employee conduct in our advice business and an independent, enterprise-wide review of risk governance, controls and culture. As a result, we now have a highly prioritised program of work to address the recommendations.

As part of our commitment to strengthening risk management, risk culture, internal controls and governance across AMP, we are investing approximately \$50 million (pre-tax) per annum for two years to enhance risk governance. Major ongoing initiatives as part of this program include:

- improving the design and implementation of the three lines of defence model to enhance clarity and execution of risk responsibilities and accountabilities
- further developing and embedding the risk-management frameworks policies and procedures for the management of risk and compliance
- improving the systems and data-management infrastructure to support risk management and consistent risk and return decision-making
- strengthening processes and the internal control environment to improve operational risks and compliance.

Code of Conduct and training

AMP's **Code of Conduct** is our commitment to acting ethically and responsibly. It outlines the minimum standards of behaviour, decision-making and our expectations for the treatment of employees, customers, business partners and shareholders.

Policies that complement AMP's Code of Conduct include those on inclusion and diversity, anti-money laundering and counter-terrorist financing, conflicts of interest and market disclosure.

In 2018, we reviewed and updated our Code of Conduct, in order to provide clarity to everyone at AMP on how to meet our standards on a day-to-day basis. Key changes made to the Code include: a clearer articulation of the Code principles,

additional detail on reporting breaches and more clearly outlining the expectations of our leaders. In addition, there is now a dedicated page for each principle, which includes illustrative case studies and examples, details on consequences of breaching the Code and links to related AMP policies.

The Code principles outline our commitment to how we work every day:

1. We act professionally with honesty and integrity
2. We respect and value differences and create a safe working environment
3. We identify and manage any conflicts of interest responsibly
4. We respect and maintain privacy and confidentiality
5. We comply with our legal and regulatory obligations, internal standards and policies and deal with breaches promptly and appropriately

We also deployed awareness training and leader communications, including case studies and leader-facilitated team discussions, to bring the Code to life for our employees. Associated online training, known as the Working at AMP learning module, was also updated.

Setting clear conduct expectations for employees is one lever for ensuring consistent ethical conduct throughout the organisation. AMP employees are required to complete mandatory training modules every second year after their start date. These include Preventing Financial Crime, Whistleblowing and Privacy.

Whistleblowing

We encourage and support responsible reporting of actual or suspected illegal, unacceptable or undesirable conduct. AMP's Whistleblowing Program provides a secure channel for people to report unacceptable behaviour and provides assurance that concerns will be investigated in an objective, independent and confidential manner, with appropriate corrective action taken where concerns are substantiated.

In 2017, we introduced Your Call – an independent and confidential external service where potential whistleblowers can register their concerns and receive advice. To ensure all employees were aware of and comfortable with using the program, in 2018 we rolled out mandatory training on how to use the Your Call service, with a 95% completion rate achieved by the end of the year.

In 2018, there were 20 whistleblowing issues raised. Seventeen of these were raised via Your Call and three received directly by our Whistleblowing Protection Officer. Of these 20 issues:

- 12 were investigated and were not substantiated
- four were investigated and substantiated, resulting in appropriate consequences being applied
- four remain under investigation.

We will continue to promote this program to all employees, AMP-aligned advisers, contractors, consultants, suppliers, third party providers, secondees, advisers, brokers, auditors and former employees, including extending training on how to use the Your Call service for our non-executive directors. AMP's Whistleblowing Program is already well placed to comply with the new Whistleblower Protection legislation that will come into effect in the second half of 2019.

More information on AMP's Code of Conduct and Whistleblowing Policy is available at amp.com.au/corporategovernance.

Supporting quality advice

Good financial planning is essential for individuals, families and for our community more broadly. Most advisers act in the best interests of their customers, but we recognise there has been a small minority who has not. We are working hard to make significant improvements across our advice business to ensure our advisers focus on supporting customers and meet the highest ethical and professional standards. That's why we have invested significantly in making quality advice more accessible, more transparent and more compliant.

In 2018 we focused on reviewing adviser conduct and the quality of advice provided to customers, as well as increasing the amount of monitoring and supervision of advisers. By making improvements in our governance structures and strengthening the control environment, we have been able to more quickly identify inappropriate behaviour and take steps to either exit or provide additional support to advisers as appropriate.

One of the improvements introduced has been the roll-out of Audit 2.0 – an improved way to audit advice to ensure it is in the best interests of the customer and complies with the law and regulator expectations. We have used the results from this program to work with advisers to understand the root cause of audit failures and identify how they can improve.

We have also introduced a new Balanced Risk Profile, which takes into account all the information we have about the advice our advisers deliver, including audit outcomes.

We want to understand:

- which advisers are consistently doing a good job of delivering advice and focus on helping their clients to achieve better outcomes
- which advisers are willing and able to do better, but need further support and guidance
- which advisers are consistently unable or unwilling to operate at the required standards.

We will terminate advisers who commit fraud or misconduct, who intentionally or knowingly breach their best interest duty to clients, or who are unable or unwilling to consistently perform to the required standards.

Adviser training

Our Advice Improvement Program developed a learning strategy for AMP adviser-facing employees, AMP advisers and AMP-aligned advisers, resulting in the development of six new learning modules: Scope of advice, Conflicts of interest, Advice appropriateness, Product advice, Personal insurance advice and Execution-only transactions. The modules were released between May and August 2018 and were delivered through a blended learning approach that included online e-learning, webinars and face-to-face professional development day workshops, with additional support provided through live webinar coaching sessions. To ensure a high level of understanding, a pass mark of 100% was required for each e-learning module.



Despite these strict requirements, there was a 98% completion rate for AMP and aligned advisers, and a 96% completion rate for AMP adviser-facing staff.

Compliance with Financial Adviser Standards and Ethics Authority

The Financial Adviser Standards and Ethics Authority (FASEA) was established in April 2017 to set the education, training and ethical standards for financial advisers licensed under Australian law. AMP is committed to giving our advisers a clear pathway to FASEA compliance. As of 1 January 2019, new entrants into the financial planning industry require a FASEA-approved degree (or higher). To ensure all new financial advisers in the AMP network are appropriately certified, AMP offers a Graduate Certificate in Financial Planning qualification, which can be used for entry to the FASEA-approved Master of Financial Planning qualification at Griffith University.

Existing advisers will have until 31 December 2023 to ensure they comply. We understand that returning to study while running an advice practice can be challenging, which is why we have built flexibility into our course programs.

We offer a two-to-four-year graduate diploma for existing advisers who do not have a degree or whose degree is not in an advice-related discipline, and a one-to-two-year graduate certificate for AMP advisers with a degree in a related discipline (such as accounting or economics) who are eligible for recognition of prior learning. We also offer a free, online training course to prepare AMP advisers for postgraduate study.

Currently, all of our advisers are working towards full FASEA compliance and we will continue to monitor their progress against the stipulated parameters for each FASEA standard.

Adviser Pathways Program

In 2018 we launched the Adviser Pathways Program for those who want to become a financial adviser. This is a blended learning experience of professional development and education.

The program is open to graduates with a degree relevant to financial advice and to those seeking a career change.

The program has four phases:

- a six-month foundational training with our Customer Engagement team
- a six-week intensive blended learning solution conducted through a partnership between Griffith University and AMP Adviser Academy – the education body within AMP that delivers professional adviser training and education through the Adviser Pathways program
- a 12-to-18-month placement in AMP's phone-based advice team
- a final optional phase of a 12-month face-to-face advice placement.

The benefits of this program include ongoing coaching and mentoring, comprehensive and flexible training, remuneration and ongoing development opportunities.

As of December 2018, AMP had 2,567 advisers in core licensees, which was lower than 2017 – largely due to exits from the industry including retirements. During the year we increased our focus on reshaping the adviser network, shifting the emphasis from adviser numbers to productivity, professionalism and compliance.

In 2018...

Metric	Value
Commitment to strengthen risk management, internal controls and governance	\$100m (over two years) ¹
Advisers completing mandatory training, including Code of Conduct and ethics	98%
Employees completing My Call whistleblowing program training	95%
Employees completing mandatory training, including Code of Conduct and ethics ²	97%
Issues raised through the AMP Whistleblowing Program	20
– Issues directed to the Your Call external, confidential service	17
– Issues directly received by our Whistleblowing Protection Officer	3
– Issues investigated that were not substantiated	12
– Issues substantiated, resulting in appropriate consequences	4
– Issues still under investigation	4
Retail Banking Remuneration Review (Sedgwick) report recommendations delivered on, or in the final stages of being delivered on	24

¹ Pre-tax.

² As at 31 January 2019. Completed by individuals on the AMP payroll, including employees and time and materials contractors.

Supporting study and research of financial advice at university

Since 2014, we have supported Griffith University's Master of Financial Planning – a degree that includes AMP's Adviser Academy's Financial Planning Skills unit.

Griffith University has a new undergraduate degree, the Bachelor of Applied Financial Advice, starting in 2019. We are providing AMP New Entrant scholarships to support students undertaking Financial Planning studies and AMP Adviser Academy Scholarships for postgraduate students.

AMP has also jointly funded a Research Fellow role at Griffith University. Topics of research may include financial advice quality, professional standards, regulatory reform and consumer behaviour.

We continue to run the AMP University Challenge – a national financial planning competition to identify new talent and promote high standards of education and professionalism among the next generation of advisers. In 2018 – its eighth year – 181 students in 83 teams participated in the challenge.

Sedgwick review recommendations for retail banking

The final Retail Banking Remuneration Review report by former Public Service Commissioner Stephen Sedgwick was released in 2017. Approximately 40 recommendations were developed from that review, as well as from related 2017 ASIC and Combined Industry Forum

reports, to change remuneration structures in retail banks to be more aligned to customer needs.

By the end of 2018, AMP Bank had delivered or was in the final stage of delivering 24 of the recommendations. Examples include:

- changing employee (frontline, middle and senior managers) remuneration with regards to the variable reward payment. This included not linking more than 33% of reward to sales, ensuring that the variable reward represented a smaller amount than the fixed portion component and introducing balanced variable reward metrics
- reviewing the culture and performance-management systems to ensure there is no bias to sales over ethics
- clarifying the relationship and governance of third party introducers, removing volume-based incentives, changing commission structures so as not to directly link to loan size, implementing clearer disclosures of ownership structures and greater governance with regards to 'soft dollar' benefits (benefits other than a basic cash commission or a direct fee).

Of the remaining 16 recommendations, five are not applicable to AMP Bank, leaving 11 to be delivered in 2019. These relate to greater governance, oversight and reporting for lenders, with regards to mortgage brokers, and will involve working with other industry participants, as part of our membership of the Combined Industry Forum.

Future outlook

As the measures put in place in 2018 take effect, our 2019 objectives are to:

- work constructively with the government, regulators, advisers, trustees and other bodies to ensure that outcomes of our change programs are clear, simple and meet the best interests of customers
- continue to strengthen risk culture across the enterprise and reinforce professional and ethical standards expected
- prioritise action to strengthen risk management, controls and governance across the enterprise, including uplifting capability, enhancing the frameworks, procedures and tools used to ensure effective outcomes
- evolve and refine the Balanced Risk Profile during 2019, guided by feedback and additional metrics as we continue to test and learn
- promote our updated policies internally and ensure all AMP employees and advisers are aware of, and comply with, appropriate expectations
- provide additional options for compliance with FASEA for current and future advisers
- support advice standards through New Entrant Scholarships, our continuing relationship with Griffith University and the 2019 AMP University Challenge.

Case study: Partnering with The Ethics Centre

In 2018, we deepened our partnership with The Ethics Centre as part of our commitment to ensuring our advisers and employees meet the highest possible ethical and professional standards. This independent non-profit was engaged to train, assess and accredit internal AMP coaches as facilitators of its Ethical Professional Program (EPP). The EPP is a learning and development course that gives financial services professionals practical tools to help them make ethical decisions in the workplace.

Investing in developing this capability in-house supports the creation of an ethics-based decision-making framework. Owning the deployment model in-house gives us the opportunity to embed the program in our overarching learning and development framework and other initiatives, such as induction and onboarding. And the strategic partnership reconfirms our commitment to ethical conduct, The Ethics Centre and the EPP in a format that is scalable for AMP and our advisers. Sixty-two advisers and employees completed the 2018 program and we are currently in planning to extend this program in 2019.

6. Inclusion and diversity

AMP encourages a respectful, diverse and safe workplace that supports the physical and psychological wellbeing of our people.

We believe in a workplace that values difference and encourages flexibility and inclusion. This is critical to our ability to deliver outstanding results for customers and our shareholders. We do not tolerate bullying, discrimination, harassment, victimisation, unreasonable or unlawful behaviour or unsafe work practices.

As it is important for AMP to have a wide range of ideas and people to deliver to our diverse customer base, ensuring effective management of inclusion and diversity issues is key to the success of AMP. This is why we have dedicated teams driving a number of initiatives to help achieve our self-set diversity targets.

In 2018...

Despite a challenging year, we continued to improve our approach to inclusion and diversity by developing new initiatives to help meet our commitment to gender and diversity. The key focus areas of inclusion and diversity at AMP are gender equality, flexible working, our AMProud initiative and encouraging diversity. Key initiatives of 2018 include an updated **Code of Conduct** and Inclusion and Diversity Policy, and a redeveloped Inclusion and Diversity Survey.

Our inclusion and diversity goals for 2018 were to work towards achieving gender parity in AMP's middle and senior management by 2020 and to increase our focus on flexible work for our employees. Our flexible working initiative was completed across the business in 2018. However, limited progress was made with regard to our gender parity goals, which has spurred new initiatives to drive improvement in 2019.

Building a diverse workplace

In 2018, we redeveloped our Inclusion and Diversity Survey for launch in early 2019. This survey aims to help us understand more about our people, what their experience of belonging at AMP is and what we can do to make it a great place to work for everyone.

We also worked with the Diversity Council of Australia to identify and embed seven best-practice inclusion and diversity principles for recruitment. These principles are now in use in some divisions and will be rolled out across AMP in 2019. They will improve our ability to attract, interview and hire a diverse pool of suitable candidates and ultimately lift AMP's performance.

The recruitment principles are:

1. Gender-balanced candidate shortlists
2. Gender-balanced interview panel
3. All roles advertised as flexible
4. Use the gender decoder tool to review job adverts to ensure gender-neutral language is used, which avoids overly masculine or feminine language and descriptors
5. Consider all advertising platforms available
6. Do the right thing by underrepresented groups – be open to adapting recruitment processes to suit candidates from underrepresented or minority groups (including neurodiverse people and people with physical disabilities) who may require different interview or online assessment arrangements
7. Ask for salary expectation rather than current salary.

In New Zealand, AMP received the Rainbow Tick – a certification that recognises our focus on being a diverse and inclusive workplace for people of different genders, sexualities, ethnicities, physical capabilities and cultures.



Gender equality

At AMP, we are strong proponents of gender equality, and while we have yet to achieve our gender diversity targets, we remain committed to them. Our Inclusion and Diversity Policy requires the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and our progress.

The established target for the AMP Limited Board is for women to hold 40% of board positions, men to hold 40% of positions, and either women or men to hold the remaining 20% of positions. In 2018, the board recognised that significant change was required to restore confidence in our business. Half of the AMP Limited Board in place at the beginning of the Royal Commission has since changed. The decision of a number of female directors to step down regrettably reduced the representation of women on the board.

The process of board renewal is underway, with Andrea Slattery, John Fraser and John O'Sullivan since joining the board. All bring deep leadership, sector and governance experience.

AMP's gender diversity targets for management positions require women to hold 47% of senior executive roles and 50% of middle manager roles by the end of 2020. In 2018, we maintained a sound representation of women in management positions.

As a result of changes to our organisational structure in 2017, the business did not meet its progress target. The representation of women in senior executive roles increased (from 38%) to 39% at 31 December 2018, with women holding 41% of middle-manager roles. During the year, AMP started implementing inclusion and diversity best-practice principles for recruitment, which complement the diversity focus of our broader talent management practices.

Overall, women make up 52% of our workforce.

In Australia, the superannuation gender gap is a major issue, with the average superannuation balance for women being significantly less than that of men. As part of our focus on closing the gender pay gap, effective 1 January 2019 AMP will pay superannuation on unpaid parental leave for permanent employees and fixed-term contractors across AMP. This is in line with similar initiatives implemented within the financial services sector.

Flexible working

We are committed to making flexible working more accessible to everyone at AMP and have a policy of 'all roles flex'. We have a strong reputation as a flexible employer and will build on this in 2019 by including tools to help our people discuss flexibility with their leaders.

Flexibility can take different forms and be put in place for a variety of purposes. This has been promoted throughout AMP and reinforced by management by providing stories of how leaders are using flexible working to benefit their work-life balance.

AMProud

AMProud is a community group for lesbian, gay, bisexual, transgender, intersex and queer/questioning (LGBTIQ) employees and their allies and supporters. The group is open to all AMP employees, regardless of sexual orientation, and promotes a diverse and inclusive environment where employees can confidently present themselves, and feel free to talk about their families and lives.

Future outlook

In 2019 we will:

- will remain committed to our 2020 gender diversity targets
- will use the insights from our 2019 Inclusion and Diversity Survey to better understand our people and inform cultural decisions at AMP.

In 2018...

Female representation by role	2020 target (%)	2018 progress target (%)	31 December 2018 (%)	31 December 2017 (%)
AMP Limited Board	40	40	11	40
Senior executives ¹	47	41	39	38
Middle management ²	50	45	41	41
All employees	n/a	n/a	52	51

1 Senior executives are generally one to two reporting layers below the CEO and represent the top 8% of the organisation. People in these roles typically lead discrete functions and are responsible for making strategic decisions for those functions. They generally have the title Group Executive, Director or Head of.

2 Middle managers are generally between three to six reporting layers below the CEO and represent the next 25% of the organisation. People in these roles typically report to our senior executives and are involved in operational decision-making or have specialised and high-value skills. They have a range of titles, including Senior Manager, Manager and Lead.

7. Supporting and developing our people

Our vision is to help our employees and advisers to be and perform at their best so they can help our customers achieve their goals.

AMP actively supports the physical and psychological health of our employees through a range of health and wellbeing initiatives. It is important that we continue to foster an environment of care, wellbeing and inclusion for all our employees and advisers at AMP, in order to build their resilience and agility in the face of change and to fully leverage their abilities and experience for our future development.

In 2018...

2018 was a challenging year for our employees and advisers, especially those who were dealing directly with customers voicing their concerns about issues raised by the Royal Commission. Throughout the year, we worked hard to support them. Key initiatives included delivering mental health initiatives, supporting new advisers and working in collaboration with external stakeholders to develop the future of financial advice.

In 2018, our goal was to offer more adviser pathways and training and to continue to continue to develop and embed Perform@AMP, which is our employee performance framework, across the business. The AMP Adviser Academy has evolved to be included as an aspect of our new Adviser Pathways Program (see the 'Ethical conduct and professional standards' section for more detail). However, we are continuing to work towards our employee performance framework objective.

Healthy workplaces

Since 2013, AMP has been rolling out an activity-based working (ABW) model throughout our Australian offices. Our ABW design includes a variety of working spaces, standing desks and mobile technology to encourage flexible and healthier work practices. We are aligned with healthy building frameworks, including Green Star, the WELL Building Standard and Fitwel, to ensure best-practice in indoor environmental quality, ergonomics and active spaces. In 2018, we achieved the first two Fitwel building certifications in Australia. Fitwel is a building rating system that provides guidelines on how to operate and design healthier buildings for existing workplaces. Our Brisbane office received a Fitwel 2 Star rating and our Sydney office was awarded a Fitwel 1 Star rating.

As a signatory to the Royal Australasian College of Physicians' Consensus Statement on the Health Benefits of Good Work, we have implemented health and safety systems to minimise physical and mental health risks. We help our employees manage their health through fitness and nutrition programs and by providing on-site flu vaccinations, skin cancer checks and medical tests.

Our Board's Risk Committee monitors health and safety performance and oversees the identification and mitigation of workplace risks and programs to continually improve injury and illness prevention. One measure of this is that our Lost Time Injury Frequency Rate (one million divided by hours worked) decreased to 0.38 in 2018, from 0.39 the previous year.

Mental health initiatives

AMP understands the importance work plays in wellbeing, particularly mental health. We support our employees and advisers to manage their mental health through resilience training, flexible work policies and access to a free, confidential counselling service for themselves and their immediate families.

This year, our employees' workplace wellbeing was tested due to the Royal Commission. Our employee engagement index measured in August 2018 was 64%. This was down from 76% in 2017. To support our employees through this time, we developed leader support tool kits to enable our leaders to better support their teams. We have also been running a number of training sessions on resilience throughout the year.



In 2017, we launched an updated mental health training program for all our employees and advisers, in partnership with the Black Dog Institute. This training has continued to be rolled out for all new starters. In 2018, the training won two industry awards for mental health awareness training: the FSC Innovation in Retail Life Insurance award and ANZIIF Insurance Learning Program of the Year.

In Claims, face-to-face training to manage high-risk phone calls and self-care strategies were rolled out by our mental health specialists. All Claims employees attended the training and a new process was developed for employees to follow when faced with challenging situations.

Mental health training offered by the Workplace Mental Health Institute was piloted in select business units. Employees completed half-day training on personal resilience strategies to manage the challenges and pace of working life.

In addition to the mental health training, we also launched our Be Well campaign in Australia and We Care in New Zealand. These saw the introduction of two days of wellbeing leave for all employees, leveraging existing initiatives such as RUOK Day and our Employee Assistance Program

services. Our September 2018 people survey indicated that these activities have had a positive impact on how employees feel about wellbeing at work, with 81% positively responding to the statement 'AMP provides me with ways to look after my own wellbeing'.

Living Wage

AMP became the first financial services provider in New Zealand to adopt the Living Wage, which means that everyone working at AMP in New Zealand, direct or contracted, receives a minimum of NZ\$20.55 per hour – significantly higher than the minimum wage.

Turnover

Despite a challenging year in Australia, annual employee turnover rates remained stable, with 13% recorded (against 12.8% in 2017). However, the international turnover rate rose (to 7.6%) as did the New Zealand rate, with 17.6% recorded (up from 13% in 2017).

The 2018 turnover rates by gender were also relatively stable, at 13.6% and 13% for males and females respectively (2017: 13% and 12.3%).

Future outlook

There will be further change in 2019 as we create a more agile, entrepreneurial, customer-focused and commercial AMP. We will continue to support and develop our people, including:

- mental health will remain a key priority in 2019. To support this, a series of face-to-face workshops for leaders and online employee awareness sessions provided by the Workplace Mental Health Institute will be offered in 2019
- AMP introduced superannuation payments on unpaid parental leave effective 1 January 2019.

In 2018...

Metric	2018	2017
Lost time injury frequency rate	0.38	0.39
AMP employee engagement index	64%	76%
Male employee turnover, yearly average	13.6%	13.0%
Female employee turnover, yearly average	13.0%	12.3%
Turnover in Australia, yearly average	13.0%	12.8%
New Zealand turnover, yearly average	17.6%	13.0%
International turnover, yearly average	7.6%	5.0%

8. Climate change and the environment

AMP recognises climate change is a significant economic and environmental challenge impacting society.

Climate change poses a range of physical, transitional and director and legal liabilities to our business, the investments we manage on behalf of our customers, and the wider community. For this reason, we take measures to reduce our impact on the environment through responsible investing and carbon-reduction initiatives across the business.

In 2018...

In 2018, we made progress on incorporating climate-related risks into our business-wide risk-management processes and as part of our public disclosures. AMP's investment manager, AMP Capital, undertook further analyses of climate-related investment risks through its dedicated Environment, Social and Governance (ESG) capability.

AMP remained carbon neutral for our own operations for the sixth consecutive year, recording a 44% reduction in Scope 1 and 2 emissions, and a 62% reduction in emissions per employee from 2013.

Environmental and climate-related governance

Responsibility for AMP's climate change-related strategies sits with AMP's Chief Executive Officer and the Group Leadership Team. AMP's Environmental Leadership Team is responsible for addressing operational environmental impacts across our offices and develops strategies and reviews progress against objectives and targets. Other AMP committees concerned with this area of focus include the Group Risk and Compliance Committee, the Environmental Legislative Compliance Committee and the AMP Capital Investment Committee.

Task Force on Climate-related Financial Disclosures

AMP acknowledges the 2017 recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which provides guidance on how companies can consider climate change risks and report them within their existing financial disclosures.

In addition, the TCFD recommendations align with objectives of other climate-related disclosure frameworks. For example, the Carbon Disclosure Project (CDP), which AMP has been reporting against since 2002, adjusted its questionnaire in 2018 to better align with the TCFD recommendations. AMP's full 2018 CDP submission outlines our performance against this framework and in 2018, we maintained an A- Leadership CDP score.

In 2018, AMP undertook a Group-wide review of climate-change management, which included reviewing and identifying businesses likely to be materially impacted, within our existing risk framework.

This 2018 review found:

- as an investment manager, AMP Capital considers climate change a material investment risk and has well-resourced ESG capabilities
- existing risk-management processes and procedures that consider the risks arising from climate change could be used to model forward-looking scenarios
- a need to develop climate risk-related metrics in our AMP Bank and Australian Wealth Management divisions (our life insurance division has been sold to Resolution Life).

As a result, AMP is increasing its analysis and assessment of climate risks and opportunities across the business.



AMP Capital analyses and investment

In recent years AMP Capital has undertaken a range of assessments, including a projected carbon price of \$100/tonne (CO₂-e) on internally and externally managed equity portfolios. It has undertaken preliminary scenario analysis of value at risk from the phasing out of fossil fuels for its major equity benchmarks. In 2018 it expanded its carbon footprinting analyses to include both equity and fixed income portfolios.

AMP Capital undertakes regular research and assessments of climate change risks to its managed investments through its existing ESG frameworks. This considers carbon regulation, direct and indirect costs, geographic exposure to climate policy, capacity to adapt and manage risks, and transitional governmental assistance programs. The ESG team regularly publishes its [investment research](#).

Climate change is also considered through ESG performance benchmarking of AMP Capital's flagship real estate and infrastructure funds. This informs fund and asset management strategies relating to carbon emission reductions, asset resilience, and fostering investment opportunities in low-carbon technologies.

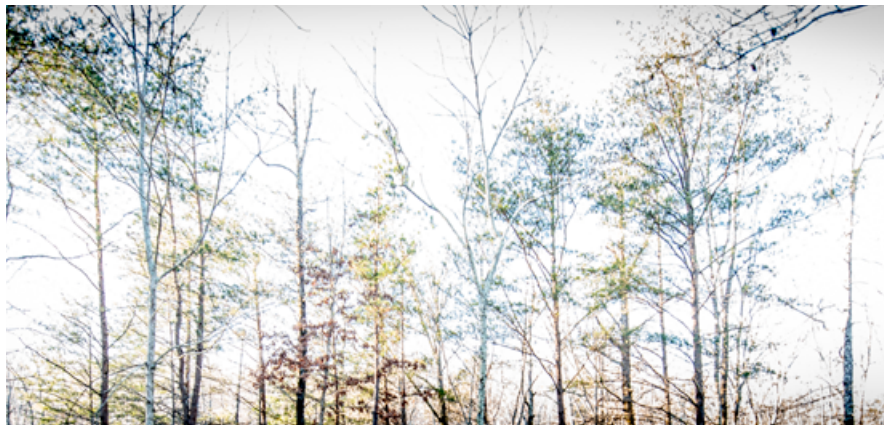
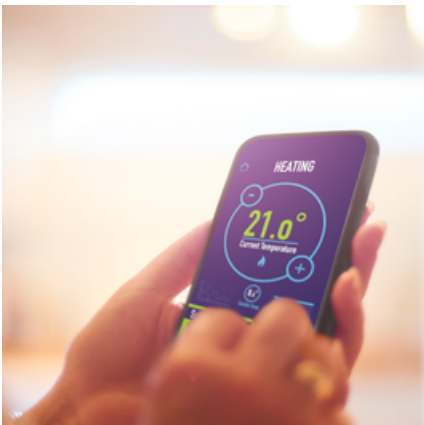
Our Real Estate division completed a portfolio-wide evaluation of climate change risk and resilience by market sector and for each asset using the Intergovernmental Panel on Climate Change's (IPCC) extreme Representative Concentration Pathway projections. The study considered over various time scales impacts of extreme heat, bushfire risk, drought, extreme rainfall, cyclones and severe storm events, and impacts of inland and coastal flooding and sea level rise for major Australian cities and managed real estate assets. This information is being used to develop our long-term asset management plans.

The AMP Capital Wholesale Office Fund ([AWOF](#)) is a portfolio of commercial property assets with a target of becoming carbon neutral by 2030.

Other targets include lifting the portfolio's [NABERS](#) average to 5.5 Stars by 2030. It also includes delivering a pipeline of sustainable flagship assets, such as Quay Quarter Tower in Sydney's CBD, which is targeting a 6-Star Green Star and 5.5-Star NABERS rating, as well as pursuing certification against the leading WELL Building Standard.

AMP Capital also engages with companies and policymakers on climate change and through a range of investor collaborations and initiatives. This includes as co-founder of the Investor Group on Climate Change ([IGCC](#)), an early investor signatory to the CDP, and actively participating in the global [Climate Action 100+](#) investor engagement initiative.

AMP Capital aims to promote transparency in equity portfolios and provide low-carbon options for investors and customers of AMP superannuation as part of the transition to a low-carbon economy. In addition to direct investment (equity and debt) in renewable energy assets, its Responsible Investment Leaders (RIL) funds also offer customers low-carbon investment options.



Reducing our operational impact

AMP is reducing its environmental impacts through our own business operations by engaging employees in initiatives targeting resource efficiency and reductions in our environmental footprint. We are committed to being carbon neutral across our operations, including Scope 3 emissions such as air travel and outsourced IT services (data centres).

We continued to make progress against our targets, including:

- 44% reduction in operational Scope 1 and 2 emissions (mainly office electricity usage) from our 2013 base year
- 15% year-on-year reduction in Scope 1 and 2 emissions from 2017 to 2018
- reducing our emissions per employee rate to 1.33 tCO₂-e, down 62% from 2013
- expanding reporting of our Scope 3 emissions beyond air travel to include additional sources (e.g. waste, paper, outsourced IT and base building emissions).

Our operational carbon-reduction strategy is underpinned by the roll-out of activity-based working arrangements to AMP offices in Adelaide, Brisbane and Sydney. These continue to deliver energy efficiency improvements, demonstrated through higher NABERS Energy Tenancy ratings of our buildings. Our Sydney headquarters (Circular Quay) achieved a 5-Star NABERS Energy Tenancy rating in 2018, rising from a 3.5-Star rating prior to adopting the activity-based working model. More details are provided in AMP's Environmental performance data, reported in line with AMP's Greenhouse Gas Reporting Criteria. Since 2013, AMP's Scope 1, 2 and 3 emissions have been assured by Ernst & Young.

Future outlook

AMP continues to build on its progress against environmental issues, including climate change, through:

- updating the terms of reference of AMP management and governance committees to consider climate risk
- strengthening risk-management practices to give more structured considerations to emerging risks (including climate change)
- remaining carbon neutral for our own operations and reducing operational energy use
- working towards greater renewable energy adoption through real estate investment portfolios and AMP operations
- assessing the impacts for our superannuation and bank divisions.



AMP's environmental performance data

Emissions (tCO ₂ -e)	2018	2017	2013 ¹
AMP operations²			
Total Scope 1 emissions	122	96	115
Scope 2 emissions			
Offices ³	7,686	9,221	13,871
Data centre ⁴	—	—	6,844
Small sites (where data available) ⁵	431	385	—
Total Scope 2 emissions	8,117	9,606	20,715
Total Scope 1 and 2 emissions	8,239	9,702	20,830
Year-on-year reduction	15%	5%	
Reduction from base year ⁶	44%	33%	
Employees (FTE)	6,189	5,697	5,913
Scope 1 and 2 emissions per FTE	1.331	1.703	3.523
Scope 3 emissions⁷			
Air travel	10,472	9,301	11,592
Transmission and distribution losses	1,067	1,347	—
Waste ⁸	269	173	—
Base building emissions	4,165	4,804	—
Offshore business processing	1,053	1,025	—
Outsourced IT	590	449	—
Total Scope 3 emissions	17,615	17,099	11,592
Gross Scope 1, 2 and 3 emissions	25,855	26,801 ⁹	—
Carbon offsets retired	25,855	26,831	32,422
Paper usage (kg)	55,047	65,847	165,953
Waste (kg)	272,765	165,222	—
Carbon Disclosure Project (CDP) rating	A—	A—	B (77)

Managed investments (real estate)	FY 2018	FY 2017	FY 2013
AMP Limited¹⁰			
Scope 1	8,117	8,455	12,120
Scope 2	108,790	98,203	154,462
Total Scope 1 and 2	117,087	106,658	166,582

- 1 2013 is AMP's base year.
- 2 Emissions arising from AMP office operations, including office electricity consumption, air travel and other outsourced operational activities. It does not include investments managed by AMP Capital, as outlined in [AMP's GHG Reporting Criteria](#). Limited assurance of these figures is provided by EY.
- 3 A nominal decrease of 50% for our international offices occurred due to a change in estimation methodologies, as outlined in AMP's reporting criteria.
- 4 In 2016, AMP sold its owned and operated data centre. AMP performed an adjustment on previous years to allow meaningful comparisons over time.
- 5 Due to improvements in metering and data collection, AMP can report on smaller office locations where previously unavailable.
- 6 Reduction from base year calculated from Scope 2 figure, excluding data centre and small sites.
- 7 From 2017, AMP is reporting on additional operational Scope 3 emissions sources.
- 8 Waste is reported for AMP headquarters at 33 Alfred Street, Sydney only. AMP has restated its 2017 waste figure from 200,684kg to 165,222kg due to more accurate actual data provided than the previous extrapolations used. The increase is due to increase capacity in the building, due to the redevelopment works at 50 Bridge Street.
- 9 Total emissions in 2017 restated due to restated waste figures.
- 10 Emissions arising from AMP Capital managed real estate and shopping centre portfolios, in addition to AMP office tenancies as reported in accordance with the *National Greenhouse and Energy Reporting Act (NGER) 2007*. Figures are reported as at June 30 year end. Scope 2 emissions increased in FY 2018 due to AMP Capital transactions resulting in an increase in assets under management.

9. Responsible investing

By considering environmental, social and governance (ESG) factors in investments, AMP aims to drive better long-term financial outcomes for our clients and make a positive impact on the community.

Our in-house investment manager, AMP Capital, launched our first responsible investment funds in 2001, and in 2007 became one of the first signatories to the UN-backed Principles for Responsible Investment ([UNPRI](#)). Demand for socially positive investment opportunities has since increased.

Natural resource use, environmental management practices, climate change, human rights, workplace health and safety, executive remuneration, board composition and gender diversity are among the factors we consider when investing on behalf of our clients, including AMP Superannuation members.

In 2018...

We demonstrated our ongoing commitments to ESG and responsible investing through AMP Capital:

- achieving A/A+ ratings for our PRI assessments across all major asset classes
- completing full implementation of our ethical investment framework
- maintaining [GRESB](#) Infrastructure Top 10 global rankings for three infrastructure funds
- Flagship Real Estate funds scoring 80%+ in GRESB receiving five Green Stars – the highest GRESB rating available
- Investments in environmentally and socially themed areas reaching approximately 7% of AMP Capital's total assets under management (AUM) including renewable energy, water infrastructure, green bonds and low-carbon building portfolios
- recognised as Australia's largest manager of 'core' responsible investment funds in the Responsible Investment Association Australasia 2018 benchmark report

Investment approach

Investing in companies and assets with long-term sustainable business models is an important part of our investment approach across all asset classes. AMP Capital's [ESG and Responsible Investment Philosophy](#) outlines our approach to considering material ESG factors.

Our team of ESG and sustainability specialists work across business functions and investment teams, providing research and advice that is integrated into our decision-making and active ownership strategies.

We also encourage boards and management of investee companies and assets to ensure sound risk management, appropriate capital allocation, fair remuneration and disclosure, and use our proxy voting power to encourage corporate behaviour that delivers better results for all.

AMP Capital is required to report its managed real estate and shopping centre investment footprint under the National Greenhouse and Energy Reporting (NGER) Act. This is reported to the Clean Energy Regulator with AMP operations and disclosed in our environmental performance data (see page 29).

AMP Capital has also been progressively disclosing the carbon footprint of its equity funds. In 2018, this expanded to include fixed income portfolio reporting. These disclosures are published on the [AMP Capital website](#).

In 2018...

Metric	Value
Flagship Real Estate funds GRESB rating	80%+
AMP Capital Infrastructure funds in GRESB Top 10	3
% of AUM invested in environmental and social themed areas	7%
PRI reporting and assessment scores (across all asset classes)	A/A+ rating

Ethical framework implemented

In September 2018, AMP Capital completed the full implementation of its ethical investment framework, including divestment of \$440 million worth of tobacco manufacturing-related holdings from AMP Capital-managed portfolios.

This announcement, the largest by a fund manager in Australia, coincided with AMP Capital co-founding the Tobacco-Free Finance Pledge (TFFP), which was launched at the United Nations. The pledge marks a global movement to promote tobacco-free finance in line with the United Nations' Sustainable Development Goals and World Health Organisation Framework Convention on Tobacco Control.

AMP Capital collaborated with Tobacco Free Portfolios – a non-profit founded by AMP Tomorrow Fund recipient Dr Bronwyn King (see page 34) – and global financial services peers to develop the pledge, sharing our experience in ethical investment and demonstrating strategies and implementation pathways towards tobacco-free finance.

AMP Capital also completed the divestment from manufacturers of cluster munitions, landmines and chemical and biological weapons, representing more than \$130 million in securities.

We continued to invest with impact through our flagship Responsible Investment Leaders Funds. In 2018, AMP Capital engaged companies worldwide on a range of ESG risks, including modern slavery and human rights in supply chains, executive pay, climate change and gender diversity. We also supported our international investment capabilities, with ESG specialists appointed to senior roles in our offices in London, Hong Kong and Sydney.

AMP Capital also manages the AMP Capital Community Infrastructure Fund (CommIF), which invests in social infrastructure assets across healthcare, education, justice, defence, community housing, transport, water and recreational facilities.

In 2018, the fund acquired an additional stake in the Victorian Desalination Project (VDP), a public private partnership and the largest desalination plant in the Southern Hemisphere which can supply up to 150 gigalitres a year – approximately a third of Melbourne's annual water consumption.

The need for investment in social infrastructure and healthcare is growing in developed markets. On behalf of investors in its Global Infrastructure Equity strategy, AMP Capital made investments in the UK specialist care sector, acquiring 100% of Care Management Group (CMG) and The Regard Group. Both organisations provide residential and supported living services across the UK for people with learning difficulties and a lived experience of mental illness.

Future outlook

AMP, through its investment manager AMP Capital, will meet the increasing demand for socially positive investment opportunities by:

- continuing to assess ESG risks to enhance our long-term decision-making
- monitoring ESG integration across the business and improving measurement and reporting on the environmental and social impacts of our investments
- providing further investment opportunities for our clients and partners in funds and assets with improved ESG credentials.



10. Sustainable supply chain

Every aspect of AMP's supply chain needs to meet the standards increasingly expected by the public and set by the law.

We understand that the responsible sourcing of goods and services creates value for our customers, our employees and the community.

Our supply chains primarily consist of regulated outsourced services and relationships with other institutions in Australia and overseas.

We classify suppliers based on materiality and apply appropriate governance over these arrangements to ensure we adequately manage service delivery and risk.

We have controls in place, such as control self-assessments of supplier arrangements, that consider risks and opportunities in our supply chain to ensure commitment to:

- acting ethically and with integrity in our business relationships
- providing respectful and safe workplaces, free from discrimination
- observing International Labour Organisation principles and taking steps to address modern slavery in our supply chains
- considering and monitoring the environmental impact of goods and services used by AMP.

In 2018...

In 2018, we continued to track and monitor Scope 3 emissions (indirect emissions) from material sources in our supply chain, including outsourced IT infrastructure such as data centres, travel and other business processes. These are disclosed in AMP's environmental performance data (see page 29).

AMP Capital updated its Anti-Slavery and Human Traffic Statement to comply with its obligations under the UK Modern Slavery Act 2015.

To strengthen our controls and to prepare for the Australian legislation, in 2018 AMP established a dedicated project to further develop the understanding of our Modern Slavery supply chain risks and supplier management. Building on this analysis, we have identified and developed a number of measures and controls aimed at addressing modern slavery risks.

Future outlook

AMP is exploring opportunities to collaborate with industry partners to reduce the reporting burden on our common supply chains, as well as improving data quality and integrity in relation to the risks and practices disclosed by suppliers.

We are also planning to introduce a Supplier Code of Practice, which will better communicate our policies and expectations to our suppliers. The Code will draw on existing AMP policies and standards and covers a range of governance, social and environmental issues.

In 2018...

Metric	Value
Number of material outsourcing arrangements ¹	10
Number of key outsourcing arrangements ²	20
Number of annual control self-assessments conducted during the year ³	180

1 As an APRA-regulated entity, AMP must define and appropriately manage service arrangements that are material to AMP service delivery and operation.

2 Key suppliers are strategically significant service providers, which are not defined as material under regulations.

3 Control self-assessments consist of four quarterly and one annual assessment conducted each year for our top 36 suppliers.

11. Community investment

It is in everyone's interest to ensure our communities are healthy and resilient, and provide opportunities for all.

AMP is committed to investing in our community through the AMP Foundation – our philanthropic arm.

The AMP Foundation works strategically to bring about positive change in our community. It focuses on helping people access education and employment opportunities – important keys to financial security. It also supports AMP employees and financial advisers to share their time, skills and resources with the community.

The AMP Foundation was founded in 1992 and, to date, has invested nearly \$100 million in the community.

In 2018...

In 2018, the AMP Foundation continued to work with its community partners, many of which are unlocking sustainable employment opportunities for marginalised Australians who face challenges securing work. Our employees were very active in the community – organising fundraising events and volunteering their time and skills to a range of non-profit organisations.

Our advisers continued their pro bono work, providing free advice to people affected by cancer. The AMP Tomorrow Fund in Australia and the AMP Scholarships program in New Zealand provided grants to talented individuals who are working to create better communities.

Community partners

The AMP Foundation forms multi-year partnerships with a range of non-profits. Partnership funding can include growth capital, core infrastructure/operational funding or program funding (or a combination of all three). Where possible, the AMP Foundation facilitates mentoring, skilled volunteering and fundraising for its partners. In 2018, the AMP Foundation supported the following organisations:

- **Clontarf Foundation** engages young Aboriginal males with school and the world of work
- **First Australians Capital** supports Aboriginal entrepreneurs to set up or expand businesses
- **Global Sisters** helps disadvantaged women run their own businesses

- **Social Ventures Australia** supports the social sector to grow its impact
- **STREAT** runs social enterprises to provide marginalised young people with employment pathways
- **The Conversation** is a leading free online news outlet that matches academics with journalists. We support resourcing to publish employment insights
- **The Funding Network** builds the capacity of small, innovative non-profits through live crowd fundraising and training
- **The Stroke Association of Victoria** runs an innovative return-to-work program for stroke survivors
- **Vanguard Laundry Services** is a social enterprise creating jobs and career pathways for people with a lived experience of mental illness
- **Wesley Mission** helps young people in foster care to transition into employment
- **Settlement Services International** runs a social enterprise that provides refugees with practical office work experience.



AMP Foundation's Employee Volunteering Program

The AMP Foundation supports employees to donate their time and resources to a range of charities. In 2018 this program contained the following components:

- **Volunteering and mentoring:** AMP employees contributed 17,912 hours to non-profits through volunteering and mentoring.
- **Fundraising and payroll giving:** employees raised \$878,894 through our fundraising and payroll giving programs, the majority of which was matched by the AMP Foundation.
- **Unsung Heroes:** 64 AMP employees who served on a charity board or volunteered for more than 80 hours of their time per year received a \$5,000 AMP Foundation donation to that charity.

Social impact investing

The AMP Foundation invests a percentage of its capital (up to 3%) in social benefit financial instruments that achieve a financial return and demonstrated social outcomes. In 2018 it held investments in the Newpin Social Benefit Bond and the Social Ventures Australia Diversified Impact Fund, with our Benevolent Society Social Benefit Bond investment maturing in October.

AMP's Tomorrow Fund

In 2018, the AMP Foundation offered its fifth AMP Tomorrow Fund – a \$1 million grants program for individuals whose ideas and efforts benefit Australia. The program offers grants of between \$5,000 and up to \$100,000. In 2018, the program awarded grants to 43 Australians and the winners included social entrepreneurs, musicians, medical researchers, athletes, scientists and technologists. More information at ampstomorrowfund.com.au.

Cancer Council Pro Bono Program

Established in 2010, this program enables financial advisers to share their expertise with people affected by cancer, at no cost. The AMP Foundation funds the operational costs, which enables people affected by cancer to receive free guidance on issues such as accessing Centrelink benefits, applying for early access to superannuation and insurance benefits, budgeting and estate planning. This national program supported 588 families with free advice in 2018.

Case study: Adviser lifts the burden

Since its inception in 2010, the AMP Foundation-funded Cancer Council Pro Bono Program has helped more than 5,500 people affected by cancer to manage their finances.

Melbourne financial adviser Genine Cowell has been providing pro bono support to people affected by cancer through the program since 2012. But it was only after her own brush with the disease that she came to fully appreciate the program's impact.

"When someone is diagnosed with cancer, they often talk about their life being put on hold. I now understand what that really means. It's not just the cancer treatment, it's all aspects of their lives; particularly their financial situation," Genine said.

In 2018, Genine received an AMP Financial Planning Pro Bono Award for her volunteer work. By the end of the year, her practice had advised 62 people through the program. "I found it was important that if we could take some of that burden off their shoulders, they could focus on fighting the disease."

Advisers support people affected by cancer with advice on a range of issues, including access to Centrelink payments, renegotiating or suspending loan repayments, and making new bill payment arrangements.

Often the relationships continue after the initial advice. Genine still assists a client whose husband died from cancer. "He said, 'can you make sure you look after her for me'... so a number of us work together to help her."

Other AMP community initiatives

In December 2018, AMP launched its Financial Help Hub – an online financial education centre that provides Australians with tips and tools to strengthen their knowledge around money, investing and living their best retirement. It includes jargon-free articles, videos, infographics and calculators.

AMP Capital Shopping Centres in Australia and New Zealand coordinate a range of activities for charities of importance to the local community. In 2018, they formed partnerships with local non-profit organisations, providing fundraising, volunteering and in-kind support.

In New Zealand, the AMP Scholarships program celebrated 20 years of helping people reach their goals. In 2018, 22 New Zealanders were awarded grants.

During the year, AMP also partnered with Key To Life to deliver the I AM HOPE Tour – a mental health initiative to combat New Zealand's high youth suicide rate. AMP also partnered with the Support Crew social enterprise to support customers in New Zealand at claim time. This online platform makes it easier for people to ask for assistance in times of need and for others to co-ordinate their responses; including meals.

For more information, visit amp.com.au/ampfoundation.

Future outlook

In 2019 we will continue to invest in the community and support our employees and advisers to donate their time, skills and resources. We will continue to support our existing community partnerships, both in Australia and New Zealand. The AMP Foundation will remain focused on supporting non-profit partners that provide educational and employment opportunities to disadvantaged Australians.

We will also help to promote sustainable and community-minded behaviour through the business and explore new ways to help people in the community achieve financial resilience and security.

In 2018...

Community investment breakdown	2018
AMP Foundation direct giving	\$4,915,615
Other AMP direct giving	\$123,991
Employee giving and fundraising	\$1,027,452 ¹
Employee volunteering contribution value	\$2,001,605
Number of financial advice cases delivered via Cancer Council Pro Bono Program	588
Cancer Council Pro Bono Program service value	\$588,000 ²
In-kind support	\$1,233,087 ³
Rate of employee participation in AMP Foundation programs (volunteering, fundraising, payroll giving)	50%
Total contribution to the community (includes funds, in-kind and volunteer value)	\$10,238,241

1 Australian employee fundraising and payroll giving, and fundraising facilitated by AMP Capital Shopping Centres employees.

2 Based on \$1,000 per pro bono case.

3 Includes free or subsidised rent for non-profits, AMP Capital Shopping Centres space donated to community groups and donated use of function/meeting rooms.

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