



Corporate Sustainability Report 2022



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About this report

Reporting approach

We are pleased to present our 2022 Sustainability Report to our Shareholders and other stakeholders, which, for the first time has been prepared with reference to integrated reporting frameworks. This report provides a consolidated review of our financial, economic, social and environmental performance on matters material to our strategy and our ability to create and sustain value into the future.



Scope and boundaries

The contents of this Report relate to Tyro Payments Limited (**Tyro** or the **Company**) and its subsidiaries (the **Group**) for the 2022 financial year. The process Tyro utilised in determining and applying materiality is included on page 7 of this Report.

Some parts of this Sustainability Report include information regarding Tyro's strategy and include forward-looking statements about Tyro and the environment in which it operates that involve risks and uncertainties. Actual results and the timing of certain events may differ materially from future results expressed or implied by the forward-looking statements contained in this report.

All amounts contained in this report are stated in Australian dollars (**AUD**) except where indicated.

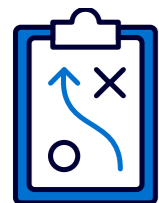
This report covers the 2022 financial year from 1 July 2021 to 30 June 2022. In certain cases, metrics are provided for periods outside of the 2022 financial year. Where these metrics are provided, the period covered by the metric is noted. Unless otherwise noted, the information in this report only covers Tyro's operations and does not include any sustainability metrics for our merchants or suppliers. In selecting content for inclusion in our 2022 report, we referenced our industry-specific sustainability standards.

Tyro did not employ an external auditor or organisation to audit the contents of this report. Please direct questions on this sustainability report or topics related to our corporate responsibility activities to investorrelations@tyro.com.

Tyro's sustainability priorities

This report provides a comprehensive overview of Tyro's approach to Sustainability. In FY21 on the adoption of our new Sustainability Framework, Tyro set sustainability priority targets. Our performance against these targets is as follows for FY22:

PRIORITY	TARGET DESCRIPTION	TARGET DATE	FY22 PERFORMANCE	ESG CATEGORY
Gender balance - whole of organisation	Achieve a gender balance of 40/40/20 representing 40% of our workforce made up of women, 40% of men and 20% undisclosed/other (refer to Page 24 of this Report).	30 June 2023	<ul style="list-style-type: none"> 36% female 62% male 2% undisclosed/other 	Social
Gender balance - Board representation	Achieve a gender balance of 40/40/20 representing 40% of our Board made up of women, 40% of men and 20% undisclosed/other (refer to Page 24 of this Report).	30 June 2022	<ul style="list-style-type: none"> 57% female 43% male 	Social
Employer of choice	Rated in the Top 20 best places to work in Australia (refer to Page 29 of this Report).	30 June 2024	<ul style="list-style-type: none"> In progress 	Social
Employee engagement	Achieve an overall employee engagement score of 80% and above (refer to Page 29 of this Report).	30 June 2023	<ul style="list-style-type: none"> 69% 	Social
Customer satisfaction	Achieve the highest Net Promoter Score amongst payment providers in Australia (refer to Page 37 of this Report).	30 June 2022	<ul style="list-style-type: none"> NPS of 34 achieved 	Social
Net Zero	Achieve a 'Net Zero' accredited status for our environmental footprint (refer to Page 40 of this Report).	2030	<ul style="list-style-type: none"> Signed up to Climate Active Technical inventory assessment completed Carbon offsets to be acquired in FY23 Net Zero to be achieved in 2030. 	Environmental



This report provides a consolidated review of our financial, economic, social and environmental performance on matters material to our strategy and our ability to create and sustain value into the future.

Sustainability Report

As part of the move to a more sustainable future for Tyro, we have adopted a new disclosure format for this Sustainability Report. We have highlighted how we create value for all our stakeholders including enhanced disclosure on the use of all our Capitals. This Sustainability Report provides a consolidated review of our financial, economic, social and environmental performance on matters material to our strategy and our ability to create and sustain value into the future.

The Board and management are committed to having a sustainability framework in place that reflects the reason why we exist now and into the future. We recognise that to continue growing a strong business

requires consideration of all our stakeholders and the impact of our business on those stakeholders. We are therefore committed to ensure sustainability risks and opportunities are integrated into our purpose, strategic objectives, culture, and values.

In order to facilitate our response to sustainability issues, we have developed a sustainability framework applicable to Tyro's business that focuses on the three principal pillars of sustainability, namely:

- Social Sustainability;
- Environmental Sustainability; and
- Ethical and Responsible Governance



1. Sustainability Governance

We operate under the following sustainability governance structure.



Tyro's sustainability framework has been approved by the Board and responsibility for the framework has been delegated to the CEO and Managing Director (CEO), who leads Tyro's Executive Leadership Team (XLT) which is responsible for reviewing sustainability risks and opportunities, developing a sustainability strategy and overseeing the delivery of Tyro's sustainability framework.

The XLT is also responsible for communicating sustainability matters with team members and other key stakeholders. As part of our sustainability framework, we performed a sustainability risk assessment for FY22 to ensure we:

- identify the environmental, social and governance issues and risks that may have a material impact on our value over the short, medium, and long term;
- provide both data and a supporting narrative explaining why the issue is material and how it impacts our business value chain;
- recognise the impact that our business has on stakeholders such as team members, merchants, communities, shareholders, regulators, and suppliers and describe how we take the views of our stakeholders into account as part of our risk assessment;
- describe our policies and procedures for managing our environmental and social impact over the short, medium and long term; and
- develop a system to evaluate whether our sustainability policies and procedures are effective, including performance against set annual metrics and targets.

The risk assessment conducted in FY22 incorporated the research and guidance provided by internationally recognised sustainability standards. Informed by this assessment, as well as by our ongoing engagement with stakeholders, the following sustainability issues were identified as our material issues as they relate to the importance of sustainability and the influence on our business success.



RISK	RISK CATEGORY	ESG CATEGORY
Lack of employee engagement, diversity and inclusion	Operational	Social
Irresponsible lending practices and access and affordability of lending	Reputational + Financial	Social
Entry of new technologies, product design and lifecycle management	Strategic + Competitive	Social
Supply chain management including product sourcing	Operational	Social
Impact of increasing energy and water costs	Financial + Operational	Environmental
Exposure to extreme weather events and health events	Financial + Operational	Environmental
Breach of consumer privacy and data security	Reputational + Cybersecurity	Governance + Ethics
Selling practices and product description	Legal + Regulatory	Governance + Ethics
Risk management and compliance	Legal + Regulatory	Governance + Ethics
Increased competitive behaviour	Financial	Governance + Ethics
Business ethics	Brand + Reputational	Governance + Ethics

2. Our Business – Who We Are

Our business was founded in 2003 with an ambition to be the most efficient acquirer of electronic payments in Australia. We have a track record of innovation, creating purpose-built solutions and being first to market.

We are a technology-focused and values-driven company providing Australian businesses with a payments platform, integrating the full payments stack, including gateway, risk management, processing, issuing, acquiring and settlement. We also provide businesses with value-adding business banking products and data management products. We are Australia's fifth largest merchant acquiring bank by number of terminals. We operate in the Australian card payments market which exceeded \$668 billion in annual transaction value acquired in FY22.

Tyro's mission is simple – we exist to set businesses free to get on with business by simplifying payments and commerce. Working with over 63,700 merchants across Australia, it is important that we fulfil our mission by delivering our solutions in a manner that creates a sustainable future for all our stakeholders. This includes our shareholders, our people, our merchants, the broader community in which we operate, our suppliers/business partners and regulatory bodies. A sustainable future requires consideration of our environmental footprint, our impact on the planet and the strategies we have in place to minimise this impact.

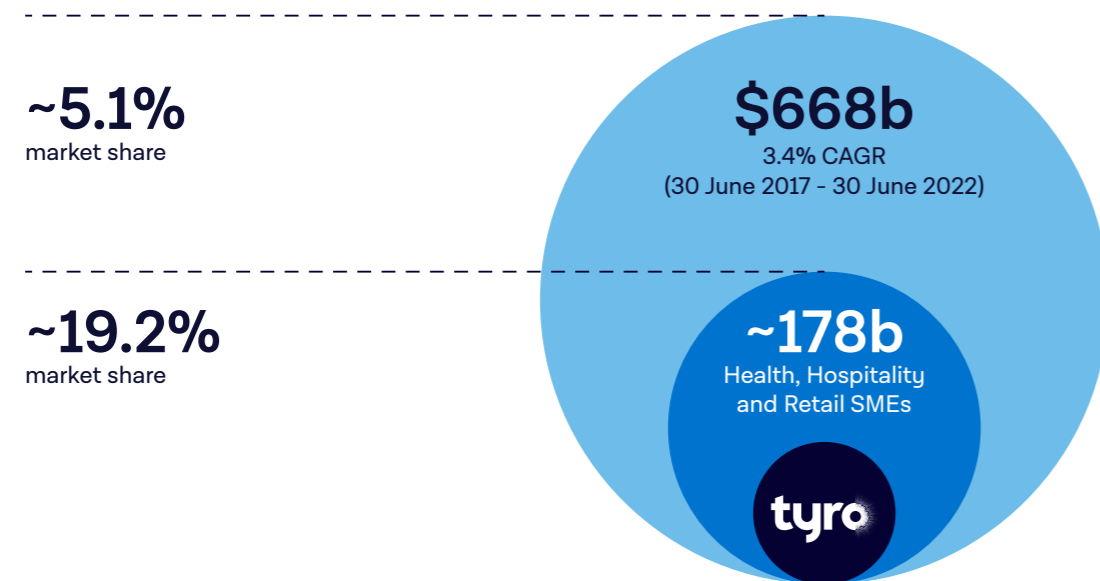
In FY22, we processed \$34.2 billion in payments for more than 63,700 Australian merchants. We generated \$326.1 million in revenue and income from all of our business segments. We also offer complementary banking services to our merchants including a merchant cash advance product, a transaction bank account and a term deposit account. In FY22, our loan originations totalled \$99.1 million, and our deposit balances totalled \$83.3 million as at 30 June 2022.

Payments are at our core, using our proprietary technology platform to enable credit and debit card acquiring. We enhance our acquiring offering with features purpose designed for those merchants that choose to partner with us, including our point-of-sale system integrations, least cost routing (Tap & Save) and alternative payment types such as integrated Alipay and Zip Pay QR based payments and tele-health payments. Traditionally, we have been focused on in-store payments, but expanded into eCommerce in 2018. As part of our offering, we also provide value-adding solutions, such as our loans in the form of merchant cash advances and our fee-free, interest-bearing merchant transaction accounts and term-deposit accounts.

“We believe that our capabilities and business model position us well to stay true to our purpose of setting businesses free to get on with business by simplifying payments and commerce.”



Annual transaction value of card payments acquired in Australia¹ (\$billion)
- as at 30 June 2022



Source: RBA C1.1 (Credit and Charge Cards – Original Series – Aggregate Data); RBA C2.1 (Debit Cards – Original Series); RBA C2.2 (Prepaid Cards – Original Series); internal company data.

¹ Includes the total value of transactions acquired in Australia for credit and charge cards, and debit cards and the total value of transactions for prepaid cards. While our payments product can be used by businesses across different verticals and size of merchants, we provide our assessment of annual transaction value for small and medium-sized enterprises in our core verticals of Health, Hospitality and Retail. This has been estimated by multiplying the count of SMEs in these core verticals at 30 June 2022 by the estimated proportion of these merchants that accept card payments and average transaction values by vertical per merchant across 'card-present' and 'card-not-present' by reference in particular to our aggregated merchant data, and applying a growth rate (based on CAGR of total industry transaction value acquired from 30 June 2017 to 30 June 2022) to determine a figure as at 30 June 2022. Market sizes and subsets of those amounts are provided to illustrate their sizes relative to our relevant performance metrics and do not imply that we could achieve 100% penetration of them. Market share is based on our FY22 transaction value.

Our products are characterised by simplicity, flexibility and reliability. We strive to provide a better alternative to the traditional bank incumbents and pride ourselves on our different approach and heritage, including:

- our long and successful track record, having established our operation 19 years ago, building deep payments knowledge and expertise;
- establishing a payments and banking solution purpose-built for Australian business, particularly in the small and medium sized enterprise segment;
- leveraging direct access to the payments system by virtue of our Australian banking licence (authorised deposit-taking institution licence);
- our ability to reduce friction experienced by businesses in payments and banking as a tech-driven enterprise with approximately half of our team in technology roles;
- being an innovative challenger in the Australian financial services landscape, delivering many industry 'firsts' along the way; and
- remaining niche and nimble with a payments centricity – designing banking and other value-adding services around our payments core – as represented by our ecosystem 'flywheel'.

We believe that our capabilities and business model position us well to stay true to our purpose of setting businesses free to get on with business by simplifying payments and commerce.

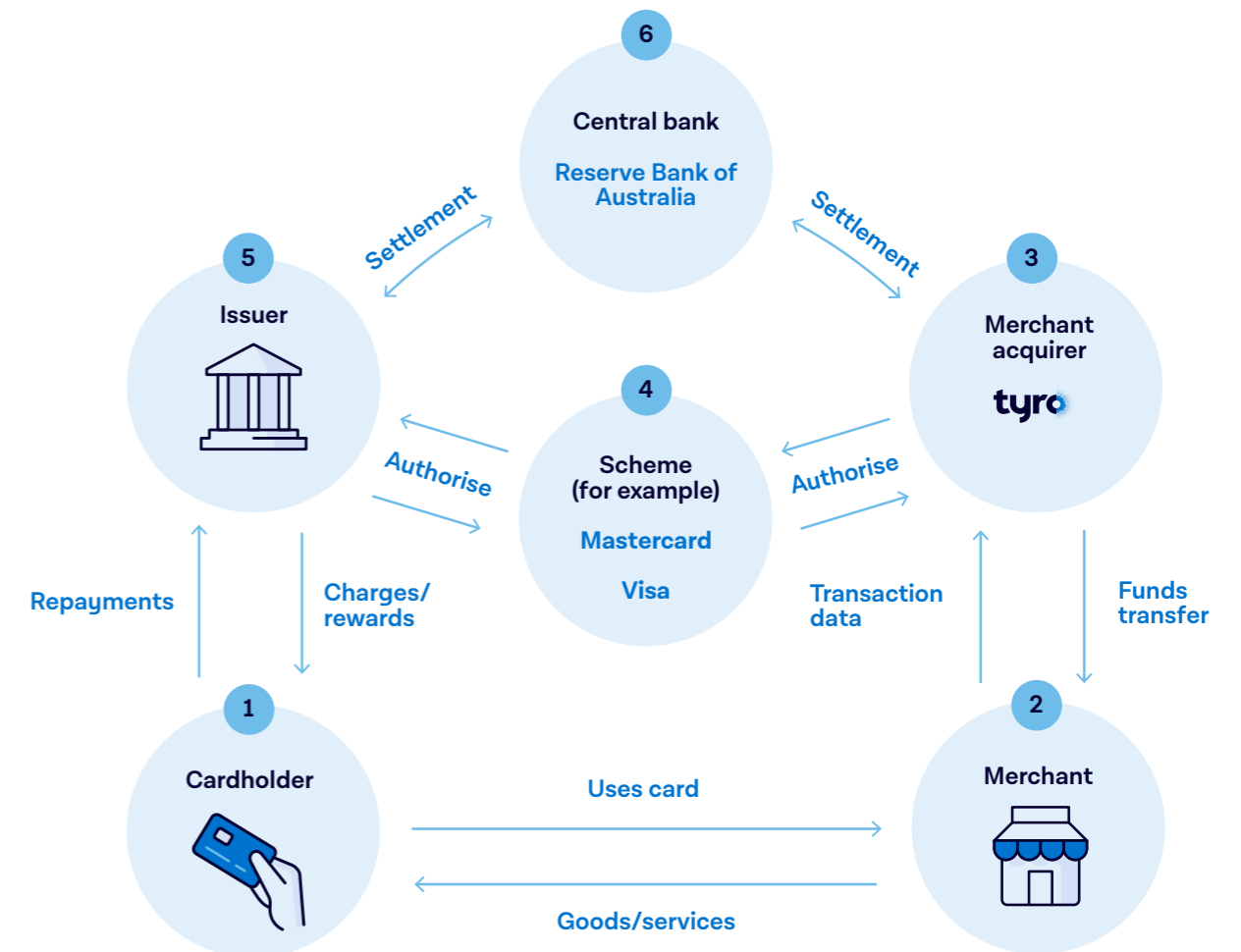


2.1 The Growth of Tyro over the past 19 years

KEY MILESTONE	MERCHANTS (#) at 30 June	TRANSACTION VALUE at 30 June
 2003 Founded as MoneySwitch with a vision to be the most efficient acquirer of electronic payments in Australia	0	\$0
 2005 First technology company to obtain an Australian specialist credit card institution licence	0	\$0
 2006 First transaction in production made	0	\$0
 2007 Launched an internet-based or 'cloud' integrated payments solution	145	\$6m
 2009 First to launch integrated Medicare Easyclaim rebates on a terminal	1,431	\$511m
 2010 Launched non-stop 'live-live' acquiring	2,991	\$1.3b
 2011 Launched integrated mobile terminal payment solution	4,520	\$2.0b
 2015 Became the first new domestic banking licensee in over a decade and raised \$100m equity	13,032	\$6.8b
 2016 Completed the development of and soft launched the Tyro Business Loan, following the launch of the Tyro Bank Account in 2015	15,565	\$8.6b
 2018 First Australian bank to launch least-cost routing and an integrated Alipay solution	23,245	\$13.4b
 2019 Rebrand reflecting expansion beyond payments into complementary value-adding offerings	29,031	\$17.5b
 2020 Australia's largest listing on ASX by market capitalisation	32,176	\$20.1b
 2021 Partnered with Australia's fifth biggest retail bank, Bendigo Bank, to create a long-term merchant acquiring alliance	58,186	\$25.5b
 2022 Launch of the Tyro Go reader + Merchant Loan Originations exceeding \$99 million for the first time in the history of Tyro	63,770	\$34.2b

3. Our Ecosystem - The Australian Card Payments Value Chain

Australian card payments involve many different participants, each playing a different role in a complex value chain with the goal of enabling merchants to sell goods and services to consumers as seamlessly as possible. In Australia, card payments are the most popular payment method representing an estimated 90% of all payments following the Covid pandemic. Multiple participants are involved in securely and quickly authorising and settling card-based transactions on behalf of merchants. The common card payments value chain includes six key participants, as described below:





4. What We Offer - Our Products

We provide integrated payment solutions and value-adding services to support merchants with growing their businesses and providing their customers with a seamless payment experience.

Our business thrives because of our values-led business model, which is enabled by a powerful multi-product strategy with payments at our core and value-adding services that enhance our product offering and entrenches the digital and financial inclusion to our merchants.

Core product offering

Card-Present Payments

Payments made at our merchants whereby consumers present their card of choice to facilitate the payment for goods and services purchased.

Card-Not-Present Payments

eCommerce, tele-health and mail-order and telephone-order payments made to merchants by consumers where a card is not presented for payment.

In-app payments

Payments made using apps such as me&u whereby payment is facilitated through the app using Tyro's payments infrastructure and not through traditional point-of-sale terminals.

Value-adding services

Loans in the form of a merchant cash advance

An unsecured merchant cash advance designed to help merchants finance working capital and investment needs.

Tyro fee-free transaction account

A fee-free, interest-bearing transaction account available to our merchants.

Tyro term-deposit account

A competitive interest-bearing fixed term deposit account available for our merchants.

Tyro Connect

Tyro Connect is an integration hub for apps and POS systems – a 'plug and play' platform software solution designed to address merchant pain points around 'counter clutter' and manual processes. It also aims to make it easier for POS system partners and app providers to meet customer needs.

5. How We Create Value – Our Business Model

Our business model is designed to deliver on our purpose – 'Setting businesses free to get on with business by simplifying payments and commerce'. We aim to create sustainable value by delivering on our strategy of providing Australian merchants with industry leading payments technology and commerce value-adding services. Accordingly, we need to ensure we effectively manage the five capitals which make up our resources and relationships available to our business.



“The resources and relationships our business relies on”

Intellectual Capital

Our investment in the latest payments technology and products – drives innovation and supports the delivery of our vision to be Australia’s fastest growing, most loved + trusted and sustainable payments and commerce partner.

Our brand and reputation, based on the trust we enjoy from our merchants and embedded in everything we do.

Social and Relationship Capital

The quality and strength of our relationships with our merchants and our diverse group of stakeholders.

We actively engage and listen to their respective needs to create value and respond to relevant concerns.

Human Capital

Tyro’s team of high-performing, merchant-focused, people, dedicated to grow Tyro into Australia’s most loved payments and commerce company.

We foster inclusivity and diversity and embed the values of Tyro across the business.

Financial Capital

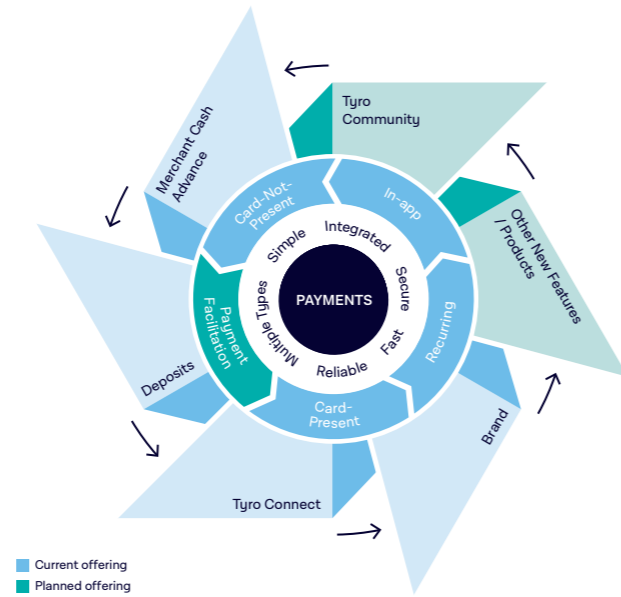
Allocation of capital including revenue and cash flows to optimise financial performance and to support the execution of Tyro’s strategy and long-term value creation.

Environmental Capital

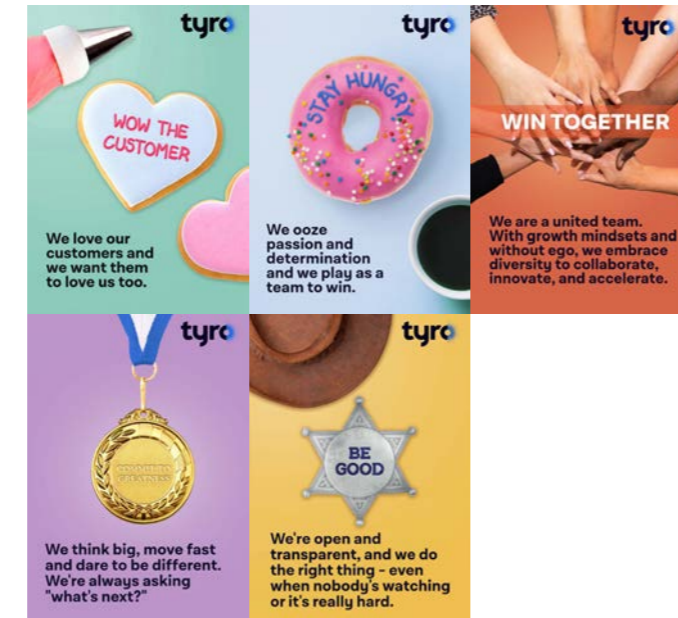
Responsible environmental practices across everything we do as a business, including the use of natural resources during the normal course of business.

“To simplify payments and commerce”

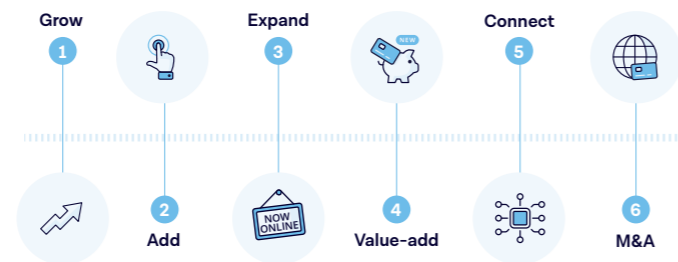
Our Products:



Our Values:



Our Strategy:



“Executing on our strategy”

Intellectual Capital

- Transaction value growth of 34%.
- Merchant number growth of 10% to 63,770 merchants.
- Loan originations of close to \$100 million.
- New Tyro Go reader launched in market.
- New partnership secured with Telstra.
- Continued roll-out of Bendigo Alliance.

Social and Relationship Capital

- Prompted brand awareness of 19%.
- Customer NPS of 34 and a partner NPS of 60.
- Transaction value churn of 9.2% and merchant churn of 10.5%.
- Retention rate of 100% for our key customer accounts.
- 5th largest merchant acquirer in Australia by terminal numbers.
- 99.99% availability of core acquiring platform.
- No reportable privacy incidents.
- Completion of data security training for all Tyro employees.
- Provision of community support utilising payments technology.
- Review of Tyro supply chain and training of all employees pertaining to our commitment to preventing modern slavery.

Human Capital

- Employee Engagement Overall Score of 69%.
- Regrettable staff attrition rate of 10%.
- 12 new graduates appointed in FY22 and 4 new interns.
- Our overall Tyro team has a gender balance of 36% female, 62% male and 2% undisclosed/other
- Any gender pay gaps were addressed as part of our FY22 remuneration review.
- Launching Tyro’s own LGBTQIA+ advocacy network, Tyro Pride.
- Launching Tyro’s first cultural diversity survey.

Financial Capital

- Normalised gross profit growth of 24%.
- EBITDA of \$10.7 million.
- Available cash and financial investments of \$122.8 million.

Environmental Capital

- Completed our first ever emissions inventory technical assessment.
- Joined Climate Active Australia with commitment to achieve Net Zero with accreditation to take place in FY23.

“How we create sustainable value for our stakeholders”

Intellectual Capital

- Improved revenue and profits for our merchants and suppliers.
- New products to drive entry into new verticals and optimisation of strategy in existing verticals.
- Digitisation of merchant onboarding and servicing.
- Leverage Tyro Connect analytics and insights to drive customer acquisition and retention.

Social and Relationship Capital

- More engaged and loyal merchants – improved NPS.
- Greater stakeholder trust and merchant advocacy through a product experience that exceeds expectations.
- Accelerated growth through increased brand awareness.

Human Capital

- Hosting of our Blitz event, where employees can focus on identifying and developing new ideas for the business driving personal growth and development.
- Launch of our graduate program to identify and retain future talent – focused on creating an agile, future-focused organisation and accelerating digital skills through a targeted programme.
- New flexible work policy and new office environment to focus on collaboration and wellbeing.
- Focus on employee health through mental health programs, vaccination initiatives and assistance with parental leave.
- Launch of a new drive to a more inclusive employee culture that fosters tolerance and embraces diversity.

Financial Capital

- Maintenance of a strong capital structure to drive growth and pathway to profitability.
- Achieve positive free cash flow and profitability.
- Accelerated revenue and profit contribution from banking products.
- Leverage of intellectual capital to drive new alliances and partnerships.
- Leverage Tyro Connect analytics and insights to drive customer acquisition and retention.

Environmental Capital

- Reduced carbon emissions drive a more sustainable business model.
- Provide guidance to over 63,700 businesses in Australia on their own pathway to Net Zero and dealing with climate change.

5.1 Intellectual Capital

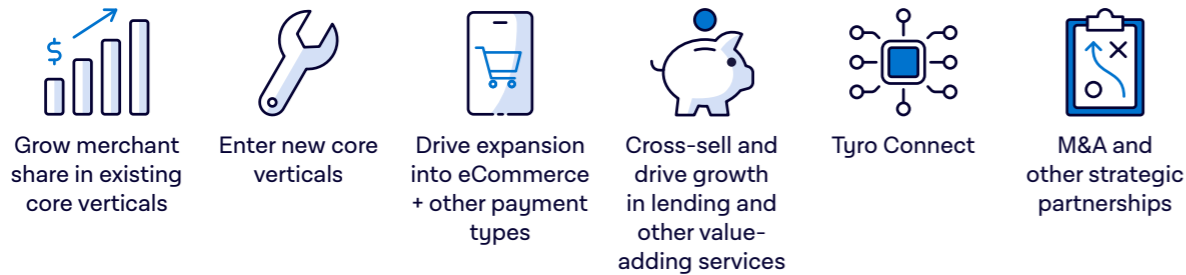
1. Our Strategy - How we Drive Growth

The strategy we articulated at the IPO has seen Tyro grow strongly since 2019 with our transaction value doubling in the space of 4 years. This included the company-defining alliance with Bendigo Bank, the acquisition of Medipass and key strategic interests in me&u and Paypa Plane. Given this growth we have

achieved, FY22 was an opportune time to reassess our strategy and we undertook a comprehensive strategy process with the management team and the Board to evaluate our past strategy and define a new strategy for the next 5 years.

TYRO'S PURPOSE -
SETTING BUSINESSES FREE TO GET ON WITH BUSINESS BY
SIMPLIFYING PAYMENTS AND COMMERCE

Strategic Pillars



Grow merchant share in existing core verticals

- We will continue to dominate the Australian SME segment with our differentiated offering leveraging proprietary technology.
- We will drive continued market segment growth through a variety of approaches including:
 - increased marketing to drive brand awareness;
 - more point-of-sale system integrations;
 - additional payments methods;
 - and the development of new industry-specific solutions.
- Place a renewed focus on the health vertical through the combination of our Medipass acquisition and our existing health business to create a class leading health payments and claiming business in Australia.
- Refine our approach to the servicing of our micro merchants. Previously, we did not differentiate between micro, small, medium and large merchants. Given the scale of our portfolio of merchants now, it is seen as an opportune time to have a separate strategy for our different size of merchants to ensure we provide the right product and service to them subject to their needs.
- Roll-out of new payments devices, including the Tyro Go reader and our new android-based Tyro Pro terminal.
- Digitising our merchant onboarding and servicing capabilities.
- Expanding our merchant acquisition footprint through new partnerships and alliances.

Enter new core verticals

- We will add new core verticals, such as trades, services and accommodation to our portfolio. We believe merchants in these verticals will benefit from a merchant acquirer with the technical capability to produce specialised solutions and the preparedness to build domain expertise.
- Our new Tyro Go card reader will drive our expansion into trades and services.

Drive expansion into eCommerce + other payment types

- There is a significant opportunity to drive growth in eCommerce within our current merchant base through our unified payments solution. Additionally, we intend to continue to innovate and provide multiple new and emerging payment types as we have with new payment methods like Alipay, Zip Pay and telehealth.

Cross-sell and drive growth in lending and other value-adding services

- Expanding our portfolio of banking products and leveraging our valuable banking licence.
- We are continuing to invest in Mambu as our core banking ledger by delivering new deposit and lending products on Mambu with improved features and functionality.

Tyro Connect

- Our 'plug and play' platform software solution is designed to be an integration hub for apps and point-of-sale systems, seeking to address merchant pain points around 'counter clutter' and manual processes. This platform seeks to reinforce our value proposition to merchants and embed us more deeply into the evolving commerce ecosystem.

M&A and other strategic partnerships

- We have made strategic investments in me&u and Paypa Plane. me&u is a leading Australian mobile order and pay in venue solution for the hospitality industry which seeks to improve restaurant-goers' experience, free up wait staff for higher value tasks and increase order value and frequency. As part of our investment, we have the right to provide the in-app payment solution for me&u, and me&u is one of the foundation apps on the Tyro Connect platform. Paypa Plane is the evolution of recurring payments in Australia. Paypa Plane offers an innovative platform to deliver a recurring payment solution to consumers.
- The alliance we formed with Bendigo Bank to provide our payments expertise to Bendigo's business customers, with Bendigo Bank continuing to provide all other banking services to these customers under a long term, collaborative, and strategic alliance is another example of our approach to growth.
- Our acquisition of Medipass, a Melbourne based health fintech was pursued to provide an immediate uplift in cardless digital health claiming and payments capabilities.
- We entered into an exclusive partnership with Telstra to provide merchant acquiring services to Telstra's business customers through over 350 Telstra retail stores and Telstra Business Technology Centres, as well as online.
- Our appetite to continue to accelerate growth and development through acquisitions and/or strategic partnerships remains a core strategy for us so long as such opportunities align from a valuation, strategy and culture perspective.



“Setting businesses free to get on with business by simplifying payments and commerce.”

2. Our product and technology innovation

Tyro recognises that new technology and product innovation is at the core of our value proposition to merchants, and we are continually looking for ways to enhance our merchants' ability in our core verticals to conduct commerce, whether that be through technological innovation in-house or via industry-leading third parties.

Our products and services are designed to address merchant pain points around payments and making the payment process between the merchant and

their customers as fast and seamless as possible. At the heart of our innovation into new technology and products are our innovation days known as Blitz. This is supported by our Tyro LAB which focuses on payments technology 'over the horizon'.

We also invest in companies driving new technology in our core verticals to ensure that as payments needs shift, we can innovate to remain relevant to the merchant and their customers.

Product innovation

In May 2022, we rolled-out our new Tyro Go mobile payments reader to merchants with over 336 readers already in use at 30 June 2022. Tyro Go connects wirelessly to the merchant's smart phone or tablet and will complement our current terminal offering by:

- facilitating our entry into the trades and services verticals with a fit for purpose mobile payment terminal device;
- providing a 'queue buster' for high volume retail and hospitality merchants who require a terminal for floor staff; and
- providing a more appropriate solution for micro merchants.



In early 2023, we will launch our new Tyro Pro android-based terminal to merchants. The Tyro Pro terminal will offer a best-in-class experience for our merchants supporting Android apps under the Android 10 protocol. This new platform will unlock the full potential of digital commerce in-store for merchants. We will progressively roll-out these new terminals and new features to our merchants as our existing fleet is retired.

We will continue to drive our expansion into eCommerce and other payment types within our current merchant base through our unified payments solutions and build up features relevant to our current and targeted merchant base across our key verticals. Additionally, our online growth strategy will focus on larger merchants, ISVs (independent software vendors) and POS (point of sale) partners where we see many opportunities to drive unified payments through the use of integrated technologies and third-party partnership capabilities.

Our Health business has seen us integrate to new insurers and schemes, including WorkSafe Victoria, Comcare and nib. Tyro customers can now use Tyro offerings to raise digital claims through to these insurers and schemes. In addition, Tyro terminals can now be accessed from Medipass, enabling merchants to access all of Tyro's functionality from the one portal. Finally, Tyro Health will be launching our integration to Medicare ECLIPSE in Q1 FY23, which will enable us to dramatically increase our offering to medical specialists and GPs.

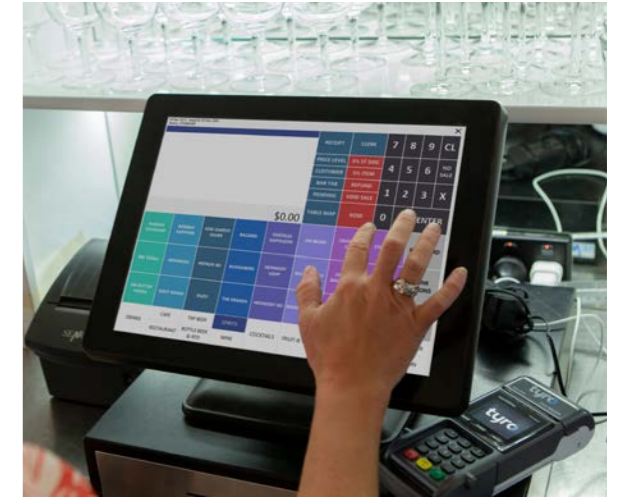
For our Banking business, we delivered 'Open Banking' phases 2 and 3 ahead of the regulatory deadline and we delivered a first in market flexible settlement percentage allocation whereby merchants are able to setup a percentage allocation to multiple bank accounts for their daily settlement.

New features

From a payments new features perspective, our Tyro Connect platform continues to scale and is becoming a significant value-add product to our merchants. In FY22, we enabled our new 'Menu Sync' product end to end, from the merchant's POS, our Menu Manager, and to all merchant app partners. We delivered an improved sales and ordering data API to deliver insights to POS and App partners and the merchants, and we delivered an order notification API to alert merchants in real time when an order has not processed correctly.

Tyro expanded our focus to additional dine-in apps beyond me&u and we went live with Hubster and several other global delivery apps, including the integration with Seven Rooms, an industry leading booking and reservation app.

Outside of Tyro Connect, our other new features included an expanded card linked loyalty proposition whilst we also enabled loyalty partners to be integrated with partner POS' and Tyro Terminals. Finally, we introduced dynamic statement descriptors for eCommerce so marketplaces can use this field to identify end merchants on the cardholder statements.



Investment in technology

As part of our investment in technology to improve our merchant experience, we launched a new Customer Satisfaction (CSAT) measurement tool for our contact centre interactions and achieved an average rating of 4.56 / 5 for FY22. We opened up further contact channels for our merchants including webchat with a full omni-channel customer contact platform to be delivered in FY23 and we replaced our telephony platform and upgraded to AWS Connect to enable scalability and improved efficiencies.

At our most recent Blitz event, the three winning initiatives that were selected by all Tyros have now been put into production. These new initiatives are:

- Enabling merchants to recover their merchant acquiring costs through surcharging off the back of our current surcharging product.
- The development and roll-out of our new pre-activated terminal dispatch process.
- The digitisation of our merchant signing process that will drive speed of merchant onboarding and improve the overall merchant experience.



In May 2022, we rolled-out our new Tyro Go mobile payments reader to merchants with over 336 readers already in use at 30 June 2022.




Loan originations
UP 283%

3. Key customer wins for Tyro in FY22

We signed up a number of significant brand name merchants during FY22 and driven significant growth in our existing key customer account networks. A few examples include Blooms the Chemist, GamesWorld, Uniting Care (Lifeline Stores), Outdoor Supacentre, Daiso, Jim's Franchise Group, Pharmacy4Less, Poyser Motor Group, The Sleeping Giant, San Churro, Boost Juice, Chatime, Roll'd.

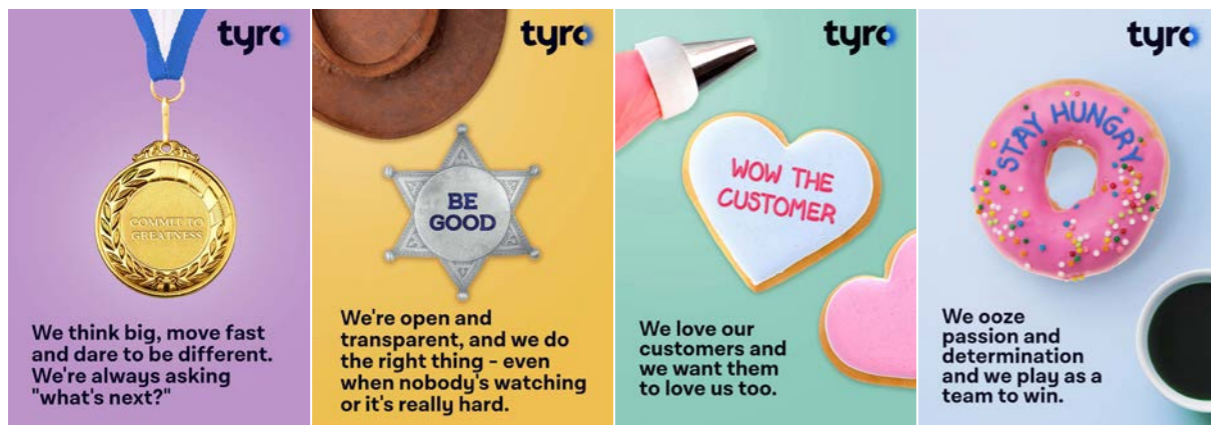


4. Our key measures of success for this Capital

We measure the success in executing against our strategy through the following key metrics.

MEASURE OF SUCCESS	FY22	FY21	GROWTH %
Transaction value growth	\$34.2 billion	\$25.5 billion	↑ 34%
Merchant number growth	63,770	58,186	↑ 10%
Customer NPS	34	21	↑ 13 pts
Loan originations	\$99.1 million	\$25.8 million	↑ 283%
Launch of new products/features	2 new products and 11 new features	n/a	n/a
New partnerships	New strategic partnership with Telstra	New alliance with Bendigo Bank	n/a
Transaction value churn	9.2%	8.7%	↓ 50 bps
Merchant number churn	10.5%	11.3%	↑ 80 bps
New merchant applications	14,777	11,813	↑ 25%

“We are proud of our open, inclusive, and collaborative culture which has at its foundation our guiding values.”



5.2 Human Capital - Our People and Culture

Our people are the core of who we are. We have a strong emphasis on retaining and attracting top talent that enhances our strong values-driven culture. The combination of our collective experience, shared values, and individual skills has allowed Tyro to deliver industry-leading products and solutions.



1. Our Values

We are proud of our open, inclusive, and collaborative culture which has at its foundation our guiding values. We foster a high performance, values-driven culture and our most recent employee survey showed that 71% of our team members are proud to work at Tyro and 78% would recommend it as a great place to work.

We recently introduced a new teamwork value at Tyro to complement and enhance our existing values. Our new value:

“Win together - We are a united team. With growth mindsets and without ego, we embrace diversity to collaborate, innovate, and accelerate”.

2. Our Workforce

Tyro's workforce has grown and diversified as our merchants, products and services have expanded. Our team members speak 53 languages and have an average age of 35. Our Executive Leadership Team (XLT) is 21% female while 12.5% of our senior managers are female and 49% of our other managers are female. We ended FY22 with 15% more people than the prior year reflecting both organic head count growth to better service our merchants. In total we have 618 team members.

2.1 Diversity

At Tyro, we embrace inclusiveness and diversity and create a sense of belonging because we know it's what makes us better as a team, as a Group and as members of the wider community.

Tyro's workforce is made up of many individuals with diverse skills, values, experiences, backgrounds and attributes including those gained on account of their gender identity, age, disability, ethnicity, marital or family status, religious beliefs, cultural or socioeconomic background, sexual orientation, perspective and experience. Advancing our diversity, inclusion and belonging priorities is an ongoing focus for us.

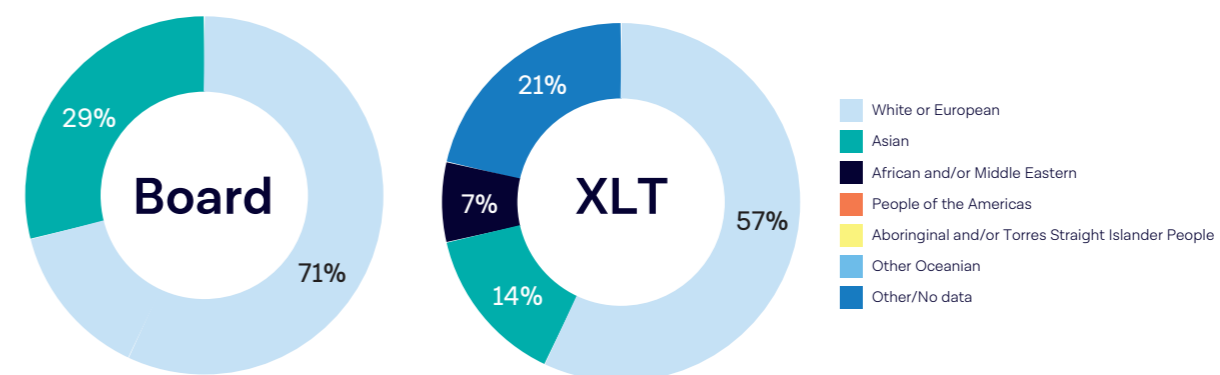
We believe that a commitment to inclusion and diversity as well as a commitment to fairness and respect for all creates a competitive advantage, enhances employee participation and in this way is essential to Tyro's continued growth and success. We also celebrate diversity of thinking. Our team consists of individuals who share common values, a common vision for Tyro and common respect for their fellow team members. However, in certain circumstances they may not share the same ideas, strategies, or way of doing things. We encourage this difference in

thinking to enable us to challenge each other, break down the boundaries that may be holding us back, and challenge our leadership team to shift historical thinking to adopt a new way of fulfilling Tyro's vision.

As part of our commitment to diversity, we initiated a new cultural and ethnicity diversity survey in FY22. We surveyed our Board of Directors and Executive Leadership Team to obtain an understanding and acknowledgment of our cultural differences. We will be rolling this survey out to all our team members in FY23. The purpose of this survey is to collect data about where our people come from, what groups they identify with, and what languages they speak which will assist us to dispel negative stereotypes and personal biases about different groups and setting meaningful social targets to increase representation of currently underrepresented groups. In addition, cultural diversity helps us recognise and respect ways of being that are not necessarily our own. So that as we interact with others we can build bridges to trust, respect, and understanding across cultures.

The outcome of the FY22 survey conducted by the Board of Directors and XLT is summarised as follows:

TYRO RACIAL/ETHNIC COMPOSITION FOR THE BOARD OF DIRECTORS AND XLT¹



¹ Responses to all questions in this survey were voluntary and based on self-reporting. The ethnicity categories used in this survey are based on the Australian Government's reporting standards (Australian Standard Classification of Cultural and Ethnic Groups).

From the results of the survey, our Board and XLT come from 6 different countries across Australia, the UK, the US, Africa, Asia and the Middle East and they speak 9 different languages. The outcomes from this survey position us well to roll it out to our entire Group in FY23 and encourage participation in an initiative that will allow to grow as an inclusive employer of choice.

Our Stated Diversity Targets

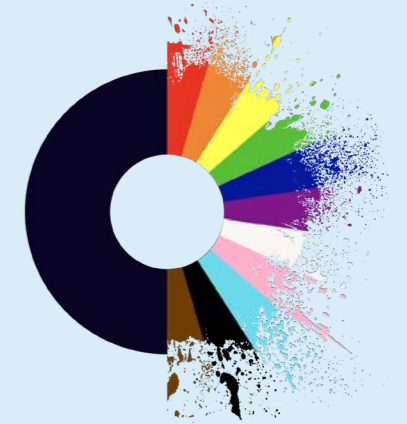
- Representation of gender groups based on a 40:40:20 approach with at least 40% women, 40% men, with the remaining 20% unspecified/other to allow for flexibility and to recognise that gender is non-binary.
- Achieve a gender balance of 40:40:20 for Directors of each gender.
- Taking active steps to identify and rectify any identified gender pay gaps during remuneration reviews taking effect in January 2022.
- Opportunities for employees on extended parental leave to maintain their connection with Tyro, for example, by offering them the option (without any obligation) to receive all-staff communications and to attend work functions and training programs through keep-in-touch days.
- Networking opportunities for women at Tyro to expand their networks beyond their team and department, via the Women of Tyro group.
- Launching Tyro's own LGBTQIA+ advocacy network, Tyro Pride, to empower Tyros of diverse genders and sexual orientations to bring their whole selves to work.

Below is a summary of our diversity results achieved in FY22 against our targets.

MEASURE OF SUCCESS	FY22 OUTCOME	TARGET
Representation of gender groups.	Our overall Tyro team has a gender balance of 36% female, 62% male and 2% undisclosed/other.	A gender balance of 40:40:20 achieved across the whole of Tyro with a balance of 40% female, 40% male and 20% undisclosed to be achieved by 30 June 2023.
Gender balance for Directors.	Our Board has a gender balance of 57% female and 43% male.	A gender balance of 40:40:20 to be achieved by 30 June 2022.
Eliminate gender pay gaps.	A salary review and benchmarking exercise was conducted across the whole business in January 2022 as part of the fixed remuneration review for Tyro. Any gender pay gaps were addressed as part of this review.	Remuneration equity across all genders.
Launching Tyro's own LGBTQIA+ advocacy network, Tyro Pride	In FY22, Tyro Pride was officially launched	Ensure Tyro is a leading employer for the LGBTQIA+ community.
Completed Tyro's inaugural submission to the Australian Workplace Equality Index (AWEI) for FY22	Received data to benchmark ourselves against other organisations.	Ensure Tyro is a leading employer for diversity in the workplace.



Tyro Pride



Our diversity stories for FY22

In FY22, Tyro Pride was officially launched. Tyro Pride is a grassroots employee resource group designed to empower Tyros who identify as members of the LGBTQIA+ community to bring their full selves to work.

The year kicked off by Tyro Pride engaging an external consultancy, Pride in Diversity, to assist in developing a strategy to support LGBTQIA+ employees, but also to educate those within Tyro who actively wanted to do more to support their colleagues.

Activities that occurred throughout FY22 included:

- An online Lunch & Learn on International Pronouns Day where two Tyro employees shared personal stories about why personal pronouns were important for them.
- A game of 'Drag Bingo' to round out a week of activity during Tyro's annual Wellness Week.
- A 'take over' of Tyro's social media profiles during the Sydney Gay & Lesbian Mardi Gras, promoting Tyro Pride as an ERG available to prospective employees.
- A partnership with Australian NFP, Minus18, who provide preventative mental health initiatives to LGBTQIA+ youth in Australia. This partnership resulted in a donation of over \$2,000 to Minus18 to continue their work.
- An online Lunch & Learn to educate Tyros on the historic significance of the Sydney Gay & Lesbian Mardi Gras. This featured an external guest speaker who highlighted Mardi Gras' significance as a protest in its inception in 1978, the ongoing journey towards equality and inclusion that the Mardi Gras has represented over the last 40+ years, and what everyone can do to be a better ally to the LGBTQIA+ community today.
- A series of group outings designed to foster a sense of community for the 80+ Tyros who are actively involved in Tyro Pride.
- A Tyro case study on queer businesses, highlighting the work that Tyro merchant The Bearded Tit does for the community in fostering a safe space.

Tyro Pride also completed its inaugural submission to the Australian Workplace Equality Index (AWEI) in FY22. The AWEI is a national benchmarking instrument for LGBTQIA+ workplace inclusion in Australia. It assesses each submission against a comprehensive rubric, enabling the determination of current and leading practice, annually. The submission sees Tyro's efforts in LGBTQIA+ inclusion compared to some of Australia's largest employers, as well as many similarly sized companies.

While Tyro's score in the AWEI indicated there is some work to be done on making Tyro a leading employer for the LGBTQIA+ community, it was an incredible achievement to have completed the submission and receive recognition that as a company, Tyro is well placed to lead the way on inclusion initiatives in the years to come.

“We live in a world where we identify ourselves not as men and women, but as individuals. In the workplace that is exactly how it should be in terms of equal rights, privileges, equal everything. Women of Tyro is an ideal platform to help make this a reality.”

Samara
CUSTOMER SUPPORT REPRESENTATIVE

Women of Tyro



2.2 The Wellbeing of Our Team

Flexible Work Policy

Taking on board feedback from our team members and the learnings from the past two years operating predominantly remotely given Covid lockdowns and restrictions, Tyro was proud to launch a flexible approach to work in March 2022 where all flexible working requests are considered by the Executive Leadership Team.

Tyro has become a ‘remote-friendly’ rather than ‘remote-first’ business, and we recognise that flexibility is about more than just remote working.

The outcome of this new policy has been exceptionally well received achieving a positive engagement score of 93% at our most recent engagement survey. We will continue to evolve our flexible work policy to ensure it is enabling our vibrant and high-performance culture and driving positive outcomes for our team members and our business.

New office environment

In April 2022 we moved into our new HQ in the Sydney CBD. The new office was designed with employee wellbeing front of mind, enabling greater flexibility and supporting our new way of working which includes a mix of team members working in the office and remotely.

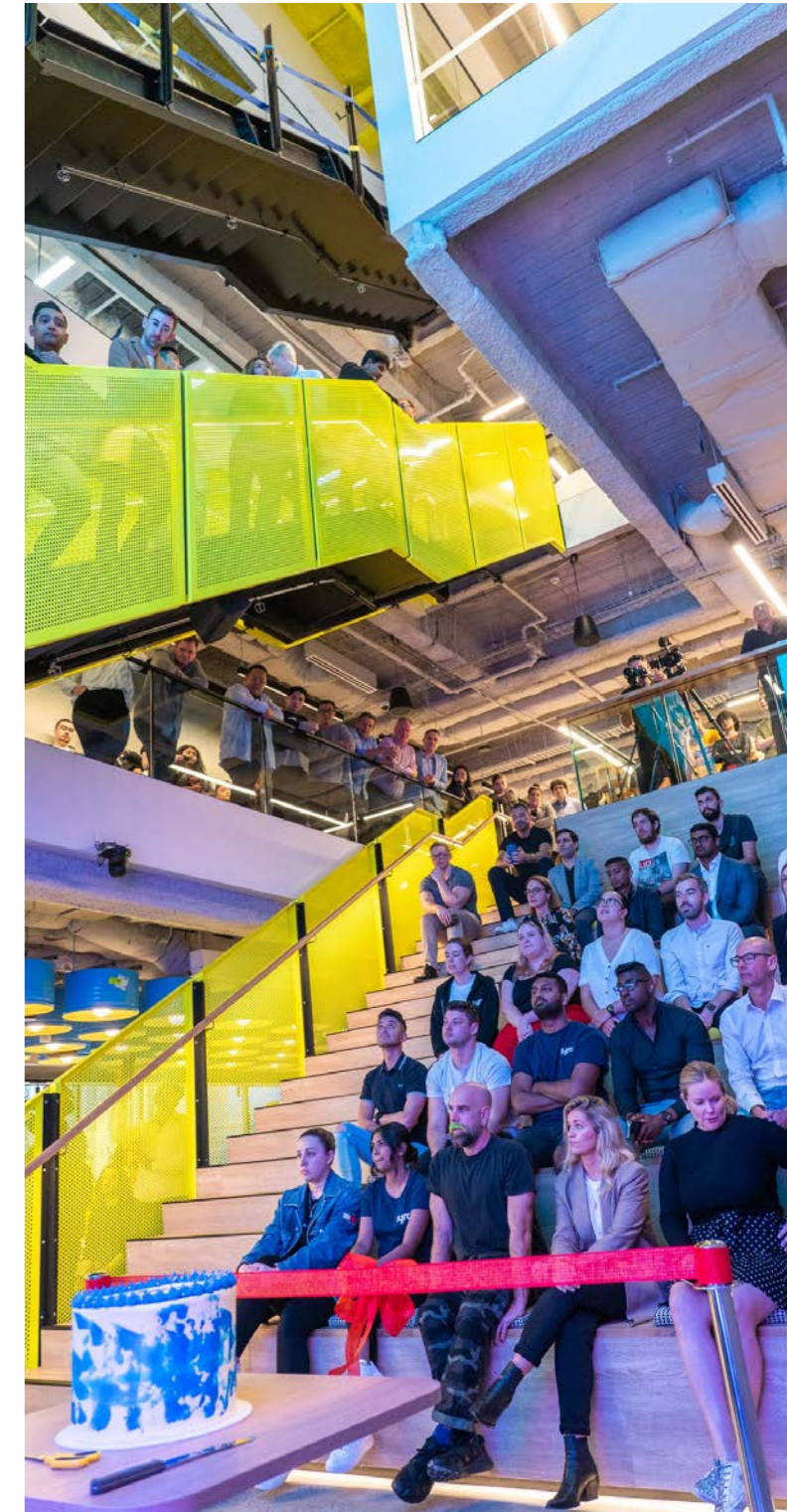
The new office layout includes spaces for both collaborative and focused work, as well as some great communal spaces for team members to come together for bigger team events and social activities.

Family Support and Leave Entitlement

Our parental leave benefit supports parenthood for all our employees. It provides up to 52 weeks of leave (of which 16 weeks is paid parental leave) for the primary caregiver and 12 weeks of paid leave for the secondary caregiver.

We provide 10 days of cumulative personal leave to employees per annum which may also be taken as carer’s leave and 2 days of paid compassionate leave for a member of the employee’s immediate family or a member of the employee’s household.

Permanent employees are entitled to long service leave after working for an unbroken period of ten years with Tyro. The current service leave entitlement is two months paid leave after ten years’ service and one month paid leave for each additional five years’ service.



“The new office was designed with employee wellbeing front of mind, enabling greater flexibility and supporting our new way of working that will include a mix of team members working in the office and remotely.”

Employee Safety and Security

The safety and security of our Group, our brand, our team, our facilities and our information are of paramount importance to the ongoing success of Tyro. To this end we are committed to providing a safe and secure working environment. Our workplace experience team proactively protects the Group and our employees, advising on risk mitigation and threat preparedness for emergency situations that may occur in the office including providing regular training to employees on office safety and security.

Tyro provides training to all employees in first aid, CPR, automatic external defibrillator use and working in a COVID-19 safe environment. Our workplace health and safety training has been customised to support our new hybrid way of working, ensuring our remote workers are protected, and has an additional focus on mental health and wellbeing.

We also offer an annual flu vaccination program to our employees and provided our employees with paid leave to receive their COVID-19 vaccinations.

Work Life Balance and employee benefits

Our flexible working approach is a key enabler for our team members achieving a desired work-life balance. We also offer a competitive suite of benefits that have been designed by our people for our people.

Included in our benefits is the BALI (Bonus Annual Leave Incentive) program which provides employees who reach service milestones with bonus annual leave of 1 additional day per annum for 5 years of service, 2 additional days per annum for 6 years' service, 3 additional days per annum for 7 to 9 years' service and 4 additional days per annum for 10+ years' service. There is also the Tyro Employee Referral Program which offers qualifying employees an incentive of up to \$3,000 for referring successful candidates to Tyro and we have a monthly financial reward program aimed to foster a culture of appreciation and call out for Tyro employees when they go above and beyond in living our values, and positively contribute to making Tyro an even more amazing place to work.

Tyro has a strong connection to the Australian community and our team members are passionate about making a difference. We provide our employees with leave for volunteer work and community outreach, to encourage their service to these important community organisations. We are proud to support a number of community initiatives that are aligned with our core business proposition, including providing free terminals and volunteers to raise money for the Children's Institute of Medical Research on the annual Jeans for Genes Day.

Psychological safety and mental wellbeing

We offer all employees confidential and complimentary access to counselling services for a range of matters including, but not limited to, personal and work relationships, LGBTIQ support, health, trauma, gambling and addiction, trauma, grief and loss, depression, anxiety, drug, alcohol and substance abuse, financial concerns and positive parenting.

We have provided our employees with discounted access to health and wellness-based activities, and we provide discounted gym and fitness memberships. A Mental Health Guidebook was developed and shared with all employees to ensure and encourage positive mental health during the exceptionally difficult time caused by Covid.

2.3 Professional Development and Tyro Graduate Program

We introduced LinkedIn Learning for all our employees offering free access to over 8,000 learning courses and every member of our team is supported with bespoke training that builds their career in line with their development plan. Our links to Australian Institute of Management and our customised Tyro Leader Program means that all our managers have the opportunity to excel.

We launched our Tech Graduate Program in June 2022 with 12 graduates and 4 interns joining over the course of the year. This initiative is a win-win for both our grads and Tyro. We benefit from great new energy and ideas and the opportunity to help grow the careers of some young technologists, all the while attracting top talent to our team.

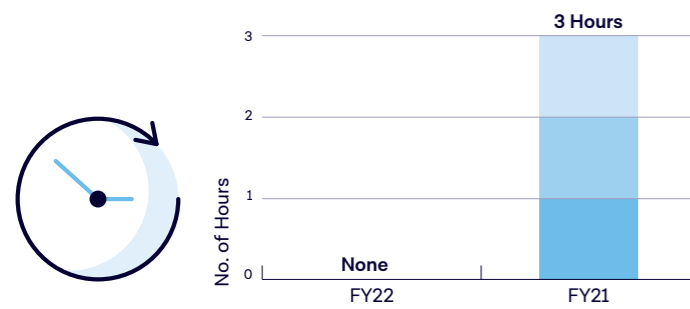
2.4 Employee Engagement and Satisfaction

An annual Tyro 'Key Projects Plan' sets out Tyro's targets and deliverables for the year ahead. This 12-month plan, together with our regular hosted events, support our culture of collaboration and innovation. Some of the events that we conduct include our annual all team strategy conference, innovation hackathon days known as Blitz, tribe days to encourage effective teamwork across functions and company town hall events, known as Mindshare, to enable the effective flow of pertinent organisational information.

Other engagement activities include a weekly communications update from our CEO called 'All Hands' and regular updates from our CEO whenever new material ASX announcements are released to the market.

We also conduct quarterly all-company employee engagement surveys and more frequent departmental pulse surveys, that not only measure employee engagement but other workplace satisfaction factors such as collaboration, communication, enablement and management, amongst others.

Lost Time Frequency Rates



Dealing With Domestic Violence

Safety is one of the biggest social barriers to women fulfilling their potential in the workplace. For this reason, we actively support and assist any of our team members that may be experiencing domestic violence or abuse at home through some of the following initiatives:

- Team members are entitled to 5 days of paid family and domestic violence leave each year of their employment and includes part time and casual employees. This leave entitlement refreshes each year.
- Team members may also take leave if they need to do something to deal with the impact of family and domestic violence and its impractical to do so outside their ordinary hours of work including making arrangements for their safety, or safety of a close relative.
- We also provide an Employee Assistance Program for all employees, and their immediate families, which is provided as either in-person or telephone counselling support.
- The provision of specific training to team members in relation to dealing with, and support offered, for domestic violence and abuse.

Below is a summary of our engagement results achieved in FY22 against our targets.

MEASURE OF SUCCESS	FY22 OUTCOME	TARGET
Employee Engagement Overall Score	69%	80%
Employer of choice	In progress	Rated in the Top 20 best places to work in Australia by 30 June 2024.





"...having joined the team fairly recently, I am really enjoying working here at Tyro. Tyro's are friendly and approachable from the get-go, and despite feeling this workplace is too good to be true, 8 months in, our leaders and staff alike remain approachable, supportive and keen to work together to solve a common challenge for our customers' benefit.

I particularly appreciate how accessible and approachable our CEO is, providing updates to all staff regularly and consistently encouraging us to speak up about ideas and pain points. Finally, the passion and commitment of our people as well as regular in-office activities really makes working here meaningful and fun...."

Debbie Rowlands
TYRO KNOWLEDGE MANAGER



"...Tyro stands out to me as an employer for two reasons: the flexibility, which is essential to me as a father of two children. Second, Tyro always makes an effort to promote from within for most open positions, and I serve as an example because I took on additional responsibilities within a year of starting my job.

During the FY22, we optimised the Lending Credit Risk Policy to meet the needs of our merchants and to remain competitive in the market. As a result, our lending portfolio has grown significantly surpassing all previous records, and losses remained below acceptable limits..."

Sabbir Mohammed
TYRO HEAD OF CREDIT

3. How we Engage

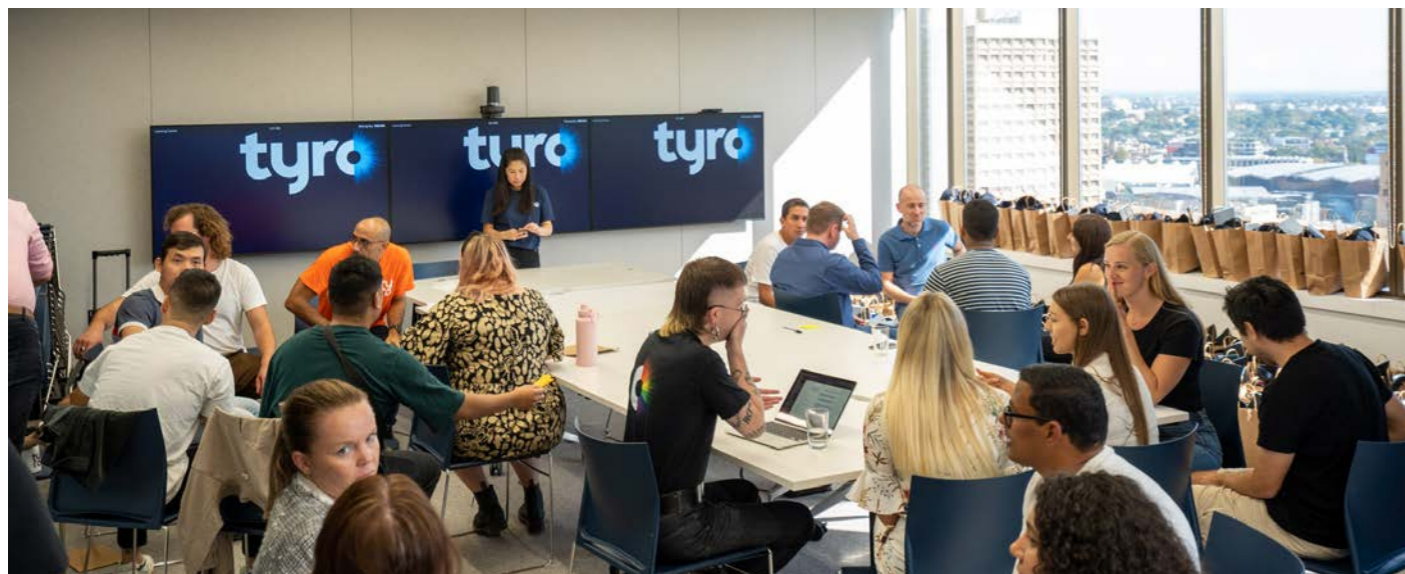
An annual Tyro 'Key Projects Plan' sets out Tyro's targets and deliverables for the year ahead. This 12-month plan, together with our regular hosted events, support our culture of collaboration and innovation. Some of the events that we conduct include our WOW Conference, innovation days known as Blitz, tribe days to encourage effective teamwork across functions and company all-hands, known as Mindshare, to enable the effective flow of pertinent organisational information.

Other engagement activities include:

- A weekly communications update from our CEO.
- An update from our CEO whenever new material ASX announcements are released to the market.
- Use of the internal messaging platform, 'Slack', collaboration platform, 'Confluence' and employee engagement platform, 'Namely'.

We also hold annual all-company employee surveys and more frequent departmental pulse surveys, that not only measures employee engagement but other workplace satisfaction factors such as collaboration, communication, enablement and management, amongst others. Through COVID-19, we also conducted weekly employee surveys to ensure the health and wellbeing of our team was constantly monitored and issues acted on immediately to the benefit of the team.

We have in place a Culture Committee, a group of 25 employees represented by all departments of the business to develop action plans to address the 4 key focus areas – Future and Present Commitment, Delivery and Innovation, Work Conditions and Cross-Team Collaboration.



5.3 Social and Relationship Capital – How we interact with our Stakeholders

1. Our Merchants

Our merchants always come first. They are the reason we exist, and they can always choose to take their business to a competitor, so it is essential that we continue to innovate, to offer great products, excel in service and provide value for money and maintain a relationship of trust. To deliver on this commitment, we have developed a technology platform that our merchants use to support their customers and entrust us with their customer data. For this reason, we take our security and privacy responsibilities very seriously.

Data Privacy

As part of our ordinary business operations, we collect, use and hold a significant amount of personal information relating to our merchants and cardholders, including transaction records and cardholder payment details. Refer to our privacy policy at www.tyro.com/privacy-policy/.

We are committed to respecting the privacy of our merchants' and cardholders' personal data. Our privacy policy explains how we collect, store, use and disclose personal information and the steps we have taken to comply with privacy laws. We take all reasonable steps to protect this information including using appropriate technology and processes, restricting access, implementing physical security measures, technology security, and destroying information no longer required subject to legal obligations.

In the event of a privacy breach, we have processes in place to ensure these risks are managed in a timely and effective way. These processes also outline the required notifications including notifiable data breaches under the Australian Government's Notifiable Data Breaches scheme.

We also take privacy complaints very seriously, and our Privacy Policy includes details of internal and external complaints avenues available to customers.

Reporting of Data Breaches or Privacy Breaches

All data security attacks (both successful and failed) and privacy breaches are reported to our Board Risk Committee and Audit Committee and all significant and notifiable cyber security or privacy breaches that result in the public disclosure of data will be disclosed in this Sustainability Report. There are no material breaches to report in FY22.

Security of Our Products – Terminals

Our terminal machine PIN pads are protected with a unique key entry shield. We encrypt data between the payment terminal and Tyro's switch-engine, and we take every opportunity to make sure merchants and customer's data is always secure. No cardholder data is ever exposed or presented at point-of-sale meaning a merchant's business is protected against fraud. The features that Tyro has built to increase the security of our merchant's businesses are as follows.

- Increased privacy - machine PIN pads protected with a unique key entry.
- Secure PIN - no PIN information stored.
- Robust protection around stored cardholder data.
- Protection for merchants and cardholders - no cardholder data is ever exposed.
- Secure systems & applications - Tyro develops and maintains secure systems and applications.
- Periodic vulnerability scans - conducted on Tyro's own systems to protect merchants.
- Encrypted cardholder data - All cardholder data is encrypted on the Tyro terminal machine, so the merchant is always protected.
- Certified under IRAP - certified under the Information Security Registered Assessor Program (IRAP) of the Australian Signals Directorate (ASD) for Tyro's Medicare EasyClaim solution.
- PIN Transaction Security (PCI-PTS) certified - Tyro's terminal machines are Payment Card Industry - PIN Transaction Security (PCI-PTS) certified. This validates that the hardware, firmware, mechanical and manufacturing designs have met sufficient standard to ensure that PIN data and other cardholder data (e.g., track data) cannot be compromised.
- APN & CECS device approval - Australian Payments Network (APN) Consumer Electronic Clearing System (CECS) device approval. The main difference with PCI-PTS involves the verification of correct operation of Australian key management systems for protecting PIN and cardholder data.



“There are no material breaches to report in FY22.”

Security of Our Products – eCommerce

Tyro's eCommerce product is designed as a payment gateway that stores card data in a PCI DSS compliant environment, protecting this data from possible data breaches. We view security as a joint responsibility between ourselves and our merchants. We provide our merchants with education tools on how to prevent fraud and how to identify eCommerce scams.

Security of Our Products – Banking

Our priority is to keep our merchants accounts, data and privacy secure. We proactively monitor transfers as they occur for suspect behaviour and have systems in place to mitigate the exposure to our customers.

Tyro assumes a defence in depth approach to security. As such we incorporate security policies, processes and procedures into our Software Development Lifecycle (SDLC) and change management program. Each Initiative undergoes extensive security assessments which assess both Tyro systems and any outsource system that could affect the impact and likelihood of risk to Tyro. All information assets are assessed in line with CPS234 and Privacy Act requirements to determine sensitivity and criticality of an information asset and upon classification outcomes appropriate NIST and industry best practice security controls are implemented and validated for effectiveness through various assessment activities.

Tyro incorporates least privilege user access principles to ensure that only authorised persons have access to pertinent information assets. All Tyro staff are pre-screened as part of their employment on boarding process to ensure a strong level of trust.

Our Tyro bank account and term-deposit product is protected under the Financial Claims Scheme up to \$250,000 per account holder.

2. Our Partners

The relationships we build with our partners are a significant contributor to our long-term value. We continue to invest in our existing POS partnerships to create unified payment solutions by leveraging our instore and eCommerce technical capabilities. We now have over 348 POS integrations which is one of our key value drivers and why merchants choose Tyro as their payments provider.

In FY22, we launched a wholesale rates program for strategic partners – allowing them to incorporate payments more seamlessly into their overall value proposition and pricing for their customers. Our new Internet Service Vendor (ISV) program for eCommerce partners is up and running and gaining traction.

New merchant applications through our strategic alliance with Bendigo and partnership with Telstra delivered exceptionally strong growth in FY22. We received 4,443 applications through these partners, a 78% growth on FY21.



3. Our Suppliers

At Tyro, we seek to incorporate sustainability into all areas of our business, including our supply chain. Our ability to deliver our payments and banking offering is reliant on the performance and availability of our technology and communication systems and that of our suppliers. We are dependent on a number of key suppliers, including:

- Card schemes.
- Card issuers.
- Our terminal hardware vendor - Worldline and Softspace.
- Telecommunication and network providers.
- Point-of-sale system partners who integrate with our terminals.
- Data centre providers.
- Cloud service providers.
- Third party credit agencies – we rely on the availability and accuracy of their information to assist in making informed credit assessments and in our Know Your Customer on-boarding process to fulfil our anti-money laundering and counter-terrorism financing obligations.
- Third party software providers that are critical in delivering our services.
- Our eCommerce solution provider.
- Our logistics providers who deliver our terminals.

The absence of any one or more of the services above could impact our ability to provide some or all of our services for a period of time, which may adversely affect our reputation, financial position, performance and ultimate sustainability of our operations.

Although we expect each of our suppliers to define their own sustainability measures, including their approach to modern slavery and climate change, our procurement process requires us to evaluate the risk of a supplier's future sustainability and its compliance to relevant legislation including compliance with modern slavery legislation.

In accordance with the *Modern Slavery Act 2018* (Cth), we have issued a statement outlining the steps Tyro takes to ensure that our business and supply chain are free of slavery. Tyro recognises and understands the importance of the Modern Slavery Act and is committed to reviewing and assessing the risks of modern slavery in its operations and supply chain. During the reporting period, Tyro developed and enhanced policies and procedures to begin to address the risk of modern slavery in its operations and supply chain. This was the first year in Tyro's journey of managing modern slavery risks and we are focused and committed to continually improve our Modern Slavery Framework. Refer to <https://investors.tyro.com/investor-centre/> for our 2021 Modern Slavery Statement.

4. Our Community

The long-term success of Tyro is closely inter-related to the success of the communities in which we operate. Positive relationships with the community allow us to build trust and long-term sustainability of our operations.

Our employees want to give back, so we make it easy for them. Our team members proactively engage with their local communities through organising fundraising events, assisting in community projects and donating their expertise where needed by communities important to them. We offer our team the support and resources they may need to assist in these proactive initiatives including the ability to take a paid volunteer day annually.

Although we are still a relatively small company that is not generating profits, we are actively looking at ways in which we can make corporate charitable contributions and become involved in corporate social responsible projects. Current projects that we actively looking at include how we can use our payments expertise to roll-out new payments methods to charitable organisations. An example of a charity that we are currently working with is Jeans for Genes (discussed below).

Tyro also actively contributes to public policy debates and industry reviews to improve the payments system in Australia and customer outcomes from those reviews. In FY20, Tyro provided a submission to the current review by the Reserve Bank of Australia Payments System Board's Review of Retail Payments. The key areas of Tyro's submission related to ensuring Least Cost Routing is available in Australia to the benefit of merchants and their customers and improving the transparency of fees in the payments industry.



Jeans for Genes

Jeans for Genes is one of Australia's oldest and most beloved charity days supporting vital research to find treatments and cures for children's genetic diseases like cancer, cystic fibrosis, and life-threatening metabolic disorders.

The Children's Medical Research Institute (CMRI) relies on the money raised by Jeans for Genes Day, and other community fundraising, to keep its labs open and, for nearly 27 years, Australians have seen the streets awash with denim, with volunteers out in force to sell merchandise and collect donations.

Recognising that charities have been hard hit by the COVID-19 pandemic Tyro has again worked with the CMRI by providing 50 terminals at no upfront cost. Furthermore, more than 30 of our dedicated Tyro's volunteered their time on 5 August to assist with fundraising for such an amazing cause.



Sheep Dog

We have developed charitable donation functionality for our merchants which allows cardholders to make donations to charities at participating Tyro merchants. A merchant can configure a different charity per location and enable the feature per terminal. Donations are not included in the merchant's daily settlement, they are kept separate and settled directly with the charities.

In FY22, our merchants raised over \$50,000 for their selected charities through utilising this technology.

5. How We Engage

Merchants

We interact with our merchants through our customer service centre, product team, sales team, and our banking team and through the Tyro App and website. We also have an active social media engagement program and source feedback on our service delivery through our Net Promoter Score program together with targeted merchant surveys.

Shareholders

Our shareholders include retail, self-managed superannuation funds and institutional investors. We maintain an active engagement with our shareholders through our investor relations program and by promoting effective communication with all shareholders. We encourage their participation at general meetings and investor briefings and this participation helps ensure that all shareholders have equal access to relevant information, thereby maintaining an informed market.

Community

We want to be a good corporate citizen with positive links to the local communities in which we operate. We want to be seen as a responsible business, a responsible employer that is providing a great place to work and a responsible participant in doing our part to protect the planet. The long-term success of Tyro is closely inter-related to the success of the communities in which we operate. Positive relationships with these communities allow us to build trust and long-term sustainability of our operations.

Regulators

We need to be compliant with all laws and regulations and ensure that our business practices meet those requirements, as well as community expectations. Compliance with our banking licence, and the legislation, regulations, rules and standards underpinning that licence, is critical to our business sustainability. As is understanding, and being responsive to the broader economic, social and community issues impacting government policy. Our CEO, our risk team and our legal team manage our relations with regulators and participate in regular meetings with government and regulatory agencies which assist us to foster constructive relationships and participate in government and industry forums.

Suppliers

We collaborate with our suppliers to run the business. We aim to build strong long-term relationships with suppliers and business partners in turn ensuring they live-up to our values. We engage with our network of integrated point-of-sale system partners and independent sales organisations as part of our sales strategy. To protect our relationships with key suppliers, we regularly interact through meetings, tender processes and industry and product conferences.



6. Our key measures of success for this Capital

We measure the success in executing against our strategy through the following key metrics.

MEASURE OF SUCCESS	FY22 OUTCOME	TARGET
Customer NPS	34	Above 60
Partner NPS	60	Above 60
Charitable Donations	In excess of \$50,000	No fixed target
Material Data and Privacy breaches	Nil	Nil
Completion of Employee security training	All training completed	100% compliance
Compliance with Modern Slavery legislation	100% compliance	100% compliance

5.4 Environmental Capital – Our Responsibility to Working to Net Zero

1. Why this is important

Limiting our environmental impact is part of our social license granted to us by our merchants and their customers. Although we have a limited emissions inventory, we recognise that a businesses impact on the environment is a concern to all our stakeholders.

The weather events over the past 3-years in Australia have clearly demonstrated the significant impact that the climate is having on our communities and the sustainability of businesses, including ours. Climate change is one of the greatest challenges we all face, and every business has a responsibility to take action to reduce its environmental footprint, irrespective of how small that footprint may be.

Our commitment to environmental sustainability runs through our entire business. Tyro's Board is committed to transitioning Tyro to a net zero carbon footprint by 2030 through a targeted reduction in our direct consumption of resources, through investments in carbon offset projects, together with enhancing our procurement processes so that environmental impacts are a key consideration in purchasing decisions.

This proactive, voluntary commitment provides increased transparency so our stakeholders can better understand how Tyro measures and responds to environmental risks. By activating our partners, we will have an even larger impact on creating environmentally sustainable solutions.

2. Tyro's Environmental Strategy

In 2021, the Board adopted Tyro's first Sustainability Framework which included the management of environmental risks and opportunities. We established a sustainability champions group to further implement environmental change across Tyro. The sustainability working group raises awareness, identifies strategic sustainable initiatives and focuses its efforts on reducing Tyro's carbon footprint.

We are committed to reducing our carbon inventory to achieve 'Net Zero'. In FY22 we signed on to Climate Active Australia and are currently undertaking our accreditation process with them to achieve 'Net Zero'. As part of this accreditation, we acquired carbon offsets for those emissions that cannot yet be reduced in order to obtain our status as a carbon neutral company. Ultimately, our strategy will see us target 'Net Zero' without the need to acquire carbon offsets.



“The sustainability working group raises awareness, identifies strategic sustainable initiatives and focuses its efforts on reducing Tyro's carbon footprint.”

Tyro has set the following environmental targets for 2025:

MEASUREMENT	2025 TARGET
Scope 1 emissions per employee	0% emissions retained
Scope 2 emissions per employee	25% reduction from FY21 baseline
Scope 3 emissions per employee	25% reduction from FY21 baseline
e-Waste recycling	100% of e-Waste recycled
Renewable energy as a % of total energy	100%
Net Zero carbon footprint	Net Zero emissions achieved
Water usage per employee	25% reduction from FY21 baseline
Paper usage per employee	25% reduction from FY21 baseline

The below sections illustrate the outcomes of some of the initiatives we are working on and details the progress we are making as we further embark on our environmental sustainability journey.



New HQ office

In April 2022, we moved into our new HQ in Sydney at 55 Market Street which was recently refurbished and has achieved a National Australian Built Environment Rating System (NABERS) energy rating of 5-stars and a NABERS water rating of 4-stars.

As part of the move from our existing office, we took the conscious decision to recycle much of our existing furniture and fittings for use in the new office to make our office move a sustainable move.

- Over 1,200 elements were reused, including ceiling panels, furniture and kitchen benchtops.
- Concrete floors were repolished instead of installing new carpet.
- All acoustic panelling in our old premises was dismantled, transported and reinstalled, providing quality acoustic ceilings in the new office.
- Over 49% of furniture was reused, while damaged furniture was restored and also reused.
- We installed energy conserving lighting throughout the new office which will ensure an ongoing saving in energy costs and carbon emissions.

We have set specific targets to lower energy consumption at our offices with a target to reduce consumption by 25% per employee from the baseline set on 30 June 2021 and we actively identify energy-saving opportunities to help reach our emissions targets. Some of the initiatives we have taken to reduce energy consumption are as follows:

- Desk booking technology that only activates electricity at employee desks when they are booked and in use – This ensures that monitors are switched off when not used.
- Smart lighting that automatically switches off lighting when no movement is detected.
- Use of LED energy saving lighting technology.
- Use of smart elevator technology with a destination control system that optimises lift trips, reducing the amount of energy required to move groups of people through the building. We have also implemented a single stop at our new HQ requiring the use of an internal central staircase to get between floors.

- An advanced Building Management and Control System was also implemented in the refurbishment that enables building management to tune and optimise the building for sustainability and occupant comfort.
- Smart printing technology.

We will also be investigating the procurement of all electricity for our HQ from renewable energy sources to reduce our emissions inventory from electricity consumption.

Data centres

Tyro uses the Equinix and Fujitsu platforms as our data centre providers. Equinix has a long-term commitment to use renewable energy in its global infrastructure, and in 2021 it achieved 90% renewable energy usage. Fujitsu have a target of achieving 40% renewable energy in its infrastructure by 2030.

We continuously engage with our data centre providers to encourage their adoption of 100% renewable energy usage and will be one of our key pathways to achieving Net Zero as this represents one of our largest carbon inventories.

Terminal freight and recycling

Terminal freight represents one of our largest contributors to our carbon inventory. We are working with our terminal suppliers to identify more carbon neutral options for their supply chain management thereby reducing our carbon footprint.

Furthermore, we refurbish and reuse all terminals that are not identified as redundant. Once a terminal is identified as being redundant, we send it to e-Waste recycling.

To date, we refurbished and reused 28,472 of the terminals returned to us in FY22. The remaining 0.2% of terminals not reused were recycled with our certified partners. While our preference would be to refurbish as many terminals as possible, recycling is considered when terminals are reaching their end-of-life and must be replaced by newer models.

Employee engagement and waste management

Our Tyro Sustainability Team works with all Tyro employees in our efforts to be a more sustainable company. Engagement includes targeting the elimination of damaging plastic waste, reinforcement of the importance of recycling, responsible energy, water and paper usage and encouraging new ideas on how Tyro can be a more environmentally responsible company.

As part of our new HQ fit out, we have implemented waste solutions for organic waste, recyclable waste and waste for landfills with clear education provided to employees on how to use these solutions to reduce our harmful waste.

All paper for office printers and terminals is procured from recycled sources. We also procure recycling services for printer toner cartridges, batteries and other electronic waste including recycling IT equipment (laptops, printers, screens etc) through certified e-waste companies.

Employee commuting

We currently provide end-of-trip facilities, including secure bike parking, showers and well-equipped changing rooms to all employees to better support environmentally friendly modes of commuting.

Assisting our Merchants on their journey to decarbonisation

We are currently investigating functionalities using our terminal technology and Tyro Connect platform to help our merchants and their customers to assist in climate active initiatives.

Furthermore, an increasing number of our merchants are seeking environmentally friendly alternatives to equipment used in their businesses such as more energy efficient equipment used in our hospitality venues and clean energy assets such as solar power. Our merchant cash advance product is ideally placed to provide finance to our SME merchants for these asset purchases.

5.5 Financial Capital – Creating Long-Term Shareholder Wealth

Tyro maintains a strong capital structure to drive growth and pathway to profitability. It is our intention to achieve positive free cash flow and profitability in early FY24 through the growth of our Payments business and accelerated revenue and profit contribution from banking products.

We will leverage our intellectual capital to drive new alliances and partnerships and leverage our Tyro Connect analytics and insights platform to drive customer acquisition and retention.

Refer to the CEO | Managing Director’s Report on pages 15 to 35 of the Annual Report for details of our financial performance and financial position for FY22 and our strategy for FY23 and beyond.



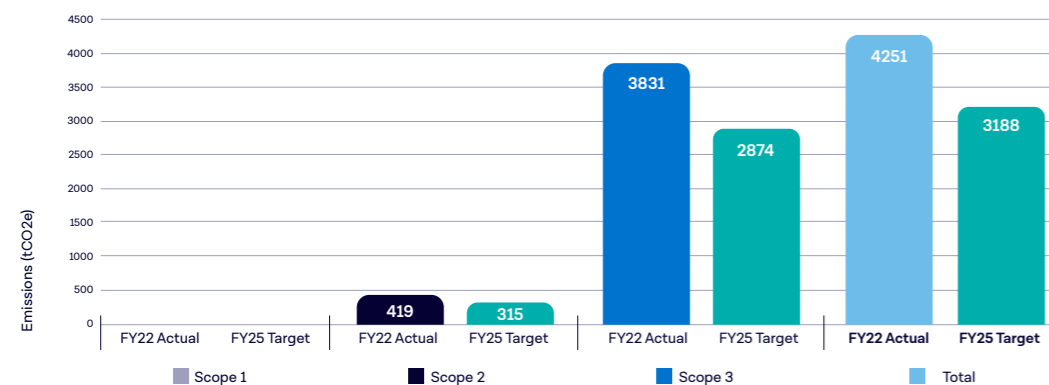
3. Environmental Performance

To better understand the impact Tyro’s operations have on the environment and climate change, we have undertaken a technical assessment of our emissions inventory through Climate Active Australia with FY21 being our baseline for reporting going forward. This technical assessment is different to the high-level assessment of our carbon footprint conducted in FY21 as it uses the guidance set out by Climate Active Australia that covers all our scope of emissions.

SCOPE	EMISSIONS (tCO2e)	% OF TOTAL	tCO2e/FTE
Scope 1 - direct GHG emissions	-	-	-
Scope 2 - indirect GHG emissions from purchased electricity, heating and cooling	419	9.9%	0.58
Scope 3 - other indirect GHG emissions	3,831	91.1%	5.28
Total Emission	4,251	100.0%	5.86
Carbon offsets to be acquired	(4,251)	(100.0%)	-

We will be acquiring 4,251 tCO2e carbon offsets in early 2023 for those emissions indicated above that cannot yet be reduced in order to obtain our status as a carbon neutral company through the support of environmental sustainability projects in Australia and internationally.

Emissions



Carbon Offsets



Carbon offsets to be acquired in 2023



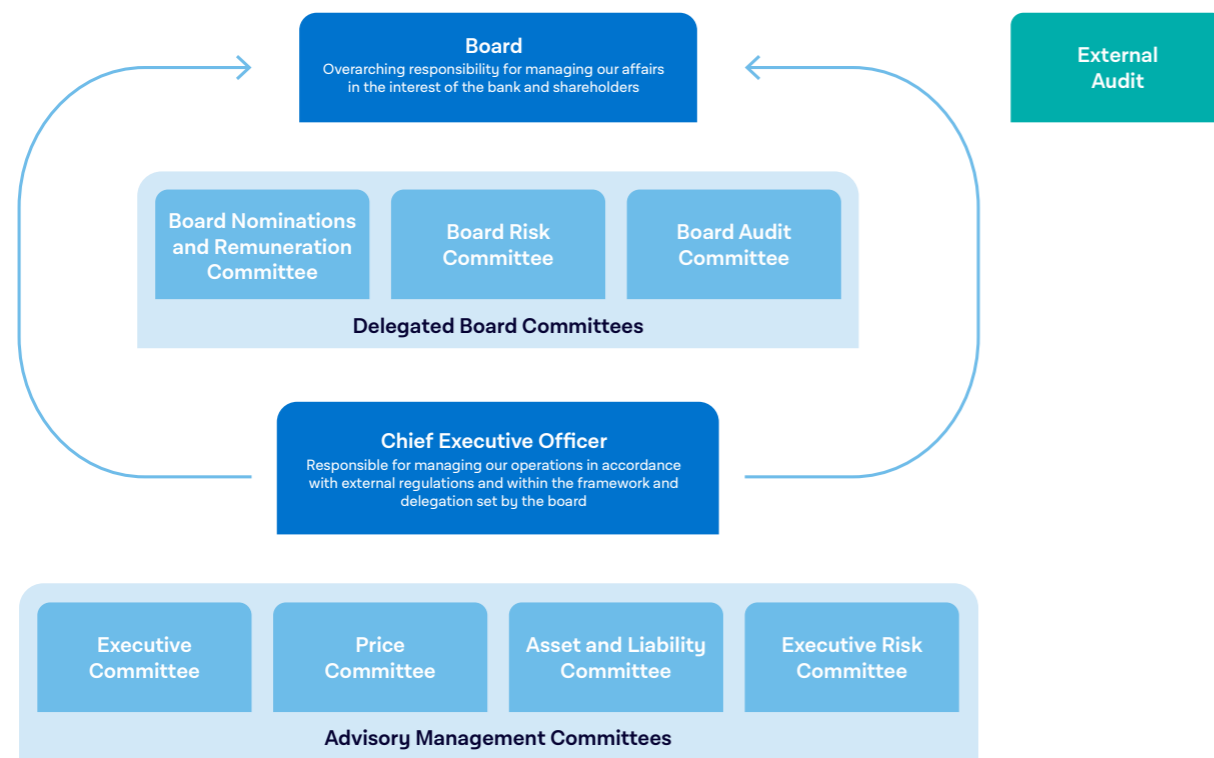
6. Governance and Ethics

1. Operating with Integrity

Our Corporate Governance principles support our values-driven culture which informs our approach to recruitment, retention and performance management as well as the ethics and behaviour of our team members.

Our risk culture is a product of this broader values-led culture. We are committed to a corporate governance structure that promotes stakeholder value creation by providing governance and control, leadership, accountability and promotes responsible behaviour. The composition of our Board and leadership structure is aligned with our strategic objectives and meets the requirements of the ASX Corporate Governance Principles and Recommendations (4th Edition). Refer to our Corporate Governance Statement available on our website at <https://www.tyro.com/wp-content/uploads/2020/08/Corporate-Governance-Statement.pdf>.

GOVERNANCE FRAMEWORK:



2. Risk Management

The purpose of risk management is not to eliminate risk from our business model but to ensure that we maximise our opportunities by taking decisions that meet our risk appetite and deliver long-term value for our stakeholders.

Our Board oversees our risk-management framework through its Board Risk Committee and promotes a culture of risk-awareness in everything we do. We operate in a complex and constantly changing environment where risk is encountered and managed as part of our day-to-day operations. We are committed to ensuring that a consistent approach to identifying, assessing and managing risk is established across the business and is embedded in our processes and culture, in line with the standard 'three lines of defence' model.

Our approach includes:

- implementing a systematic risk assessment and escalation process;
- managing and reporting risks in line with delegated risk acceptance and escalation authorities and the Board's approved risk appetite; and
- embedding risk culture and awareness, with regular team training and education.

Our Board oversees management's compliance with its policies and procedures and sets its qualitative and quantitative risk appetite (in the form of our Risk Appetite Statement) in pursuit of its business objectives as defined by our strategy. Our Risk Appetite Statement, together with our Risk Management Framework, outlines an approach that establishes how we define risk and how much we are willing to take.

Having a risk management framework that is appropriate to the size, mix and complexity of our business and consistent with our strategic objectives is a requirement of the Australian Prudential Regulation Authority. All employees are expected to understand, monitor and escalate risk related to their roles, while recommending and implementing controls where appropriate. We have rolled-out mandatory training to all employees to make them aware of their responsibilities and provide them with a mechanism for identifying and reporting risk to their People Leaders and XLT members.

GROUP'S RISK MANAGEMENT FRAMEWORK

OUR PURPOSE	Our Strategy						RISK CULTURE
HOW MUCH RISK WE TAKE	Risk Appetite Statement						
HOW WE DEFINE RISK	Risk Management Strategy						
WHAT RISK WE TAKE	1. Strategic Risk Management						
	FINANCIAL RISK MANAGEMENT			NON-FINANCIAL RISK MANAGEMENT			
	2. Credit Risk Framework	3. Liquidity Risk Management Framework	4. Market and Investment Risk Management Framework	5. Operational Risk Management Framework	6. Compliance Risk Management Framework	7. Customer and Conduct Risk Management	
HOW WE ASSURE OURSELVES	Clear business procedures aligned to policies, risk and compliance self-assessment, control assurance program, staff training, testing adherence to policy, analysing incidents, reporting, risks/issues/breach identification and management, credit decisioning, hindsight review, profiling, stress testing, audits						
HOW WE GOVERN RISK	BOARD, BOARD RISK COMMITTEE, BOARD AUDIT COMMITTEE						
	EXECUTIVE RISK COMMITTEE						
	BUSINESS UNIT RISK MANAGEMENT						

To help ensure we operate within the defined risk appetite set by the Board, our approach to managing our risk is underpinned by a 'three lines' of defence model:

- **First Line of Defence:** Business managers are responsible for the identification and management of risk as part of their day-to-day responsibilities;
- **Second Line of Defence:** The Risk team is accountable for providing risk advice, oversight and challenge to the business. They maintain the Risk Management Framework and report to Board on the risk appetite, risk profiles, frameworks, policies and other risk management tools to guide the business; and
- **Third Line of Defence:** Internal Audit is accountable for independently assuring that the Risk Management Framework is operating effectively, and our risk management practices are appropriate in the context of statutory and regulatory obligations.

KEY AREAS OF POTENTIAL RISK	MITIGATION STRATEGIES AND ACTIVITIES
Talent Ability to attract, develop and retain talent to deliver on strategy.	<ul style="list-style-type: none"> Attraction and retention strategies, including competitive monetary and non-monetary benefits and flexible work policies. Culture and remuneration frameworks ensure employees are clear on expectations and accountabilities and demonstrate risk behaviours that lead to appropriate outcomes. Introduction of new resourcing options to ensure we have access to an expanded talent pool.
Project delivery Ability to deliver new products and innovations that meet customers' needs.	<ul style="list-style-type: none"> Project governance structures and policies. Prioritisation process to identify which are most important and urgent and allocate resources accordingly. Project managers in place to plan, execute and control delivery. Regular monitoring and reporting to identify and mitigate issues that arise.
Technology failure Failure or disruption of our technology platform, resulting in disruption to merchants' businesses, leading to customer churn, loss of data, and/or reputational damage.	<ul style="list-style-type: none"> Tyro relies on established technology partners who deploy high availability services and tools. Regular monitoring of platform and database performance. Business continuity, disaster recovery, and crisis management plans in place and tested regularly.
Regulatory and compliance Ability to manage regulatory and compliance risk that may impact Tyro's products, reputation and/or financial returns.	<ul style="list-style-type: none"> Dedicated Compliance team who monitor and provide input on any emerging changes to legislation, regulations and/or industry codes, and assess potential business impacts. Compliance frameworks, policies and training are provided for all employees, supported by internal and external audits. Risk and controls self-assessment process used to identify, evaluate, and manage compliance risks and develop associated controls. Proactive and regular dialogue with regulators and industry bodies.
Capital management and access The risk that our performance falls short of expectations resulting in negative shareholder/market sentiment, increasing the cost of capital and/or impacting access to capital.	<ul style="list-style-type: none"> Defined capital risk indicators set in the Group Risk Appetite Statement. Capital ratio operating targets are regularly reviewed in the context of the external economic and regulatory outlook with the objective of maintaining balance sheet strength.
Cybersecurity Security controls and processes are insufficient, leading to a breach and resulting in loss of system functionality or data, business disruption, customer churn and/or reputational damage.	<ul style="list-style-type: none"> Security team provide oversight of critical cyber-control activities to defend against the evolving threat environment. Proactive tools and processes provide enhanced detection and monitoring capabilities, secure configuration, vulnerability management and strong authentication methods. Increased supplier monitoring to understand and mitigate any weaknesses in their cyber defence and resilience capabilities. Security and awareness programs for all employees and annual cybersecurity scenario exercise with the Executive team and Board.
Business Resilience Ability to withstand and adapt to disruptions that may impact business operations, people, and/or assets	<ul style="list-style-type: none"> Business Continuity & Technology Disaster Recovery plans and testing in place for critical systems and processes. Key supplier governance, selection and monitoring processes enable us to identify and manage the risk of third-party disruptions. Crisis management exercises with the Executive Leadership team and Board.
Third Party Failure to choose and manage third-party suppliers effectively, resulting in loss of system functionality or data, business disruption, customer churn and/or reputational damage.	<ul style="list-style-type: none"> Tyro is committed to obtaining goods and services in a transparent, ethical, and competitive manner, consistent with our risk profile and policies. Suppliers are assessed to identify and mitigate modern slavery risks and issues. Contract owners maintain in-life relationship management to ensure compliance with contractual obligations, performance requirements, business resilience and security assurance.
Credit and fraud risk Losses from failure of counterparties to meet their financial obligations to Tyro.	<ul style="list-style-type: none"> Defined credit risk and fraud risk indicators set in the Group Risk Appetite Statement. Tyro's credit risk management framework and policies outline the core values which govern credit risk-taking activities and reflect the priorities established by the Board. Regular monitoring of credit quality, arrears, policy exceptions and policy breaches. Established provisions for credit impairment based on current information and our expectations.

KEY AREAS OF POTENTIAL RISK	MITIGATION STRATEGIES AND ACTIVITIES
Market Risk Losses from unexpected changes in market rates and prices.	<ul style="list-style-type: none"> Defined market risk indicators set in the Group Risk Appetite Statement. Tyro's market risk policy outlines how Tyro will manage market risks particular to our business. Tyro's Asset and Liability Committee provides oversight and management within the Board set risk appetite limits.
Liquidity Risk Ability to meet financial obligations as they fall due.	<ul style="list-style-type: none"> Defined liquidity risk indicators set in the Group Risk Appetite Statement. Tyro's liquidity risk framework and policies outline the necessary component functions to carry out effective liquidity management from identification through to a liquidity crisis management. Forecasting of future capital requirements and available capital resources to manage the business to our required levels of regulatory capital, target adequacy levels and internal capital triggers, over a forecast period.
Pandemic Ability to manage Tyro's potential financial, operational, and people risks from COVID-19.	<ul style="list-style-type: none"> Regular oversight and monitoring of financial and operational impacts by Executive Leadership team and Board. Ongoing support of customers experiencing financial hardship. Proven ability to work remotely through the use of technology. Processes in place to ensure employees have a safe and effective working environment.
Competition and disruption New competitors or technologies that impact Tyro's ability to drive customer growth and deliver on our strategy.	<ul style="list-style-type: none"> Tyro's strategy actively aims to address competition risk. Processes in place for monitoring and responding to competitor and market activity. Development of strategic partnerships and acquisitions in companies that drive new technology.
Environmental and social risks Ability to recognise and address environmental, social or corporate governance (ESG) issues.	<ul style="list-style-type: none"> Tyro's approach to sustainability and climate change risk is managed through our Sustainability Framework with priority targets set by the Board. Regular review and oversight of ESG initiatives and risks by our Executive Leadership team. 'Net-zero' carbon emissions, diversity, and inclusion target commitments.
Concentration risk Reliance on a limited number of products, industry verticals and geographical regions to drive growth.	<ul style="list-style-type: none"> Focus on promoting value-adding services to existing customers: merchant cash advance, transaction account, term deposit account and Tyro Connect. Growth of our Health business through the acquisition of Medipass and a simple, unified solution for payments and claiming. Expansion into new verticals with a fit for purpose mobile payment terminal device.
Geopolitical Geopolitical issues and tension could threaten the Australian economy and destabilise supply chains, disrupting operations and impact our business and growth strategy.	<ul style="list-style-type: none"> The Board monitors conditions and maintains provisions and capital for a range of potential economic scenarios. Investment in expanding and updating our terminal offering to mitigate potential hardware supply issues. Monitoring and ensuring sufficient hardware stock levels to meet customer demand.
Economic environment Significantly weakened global conditions could harm our business and financial position.	<ul style="list-style-type: none"> Regular financial oversight and monitoring across markets. Detailed financial analysis, scenario modelling and stress testing for a range of economic scenarios.
Digital adoption Ability to respond to customers' demand for simple and innovative digital services and products.	<ul style="list-style-type: none"> Acceleration of our digital strategy. Investing in technology and digital platforms to help drive efficiency and improve customer experience.
Machine Learning and Artificial Intelligence Ability to manage risks and opportunities from Artificial Intelligence and Machine Learning related products and features, leading to reputational, regulatory and/or financial impacts.	<ul style="list-style-type: none"> Investing in our products and technology to leverage Artificial Intelligence and machine learning.

3. Compliance

Our Chief Risk Officer (CRO) together with our CEO leads and oversees our Compliance program. The CRO reports to the Board Risk Committee and provides regular updates to the Board Risk Committee including reports covering risk and compliance performance matters such as status of risk and compliance reviews, new risk management initiatives, training programs and results of audit and assurance activities.

We are committed to complying with all internal and external obligations, through the development and maintenance of a risk and compliance framework that is embedded in the way we conduct business. Our compliance obligations are documented in an obligations register which is kept up to date by tracking the progress of new or changed relevant legislation and regulations. These obligations can include:

- legislation and regulations;
- licences;
- mandatory regulatory standards, guides, policies, rules or material regulatory correspondence; and
- mandatory external codes and voluntary codes that we may subscribe to in the future (noting that we do not subscribe to any external code to date).

We have compliance policies and supporting documentation which are subject to regular review to ensure they remain current and we have a compliance monitoring program in place to monitor adherence to policies. Our Risk and Controls Self-Assessment process is used to identify, evaluate and manage compliance risks and for developing associated controls. Compliance risks are reassessed whenever there are changes to the business environment, which include products, processes, systems, third parties, regulations and the organisation.

Every Tyro employee is provided with mandatory online compliance training, which includes:

- Anti-money Laundering training;
- Major Incident Management training;
- Anti-bribery and Corruption training;
- Consumer Privacy and Anti-spam training;
- Code of Conduct training; and
- Trading in Tyro Securities training including measures to prevent insider trading.





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