LINKGroup

CONNECTING PEOPLE
with their assets

CONTENTS

About this Report

Link Group is committed to continuously improving and transparently reporting our sustainability performance. This year's Report includes a description of how we identify and manage the key sustainability issues and risks to our business, stakeholders and reputation.

This Report has been prepared in accordance with the Global Reporting Initiative's GRI Standards: Core option. We have selected disclosures related to the most material impacts to our business, plus some that are important to us and our stakeholders even if not material. This report covers FY2019.

We have included a brief summary of our operational performance to emphasise the links between our sustainability and our long-term business success.

This will be the last time we report on Link Asset Services (LAS) as we move forward with our new operating model and global divisions in FY2020.

Rating agencies

During FY2019, our sustainability reporting has been independently rated by two major rating agencies at their own initiative.

- In mid-2019, the Australian Council of Superannuation Investors (ACSI) assessed our FY2018 Sustainability Report and gave Link Group a 'Detailed' rating, the second highest of five ratings.

- In June 2019, Institutional Investor Services (ISS), a global proxy advisory specialist, gave Link Group a Governance QualityScore of 2, an Environment QualityScore of 3 and a Social QualityScore of 3. These scores are given monthly on a scale from 1 to 10, with 1 the highest and 10 the lowest.

Link Group is a leading financial administrator that connects people with their assets.
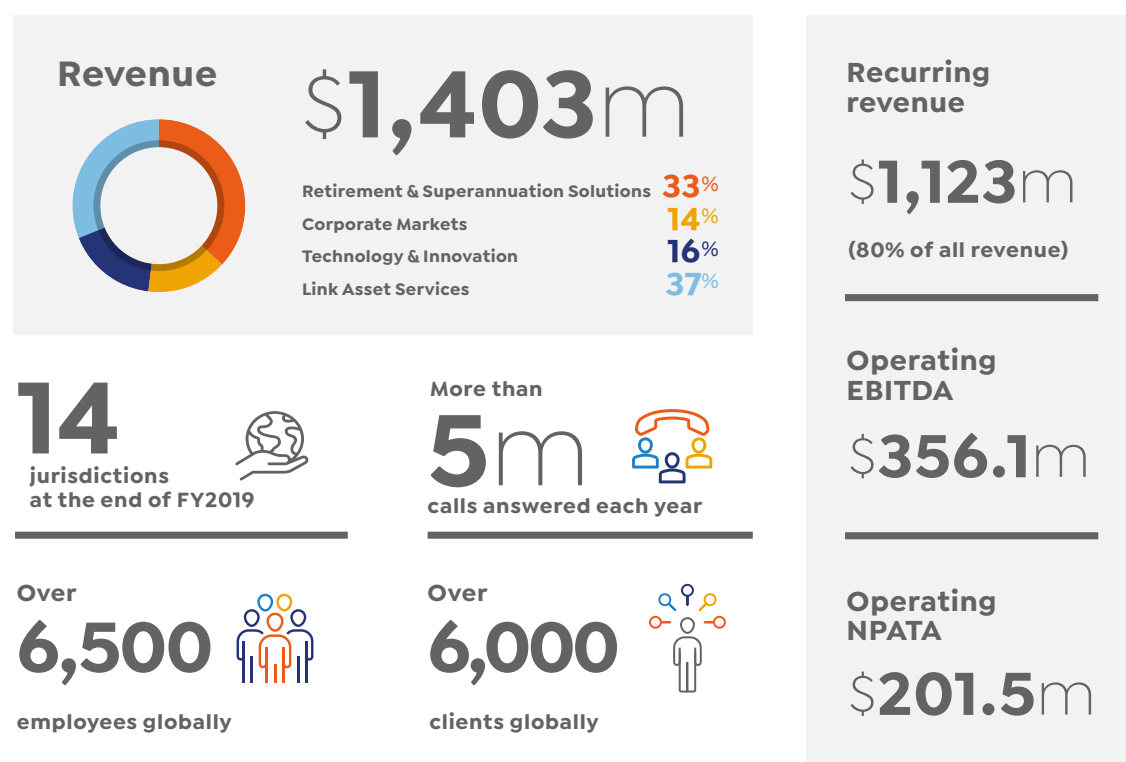
We do this by supporting clients who range from boutiques to some of the world's largest listed companies, pension and superannuation funds and investment houses, who choose Link Group to support them in managing and administering their customers' accounts securely and efficiently every day.

ABOUT LINK GROUP

Our strength and scale enable us to provide high-volume financial transaction processing that complies with the relevant regulation and is supported by a strong focus on data security and privacy.

Our technology platforms are designed to support our clients' own strategic objectives by providing them with scaled administration and related services that can be personalised for their own customers by using other Link Group value-added services, such as data analytics, apps and customer-centric communications. We seek to help manage regulatory complexity, improve data management and provide the tools to help people connect with their assets, leveraging analysis, insight and technology.

The scale of our business[1]

Revenue

$**1,403**m

Retirement & Superannuation Solutions	**33**%
Corporate Markets	**14**%
Technology & Innovation	**16**%
Link Asset Services	**37**%

Recurring revenue

$**1,123**m

(80% of all revenue)

14
jurisdictions at the end of FY2019

More than
5m
calls answered each year

Operating EBITDA

$**356.1**m

Over
6,500
employees globally

Over
6,000
clients globally

Operating NPATA

$**201.5**m

1 As at 30 June 2019, unless otherwise stated.

In June 2019 we announced a new operating model and organisation structure, to be implemented from 1 July 2019, which reflects a more integrated business, comprising global business divisions and global functions, with a regional coordination overlay. These business divisions are:

CORPORATE MARKETS

Link Group provides a comprehensive corporate market offering across global equity markets. Our services connect issuers with their stakeholders, and include shareholder management and analytics, stakeholder engagement, share and unit registry, employee share plans and company secretarial services.

RETIREMENT & SUPERANNUATION SOLUTIONS

Link Group is the largest provider of services in Australia's superannuation fund administration industry, which services the fourth largest pension pool in the world based on funds under management.

FUND SOLUTIONS

We are a leading independent Authorised Fund Manager and provider of fund administration and transfer agency services. With a focus on strong governance, regulatory expertise and risk management, our business helps to alleviate compliance complexities for asset managers and investors.

BANKING & CREDIT MANAGEMENT

Our leading pan-European loan servicing platform offers end-to-end servicing and asset management for clients across residential and commercial asset classes, working for both banks and other credit origination platforms as well as financial investors.

TECHNOLOGY & OPERATIONS

Our Technology & Operations division, brings together our proprietary technology platforms, operations and value-added services of data analytics and digital solutions, to support our clients' varied and ever-changing needs. We harness new and emerging technologies and a culture of continuous improvements to deliver scaled, operational efficiencies that are underpinned by robust data and information security.

OUR APPROACH TO SUSTAINABILITY

We aim to create long-term sustainable value for our shareholders and balance their needs with those of our people, clients, suppliers, communities and environment, by taking an ethical approach to business, supported by innovation and effective systems and processes.

> Sustainability is a long-term journey, and we seek to continuously identify, respond to and manage the risks, issues and opportunities that are important to us and our stakeholders.
>
> We reinforce in our people the behaviours required for us to become a more sustainable organisation and a good corporate citizen, and we encourage our suppliers and partners to do the same. We recognise the significant value that accrues when our people, clients and suppliers are committed to a sustainable future and work together to achieve it. By taking these steps we can enable Link Group to evolve, respond to the changing business world and make a measurable difference."

John McMurtrie
Managing Director, Link Group

OUR FOCUS

To facilitate a sustainable future for our business we focus on several key areas:

- supporting our people and creating an environment where they can belong, thrive and achieve together in a diverse, inclusive and engaged workplace;

- supporting our clients through regulatory, technological and business change;

- providing assistance to our communities by giving back in different ways;

- minimising our use of resources; and

- investing in technology and innovation to help drive our future growth and success as well as more efficient business practices such as limiting our use of natural resources.

KEY STAKEHOLDERS

Our approach to sustainability is focused on knowing our key stakeholders and balancing their needs.

- Our **shareholders** need us to manage our business to create sustainable value over the long term.
- For our **clients and their customers** we must provide easy, 24/7 access to their assets, simplified transactions and innovative products and processes to improve the day-to-day customer experience.
- We need to value and nurture our **employees** with a work environment and benefits that enable them to thrive and assist us to recruit and retain talented people.
- Because we depend on our **suppliers** to help us develop and deliver our services, we must work closely with them and treat them fairly at all times.
- We must address our **community**'s ongoing needs by contributing to society, maintaining our reputation and hence our licence to operate, and being a good corporate citizen.
- We must show that we care about our **environment** by minimising our use of scarce resources and other impacts.
- We must ensure continuous compliance with laws and regulations and work with **regulators** and **governments** to contribute our expertise to the development of well-designed and effective regulations.

All of these stakeholders benefit from Link Group building a sustainable, successful company and striving for continuous improvement in how we do business. By focusing on risk management and sustainable business practices we aim to make integrity, information and data security, privacy and compliance part of everything we do.

SUSTAINABILITY FRAMEWORK

Our Sustainability Framework helps us achieve our aspiration to make positive and lasting contributions to our industry, society and environment. It includes:
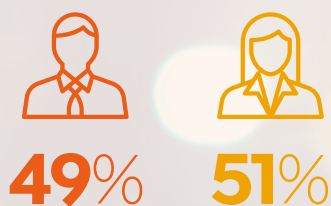
- a common set of Link Group values and Code of Conduct and Ethics to define the broad behaviours expected of our people;
- identifying, understanding and managing current and emerging risks, including governance, ethical, social, environmental, economic and reputational risks;
- a Sustainability Strategy that sets out what we aim to achieve and drives our implementation approach;
- compliance with applicable laws and regulations;
- formalised policies and management structures and processes that aim to manage material risks to our future success;
- a corporate responsibility Working Group, drawn from across the business;
- initiatives across Link Group to enable continuous improvement in our sustainability performance; and
- annual reporting on our sustainability priorities and performance through this report.

We continue to review and report on what we are doing and strive to improve our performance year on year.

SUSTAINABILITY AT A GLANCE [1]

Our people

Our workforce comprises

49% **51**%

Women in senior executive positions (globally)

40%

Women in senior leader positions (globally)

28%

Parental leave [1,2]

93%

Percentage of employees retained who returned from, or are still on parental leave

Formal employee training programs

Over 11hrs

invested per person per year

Employees covered by collective bargaining agreements [2]

72%

1   As at 30 June 2019, unless otherwise stated.
2   Australia/New Zealand only.

Our environment

Paper resources

72%

Percentage of paper consumed in our offices was environmentally certified

Recycling

606 tonnes

Amount of paper received at our offices that we recycled

Emissions cut in Australia

1,756 tonnes of CO_2e

Since FY2016, we have cut our energy use in Australia by 1,535,985 kW-h, or 25%, saving over $206,000 a year in power costs and reducing our emissions by 1,756 tonnes of CO_2e

Office emissions

6,113 tonnes of CO_2e

Emissions of CO_2e from energy used in our offices globally

Community support

Charitable donations[1]

$400,000+

Amount provided via employee and corporate donations, sponsorships, workplace giving and in-kind support to charitable organisations

OUR GOVERNANCE

Link Group recognises that strong corporate governance underpins sustainable value creation for shareholders.

A detailed governance and management framework is in place to help us manage any potential reputational and financial risks. There is also a legal and regulatory framework, which includes the ASX Listing Rules and ASX Corporate Governance Council Principles and Recommendations, that requires us to address these risks and report our progress.

While the Board has overall accountability for establishing an effective corporate governance framework, and overseeing its management, all Link Group people share responsibility for upholding the corporate governance standards set. These standards are articulated in our Code of Conduct and Ethics and reflected in our core values of Professionalism, Integrity, Respect, Commitment and Teamwork.

More information

We comply with the ASX Corporate Governance Council's Principles and Recommendations (Third Edition).

For more on our corporate governance practices, see our 2019 Corporate Governance Statement and related key governance documents, at http://linkgroup.com/about-us.html.

GOVERNANCE STRUCTURE

The Board's role includes providing leadership and guiding Link Group's strategic direction, driving its performance, and overseeing the activities of Management and the operations of Link Group. A key part of the Board's responsibilities is to implement and oversee an effective corporate governance structure for Link Group.

The Board has adopted a framework for managing Link Group that includes internal controls, risk management processes and corporate governance policies to promote responsible management and conduct.

Separate Board Committees for Risk and Audit, Technology and Operations, Human Resources and Remuneration and Nomination, assist the Board in carrying out its role by providing detailed oversight in these areas.

The Executive Leadership Team (ELT), through the Managing Director, is accountable to the Board for day-to-day management of Link Group. In turn, the ELT is supported by a number of governance, risk and operationally-focused committees with specific responsibilities.

We take into account the cultural and geographical requirements of each country in which we do business. For example, in South Africa we have aligned our governance and company practices with the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice. The fundamental objective of B-BBEE is to advance economic transformation and enhance the economic participation of Black African people in the South African economy, and the Code sets out the pillars that businesses operating in South Africa must address, which include ownership, management control, skills development, enterprise development and socio-economic

development. This has helped to raise our B-BBEE rating to Level 2 (the second-highest rating), demonstrating our commitment to transformation and shared values with our South African clients.

RISK MANAGEMENT

Effective risk management is a key focus for Link Group, given we are entrusted with protecting the assets and personal information of our clients and their customers. Our risk management framework is aligned to international risk management guidelines (ISO 31000:2018) and provides a consistent approach for identifying, analysing, evaluating, treating, monitoring and reporting risks at all levels of the organisation. We regularly review the framework for relevance and currency.

Key risks

Some key risks identified include:

- Information and cyber security;
- Political and regulatory environment;
- Principal risk;
- Client base, retention and arrangements;
- Benefit realisation from acquisition, integration and transformation.

How these key risks are managed is explained in more detail in the Corporate Governance Statement and the Operating and Financial Review section of the Annual Report, both of which are available on our website, www.linkgroup.com.

As a technology-based service business, we believe the risk of our products being detrimental to people or the environment is limited, compared with other industries such as manufacturing businesses. As part of our control strategy framework, we maintain appropriate levels of insurance cover to mitigate loss in the event of an insurable risk materialising.

The following risk management measures supplement the Link Group Code of Conduct and Ethics that governs employee behaviour:

Information management security

Link Group's information security management system aligns to the global standard ISO 27001, the APRA Prudential Standard (CPS234), as well as the National Institute of Standards and Technology (NIST) cybersecurity resilience framework. This alignment represents our best practice approach to managing and protecting sensitive information, including records held and administered on behalf of approximately 10 million superannuation account holders and more than 40 million shareholders.

Our operations in Australia, Link InTime India and Banking & Credit Management in Ireland are certified against the ISO 27001:2013 standard, and we are working towards ISO27001:2013 certification in a number of other jurisdictions. See Our Clients section of this Report for more details.

Business continuity and disaster recovery

By developing and deploying robust systems, we strive to provide uninterrupted service to clients and end users. To protect us, our clients and their customers from major disruption, we have Business Continuity Plans and Disaster Recovery Plans that are reviewed and tested on a regular basis.

Our Business Continuity Management approach outlines our core systems, activities, processes, people and timetables, as well as alternative work locations and contacts. Although the impact of an incident depends on the systems or infrastructure affected, we expect that under most likely scenarios we can resume operations from alternative locations within agreed timeframes.

Our Governance

Privacy and security

Protecting member and investor privacy and data is critical. We have multiple controls in place including privacy risk assessments, promoting staff adherence to strict policies and procedures and limited access control. We have processes to promote compliance, including targeted face-to-face training and monitoring by our Compliance team. All staff receive regular training on privacy and data protection and may face disciplinary action for policy breaches. These measures reinforce privacy and data protection as part of Link Group's DNA.

Further privacy and information technology controls include, but are not limited to:

- restricting access to systems and data;
- authorising transactions before processing;
- safeguarding assets;
- regularly maintaining and upgrading systems hardware and software;
- recovering from system interruptions;
- monitoring staff compliance with privacy and information security policies, procedures, standards and guidelines; and
- monitoring subservice (supplier) organisations.

Policies and procedures

Our processes and systems are further supported by a company-wide Code of Conduct and Ethics and policies that encourage employees to treat clients, their customers and all other stakeholders fairly.

Potential employees are subject to on-boarding and screening checks appropriate to their role. All new and existing employees must understand and comply with a range of policies and procedures and undertake regular training appropriate to their role and the industries in which Link Group operates, with a focus on the following:

- **Our core values:** Our core values of Professionalism, Integrity,

Respect, Commitment and Teamwork underpin everything we do. Our Code of Conduct and Ethics sets out the behaviour expected of all our people.

- **Privacy and data security policies:** These require our people to take steps to protect clients' personal information.
- **Equality and diversity policies:** These deal with key issues including equal opportunity, bullying, discrimination and harassment, to help build a more diverse and welcoming workplace.
- **Management policies:** These outline how specific situations and issues, including incidents, breaches and whistle-blowers and their protection, must be managed.
- **Legislated responsibilities:** These include workplace health and safety, anti-money laundering/counter-terrorism financing, corruption, privacy, fraud and financial services regulations.

All employees undertake regular compliance training appropriate for their role. Each year, our employees are required to complete a number of modules that are mandatory for everyone. New employees complete this same training when they start at Link Group.

Ethics

We continue to apply our risk management frameworks to help prevent or manage the potential risks from ethical issues such as bribery, corruption and fraud.

Sanctions

Link Pension Trustees Limited received penalties from The Pension Regulator (TPR) in the UK in respect of a pension scheme for which it is a trustee. The issues originated prior to Link Group's acquisition of Link Pension Trustees Limited. Reasonable steps were taken under Link Group ownership towards resolving the issues and Link Group no longer owns this company.

The fine comprised £73,750 for failing to obtain audited accounts for the scheme for four consecutive years;

failing to provide members with Statutory Money Purchase Illustrations for two consecutive years; and failing to report those six breaches of law to TPR. It was also fined £30,000 for failing to have at least three trustees on a master trust board.

Sharex Dynamic (India) Pvt. Limited (**Sharex**), a recently acquired subsidiary of Link InTime India, was subject to an order of the Securities and Exchange Board of India, which had the effect of barring Sharex from accepting new assignments for a period of one month. Sharex is a Registrar and Transfer Agent in India. The order was in respect of not having, or adequately checking, specimen signatures against share transfer forms in a relatively small number of instances. This conduct occurred prior to Link Group ownership.

No other entity controlled by Link Group has been subject to any sanction during the period.

Other risks

As disclosed on 18 June 2019, the Financial Conduct Authority (FCA) has notified Link Fund Solutions (LFS) that it is commencing an investigation into LFS as authorised corporate director (ACD) to the LF Woodford Equity Income Fund (Fund).

The key responsibility of LFS in its role as ACD of the Fund, is to always act in the best interests of all investors in the Fund. LFS considers that it has at all times acted in accordance with applicable rules and in the best interests of all investors in the Fund and it continues to do so.

FCA investigations may run for a considerable period of time before any outcomes are announced. While this may present a potential financial and reputational risk, as stated in Link Group's audited FY19 financial statements, there has been no enquiry, complaint or claim received by LFS regarding its role in relation to any fund, including the Woodford Fund, which should be recognised as a contingent liability.

APPROACH TO TAX

In accordance with the Tax Risk Governance Policy, available here, Link Group continues to adopt a low risk approach to taxation through the following:

Managing tax risks

We are committed to transparently complying with and disclosing all our tax obligations, by focusing on accurate compliance reporting and engaging with tax authorities. The Tax Risk Governance Policy outlines roles and responsibilities in respect to tax risk management. We employ qualified tax professionals to undertake taxation work and use external advisors to review tax filings, advise on operational matters and assist with significant transactions or projects. Provided the risk of any transaction is within our low tax risk appetite we seek to ensure clarity within the law and evaluate any potential tax outcomes.

Tax planning

Link Group does not sanction or support any activities which seek to aggressively structure tax affairs. We do implement efficient tax planning to support the business and reflect the commercial and economic activity, in accordance with the low tax risk appetite. Any decisions around structuring are made on the basis of operational performance, not with the aim of avoiding tax, and specifically, we:

1. Do not artificially shift and/or accumulate profits in low tax jurisdictions.
2. Do not use the secrecy rules of jurisdictions to hide assets or income.
3. Pay tax where the underlying economic activity occurs.
4. Apply carried forward tax losses where tax legislation enables us to do so.

Tax transparency

We are committed to transparently disclosing our tax obligations and payments made in Australia and overseas. This is evidenced by Link Group having complied with all aspects of the Australian Tax Transparency Code (released by the Australian Board of Taxation in February 2016) and disclosed all requirements of Part A of the code in its Annual Report for the financial year ended 30 June 2019. We also published our tax strategy for the UK in respect to the year ended 30 June 2019, available at UK Tax Strategy.

Relationships with tax authorities

We maintain open, transparent and positive working relationships with tax authorities and regulators around the world. All correspondence with tax authorities is handled by qualified tax personnel within Link Group.

International related party dealings (IRPD)

We acknowledge our responsibility to comply with transfer pricing regulations for all IRPD. To meet these requirements, we have a Transfer Pricing policy, processes around IRPD invoices and regular IRPD reporting. Our IRPD are not complex or substantial and can be categorised as: client related services support, functional support services, licensing of software and financing.

BREAKDOWN OF TAX PAID ($'000)

The unaudited breakdown of all tax payments for the year ended 30 June 2019 is as follows:

	Corporate income tax[1] $'000	Employer payroll taxes[2] $'000	Total tax payments borne $'000	Goods & services and value – added tax $'000	Employee payroll taxes[3] $'000	Other taxes $'000
Australia and New Zealand	57,889	16,714	74,603	48,244	79,024	0
United Kingdom and Channel Islands	4,555	22,916	27,471	14,309	34,417	0
Ireland	2,008	11,034	13,042	3,226	14,924	0
Other countries[4]	4,791	3,144	7,935	8,019	6,363	89

1 Link Group has tax losses in Australia, South Africa, the United Kingdom and Germany, which arose in a prior period and reduce the amount of corporate income tax paid in those jurisdictions in subsequent periods.

2 Employer payroll taxes are calculated with respect to employee payroll headcount or similar and the liability is levied to Link Group. For example, payroll tax paid to Australian states, Fringe Benefits Tax (FBT) to the Australian Taxation Office (ATO) or National Insurance Contributions paid in the United Kingdom.

3 Employee payroll taxes refers to monies withheld from employees' wages that are considered individual personal taxation, often referred to as pay as you go (PAYG) or pay as you earn (PAYE) and paid to the relevant taxing authority.

4 Other countries include the Netherlands, Luxembourg, Hungary, Germany, Italy, France, India, Papua New Guinea, South Africa, Hong Kong, the Philippines, Singapore, the USA and UAE. Taxes are paid based on the applicable tax rates in those countries.
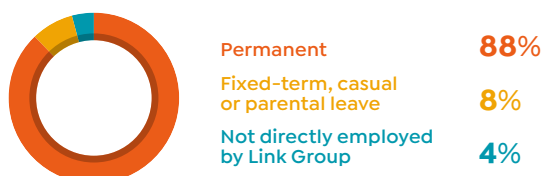
OUR PEOPLE

Link Group is committed to supporting our people and creating an environment where they can belong, thrive and achieve together in a diverse, inclusive and engaged workplace. A broader overview of our people is available in the Annual Report.
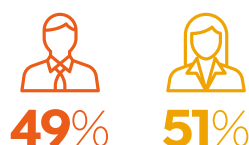
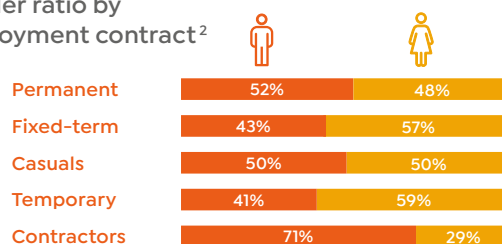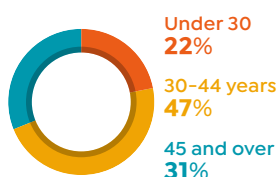## Workforce overview[1]

Total employees (headcount)

6,903

Full time employees (globally)

Permanent	**88**%
Fixed-term, casual or parental leave	**8**%
Not directly employed by Link Group	**4**%

Gender ratio (headcount globally)

49% **51**%

Gender ratio by employment contract[2]

	Men	Women
Permanent	52%	48%
Fixed-term	43%	57%
Casuals	50%	50%
Temporary	41%	59%
Contractors	71%	29%

Age distribution (globally)

Under 30	**22**%
30–44 years	**47**%
45 and over	**31**%

Women in senior positions (globally)

38% BOARD[3] **40**% EXECUTIVE **28**% SENIOR LEADER

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1 Link Group keeps no formal data on ethnic background.

2 The breakdown of employment by contract types and gender (globally) is shown here. Figures are for FTE employees and do not include contractors engaged through managed services agreements who are located offshore.

3 The breakdown of Link Group Board members by gender, including the Chair, is shown in this table.

DIVERSITY AND INCLUSION

Female participation

Link Group continues to focus on achieving an appropriate gender balance at all levels of the organisation. This is outlined on this page.

Local hires

We aim to provide equal opportunities in our employment practices, by

- advertising jobs internally;
- providing local employment; and
- encouraging employees to seek opportunities internally for career development.

Equal pay

We are committed to achieving gender pay equity for the same work. Broadly, women in senior positions earn, on average, marginally less than men in similar positions, while for other positions differentials exist but are narrower.

We are currently reviewing our role classification and remuneration arrangements and detailed information on the ratio of basic salary and remuneration of women to that of men by employee category during FY2019 is not yet available.

Rates of staff turnover

While we aim to limit all forms of employee turnover, our focus is on reducing the number of permanent employees who leave us voluntarily.

Employment status

The types of employment provided globally for both Headcount and FTEs are shown here.

Employment status	Headcount	FTEs
Permanent	6,052	5,886
Fixed-term	398	394
Parental	143	128
Casual	44	42
Contractor	118	117
Temporary	148	142

PEOPLE METRICS FOR FY2019 [1,2]

Female participation (in Australia and New Zealand), as applicable:

**Women executives
FY2019: 29%** (Target 28%)

**Women senior leaders
FY2019: 31%** (Target 42%)

**Women in management
FY2019: 44%** (No target)

**Women individual contributors
FY2019: 54%** (No target)

No targets for People managers or Individual contributors as job categories have changed during FY2019.

Rate of retention or return to work after parental leave in Australia and New Zealand, FY2019:

**Employees who are still on parental leave or who have returned from parental leave
FY2019: 93%** (Target 90%)

EMPLOYEE TURNOVER FY2019, FTEs, GLOBALLY [3]

**Voluntary departures 12-month rolling turnover rate
22%** (FY2018: 20%)

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1   Metrics generally exclude employees of CPCS, which was divested on 28 June 2019, unless otherwise stated.

2   FY2019 People targets are for Australia/New Zealand only and include permanent, fixed-term and parental leave employees only.

3   The 12-month rolling turnover rate is calculated as the number of FTE employees leaving the company divided by the average number of FTE employees. Includes CPCS employees.

Training and development
(including CPCS employees)

Over
10hrs
Facilitated face-to-face training per participating FTE employee

Over
6hrs
Compliance training per FTE employee

Over
79,000hrs
Total training hours, globally

Over
11hrs
Average total training per employee, globally

WORK ENVIRONMENT

Training and development

We encourage our people to undertake training to develop their skills, improve their work practices and build their careers. This grows our available pool of expertise, makes for a more skilled and engaged workforce and helps us to keep up with industry and regulatory developments. During FY2019 we:

- Continued to offer our graduate training program in APAC, following its launch in FY2018. Participants rotate between various business and functional areas to expose them to different aspects of Link Group and build overall skills;
- Continued to invest in programs such as a new frontline leadership development program, which aims to help new and emerging leaders move from being technical specialists to becoming effective and strong people leaders;
- Continued to require all employees to undertake compulsory compliance training via our online training platform. Training covers topics such as anti-money laundering, data protection, fraud and corruption awareness and equal employment opportunities. Modules are mandatory for all employees;
- Continued to provide new starter induction as well as training and coaching for employees to build and maintain skills; and
- Continued to provide externally delivered specialised training, including technology and other professional training.

The total training undertaken by employees was 79,031 hours. This total includes all online compliance training and facilitated face-to-face training sessions. Face-to-face training totals only include permanent employees who attended a formal training session. It does not include the significant number of hours of new starter induction, on-the-job training and ongoing coaching delivered.

Performance reviews

We review individual performance annually, with mid-year and annual reviews conducted to foster strengths, identify development areas and improve performance.

Parental leave – participation and return to work

We encourage both males and females to take parental leave and we support them in returning to work afterwards.

PARENTAL LEAVE PERFORMANCE IN FY2019 (INCLUDING CPCS EMPLOYEES):

Eligible for parental leave
2,992 female
2,676 male

Took parental leave
292 female
75 male

Employees retained who are still on parental leave or who have returned from parental leave:
93%
(Australia/New Zealand only.)

Promoting health and wellbeing

We aim to provide a working environment that promotes physical and mental health and wellbeing, encourages healthy behaviours and enables access to specialist support for those who need it. In FY2019 we launched the Link Wellness hub in Australia and New Zealand, and plan to roll it out to other regions during FY2020. A one-stop-shop portal, Link Wellness offers benefits such as an online health survey, free flu vaccinations, employee assistance program, nutritious recipes and exercise tips.

> **We strive to be an organisation with a working environment that embraces and supports individual differences and gender equality.**
>
> **John McMurtrie**
> Managing Director, Link Group

EMPLOYEE RELATIONS

Contract type

Generally, we provide permanent or fixed-term, full-time or part-time employment. Independent contractors perform some specialised work.

Labour relations

We support the right of employees to bargain collectively, and we maintain productive engagement with trade unions, as well as negotiating directly with employees. In FY2019, in Australia and New Zealand, 72% of employees (FY2018: 73%) were covered by collective bargaining agreements. We generally pay above-award rates.

Redundancies

We avoid compulsory redundancies where we can, preferring redeployment where possible.

Grievances

We take seriously all reports of harassment, discrimination, bullying and any form of misconduct. Our grievance procedure facilitates the appropriate investigation and resolution of complaints.

Workplace grievances (including CPCS employees):

- 17 workplace grievances were filed with Human Resources for Australia/New Zealand during FY2019, of which 17 were addressed and 15 resolved prior to 30 June 2019.
- 18 workplace grievances were filed for LAS and Germany-Munich during FY2019, of which 12 were addressed and 12 resolved prior to 30 June 2019.

OUR ENVIRONMENT

Link Group produces mainly intangible, technology-based products and services requiring limited use of resources. We have a comparatively small environmental footprint, since:

- **we operate from leased city-centre offices;**

- **most of our work is technology based, involving limited consumption of natural resources; and**

- **our major environmental impacts are office energy emissions, transport emissions, mainly from air travel, consumption of paper and waste – both IT consumables and general office waste.**

Although we believe the environmental impacts from our business are relatively modest, we take our environmental responsibilities seriously. We report below under two headings: Energy and emissions and Other resources, which cover the majority of our impacts. We report the proportion of green office space and the recycling rate of IT consumables.

We are currently reviewing whether and how we should set targets for reducing our emissions intensity (emissions per FTE and emissions per $million of revenue), as well as the possibility of setting other environmental targets in subsequent years. We continue to review our environmental risks and ways we can further improve our environmental performance.

FY2019 is the first year since the acquisition of LAS that we have been able to report a full 12 months of environmental impacts across the whole of Link Group.

ENERGY AND EMISSIONS

As in previous years, we report on our energy use and CO_2 emissions. Our approach is to seek continuous reduction in our energy consumption over time, by taking space in better, more energy-efficient buildings and using technologically-advanced and lower-energy office lighting, printers and computers. This is an ongoing commitment.

Over the last few years our Australian businesses have moved into offices conforming to high standards of energy efficiency. All are now in buildings rated at least NABERS 5.0, with some at 5.5; Collins Square in Melbourne, being new, has not been finally rated but is expected to be between 5.0 and 6.0.

Moving to energy-efficient offices has resulted in a 30% reduction in power use and a 34% reduction in emissions across all offices in Australia, excluding Link DigiCom, since July 2016. We expect that from now on in Australia, which generates almost half Link Group's total emissions, only incremental reductions are likely. Offices outside Australia show more potential for reductions, mostly from moving into energy-efficient buildings as leases expire over the next few years. However, future reductions from switching to energy-efficient lighting and printing are more likely to be incremental as the majority of our buildings globally already use them.

Having achieved significant energy use reductions in the last few years, we intend to set targets for each new office move or relocation. We expect to finalise these targets during FY2020; they may be internal targets.

We calculate emissions based on two major types of energy use:

- Energy used to power our offices – Scope 1 emissions (as defined by the Greenhouse Gas, or GHG, Protocol) – directly burning fuel for

heating/cooling; and Scope 2 emissions – use of grid electricity; and
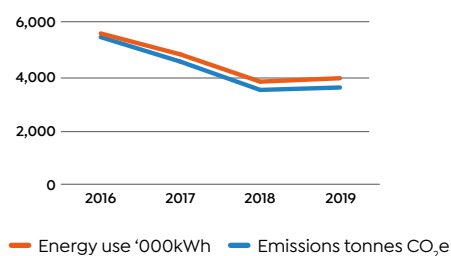
- Energy used in transporting employees for work-related travel – Scope 3 emissions, mainly from air travel and (in Europe only) some rail travel.

Our office energy use consists of the energy used by and charged to each tenancy, covering lighting, computers, monitors, servers, phones etc. It does not include Base Building energy use i.e. energy used by the building owner for lifts, heating and cooling etc because:

- Base Building energy usage, although charged back to us, is under the control of our landlords, many landlords do not provide consumption totals and we have little ability to affect the energy consumed; and

- If we exclude Base Building usage from the total, we can compare our own performance going back several years.

We do not report energy use or emissions resulting from employee commuting, goods and services purchased from suppliers (eg landlords, paper suppliers, IT hardware providers), capital goods (such as office renovations) or waste.

Office energy use and emissions, Australia 2016–19 (excl Link DigiCom)

Legend: Energy use '000kWh — Emissions tonnes CO_2e

Leased office energy use and CO_2e emissions [1,2]

Energy consumed

10.5m kW-h

2018: 13.3m

Emissions

6,113 tonnes of CO_2e

2018: 7,809 tonnes

Proportion of office space certified 'green' [2]

LAS only

Whole of Link Group

Link Group excl. LAS

Australia only

0%   20%   40%   60%   80%   100%

FY2019   **FY2018**

OFFICE ENERGY

Our office leasing strategy is to seek office space in energy-efficient buildings and consolidate offices where possible, allowing us to continue reducing our power bills and emissions.

During FY2019 we:

- closed offices in UK, Netherlands, Switzerland, Luxembourg and South Africa;
- almost halved our space in Ireland;
- opened or acquired two new offices in Netherlands and Switzerland; and
- sold our Corporate & Private Clients Services business (CPCS) on 28 June 2019, reducing our EMEA office portfolio and, we expect, cutting our energy use. The impact of the divestment on our energy use and emissions will be reported in FY2020.

The energy consumed in our offices was almost entirely grid electricity, with less than 2% of the total provided by gas in a few European offices.

We have not separated out energy used for heating and for cooling. We did not sell any energy during the year and did not use any steam or coal in any of our facilities.

To calculate emissions in tonnes of CO_2 equivalent (CO_2e) we used our power suppliers' own emissions conversion factors, where provided. Where they were not provided, we used conversion factors provided by,

- in Australia, the Department of the Environment, 2018;
- in the UK, the Department for Business, Energy & Industrial Strategy, 2019;
- in New Zealand, the Ministry for the Environment, 2019;
- in European countries, the EC's default emission factors for member states, 2017; and
- in other jurisdictions, information provided by the relevant electricity utility or national government.

Energy efficiency (ESOS) reporting

In the UK, any business having 250 or more UK employees must comply with the Energy Savings Opportunity Scheme (ESOS) by:

- calculating total energy use from buildings, processes and transport;

- carrying out energy audits covering 90% of energy used; and
- reporting compliance to the UK Environment Agency.

LAS's independent ESOS auditor completed Phase 2 ESOS auditing in June 2019 and, after sign off by a LAS director, notified the Environment Agency that LAS is compliant. Phase 3 of the scheme including audits of our current UK and Ireland properties will be completed in 2023.

Streamlined Energy and Carbon Reporting framework (SECR)

This is a new UK reporting requirement, under which 'unquoted companies incorporated in the UK which are required to prepare a Directors' Report under Part 15 of the Companies Act 2006, and which are 'large' (ie with turnover of £36 million or more) are required to prepare and file energy and carbon information in their Directors' Reports. Our first reporting under this requirement will cover the FY2020 year.

Green office space

We again report the proportion of office space in 'green' ie significantly energy-efficient buildings, across Link Group. Our definition of green covers buildings certified as being LEED-certified (a US-derived global standard), BREEAM-certified (mainly used in the UK), or NABERS Level 5 or above (in Australia).

Green buildings enable us to reduce energy use, lower our energy bills and cut our CO_2 emissions. Our policy is to take space in energy-efficient buildings as leases expire or we consolidate offices. Comparing the proportion of green office space over Link Group with that in Australia alone clearly shows the opportunities that exist for us to significantly reduce our energy use, power costs and CO_2 emissions outside Australia.

With the LAS acquisition, the increase in our leased office space and employee headcount resulted in a significant increase in total emissions. This is the first year we have reported LAS's full year contribution – the FY2018 Report only included LAS's contribution from the 3 November 2017 acquisition date. To obtain meaningful comparison figures for last year we have projected LAS's metrics for eight months of FY2018 over a full 12 months.

1   Energy consumed and resulting Scope 1 (gas) and Scope 2 (grid electricity) emissions. Excludes Link DigiCom. The FY2018 comparison figures include 8 months of LAS data from the 3 November 2017 acquisition date projected over a full 12 months.

2   Excludes Link DigiCom.

AIR AND GROUND TRAVEL

Our major travel-related impacts are emissions from commercial air flights and rail travel; car emissions are too low to warrant reporting.

Commercial airline flights

Our emissions for FY2019 for flights taken by employees from the jurisdictions covered by this report are calculated as follows:

- For flights out of Australia, New Zealand, the UK, Germany, South Africa and Hong Kong, CO_2e emissions figures were provided by the travel agents or government sources; and
- For flights out of other jurisdictions, emissions are based on the distance travelled per flight.

Other air-travel impacts (waste, spills and noise) are small and outside our control so we do not report them. Air freight volumes are negligible compared with passenger air travel. We did not purchase offsets related to our air travel during FY2019.

Rail travel

In Europe, LAS employees undertake significant amounts of rail travel in the course of business, amounting to around 37% of total LAS distance travelled, so we report the resulting emissions, around 9% of LAS travel emissions. The amount of rail travel elsewhere, including Australia, is low and there is little value in reporting it.

Car travel

The impact is very small (2% of total LAS emissions in FY2019), so we do not report this.
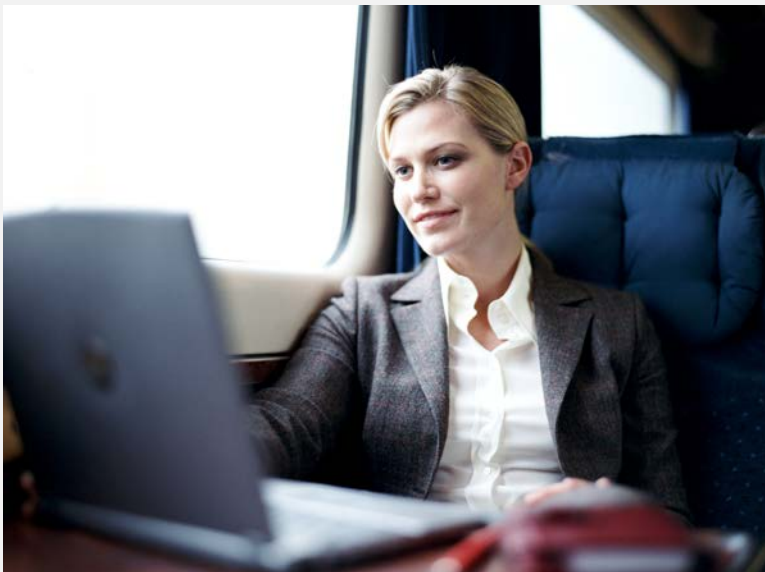
Total emissions

Our total emissions consist of the total of our Scope 1 and 2 emissions from our facilities and all Scope 3 emissions from air and rail travel.

Emissions intensity

Intensity is generally a better measure than absolute emissions for showing how a growing business like Link Group reduces emissions over time. We report two intensity measures: emissions per FTE employee and emissions per $ million of revenue.

Given the public interest in emissions and climate change, we have been considering how best to show our progress in reducing our impact. As mentioned above, we are looking at alternative approaches such as setting targets for reducing energy use in new leased buildings and/or reporting cumulative reductions over a number of years.

Air travel [1]

Total distance flown

12.79m km

2018: 14.62m

Emissions

3,404 tonnes of CO_2e

2018: 3,976 tonnes

Rail travel [1,2]

Total distance travelled

2.36m km

2018: 2.55m

Emissions

104 tonnes of CO_2e

2018: 118 tonnes

1   The FY2018 comparison figures include 8 months of LAS data from the 3 November 2017 acquisition date projected over a full 12 months.

2   LAS offices, UK and Ireland only.

Our Environment

OTHER RESOURCES

Paper

We use paper, including envelopes, for client mailings to fund members and investors. We are seeking to reduce our clients' use of paper mailings by:

- encouraging them, their investors and fund members to move to electronic (email and internet) communications;
- using more recycled and carbon-neutral paper for mailings; and
- recycling as much as possible of the paper that we receive in our offices, from shareholders and fund members.

We also seek to reduce paper use in our own offices, and will continue to review our progress to see what more we can do. Any future targets, if set, will cover only our own office paper use.

External paper

Total paper use by Link Group and our printers in communications with super fund members and security holders, almost all sourced from and printed by external suppliers, was 1,145 tonnes across all jurisdictions. Although this figure is higher than FY2018's, it is not clear that we used more paper in FY2019; it is more likely that, as our global data capture processes continue to improve, our reporting more accurately reflects our total consumption.

Internal paper

We used 61 tonnes of paper in our own offices in FY2019.

Total paper used both for client mailings and in our own offices was 1,206 tonnes (2018: 1,156).

A summary of the environmental performance of our office paper, based on the information provided by our suppliers, follows. Where complete information was not provided we treat the supplier's paper as not being environmentally friendly, so these figures understate the true picture. Totals are not mutually exclusive, so they add up to more than the total amount of paper used:

- 40 tonnes of our paper (66%) consisted of recycled stock.
- 44 tonnes (72%) were either FSC-, AFS- or PEFC-certified or ISO14001-compliant;
- 24 tonnes (39%) were carbon neutral; and
- 5 tonnes (8%) utilised Elemental Chlorine Free (ECF) or Totally Chlorine Free (TCF) pulp bleaching.

Paper recycling

In addition to paper we sent externally, our mailrooms also received large volumes of forms, letters and mail from investors and super fund members, allowing us to recycle 606 tonnes of paper. All items were scanned or otherwise processed, shredded (in the case of secure documents) and sent for recycling.

Waste

We again report the general waste disposed of and the proportion of recyclable waste – glass, plastics, cans and paper. For some offices we

have estimated waste totals, however a number of offices have been unable to provide data, including a few serviced offices and offices whose landlords do not record it. In all major offices, we provide facilities for employees to separate personal waste into recycled waste and landfill and we continue to engage with our landlords to obtain more accurate waste disposal information.

IT consumables

IT waste, or e-waste, consists of redundant, obsolete or irreparably damaged servers, desktop computers, screens, mobile phones, switches, etc. It contains recoverable amounts of metals such as gold, silver, copper, titanium, palladium, lead, tin, nickel, mercury and cadmium. It also contains hazardous materials such as brominated flame retardants that must be kept out of the environment, particularly landfill. Link Group is a significant user of technology, so we report the weight of e-waste that we send for disposal by reuse, recycling or materials recovery. In Australia, we achieve almost complete re-use of electronic waste. In the EU, electronic waste is required to be disposed of in accordance with the European Community Directive on waste electrical and electronic equipment (WEEE). We are engaging with our disposal contractors outside Australia to obtain more complete and detailed disposal information.

1   Includes Scope 1 and 2 emissions from facilities energy usage and Scope 3 emissions from air travel and LAS rail travel (mainly UK and Ireland). The FY2018 comparison figures include 8 months of LAS data from the 3 November 2017 acquisition date projected over a full 12 months.

2   The FY2018 comparison figures include 8 months of LAS emissions data from the 3 November 2017 acquisition date and, for emissions/FTE, the average number of FTEs during FY2018.

3   The FY2018 comparison figures include 8 months of LAS data from the 3 November 2017 acquisition date projected over a full 12 months.

4   Received from investors/fund members, scanned then sent for recycling.

5   Incomplete data – see text.

6   Incomplete data. In Australia, of the items sent for disposal, 0.7% were sent for material recovery and ultimate disposal.

Emissions intensity [1]

Total emissions [1]

10,100 tonnes of CO_2e

2018: 12,288 tonnes

Emissions per $ million of revenue [2]

7.20 tonnes of CO_2e per $ million

2018: 9.05 tonnes

Emissions per employee [2]

1.51 tonnes of CO_2e per FTE

2018: 1.68 tonnes

Total paper used [3]

Paper consumed in our offices

61 tonnes

2018: 73 tonnes

Paper consumed on behalf of clients

1,145 tonnes

2018: 1,083 tonnes

Paper recycled by Link Group [4]

606 tonnes

2018: 529 tonnes

Waste disposed of in our offices [5]

General waste sent to landfill

290 tonnes

2018: 42 tonnes

General waste sent to recycling

110 tonnes

2018: 79 tonnes

Total waste disposed of

400 tonnes

2018: 121 tonnes

Proportion of general waste recycled

28%

2018: 65%

Disposal of e-waste [6]

E-waste disposed of globally

1,907 items

Weighing 17.5 tonnes

E-waste disposed of in Australia only

12.5 tonnes

2018: 7.8 tonnes

E-waste re-used in Australia only

12.4 tonnes

99.3% of all e-waste disposed of

OUR COMMUNITY

Giving back to the communities in which we operate has long been part of the Link Group ethos. Throughout FY2019, we continued to support charitable and community causes across the globe through financial and in-kind donations as well as sponsorships and volunteering to the value of over $400,000. Below are just a few ways our teams have contributed to their local communities during the past year.

STEPTEMBER

Link Group continued supporting the Cerebral Palsy Alliance through this annual global event, which asks participants to take 10,000 steps for 28 days. In September 2018, over 200 teams of four participated and raised over $45,000 towards this cause.

MOTHER'S DAY CLASSIC (MDC)

For the third year running, we were a National Gold Sponsor for this fun run and walk in Australia. MDC raises money for breast cancer awareness, research and treatment. In FY2019 our collective fundraising efforts across Australia saw us raise a total of over $20,000 towards this cause.

KAIPATIKI ENVIRONMENT CENTRE PROJECT

Our team in New Zealand volunteered to help the Kaipatiki Environment Centre with weeding work and plant nursery work. Over a collective total of 75 hours, we were able to pot approximately 378 seedlings which the centre is able to sell to the public to raise further funds.

FOOD ANGEL

Food Angel is a food rescue and food assistance program in Hong Kong, launched in 2011 by Bo Charity Foundation. The programme rescues edible surplus food from the local food industry, which is then prepared as nutritious hot meals and redistributed to underprivileged communities in Hong Kong. Our team volunteered 84 hours of their time to help prepare over 1,000 of these meals.

WORLD HUNGER DAY

Our UK team supported World Hunger Day through a donation rally in our London office. We donated essential items for Whitechapel Mission, a charity that has been helping the homeless and marginalised since 1876. Our teams donated enough essentials to deliver multiple boxes of toiletries, food, clothing and other essential hygiene items to the Whitechapel Mission.

VOLUNTEERING

In total, our employees have volunteered for more than 550 hours in support of various charitable causes throughout FY2019.

OUR SUPPLY CHAIN

We prefer to work with suppliers that share our commitment to continuously improving their sustainability performance.

SUPPLY CHAIN OVERVIEW

Of our annual supplier spend on our Australian operations, some 78% (2018: 84%) is with preferred providers of facilities, IT, travel, print and mail, telecommunications, distribution and energy. These make up our larger supply contracts and these relationships are managed by senior commercial managers in Link Group and overseen by Finance.

The remaining 22% of our spending is on the purchase of either smaller, regularly used products and services or one-off needs, particularly specialised or non-standard services. These contracts are generally smaller and may be negotiated locally.

We have processes in place around working with all our suppliers.

OUR SUPPLY CHAIN REPORTING

We have engaged with a number of our larger suppliers in Australia and asked them about their sustainability performance and plans including company policies, business continuity planning (BCP), labour standards, the environment, community involvement and their own suppliers. In FY2019 we extended oversight of our supply chain to a number of smaller suppliers. Of our total Australian non-labour operating costs of $251.0 million, the suppliers we have engaged with represent $201.1 million, or 80% (2018: 69%).

Our aim is to gradually broaden our supplier engagement to understand the key issues suppliers face and determine where we need to focus our efforts. We do not identify individual suppliers in our reporting.

We will continue to focus on issues most likely to present potential risks to Link Group. We are required by both the Australian and UK Modern Slavery Acts to issue a Modern Slavery Statement and the first combined report will cover the FY2020 financial year. A component of this reporting is to gauge the risk of any slavery or other form of forced labour in our supply chain.

OUR STANDARDS FOR SUPPLIERS

We have a preference to work with suppliers whose standards are similar to ours, and who seek continuous improvement in their sustainability performance, as we do. In order to manage sustainability risks and impacts in our supply chain, we are preparing to include our broad sustainability expectations into larger contracts, both new ones and renewals. Over time we will seek to roll these out to smaller contracts. We will also include sustainability requirements in future tenders, to specify, upfront, the standards we expect from our suppliers.

OUR CLIENTS

Our relationships with our clients, and the services we provide to their members and shareholders, are critical to Link Group's future.

Clients expect us to provide the best possible products and service quality and to safeguard their customers' information and assets. To assist us in continuously improving our offering, customer service and delivery, we have developed a framework of systems, policies, processes, training, compliance, monitoring and oversight that apply within Link Group. These are supported by guidelines and policies such as our Code of Conduct and Ethics, Fraud and Corruption Policy and policies related to privacy and information security.

TECHNOLOGY INNOVATIONS, ENHANCEMENTS AND TRANSFERS

Growing our capability to create innovative new products and service enhancements will be a key contributor to our future sustainability. Our clients and their customers will benefit from ongoing improvements in access and functionality resulting from our upgrades to platforms and introduction of new technologies. These changes will also help us to provide efficiencies within the business.

The focus of our Technology and Innovation team in FY2019 was the launch of new products and innovations, as well as providing ongoing support and enhancements to our core platforms, including information security.

SECURE, CONTINUOUS SERVICE

Our clients entrust us with personal and sensitive information and the administration of their own customers' assets. Member and investor data and information security is therefore critical to Link Group and we employ rigorous controls and allocate considerable time, resources and systems to protect it.

Information security

Information security is an area of significant potential risk and is a focus area for continuous monitoring, reporting and improvement. We constantly review, modify and update the information security management practices we employ in relation to the evolving landscape to maintain a continuous and consistent level of control effectiveness.

Link Group's information security management system aligns to the global standard ISO 27001, the APRA Prudential Standard (CPS234), as well as the National Institute of Standards and Technology (NIST) cybersecurity resilience framework. This alignment represents our best practice approach

to managing and protecting sensitive information. Our operations in Australia, Link InTime India and Banking & Credit Management in Ireland are certified against the ISO 27001:2013 standard, and we are working towards ISO27001:2013 certification in a number of other jurisdictions.

We have clear policies and procedures towards information security. We restrict access on the principle of least privilege and we require all employees to undertake mandatory annual compliance training and testing as well as conduct regular staff awareness campaigns. Policy breaches may result in disciplinary action.

Our information technology controls include restricting access to systems and data to authorised personnel only, enforcing the authorisation of transactions, safeguarding assets, maintaining and upgrading system hardware and software, quickly recovering from system interruptions, monitoring compliance, and monitoring supplier organisations.

Managing security threats

Our Security Operations and Intelligence Centre team deals with security threats across our global business. Although we do not publicly disclose any details of the many systems and controls we use to protect the integrity of our defence mechanisms, we do maintain a major focus on monitoring, preventing and managing security threats.

Privacy

Our privacy procedures are designed to protect client and customer privacy. All staff receive regular training on privacy, with processes to promote compliance. Employees may face disciplinary action for policy breaches. See Our Governance section for more details.

Business continuity and disaster recovery

Because we depend heavily on systems and processes to provide uninterrupted service to our clients and their customers, we have a detailed Business Continuity Plan and a Disaster Recovery Plan. See Our Governance section for more details.

ETHICAL BEHAVIOUR

Our ethical standards

We strive to act ethically, protect privacy and manage data securely in all markets.

Link Group's Code of Conduct and Ethics covers the behaviour of all employees during their work. It covers personal integrity and compliance with all laws and regulations and Link Group policies and processes, including but not limited to, the protection of company and client assets, conflicts of interest, diversity and anti-discrimination, fraud and corruption, gifts and hospitality, privacy and confidentiality of information. The Code is supported by a range of policies and other documents covering ethical and behavioural issues.

Our people are required to report all breaches or suspected breaches of the Code of Conduct and Ethics or other policies to their manager, Human Resources or Risk and Compliance.

Major incidents may be escalated to senior executives or the Risk and Audit Committee of the Board. The requirement for employees to report any breaches is reinforced by our Whistleblower Policy.

Code of Conduct and Ethics training

All employees must undertake relevant compliance training when they begin employment and annually thereafter. All contractors are also expected to undertake this training.

Human rights

Through our compliance training we aim to reinforce our non-tolerance of unfair treatment, including discrimination and harassment. We are currently working to extend our ethical framework through our own employment and procurement processes, by formalising our expectations for the fair treatment of everyone with whom we work in a global Human Rights Policy.

SUPPLEMENTARY INFORMATION

This section provides extra Group-wide information that does not readily sit under any of the main sections.

OUR COMPANY – SUPPORTING INFORMATION

Detailed information on Link Group and its business divisions is included in the Annual Report and on our website, www.linkgroup.com.

This report covers more than 50 operations (offices) in the 18 jurisdictions in which we operated during the year.

Controlled entities

As we report across the whole company, the Controlled Entities covered by this Sustainability Report as at 30 June 2019 are those listed in the FY2019 Link Group Annual Report.

Major changes in FY2019

Please refer to the Annual Report for all major changes that occurred during the year.

Charters and associations:

- Link Group did not subscribe to any externally developed economic, environmental or social charters, principles or other initiatives during FY2019.
- During FY2019, Link Group employees held Board positions on the following industry associations:

  Australia: Association of Superannuation Funds of Australia (ASFA); and

  UK: Investor Relations Society (IR Society)

- During FY2019, Link Group employees were members of working groups or project committees, or participated in them, in the following industry associations and organisations:

  Australia: Association of Superannuation Funds of Australia (ASFA); AUSTRAC; Australasian Investor Relations Association (AIRA); Australian Bureau of Statistics (ABS); Australian Custodial Services Association (ACSA); Australian Institute of Superannuation Trustees (AIST); Australian Prudential Regulation Authority (APRA); Australian Securities and Investments Commission (ASIC); Australian Securities Exchange (ASX); Australian Taxation Office (ATO); CERT Australia (Computer emergency response team); Financial Services Council; Governance Institute of Australia (GIA); New Payments Platform (NPP); Office of the Australian Information Commissioner (OAIC); Securities Registrars Association of Australia (SRA)

  UK: Association of Investment Companies (AIC); Association of Real Estate Funds (AREF); British Venture Capital Association (BVCA); CREFC Europe (commercial real estate finance in Europe); Dematerialisation Steering Group; ESOP Centre; GC100; ICSA Company Secretary Forum; ICSA Registrars Group; Investment Association (IA); Investor Relations Society; ProShare; Quoted Companies Alliance (QCA); Receiving Agents Group; Shareholder Voting Working Group TA Forum; Tax and Investment Savings Association (TISA); UK Custody Working Group; UK Fund Trading and Settlement (FTS) steering committee;

  Ireland: Association of Compliance Officers in Ireland; Banking & Payments Federation Ireland; Irish Funds Industry Association; Irish User Group

  France: CLIFF (French IR Society)

  Germany: DIRK (Deutsche Investor Relations Verband)

  Luxembourg: Association of the Luxembourg Fund Industry (ALFI); Institut Luxembourgeois des Administrateurs (ILA)

  Netherlands: HDN (Mortgage Data Network); OVFD (Organisation for Financial Service companies and Branch organisations)

  Across Europe: ICGN (International Corporate Governance Network);

  UAE: MEIRA (Middle East IR Association); and

  South Africa: IR Society of South Africa.

REPORTING METHODOLOGY

This Sustainability Report has been prepared in accordance with the Global Reporting Initiative's (GRI) G4 Standards: Core option. While it also references the GRI Financial Services Sector supplement, most issues in that supplement relate to potential impacts irrelevant to us, such as invested funds, and therefore this report does not address them.

MATERIAL TOPICS AND REPORT CONTENT

Identifying material topics

In defining the Sustainability Report's content and topic boundaries, we have followed a similar approach to that of the last four years since:

- there were no material changes to the nature of our business that required us to change our thinking in any significant way (although the scale of our business has changed significantly);

- in FY2018, our disclosures covered all jurisdictions in which we then operated, and this is the same in FY2019 with all LAS offices now included, other than for a small number of mostly environment- and people-focused metrics;

- the decisions we made last year still apply: namely, that employee and system/security impacts are fundamental risks to Link Group and apply in all businesses in all jurisdictions; that environmental impacts are limited and typical of companies operating in city office environments; that community impacts are limited but can be positively improved via the company's own initiatives; that supplier impacts are mostly limited but their opacity has the potential to cause us reputational damage through misbehaviour up the supply chain; and that client impacts are fundamental to us and apply in all our businesses in all jurisdictions; and

- some potential impacts, such as those related to CO2 emissions, human rights and corruption, have limited relevance for our business, however they are enormously important to the community. We constantly review the number of material topics that we report on in light of changing regulatory or stakeholder expectations.

Of all the possible material topics listed in the GRI Standards, we are confident that:

- most are irrelevant to our business and can simply be excluded;

- others may have some relevance to us but their potential impact on our business is immaterial and they have limited importance to our stakeholders so they can also be excluded; and

- some clearly are directly relevant to us or our stakeholders.

We have selected material topics to report on that have the greatest significance to our business and stakeholders, that we can measure and over which we have some degree of control.

Our reporting is thus limited to the 17 disclosures most material to Link Group, or of the greatest importance and relevance to our stakeholders. These disclosures are contained within 13 material topics: market presence, energy, materials, transport, employment, training and education, diversity and equal opportunity, equal remuneration for women and men, labour practices, grievance mechanisms, anti-corruption, compliance and customer privacy.

Material topic boundaries

The impacts for employee topics are entirely inside Link Group, while governance, environmental and community impacts occur both inside and outside Link Group and supplier and client (and their customers) impacts occur mostly outside Link Group.

Determining report content

Defining report content requires us to consider the expectations of stakeholders. We have excluded what was clearly not material to our business or to our external stakeholders. Sustainability context was determined in a similar way. We expect our process to continue evolving as we develop a greater understanding of broad sustainability trends and the expectations of our stakeholders.

We have chosen to make a number of disclosures that are important to Link Group, although not material as such, and which do not fit easily into the GRI reporting protocol. The key disclosures (with an indication of the specific topics we chose to report on) are:

- **Community investment** – charitable donations by Link Group and paid employee volunteering time. A full breakdown of revenue and its distribution is given in the Financial Statements.

- **Proportion of 'green' office space** – space in energy-efficient buildings (see page 18 for how we define 'green').

- **Total weight of waste** – we are including general office waste and IT consumables again this year.

We continue to review both current and emerging risks, to determine whether and how to report them. The criteria for inclusion in the Sustainability Report will continue to be whether they are material to our business or important to our stakeholders, and significant in their potential impacts on our long-term sustainability.

STAKEHOLDER ENGAGEMENT

We engage directly with those stakeholders likely to have the greatest impact on our business success. Our senior managers and executives have many years' experience of working in their markets and business environments. They were able to draw on information and perceptions from their interactions with:

- regulators, government and industry bodies such as [1]

  in Australia: ABS, AIST, APRA, ASFA, ASIC, ASX, ATO, AUSTRAC, CERT Australia, FSC, OAIC;

  in Link Group EMEA: AIC, AREF, BVCA, FCA, FTS, IA, ICSA, QCA, TA Forum, TISA and a number of other organisations;

  and from regular participation in key industry meetings, conferences and forums;

- clients, via regular scheduled meetings, to review our performance and identify issues and future needs; and

- fund members and shareholders, from the millions of phone calls we answer and the millions of letters and emails we receive.

In addition, our 2017 Employee Culture and Engagement Survey, and a more tightly focused follow up Pulse survey in early 2019, provided valuable feedback that is helping us understand how we can become a better place to work and attract and retain talent.

Engaging in different ways with many different stakeholders gives us a multi-faceted understanding of their expectations, and:

- improves our strategic decision-making;

- enables us to manage through regulatory compliance changes;

- helps us devise system and procedure improvements; and

- allows us to develop new products, such as mobile, tablet and desktop apps, to enhance end users' experiences.

These all help improve access to services, reduce the use of paper-based communications and increase efficiencies. We anticipate extending direct engagement about sustainability issues to more external stakeholder groups in the future.

We do not comment on specific issues raised by individual stakeholders during the consultation process that led to the preparation of this report.

EXTERNAL ASSURANCE

It is not our policy to seek external assurance for our Sustainability Report and no external assurance was sought for this report.

QUERIES ABOUT THIS REPORT

All questions on this Sustainability Report or Link Group's sustainability initiatives should be addressed to our Sustainability Manager at sustainability@linkgroup.com.

A summary of this Sustainability Report, including limited performance metrics, is included in each Annual Report and the full Sustainability Report is available on the Link Group website, www.linkgroup.com.

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1   See Supplementary information for the names of the organisations these abbreviations refer to.

DEFINITIONS OF TERMS USED IN THIS REPORT

BREEAM	Building Research Establishment Environmental Assessment Method – first published by the Building Research Establishment (BRE) in 1990, it is an assessment using scientifically based sustainability metrics and indices to rate and certify buildings on a range of environmental issues.
ESG	Environmental, Social and Governance, often shortened to ESG, is a term that generally relates to investing and refers to a set of criteria used by socially conscious investors to decide whether or not to invest in a company.
FSC	Forest Stewardship Council – an international organisation promoting responsible forest management. FSC has developed principles for management of forest holdings and a system of tracing, verifying and labelling timber and wood products. It has the support of many environmental groups. Relevant to paper sourcing.
FTE	Full-Time Equivalent – a way of totalling employees with different work arrangements to give a meaningful number for the workforce size, based on the proportion of a full working week (or month) that each person works. In most cases, the figure we have used includes permanent, fixed-term, casual, contractor and temporary employees and those on parental leave; where it does not, we have specified who is included and who is not.
GRI	Global Reporting Initiative is an international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others. It developed the Standards under which this Sustainability Report has been prepared.
Headcount	The total number of employees – each person is counted as one, no matter how many hours a week they work, whether full time, part time, temporary, casual, contractor, on parental leave, etc. (Compare with FTE.)
LEED	Leadership in Energy and Environmental Design (LEED), a rating system devised by the United States Green Building Council (USGBC) to evaluate the environmental performance of buildings and encourage market transformation towards sustainable design.
Material topic	A topic on which a reporting organisation makes disclosures that reflects the organisation's significant economic, environmental and social impacts, or that substantively influences the assessments and decisions of stakeholders.
NABERS	National Australian Built Environment Rating System (NABERS) – an Australian national rating system that measures the environmental performance of buildings, tenancies and homes. Specifically, it measures the energy efficiency, water usage, waste management and indoor environment quality of a building or tenancy and its impact on the environment.
Parental leave	Maternity or paternity leave taken when a child is born.
PEFC	The Programme for the Endorsement of Forest Certification – an international, non-profit organisation primarily made up of representatives of the forest products industry. Unlike the FSC, it does not set specific standards but is an umbrella brand incorporating different national forest certification schemes (e.g. the national scheme in Finland is endorsed by PEFC). The world's largest forest products certification scheme. Relevant to paper sourcing.

CONTENT INDEX FOR GRI STANDARDS 'CORE' ADHERENCE

DISCLOSURE	DESCRIPTION	REFERENCE OR LINK	OMISSIONS
UNIVERSAL STANDARDS			
General disclosures			
Organisational profile			
GRI 102-1	Name of the organisation	Link Group	
GRI 102-2	Primary brands, products and services	Website www.linkgroup.com, 'About Us'	
GRI 102-3	Location of the organisation's headquarters	Outside back cover of this Report	
GRI 102-4	Countries of operation	Website, 'About Us' – 'Global reach'	
GRI 102-5	Nature of ownership	ASX-listed public company	
GRI 102-6	Markets served	Website, 'About Us'	
GRI 102-7	Scale of the organisation	About Link Group, page 2	
GRI 102-8	Workforce	Our People, pages 12–15	
GRI 102-9	Supply Chain	Our Supply Chain, page 24	
GRI 102-10	Significant changes during reporting period	Supplementary information, page 28	
GRI 102-11	Precautionary approach	Not applicable	
GRI 102-12	External initiatives	Supplementary information, page 28	
GRI 102-13	Membership of associations	Supplementary information, page 28	
Strategy			
GRI 102-14	Statement from senior decision maker about the relevance of sustainability to Link Group	Managing Director's message, page 4	
Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behaviour	About Link Group, page 2 Our Governance, pages 8–11	
Governance			
GRI 102-18	Governance structure of organisation	Our Governance, page 8	
Stakeholder engagement			
GRI 102-40	List of stakeholders engaged	Reporting methodology, page 30	
GRI 102-41	Collective bargaining agreements	Our People, page 15	
GRI 102-42	Basis for identifying and selecting stakeholders to engage with	Reporting methodology, page 29	
GRI 102-43	Approach to stakeholder engagement	Reporting methodology, page 29	
GRI 102-44	Key topics and concerns raised by stakeholders	Reporting methodology, page 29	Not reported

DISCLOSURE	DESCRIPTION	REFERENCE OR LINK	OMISSIONS
Identified Material Aspects and Boundaries			
GRI 102-45	Entities included in the organisation's Consolidated Financial Statements	Annual Report, page 132	
GRI 102-46	Process for defining report content and topic boundaries	Reporting methodology, page 29	
GRI 102-47	Material topics	Reporting methodology, page 29	
GRI 102-48	Effects of any restatements	Not applicable	
GRI 102-49	Significant changes from previous reporting period in the Material Topics and Topic Boundaries	Not applicable	
Report profile			
GRI 102-50	Reporting period	1 July 2017 to 30 June 2018	
GRI 102-51	Date of most recent previous report	September 2018	
GRI 102-52	Reporting cycle	Annually	
GRI 102-53	Contact point for questions regarding report	Stakeholder engagement, page 30	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Reporting methodology, page 29	
GRI 102-55	Content index	Content index for GRI Standards 'Core' adherence, pages 32–34	
GRI 102-56	Assurance	Stakeholder engagement, page 30	
Management approach			
GRI 103	Management approach	Explained in each section: Our Governance page 8, Our People page 12, Our Environment page 16, Our Community page 22, Our Supply Chain page 24, Our Clients page 26	

SPECIFIC STANDARD DISCLOSURES

Economic topics

Market presence

GRI 201-2	Senior management local hires	Our People, page 13	

Anti-corruption

GRI 205-2	Communication and training about anti-corruption policies and procedures – partial disclosure	Our Governance, page 10	

CONTENT INDEX FOR GRI STANDARDS 'CORE' ADHERENCE

DISCLOSURE	DESCRIPTION	REFERENCE OR LINK	OMISSIONS
SPECIFIC STANDARD DISCLOSURES (continued)			
Environmental topics			
Materials			
GRI 301-1	Materials used, non-renewable and renewable	Our Environment, page 20	Water (incomplete)
GRI 301-2	Recycled input materials used	Our Environment, page 20	
Energy			
GRI 302-1	Fuel consumed from renewable and non-renewable sources and types of energy used	Our Environment, pages 16–21	Coal, steam used (none) Energy sold (none)
GRI 302-3	Energy intensity	We report two measures of emissions intensity instead. Our Environment, page 21	
Emissions			
GRI 305-1	Direct (Scope 1) GHG emissions	Our Environment, pages 16–21	
GRI 305-2	Indirect (Scope 2) GHG emissions	Our Environment, pages 16–21	
GRI 305-3	Other indirect (Scope 3) GHG emissions (in this case specifically air travel)	Our Environment, pages 16–21	Ground travel (incomplete); employee commuting
Social topics			
Employment			
GRI 401-1	Rates of employee hires and turnover	Our People, page 13	
GRI 401-3	Return to work/retention rates after parental leave	Our People, page 14	
Training and education			
GRI 404-3	Rates of performance review	Our People, page 14	
Diversity and equal opportunity			
GRI 405-1	Diversity of governance bodies and employees	Our People, pages 12–13	
GRI 405-2	Men's and women's remuneration comparison	Our People, page 13	
Socio-economic compliance			
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	Our Governance, page 10	

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