technology**one**
Transforming business, making life simple

2021
Sustainability Report

Climate
Active
**Carbon
Neutral**
ORGANISATION

What's inside

About TechnologyOne

TechnologyOne is Australia's largest enterprise software company and one of Australia's top 150 ASX-listed companies.

We provide a global SaaS ERP solution that transforms business and makes life simple for our customers. Our deeply integrated enterprise SaaS solution is available on any device, anywhere and anytime and is incredibly easy to use.

Over 1,200 leading corporations, government agencies, local councils and universities are powered by our software. For more than 34 years, we have been providing our customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology.

This is TechnologyOne's Sustainability Report for the financial year 1 October 2020 to 30 September 2021. This report covers all our operations globally, unless stated otherwise.

Sustainability at TechnologyOne

Environmental, Social & Governance (ESG) refer to three central factors in measuring sustainability and social impact of a company. This is now called Sustainability Reporting.

Every single team member is proudly responsible for sustainability at TechnologyOne.

Our Board of Directors actively work to ensure that ESG-related risks are incorporated into the company's strategy and risk management framework.

Oversight and reporting is facilitated by our Group Company Secretary and Head of Compliance and Risk. This report has been overseen by the Nomination and Governance Committee of the Board.

As one of Australia's top 150 ASX-listed companies, it is important that we acknowledge the positive impact that the Australian corporate community can make in showing that good, sustainable business practices not only promote and assist in the global initiatives of the United Nations Sustainable Development Goals (UN SDG) and the Task Force on Climate-related Financial Disclosures (TCFD) but also result in the ongoing success of companies.

Further information on TechnologyOne's governance practices can be read in the Corporate Governance Statement available at www.technologyonecorp.com/company/investors/corporate-governance.

CEO's message

Our vision is to build and deliver truly great products and services that transform business and make life simple for our customers. This vision is underpinned by our beliefs, our dedication to customer experience and our leadership model.

The technology sector is a fast-moving, competitive environment. We believe our present and future success lies in the strength of our product offerings, our enterprise solution, vertical market focus and the resilient nature of the enterprise software market. When coupled with our innovation, creativity and substantial ongoing investment into new and emerging technologies, we are well positioned for strong growth in the coming years.

TechnologyOne was founded with a philosophy of putting our customers at the heart of our business. Their experience defines our success. We set ambitious goals, and lead and inspire our people to achieve great things. Being a responsible business, behaving ethically and demonstrating a robust approach to corporate governance in line with our values is critical to maintaining our strong relationships with customers and broader stakeholders. As a large, successful company, we believe it is important to give back to the community and act responsibly towards the environment.

While the TechnologyOne operations do not have a material impact on the environment, we acknowledge that it is the changing attitude of many that will have a material impact on reducing climate change.

We have continued to align our Sustainability Program with the UN Sustainable Development Goals (SDG's) to do our part in enabling the achievement of the United Nation's targets. This shared vision has been a great motivation for the TechnologyOne team, and we are continually looking at ways to go above and beyond.

Last year, TechnologyOne became officially carbon neutral. We have built on this momentum and this year have exceeded our targets and commitments in relation to reducing our carbon footprint including promoting the use of videoconferencing and remote implementations to reduce air and land travel, working with landlords to implement recycling opportunities and establishing a remote working policy which reduces greenhouse gas (GHG) emissions from commuting to and from work.

Personally, it's been great to also see the positive impact that carbon neutral accreditation has had on our team, and many of the fantastic results noted in this report are due to the enthusiasm and drive from staff who have really taken on the cause, at both a personal, and organisational level.

In addition to our contribution to climate change, the TechnologyOne Foundation, and our 1% pledge has continued to be part of the company's DNA.

I am proud and pleased to present this Sustainability Report to shareholders, stakeholders, customers and team for the financial year of 1 October 2020 to 30 September 2021. It shares the details of a number of new initiatives, including our desire to fulfil the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We believe these initiatives, and our drive for continual positive improvement, will herald stronger outcomes for our customers and community.

Edward Chung
Chief Executive Officer

Our stakeholders

TechnologyOne actively engages with our key stakeholders through a range of mechanisms based on the type of stakeholder and the topics of interest. Examples of these are as outlined below. Collaboration and engagement across our value chain is critical for our future success.

Stakeholder	Key interests	Types of engagement
Customers	Product performance Quality of service and support Data privacy and security	NPS surveys Integrated surveys in applications Integrated product & service delivery methodologies Direct relationships from sales to support and training Online Customer Community Customer conferences & showcases TechnologyOne University
Employees	Remuneration Career growth Learning and development Wellbeing Mobility opportunities Social contribution Equal opportunity	eNPS survey and pulse survey Internal communications Open door policy TechnologyOne Learning Hack Days Village Green / Town hall meetings O Week TechnologyOne Foundation Regional Days Wellness Weeks Family events (Kids Christmas Party) Corporate Games
Investors	High dividend yields Ongoing profitability Growth Risk management ESG performance Innovation and new products/solutions Transparency	AGMs Half Year & Full Year results presentations Result Roadshows Annual Reports Engagement with analysts ASX announcements Media releases Corporate website Proxy advisor engagement
Community and environment	Employment and economic contribution Social contribution Environmental impacts	Partnerships with community organisations TechnologyOne Foundation Climate Active certification GHG Initiatives
Suppliers	Responsible business	Supplier agreements Partnering for innovation Modern Anti-Slavery Policy Environmental criteria
Government and regulators	Compliance Policies and standards in technology industry	ISO 9001, 27001, 27017, 27018 Certification SOC 1, 2 & 3 Certification Proactive engagement in key compliance areas (eg ATO) ASX & ASIC compliance Direct and indirect engagement

Our approach

The topics we have included in this report are shown below, grouped in five themes.

Responsible Business

- Ethics, values and transparency
- Innovation
- Compliance

Our Community

- Community investment
- Education

Our Customer

- Customer satisfaction and retention
- Data privacy and security

Our People

- Talent attraction and retention
- Workplace diversity and inclusion
- Employee engagement and culture
- Employee training and development
- Employee health and wellbeing

Our Environment

- Climate Active Carbon Neutral
- TCFD Reporting
- United Nation Sustainable Development Goal alignment
- GHG Emissions and Reduction Initiatives

Our approach

We assessed our material sustainability matters through a consideration of topics identified externally by peers, public discourse, technology sector focused sustainability publications, and internally through key documents and discussion of our Nomination & Governance Committee.

The boundary for these topics is primarily within our own organisation, including all locations globally. We have also extended the boundary where relevant to our customers, our suppliers and our community partners.

Responsible Business

Our approach to responsible business is driven by sound governance and guided by our core beliefs and values and what we term the TechnologyOne Way.

We support the creativity and dedication of our people to create compelling experiences for our customers, which is key to our ongoing profitability growth. We understand that our people and our customers are part of our broader community and environment. We have a responsibility to that community, and our products also have a role to play, not only by improving the productivity of the sectors we serve, but also by enhancing the impact of the community sector organisations we support.

Corporate Sustainability overview

Our customers

99%
Customer retention

- Customer satisfaction and retention
- Data privacy and security

Our people

36.5%
Participation of women, placing us among the best globally in the IT industry

- Talent attraction and retention
- Workplace diversity and inclusion
- Employee engagement and culture
- Employee training and development
- Employee health and wellbeing

Responsible business

0
Total number of people who reported issues concerning Modern Slavery during FY21

- Ethics, values and transparency
- Innovation
- Compliance

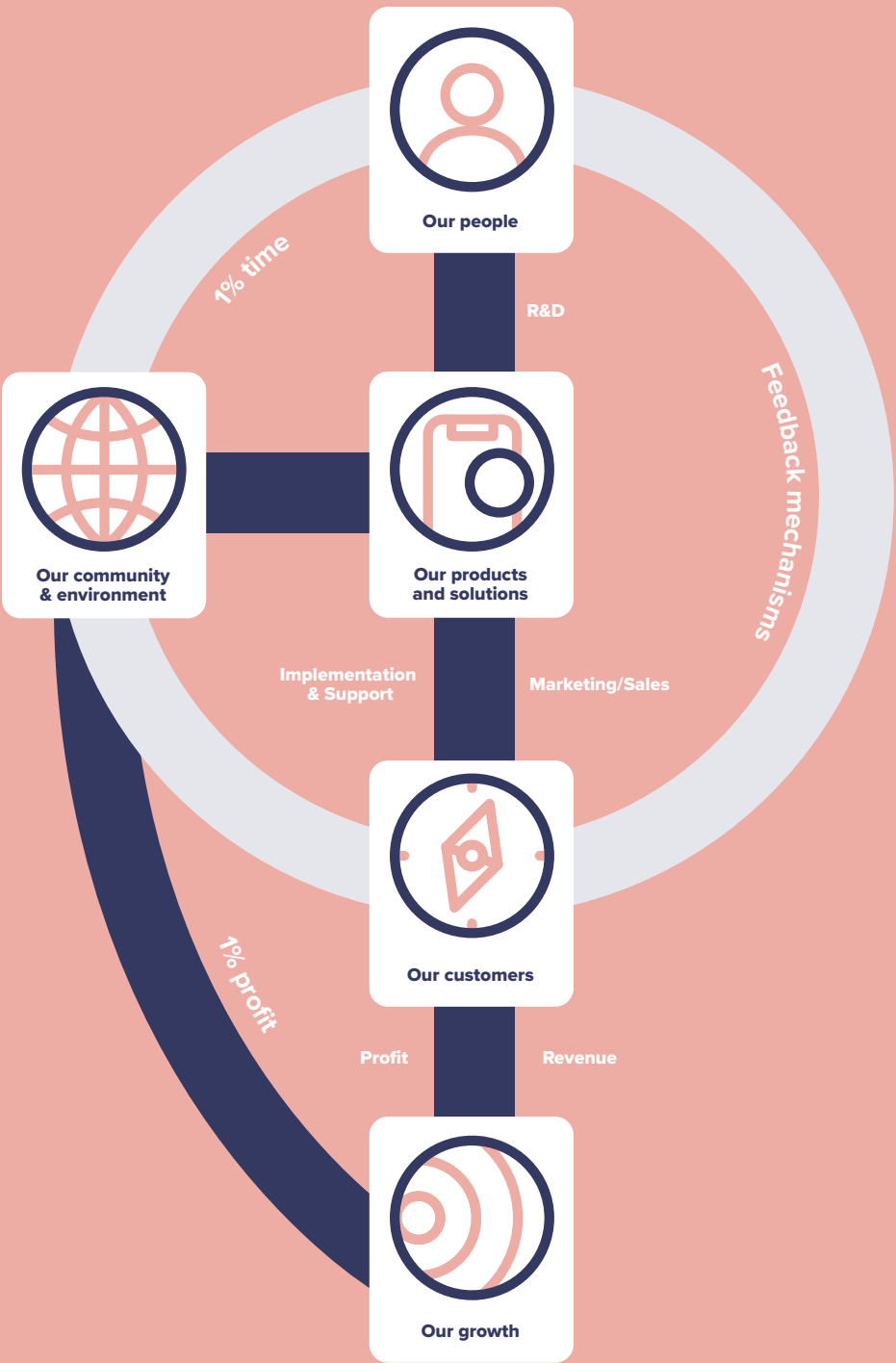**Our community & environment**

PLEDGE 1%

- $2m global impact in FY21
- Community investment and education
- Environmental footprint

TechnologyOne's approach to sustainability

Our people

R&D

Feedback mechanisms

1% time

Our community & environment

Our products and solutions

Implementation & Support

Marketing/Sales

Our customers

1% profit

Profit

Revenue

Our growth

Responsible Business

For TechnologyOne, being a responsible business is about behaving ethically and demonstrating a robust approach to corporate governance in line with our values across all our relationships with customers, investors, employees, suppliers and other stakeholders.

Ethics, values and transparency

TechnologyOne's mission is to build and deliver world-leading products and great services that transform business and make life simple for our customers.

We deliver on this through the TechnologyOne Way, which underpins our culture and guides our behaviours and the decisions we make. It comprises our core beliefs, and a set of principles about how we work, including a commitment to excellence, innovation and openness.

These beliefs and principles help define what we admire in our colleagues and recognise in ourselves. Together these beliefs and principles articulate our value proposition to our customers.

All our directors, managers and employees understand they are expected to act with the utmost integrity and objectivity, observe the highest standards of behaviour and business ethics, and strive at all times to enhance the reputation and performance of the company as outlined in our Code of Business Conduct. Supporting our Code of Business Conduct are a number of role-specific Codes of Conduct for our directors, CEO and CFO to support a consistent standard of conduct relevant for key organisational roles.

You can read more about our core beliefs in our Annual Report.

Our Code of Business Conduct provides further detail about how each one of us should act in accordance with the TechnologyOne Way. Our board charters and key policies can be found on our website, together with our corporate governance statement.

We require our suppliers to demonstrate ethical treatment of all workers and we stipulate through our tender process, that suppliers must also commit to ethical behaviour, in line with Modern Anti-Slavery requirements. TechnologyOne registers its annual Modern Slavery Statement to the Modern Slavery Register as administered by Australian Border Force.

Compliance

We set a very high bar for compliance, based on industry best practices and leading standards, to provide the best possible risk mitigation and management framework.

TechnologyOne is pleased to report that there were no material non-compliances during the reporting period.

As a global organisation, we set our compliance level in accordance with the most stringent regulations in our countries of operation, which then ensures we are also compliant with the respective regulations in the other jurisdictions.

You can read more about our data privacy and security compliance under Our customers on page 41.

Our other key areas of compliance relate to contracts and regulatory standards and codes.

We also report on our compliance with the ASX Corporate Governance Principles 4th Edition as provided in the Annual Report and on our corporate website.

There were no material non-compliances during the reporting period.

Innovation

Our ongoing success is fuelled by continuous innovation. We are proud of the significant, investments we make in Research and Development (R&D), which this year equated to approximately 24% of revenue. This is industry-leading.

Our team of more than 400 developers in Brisbane and Perth is augmented by offshore R&D centres in Indonesia and Vietnam.

Innovation continues to be part of our DNA, and critical to our success. We are proud to have been shortlisted for the AFR 'Most Innovative Company' Award. Our twice-yearly Hack Days continue to provide an opportunity for employees to 'down tools' and commit to innovation, by working on projects that are outside normal day-to-day work.

162
Total number of suppliers reviewed for Modern Slavery compliance during FY21

874
Total number of staff who completed Modern Slavery compliance training during FY21

0
Total number reported issues concerning Modern Slavery escalated to the board of directors during FY21
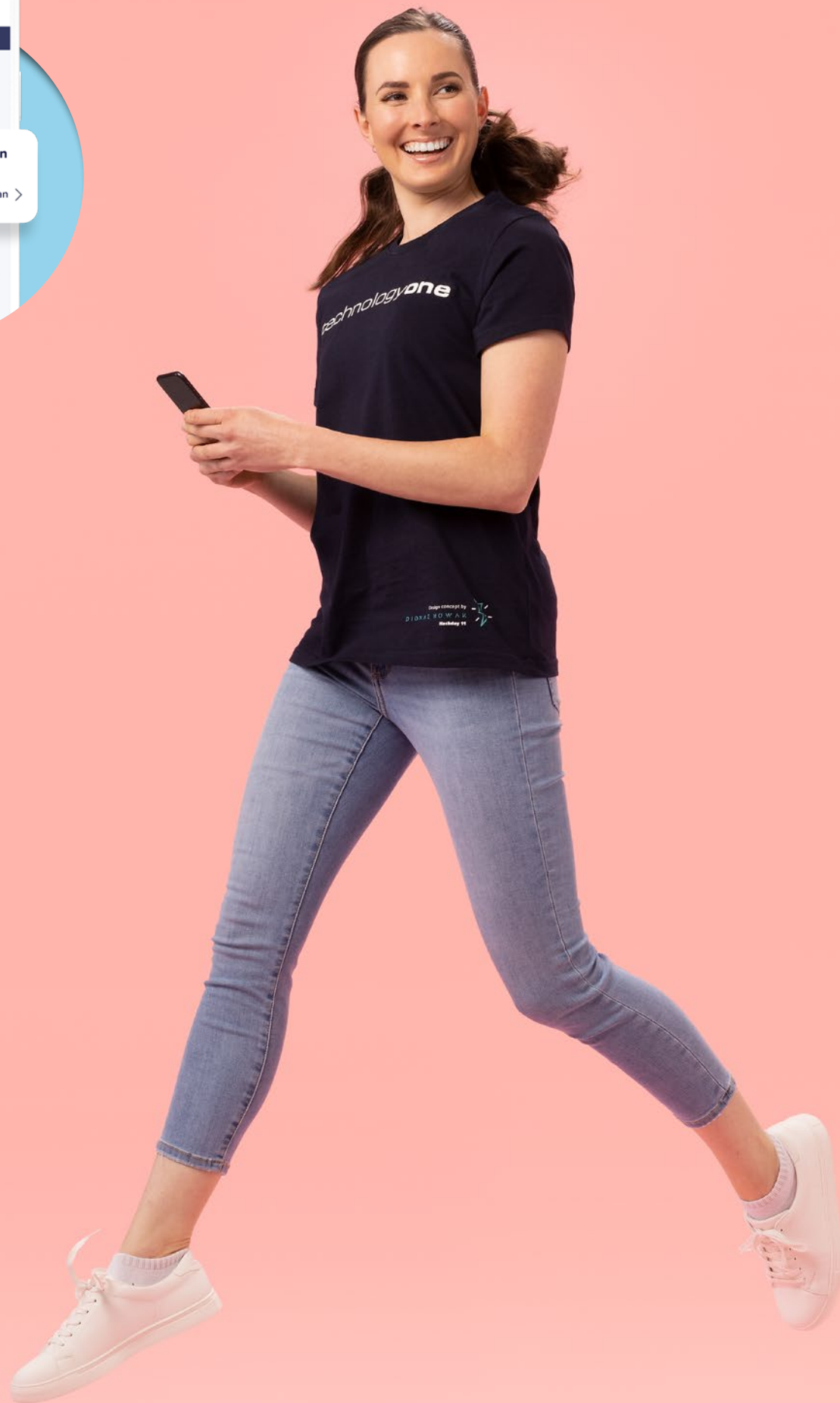
$77M
R&D investment for FY21 (24% of revenue)

0
Total number of people who reported issues concerning Modern Slavery during FY21

72.8
Total number of hours completing Modern Slavery compliance training during FY21

Our Community

Community investment and education

TechnologyOne has a long-standing commitment to philanthropy, following the values of our founder and Executive Chairman, Adrian Di Marco. The TechnologyOne Foundation, founded in 2016, reflects our values, our culture and who we aspire to be. As a successful company, we have the ability to continue to make a difference. We know that this is important to our people, and is increasingly of interest to our customers.

Through the Foundation, we want to make a sustainable impact with measurable long-term benefits, by empowering disadvantaged young people to transform their lives. Our Foundation's commitment is to donate 1% of our time, 1% of our profit and 1% of our product.

This initiative is part of the 1% Pledge corporate philanthropy movement, dedicated to making the community a key stakeholder in every business. This year, this 1% Pledge resulted in more than $640,000 donated by the company in FY21.

1% of time

We are proud that employees are provided 2.5 days of leave per year to make a difference to their community by volunteering.

We also incorporate volunteering activities into our O Week and company events.

1% of product

We believe in our product and the life-changing efficiencies it brings. We want not-for-profit organisations to be able to access our solutions and take advantage of these efficiencies it brings, extending the impact of their services and the work they do in our communities.

We are pleased and proud to report that eligible organisations receive our core product module at a substantial discount. We reserve 1% of projected annual fees for this purpose.

1% of profit

We have seven strategic charity partners, with a focus on helping disadvantaged and underprivileged youth find pathways to success.

Under the 1% profit commitment we also offer matched workplace giving for our employees and set aside funds to donate to disaster relief.

Our aim is to grow the number of employees volunteering by 5% each year.

Opportunity International

Designs, delivers and scales innovative financial solutions that help families living in extreme poverty build sustainable livelihoods and access quality education for their children.

Our other partnerships are with:

The School of St Jude
Providing a free, high-quality education to children in poverty and with social pressures in Tanzania to complete their schooling.

The Fred Hollows Foundation
Treats, trains and equips the local communities to expand the reach of eye care services, ensuring the poorest and most marginalised groups, including children, can access free or low-cost care.

The Salvation Army
Providing a broad range and far-reaching social services to diverse people experiencing hardship or injustice, including youth support, accommodation services, addiction recovery, emergency relief and financial counselling.

Solar Buddy
Uniting a global community to gift six million solar lights to children living in energy poverty by 2030, to help them to study after dusk and improve their education outcomes.

The Smith Family
Helping disadvantaged Australians to get the most out of their education to create better futures for themselves.

St James College Bursary Endownment Fund
Bursary Endowment Fund - Providing an extensive tertiary education pathway to an array of cultural, socio-economic, and academic backgrounds.

The year in summary

$640,000
donated to our charity partners

Employees contributed **3,645** volunteer hours TechnologyOne Foundation and our contribution to our communities

Assembled over **900** Solarbuddy lights for disadvantaged children in Timor-Leste living in energy poverty

$20,000
supporting disadvantaged youth impacted by COVID-19

Assisted over **27** charities through volunteering hours and donations

THE AUSTRALIAN BUSINESS AWARDS ®
ABA100
COMMUNITY CONTRIBUTION WINNER 2021

Queensland Volunteering Awards 2021

Our key charity partners

OPPORTUNITY International AUSTRALIA

Designs, delivers and scales innovative financial solutions that help families living in extreme poverty build sustainable livelihoods and access quality education for their children.

The School of St Jude

Providing a free, high-quality education to children in poverty and with social pressures in Tanzania to complete their schooling.

The Fred Hollows Foundation

Treats, trains and equips the local communities to expand the reach of eye care services, ensuring the poorest and most marginalised groups, including children, can access free or low-cost care.

THE SALVATION ARMY

Providing a broad range and far-reaching social services to diverse people experiencing hardship or injustice, including youth support, accommodation services, addiction recovery, emergency relief and financial counselling.

SOLARBUDDY

Uniting a global community to gift six million solar lights to children living in energy poverty by 2030, to help them to study after dusk and improve their education outcomes.

The Smith Family
everyone's family

Helping disadvantaged Australians to get the most out of their education to create better futures for themselves.

ST JAMES COLLEGE

Bursary Endowment Fund - Providing an extensive tertiary education pathway to an array of cultural, socio-economic, and academic backgrounds.

technologyone | Foundation

unite | donate | participate

Our goal is to help 500,000 children out of poverty

How we're making a difference over time

5,193 lights
in partnership with **Solar Buddy**

1800 youth are on pathways out of poverty
in partnership with **The School of St Jude**

131 young lives are directly impacted helping them break the cycle of poverty.
in partnership with **The Smith Family**

54,159 children and families
in partnership with **Opportunity International Australia**

1,960 children through education, rehabilitation & energy housing
in partnership with **The Salvation Army**

54,934 children through screening, glasses & eye surgery
in partnership with **The Fred Hollows Foundation**

Provided food, clothing and health products for **25** disadvantaged Kiwi pre-schoolers
in partnership with **KidsCan**

Our
environment

While the TechnologyOne operations do not have a material impact on the environment, we acknowledge that it is the changing attitude of many that will have a material impact on reducing climate change.

We are committed to managing our business operations in an environmentally responsible manner. Our commitments are articulated in our Environment Policy, which is communicated to our employees.

Our main direct use of energy is from our facilities, and so we actively seek energy efficient offices. Employees at our headquarters in Brisbane's Fortitude Valley enjoy working in a 6 Star Green Star rated building with sustainability features including:

- CO^2 monitoring to track and adjust ventilation rates
- Energy efficient lighting
- 90% of the water for landscape irrigation is sourced from onsite rainwater collection or recycled site water
- Sub-metering of energy use

We continue to look for short and long term strategies to decrease our footprint.

Climate Active Carbon Neutral

2021 built on TechnologyOne's inaugural carbon offsetting program by committing to achieving Carbon Neutrality certification. TechnologyOne acknowledges its stakeholders high ESG standards and undertook a program to make it one of the environmental leaders in the Australian technology sector.

The process of becoming Climate Active Carbon Neutral has identified cost efficiencies (eg through the management of direct and indirect energy consumption) and is a key component of our marketing strategy. As well as being highly important for investors, being certified Carbon Neutral is a key point of difference in the eyes of our employees and many of our customers and potential customers in the industries we support.

Many of these customers are Climate Active Carbon Neutral or are likely to become so soon. This initiative enables TechnologyOne to reinforce that we are serious about playing our part in supporting them as an integral member of their supply chain.

As a member of the corporate community, at TechnologyOne we appreciate that we can play an important part in supporting global climate change initiatives such as the Paris Accord through being Carbon Neutral and eand we encourage more Australian companies to follow.

While we actively minimise our carbon footprint, TechnologyOne's largest carbon emissions are a result of air travel and office electricity usage.

TechnologyOne has offset this carbon footprint through the acquisition of certified carbon credits. Acquiring these carbon credits enables TechnologyOne to also indirectly support the communities surrounding the carbon reduction initiatives that create the credits.

TechnologyOne's FY21 carbon footprint has been offset by carbon credits that have been created through wind power and hydro-electric initiatives in India which aims to develop enough power to replace existing coal-fired power plants. TechnologyOne has also retired carbon credits generated by the Thaa-Nguigarr Carbon Project in Cape York, Australia through its savanna fire management initiative. The fire management initiative creates jobs for the local indigenous communities and provides vocational and cultural training for indigenous youths.

Task Force on Climate-related Financial Disclosures (TCFD)

TechnologyOne has undertaken an independent review to benchmark its performance against peers and the recommendations of the 2017 Task Force on Climate related Financial Disclosures (TCFD). The objective of this was to identify gaps, recommendations and other relevant considerations compared to our peers.

Climate change is both an environmental and economic issue. TechnologyOne the science of climate change and committed to contributing to the decarbonisation of the Australian/global economy. Given the growing economic and social importance of the IT sector and its integral role in

decarbonisation of the economy, public disclosures on transition and climate-related risks and opportunities are fundamental. We acknowledge climate change as a risk that may impact our operational and financial performance. Therefore, TechnologyOne's seeks to fulfil the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). To support our first TCFD disclosure, we've completed a high level review of our practices and the current alignment of disclosures with the TCFD recommendations. Our approach included benchmarking and identifying of potential climate-related risks and opportunities.

We understand, as we begin our journey to better assess and integrate climate-related risk that this is a dynamic process, requiring evolution and iteration. This initial, high level review has identified a range of opportunities to further develop and strengthen our approach to climate change risks.

Climate Governance

TechnologyOne's broader focus on environmental, social and governance factors (ESG) is overseen by the Board's Nomination & Governance Committee. The responsibility for implementing ESG sits with each business division, facilitated by our Group Company Secretary and Head of Compliance & Risk.

TechnologyOne's Board of Directors ensures that climate-related risks are incorporated into the company's strategy and risk management framework.

Climate Strategy

To further understand the impact that climate change could have on our business we performed a high-level assessment of the impact of 2°C and 4°C global warming scenarios on our current business model.

Under the 2°C scenario, key risks include reputational and legal risks associated with a lack of climate risk disclosure, as well as financial risks due to energy use and carbon pricing.

Under the 4°C scenario, key aspects of the risks relate to physical damage, network disruptions, missed sales opportunities and health impacts on our staff.

Climate Risk Management

We aim to ensure that our risk management process is dynamic and that the top climate change risks and emerging risks, as they evolve, are identified, managed, and incorporated into our existing risk management processes.

TechnologyOne is developing actions and procedures that seek to prevent and reduce climate-related risks. Notably, our strategy aims to reduce our greenhouse gas emissions and decarbonise our activities.

Our greenhouse gas (GHG) decarbonisation strategy involves three phases:

Phase 1
Measure (understand key emission sources)

Phase 2
Manage and minimise (reduce energy consumption and associated carbon emissions where practical)

Phase 3
Offset (all or a proportion of our carbon emissions)

Metrics & Targets

TechnologyOne conducted a greenhouse gas assessment in accordance with the GHG Protocol: *A Corporate Accounting and Reporting Standard and Corporate Value Chain.*

The total emissions for 2021 amounted to 5,513.3 tonnes of carbon dioxide equivalent, with Scope 3 emissions (emissions attributable to goods and services acquired and business-related travel) being the key contributor (87.7% of net GHG).

Our carbon footprint from combined third party services and utilities is a significant contribution to our overall emissions.

We aim to use any arising opportunities to reduce our emissions. For example, COVID-19 resulted in a significant advancement in video-conferencing making it possible to reduce our GHG emissions associated with air travel. These initiatives will continue with the easing of travel restrictions and video conferencing into the future.

United Nations Sustainable Development Goals

Through undertaking a comprehensive carbon assessment, TechnologyOne has made progress towards achieving some of the United Nations Sustainable Development Goals (SDGs). Investing in carbon offset projects, particularly those with a range of co-benefits will broaden the scope of goals TechnologyOne is on track to contribute towards.

The SDGs are a universal set of interconnected goals, targets, and indicators that constitute the global development agenda for 2015-2030. Adopted by 193 member states of the United Nations in 2015 as the successor to the Millennium Development Goals, the SDGs comprise of 169 targets categorised into 17 goals that focus on the five key elements of people, planet, prosperity, peace, and partnership.

Greenhouse Gas Emissions

The GHG Protocol Corporate Accounting and Reporting Standard classifies corporate GHG emissions into three 'scopes':

Scope 1 emissions are direct GHG emissions from operations that are owned or controlled by the reporting company (e.g. emissions from fuel consumed by TechnologyOne owned vehicles (if we had any).

Scope 2 emissions are indirect emissions from the generation of purchased energy consumed by a company (e.g. emissions from electricity bought from the grid by TechnologyOne.)

Scope 3 emissions are all other indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company (e.g. emissions our suppliers produce in providing goods and services to TechnologyOne).

Table 1 outlines TechnologyOne's GHG emissions into their Scope 1, 2 and 3 classifications.
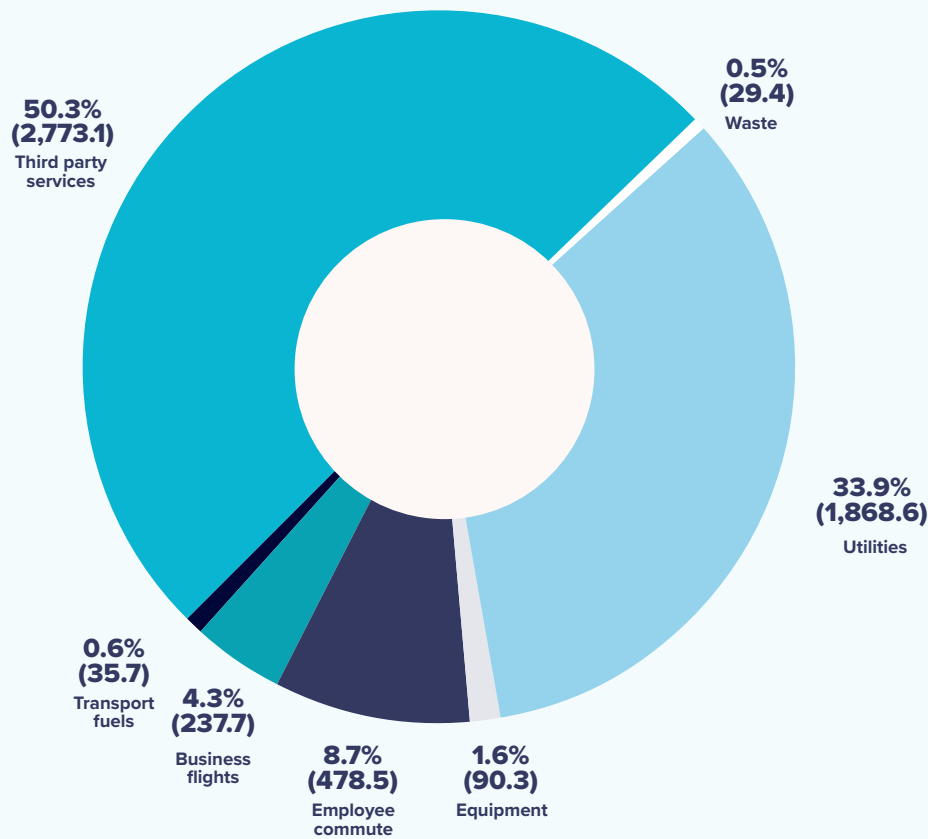
Table 1: Primary statement of GHG emissions & energy consumption for TechnologyOne

Operational Boundary	Associated Inventory/Service		(tCO_2-e/yr)
Scope 1	Transport fuels		0.0
Scope 2	Purchased electricity		676.1
Scope 3	Equipment, employee commute, flights, third party services, off-site waste disposal, transmission & distribution losses, fuel extraction, production & distribution losses, other utilities, base building services		4,837.2
Gross Total			5,513.3
Credits			0
Scope 1, 2 & 3 (Full Scope)			5,513.3
Scope 1 & 2 (S1&2)			676.1
Energy		3.0 TJ	

Greenhouse gas emissions consist of more than just carbon. The following table summarises the breakdown of GHG emissions by operational boundary, specific gas type and assessment type (Full Scope and S1 & 2). TechnologyOne also recognises the emission of methane, nitrous oxide, perfluorocarbons, hydrofluorocarbons and sulphur hexafluoride.

Table 2: A summary of scope type and specific gas type for TechnologyOne - 2021

	CO_2	CH_4	N_2O	Other	Total
Scope 1	-	-	-	-	-
Scope 2	673.93	0.41	1.72	-	676.05
Scope 3	4,806.62	29.41	1.16	-	4,837.20
Gross Total	5,480.55	29.82	2.89	-	5,513.25

The following is a graphical representation of TechnologyOne's GHG emissions by activity. A majority of our GHG emissions are from third party services. It is for this reason that TechnologyOne wishes to engage more with Climate Active organisations and those that have a proven background in reducing their GHG emissions.

Graphic 3: GHG emissions for TechnologyOne by activity sector

- 50.3% (2,773.1) Third party services
- 0.5% (29.4) Waste
- 33.9% (1,868.6) Utilities
- 0.6% (35.7) Transport fuels
- 4.3% (237.7) Business flights
- 8.7% (478.5) Employee commute
- 1.6% (90.3) Equipment

The following graph shows the GHG emissions and passenger kilometres travelling to and from work by transport mode.

- t CO2e
- km
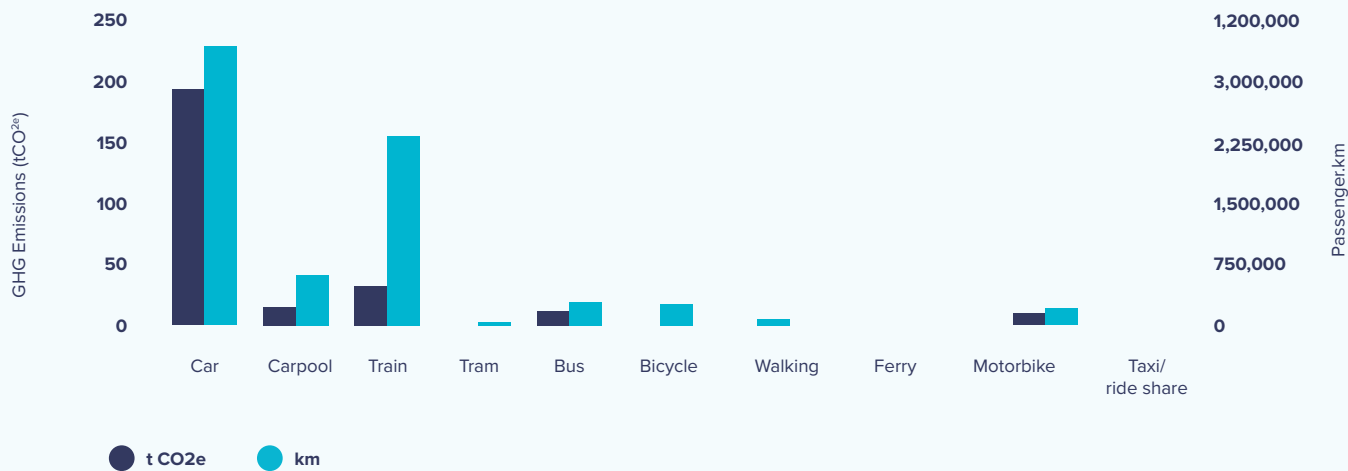
Graphic 4: TechnologyOne commuting GHG emissions

Comparison to other businesses

The following table lists the average emissions per company in in various business sectors and summarises their emissions relative to total staff numbers. As shown, TechnologyOne has very low emissions per employee placing us below the average for companies in the comparable sector (sector M). It is our intent to use the Emissions per Employee metric as a key indicator to monitor our emissions and to continually improve.

This metric is regarded as being useful due to its ability to cater for companies as they grow (rather than focussing on total emissions which will increase as a company grows irrespective of its emission reduction initiatives).

	ANZSIC* Division	Total (tCO2-e)	Emissions per employee (total CO2-e / FTE)
TechnologyOne	M	5,513.30	6.7
BUSINESS SECTOR			
Arts & Recreation	R	64,639	164.5
Telecommunications & ISP	J	1,758,695	54.1
Public Administration & Safety	O	38,302	45.8
Accommodation	H	91,340	39.7
Health Care & Social Assistance	Q	421,644	27.6
Other Services	S	4,007	25.8
Tertiary Education	P	504,189	21.0
Retail Trade	G	3,474,357	20.1
Road Transport	I	737,468	19.7
Advertising	M	11,173	19.0
Rental Hiring & Real Estate	L	5,701	11.8
Legal & Accounting & Professional	M	101,271	10.8
Financial & Insurance Services	K	683,287	7.6

*Australian & New Zealand Standard Industrial Classification

Greenhouse Performance Indicators (GPIs) record greenhouse intensity measurements and track changes in greenhouse emissions intensity over time. A GPI is used to relate greenhouse performance to a Business Measure (BM) category. The primary purpose of a GPI is to help an organisation track its greenhouse performance and help organisations track their performance in specific areas more accurately.

The following table gives TechnologyOne a baseline to report on year to year to assess where the GHG emissions are attributed to and enable the development of initiatives to reduce those emissions.

Table 4 Greenhouse Performance Indicators for TechnologyOne

Company profile	
ANZSIC Division	**Professional, Scientific and Technical Services**
Duration of report	**FY21**
Value profile	**FTE**
Number of FTE employees (FTE)	822
Environmental impacts	
Electricity (purchased) (kWh)	832,336.7
Gas consumed (GJ)	0
Water consumed (ML)	11.2
Total waste generated (t)	15.6
Fuel consumed (GJ)	0
Total energy use (GJ)	2,996.4
GHG emissions (full scope) (tCO$_2$-e)	5,513.3
GHG emissions (S1&2) (tCO$_2$-e)	676.1
GPI	**Per FTE**
Energy insensity (GJ)	3.6
Total waste intensity (kg waste)	24.2
Total water intensity (kL)	13.6
Corporate Travel (km)	1,852.1
Paper (kg)	6.0
GHG emission intensity (tCO$_2$-e) (Full Scope)	6.7
GHG emission intensity (tCO$_2$-e) (S1&2)	0.8

GHG reduction initiatives

The following are a number of initiatives TechnologyOne has started to roll out to reduce its GHG emissions and the resulting GHG emissions will be tracked over future years to monitor the improvements:

Supply Chain
Suppliers who are carbon neutral or have a proven commitment to taking action on climate change are prioritised.

Staff transport
Promote and encourage the use of alternate transport (train, cycling, walking, car-pooling) over car travel for staff commuting to and from work

Communication
Promote Climate Active internally and encourage staff to suggest initiatives to reduce GHG emissions

Office administration
Increase use of recycled paper, reduce products with excess packaging, increase use of recycling bins, preference for energy efficient appliances

Business Operations
Promote the use of videoconferencing over airplane travel where possible

Carbon offsetting

TechnologyOne has offset our carbon footprint through retiring carbon credits in accordance with the Australian Government's Climate Active program requirements. A carbon credit certifies that one tonne of carbon dioxide equivalent is prevented from entering or removed from the atmosphere. Carbon credits are generated under local or international standards. For every tonne of carbon attributable to TechnologyOne, a tonne of carbon credits are purchased by TechnologyOne and retired.

When choosing which carbon credits to retire, TechnologyOne prioritises carbon credits that result in funds returning to under-developed communities that do not have basic infrastructure (clean water, health services and improper sanitisation). In 2021, TechnologyOne offset 5,514 tonnes of greenhouse gas emissions with the purchase and retirement of certified carbon credits.

Electronic waste

We recognise that the lifecycle of electronic hardware is a significant and growing issue that is highly relevant to our sector. New equipment purchased by our Corporate Systems department considers the overall efficiency of the device. Where fit for purpose, practical to business usage and economical, recycled IT equipment will be selected. TechnologyOne manages its information technology assets to ensure their useful life is maximised.

We undertake to repair our electronic equipment if the unit is less than half way through its prescribed lifecycle. Obsolete equipment is disposed of via vendor recycling programs or social enterprise initiatives through a collaboration with TechnologyOne's Brisbane property managers, Cromwell.

This year, TechnologyOne HQ sent over 850kgs of IT waste for recycling.

Our people

Our people are a crucial source of our competitive advantage, and TechnologyOne is committed to attracting talented people and providing them with an environment in which they can be innovative, creative and realise their full potential.

Employer of choice

We are proud to have been awarded Employer of Choice by the Australian Business Awards for the past five years.

Talent attraction and retention

At TechnologyOne we aim wherever possible to grow our own talent. We want to attract the best and brightest and induct them in the TechnologyOne Way. Over the past six years we have taken on more than 200 graduates. Our Graduate Intern Programs form the foundation of our future talent pipeline.

In addition to induction and a Buddy Program, all new employees - from all locations globally - participate in comprehensive onboarding through quarterly 'O Weeks' held at our Brisbane headquarters. New employees meet with our executive team, including senior representatives from each of our business streams, and learn about the history of the company and its vision, mission and values. They also participate in team-building activities and a volunteering activity associated with our Foundation.

The experience consistently receives highly positive feedback. We provide an industry-leading onboarding program for our R&D graduates, which we are now expanding to other areas of the company.

Employee engagement and culture

Having an engaged workforce is critical to our employee retention.

Since February 2021, staff in most regions have returned to the office and we have implemented flexible working arrangements which enables staff to work remotely two days per week, and three days in the office. Working from home allows staff to attend family commitments and provides a better work-live balance with no commute times, while working from the office builds culture, collaboration, learning and 'collisions'. Staff returning to the office has promoted informal interactions through "collisions" or "water cooler" conversations and more formal interaction enabling people to meet face to face rebuilding connections lost during lockdowns.

We also undertook a company kick off (CKO) where a majority of employees attended a two-day conference in Brisbane where we re-connected with our vision, our values and our purpose and each other.

We also continued our defined in-office tribal days such as HackDays, Regional Days, Townhall, MARVEL Awards and other social events which has revitalised our people. Our latest eNPS result has reflected this improvement with a result of +17.

Our annual MARVEL awards program recognises and rewards the extraordinarily high performances by our many outstanding employees across our business. We also acknowledge at our annual Service Recognition Awards the milestone anniversaries of our staff.

eNPS Ratings

This philosophy of open communication includes our complaint procedure, which outlines responsibilities of both employees and TechnologyOne in relation to reporting and addressing complaints. We also have in place policies on bullying and misconduct and have an established Whistleblower policy.

eNPS Ratings

Year	Rating
2018	1
2019	14
2020	15
2021	17

TechnologyOne has seen an increase in Employee Voluntary Turnover from 9.8% to 16.6% over the past year which is a return to pre-Covid turnover metrics. What has been pleasing to TechnologyOne is that we are starting to see a number of employees who were approached by other tech firms subsequently returned to TechnologyOne.

THE AUSTRALIAN BUSINESS AWARDS® | EOC | EMPLOYER OF CHOICE WINNER 2021
THE AUSTRALIAN BUSINESS AWARDS® | EOC | EMPLOYER OF CHOICE WINNER 2020
THE AUSTRALIAN BUSINESS AWARDS® | EOC | EMPLOYER OF CHOICE WINNER 2019
THE AUSTRALIAN BUSINESS AWARDS® | EOC | EMPLOYER OF CHOICE WINNER 2018
THE AUSTRALIAN BUSINESS AWARDS® | EOC | EMPLOYER OF CHOICE WINNER 2017
THE AUSTRALIAN BUSINESS AWARDS® | EOC | EMPLOYER OF CHOICE WINNER 2016

Workplace diversity and inclusion

TechnologyOne believes that a diverse workforce performs better, and we see this as key to our commercial success. We aim to provide our people with an environment that respects the dignity of every individual, fosters trust, and allows every person the opportunity to realise their full potential.

Our commitment to diversity and inclusion also extends to our interactions with customers and suppliers.

At TechnologyOne we advocate equal opportunity for all, regardless of gender, age, sexual preference, religion, ethnicity and cultural background.

We continue to lead the Australian technology industry in workforce participation, with 36.5 % of our employees identifying as women. We are working hard to promote equal opportunity, and for this reason are involved in numerous initiatives that we believe will lead to short and long term positive change.

Further developing our approach to diversity and inclusion continues to be a focus, and this year we have continued our support of the Tech Girls Movement, Women in Technology and Women in Digital to promote diversity and to be seen as an employer of choice for women in the technology industry. We also partner with the Computer Society Foundation to sponsor the national Big Day In series, which is designed to inspire high school and university students to pursue careers in the IT industry.
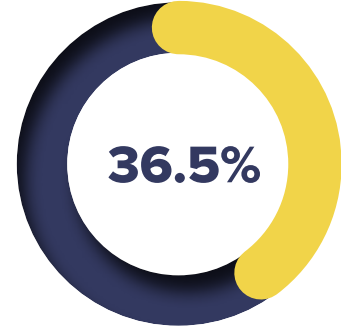
We have policies in place in relation to anti-discrimination and workplace gender equality, diversity, sexual harassment, flexible working arrangements and paid parental leave.

Our remuneration policy includes a commitment to equal pay for men and women. We conduct a gender pay gap analysis annually, following which we investigate any potential gender bias in performance pay, and correct like-for-like gaps.

TechnologyOne has previously set itself a target that at least 30% of all senior

management roles are to have at least one female short listed. This year, we are pleased and proud that we exceeded this target with 50% of all senior management roles having at least one female candidate short listed. TechnologyOne has taken this further for FY22 onwards setting a benchmark of at least 70% of all roles are to have at least one female shortlisted.

Percentage of women in workforce

36.5%

Bringing about longer-term change

We actively promote women to study STEM and see the technology industry as a career for young women through our partnership with the Tech Girls Movement. The Tech Girls Movement is a non-profit organisation, established to support the development of a more diverse IT workforce, ultimately resulting in better technology for society.

Our policy on anti-discrimination and workplace gender equality promotes a fair, equal and merit-based approach to all aspects of employment at TechnologyOne. Recruitment and promotion within TechnologyOne is based only on the relevant skills, experience, qualifications, aspirations, potential and aptitude of the applicants. We encourage our employees to report any instances of discrimination in accordance with our Open Door policy and through regular check-in meetings.

We recognise that, for us to continue to attract and retain the brightest and best in a competitive industry, we need to further develop our approach to diversity and inclusion.

We have focused resources in this area over the past year to update and add to our relevant policies and put in place initiatives and goals.

We have policies in place in relation to anti-discrimination and workplace gender equality, diversity, sexual harassment, flexible working arrangements, purchased leave and paid parental leave.

Our gender diversity metrics are made publicly available as published in our WGEA Report on our corporate website.

As part of TechnologyOne's commitment to diversity and equality, we sponsor the Queensland University with a focus on diversity and building exceptional female talent pipelines, Technology One partners

with Women in Technology and Women in Digital to continue to build our brand recognition and EVP to attract rising female starts to TechnologyOne and raise awareness of this important issue. We also partner with the Australian Computer Society Foundation to sponsor the national Big Day In series, which is designed to inspire high school and university students to pursue careers in the IT industry.

Dean's Scholars Program and the University of Queensland's School of Information Technology and Electrical Engineering ICT Excellence (Prentice) Scholars are also sponsored by TechnologyOne to promote the involvement of women in the technology sector.

Employee training and development

In a fast-changing sector, it is vital that our people are enabled to keep their skillsets current so that we can continue to evolve our solutions and deliver compelling customer experiences. Our TechnologyOne Learning team is our primary vehicle for learning and development, providing training across all areas of our business.

The Learning team is also our mechanism for keeping employees up-to-date with compliance requirements including our policies on how we work.

Where specific training is not available internally, we also enable people to complete external certifications.

Every year we run hundreds of training programs across our regional offices that attract thousands of attendees.

Employee health and wellbeing

We have a high-performance culture in a fast-moving sector. In this context, we recognise that it is important to support the health and wellbeing of our staff and guard against stress and burnout. Never has this been so important than during COVID-19, when lockdowns, remote working arrangements and personal health stress have brought new challenges to organisations.

TechnologyOne has been extremely cognisant of this during the last year. We have extended – and reimagined – our calendar of wellbeing activities including an annual wellness expo, ensuring these are provided virtually where necessary.

We have continued to provide an independent employee assistance program, and the availability of this has been heavily communicated to staff during this demanding time. We receive monthly reporting on up-take and satisfaction with the service.

We promote a safe workplace culture for our employees with a work health and safety program that includes formal induction and training programs and an internal WHS portal that provides current and relevant safety information to all team members, including relevant policies and procedures. We have proactively shared state-by-state COVID-19 lockdown and exposure site information and will continue to do this until the pandemic is over.

Our MySafety incident logging module has continued to be well utilised, and fortunately, there have been no fatalities or material workplace injuries reported in the last year.

We use the services of International SOS to provide additional support when needed for the health and security of our people when travelling.

We support our rapidly growing team in the United Kingdom, with a dedicated strategic People and Culture business partner.

TechnologyOne has a WH&S Committee which includes the EVP People & Culture, Head of Governance, Risk & Compliance and the Workplace Health & Safety specialist. WH&S incidents and issues are reported through to the board.

0 Fatalities

0 Material Workplace Injuries

Our Customers

Customer satisfaction and retention

Providing a compelling customer experience is fundamental to TechnologyOne's ongoing success. Our customers and provide an important compass and for this reason we have implemented Net Promoter Score (NPS) surveys for customers and as part of our products.

We are the only enterprise vendor providing a totally integrated experience to customers, in which we build, market, sell, implement, support and run our world-class enterprise software. We participate in only six key markets: government, local government, education, health and community services, asset and project intensive industries and corporate and financial services. Our vertically integrated model serving specific markets enables us to be closely connected to our customers.

Engaging with our customers and soliciting their feedback is critical to our success. Our online Customer Community continues to be an important forum for our customers, enabling them to collaborate with each other as well as with us.

Our online User Connect series connects customers with industry insights, business transformation initiatives and new product innovations.

Our Compelling Customer Experience program is supported by ongoing development and support for our people in delivering outstanding customer experiences.

We provide our customers with continuous access and superior product functionality. Our SaaS services are Service Organisation Control (SOC) compliant, providing uptime levels in excess of 99.9%.

Our customers make a significant investment when they commit to our enterprise solutions. Our key measure for customer satisfaction is our customer retention rate, which is in excess of 99 per cent.

Our customers' ongoing satisfaction is imperative as we deliver Software as a Service and a subscription-based model.

We want to delight our customers so that they are inspired to take up more of our products and trust us with enterprise-wide solutions that will afford them more flexibility, agility and efficiency.

You can read more about how we support our customers in our Annual Report.

99% Customer retention
2019 → 2020 → 2021

Data privacy and security

SaaS Customers
As privacy and security matters are ever-evolving, TechnologyOne continues to monitor cyber risks, establish robust security protocols and continue to train and reinforce to our staff the importance of being vigilant.

Our team complete annual privacy training in line with Australia's Privacy Amendment (Notifiable Data Breaches) Act 2017, UK Data Protection Act 2018 and the EU General Data Protection Regulation.

For our SaaS services, we aim to exceed SOC compliance standards. In addition to the full annual audits, we run a monthly program of internal reviews, and have quarterly external audits as a subset of our SOC controls.

Our policy ensures that we put compliance audit services to tender every six years, and that audit partners are rotated every three years.

During the reporting period there were no notifiable data breaches.

Certifications
Our SaaS solution continues to hold comprehensive certifications including:

- ISO 9001:2015 - Quality Management Systems

- ISAE 3402 SOC 1 - Assurance Reports on Controls at a Service Organisation

- IRAP 'PROTECTED' – Information Security Registered Assessors Program

- Health Insurance Portability and Accountability (HIPPA) (USA)

- ISO 27001:2013 - Information Security Management

- ISO 27017 – Code of Practice for Information Security Controls

- ISO 27018 – Information Technology Security Techniques

- SSAE 18 SOC 1 (USA) – System & Organisation Controls Report

- AT-C 205 SOC 2 – System & Organisation Controls Report

- AICPA SOC 3 - System & Organisation Controls Report

- Cyber Essentials Plus (UK)

TechnologyOne has successfully completed the Information Security Registered Assessors Program (IRAP) assessment for PROTECTED classified data for Federal Government SaaS Customers.

Systems implemented to meet IRAP assessment benefits all our SaaS customers with an increased cyber security posture and greater certainty in a constantly evolving cyber security landscape. This was achieved by leveraging the strong compliance and security foundations established over recent years and is a testament to TechnologyOne's mature security practices, accountability mechanisms and belief in continuous assessment and improvement. Whether it be TechnologyOne or our stakeholders' information, policies and processes have been developed and implemented to maintain the highest level of security.

Our employees complete annual privacy training in line with Australia's Privacy Amendment (Notifiable Data Breaches) Act 2017, UK Data Protection Act 2018 and the EU General Data Protection Regulation.

For our cloud services, we aim to exceed SOC compliance standards. In addition to the full annual audits, we run a monthly program of internal reviews, and have quarterly external audits of a subset of our SOC controls.

During the reporting period there were no notifiable data breaches or material security incidents.

Security Council

We are committed to building the world's most trusted SaaS for enterprise software.

Our Security Council reports directly to the CEO and enables matters to be escalated to a senior level expeditiously and addressed promptly. The Security Council oversees the Company's security framework and strategy.

Standard	TechnologyOne	Infor	Workday	SAP
IRAP (OFFICIAL)	✓	–	–	✓
IRAP (PROTECTED)	✓	–	–	–
NZ IRD SPS 13/01	✓	–	–	–
ISO/IEC 27001:2013	✓	✓	✓	✓
ISO/IEC 27017:2015	✓	–	✓	✓
ISO/IEC 27018:2014	✓	✓	✓	✓
ISAE 3402 SOC1	✓	✓	✓	✓
AT-C 205 SOC2	✓	✓	✓	✓
AT-C 205 SOC3	✓	✓	✓	✓
SSAE 18	✓	✓	✓	✓
Cyber Essentials Plus (UK)	✓	–	–	–

About TechnologyOne

TechnologyOne (ASX: TNE) is Australia's largest enterprise software company and one of Australia's top 150 ASX-listed companies, with locations across six countries. We provide a global SaaS ERP solution that transforms business and makes life simple for our customers. Our deeply integrated enterprise SaaS solution is available on any device, anywhere and any time and is incredibly easy to use.

Over 1,200 leading corporations, government agencies, local councils and universities are powered by our software. For more than 34 years, we have been providing our customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology.

Technology One Limited ABN 84 010 487 180

technologyone

Transforming business, making life simple