



# SUSTAINABILITY REPORT

2017





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# ABOUT LINK GROUP

## THE SCALE OF OUR BUSINESS

- We employ **4,300** people in 11 countries and support over **3,000** clients globally.
- We provide services to approximately **10** million superannuation account holders and **30** million individual shareholders.
- We complete over **20** million payment transactions and answer **4.3** million calls each year.
- We process over **8** million employer contributions and over **\$100 billion** in payments each year.

## OUR FY2017 FINANCIAL PERFORMANCE

- Our revenue was **\$780** million, of which **90%** was recurring.
- Our Operating EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) was **\$219 million**, up 15% on FY2016.
- Our Operating NPATA (Net Profit After Tax and after adding back tax affected acquired Amortisation) was **\$124** million, up 21% on FY2016.
- Statutory Net Profit After Tax (NPAT) was **\$85** million, up 101% on FY2016.

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 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 largest corporations.

Our core business divisions are:

- **Fund Administration.** We are Australia's most innovative superannuation administrator, providing services to more than 50 funds and approximately 10 million superannuation account holders, hosting more than 20 fund manager sites and maintaining over 30 branded EmployerAccess sites.
- **Corporate Markets.** Our global share registry and investor relations business services over 2,000 clients globally, including a number of Australia's largest companies, and globally manages over 30 million shareholder accounts. Our integrated suite of services helps organisations to manage their interactions with the capital markets and meet the obligations of public ownership.

- **Information, Digital & Data Services.** Our proprietary technology platforms allow us to automate wealth management workflows, manage large consumer and member bases, and provide insights through predictive analytics. We also help clients manage data and analyse information, using innovative technology to provide them with end-to-end solutions, as well as value-added services.

Link Group had 4,297 employees across 11 countries as at 30 June 2017.

Our core values are **Professionalism, Teamwork, Integrity, Respect** and **Commitment** and these support the way that we work, the type of company that we want to be, and how we approach our clients, their members and their investors.

# MANAGING DIRECTOR'S MESSAGE

Link Group started out as a share registry business within an accounting firm and has now been operating in various forms for more than 50 years. The company has today evolved into a provider of technology-enabled outsourced services for the superannuation and corporate markets industries. Our business continues to benefit from a focus on investment in people, processes and technology, with more than \$300 million invested over the past 10 years.

We are continually innovating and evolving. From being an organisation that once sent and processed millions of sheets of paper for our clients, we have moved on to become one that provides systems and software solutions that enable fund members, employers and investors to transact business online, at times that suit them. We encourage our clients to move away from paper-based solutions to online ones by offering a range of digital products that provide better, faster and more secure services – to everyone.

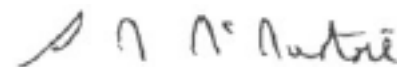
As we grow and evolve as a global financial services and technology Company, we are keen to ensure that our business is sustainable. We seek to identify, understand and manage the risks arising from globalisation, technology,

changing business environments and increasing societal expectations, even as we explore the opportunities that these create.

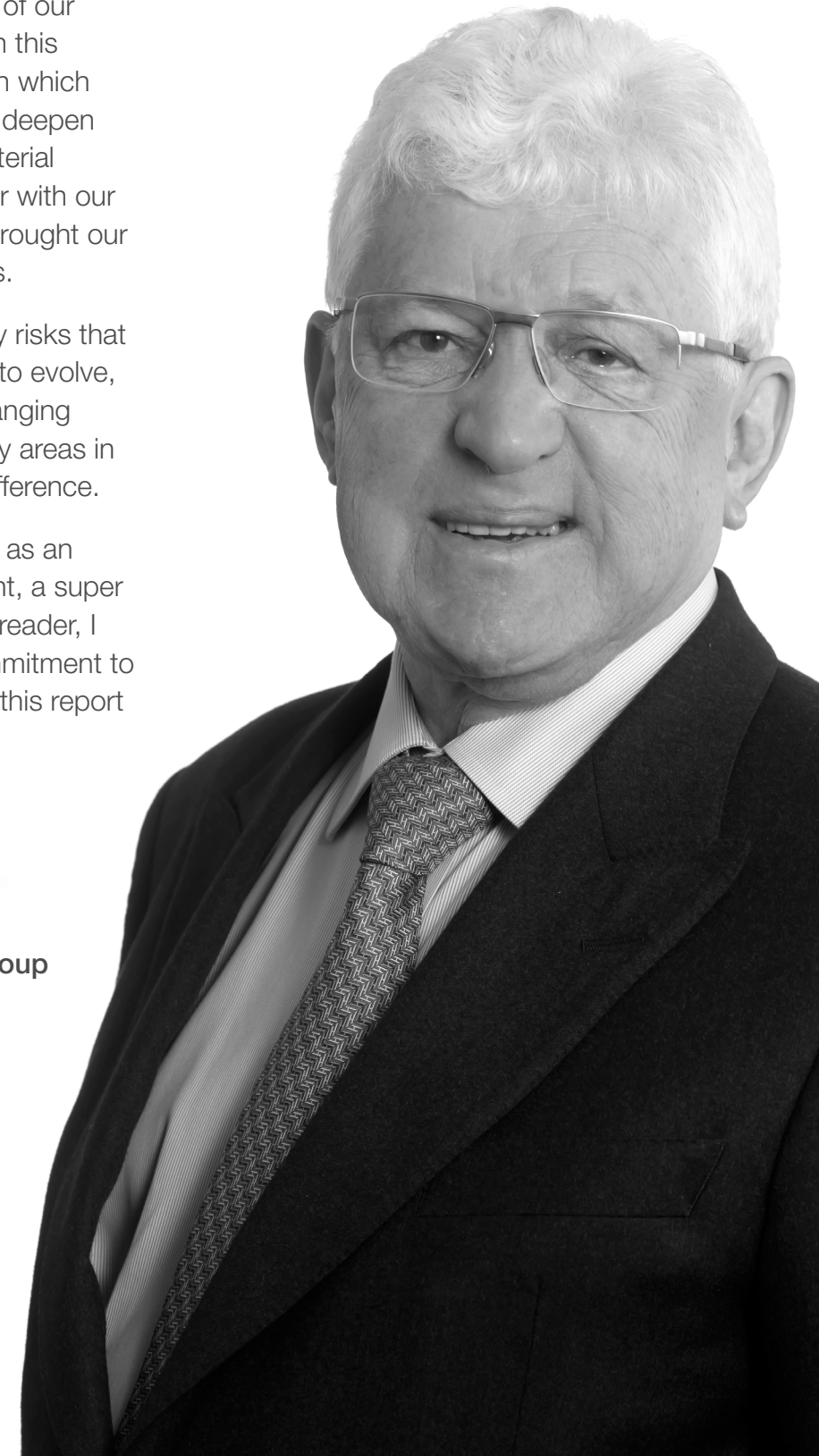
We have widened the scope of our sustainability reporting, which this year covers all 11 countries in which we operate. We continue to deepen our understanding of our material risks, we are engaging further with our stakeholders, and we have brought our supply chain into the process.

Focusing on the sustainability risks that we face will help 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 reading this as an employee, an investor, a client, a super fund member or as a casual reader, I hope that you share our commitment 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 a means of ensuring the long-term success of the Company. Link Group aims to achieve this by identifying and managing the most material and significant risks to its longevity in a rapidly changing world. As we continue on our sustainability journey, we are constantly reviewing how we manage sustainability issues. We see our investment in technology and innovation as a driver of enhanced sustainability. For example, promoting e-communications and investing in new apps and web-based reporting allows us to cut paper consumption and reduce mail costs, while increasing our use of video conferencing helps us to reduce emissions and drive down air travel costs.

During FY2017, we enhanced our Sustainability Framework, the

structure within which we implement our Sustainability Strategy to make meaningful and lasting contributions to our industry, society and environment. The Strategy helps us to generate value for our shareholders, our people and the community, and to manage key risks to our long-term survival.

## **We now have in place:**

- an over-arching Company-wide set of values and a Code of Conduct that define broad behaviours for our people, both when they are dealing with each other and with our clients and suppliers;
- 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 defines what we aim to achieve, and drives our approach to getting there;
- policies that define our adherence to legal, regulatory and Company requirements and the specific required behaviours to address these. Also included are supporting processes, controls, training, communications and monitoring, and a detailed system for ensuring policies and procedures are regularly updated;
- ongoing initiatives across all the areas on which we report (employees, environment, community, governance and suppliers) to ensure continuous improvement in our sustainability performance;

- regular reporting to internal and external stakeholders on our sustainability performance and the effectiveness of the initiatives we undertake;
- an ESG-focused Sustainability Committee of Senior Executives and divisional representatives to oversee and provide direction to our sustainability efforts, reporting to the Managing Director and thereby to the Board; and
- a drive to innovate and take advantage of opportunities that will allow us to make a real difference to our world and continuously build our reputation as a good corporate citizen.

We will continue to review, enhance and report on the steps we are taking to ensure the continuous improvement we seek.





# ABOUT THIS REPORT

We believe that our Sustainability Report demonstrates the Company's commitment to becoming more sustainable as well as our commitment to transparency. In this year's report, our third as a listed company, we describe in detail how we identify and manage the most critical risks to our business or reputation, again extending the scope of our reporting from last year.

We report in accordance with the Global Reporting Initiative's G4 standards, with the number and range of disclosures selected to include only those most material to our business. The report covers FY2017, from 1 July 2016 to 30 June 2017.

In this year's report, we have extended coverage from last year's five countries to all 11 countries in which we operate. We also, for the first time, report on

our supply chain and how we will seek to ensure that our suppliers are as committed as we are to continuously improving sustainability performance. We have included a summary of our operational performance to make clear the link between sustainability and long-term business success. We have continued to refine our processes for measuring and benchmarking our performance. Finally, we have either cut back or relocated a portion of the country-by-country detail. We have chosen to instead identify any outlier results and to clarify the reasons for them. By doing this, we hope to reduce the amount of statistical 'noise' in the report and give greater clarity and focus to our key disclosures and conclusions.

As this report includes all our global businesses for the first time, we are now setting targets for various measures related to Our Environment and Our

Community in addition to the targets we have set for employee diversity. This move reflects the importance that we attach to continuously improving our performance. The targets will be for 2020 and will be finalised by the end of FY2018. We will report progress against them in future years.

As we come to understand the most material and important sustainability issues to our business, we are focusing more intently on the areas presenting the greatest sustainability risk and where we can aim for continuous improvement. We look forward to increasing over time the scope, range, relevance and interest of our sustainability reporting to all our stakeholders.



# FY2017 PERFORMANCE AT A GLANCE

Energy consumed in Australia was 766,245 kW-h less than in FY2016, saving us over **\$98,199** and cutting emissions by 814 tonnes of CO<sub>2</sub>e

Emissions of CO<sub>2</sub> from energy used in our offices: **9,062** tonnes of CO<sub>2</sub>e



Our workforce comprises **47% males** and **53% females**



**68%** of employees who take parental leave return to work



We recycled **113.2** tonnes of paper that we received



These statistics apply to all **11** countries in which Link Group operates except where otherwise stated

**88%** of paper consumed in our offices was environmentally certified

**70%** of employees covered by collective bargaining agreements

Women hold **33%** of executive/CEO positions and **33%** of senior leadership positions

**\$418,462** was donated to charitable organisations by the Company and employees

**11** community organisations supported





# OUR PEOPLE

The broad achievements and trends related to our employees are discussed in the Our People section of the Annual Report.



## TARGETS FOR 2019

### Targets for male and female participation rates

- Senior Executives: 28% female (FY2017: 33%)
- Senior leaders: 42% female (FY2017: 33%)
- Line managers: 45% female (FY2017: 39%)
- Senior technical specialists: 33% female (FY2017: 29%)
- Administration employees: 37% male (FY2017: 39%)

### Targets for gender pay equity by 2019:

- Senior Executives; senior leaders; managers; professionals. Pay difference, all groups:  $\pm 5\%$  (FY2017: +4% to -4%)

### Target for rate of return to work after parental leave by 2019:

- Rate of return to work: 90% (FY2017: 68%)

Across Link Group, we have 4,188 full-time equivalent (FTE) employees, working out of 25 offices.

All fractions of an FTE or 'headcount' position have been rounded down to the nearest whole number. Note that 'Our People – supporting data', on pages 18-21, should be read in conjunction with this section.

## PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

### Gender breakdown by employee type:

There is a numerical imbalance between males and females in IT, due to the large number of predominantly male independent contractors. This is an industry-wide issue in Australia. On the Board, three out of seven directors, or 43%, are women, well ahead of the 30% target set for S&P/ASX 200

companies by the Australian Institute of Company Directors. We are striving to increase female participation at all levels of management. See the panel above for our 2019 targets related to gender balance.

**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.

### Rates of employee hire and staff turnover:

Our focus is on those people who have left us voluntarily. Their decision to go may have been due to factors under our control.

**Equal pay:** Our policy is to pay equal pay for the same work. Broadly, women in senior positions earn up to 4% more

or less than men in similar positions, while for other positions differentials exist but are narrower. See the panel above for our 2019 targets.

## PROVIDING A GREAT WORK ENVIRONMENT AND BENEFITS

### Training and development:

Link Group provides training suited to individual needs and requirements. See page 21.

**Performance reviews:** We review individual performance twice a year 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 help them to return to work afterwards. See the panel above for our 2019 targets.

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





## MAINTAINING EXCELLENT 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:** In order to manage seasonal peaks and some one-off projects, we may use casual or contract staff. Where vacancies exist and candidates are suitable, we offer permanent positions.

**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 forced 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.

## Parental leave performance in FY2017

- eligible for parental leave: 1,627 female, 1,425 male;
- took parental leave: 124 female, 9 male;
- returned to work after: 84 female, 7 male; and
- rate of return: female 68%, male 78%.

## Covered by collective/enterprise agreements, FY2017:

- 70% of employees globally.

## Workplace grievances in FY2017:

30 workplace grievances were filed with Human Resources during FY2017 in all countries. 31 were addressed (one had been filed during FY2016) and 30 were resolved before 30 June 2017.

## Workforce overview of the total 4,188 FTE employees in all countries:

- males to females 47%:53%;
- under 30 41%; 30-44 38%; 45 and over 21%; and<sup>1</sup>
- Link Group keeps no formal data on ethnic background.

## Employment status and gender:

- permanent and fixed term: 93%; temporary, casual and contractor not directly employed by Link Group: 5%; parental leave: 2%;
- women made up 52% of permanent employees, 49% of fixed-term employees; 66% of casuals; 44% of temporary employees; and 28% of contractors; and
- women held 33% of executive/CEO and 33% of senior-leader positions.

## Employee hire and turnover

- voluntary departures: rolling turnover rate Australasia 23%, Rest of the World 29%; and
- new hires: Rolling hire rate Australasia 13%, Rest of the World 37%.

## Training and development performance

- formal training per FTE employee: 22 hours; and
- see page 21 for a breakdown of training types and what this figure includes.

## Performance reviews FY2017

- Employees receiving performance reviews: Australasia 96%, Rest of the World 70%.



# OUR ENVIRONMENT



## Office emissions, globally, FY2017

Energy consumed and resulting emissions in our leased offices:

- Energy consumed: 6,470,113 kW-h
- Emissions: 6,952 tonnes of CO<sub>2</sub>e.

## Air travel

- Total distance flown, FY2017: 8.1 million km
- Emissions released: 2,110 tonnes CO<sub>2</sub>e.

See page 22 for how these figures were derived.



Link Group is a service-based company, with limited consumption of natural resources. For this reason, environmental risks are less significant for us than for companies producing material products. Specifically:

- we operate from leased city-centre offices, owned and managed by others;
- most of our work is technology based, with little use of physical 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 and we are for the first time setting targets for 2020 for our environmental performance. We are continuing to review other environmental risks that may be material to our business, as well as how we can improve our environmental performance.

Note that the information in 'Our Environment - supporting data' on pages 22-23, should be read in conjunction with the information in this section.

**Energy use:** The energy consumed in our offices is almost entirely grid electricity. We have not separated out energy used for heating and cooling. During FY2017 we consolidated three Melbourne offices into Tower 4 at Collins Square, and moved our Perth office to QV1 in St Georges Terrace. Both buildings are 5-star NABERS energy-rated. Our Mumbai office also moved into The Park 247, a LEED-certified Gold-rated green building in Vikhroli. These moves are already helping us reduce energy costs and lower our CO<sub>2</sub> emissions. Our intention over time is to take more space in energy-efficient buildings.

**Air travel:** Our major air-travel-related impact is emissions from commercial airline flights. Other air-travel impacts (waste, spills and noise) are low impact and outside our control. We do not purchase offsets on flights, however through an increased use of video technology we aim to reduce the volume of travel.





# OUR ENVIRONMENT

**Emissions:** The key types of energy consumed in our offices are electricity and a minimal amount of gas. We do not sell energy. To the best of our knowledge, we did not directly consume any steam or coal.

**Emissions intensity:** This year we are reporting our emissions intensity for the first time, both in terms of emissions per employee and emissions per \$ million of revenue. Intensity targets may better show our effectiveness at reducing emissions over time, given that our workforce size – and the office space we lease – will fluctuate as the company evolves. This year's figures serve as baseline metrics with a view to setting targets for future years.

**Paper, cardboard, plastics:** We use paper, including envelopes, for client mailings to fund members and investors, plus some plastic. We encourage clients and their investors and fund members to migrate to electronic communications. We are also seeking to drive down paper consumption, use more recycled and carbon-neutral paper for mailings and recycle more paper. In our own offices, we will reduce paper use and continue to review progress to see what more we can do. Future targets will cover only our own office paper use.

**Other materials:** Not reported this year. In future years, we plan to report on:

- our disposal of end-of-life IT hardware; and
- non-paper personal waste (recycled waste, organic waste and landfill) generated in our offices.

## Total paper and cardboard used, FY2017

- Paper consumed in our offices: 54 tonnes
- Paper consumed on behalf of clients: 584 tonnes
- Paper/cardboard recycled by Link Group (received from investors and fund members, scanned then sent for recycling): 113.2 tonnes
- Cardboard consumed (for clients): 2.67 tonnes



## We used three types of plastic on behalf of clients (all from non-renewable sources):

- Stretch wrap and shrink wrap film: 3.284 tonnes
- Biaxially-oriented polypropylene: 4.2 tonnes;
- Rigid PVC: 2.3 tonnes.

## Total emissions

- Total emissions, FY2017: 9,062 tonnes CO<sub>2</sub>e

This figure includes office energy usage and air travel globally. See page 22 for how these figures were derived.



## Emissions intensity

- Emissions per employee in FY2017: 2.16 tonnes per FTE
- Emissions per \$ million of revenue: 11.62 tonnes per \$ million

See page 22 for how these figures were derived.



# OUR COMMUNITY

## Given by employees

- Total amount given by all employees, Australia only, in Link-Group-promoted events and through workplace giving: \$95,718

## Employees' community volunteering during FY2017

- 457 hours, paid for by Link Group

## Group in-kind merchandise and direct cash donations, including sponsorships, during FY2017

- Total amount given by Link Group and its subsidiary companies, Australia only: \$305,167

Link Group contributes to a range of activities 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. Senior Executives champion initiatives and employees are encouraged to participate in programs that are aligned with current focus areas.

We have introduced some changes to our Corporate Social Responsibility (CSR) program over the past 12 months. Its evolution will continue next year as we work towards a closer alignment with our business practices and as our international offices become more involved. Our goal is to promote good health and wellbeing, work towards gender equality, ensure inclusive and quality education for all, and promote lifelong learning.

## 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; and
- other (O): Includes activities not listed above, such as awareness programs.

## Education

- LBW Trust<sup>1</sup> – 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 Mothers' Day Classic – walk/run for the National Breast Cancer Foundation (CD, EF, V)
- Sydney Children's Hospital – Diamond Event (CD)
- National Association for Prevention of Child Abuse and Neglect, NAPCAN (WG)
- Starlight Foundation (WG)
- Garvan Institute (WG)
- Humpty Dumpty - Balmoral Burn (CD)

## 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)
- Cerebral Palsy Alliance<sup>1</sup> – September (CD, EF)

## Environment

- Earth Hour – Link participates (O)

## Culture

- GO Foundation – Empowering through education (CD)
- Harmony Day – celebrating cultural diversity by encouraging employees to wear their national dress to work (O).

1. International initiative



# OUR SUPPLY CHAIN

This year, for the first time, Link Group is including its supply chain in the Sustainability Report. As supply chains contribute to the Company's success, so too must they play a role in its approach to sustainability.

## HOW OUR SUPPLY CHAIN WORKS

Link Group manages its procurement through a number of senior commercial managers who are responsible for the Company's most significant supply contracts and larger one-off purchases. These processes are overseen by Finance. Some 82% of our annual supplier spend is with Link Group-preferred suppliers of services including facilities, IT, travel, telecommunications, print and mail, distribution and energy. In general, these are our larger supplier contracts.

The remaining 18% of our spend 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 contracts are often smaller and negotiated locally. 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-one suppliers. It is with these suppliers that we have direct, often long-standing, relationships.

We believe that higher-risk practices are less likely to occur among our own direct suppliers and more likely to occur further up the supply chain, such as in the supply chains of our larger suppliers. One potential example is among the companies providing raw materials that are used in the manufacture of the products our key suppliers use. By working with our direct, tier-one suppliers, we seek to influence them to make a positive change.

## OUR SUPPLY CHAIN REPORTING

For this first year of reporting on our supply chain, we have engaged with our largest or material suppliers. These represent \$133 million, or 55%, of our total non-labour costs of \$243 million.

As we continue to learn about our own sustainability issues, we are gaining an understanding of the risks our suppliers face that could impact on Link Group. We will work with them to encourage and support them in managing these risks by committing to a process of continuous improvement. During the year, we asked suppliers to complete a questionnaire detailing how they manage a number of aspects of sustainability, including company policies, risk management, business continuity planning (BCP), management systems, public reporting, labour standards, the environment, community involvement, supplier relationships and stakeholder engagement. Our aim was to start the process by gaining an initial understanding

of the key issues each supplier faces so we can determine where to focus our efforts in the future. We do not identify individual suppliers, but rather seek to work directly with them to achieve the improvements required. This is an ongoing dialogue and will continue for the foreseeable future.

In future years, we will concentrate on the issues most likely to present a potential risk to Link Group, focusing in greater detail on a smaller number of topics. We are currently reviewing how we can encourage our most material suppliers to align themselves to the same sustainability standards as we observe. In future, we will incorporate sustainability requirements into tendering processes as a way of reinforcing the issues that are most important to us.

## 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.

We intend to look further down our supply chain, carrying out risk assessments on selected suppliers and talking to and working with a broader group to ensure their commitment to sustainability matches ours.





# OUR GOVERNANCE



Link Group has a strong governance and management framework in place. Many of the risks faced by Link Group have the potential to expose the Company 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, which requires us to address these risks and report progress. Finally, there is an ever-increasing expectation by society that we will strive for the highest standards of corporate governance.

## GOVERNANCE BODIES

The Board of Directors 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 the Company for the benefit of all stakeholders.

The Board seeks to ensure that the Company is properly managed and that Directors, officers and employees operate in an appropriate corporate governance environment. The Board has adopted a framework for managing the Company which includes internal controls, risk management processes and corporate governance policies designed to promote the Company's responsible management and conduct. Separate Board Committees for Human Resources and Remuneration; Risk and Audit; Nomination; and Technology and Innovation, ensure that the Board has detailed oversight of key business risks. These Board Committees are supported by a number of management committees. To promote the long-term future of the Company, 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](http://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.



# OUR GOVERNANCE

## PRIVACY-RELATED COMPLAINTS DURING FY2017:

- Complaints substantiated (Australia and New Zealand): 11 (out of millions of transactions on behalf of 40 million account holders and shareholders).

## RISK MANAGEMENT

Effective risk management is crucial for a data management service provider like Link Group. Our risk management approach comprises a range of comprehensive policies backed up by a detailed management framework. The policies and framework are regularly reviewed to ensure relevance and currency.

As a services business, we believe that the risk of our products being detrimental to people or the environment is very low. In addition to our own controls, we take out adequate 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](http://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 renewal;
- the political and regulatory environment;
- our continuing ability to attract and retain key personnel;
- the integration of acquired businesses and execution of new acquisitions; and
- increased competition.

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 30 million shareholders.

### Business Continuity and Disaster

**Recovery:** Due to the nature of its business, Link Group is heavily dependent on systems and processes. We work hard to provide uninterrupted service to clients and end users under even the most challenging of circumstances. 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,

we expect that under almost all likely scenarios we should be able to resume operations from alternative locations within contractually required and 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, full compliance training and testing of all employees. There is the potential for disciplinary action for policy breaches. Privacy policies are equally strict. All staff receive regular training on their obligations under the Privacy Act 1988 (Cth), with processes to promote compliance.

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.



# OUR GOVERNANCE

## FINES/SANCTIONS FOR NON-COMPLIANCE DURING FY2017:

- No Link Group entity faced/suffered criminal or civil sanctions for non-compliance.
- There were no confirmed incidents of corruption of any sort.

**Policies and procedures:** In addition to robust and efficient processes and systems, we have strict rules and policies to assist all employees, at every level of the organisation, 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. There is a focus on the below areas.

- **Our values.** Our values of **Professionalism, Integrity, Commitment, Respect** and **Teamwork** underpin everything we do.
- **Our Code of Conduct.** This is a set of general behavioural requirements.
- **Privacy and data security policies.** These require everyone to take steps to protect clients' data.
- **Equality and diversity policies.** These deal with issues like equal opportunity, bullying, discrimination and harassment.
- **Managers' policies.** These outline how specific situations and issues, including incidents, breaches and whistle-blowers and their protection, should be managed.

- **Legislated responsibilities.** These include workplace health and safety, anti-money laundering/counter-terrorism financing, 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 6-8 modules, with managers completing a number of additional ones. For every module, a minimum score is required. New employees do the same training when they start. No one is exempt.

**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. Whilst we believe that ethical issues such as bribery, corruption and fraud are low order risks to Link Group, we continue to apply our risk management frameworks to prevent or mitigate any such risk.

## 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 2017. 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 transparency on the next page.



# OUR GOVERNANCE

**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 which 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; and
- apply carried-forward tax losses where the tax legislation enables us to do so.

**Related party dealings overseas:**

Less than 10% of Link Group's revenue is currently earned in overseas locations. Accordingly, we do not believe that related party dealings in our overseas offices 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 those operations. Link Group has arrangements in place for certain transactions to ensure material, international related-party dealings are conducted on an arm's length basis.

Our Australian head office provides some executive, human resources, payroll, finance and accounting support, and where possible we re-charge significant costs back to the subsidiary.

A management fee or royalty may also be charged to overseas subsidiaries for the use of intellectual property owned by Link Group.

**Breakdown of tax paid:** The unaudited breakdown of all tax payments in Australia and all overseas locations for the year ended 30 June 2017 is as follows:

	Corporate income tax \$'000	Employer payroll taxes <sup>3</sup> \$'000	Total tax payments borne \$'000	Goods & services and value added tax \$'000	Employee payroll taxes <sup>4</sup> \$'000
Australia <sup>1</sup>	526	16,423	16,949	47,723	73,267
Overseas <sup>1, 2</sup>	1,910	-	1,910	4,040	3,565
	2,436	16,423	18,859	51,763	76,832

1. Link Group has tax losses in Australia, South Africa, 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. Overseas includes New Zealand, India, Papua New Guinea, South Africa, the UK, Germany, France, Hong Kong, Philippines and Dubai. Taxes are paid based on the applicable tax rates in those countries. Link Group has an active business in all overseas countries.
3. Employer payroll taxes are paid to various Offices of State Revenue (OSR) in Australia or an equivalent body and Fringe Benefits Tax (FBT) to the Australian Taxation Office (ATO) or an equivalent body.
4. Employee payroll taxes includes pay as you go (PAYG) withheld from employee's wages paid to the ATO or an equivalent body.



# SUPPLEMENTARY INFORMATION

This section provides detailed performance breakdowns for the Our People and Our Environment sections, from which the headline figures included in the main section of the Sustainability Report were derived. It contains tables, data splits by country, qualifications, explanations and assumptions, and information on how metrics were calculated. In some cases, we felt that the raw figures contained a greater level of detail than was suitable for the main report but may still be of interest to readers.

## OUR COMPANY – SUPPORTING DATA

Detailed information on Link Group and its business divisions is included in the Annual Report and on our website, [www.linkgroup.com](http://www.linkgroup.com).

This report covers 25 operations (offices) in the 11 countries in which we operate.

### Major changes during the year:

On 26 June 2017, Link Group announced that it had entered into a binding agreement to acquire Capital Asset Services (CAS) from London Stock Exchange-listed Capita plc. CAS is an established platform of scale providing a broad range of financial and administrative services in the UK and Europe.

**Changes of location:** Operations that have moved office in the last year include our three Melbourne offices, which consolidated into Collins Square; the Perth office, which moved to QV1 in St Georges Terrace; and our Mumbai office which moved into The Park 247, a LEED-certified Gold-rated green building in Vikhroli.

### Charters and associations:

- Link Group did not subscribe to any externally developed economic, environmental or social charters, principles or other initiatives during FY2017.
- During FY2017, 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 FY2017, Link Group employees were members of or participated in working groups or project committees, in the following industry bodies or organisations:
  - In Australia: 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), and the Australian Taxation Office (ATO).
  - In the UK: IR Society.

## OUR PEOPLE – SUPPORTING DATA

This section contains detailed performance data. Note that, because each number of FTEs is rounded down to the nearest whole number, columns of figures may not add up to the exact total.

## PROMOTING DIVERSITY AND EQUAL OPPORTUNITY

**Local hires:** All managers and senior managers have been hired locally in all countries except Hong Kong and UAE.

**Employment type:** The types of employment provided globally are:

Employment status	Headcount	FTE
Permanent	3,738	3,642
Fixed term	274	270
Maternity	97	90
Casual	73	70
Contractor	67	67
Temporary	48	47
Total globally	4,297	4,188



# SUPPLEMENTARY INFORMATION

**Rates of employee hires and staff turnover:** As a base figure, we averaged the numbers of FTE permanent and fixed-term employees on 30 June 2016 and 30 June 2017, excluding casuals, temporary and contractor roles.

- The 12-month rolling turnover rate for all countries 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 for all countries 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 FY2017 were as follows:

Country of operation	Staff Turnover - Rolling turnover rate %	Employee Hires - Rolling hire rate %
Australasia (Australia + NZ)	23%	13%
Rest of the world	29%	37%
Average globally	24%	17%

## Gender breakdowns:

1. The female/male split of workforce (across all countries) is shown in this table. Figures are for FTE employees and do not include contractors engaged through managed services agreement who are located offshore.

Country of operation	Female %	Male %
Australasia (Australia + NZ)	53%	47%
Rest of the world	46%	54%
Across all operations	52%	48%

2. The breakdown of employment contract types and gender (FTEs across all countries) is shown here:

Employment type	Female %	Male %
Permanent	51%	49%
Fixed term	49%	51%
Casual	66%	34%
Contractor	28%	72%
Temporary	44%	56%
Total globally	52%	48%

## SUPPLEMENTARY INFORMATION

3. This is the breakdown of role types by gender for permanent and fixed-term employees across all countries:

Employee type	Female %	Male %	All %
<b>Senior executives</b>	33%	67%	100%
<b>% of total workforce</b>	0.1%	0.2%	0.2%
<b>Senior leaders:</b>			
Business leaders	8%	92%	100%
General managers	40%	60%	100%
Senior managers	36%	64%	100%
<b>% of total workforce</b>	0.9%	1.9%	2.8%
<b>Other managers:</b>			
Line managers	39%	61%	100%
Team leaders	54%	46%	100%
<b>% of total workforce</b>	5.2%	6.2%	11.4%
<b>Professionals:</b>			
Senior technical specialists	29%	71%	100%
Technical specialists	45%	55%	100%
Support specialists	53%	47%	100%
<b>% of total workforce</b>	13.4%	15.2%	28.6%
<b>Clerical &amp; administrative:</b>			
Contact centre	54%	46%	100%
Operations	67%	33%	100%
Support	54%	46%	100%
<b>% of total workforce</b>	34.9%	22.0%	56.9%
<b>Grand totals</b>	<b>53%</b>	<b>47%</b>	<b>100.0%</b>

**Equal pay:** The ratio of basic salary and remuneration of women to that of men by employee category for Australia only during FY2017 was as follows:

Position title	Australia
<b>Senior executives</b>	1.02
<b>Business leaders</b>	1.04
<b>General managers</b>	0.96
<b>Senior managers</b>	0.99
<b>Line managers</b>	0.98
<b>Team leaders</b>	0.99
<b>Senior technical specialists</b>	0.99
<b>Technical specialists</b>	1.00
<b>Support Specialist</b>	1.01
<b>Contact Centre</b>	1.00
<b>Operations</b>	0.99
<b>Support</b>	1.01



# SUPPLEMENTARY INFORMATION

## PROVIDING A HIGH-QUALITY WORK ENVIRONMENT AND BENEFITS

**Training and development:** We strongly encourage our people to develop their skills, improve their work practices and build their careers, and 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 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, and for which details were captured across all countries, was 92,387 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 global Learner Management System, which we implemented in 2015, is enabling us to capture a progressively wider spectrum of training types over time.

**Performance reviews:** The proportion of employees receiving performance reviews is provided below.

**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 (more than 87% of all employees), and we do not believe that listing all the benefits, some of which only apply to a few employees, for all 11 countries, is of any value.

**Seasonal variation:** The difference between peak and normal employee numbers is largely due to short-term peak-season and special-project requirements. The figures below show the two months when we employed the largest and smallest numbers of FTEs.

### Proportion of employees receiving performance reviews FY2017

- Australasia: 96%
- Rest of the World: 70%
- Total: 93%

**Seasonal variations:** Highest and lowest numbers of FTE employees in FY2017, largely explained by seasonal peaks and special project needs, were

- Highest: 4,385 employees
- Lowest: 4,037 employees.

# SUPPLEMENTARY INFORMATION

**Energy intensity was calculated by dividing our total emissions of 9,062 tonnes of CO<sub>2</sub>e by the total number of FTE employees (4,188) and the number of millions of dollars of revenue (780), to give:**

- emissions per FTE employee: 2.16 tonnes per FTE; and
- emissions per \$ million of revenue: 11.62 tonnes per \$ million.

## OUR ENVIRONMENT – SUPPORTING DATA

### ENERGY AND EMISSIONS

**Energy:** The key types of energy we consumed in our offices were electricity and a minimal amount of gas. We have not separated these out, or distinguished between energy used for heating and cooling. We do not sell any energy. To the best of our knowledge we did not consume any steam or coal in any of the 11 countries.

We used the power suppliers' figures for CO<sub>2</sub> emissions to convert kW-hours (units) of electricity into tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e). If the power companies did not provide CO<sub>2</sub> emissions figures, we calculated the emissions using conversion factors for each country calculated by UK emissions consultancy Econometrica from figures provided by the International Energy Agency (IEA). Our total emissions figure provides a baseline metric for us to set targets for future years.

**Air travel and transport impacts:** Our total emissions for FY2017 for all flights taken from the 11 countries covered by this report are specified based on the distance travelled per flight.

- In most cases, the emissions themselves or the conversion factors (to convert from km to tonnes CO<sub>2</sub>e) were provided by the airlines.

- Where they were not, we calculated emissions based on comparable flights for which we had accurate data.

With no significant offsets purchased, net emissions of CO<sub>2</sub> from air travel were as reported on page 10, namely, 2,100 tonnes.

Air freight volumes are extremely low and we do not consider their environmental impacts to be significant compared with those from air travel. The same applies for ground travel.

### MATERIALS – PAPER, CARDBOARD, PLASTICS

**External paper:** The total paper

used by Link Group and our printers in communications with super fund members and security holders, all sourced and printed from external suppliers, was 584 tonnes across all countries.

**Internal paper:** We used 54 tonnes of paper in our own offices in FY2017.

Total paper used for mailings and our own office use was therefore 638 tonnes.

The environmental performance of the paper we used in our offices, based on the information provided by our suppliers, was as follows. Where full information was not provided in time we

environmentally friendly, so these figures almost certainly understate the true picture. Totals are not mutually exclusive, so they add up to more than the total amount of paper used:

- 49 tonnes (88%) were either FSC, AFS or PEFC-certified or ISO14001-compliant;
- 47 tonnes (84%) utilised Elemental Chlorine Free (ECF) or Totally Chlorine Free (TCF) pulp bleaching;
- 20 tonnes (35%) were carbon neutral;
- 36 tonnes of paper (65%) was recycled stock.

**Paper recycling:** In addition to the paper we sent externally, we also recycled 113.2 tonnes of paper in our Australian offices, almost all from forms, letters and mail received in our mailrooms from investors and super fund members. All items were scanned then sent for recycling.

**External cardboard:** Total board consumed in Australia by external printers was 2.67 tonnes, all of which was made from recycled stock.



## SUPPLEMENTARY INFORMATION

**Plastics:** As well as a small part of our day-to-day office supplies, we use limited amounts of plastic, all of it derived from non-renewable sources, on behalf of our clients. We are seeking to reduce this over time. We use three main types of plastic:

- Stretch and shrink wrap films are used by our printers and mail houses to wrap multi-document mailings and pallets.
- Biaxially Oriented Polypropylene (BOPP) is used to make the clear window in window envelopes. There is no real alternative, however, as our clients progressively move from paper towards electronic statements and communications we expect volumes to reduce.
- Rigid Polyvinyl Chloride (PVC) member cards are provided by super funds to all members. Funds are moving towards providing digital versions which will, over time, reduce and eventually eliminate the need for plastic member cards.

**Waste:** In all major offices, we provide facilities for employees to separate personal waste into recycled waste and landfill. In future years, we plan to report on:

- our disposal of end-of-life IT hardware; and
- non-paper personal waste (recycled waste, organic waste and landfill); generated in our offices.

### Plastics

Three types of plastic, all from non-renewable sources, were used by our Australian printers and mail-houses on behalf of clients:

- 3.284 tonnes of stretch and shrink wrap film (used for wrapping pallets and also larger mailed documents and packs) were used;
- 4.2 tonnes of Biaxially Oriented Polypropylene, or BOPP (used for window envelopes) were used; and
- 2.3 tonnes of rigid PVC were used for producing super fund membership ID cards. This figure includes discarded off-cuts, but excludes off-cuts sent for recycling.



# REPORTING METHODOLOGY

This Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. It uses the GRI Financial Services Sector supplement as a reference. However, most issues included in that supplement relate to potential impacts arising through investments or the financing of projects, which are irrelevant to us, so we do not address them in this report.

## IDENTIFYING MATERIAL TOPICS AND BOUNDARIES

In defining the Sustainability Report's content and topic boundaries, we used the same approach as last year. Reasons for this included:

- there were no material changes to our business that required us to change our thinking in any significant way;
- in FY2016, in the first Sustainability Report we published as a listed company, many disclosures only covered five countries. This year we decided to extend them to all of our overseas operations;
- the decisions we made last year still apply. Namely, that employee impacts are fundamental to our business and apply across the company and in all countries; that environmental impacts are limited and typical of companies operating in office environments; and that community impacts are limited

but can be positively increased via the company's own initiatives; and

- some potential impacts, such as those related to human rights and corruption, have limited relevance for our business. We are currently reviewing the number of material topics that we report on.

Of all the possible material topics listed in the GRI Standards, we established last year that:

- many were not applicable to our business and therefore could be excluded;
- others had some relevance to us but we determined that their potential impact was insignificant to us so they could be excluded; and
- some clearly were relevant to us, such as use of materials (disclosure GRI 301), but while some materials are used in very small quantities, others have more significant impacts. We selected the material aspects

with the greatest relevance to our businesses, and over which we have some measure of control.

We have therefore kept our reporting to the 16 disclosures of the greatest relevance and significance to Link Group, or that are of the greatest interest and relevance to our stakeholders. These disclosures are contained within 12 material topics: market presence; materials; energy; 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.





# REPORTING METHODOLOGY

## MATERIAL TOPIC BOUNDARIES

The impacts for employee topics are entirely inside the Company, whilst environmental and community impacts occur both inside and outside Link Group.

## DETERMINING REPORT CONTENT

Defining report content requires us to consider the expectations of stakeholders. In the end, in determining content we excluded what was clearly not relevant, or material, to our business. The sustainability context was determined in a similar way. We expect this process to evolve as we develop a greater understanding of broader sustainability trends and the expectations of stakeholders.

We chose to make a number of disclosures that we see as important to our company, but which do not fit easily into the GRI reporting protocol. The key disclosures in this group (with an indication of the specific topics we chose to report on) were:

- 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;
- other indirect GHG emissions – business travel, specifically air travel. We have reported this under disclosure GRI 302, since it is indirect GHG emissions related to transport of employees. Emissions from couriers, ground travel by our people or the carriage of freight we judged to be insignificant in comparison; and

- total weight of waste – we have reported only on recycled paper waste. Other waste, such as IT consumables and general office waste, we expect to include in future reports.

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

## STAKEHOLDER ENGAGEMENT

For this year's report, we engaged directly with a select group of 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 also 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, The Association of Superannuation Funds of Australia (ASFA), ASIC, ASX, and ATO, and from regularly participating 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.



# REPORTING METHODOLOGY

This engagement gives us a clear and multi-faceted picture of stakeholders' expectations. It enables us to devise system and process improvements and develop new mobile, tablet and desktop apps to enhance the end-user experience. These also improve access to services, reduce the use of paper-based communications and help our clients reduce their costs. We engage regularly with employees regarding suppliers and, on a regular basis, with Link Group institutional investors. We anticipate extending direct engagement about sustainability issues to more external stakeholder groups in the future.

For this year's report, we have gathered diverse information from across the Company's global operations. Those stakeholders consulted have come from departments with relevant sustainability responsibilities, including Risk & Compliance, Human Resources and Finance, as well as divisional executives in each country.

## FUTURE REPORTING

For next year's report, we intend our stakeholder engagement to be broader and deeper, with more external stakeholders consulted and more internal engagement. Our processes to capture accurate data on key impacts and performance are becoming more established. As this process continues, we will assess its impact on the material topics we select. Our goals for next

year's report include to:

- consolidate our processes;
- further review the sustainability of our key suppliers; and
- re-assess the number of material topics we select if we feel there is a need for our disclosures to change.

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

We expect to continue reporting our sustainability performance annually, covering each financial year from 1 July to 30 June. A summary of the Sustainability Report, including key performance metrics, will be included in each Annual Report and the full Sustainability Report will be available on the Link Group website, [www.linkgroup.com](http://www.linkgroup.com).

## EXTERNAL ASSURANCE

No external assurance was sought for this report. We have not yet determined whether future reports will be subject to any assurance process.

## QUERIES ABOUT THIS REPORT

All questions on the Sustainability Report or Link Group's sustainability initiatives should be addressed to our Sustainability Manager.



# CONTROLLED ENTITIES

SUBSIDIARIES	Country of incorporation	% Ownership interest consolidated 2017	% Ownership interest consolidated 2016
Link Administration Pty Limited	Australia	100	100
Link Digital Solutions Pty Limited	Australia	100	100
Link Investor Services Pty Limited	South Africa	74.85	86.78
Link Market Services Group Pty Limited	Australia	100	100
Link Market Services Holdings Pty Limited	Australia	100	100
Link Market Services Limited	Australia	100	100
Pacific Custodians Pty Limited	Australia	100	100
Link MS Services Pty Limited	Australia	100	100
Link Share Plan Pty Limited	Australia	100	100
Link Market Services South Africa (Pty) Limited	South Africa	74.85	86.78
PNG Registries Pty Limited	Papua New Guinea	100	100
Orient Capital Pty Limited	Australia	100	100
Orient Capital Limited	United Kingdom	100	100
Corporate File Pty Limited Australia	Australia	100	100
Open Briefing Pty Limited	Australia	100	100
Australian Administration Services Pty Limited	Australia	100	100
AAS Superannuation Services Pty Limited	Australia	100	100
aaspire Pty Limited	Australia	100	100

# CONTROLLED ENTITIES

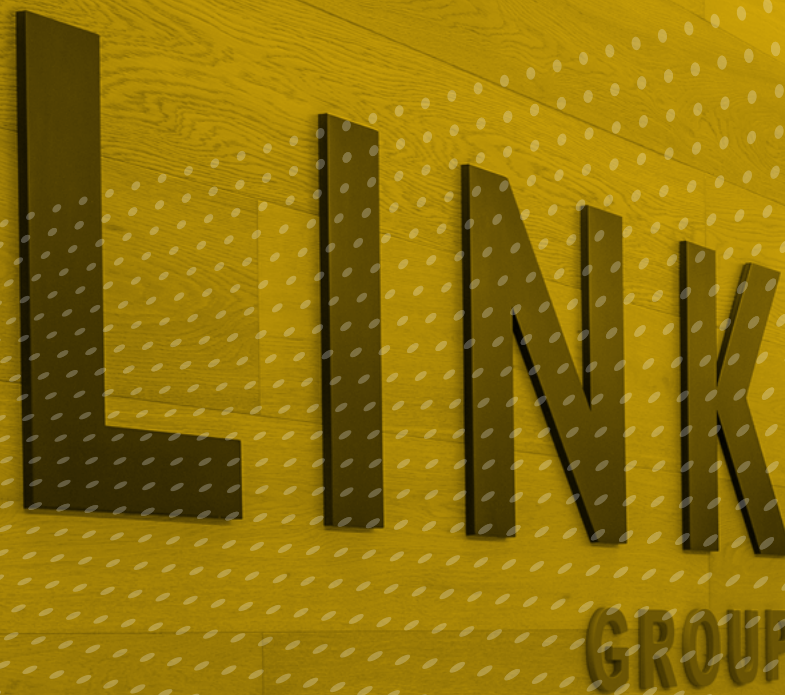
SUBSIDIARIES	Country of incorporation	% Ownership interest consolidated 2017	% Ownership interest consolidated 2016
Atune Financial Solutions Pty Limited	Australia	100	100
Primary Superannuation Services Pty Limited	Australia	100	100
The Superannuation Clearing House Pty Limited	Australia	100	100
Complete Corporate Solutions Pty Limited	Australia	100	100
Company Matters Pty Ltd	Australia	100	100
The Australian Superannuation Group (WA) Pty Ltd	Australia	100	100
Link DigiCom Pty Limited	Australia	100	100
Link Intime India Private Ltd	India	100	100
Link Business Services Pty Ltd	Australia	100	100
Link Administration Services Pty Limited	Australia	100	100
Link Advice Pty Limited (formerly Money Solutions Pty Limited)	Australia	100	100
Link Super Pty Limited	Australia	100	100
PSI Superannuation Management Pty Limited	Australia	100	100
Empirics Marketing Pty Limited	Australia	51.3	51.3
FuturePlus Financial Services Pty Limited	Australia	100	100
Link Property Pty Limited	Australia	100	100
FuturePlus Legal Services Pty Limited	Australia	100	100
Accrued Holdings Pty Limited	Australia	51.3	51.3



# CONTROLLED ENTITIES

SUBSIDIARIES	Country of incorporation	% Ownership interest consolidated 2017	% Ownership interest consolidated 2016
Synchronised Software Pty Limited	Australia	100	100
Link Market Services (EMEA) Limited	United Kingdom	100	100
Link Market Services GmbH (formerly Link Market Services (Germany) GmbH)	Germany	100	100
Link Market Services (Frankfurt) GmbH (formerly Registrar Services GmbH)	Germany	100	100
Pacific Custodians (Nominees) (RF) Pty Limited	South Africa	68.35	86.78
D.F. King Limited	United Kingdom	100	100
Link Administration Support Services Pty Limited	Australia	100	100
Superpartners Pty Limited	Australia	100	100
Link Administration Resource Services Pty Limited	Australia	100	100
Link Market Services (New Zealand) Limited	New Zealand	100	100
Pacific Custodians (New Zealand) Limited	New Zealand	100	100
Link Fund Solutions Pty Limited (formerly White Outsourcing Pty Limited)	Australia	100	-
Adviser Network Pty Limited	Australia	100	-
Link Land Registry Services Pty Limited	Australia	100	-
Link Land Registries Holdings Pty Limited	Australia	100	-

## DEFINITIONS OF TERMS USED IN THIS REPORT



**ESG:** Environmental, Social and Governance criteria (often shortened to ESG) is a term that generally relates to investing and refers to a set of criteria used by socially conscious investors to decide whether or not to invest in a company.

**FSC:** Forest Stewardship Council – an international organisation promoting responsible forest management. FSC has developed principles for the management of forest holdings and a system of tracing, verifying and labelling timber and wood products originating from FSC-certified forests. It has the support of many environmental groups. Relevant to paper sourcing.

**FTE:** Full-Time Equivalent – a way of totalling employees with different work arrangements to give a meaningful number for the workforce size, based on the proportion of a full working week (or month) that each person works. In most cases, the figure we have used includes permanent, fixed-term, casual, contractor and temporary employees and those on parental leave; where it does not, we have specified who is included and who is not.

**GRI:** Global Reporting Initiative is an international independent organisation that helps businesses, governments and other organisations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others. It developed the Standards according to which this Sustainability Report has been prepared.

**Headcount:** The total number of employees – each person is counted as one, no matter how many hours a week they work, whether full time, part time, temporary, casual, contractor, on maternity leave etc. (Compare with FTE.)

**LEED:** Leadership in Energy and Environmental Design (LEED) is 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. LEED was launched in an effort to develop a “consensus-based, market-driven rating system to accelerate the development and implementation of green building practices.”

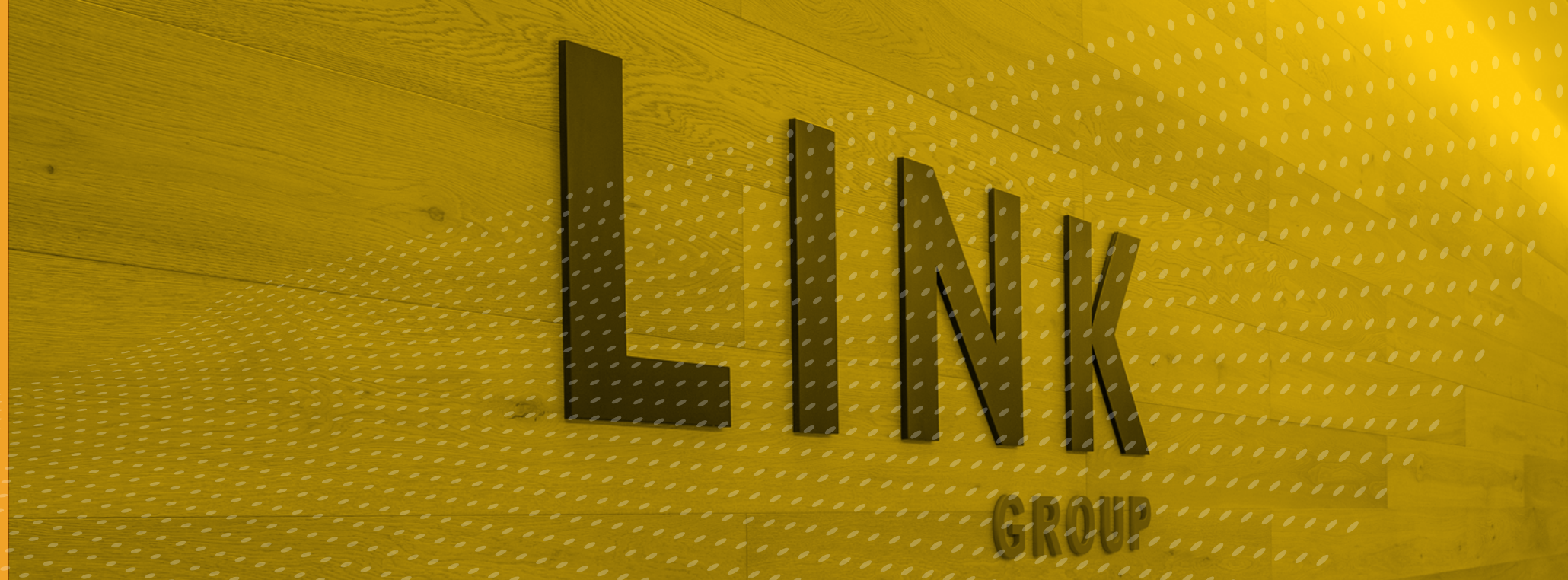
**Material topic:** A topic, on which a reporting organisation makes disclosures, that reflects the organisation’s significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders.

**NABERS:** National Australian Built Environment Rating System – a national rating system that measures the environmental performance of Australian 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.





## DEFINITIONS OF TERMS USED IN THIS REPORT



**Parental leave:** Maternity or paternity leave taken when a child is born.

**Operating EBITDA:** This has the same meaning as defined in Appendix 1 of the Operating and Financial Review in the Link Group Annual Report 2017.

**Operating NPATA:** This has the same meaning as defined in Appendix 1 of the Operating and Financial Report in the Link Group Annual Report 2017.

**PEFC:** The Programme for the Endorsement of Forest Certification – an international, non-profit organisation primarily made up of representatives of the forest products industry. Unlike the FSC, it does not set specific standards but is an umbrella brand incorporating different national forest certification schemes (e.g. the national scheme in Finland is endorsed by PEFC). The world's largest forest products certification scheme. Relevant to paper sourcing.

# CONTENT INDEX FOR GRI STANDARDS 'CORE' ADHERENCE

Disclosure	Description	Reference or link	Omissions
<b>Universal standards</b>			
<i>General disclosures</i>			
<b>Organisational profile</b>			
GRI 102-1	Name of the organisation	Link Group	
GRI 102-2	Primary brands, products and services	Website, 'What we do'	
GRI 102-3	Location of the organisation's headquarters	Outside back cover	
GRI 102-4	Countries of operation	Website, 'About Us' - 'Global reach'	
GRI 102-5	Nature of ownership	ASX-listed public company	
GRI 102-6	Markets served	Website, 'About Us'	
GRI 102-7	Scale of the organisation	About Link Group, page 3	
GRI 102-8	Workforce	Our People, pages 8-9 Supplementary information, pages 18-21	
GRI 102-9	Supply Chain	Our Supply Chain, page 13	
GRI 102-10	Significant changes during reporting period	Supplementary information, page 18	
GRI 102-11	Precautionary approach	Not applicable	
GRI 102-12	External initiatives	Supplementary information, page 18	
GRI 102-13	Membership of associations	Supplementary information, page 18	
<b>Strategy</b>			
GRI 102-14	Statement from senior decision maker about the relevance of sustainability to Link Group	Managing Director's message, page 4	
GRI 102-15	Key impacts, risks, and opportunities	Broadly covered by Reporting methodology, pages 24-26	



# CONTENT INDEX FOR GRI STANDARDS 'CORE' ADHERENCE

Disclosure	Description	Reference or link	Omissions
<b>Universal standards</b>			
<i>General disclosures</i>			
<b>Ethics and integrity</b>			
GRI 102-16	Values, principles, standards, and norms of behavior	About Link Group, page 3 Our Governance, pages 14-16	
GRI 102-17	Mechanisms for advice and concerns about ethics	About Link Group, page 3 Our Governance, pages 14-16	
<b>Governance</b>			
GRI 102-18	Governance structure of organisation	Our Governance, page 14	
<b>Stakeholder engagement</b>			
GRI 102-40	List of stakeholders engaged	Reporting methodology, pages 25-26	
GRI 102-41	Collective bargaining agreements	Our People, pages 8-9 Supplementary information, pages 18-21	
GRI 102-42	Basis for identifying and selecting stakeholders to engage with	Reporting methodology, pages 25-26	
GRI 102-43	Approach to stakeholder engagement	Reporting methodology, pages 25-26	
GRI 102-44	Key topics and concerns raised by stakeholders	Reporting methodology, page 26	

# CONTENT INDEX FOR GRI STANDARDS 'CORE' ADHERENCE

Disclosure	Description	Reference or link	Omissions
<b>Universal standards</b>			
<i>General disclosures</i>			
<b>Identified Material Topics and Boundaries</b>			
GRI 102-45	Entities included in the organisation's Consolidated Financial Statements	Supplementary information, page 27	
GRI 102-46	Process for defining report content and topic boundaries	Reporting methodology, pages 24-25	
GRI 102-47	Material topics	Reporting methodology, pages 24-25	
GRI 102-48	Effects of any restatements	Not applicable	
GRI 102-49	Significant changes from previous reporting period in the Material Topics and Topic Boundaries	About this Report, page 6 Reporting methodology, page 24	
<b>Report profile</b>			
GRI 102-50	Reporting period	1 July 2016 to 30 June 2017	
GRI 102-51	Date of most recent previous report	October 2016	
GRI 102-52	Reporting cycle	Annually	
GRI 102-53	Contact point for questions regarding report	Reporting methodology, page 26	
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Reporting methodology, page 24	
GRI 102-56	Assurance	Reporting methodology, page 26	
<b>Management approach</b>			
GRI 103	Management approach - labour grievances	Our People, page 9	



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Disclosure	Description	Reference or link	Omissions
<b>Specific Standard Disclosures</b>			
<i>Economic topics</i>			
<b>Market presence</b>			
GRI 201-2	Senior management local hires	Our People, page 8	Too small a group to name individuals
<b>Anti-corruption</b>			
GRI 205-1	Assessment and identification of corruption risks	Our Governance, pages 14-16	
GRI 205-2	Communication and training about anti-corruption policies and procedures	Our Governance, pages 14-16	
GRI 205-3	Incidents of corruption and actions taken	Our Governance, pages 14-16	
<i>Environmental topics</i>			
<b>Materials</b>			
GRI 301-1	Materials used, non-renewable and renewable	Our Environment, page 11	Water
GRI 301-2	Recycled input materials used	Supplementary information, page 22	
<b>Energy</b>			
GRI 302-1	Fuel consumed from renewable and non-renewable sources and types of energy used	Our Environment, page 10	Coal, steam used (none) Energy sold (none)
GRI 302-3	Energy intensity	Our Environment, page 11	
<b>Emissions</b>			
GRI 305-1	Direct (Scope 1) GHG emissions	Our Environment, pages 10-11	
GRI 305-3	Other indirect (Scope 3) GHG emissions (in this case specifically air travel)	Our Environment, page 10	Ground travel (insignificant); commuting

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Disclosure	Description	Reference or link	Omissions
<b>Specific Standard Disclosures</b>			
<i>Social topics</i>			
<b>Employment</b>			
GRI 401-1	Rates of employee hires and turnover	Our People, page 9	
GRI 401-2	Benefits ONLY available to full-time employees	Our People, page 21	Specific benefits in each country (too much variation)
GRI 401-3	Return to work/retention rates after parental leave	Our People, page 8	
<b>Training and education</b>			
GRI 404-1	Training hours by gender/category	Supplementary Information, page 21	On-the-job training
GRI 404-3	Rates of performance review	Our People, page 9	
<b>Diversity and equal opportunity</b>			
GRI 405-1	Diversity of governance bodies and employees	Supplementary Information, pages 19-20	
GRI 405-2	Men's and women's remuneration comparison	Supplementary Information, page 20	
<b>Customer privacy</b>			
GR 418-1	Complaints re privacy breaches or loss of customer data	Our Governance, page 15	
<b>Compliance</b>			
GRI 419-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Governance, page 16	





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