



2022

**SUSTAINABILITY  
REPORT**

**HUB<sup>24</sup>**

for the year ended 30 June 2022



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HUB24's sustainability approach supports the delivery of the group strategy and aligns to our purpose of empowering better financial futures, together. We are committed to managing the company considering the broader community, customer, environmental and shareholder interests.

# ABOUT THIS SUSTAINABILITY REPORT

## REPORTING APPROACH

HUB24 recognises the importance of Environment, Social and Governance (ESG) issues for the long-term prosperity of our customers, people, shareholders and the broader community, and are pleased to present our inaugural Sustainability Report.

This report covers the 2022 financial year from 1 July 2021 to 30 June 2022 (FY22). During FY22, to further support the delivery of the Group strategy, we undertook a materiality assessment which included conducting research and engaging with internal and external stakeholders to identify the ESG focus areas most material to our operations.

To identify the key ESG focus areas, our materiality assessment included desktop review, benchmarking analysis, internal and external stakeholder interviews,

and an assessment of risks and opportunities. This process included consideration of ESG and sustainability frameworks and standards, including the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) amongst others.

The desktop and benchmarking analysis involved consideration of sustainability approaches of competitors, examples of domestic and international better practice, consideration of key trends and non-governmental organisations and relevant research. Analysis was performed at both the corporate and platform level to promote alignment to market and stakeholder expectations.

The materiality process resulted in the identification and prioritisation of seven key focus areas, which are detailed below:



# LETTER FROM OUR CEO



On behalf of HUB24, I am pleased to present our inaugural Sustainability Report (Report) covering our Environmental, Social and Governance (ESG) focus areas and outlining our approach to our sustainability initiatives.

At HUB24 we understand the importance of sustainability and this report represents our commitment to managing the company considering the interests of the broader community, our customers, shareholders and the environment.

In consultation with our team and our customers we've identified 7 key focus areas which align to our company values and include our current sustainability initiatives as well as goals for FY23 and the future. We recognise, as a leading financial services provider, we are in a unique position to support Australians in securing their financial future. As well as our corporate sustainability objectives, one of our key focus areas is continuing to invest in the development of innovative products and solutions that provide choice, value and efficiency to empower better financial futures for more Australians.

HUB24 leads the market for adviser advocacy and product capability. Additionally, with over 150 ESG options available on the platform we will continue to enhance our investment menus to provide options to meet customer needs and support the flow of capital into businesses focused on sustainability. From inception we have operated a digital first approach for

customer engagement on the HUB24 platform delivering communications electronically.

One of HUB24's company values is "integrity – do the right thing" and ensuring we have robust governance is key to the sustainability of our business. As an ASX listed company we take our obligations seriously and to ensure a framework of robust governance throughout the business we embed mandatory employee training on our policies and procedures and undertake employee culture surveys annually.

The impacts of climate change are always top of mind when thinking about sustainability and as a financial services company we have a relatively low emissions footprint in comparison to other industries. We have committed to net-zero emissions by 2030 and during FY23 we'll define interim targets to meet that goal.

Cybersecurity continues to dominate global headlines. As a technology and data services provider we understand the importance of our role as custodians of customer data and have a dedicated programme in place to continually keep enhancing our cybersecurity and data controls in a constantly evolving landscape.

Our people are key to the sustainability and growth of our business. Continued investment in attracting, retaining and developing talented people continues to be a key focus through initiatives aimed at leadership and career development, supporting a diverse and inclusive workplace and enhancing our client focussed culture. As a business we are committed to ensuring diversity, beyond just gender, across our teams.

This report outlines our progress during FY22 towards our sustainability goals whilst also outlining clear targets for FY23 and onwards.

We are delighted to share with you HUB24's ESG achievements and vision for the coming years and we look forward to keeping you updated as we work towards our sustainability targets.

**Andrew Alcock**  
Managing Director

# INTRODUCTION

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The HUB24 platform offers advisers and their clients a comprehensive range of investment options, including market-leading managed portfolio solutions, and enhanced transaction and reporting functionality. As one of the fastest growing platforms in the market, the platform is recognised for providing choice and innovative product solutions that create value for advisers and their clients.

The HUB24 platform provides over 150 ESG investment options covering a diverse range of objectives including Socially Responsible Investing (SRI), Climate and Impact investing. Additionally, our innovative platform capability enables advisers and their clients to automatically substitute and replace investments which aren't aligned with their investment philosophy and objectives.

At HUB24 we believe in the value of advice and the positive impact that having access to financial advice can have on an individual, their family and the broader community. We are committed to leveraging our technology and data expertise to help solve key challenges in the delivery of financial advice so we can empower better financial futures for more Australians.

## SCOPE AND BOUNDARIES PLATFORM

The contents of this report relate to the HUB24 Group (HUB24) and its subsidiaries for FY22.

Parts of this Sustainability Report include forward-looking statements about HUB24 and the environment in which it operates. Actual results and the timing of certain events may differ materially from the targets expressed or implied by the forward-looking statements in this report.

This report covers FY22, however in certain cases metrics are provided for periods outside of the FY22 financial year, in these cases the period covered by the metric is provided. This report does not include sustainability metrics for our suppliers.

HUB24 did not engage an external auditor to audit the contents of this report. For any questions regarding this report or HUB24's corporate responsibility activities please contact [investorrelations@hub24.com.au](mailto:investorrelations@hub24.com.au).

# HUB24 SUSTAINABILITY TARGETS

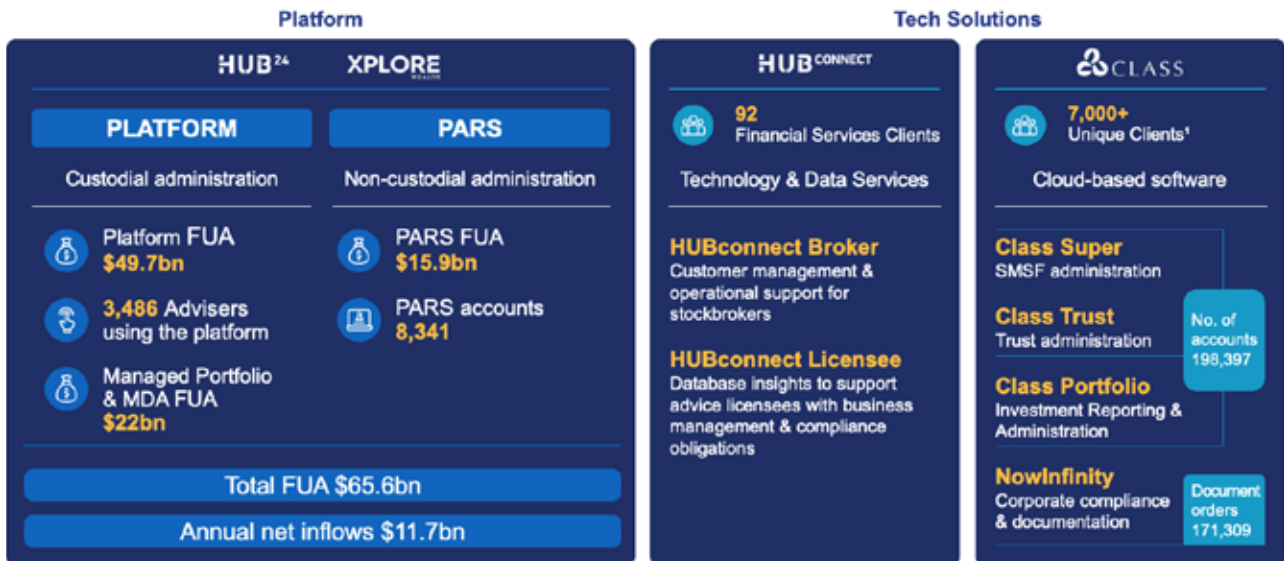
HUB24 has determined measures of success for our key focus areas. Targets outlined in the table below are for FY23 unless noted:

	Key focus area	Measure of success	FY22 outcome	Target	ESG category
1	Business ethics and integrity (see page 15)	Completion of mandatory employee training	99%	100%	Governance
		Compliance with ASX Corporate Governance Principles	Materially compliant	100%	Governance
2	Diversity and inclusion (see page 17)	Gender targets – whole of company	44% female 56% male	40% female <sup>1</sup> 40% male 20% open	Social
		Gender targets – Board	33% female 67% male	40% female <sup>1</sup> 40% male 20% open	Governance and Social
3	Customer Experience (see page 18)	Investment Trends Adviser Technology Needs Report Primary Platform NPS	#1 Primary Platform NPS	#1 Primary Platform NPS	Environmental and Social
		Best Platform according to adviser surveys	#1 Best Platform Overall #2 Wealth Insights Platform Service Level	#1 Best Platform	Environmental and Social
4	Employee Engagement (see page 20)	Employee engagement survey results	72%	Meet or exceed relevant external benchmark <sup>2</sup>	Social
5	Community Contribution and Investment (see page 22)	Contributions to causes and organisations that align with our purpose and values	\$75,000	\$130,000 Embed community contribution in HUB24 operating model	Social
6	Climate Risks and Opportunities (see page 23)	Net zero emissions by 2030	N/A	100% <sup>3</sup>	Environmental
7	Data Privacy and Security (see page 24)	Compliance with ISO27001	100%	100%	Governance
		Level 1 maturity for Australian Cyber Security Centre's Essential 8 mitigation strategies	Well-progressed towards achieving L1	L1 Fully achieved Progress towards L2	Governance

1. Board gender diversity target for FY24.
2. Benchmarked against Technology companies FY22.
3. Climate risks and opportunities target relates to 2030.



# OUR BUSINESS



Data as at 30 June 2022 unless otherwise stated

<sup>1</sup>Class customer base represents practices as at FY22

HUB24's purpose is to empower better financial futures, together. To fulfil this purpose, HUB24 delivers platform and technology solutions that empower financial professionals.

HUB24 has led the market throughout a period of major transformation and we are committed to collaborating with the government, regulators and other industry providers to build a blueprint for the future that will enable advisers to build sustainable business models and ensure more Australian's have access to cost-effective financial advice.

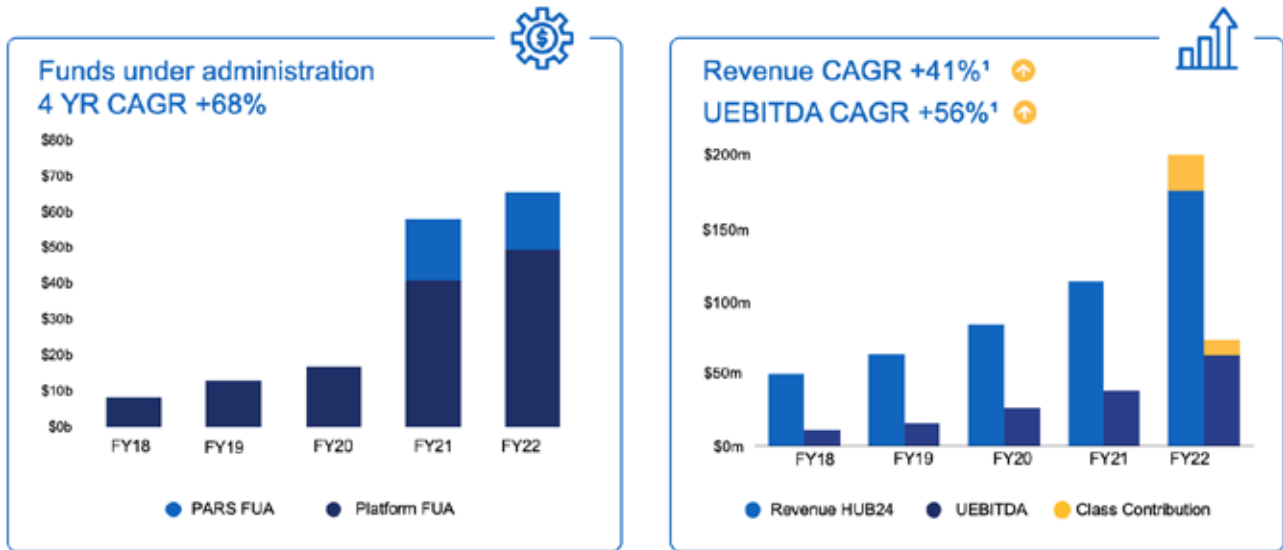
Our approach to sustainability is embedded in our values of doing the right thing by our customers, our team and our community, and leveraging innovation

to deliver efficiency and value for our customers, and collaboration.

HUB24 Limited (HUB24, the Group or the Company) is a financial services company that was established in 2007 and is a leading provider of integrated platform, technology and data solutions to the Australian wealth industry. HUB24 is listed on the Australian Securities Exchange (ASX) under the code 'HUB' and includes the award-winning HUB24 platform, the Xplora platform, the newly acquired Class business, and HUBconnect. HUB24's market capitalisation is approximately \$2 billion.<sup>1</sup>

<sup>1</sup> As at 19 August 2022.

## CONSISTENTLY DELIVERING RECORD GROWTH



1. Group Operating revenue and Group Underlying EBITDA from continuing operations 4-year CAGR.

HUB24's head office is based in Sydney, and we provide products and services across all Australian states and territories. The Group employed ~700 people on a full-time equivalent (FTE) basis as at 30 June 2022.

The HUB24 Group has a history of consistently delivering growth for our shareholders and continues to invest to leverage current and emerging market opportunities.



**RANKED 2ND  
FOR ANNUAL  
NET INFLOWS<sup>1</sup>**



**HUB24 MARKET  
SHARE HAS GROWN  
FROM 3.9% TO 5.1%<sup>1</sup>**



**7TH LARGEST PLATFORM  
PROVIDER FROM 8TH  
PLACE BY MARKET SHARE<sup>1</sup>**



**FASTEST GROWING  
PLATFORM IN  
% TERMS<sup>1</sup>**

1. Strategic Insights Data March 2022

# HUB24 STRATEGY AND PROGRESS

HUB24's vision is to lead the wealth industry as the best provider of integrated platform, technology and data solutions. To achieve our vision, we are focussed on three strategic priorities:

## **Deliver customer value & growth**


Continue to develop our product offerings to meet evolving customer needs, extend our market-leadership and grow market share

## **Continue to build the Platform of the future**

Deliver an integrated customer experience across all business lines and product offers that supports financial professionals to implement investment, tax and strategic advice

## **Collaborate to shape the future of the wealth industry**

Leverage our technology & data expertise, collaborate with industry participants & build solutions and services that enable the evolution of our industry and the delivery of cost-effective financial advice

A photograph of three people sitting on a modern, light-colored wooden bench. On the left, a woman with blonde hair, wearing a black top, is pointing towards a smartphone held by a man in the center. The man has dark hair and a beard, wearing a light purple button-down shirt and dark trousers. On the right, a woman with long dark hair, wearing a white sleeveless top and light-colored trousers, is holding a tablet. They are all smiling and appear to be in a collaborative discussion. The background features a wall with large, stylized, light-colored wooden letters and geometric patterns.

"Sustainability is the integration of environmental health, social equity, and economic vitality in order to create thriving, diverse and resilient communities for this generation and generations to come."

UCLA Sustainability Committee

# HUB 24



# DELIVERING ON OUR SUSTAINABILITY OBJECTIVES

Throughout FY22 we continued to develop our ESG strategy and delivered a range of initiatives to support our ESG focus areas including;

- 99% of employees completing ethics and integrity training
- Continued compliance with ASX Corporate Governance principles
- Achieved FY22 Board and company gender diversity targets
- #1 by advisers for primary platform NPS
- #1 by advisers for Best Platform Overall
- Achieved 72% employee engagement score
- Supported a range of philanthropic and community initiatives
- Substantially achieved compliance with Level 1 of the Australian Cyber Security Centre's Essential 8 mitigation strategies
- Maintained ISO27001 IT compliance standard

Throughout FY22 our customer proposition has continued to evolve to support our customers in achieving their long-term investment objectives and leveraging the value that professional financial advice

provides. This includes the delivery of our market-leading digital reporting tool HUB24 Present which enables advisers to customise client presentations in real-time, delivering engaging and efficient client reviews and HUBconnect Licensee which leverages artificial intelligence and machine learning capability to consolidate unstructured data from advice documentation and consolidate for reporting and analytics, reducing manual processes for licensees.

Development is underway on a new product HUB24 SMSF Access which leverages the combined capability across HUB24, Class and NowInfinity to deliver a cost-effective, fully integrated, end to end service bringing together SMSF establishment, administration and investment administration and is designed to enable advisers to access new client segments and grow the broader SMSF market.

During FY22 we have continued to advocate on behalf of our customers to help shape the future of the advice industry, including contributing to the Financial Services Council's submission for the Quality of Advice Review (QAR) as well as making an independent submission. HUB24 has made a submission in response to the QAR's recent proposal. To raise awareness of this key issue, HUB24 co-produced a documentary with XY Adviser, 'Solving Wealth's Greatest Challenge' which featured industry leaders.

# SUSTAINABILITY FRAMEWORK AND GOVERNANCE

The HUB24 Board and management are committed to having a sustainability framework in place that considers all stakeholders now and into the future. We are committed to ensuring sustainability risk management and opportunities are integrated into our purpose, strategic objectives, culture and values. The HUB24 Board provides ongoing monitoring and governance of business strategy and deliverables in line with our sustainability objectives.

Andrew Alcock, HUB24’s CEO and Managing and Director and Executive Leadership team are responsible for leading the integration of HUB24’s sustainability strategy into our core business strategy to drive the sustainable growth of our business.

HUB24 operates under the following sustainability framework and governance structure.



Our Board approved Risk Appetite Statement and Risk Management Framework considers the full scope of risks faced by the business, including emerging risks. These have been organised into seven risk categories and aligned to their relevant ESG category.

Risk category	Risk summary description	Key risk exposures assessed	ESG category
<b>Operational risk</b>	The risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events	<ul style="list-style-type: none"> <li>• People: workforce including COVID 19 conditions and restrictions, use of flexible/virtual working arrangements, availability of skilled staff and expertise</li> <li>• Process: third party arrangements, project portfolio, change management, business continuity</li> <li>• Systems: data security and management, technology vulnerabilities</li> </ul>	<ul style="list-style-type: none"> <li>• Social</li> <li>• Governance</li> </ul>
<b>Distribution risk</b>	The risk of loss resulting from inappropriate or failed sales and distribution strategies, channels, and customer relationships.	<ul style="list-style-type: none"> <li>• Attraction/retention of key clients</li> <li>• Advice licensee oversight</li> </ul>	<ul style="list-style-type: none"> <li>• Social</li> <li>• Governance</li> </ul>
<b>Technology &amp; Cyber risk</b>	The risk of loss or other damage resulting from our failure to appropriately respond to our technology, physical security, or cyber-security being compromised.	<ul style="list-style-type: none"> <li>• Platform vulnerabilities</li> <li>• Data security and access</li> <li>• Data management and control</li> <li>• Privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Social</li> <li>• Governance</li> </ul>
<b>Regulatory, legal &amp; Compliance risk</b>	The risk of legal or regulatory sanctions or loss resulting from failure to comply with laws, regulations, licensing, or contractual requirements.	<ul style="list-style-type: none"> <li>• Legislative and regulatory changes</li> <li>• Changing regulatory footprint of our business operations</li> <li>• Data and privacy</li> <li>• Financial crime compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Governance</li> </ul>
<b>Financial performance, governance, and market risk</b>	The risk of loss resulting from our failure to meet financial obligations and/or the impact of movements in the value of equity and other investments correlated with our financial performance.	<ul style="list-style-type: none"> <li>• Financial performance, profit margins, capital and liquidity management</li> <li>• Financial performance and the impacts of the economic environment</li> <li>• Financial benefits of strategic transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Social</li> <li>• Governance</li> </ul>
<b>Reputational, brand, &amp; conduct risk</b>	The risk of erosion or other damage to our brand or reputation resulting from inappropriate or failed actions, partnerships, or other behaviours.	<ul style="list-style-type: none"> <li>• Conduct and culture of workforce</li> <li>• Fraud</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental</li> <li>• Social</li> <li>• Governance</li> </ul>
<b>Strategic &amp; Product Risk</b>	The risk of failure to achieve strategic objectives and/or respond to changes in our competitive landscape with competitive products.	<ul style="list-style-type: none"> <li>• Impacts of the RBA cash rate</li> <li>• Other economic and market developments</li> <li>• Geopolitical risk including the war in Ukraine</li> <li>• Government commitments and policies on climate and carbon emissions</li> <li>• Future/changing regulatory environment</li> <li>• Competitive environment</li> <li>• Changes in consumer preferences including online purchasing trends</li> <li>• Technological changes and innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Social</li> <li>• Governance</li> </ul>



# ESG KEY FOCUS AREAS

Our ESG key focus areas are closely aligned with our company values of integrity, client focus, passion, innovation, collaboration and excellence, these have been noted alongside each key ESG focus area.



**Integrity**

Do the right thing

## 1. BUSINESS ETHICS AND INTEGRITY

HUB24 views good governance as essential in the performance and sustainability of our business. HUB24 is committed to observing the ASX Corporate Governance Principles and Recommendations as detailed in our Corporate Governance Statement which is available on our website at <https://www.hub24.com.au/wp-content/uploads/2021/08/6.-HUB24-FY22-Corporate-Governance-Statement-.pdf>

HUB24 maintains a number of policies that govern our team's responsibilities as employees of HUB24. Key policies can be located at <https://www.hub24.com.au/shareholder-centre/corporate-governance/>

The table below outlines our key Corporate Governance policies and statements available on our website.

Policy	Purpose
<b>Code of Conduct</b>	Articulates the values and principles we expect our people to adhere to when performing their responsibilities.
<b>Modern Slavery Statement</b>	Our modern slavery framework has been established to identify and reduce the risk of exposure to modern slavery and human trafficking. This involves, amongst other things, undertaking risk assessments and due diligence on third party suppliers to exposure to modern slavery and human trafficking and ensuring our staff are appropriately trained on the modern slavery framework.
<b>Anti-Bribery &amp; Corruption Policy</b>	Our Anti-Bribery and Corruption policy prohibits Directors and employees of the HUB24 from engaging in activity that constitutes bribery, corruption and facilitation payments, and provides guidance on how to recognise and deal with bribery and corruption issues. Incidents that are notified under the Anti-Bribery and Corruption policy are required to be reported to the Audit, Risk and Compliance Committee and the Board.
<b>Whistleblower Policy</b>	All employees are expected to complete training on our whistleblower policy. Employees are encouraged to report behaviours or instances that are not in accordance with our Code of Conduct, procedures, processes and regulatory requirements. Employees and other specified persons can report these matters via our Whistleblower policy. Material incidents that are notified under the Whistleblower policy are required to be reported to the Audit, Risk and Compliance Committee and the Board.

### EMPLOYEE ASSESSMENTS CONSIDER NOT JUST WHAT WE ACHIEVE BUT HOW WE ACHIEVE IT

The structure of HUB24's performance assessment process measures both "what" has been achieved i.e., delivery against specific KPIs, as well as "how" it has been achieved i.e., values and behaviours displayed by the individual through the year. Strong performance across both categories are essential for an employee to be awarded a high overall performance rating, and behaviours which do not match HUB24's expectations can limit the overall performance rating and financial outcomes. HUB24 communicates our expectations clearly in the recruitment and onboarding process, in new employee induction and during the performance review cycle.

## EMPLOYEE TRAINING

HUB24 has a comprehensive training programme for all employees which reflects our expectations and responsibilities in relation to business ethics, integrity and compliance. In addition to the key policies and statements on the previous page, the following are the key training topics:

- Acceptable Use Policy
- Anti-bullying and Anti-harassment
- Anti-Money Laundering and Counter-Terrorism Financing
- Conflicts of Interest
- Cyber Resilience Policy
- Cyber Security Awareness
- Discrimination
- Fraud awareness
- Privacy
- Risk Management Awareness
- Insider Trading/Securities Trading Policy
- Work, Health and Safety

Our key measures of success in relation to business ethics and integrity are outlined below:

Measure of success	FY22 result	FY23 Target
<b>Completion of employee mandatory training</b>	99%	100%
<b>Compliance with ASX Corporate Governance Principles*</b>	Materially compliant	100%

\*As at 30 June 2022 the Board had a 33% female representation which was above the ASX recommendation of 30%. As Ms Catherine Kovacs was appointed on 19 July 2021 there was a brief period between 1st and 19th July 2022 that the Company did not meet the Board Gender diversity requirements of the ASX Principles and Recommendations.



**Collaboration**

Act as one team, one company



**Excellence**

Strive to be awesome

## 2. DIVERSITY AND INCLUSION

The Board is committed to diversity and inclusion across the wide range of workforce demographics, with the intention to apply a lens to diversity that includes, but also extends beyond, gender. HUB24 is targeting 40% female Board representation for FY24 this will be a key consideration with regards to Board expansion and succession planning.

Organisation Level	FY2022 Gender Results	FY23 Target
<b>Board</b>	33% female 67% male	40% female <sup>1</sup> 40% male 20% open
<b>Leadership Team (CEO &amp; Direct Reports)</b>	60% female 40% male	40% female 40% male 20% open
<b>Our Team</b>	44% female 56% male	40% female 40% male 20% open

1. FY24 Board gender diversity target

HUB24 is committed to empowering and developing the diversity of thought, driven by inclusion to continue to promote innovation, employee engagement and business productivity, and in alignment with HUB24's values. Alongside our diversity targets, we have adopted a four-pronged approach to developing and maintaining a diverse working culture.

Recruitment & Selection	Talent and Development	Remuneration, Recognition & Reward	Flexible Working
HUB24 proactively works to create broad and diverse candidate pools and ensure an unbiased selection process to maintain a diverse workforce, including achieving our gender diversity target outcomes.	HUB24 encourages and supports growth and development opportunities amongst all our people to help them reach their full potential. Talent planning processes identify high potential individuals from a range of backgrounds, and managers work closely with these individuals to develop their skills, experience and capability.	HUB24 rewards employees based on individual merit. We review remuneration across "like-for-like" roles on an annual basis to identify any pay gaps which may arise, including specifically considering any gender pay gap. We are transparent about our commitment to differentiating reward based on performance.	HUB24 recognises the value of supporting flexible working arrangements within our team. Options available to our team members include including paid parental leave, part time work, and the opportunity to work remotely, with the intention of developing better business outcomes through a well-supported and engaged team.



**Innovation**

Think big and outside the square



**Excellence**

Strive to be awesome



**Integrity**

Do the right thing



**Client focus**

Be easy to deal with

**3. CUSTOMER EXPERIENCE**

HUB24 is committed to continually investing to deliver innovative product solutions and customer service excellence.



HUB24's market leadership has been recognised by both advisers and the industry during FY22.

**HUB24**

**No. 1**  
**Value for Money Platform**  
2022 Advisor Technology Needs Report

**No. 1**  
**Platform Managed Accounts Functionality – 6th year running**  
2021 Platform Competitive Analysis and Benchmarking Report

**No. 1**  
**Best Platform**  
2022 Australian Financial Advice Landscape Report

**No. 1**  
**Best Adviser Experience**  
2022 Australian Financial Advice Landscape Report

**No. 1**  
**Product Offering**  
2021 Platform Competitive Analysis and Benchmarking Report

**No. 1**  
**Best Investment Options**  
2022 Australian Financial Advice Landscape Report

**CLASS**

**No. 1**  
**SMSF Software Provider**  
SMSF Advisor SMSF Awards

**No. 1**  
**SMSF Administration Platform**  
SMSF Advisor SMSF Awards

One of the ways we ensure advisers, and their clients can meet their investment and retirement goals is by providing a wide range of investment options. HUB24 has one of the largest investment menus on offer in the platform market with over 1,000 managed funds, exchange traded funds (ETFs) and managed portfolios in addition to hundreds of Australian and international listed securities. To support advisers and their clients in meeting their ethical, social and governance requirements HUB24 provides over 150 ESG investment options including SRI, ESG, Ethical and Impact focussed investments.

To enable a sustainable advice industry HUB24 is committed to supporting advisers through ongoing education. Our Managed Portfolio Academy provides CPD-accredited modules to enhance adviser understanding of client and business benefits and product information, in partnership with Striver the Managed Portfolio Academy has been made available to new advisers joining the industry to support their education requirements. HUB24 delivers regular HUBsights webinars, research papers and client support tools on a variety of adviser-related topics including mental health and wellbeing, ESG and philanthropy.

During FY22 we continued to invest in capability, provide advisers and their clients with choice and flexibility and enable advisers to deliver advice more efficiently.

Enhancement	Description
<b>HUB24 Present</b>	Market-leading digital reporting feature which enables advisers to customise client presentations in real time and deliver engaging and efficient client reviews.
<b>Digital Advice Fee Consent Tool</b>	Providing advisers with choice and flexibility to create, renew or revise client consents online, enabling them to meet their compliance obligations efficiently.
<b>HUBconnect Licensee</b>	By leveraging the Group's data and technology expertise to access and structure large sets of data. HUBconnect Licensee supports licensee's to proactively monitor their compliance obligations and delivers real-time alerts and insights to a consolidated dashboard for reporting.

#### MEASURE OF SUCCESS AND TARGETS

Measure of success	FY22 Result	FY23 Target
<b>Investment Trends Technology Needs Report Primary Platform NPS Best platform according to adviser surveys</b>	#1 Primary Platform NPS	#1 Primary Platform NPS
<b>Adviser Ratings Financial Advice Landscape Report</b>	#1 Best Platform Overall	#1 Best Platform Overall



#### Excellence

Strive to be awesome



#### Integrity

Do the right thing



#### Collaboration

Act as one team, one company

## 4. EMPLOYEE ENGAGEMENT

Investment in attracting, retaining and developing talented people continues to be a key focus for HUB24, expressed through initiatives aimed at career development, building future leadership strength, supporting a diverse and inclusive workplace and continuing to build a high-performance culture. The Group now employs approximately 700 employees across HUB24 and Class.

Key People Initiative	Delivered during FY22
<b>Prioritising employee wellbeing</b>	<p>Broadened employee benefits program including:</p> <ul style="list-style-type: none"> <li>Wellbeing centre for employees and their families</li> <li>Provision of Employee Assistance Program accessible to employees and immediate family members</li> <li>Provision of mental health and employee wellbeing training</li> <li>Wellbeing centre delivering free on-demand fitness classes, meditation and healthy eating recipes and tutorials</li> <li>Wellbeing initiatives (e.g., activity challenges)</li> <li>Volunteering Leave planned, for launch in FY23</li> </ul>
<b>Supporting Work-life balance</b>	<ul style="list-style-type: none"> <li>Embraced hybrid working model</li> <li>Enhanced Parental Leave benefit from 1 July 2022</li> <li>Expanded annual leave opportunities</li> </ul>
<b>Investing in development &amp; providing career opportunities</b>	<ul style="list-style-type: none"> <li>Unlimited access to on demand virtual learning, and expanded external training opportunities</li> <li>Leadership training program offered for all people leaders</li> <li>Internship program with University of Queensland. Planning completed for first formal graduate recruitment program in FY23</li> <li>Enhanced internal career progression through transparency in hiring demand and proactive promotion of high potential talent</li> </ul>
<b>Employee surveys</b>	<ul style="list-style-type: none"> <li>Employee engagement survey</li> <li>Board Culture survey</li> </ul>
<b>Communication &amp; engagement</b>	<ul style="list-style-type: none"> <li>Quarterly Town Halls</li> <li>Senior Leaders Forums</li> <li>Regular social events</li> </ul>

Supporting employee wellbeing has continued to be a key focus for HUB24. Our recent program enhancements provide a proactive approach to wellbeing and health, for example the Wellbeing Portal offered through our benefits platform HUBlife, which offers free access to a range of on demand fitness classes via Class Pass, recipes and cooking advice through Hello Fresh, guided meditation and financial wellbeing information. Live workshops are also available for our team covering topics around mental health and work life balance.

Recognising the challenges for our people throughout the pandemic and the changing workload pressures associated with remote and hybrid working, we have sought to balance our people's desire for flexibility with our need to maintain strong communication and culture. This has been well received by our people who scored HUB24 highly in our surveys on our approach to flexibility. In addition, we have enhanced leave opportunities with our FY22 Special Leave program, access to self-funded leave and will also offer extended parental leave from July 2022.

Internal promotions, secondments and formal development opportunities rose in FY22, reflecting our proactive approach to targeted development and fast tracking of high potential team members. HUB24 continued to invest in learning, both

formal classroom training and on-demand virtual training to ensure individuals' appetite for career velocity is supported. This has aided our retention which has tracked lower than average despite competitive market conditions.

In 2022 we transformed our approach to employee engagement, utilising a more contemporary system and methodology to support our understanding and ability to respond effectively and flexibly to the needs of our people. Given the challenge of remaining connected whilst supporting personalised hybrid working patterns, we have focused on formalising internal communication channels and structures to maximise the sense of belonging and information flow, and ensure our people understand our company purpose, strategy and progress against performance goals. This has been well received and we continue to build our communication rhythm in response to employee demand.

#### MEASURE OF SUCCESS AND TARGETS

Measure of Success	FY22 Result	FY23 Target
<b>Employee engagement score</b>	73%	Meet or exceed relevant benchmark

## 5. COMMUNITY CONTRIBUTION AND INVESTMENT



### Collaboration

Act as one team, one company



### Passion

Invest energy to make a difference



### Integrity

Do the right thing

During FY22 HUB24 supported a variety of community initiatives through both donations and providing support through board membership and skills sharing.

Community initiative	Support provided
<b>Pro Bono Financial Advice Network</b>	Board representation Marketing support
<b>Jawun Cape York Leaders Program</b>	Financial support for two Indigenous students to complete tertiary education
<b>Save a Child's Heart</b>	Financial donation
<b>Red Cross</b>	Financial donation
<b>Solar Buddy</b>	Workplace giving program
<b>Beyond Blue</b>	Financial donation
<b>Cancer Council</b>	Financial donation

HUB24 is a corporate partner of the Pro Bono Financial Advice Network (PFAN) and organisation set up to connect Australian's suffering from critical illness with professional financial advice. HUB24 is a member of the PFAN Board and provides marketing support as well as leveraging adviser relationships to drive awareness and recruit advisers to join the network.

HUB24 is a long-term supporter of the Save a Child's Heart organisation an international not for profit with the mission of improving the quality of paediatric care for children in developing countries.

To support indigenous communities HUB24 provided funding to the Jawun Cape York Leaders Program to support tertiary education for two students. The Jawun Cape York Leaders Partnership is a not-for-profit organisation that works to empower indigenous families and communities to strive of lives of value, freedom and prosperity. Additionally, we have continued to support key industry initiatives like the Financial Industry Community Aid Program (FICAP), which brings together the Sydney financial services community to support charities that benefit young Australians and their families.

SolarBuddy is an initiative which helps provide, clean, safe reliable energy and immersive STEM education opportunities to Australian communities living with energy insecurity. As a charity partner of Class Limited, SolarBuddy has received financial support through corporate donations and employee gift-matching.

During FY23 HUB24 will be consolidating and expanding the Group's philanthropy initiatives under the HUBempower program which will also support employee gift-matching, employee volunteering and new community initiatives aligned with our purpose of empowering better financial futures, together.

### MEASURE OF SUCCESS AND TARGETS

Measure of success	FY22 Result	FY23 Target
<b>Contribute to our Community to relevant causes &amp; organisations that align with our Purpose and Vision</b>	\$75,000 donated	<ul style="list-style-type: none"> <li>\$130,000 contributed to community initiatives</li> <li>Embed community contribution in HUB24 operating model</li> </ul>





### Passion

Invest energy to make a difference



### Innovation

Think big and outside the square

## 6. CLIMATE RISKS AND OPPORTUNITIES

### RESPONDING TO THE IMPACTS OF CLIMATE CHANGE

The impacts of climate change present systemic risks not only to our business and our customers but the broader community as a whole. HUB24 supports the aims of the Paris Agreement in facilitating the transition to a decarbonised world.

As stated in our FY22 Annual Report, the conduct of our operations is not subject to significant environmental regulations under Australian legislation. However, as a business we are committed to evolving our operations with a goal to achieve net-zero emissions by 2030<sup>1</sup>.

Since inception HUB24 has taken a digital-first approach to customer communications delivering communications electronically. Throughout our offices we continue to recycle paper, batteries and office equipment, like toner cartridges.

### BUILDING ENERGY RATINGS FOR BOTH HUB24 AND CLASS PRINCIPAL OFFICES

- HUB24, Level 2, 7 Macquarie Place, Sydney, NSW, 2000
- Class, Level 20, 580 George Street, Sydney, NSW, 2000

Building	Energy Rating	Dec 2021 rating	Dec 2022 target
HUB24	NABERS Energy	5	5
HUB24	NABERS Water	4.5	4.5
Class	NABERS Energy	6	6
Class	NABERS Water	5	5
Class	NABERS Waste	3	3
Class	NABERS Carbon Neutral	Certified carbon neutral	Certified carbon neutral

During FY23 we will determine our scope 1 and 2 emissions with a view to achieving net zero emissions by 2030 through driving strategy and initiatives to assess and improve our environmental impact.

Our approach to reducing our climate impacts will include calculating our baseline greenhouse gas (GHG) emissions by assessing our operational emission sources to appropriately determine scope 1 emissions and calculating our energy consumption to appropriately determine scope 2 emissions. Using this as a baseline we will develop a strategy for emission reduction.

### MEASURE OF SUCCESS AND TARGETS

Measure of success	FY23 Target
<ul style="list-style-type: none"> <li>• <b>To appropriately calculate our baseline GHG emissions (Scope 1 &amp; Scope 2) by close FY23</b></li> </ul>	Carbon Neutral by FY2030 - i.e. Net Zero Scope 1 and Scope 2 emissions by 2030
<ul style="list-style-type: none"> <li>• <b>To appropriately calculate our baseline for energy consumption of operations and data centres by close FY23</b></li> </ul>	

1. Our net zero by 2030 target includes scope 1 and scope 2 emissions. Scope 3 emissions will be explored separately.



**Integrity**  
Do the right thing



**Excellence**  
Strive to be awesome

## 7. DATA PRIVACY AND SECURITY

From 2020 to 2021 the number of self-reported cyber incidents increased by over 13% in Australia, causing losses of over A\$33 billion, a trend the World Economic Forum has declared one of the major business risks of 2022.<sup>2,3</sup>

Data privacy and security for our customers is a high priority and we continue to take a proactive approach to managing cybersecurity threats and ensuring data security.

HUB24 is on a program of continuous improvement with respect to its cyber and information security. A key component to this program is the implementation and adoption of the Essential 8 strategy recommendations of the Australian Cyber Security Centre. During FY22 HUB24 has enhanced controls to substantially achieve maturity level 1 of the Australian Cyber Security Centre's Essential 8 mitigation strategies. This project will be completed and progress will be made towards achieving level 2 maturity during FY23.

HUB24 is bound by, and committed to supporting the Privacy Act 1988 (Privacy Act) and have disclosed how we collect, maintain and handle personal information in our privacy policies, which can be located under the following links:

<https://www.hub24.com.au/privacy-policy/>

<https://www.class.com.au/privacy-policy-directory/>

In addition,

- All employees undertake Information Security and Cyber Awareness training on induction and annual refresher training.
- Regular alerts keeping staff up to date on the latest cyber scams and fraudulent behaviour.
- We maintain an annual program of penetration and vulnerability testing across our technology environment. This includes prompting employees to check authenticity when opening certain emails and attachments.

During FY22 HUB24 has maintained ISO27001 Data Security certification and have continued to mature HUB24's cyber resilience program, which includes modifications to HUB24's Cyber Risk Management framework in line with evolving cyber environment.

Throughout FY22 we have continued to mature and evolve our IT Service Management practices, including the development and implementation of additional governance models for Vulnerability Management, Change Management, Configuration Management, Asset Management and Service Level Management

We will continue to ensure that privacy awareness remains an integral part of our business by considering privacy risks in all our operations and regular privacy training is successfully completed for our employees.

### MEASURE OF SUCCESS AND TARGETS

Measure of success	FY22 Result	FY23 Target
<b>Continued maintenance of ISO27001 IT compliance standards, operating on an annual program of surveillance audits and a full recertification every 3 years</b>	Maintained ISO27001 IT compliance standards	Maintain ISO27001 IT compliance standards
<b>Adherence to and the adoption of, the Essential Eight strategy recommendations of the Australian Cyber Security Centre</b>	Well-progressed towards achieving maturity 1 level for the Australian Cyber security Centre's Essential 8 mitigation strategies	Achieving maturity level 1 for the Australian Cyber Security Centre's Essential 8 mitigation strategies by FY23 and progress towards level 2

2 <https://www.cyber.gov.au/sites/default/files/2021-09/ACSC%20Annual%20Cyber%20Threat%20Report%20-%202020-2021.pdf>

3 [https://www3.weforum.org/docs/WEF\\_The\\_Global\\_Risks\\_Report\\_2022.pdf](https://www3.weforum.org/docs/WEF_The_Global_Risks_Report_2022.pdf)

# CONCLUSION

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During FY22 the HUB24 Group has continued to evolve our approach to sustainability as we delivered on our objectives and set the foundations for the future.

As we move into FY23 we are focused on our 7 key sustainability focus areas, as we progress our strategic objectives to be the best provider of integrated platform, data and technology solutions and to achieve our purpose of empowering better financial futures, together.

HUB24 Limited (in this report reference to 'Group', 'we', 'us', 'our' or HUB24 refer to the HUB24 Group and its controlled entities) have previously reported social and governance disclosures in our Annual Report and on our website but given the growing importance of ESG for our business, our customers, shareholders, employees and the broader community, we wanted to take the opportunity to highlight ESG as a focus area for our business by publishing our first annual Sustainability Report.

For our FY22 Sustainability Report for HUB24 we have referred to the GRI 2021 Standards. This first annual ESG Report of HUB24 Limited and its controlled entities (the Group or HUB24) for 1 July 2021 through to 30 June 2022 was authorised for release by the Managing Director on 13 October 2022. This report covers the Company as an individual entity as well as the Group consisting of the company and its subsidiaries.

HUB<sup>24</sup>

