Together we achieve...
Sustainability Report 2018
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About Link Group

Link Group administers financial ownership data, provides analysis and insight and drives user engagement through the skilful application of technology. Our investment in technology, people and processes supports us in delivering complete data and information solutions for companies, large asset owners and trustees across the globe.

As a market-leading global provider of sophisticated data-management services, we are continually developing and expanding our offerings to match the needs of our clients, including some of Australia’s largest superannuation funds and the world’s biggest corporations.

Our core business divisions are:

• **Fund Administration.** We deliver comprehensive financial data solutions to superannuation clients across all fund sectors – government, industry, retail and corporate. We are Australia’s most innovative superannuation administration provider, servicing an underlying stakeholder base of some 10 million superannuation account holders across 50 funds, with over $400 billion of funds under management.

• **Corporate Markets.** Our uniquely integrated capabilities include shareholder management, analytics, stakeholder engagement, share and unit registry, and employee share plans. We help organisations manage interactions with capital markets and meet the obligations of public ownership and provide specialist assistance such as insolvency solutions. Our global business supports around 3,000 clients, including some of the world’s largest corporations, and about 30 million shareholder accounts.

• **Link Asset Services.** LAS operates businesses in Corporate Markets, Fund Solutions and Corporate and Private Client Solutions – all areas well known to us, while Banking and Credit Management is a new activity for Link Group, with promising growth opportunities in a number of markets across Europe. We enjoy leading market positions in the 10 jurisdictions in which we operate, servicing almost 7,000 clients and safeguarding more than £600 billion held in funds, entities and other instruments.

• **Technology & Innovation.** Our specialist technology business uses innovative software solutions to provide a range of data management, data analytics and communications solutions that enhance customer productivity and profitability. We help customers to automate wealth-management workflows, manage large consumer and member bases and provide insights through predictive analytics.

Link Group had more than 7,000 employees across 18 jurisdictions as at 30 June 2018.

Because our people are fundamental to our success, we strive to create an environment in which they can thrive and innovate. In recognition of this, in late 2017 we conducted our first Employee Engagement Survey. We asked our people globally about their experience of working for Link Group, their perceptions of our strengths and where we could improve, and their sense of involvement in our strategies. What became clear was that our staff have a strong desire to feel connected to our strategies and goals, and to understand their role in achieving them.

As we continue to expand globally, we recognise how much we rely on our people to take the business forward. Our people, our culture and our purpose to achieve our growth strategy have never been more important to Link Group and we needed to identify a Purpose that would connect our people to our business strategy, acknowledging the partnerships with clients, suppliers and shareholders that make us who we are today. We therefore launched a wide-ranging program of employee-led consultations and workshops across our organisation, leading to the creation of our Link Group Purpose.

The essence of our Purpose is “Together we achieve...”. 

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**The scale of our business**

- As a truly global business, we employ more than 7,000 people in 18 jurisdictions, and support over 10,000 clients globally.
- We provide services to around 10 million superannuation account holders and 35 million shareholders.
- We answer 5 million calls each year and process 9 million employer contributions each year.

**Our FY2018 financial performance**

- Our revenue was $1,198 million, of which $954 million (80%) was recurring.
- Our Operating EBITDA was $335 million.
- Our Operating NPATA was $207 million.
Managing Director’s Message

Starting as a share registry business within an accounting firm, Link Group has been operating in various forms for more than 50 years. The company has doubled in size and then doubled again over the last six years, in the number of full-time equivalent (FTE) employees, evolving into a global provider of outsourced, technology-optimised services for the corporate markets and superannuation sectors. Link Asset Services, acquired in FY2018, is proving a strong strategic fit for us, giving us instant scale and leadership in the UK, a strong platform for growth in Europe and the opportunity to cross-sell into new geographies.

We continue to benefit from our investment in people, processes and technology, with more than $300 million invested over the past 10 years. Our continuous innovation has helped us evolve from an organisation processing millions of sheets of paper into a provider of systems and software solutions enabling fund members, employers and investors to transact business online when it suits them. We encourage clients to move to online solutions by offering digital products that provide better, faster, more secure and convenient services to everyone, as well as lowering costs and reducing our environmental footprint.

As a fast-growing global financial services and technology group, we are determined to ensure that our business is sustainable. We seek to identify, understand and manage the impacts of our business, and the risks arising from globalisation, technology, changing business environments, increasingly stringent regulations and people’s expectations, even as we explore the opportunities that these create.

With sustainability a long-term journey, we continue to deepen our understanding of our material risks. We have again this year broadened the scope of our sustainability reporting, so for most metrics it covers all 18 jurisdictions in which we now operate. We are engaging further with our stakeholders – including sustainability rating agencies for the first time – have looked further down our supply chain and have started to bring our clients into the process. In line with the Link Group Purpose, “Together we achieve…”, we are demonstrating our recognition of how important it is for our people, clients and suppliers to commit to a more sustainable future and work in partnership to achieve it.

Focusing on the material or significant sustainability risks that we face and asking hard questions about how we can be a better corporate citizen is helping Link Group to evolve, grow and respond to the changing business world and to identify areas in which we can make a real difference.

Whether you are an employee, a super fund member or client shareholder, a client, one of our investors or a casual reader, I hope you are as committed as we are to a sustainable future and find this Report informative and of value.

John McMurtrie
Managing Director, Link Group
Our Approach to Sustainability

Being sustainable is one of the means by which we will ensure the long-term success of Link Group.

We are here for the long term and, like most leading companies today, we recognise our wider responsibilities and the opportunity for us to generate value for our clients, people, shareholders and community at large. Sustainability at Link Group applies across all areas: from the work we do for clients and the way we look after our people, to the way we donate to causes through volunteering and cash donations. We run our business ethically and fairly and commit to limiting, as far as practicable, our use of resources.

As the world adapts to long-term demographic, social and business trends, our clients need a financial ownership platform provider who understands the rapidly changing landscape and shares their values. We continue to focus on our major sustainability impacts, our investment in technology and innovation, and our ability to advise clients on constant regulatory, technological and business change. And, by doing so, we continue to drive stakeholder value and enhance our sustainability. For example, by committing to and promoting e-communications, investing in new mobile apps and web-based reporting and increasing our use of Skype and video conferencing, we cut paper consumption, reduce our clients’ mail costs and our own emissions, and drive down air travel and energy costs.

Sustainability Framework

We have further enhanced our Sustainability Framework, which helps us fulfil our responsibility to make positive and lasting contributions to our industry, society and environment. We have in place:

- a set of core values across Link Group and a Code of Conduct that defines broad behaviours for our people;
- ongoing risk assessments and an understanding of the governance, ethical, social, environmental, economic and reputational risks, current and emerging, that we face in ensuring our longevity;
- a Sustainability Strategy that sets out what we aim to achieve and drives our approach to getting there;
- policies that define the specific behaviours required to ensure adherence to legal, regulatory and company requirements, with supporting processes, controls, training, communications, monitoring and updating;
- a focused Sustainability Committee of Senior Executives and divisional representatives to oversee and provide direction for our sustainability efforts, reporting to the Managing Director and thereby to the Board;
- ongoing initiatives across Link Group to ensure continuous improvement in our sustainability performance; and
- regular reporting to all key stakeholders on our sustainability performance and the effectiveness of our initiatives.

We will continue to review, enhance and report on what we are doing to ensure continuous improvement.
About this Report

Link Group is committed to continuously improving its sustainability performance and transparent reporting. In this year’s Report, we describe how we have identified and continue to manage the key sustainability issues and critical risks to our business, stakeholders and reputation.

This Report has been prepared in accordance with the Global Reporting Initiative’s GRI Standards: Core option. We have selected disclosures related to the most material impacts to our business, plus a number that are important to us and our stakeholders. This Report covers FY2018 – 1 July 2017 to 30 June 2018.

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

Changes to this Year’s Scope

We have revised the scope of our reporting from last year in a number of ways:

- **New territories:** With the acquisition of Capita Asset Services (now Link Asset Services, or LAS) in November 2017, Link Group has become a truly global company, with around 29% of our FY2018 revenue coming from LAS in the eight months since the acquisition settlement. We have extended our coverage in this year’s Report from 11 jurisdictions last year to all 18 jurisdictions in which the enlarged Link Group now operates.

- **Regulatory changes:** As our business expands into new jurisdictions, and governments and regulators introduce and update laws and regulations, we face new reporting requirements. Among the reporting obligations assumed through the LAS acquisition are those imposed by the UK’s Energy Savings Opportunity Scheme (ESOS) and the UK’s Modern Slavery Act. An Australian Modern Slavery Act is expected to be legislated in late 2018. While this Report is not affected, we are setting up our data capture processes to report under these frameworks in future years.

- **Data security:** We have disclosed a number of metrics covering data security risks, which are of critical importance to our business and stakeholders. These metrics illustrate the scale of effort needed to safeguard our clients’ information and assets.

- **Use of resources:** With the LAS acquisition settling in November 2017, we are yet to establish accurate baseline metrics for all impacts across the expanded Link Group. With the integration ongoing, we have limited the planned increase in coverage for this year’s environmental reporting to just two new metrics: the proportion of office space that is ‘green’ and the disposal/recycling of IT consumables. We also disclose a proportion of the disposed general office waste. Once baseline metrics are established across Link Group, future Reports will include targets related to environmental impacts, such as carbon emissions intensity, the proportion of ‘green’ office space and paper consumption. We also expect to broaden our reporting to impacts such as water consumption.

- **Supply chain:** We have extended our review of our Australian supply chain from our top 30 suppliers last year to include a number of second-tier providers. This takes the proportion of our Australian non-labour supplier spending over which we now have oversight from 55% last year to 69% in FY2018, reflecting our desire to ensure that suppliers share our commitment to continuously improving sustainability performance. We are currently rolling out our supply chain sustainability program to our largest overseas jurisdictions during FY2019.

- **Risk management and governance:** We have included information on the steps initiated this year to ensure that we appropriately identify and manage all risks to our business whether arising from our own actions or those of our suppliers, clients or other stakeholders.

- **Clients:** Clients are increasingly requesting information about our sustainability, reflecting the importance they attach to working with providers that share their values. We are including, for the first time, information on how we seek to limit risks to our business, reputation and existing clients by undertaking due diligence into prospective clients in potentially sensitive sectors or countries, as well as how we protect the interests of our clients day to day.

- **Metrics:** We have consolidated the figures for LAS since the date of acquisition (3 November 2017) with those from the rest of Link Group for the whole of FY2018.
**Key challenges**

LAS was previously part of Capita plc and did not have the capability to report separately. Including LAS in this year’s Report has meant that some data has not been available, preventing consistent reporting across all Link Group entities. As we complete the separation of LAS from Capita plc, our data collection capability will improve. As our understanding of our most material sustainability risks matures, we are focusing on the areas of greatest significance and where we can aim for the most improvement. Across the expanded Link Group, we continue to improve, simplify, standardise and ultimately automate our data-collection processes. We are refining our processes for measuring and benchmarking our performance and striving to give greater clarity to key disclosures and conclusions. Finally, we continue to seek ways in which to further increase the relevance and interest of our reporting to all our stakeholders.

**Rating agencies**

During FY2018, our Sustainability reporting has been independently rated by two major rating agencies at their own initiative:

- In mid-2017, the Australian Council of Superannuation Investors (ACSI) assessed our FY2016 Sustainability Report and gave Link Group a “Detailed” rating, the second highest of five ratings. We achieved the same rating in June 2018.
- In 2018, Institutional Investor Services (ISS), a global proxy advisory specialist, gave Link Group a Governance QualityScore of 2, an Environment QualityScore of 3 and a Social QualityScore of 2. These scores are on a scale from 1 to 10, in which 1 is the highest and 10 is the lowest.

These results are encouraging and increase our determination to keep striving for improved sustainability.
FY2018 Performance at a Glance

Link Group workforce comprises

- 49% Male
  - in Australia/New Zealand only
- 51% Female
  - in Australia/New Zealand only

Senior executive positions

- 43% Female
  - in Australia/New Zealand only
- 33% Female
  - in Australia/New Zealand only

Parental leave

- 84% of employees who took parental leave returned to work
  - in Australia/New Zealand only

Paper resources

- 72% of paper consumed in our offices was environmentally certified

Recycling

- 400 tonnes of paper that we received was recycled

Staff training

- 18 hours per person per year
  - in Australia/New Zealand only

Community support

- 18 community organisations supported
  - in Australia/New Zealand only

Employees

- 73% of employees covered by collective bargaining agreements

Charitable donations

- $651 k donated to charitable organisations by Link Group and our employees
  - in Australia only

Emissions cut in Australia

- 1,743 tonnes of CO₂, since FY2016, we cut our energy use in Australia by 1,732,649 kW-h, saving over $260,000 in power costs and cutting our emissions by 1,743 tonnes of CO₂

Office emissions

- 7,312 tonnes of CO₂, emissions of CO₂ from energy used in our offices

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1 These statistics apply to all 18 jurisdictions in which Link Group operates, unless otherwise stated.
2 As at May 2018.
Our Governance

Link Group recognises that a strong corporate governance culture underpins sustainable value creation for shareholders and all of our stakeholders.

Link Group has a strong governance and management framework in place. Many of the risks faced by Link Group have the potential to expose us to reputational and financial damage if not appropriately managed. There is also a legal and regulatory framework, incorporating the ASX Listing Rules and ASX Corporate Governance Council Principles and Recommendations, that requires us to address these risks and report our progress.

While the Board is ultimately accountable for implementing and overseeing an effective corporate governance framework, Executive Management and all Link Group people are responsible for upholding the high corporate governance standards that we set. The tone is set by our core values of Professionalism, Integrity, Respect, Commitment and Teamwork and carries through into the Group Policy Framework, including our Code of Conduct and Ethics.

Governance Structure

The Board oversees the management of Link Group and is responsible for its overall governance, including the establishment and monitoring of key performance goals. The Board monitors the operational and financial position and performance and oversees development and execution of the business strategy. This includes approving strategic goals and monitoring and approving the annual business plan and budget. The Board is committed to maximising performance, generating appropriate levels of shareholder value and financial return, and sustaining the growth and success of Link Group for the benefit of all stakeholders.

The Board seeks to ensure that Link Group is properly managed and that all of our people operate in an appropriate corporate governance environment. The Board has adopted a framework for managing Link Group that includes internal controls, risk management processes and corporate governance policies designed to promote responsible management and conduct.

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

Management, through the Managing Director, is accountable to the Board for the day-to-day management of Link Group. In turn, Management is supported by a number of governance, risk and operational-focused committees with specific responsibilities.

Central to this structure is a two-way flow of open, constructive communication between and among the Board and Management.

On occasion, the cultural and geographical requirements of a country require us to take a different approach to how we do business. For example, in South Africa we have aligned our governance and company practices with the Broad-Based Black Economic Empowerment (B-BBEE) Codes of Good Practice. The fundamental objective of B-BBEE is to advance economic transformation and enhance the economic participation of Black African people in the South African economy, and the Code sets out the pillars that businesses operating in South Africa must address, which include ownership, management control, skills development, enterprise development and socio-economic development. This has helped to raise our B-BBEE rating to Level 2 (the second-highest rating), demonstrating our commitment to transformation and shared values with our South African clients.

Sustainability Framework

To promote the long-term future of Link Group, the Board has established an overarching Sustainability Framework. Its features include:

- making a Board-approved Sustainability Statement available on the Link Group website, www.linkgroup.com;
- formalising policies and management structures and processes that aim to manage the greatest short-, medium- and long-term material risks to our future success; and
- identifying key sustainability issues and how we have performed on each in the annual Sustainability Report.

Compliance

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

For more on our corporate governance practices, see our 2018 Corporate Governance Statement and related key governance documents, at http://linkgroup.com/about-us.html.
Risk management

Effective risk management is crucial to Link Group, given we are entrusted to protect the assets (including personal information) of our clients and their customers. Our risk management framework details the overarching principles and risk management controls that are embedded in our risk management policies, processes and reporting systems. The policies and framework are regularly reviewed to ensure relevance and currency.

As a technology-based service business, we believe the risk of our products being detrimental to people or the environment is very low. In addition to maintaining our own controls, we take out appropriate insurance for any residual risk.

Core risks: Of the many risks we monitor, assess and manage, a number are regarded as core risks. How these are managed is explained in more detail in the Corporate Governance Statement and the Operating and Financial Review section of the Annual Report, both of which are available on our website, www.linkgroup.com. The core risks are:

• our reliance on effective performance of core and third-party IT infrastructure;
• security and integrity of sensitive information;
• our concentrated client base, and risk of contract non-renewal;
• the political and regulatory environment;
• the integration of acquired businesses and execution of new acquisitions; and
• foreign currency.

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

Information management security: Link Group has ISO 27001 certification for its information security management systems. This is the global standard for information security and recognises our best practice approach to managing and protecting sensitive information, including records held and administered on behalf of approximately 10 million superannuation account holders and more than 35 million shareholders.

Business continuity and disaster recovery: Due to the nature of its business, Link Group is heavily dependent on its systems and delivers services largely through online channels. By developing and deploying robust systems, we strive to provide uninterrupted service to clients and end users. To protect us and our clients, fund members and investors from major disruption, we have a detailed Business Continuity Plan and a Disaster Recovery Plan. Both are reviewed and tested at least annually.

Our Business Continuity Management approach defines, in detail, critical systems, activities, processes, people and timetables, as well as alternative work locations and contacts. Although the impact of an incident depends on the systems or infrastructure affected, under almost all likely scenarios we expect that we could resume operations from alternative locations within agreed timeframes.

Privacy and security: Member and investor security is critical, and we make stringent efforts to preserve it, with strict policies and procedures, limited access, compliance training and testing of all employees. Employees may face disciplinary action for policy breaches. Privacy policies are equally stringent and regularly reviewed. All staff receive regular training on their obligations under the Privacy Act 1988 (Cth), with processes to promote compliance. In addition to annual compliance training and assessment, our Head of Compliance and Chief Technology and Information Officer undertake face-to-face awareness-raising sessions. These reinforce the critical role of leaders in ensuring that we manage data in accordance with the Privacy Act and that robust data security protection is part of Link Group’s DNA.

Our Information Technology controls include, but are not limited to:

• restricting access to systems and data;
• authorising transactions before processing;
• safeguarding assets;
• maintaining and upgrading systems hardware and software;
• recovering from system interruptions;
• monitoring compliance; and
• monitoring subservice (supplier) organisations.
Policies and procedures: In addition to robust and efficient processes and systems, we have non-negotiable rules and policies to assist all employees, at every level of the organisation, to do the right thing by our clients and their investors or members, as well as other employees, regulators, suppliers and everyone else with whom they work.

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

- **Our Purpose:** “Together we achieve…” demonstrates our commitment to working in partnership with clients and suppliers to get better outcomes for all stakeholders.
- **Our values:** Our values of Professionalism, Integrity, Respect, Commitment and Teamwork underpin everything we do. Our Code of Conduct and Ethics sets out the standards of behaviour that are required of all our people.

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

Every employee, at every level, undertakes regular compliance training using automated online training appropriate for their role. Most people complete six to eight modules, with managers completing a number of additional modules. For every module, a minimum pass mark is required. New employees complete the same training when they start at Link Group. No one is exempted from this process.

**Ethics:** Link Group recognises that the tone of our ethical behaviour is set at the top, at Board level, and must apply throughout our global business. Ethical issues such as bribery, corruption and fraud have the potential to cause significant harm to Link Group and we continue to apply our risk management frameworks to prevent or mitigate any such risk.

**Sanctions:** No entity controlled by Link Group has been subject to any sanction in respect of any matter occurring during the period of Link Group’s ownership. In the interests of transparency, we disclose that two subsidiaries of Link Asset Services (LAS) were subject to sanctions during FY2018 from matters that arose a number of years before the acquisition. Link Group was fully aware of these events at the time of the acquisition and they were factored into the transaction:

- **Capita Financial Managers Limited (now called Link Fund Solutions Limited)** was publicly censured by the UK Financial Conduct Authority and agreed to pay up to £66 million to those investors who suffered loss as a result of investing in the Connaught Guaranteed Low Risk Income Fund, Series 1 (later known as the Connaught Income Fund, Series 1) for which the firm was the operator until September 2009.
- **Link Corporate Services SA (formerly Capita Fiduciary SA)** was fined €76,000 by the Luxembourg Commission de Surveillance du Secteur Financier (CSSF) following analysis of offshore structures managed by that business and subsequent enforcement procedures. This analysis was carried out across all Luxembourg businesses by the CSSF as a result of the leaking and publishing of the Panama Papers in 2015. Link Corporate Services SA no longer manages any such offshore structures.

**Fines/sanctions for non-compliance:**
- During FY2018, two LAS entities were sanctioned for non-compliance related to events that occurred prior to acquisition (see main text for details). No other Link Group entities faced or suffered any civil or criminal sanctions for non-compliance.
- We are not aware of any significant corruption risk in any of the 18 jurisdictions.
- There were no confirmed incidents of corruption during the year.
Approach to tax

Link Group has complied with all aspects of the Australian Tax Transparency Code (released by the Australian Board of Taxation in February 2016) and has disclosed all requirements of Part A of the code in its Annual Report for the financial year ended 30 June 2018. This includes:

- a reconciliation of accounting profit to tax expense and to income tax payable;
- identification of material temporary and non-temporary differences; and
- disclosing effective company tax rates for Australian and overseas operations.

In addition, Link Group outlines its approach to tax below.

**Tax transparency:** Link Group is committed to transparently disclosing its tax obligations and payments made in Australia and overseas. We focus on integrity in compliance, reporting and enhancing shareholder value.

The Board does not sanction or support any activities that seek to aggressively structure the tax affairs of Link Group and we:

- do not artificially shift and/or accumulate profits in low-tax jurisdictions;
- do not use the secrecy rules of jurisdictions to hide assets or income;
- pay tax where the underlying economic activity occurs; or
- apply carried forward tax losses where the tax legislation enables us to do so.

**Related-party dealings overseas:** Link Group acknowledges its responsibility to apply a consistent approach to all related-party dealings, including:

- establishing or acquiring overseas operations;
- ensuring suitable and transparent operating structures; and
- complying with Australian and foreign taxation requirements.

- Link Group increased the size of its overseas operations in FY2018, however we do not believe that related-party dealings in our overseas subsidiaries are significant or complex in nature. Overseas subsidiaries operate under the supervision of their own Board of Directors, with a Managing Director or Chief Executive Officer (CEO) responsible for operations. International related-party dealings are reviewed and charges are raised in accordance with transfer-pricing principles.

- Our Australian head office provides some executive, human resources, payroll, finance and accounting support, and where appropriate we re-charge significant costs back to overseas subsidiaries. A management fee or royalty may also be charged for services provided or for the use of intellectual property owned by Link Group. Link Group has arrangements in place for relevant transactions to ensure international related-party dealings are conducted on an arm’s length basis.

### Breakdown of tax paid:

The unaudited breakdown of all tax payments for the year ended 30 June 2018 is as follows:

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Corporate income tax $’000</th>
<th>Employer payroll taxes $’000</th>
<th>Total tax payments borne $’000</th>
<th>Goods &amp; services and value added tax $’000</th>
<th>Employee payroll taxes $’000</th>
<th>Other Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia and New Zealand</td>
<td>36,899</td>
<td>16,419</td>
<td>53,319</td>
<td>45,273</td>
<td>74,674</td>
<td>-</td>
</tr>
<tr>
<td>United Kingdom and Channel Islands</td>
<td>2,533</td>
<td>11,865</td>
<td>14,398</td>
<td>11,184</td>
<td>32,261</td>
<td>7,648</td>
</tr>
<tr>
<td>Other countries4</td>
<td>3,634</td>
<td>5,356</td>
<td>8,990</td>
<td>9,853</td>
<td>18,748</td>
<td>100</td>
</tr>
<tr>
<td>TOTAL</td>
<td>43,066</td>
<td>33,641</td>
<td>76,707</td>
<td>66,309</td>
<td>125,683</td>
<td>7,749</td>
</tr>
</tbody>
</table>

1 Link Group has tax losses in Australia, South Africa, the United Kingdom and Germany, which arose in a prior period and reduce the amount of corporate income tax paid in those jurisdictions in subsequent periods.
2 Employer payroll taxes are calculated with respect to employee payroll headcount or similar and the liability is levied to Link Group. For example, payroll tax paid to Australian states, Fringe Benefits Tax (FBT) to the Australian Taxation Office (ATO) or National Insurance Contributions paid in the United Kingdom.
3 Employee payroll taxes refers to monies withheld from employees’ wages that are considered individual personal taxation, often referred to as Pay As You Go (PAYG) or Pay As You Earn (PAYE) and paid to the relevant taxing authority.
4 Other countries include the Republic of Ireland, the Netherlands, Luxembourg, Hungary, Germany, France, India, Papua New Guinea, South Africa, Hong Kong, the Philippines, Singapore, the USA and Dubai. Taxes are paid based on the applicable tax rates in those countries.
Our People
The broad achievements and trends related to our employees are discussed in the Our People section of the Annual Report. Across the Group, we have 7,569 full-time equivalent (FTE) employees and contractors working out of 18 jurisdictions. Note that:

- people targets are in place for Australia/New Zealand only. Targets for the rest of the world and LAS will be determined in 2019, when consistent data collection across all categories and territories will be available; and
- all fractions of an FTE or ‘headcount’ position have been rounded down to the nearest whole number; because of this rounding, in some figures contained in tables may not add up exactly.

Diversity and Equal Opportunity
Link Group is striving to increase female participation at all levels of management. We have recently appointed a dedicated Diversity and Inclusion Manager to identify opportunities to further improve female representation, particularly in senior technical roles and senior management. In addition, we have set an ambitious target of a 90% return rate from long parental leave absences to maximise our ability to retain experienced employees at Link Group.

The Link Group Board includes three female non-Executive Directors or 38% female representation. See accompanying panel for our 2019 targets related to gender balance.

Gender breakdown by employee type: There is a numerical imbalance between males and females in IT, due to an industry-wide issue in Australia that makes it difficult to attract females to seek IT qualifications and careers. Link Group intends to create a ‘women in technology’ strategy, based on feedback from our people working in IT, to address this imbalance.

Local hires: We hire people locally where possible but also relocate people for the purposes of obtaining specific skills, setting up new offices and supporting employee career development. We also source people externally as needed, particularly in IT. This includes using employees from overseas. All managers and senior managers have been hired locally in all territories.

Rates of employee hire and staff turnover: Our focus is on permanent employees who have left us voluntarily, as their decision to go may have been due to factors within our control.

As a base figure, we averaged the numbers of FTE permanent and fixed-term employees on 30 June 2017 and 30 June 2018, excluding casuals, temporary and contractor roles.

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

The 12-month rolling hire rate is calculated as the number of FTE employees joining the company divided by the average number of FTE employees.

The 12-month rolling employee hire rates and staff turnover rates during FY2018 are shown in the right column. Note that Link Group keeps no formal data on ethnic background.

Targets for 2019

Targets for male and female participation rates in Australia and New Zealand:
- Senior executives: 28% female (FY2018: 43%)
- Senior leaders: 42% female (FY2018: 33%)
- Line managers: 45% female (FY2018: 40%)
- Senior technical specialists: 33% female (FY2018: 28%)
- Administration employees: 37% male (FY2018: 35%)

Targets for 2019 and pay equity achieved in Australia:
- Senior executives; senior leaders; managers; professionals. Pay difference, all groups: ± 5% (FY2018: +5% to -9%).

Target for rate of return to work after parental leave for primary carers in Australia by 2019:
- Rate of return to work: 90% (FY2018: 84%)

Employment status and gender
- Permanent 88%; fixed-term, casual or parental leave 9%; temporary or contractor, not directly employed by Link Group 3%
- Women made up 51% of permanent employees; 55% of fixed-term employees; 47% of casuals; 50% of temporary employees; and 38% of contractors (excludes LAS)
- Women held 43% of executive and 33% of senior leader positions (Australia and NZ only)

Employee hire and turnover
- Voluntary departures FY2018 (Australia/New Zealand only): Rolling turnover rate 20%
- New hires FY2018 (Australia/New Zealand only): Rolling hire rate 28%

Workforce overview
- Total 7,799 employees (head count) (Australia/New Zealand only):
  - Males to females 49%/51%
- Age distribution (Australia/New Zealand only):
  - Under 30, 16%; 30-44, 50%; 45 and over, 34%

Diversity and Equal Opportunity
- Link Group is striving to increase female participation at all levels of management. We have recently appointed a dedicated Diversity and Inclusion Manager to identify opportunities to further improve female representation, particularly in senior technical roles and senior management. In addition, we have set an ambitious target of a 90% return rate from long parental leave absences to maximise our ability to retain experienced employees at Link Group.

The Link Group Board includes three female non-Executive Directors or 38% female representation. See accompanying panel for our 2019 targets related to gender balance.

Gender breakdown by employee type: There is a numerical imbalance between males and females in IT, due to an industry-wide issue in Australia that makes it difficult to attract females to seek IT qualifications and careers. Link Group intends to create a ‘women in technology’ strategy, based on feedback from our people working in IT, to address this imbalance.

Local hires: We hire people locally where possible but also relocate people for the purposes of obtaining specific skills, setting up new offices and supporting employee career development. We also source people externally as needed, particularly in IT. This includes using employees from overseas. All managers and senior managers have been hired locally in all territories.

Rates of employee hire and staff turnover: Our focus is on permanent employees who have left us voluntarily, as their decision to go may have been due to factors within our control.

As a base figure, we averaged the numbers of FTE permanent and fixed-term employees on 30 June 2017 and 30 June 2018, excluding casuals, temporary and contractor roles.

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

The 12-month rolling hire rate is calculated as the number of FTE employees joining the company divided by the average number of FTE employees.

The 12-month rolling employee hire rates and staff turnover rates during FY2018 are shown in the right column. Note that Link Group keeps no formal data on ethnic background.

Targets for 2019

Targets for male and female participation rates in Australia and New Zealand:
- Senior executives: 28% female (FY2018: 43%)
- Senior leaders: 42% female (FY2018: 33%)
- Line managers: 45% female (FY2018: 40%)
- Senior technical specialists: 33% female (FY2018: 28%)
- Administration employees: 37% male (FY2018: 35%)

Targets for 2019 and pay equity achieved in Australia:
- Senior executives; senior leaders; managers; professionals. Pay difference, all groups: ± 5% (FY2018: +5% to -9%).

Target for rate of return to work after parental leave for primary carers in Australia by 2019:
- Rate of return to work: 90% (FY2018: 84%)

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Workforce overview
- Total 7,799 employees (head count) (Australia/New Zealand only):
  - Males to females 49%/51%
- Age distribution (Australia/New Zealand only):
  - Under 30, 16%; 30-44, 50%; 45 and over, 34%
• **Equal pay:** Our policy is to pay equal pay for the same work. Broadly, women in senior positions earn, on average, less than men in similar positions, while for other positions differentials exist but are narrower. This is largely impacted by new businesses joining Link Group through acquisition. See Table A for our 2019 targets.

The ratio of basic salary and remuneration of women to that of men by employee category (Australia/New Zealand only) during FY2018 is shown in Table A.

**Employment status:** The types of employment provided globally (excluding employees on parental leave) for both Headcount and FTEs are shown in Table B.

- **Gender breakdowns:**
  1. The female/male split of the workforce (excluding LAS) is shown in Table C. Figures are for FTE employees and do not include contractors engaged through managed services agreements who are located offshore.
  2. The breakdown of employment contract types and gender (excluding LAS) is shown in Table D.
  3. The breakdown of Governance body members by gender (across all jurisdictions). See Table E.
  4. This is the breakdown of role types by gender for permanent and fixed-term employees (Australia/New Zealand only). See Table F1 and F2.

### Table A

<table>
<thead>
<tr>
<th>Position title</th>
<th>Ratio female: male salary FY2018 (Australia/NZ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior executives</td>
<td>0.93</td>
</tr>
<tr>
<td>Business leaders</td>
<td>0.96</td>
</tr>
<tr>
<td>General managers</td>
<td>0.91</td>
</tr>
<tr>
<td>Senior managers</td>
<td>1.05</td>
</tr>
<tr>
<td>Line managers</td>
<td>0.93</td>
</tr>
<tr>
<td>Team leaders</td>
<td>1.03</td>
</tr>
<tr>
<td>Senior tech specialists</td>
<td>1.04</td>
</tr>
<tr>
<td>Technical specialists</td>
<td>0.95</td>
</tr>
<tr>
<td>Support specialists</td>
<td>0.98</td>
</tr>
<tr>
<td>Contact centre</td>
<td>0.99</td>
</tr>
<tr>
<td>Operations</td>
<td>0.98</td>
</tr>
<tr>
<td>Support</td>
<td>0.90</td>
</tr>
</tbody>
</table>

### Table B

<table>
<thead>
<tr>
<th>Employment status</th>
<th>Headcount</th>
<th>FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>6,860</td>
<td>6,660</td>
</tr>
<tr>
<td>Fixed Term</td>
<td>527</td>
<td>512</td>
</tr>
<tr>
<td>Maternity</td>
<td>86</td>
<td>79</td>
</tr>
<tr>
<td>Casual</td>
<td>70</td>
<td>62</td>
</tr>
<tr>
<td>Contractor</td>
<td>184</td>
<td>184</td>
</tr>
<tr>
<td>Temporary</td>
<td>72</td>
<td>72</td>
</tr>
</tbody>
</table>

### Table C

<table>
<thead>
<tr>
<th>Country of operation</th>
<th>Female %</th>
<th>Male %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australasia (Australia + NZ)</td>
<td>52%</td>
<td>48%</td>
</tr>
<tr>
<td>Rest of world</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Across all operations</td>
<td>51%</td>
<td>49%</td>
</tr>
</tbody>
</table>

### Table D

<table>
<thead>
<tr>
<th>Employment type</th>
<th>Female %</th>
<th>Male %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Fixed Term</td>
<td>55%</td>
<td>45%</td>
</tr>
<tr>
<td>Maternity</td>
<td>99%</td>
<td>1%</td>
</tr>
<tr>
<td>Casual</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Contractor</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>Temporary</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Totals</td>
<td>51%</td>
<td>49%</td>
</tr>
</tbody>
</table>

### Table E

<table>
<thead>
<tr>
<th>Governance body members</th>
<th>Female %</th>
<th>Male %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Across all operations</td>
<td>43%</td>
<td>57%</td>
</tr>
</tbody>
</table>

### Table F1

<table>
<thead>
<tr>
<th>Employee type</th>
<th>Female %</th>
<th>Male %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior executives:</td>
<td>43%</td>
<td>57%</td>
<td>100%</td>
</tr>
<tr>
<td>% of total workforce</td>
<td>0.09%</td>
<td>57%</td>
<td>0.20%</td>
</tr>
<tr>
<td>Senior leaders:</td>
<td>6%</td>
<td>94%</td>
<td>100%</td>
</tr>
<tr>
<td>Business leaders</td>
<td>36%</td>
<td>64%</td>
<td>100%</td>
</tr>
<tr>
<td>General managers</td>
<td>40%</td>
<td>60%</td>
<td>100%</td>
</tr>
<tr>
<td>% of total workforce</td>
<td>0.90%</td>
<td>1.83%</td>
<td>2.73%</td>
</tr>
<tr>
<td>Other managers:</td>
<td>40%</td>
<td>60%</td>
<td>100%</td>
</tr>
<tr>
<td>Line managers</td>
<td>40%</td>
<td>60%</td>
<td>100%</td>
</tr>
<tr>
<td>Team leaders</td>
<td>52%</td>
<td>48%</td>
<td>100%</td>
</tr>
<tr>
<td>% of total workforce</td>
<td>5.63%</td>
<td>7.14%</td>
<td>12.76%</td>
</tr>
</tbody>
</table>

### Table F2

<table>
<thead>
<tr>
<th>Employee type</th>
<th>Female %</th>
<th>Male %</th>
<th>All %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionals:</td>
<td>29%</td>
<td>71%</td>
<td>100%</td>
</tr>
<tr>
<td>Technical specialists</td>
<td>48%</td>
<td>52%</td>
<td>100%</td>
</tr>
<tr>
<td>Support specialists</td>
<td>50%</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>% of total workforce</td>
<td>14.51%</td>
<td>16.42%</td>
<td>30.93%</td>
</tr>
<tr>
<td>Clerical, administrative:</td>
<td>55%</td>
<td>45%</td>
<td>100%</td>
</tr>
<tr>
<td>Contact centre</td>
<td>64%</td>
<td>36%</td>
<td>100%</td>
</tr>
<tr>
<td>Operations</td>
<td>67%</td>
<td>33%</td>
<td>100%</td>
</tr>
<tr>
<td>Support</td>
<td>32.32%</td>
<td>21.03%</td>
<td>53.35%</td>
</tr>
<tr>
<td>Grand totals</td>
<td>53.44%</td>
<td>46.56%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Work Environment and Benefits

Training and development: We strongly encourage our people to undertake training, to develop their skills, improve their work practices and build their careers. This grows our available pool of expertise and helps us keep up with industry developments and future proof our business. We provide training tailored to each individual’s needs, including:

- induction training;
- compliance training, carried out by every employee annually;
- new starter on-the-job training (varies depending on role and employee’s level of knowledge and experience);
- ongoing training and coaching to build and maintain skills and working methods;
- Customer First program (Fund Administration) including specialised superannuation knowledge developed with the Association of Superannuation Funds of Australia (ASFA);
- Certificate of Corporate Governance (Corporate Markets);
- Responsible Officer training; and
- externally delivered training courses, such as Excel or Manager training.

The total training undertaken by employees in Australia/New Zealand was 91,913 hours. This total includes all online compliance training and facilitated face-to-face training sessions. It does not include the significant number of hours of new starter training, on-the-job training and ongoing coaching required, which varies widely by role and seniority and is difficult to quantify. Our Learner Management System, which we implemented in 2015, is enabling us to capture a progressively wider spectrum of training types and will in future capture data globally.

Performance reviews: We review individual performance annually, with a mid-year self-assessment and feedback session, to foster strengths, identify development areas and improve performance.

Parental leave – participation and return to work: We encourage males and females to take parental leave and we support them in returning to work afterwards. See our 2019 targets above. (The Global Reporting Initiative defines parental leave as leave granted to men and women workers on the grounds of the birth of a child; our metrics narrow this down to primary carers.)

Promoting health and fitness: We promote employee health, fitness and well-being via initiatives such as health insurance discounts, flu shots, gym membership discounts and counselling services.

Benefits available to full-time employees: Whether an employee is full-time or not, does not determine eligibility to benefits; it is whether or not they are permanent employees. Our strong preference is to offer people permanent employment (almost 88% of all employees). A range of benefits is available to all our permanent employees, many of which vary by jurisdiction.
**Employee Relations**

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

**Seasonal variation:** The difference between peak and normal employee numbers is generally due to short-term peak-season and special-project requirements, where we may use casual or contract staff. Where vacancies exist and candidates are suitable, we offer permanent positions. Note: the figures this year are heavily skewed by the new employees who came into Link Group when we acquired LAS in November.

**Labour relations:** We support the right of employees to bargain collectively, and we maintain productive engagement with trade unions, as well as negotiating directly with employees. We pay above-award rates.

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

**Grievances:** We take reports of harassment, discrimination, bullying and any form of misconduct seriously. We are committed to taking appropriate action where a complaint is raised and our grievance procedure ensures complaints are properly investigated and fairly resolved.

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**Seasonal variations**

Highest and lowest numbers of FTE employees in FY2018, were:
- Highest: 7,622 employees. Lowest: 4,046 employees

Covered by collective/enterprise agreements, FY2018:
- 73% of employees. Australia only (FY2017: 70%)
- 73% of employees globally

**Workplace grievances**

- 30 workplace grievances were filed with Human Resources Australia/New Zealand during FY2018.
- All 30 were addressed and 29 were resolved prior to 30 June 2018.

**Covered by collective/enterprise agreements**

- Australia only, FY2018: 73% of employees (FY2017: 70%)
- Globally, FY2018: 73% of employees
Our Environment

Link Group produces mainly intangible, technology-based products and services, with limited consumption of natural resources. For this reason, we consider environmental risks as important though not material to us, since:

- we operate from leased city-centre offices, owned and managed by others;
- most of our work is technology based, with little use of natural resources; and
- our major known impacts are office energy emissions, transport emissions, mainly from air travel, consumption of paper and waste – both IT consumables and general office waste.

Nevertheless, we take our environmental responsibilities seriously. As the majority of our environmental reporting is related to our use of energy and resources, we are reporting under these two headings this year. We have added two new metrics: proportion of green office space and recycling rate of IT consumables. We are currently setting new targets for reducing two measures of our emissions intensity over the five years to 2023 and we expect to introduce new targets for other environmental issues important to Link Group in subsequent years. We continue to review other environmental risks, as well as how we can further improve our environmental performance.

With the acquisition of LAS and over 3,000 new employees in 28 mainly European offices, it is inevitable that our environmental impacts have increased this year. For our key measures, we have included consolidated figures, comprising existing Link Group businesses for the whole year plus LAS from 3 November 2017, and, to permit the calculation of our emissions intensity, figures that include projected total emissions for LAS over the full 12 months.

Energy and Emissions

Our emissions are calculated based on three main uses of energy: to power our offices (Scope 1 – directly burning fuel for heating/cooling, and Scope 2 – use of grid electricity) and to transport employees for work travel (Scope 3 – air travel, and ground travel i.e. rail and car, LAS only). We do not include employee commuting, purchased goods and services, capital goods or waste in our Scope 3 reporting.

As in previous years, we continue to report on our emissions and are close to setting emission reduction targets for 2023. As a fast-growing company we are targeting a reduction in emissions intensity rather than absolute emissions.

Office energy

Our office location strategy is to consolidate offices where possible and seek office space in more energy-efficient buildings to help us continue reducing our power bills and emissions. During FY2018, we:

- closed our Newcastle (NSW) office and consolidated it into Rhodes;
- moved our Brisbane office into a new 4.5-star NABERS energy-rated building in Eagle Street;
- moved our New York office to new premises; and
- amalgamated two Dubai offices into one.

The energy consumed in our offices was almost entirely grid electricity with a small amount of gas. We have not separated out energy used for heating and cooling. We did not sell any energy and to the best of our knowledge did not consume any steam or coal in any of the 18 jurisdictions.

We used the power suppliers’ figures for CO₂ emissions to convert kW-hours (units) of electricity into tonnes of CO₂ equivalent (CO₂e). If the power companies did not provide CO₂e emissions figures, we calculated emissions using conversion factors for Australia provided by the Department of the Environment, for the UK by the Department for Environment, Food and Rural Affairs (DEFRA), for New Zealand by the Ministry for the Environment and for European countries by the EC’s default emission factors for member states, 2017. For other jurisdictions we used conversion factors from emissionfactors.com, part of UK emissions consultancy Ecometrica, which uses figures provided by the International Energy Agency (IEA).

Energy efficiency (ESOS) reporting: In the UK, any overseas company with a UK business having 250 or more UK employees must comply with the Energy Savings Opportunity Scheme (ESOS). Under the ESOS legislation, they must calculate total energy use from buildings, processes and transport, carry out energy audits covering 90% of energy used and report compliance to the UK Environment Agency. Link Group’s UK subsidiaries (including LAS, Orient Capital and D.F. King) must report next by December 2019.
Green office space: We are including a measure this year of the proportion of office space in ‘green’ (i.e. broadly energy-efficient) buildings across Link Group. We define green buildings as ones that have been certified as being LEED-certified (a US-derived global standard), or BREEAM-certified (in the UK), or NABERS Level 4.5 or above (in Australia).

Moving into green buildings helps us to reduce energy use and to lower our CO₂ emissions. Our intention over time is to take more space in energy-efficient buildings as we consolidate offices or as leases come up for renewal. Showing metrics that include LAS, exclude LAS, and show only Australia, helps highlight the progress we have made over a number of years, prior to acquiring LAS, in making our business more energy-efficient.

Air and ground travel

Our major travel-related impacts are emissions from commercial air flights and rail travel.

Commercial airline flights: Our emissions for FY2018 for flights taken by employees from the jurisdictions covered by this Report are calculated based on the distance travelled per flight.

For flights out of Australia, New Zealand, the UK, Germany and Hong Kong, CO₂e emissions figures were provided by the travel agents or government sources. Other air-travel impacts (waste, spills and noise) are low impact and outside our control; we do not report them. Air freight volumes are minimal and their environmental impacts insignificant compared with those from air travel.

We did not purchase offsets related to our air travel during FY2018.

Rail travel: Most LAS offices are in Europe where employees undertake significant amounts of rail travel in the course of business, so we are reporting this for the first time. We are still reviewing whether we will extend rail travel reporting to other jurisdictions.
**Car travel:** We measured total ground travel by car for the UK and Ireland for FY2018, and emissions came to 0.3% of the total emissions from air and rail travel in those countries. Considering the impact is so small, we do not intend to report on this in future years.

**Total emissions:** Our total emissions consist of the total of our Scope 1 and 2 emissions from our leased offices and all Scope 3 emissions from air or overland travel.

**Emissions intensity:** We are reporting our emissions intensity again, both emissions per employee and emissions per $ million of revenue. Intensity targets are a better way to show our effectiveness at reducing emissions over time, given that our business size – and annual emissions – fluctuate as the company evolves.

With the LAS acquisition, our leased office space has increased by more than 38,000 square metres and our headcount by over 3,000, significantly increasing our total emissions. With LAS only part of Link Group from 3 November 2017, we have projected LAS’ emissions over a full 12 months in order to estimate baseline figures for the Group-wide emissions intensity.

**Resources**

**Paper:** We use paper, including envelopes, for client mailings to fund members and investors, and a small amount of plastic. We are seeking to drive down paper consumption by encouraging clients and their investors and fund members to migrate to electronic communications (email and the internet), using more recycled and carbon-neutral paper for mailings, and recycling more paper. In our own offices, we seek to reduce paper use, and continue to review progress to see what more we can do. Any future targets will cover only our own office paper use.

**External paper:** The total paper used by Link Group and our printers in communications with super fund members and security holders, almost all sourced from and printed by external suppliers, was 1,062 tonnes across all territories.

**Internal paper:** We used 73 tonnes of paper in our own offices in FY2018.

Total paper used both for client mailings and in our own offices was 1,136 tonnes, an increase on last year partly due to the inclusion of LAS.

The environmental performance of the paper we used in our offices, based on information provided by our suppliers. Where full information was not provided we have treated the supplier’s paper as not environmentally friendly, so these figures may understate the true picture. Totals are not mutually exclusive, so they add up to more than the total amount of paper used:

- **53 tonnes (72%)** were either FSC-, AFS- or PEFC-certified or ISO14001-compliant;
- **62 tonnes (85%)** were plantation sourced (this includes all paper identified as FSC- or PEFC-certified);
- **45 tonnes (61%)** utilised Elemental Chlorine Free (ECF) or Totally Chlorine Free (TCF) pulp bleaching;
- **45 tonnes (61%)** were carbon neutral; and
- **20 tonnes of paper (27%)** was recycled stock.

<table>
<thead>
<tr>
<th>Emissions intensity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions per employee, FY2018: <strong>1.62 tonnes per FTE</strong> (2017: 2.16 tonnes per FTE)</td>
</tr>
<tr>
<td>Emissions per $ million of revenue, FY2018: <strong>10.26 tonnes per $ million</strong> (2017: 11.62 tonnes per $ million)</td>
</tr>
</tbody>
</table>

These figures utilise projected emissions from LAS – see explanation in the text.

<table>
<thead>
<tr>
<th>Total paper used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paper consumed in our offices, FY2018: <strong>73 tonnes</strong></td>
</tr>
<tr>
<td>Paper consumed on behalf of clients, FY2018: <strong>1,062 tonnes</strong></td>
</tr>
<tr>
<td>Paper recycled by Link Group (received from investors and fund members, scanned then sent for recycling), FY2018: <strong>400 tonnes</strong></td>
</tr>
</tbody>
</table>
**Paper recycling:** In addition to the paper we sent externally, we also recycled 400 tonnes of paper, almost all from forms, letters and mail received in our mailrooms from investors and super fund members. All items were scanned or otherwise processed, shredded (in the case of secure documents) and sent for recycling.

**Cardboard and plastic:** In previous years we have reported our consumption of cardboard and three types of plastic used mainly by our printers and mail houses. With Link Group now operating from more than 50 offices in 18 jurisdictions, we have reviewed the practicality and value of capturing data against the significance of the impacts the data measures. Given that the amounts of cardboard and plastic involved are small and neither has a material impact for us, we have taken the decision to cease reporting on them.

**Waste:** For the first time we have asked all our offices to report the general waste they generated and the proportion of recyclable waste – glass, plastics, cans and paper. Not all offices have been able to provide data, so the figures reported for this year exclude a number of offices in Australia and Europe. We are engaging with our landlords to obtain more complete and accurate waste disposal information. In all major offices, we provide facilities for employees to separate personal waste into recycled waste and landfill.

**IT consumables:** IT waste, or e-waste (redundant, obsolete or irreparably damaged servers, desktop computers, screens, mobile phones, switches, etc) contains recoverable metals such as gold, silver, copper, titanium, palladium, lead, tin, nickel, mercury and cadmium. It also contains hazardous materials such as brominated flame retardants that need to be kept out of the environment, particularly landfill. Since Link Group is a significant user of technology consumables, we are now reporting the weight of these items that we sent for disposal by recycling, reuse or materials recovery.

**Future Years**

As we come to understand our own sustainability impacts, we are revising the reach and scope of our reporting. We do not consider that any environmental impacts are ‘material’ to Link Group as such, but our stakeholders consider these issues to be extremely important, as do we, and we take our responsibility to minimise our use of scarce resources very seriously. Over the next few years, as opportunities arise or leases end, we will continue to consolidate offices into energy-efficient spaces, reducing both emissions and energy costs. In addition, governments and their regulators are asking companies to report more on issues such as emissions and climate change, and take steps to reduce their environmental footprint, and we continue to review regulatory changes, peer (and other similar) companies and stakeholder expectations.

Next year, we intend to include metrics for our water use and ground travel such as rail, which is significant compared with air travel for LAS in UK and Europe (although less so outside Europe). We will continue to review the total impact of each metric annually and determine whether the effort needed across Link Group to capture accurate data is warranted by the scale and materiality of the impact. Where it is warranted, establishing accurate figures will help us design initiatives to reduce impacts.

In June 2017, the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (TCFD) released its final recommendations on how businesses should disclose climate-related financial information. We are currently assessing how the recommendations may apply to us, and if, and when, we may choose to report under the recommendations.

**Waste disposed of**

- General waste sent to landfill, FY2018: **42 tonnes**
- General waste sent for recycling (cans, glass, plastics, bottles, paper, etc), FY2018: **79 tonnes**
- Proportion of general waste recycled, FY2018: **65%**

Incomplete data – see text.

**Disposal of IT consumables**

- IT consumables sent for reuse or recycling, FY2018 (Australia only): **825 items weighing 7.8 tonnes**
- IT consumables shredded, component metals recycled and the rest sent to landfill, FY2018 (Australia only): **0.17 tonnes**

Of the items sent for recycling, 98% (by weight) were reused and 2% were sent for material recovery and ultimate disposal.
Our Community

Link Group contributes to a range of activities, focused predominantly in Australia, to assist our people, the environment and the wider community with a focus on: education; health; overcoming both physical and economic disadvantage; the environment; and cultural inclusiveness.

Our international initiatives include awareness campaigns; contributing to quality education in developing nations; and worldwide participation in Steptember with staff encouraged to walk 10,000 steps every day for a month to raise money for those with cerebral palsy who often struggle to take even one step.

We continue to evolve our Corporate Social Responsibility (CSR) program and this will continue next year as we expand our program globally and look to align with the United Nations’ Sustainable Development Goals.

Types of community support undertaken by Link Group

- Workplace giving (WG): This is managed through payroll and as part of the One Million Donors initiative.
- Volunteering (V): Employees, including casual employees, are entitled to one day of leave per year to attend a Link Group-organised charitable activity or to support a charity of the employee’s choice.
- Employee fundraising (EF): Employee donation of goods (ED).
- Corporate donation (CD): Includes cash donations, sponsorship, in-kind donations and branded merchandise.
- Other (O): Includes activities not listed above, such as awareness programs.

Education

- 1LBW Trust – tertiary education programs overseas (CD)
- Ardoch Youth Foundation Numeracy Buddies program (CD, V)
- GO Foundation – Empowering through education (V)

Health

- Cancer Council Australia – Australia’s Biggest Morning Tea (EF, WG)
- National Gold Sponsor Mother’s Day Classic – walk/run for the National Breast Cancer Foundation (CD, EF, V)
- Humpty Dumpty Gold Sponsor of Balmoral Burn – (CD, EF)
- 1Cerebral Palsy Alliance (CD, EF) – Steptember

Disadvantage (physical and economic)

- Salvation Army (CD, EF, ED)
- Wayside Chapel (CD)
- Mission Australia (CD, WG)
- Smith Family – Melbourne Around the Bay cycling challenge (V, EF)
- White Ribbon – domestic violence support and prevention

Group and employee donations

Group and employee donations, including in-kind merchandise and sponsorships, during FY2018:

- Total amount given by Link Group and its subsidiary companies, through employee donations and (the value of) paid employee volunteering time, Australia only: $651,862

Employees’ community volunteering

- 968 hours, paid for by Link Group, FY2018

Given by employees

- Chappell Foundation (CD)
- Future Generation Investment Company and Future Generation Global Investment Company (CD) – investment companies that also provide an ongoing source of funding for Australian charities, with a focus on children at risk and youth mental health.

Environment

- Earth Hour – Link participates. (O)
- LandCare Australia – wetland rehabilitation and native tree planting (CD, V)
- RSPCA (EF)

Culture

- GO Foundation – Empowering through education (CD)
- Harmony Day – celebrating cultural diversity (O)
Our Supply Chain

This year, we have extended coverage of our supply chain from our largest tier 1 suppliers to some of our smaller tier 2 providers. We believe it is important that our suppliers share our values and our commitment to continuous improvement in sustainability performance. Just as suppliers contribute to and share in our success, so they must play a role in helping to limit our exposure to sustainability risks.

How Our Supply Chain Works

A number of senior commercial managers in Link Group are responsible for our most significant supply contracts and larger one-off purchases, overseen by senior executives. The wide range of suppliers with whom we work and the global nature of our operations has required us to set up processes and establish our capability to work with our largest tier 1 suppliers. It is with these suppliers that we have direct, often long-standing, relationships.

Some 85% of our annual supplier spend on our Australian operations is with Link Group-preferred providers of services such as facilities, IT, travel, print and mail, telecommunications, distribution and energy, which make up our larger supply contracts.

The remaining 15% of our spending is on goods and services purchased either for smaller regularly used products and services or for one-off needs, particularly specialised or non-standard services. These tier 2 and 3 contracts are smaller and may be negotiated locally.

We believe that higher-risk practices are most likely to occur further down the supply chain, such as in the supply chains of larger suppliers or in some smaller direct suppliers. An example is companies providing raw materials used in the manufacture of products used by tier 1 suppliers. By working with these providers, we seek to influence them to identify these problematic sub-suppliers and make positive changes to manage the risks they present.

Our supply chain reporting

We have engaged with our largest material (tier 1) suppliers and a number of tier 2 suppliers in Australia, in total representing $170.8 million (69%) of our Australian non-labour costs of $247.4 million. Last year, the proportion we engaged with was 55%.

As we continue to learn about our own impacts, we are also gaining an understanding of the sustainability risks faced by our suppliers that could impact on Link Group. We are working with them to encourage and support them in managing these risks by committing to a process of continuous improvement. During the year, we extended oversight of our supply chain by asking a number of our tier 2 suppliers to detail how they manage their sustainability impacts, asking about their company policies, risk management, business continuity planning (BCP), management systems, labour standards, public reporting, the environment, community involvement, supplier relationships and stakeholder engagement. Our aim is to progressively increase the number of suppliers we engage with, understand the key issues each supplier faces and determine where to focus our future efforts.

We do not identify individual suppliers in our reporting but rather seek to work directly with them to achieve the improvements required. This is an ongoing dialogue.

In future years, we will concentrate on the issues most likely to present a potential risk to Link Group. In practice we expect that this will mean focusing in greater detail on a smaller number of risks, some specific to individual suppliers.

Our standards for suppliers

We expect our suppliers to adopt standards similar to our own, and to seek continuous improvement in their sustainability performance, just as we do. Currently, our Vendor Management Framework promotes policies and procedures to ensure that our suppliers provide the levels of quality, service reliability and value that we expect, however it has not historically set out our sustainability requirements.

In order to manage sustainability risks up our supply chain, we have started writing our sustainability requirements into our larger contracts, for both new contracts and renewals. Over time we will require the same sustainability commitments in smaller contracts, recognising that some smaller providers will have limited resources available for detailed sustainability performance validation. We will also start incorporating sustainability requirements into future tendering processes as a way of specifying, upfront, the standards that we expect our suppliers to adhere to.

We intend to continue looking further up our supply chain, carrying out risk assessments on selected suppliers and talking to, and working with, a broader group to ensure both the widest possible coverage of sustainability risks to Link Group and that our suppliers’ commitment to sustainability matches ours.
Our Clients

Our relationships with our clients and their customers are critical to the future of Link Group. Clients expect us to provide the best possible products and quality of service and safeguard their members’ and shareholders’ information and assets. In order to maintain our technological edge, preserve information security, guide our people and instil the behaviours we expect, we have created a framework of IT systems, policies, processes, training, compliance, monitoring and Board oversight. Key documents include our Code of Conduct and Ethics, Fraud and Corruption Policy and Sustainability Policy.

Shared Values

We seek to work with clients and suppliers who share our values and commitment to ethical behaviour and we do everything we can to reinforce ethical practices in our value chain. This is reinforced as part of our culture though our Purpose statement: “Together we achieve...”. We have processes in place for assessing risks to our business or reputation from potentially sensitive material, clients and prospects or work coming from potentially sensitive jurisdictions or sectors. By doing this due diligence we aim to limit such risks.

Clients are asking more frequently about our own sustainability practices, both during contract negotiations and at other times. This reflects the importance they attach to working with service providers that share their values. We welcome these queries as they validate our commitment to pursuing continuous improvement in our sustainability performance, and with the work we have done to enhance our sustainability, we are well placed to respond.

Innovative Technology

We work to ensure that clients, their fund members, employers and shareholders can easily access information, transact on their accounts and make or receive payments, by providing user-friendly, secure and, in some cases, award-winning platforms offering a choice of ways to access our services. We continuously seek to improve access and functionality by enhancing platforms, testing new technologies and partnering with specialist external providers.

For our listed company clients, we provide the following:

- The miraqle® desktop platform, tablet or mobile app. miraqle® serves as a single gateway to all Corporate Markets services – registry, investor relations and employee share plans. Current work on a refresh to make miraqle® more intuitive and responsive reflects our commitment to maintaining our platforms’ market leadership.
- Best practice company investor relations websites to give easy access to company details and performance.
- For shareholders, a complementary channel to our Investor Centre desktop platform and mobile site, in the form of a mobile app allowing shareholders to easily view their holdings and transact online. This increases efficiency by reducing calls to the Contact Centre. The app is available in Australia and New Zealand and will soon be launched in Hong Kong.
- A mobile app that allows shareholders to vote directly without having to lodge physical voting cards. Shareholders can also attend AGMs and other meetings virtually, view meetings live, ask questions and vote online. The virtual meeting is used mainly by listed company clients, but the NRMA (Australian member organisation) used it in November 2017 and a number of super funds are considering introducing it.

For our superannuation fund clients, we provide the following:

- Member portals to help funds engage with members, who can access their accounts and transact in multiple ways, including updating insurance, changing details or nominating beneficiaries. Desktop and mobile sites or a mobile app with full transactional capability give members a seamless user experience. We are currently working to integrate other value-added products within member portals, such as Net Wealth Tracker and Digital Advice.
- Employer portals and a custom employer app and a Compliance Payment Checker app.

Secure, Continuous Service

Security and Privacy

Our clients entrust us with personal and sensitive information and the management of many billions of dollars’ in securities and other assets. Member and investor security is therefore critical to Link Group and we make stringent efforts and allocate considerable time, resources and systems to secure it.

Information security: Information security is a material issue for Link Group and, while we have referred to its importance to all our stakeholders in previous years, this is the first year in which we have specifically reported on it. The types of threats, attacks and incidents we face are evolving rapidly, making it difficult to set appropriate future targets related to information security.
Link Group has ISO 27001 accreditation for its information security management systems, a global standard that recognises our best practice approach to managing and protecting personal and sensitive information, including records held and administered on behalf of around 10 million superannuation account holders and more than 35 million shareholders. To ensure information security, we have strict policies and procedures, limit access and require all employees to undertake mandatory compliance training and testing. Policy breaches can result in disciplinary action.

Our information technology controls include restricting access to systems and data, having to authorise transactions, safeguarding assets, maintaining and upgrading systems hardware and software, recovering from system interruptions, monitoring compliance, and monitoring subservice (supplier) organisations.

Managing security threats: Our Security Operations and Intelligence Centre team deals with security threats across our global business. We do not disclose any details of the many systems and controls we use to do that, however the following points give an indication of the scale of the threats that we manage:

- In FY2018, our Network Intrusion Prevention System detected an average of 1.5 million malicious events per month, similar to FY2017. A spike in April and May 2017 followed a system upgrade that identified new attack types and signatures but detected events fell away in the following months as the Security Operations and Intelligence Centre assessed, tuned and blocked these newly identified threats.
- Between April 2017 and April 2018, we detected 198,000 malicious emails, of which 96.9% were automatically blocked and the remaining 3.1% were blocked by downstream controls.
- During FY2018 there were 1,300 Data Loss Prevention (DLP) email alerts, which prevented Personal Identifiable Information (PII) from leaving the organisation without the appropriate protection mechanisms, for example encryption.
- For the average time taken to identify and resolve incidents during FY2018 compared to the average time taken the previous year, we targeted a reduction of 10% (time to resolve/contain) and continue to have a strong focus on resolving all incidents or events within hours not days. Due to our upgraded and new protective systems and the use of automation, the reduction was almost 100%.
- As part of our ISO 27001 certification program to continuously improve our cyber-security defences, the Information Security team has recently installed advanced detection systems across Link Group’s local bases, greatly enhancing our ability to detect and respond to the many sophisticated types of attacks.
- We continuously monitor the types and number of threats and, where we identify new ones, we seek out the best solutions available to detect and prevent these threats.

Privacy-related complaints during FY2018:
Complaints substantiated (Australia only): 69
(out of around 25 million transactions on behalf of 40 million account holders and shareholders)

- From all our security systems we generate a large number of dashboards and daily reports, which we monitor in real time to ensure detection and prevention of data losses and privacy breaches.
- In addition, the Security Operations and Intelligence team produces a daily threat check that reports on all these events and incidents, including attempted intrusions, identified within each 24-hour period.

These reports and information help us identify areas where we can further tighten our internal processes and ensure that every person, at every level of the organisation, understands the critical importance of maintaining security and adhering to all procedures.

Privacy: Privacy procedures are equally strict. All Australian staff receive regular training on their obligations under the Privacy Act 1988 (Cth), with processes to promote compliance; employees in overseas jurisdictions undertake training on their relevant legislated privacy obligations. The number of privacy-related complaints in Australia is reported here.
**Business continuity and disaster recovery:** Due to the nature of our business, we depend heavily on systems and processes to provide uninterrupted service to clients, fund members and investors under even the most challenging of circumstances. To protect us from major disruption, we have a detailed Business Continuity Plan and a Disaster Recovery Plan, reviewed and tested at least annually.

Our Business Continuity Management approach defines, in detail, critical systems, activities, processes, people, timetables, alternative work locations and contacts. While the impact of any incident depends on which systems or infrastructure are affected, under almost all likely scenarios we expect that we should be able to resume operations from alternative locations within the contractually required and agreed timeframes.

**Ethical Behaviour**

**Our ethical standards:** Link Group manages and deploys billions of dollars' worth of other people's and companies' assets, so it is critically important that clients, share owners and fund members can rely on our integrity and honesty. Ethical behaviour is a fundamental requirement of anyone working with us, and we do not tolerate unethical behaviour under any circumstances.

We seek to understand the local context and acknowledge the differences between markets, while maintaining very high standards of ethical conduct, protecting privacy and managing data securely in all our markets. We rely on our people and leaders to make the right judgement regarding ethical issues and we provide the means for them to do so.

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

A number of our policies relate to employment and procurement, reflecting our commitment to human rights. Our Code of Conduct and Ethics training includes human rights issues such as non-tolerance of discrimination, harassment, slavery and child labour.

Our people must report all breaches or suspected breaches of the Code or other policies to their manager, HR or Risk and Compliance, and major incidents may be escalated to senior executives or the Risk and Audit Committee of the Board. The requirement for employees to report any breaches is reinforced by our Whistleblower Policy, which provides legal protections to people reporting breaches.

**Code of Conduct and Ethics training:** This training is mandatory for all our employees when they begin employment and annually thereafter. We also expect all contractors to adhere to our ethics requirements and to undertake annual Code of Conduct and Ethics training.
Supplementary Information

This section provides extra information on issues experienced across Link Group.

The data contained in previous years’ Reports under the Supplementary Information heading has been incorporated into the main Report sections.

Our Company – Supporting Information

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

This Report covers more than 50 operations (offices) in the 18 jurisdictions in which we operate.

Controlled entities

In previous years, we reported on a limited number of jurisdictions so we included a list of all the Controlled Entities to which the Sustainability Report applied. Since we are reporting across the whole company, except for a very limited number of metrics, the Controlled Entities covered by this Sustainability Report as at 30 June 2018 are those listed in the FY2018 Link Group Annual Report, on page 143.

Major changes during the year:

• The acquisition of LAS was completed in November 2017 and its integration is progressing.

Charters and associations:

• Link Group did not subscribe to any externally developed economic, environmental or social charters, principles or other initiatives during FY2018.

• During FY2018, Link Group employees held Board positions on the following industry associations:
  - In Australia: The Association of Superannuation Funds of Australia (ASFA)
  - In the UK: Investor Relations Society (IR Society)

• During FY2018, Link Group employees were members of working groups or project committees, or participated in them, in the following industry associations or organisations:
  - Australia: Australian Super Fund Association (ASFA); the Australian Prudential Regulation Authority (APRA); the Australasian Investor Relations Association (AIRA); the Office of the Australian Information Commissioner (OAIC); the Australian Securities and Investments Commission (ASIC); the Australian Taxation Office (ATO); Governance Institute of Australia (GIA)
  - UK: IR Society; Investment Association (IA); British Venture Capital Association (BVCA); The Association of Investment Companies (AIC); Association of Real Estate Funds (AREF); TA Forum; Tax and Investment Savings Association (TISA); UK Fund Trading and Settlement (FTS) steering committee; Quoted Companies Alliance (QCA); ICSA Registrars Group; ICSA Company Secretary Forum; Shareholder Voting Working Group; Receiving Agents Group; Irish Implementation Forum; GC100; Dematerialisation Steering Group
  - Ireland: Irish Funds Industry Association
  - France: CLIFF (French IR Society)
  - Germany: DIRK (Deutsche Investor Relations Verband)
  - UAE: MEIRA (Middle East IR Association)
  - Luxembourg: Luxembourg Association of Corporate Services Providers and Alternative Funds Administrators (LIMSA)
  - Across Europe: ICGN (International Corporate Governance Network)
Reporting Methodology

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

Material Topics and Report Content

Identifying material topics

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

- there were no material changes to the nature of our business that required us to change our thinking in any significant way (although the scale of our business has changed significantly);
- in FY2017, our disclosures covered all jurisdictions in which we then operated, and this is the same in FY2018 with all LAS offices now included, other than for a small number of mostly environment- and people-focused metrics;
- the decisions we made last year still apply: namely, that employee and system/security impacts are fundamental risks to Link Group and apply in all businesses in all jurisdictions; that environmental impacts are limited and typical of companies operating in city office environments; that community impacts are limited but can be positively increased via the company’s own initiatives; that supplier impacts are mostly limited but their opacity has the potential to cause us reputational damage through misbehaviour up the supply chain; and that client impacts are fundamental to us and apply in all our businesses in all jurisdictions; and
- some potential impacts, such as those related to human rights and corruption, have limited relevance for our business, however they are enormously important to the community. We constantly review the number of material topics that we report on in light of changing regulatory or stakeholder expectations.

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

- most are irrelevant to our business and can simply be excluded;
- others have some relevance to us but their potential impact on us is not material so they can be excluded; and
- some clearly have relevance to us, such as use of materials (Disclosure GRI 301), but some are used in insignificant quantities, or not at all, while others have more significant impacts. We have selected material topics to report on with the greatest significance to our businesses, which we can measure and over which we have some degree of control.

Our reporting is thus limited to the 17 disclosures most material to Link Group (up from 16 last year due to the re-organisation of disclosures in the new GRI Standards), or of the greatest importance and relevance to our stakeholders. These disclosures are contained within 12 material topics: market presence, energy, materials, transport, employment, training and education, diversity and equal opportunity, equal remuneration for women and men, labour practices grievance mechanisms, anti-corruption, compliance, and customer privacy.

Material topic boundaries

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

Determining Report content

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

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

- Community investment – charitable donations by Link Group, matched giving and paid employee volunteering time. A full breakdown of revenue and its distribution is given in the Financial Statements.
- Proportion of ‘green’ office space – space in energy-efficient buildings (see page 16 for how ‘green’ is defined).
- Total weight of waste – previously, we have reported on recycled paper waste only. We are including general office waste and IT consumables for the first time this year, to a limited extent.

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

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

• regulators, government and industry bodies such as the Australian Institute of Superannuation Trustees (AIST), APRA, ASFA, ASIC, ASX, and ATO, and from regular participation in key industry meetings, conferences and forums;
• every client, via regular scheduled meetings, to review our performance and identify issues and future needs; and
• fund members and shareholders, from the millions of phone calls we take and the millions of letters and emails we receive.

In addition, our first major employee Culture and Engagement Survey, completed in October 2017 with an 88% participation rate, provided valuable feedback about many aspects of Link Group and our culture. This wealth of data is informing our approach to our people and helping us understand how we can attract the most talented staff and become an even better place to work.

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

• improves our strategic decision-making;
• enables us to stay up to date with (and often lead) regulatory compliance changes;
• helps us devise valuable system and procedure improvements; and
• allows us to develop new products, such as mobile, tablet and desktop apps, that enhance end users’ experiences.

These all help improve access to services, reduce the use of paper-based communications and cut our clients’ – and our own – impact on the environment and direct costs. We anticipate extending direct engagement about sustainability issues to more external stakeholder groups in the future.

Future years

In the future, we will continue to broaden and deepen our stakeholder engagement and consult with more external and internal stakeholders. Our processes to capture accurate data on key impacts and performance are becoming more established as offices become more used to capturing data. We will continue to assess the value of the data we report and, where we believe its value is limited, determine if the effort required to capture it is warranted.

For this year’s Report, we have gathered information from across Link Group’s global operations. LAS has been sharing its own approaches and providing valuable information within the limitations imposed by a large and complex integration program. When the integration is largely completed next year, we look forward to reporting on a more detailed and integrated basis.

Our intentions for next year’s Report include continuing to:

• consolidate our processes and move to more automated data capture;
• extend our review of supplier sustainability to more jurisdictions and further down (and up) the supply chain;
• review the new impacts disclosed this year to determine their value versus the effort to report them; and
• reassess the topics we consider material for reporting, both through our own processes and as regulators, media and the community make new demands for disclosures on hot-button issues.

In the last two reports, we started making disclosures related to our suppliers and, this year, our clients, in order to provide a more complete view of our sustainability in all parts of Link Group. As we have done with all our reporting to date, we have started in a small way with these new areas, analysing the first year’s results, reviewing our peer companies’ efforts and understanding the issues before extending the scope. In this way, we seek to extend the scope of reporting, and our expectations of data providers in many different countries, in a gradual, clear and consistent way. We intend to continue with this approach, seeking continuous improvement, year on year, in the scope, data quality and accessibility of our reporting.

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

We report our sustainability performance annually, covering each financial year from 1 July to 30 June. A summary of the Sustainability Report, including key performance metrics, is included in each Annual Report and the full Sustainability Report is available on the Link Group website, www.linkgroup.com.

External assurance

No external assurance was sought for this Report. We anticipate that future reports will be subject to some assurance and are currently working to identify to which issues this will apply.

Queries about this Report

All questions on the Sustainability Report or Link Group’s sustainability initiatives should be addressed to our Sustainability Manager.
## Definitions of Terms Used in this Report

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