technology**one**

Making life simple for our community

2023 Sustainability Report.

What's inside.

About TechnologyOne

TechnologyOne is Australia's largest enterprise software company and one of Australia's top 100 ASX-listed companies.

We provide a global Software as a Service (**SaaS**) Enterprise Resource Planning (**ERP**) solution that makes life simple for our community. Our deeply integrated enterprise SaaS solution, with 16 products and over 400 modules, is available on any device, anywhere, anytime and is incredibly easy to use.

Over 1,300 leading corporations, government agencies, local councils and universities are powered by our software. For more than 36 years, we have been providing our customers with enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology.

Our 2023 Sustainability Report.

This report provides an overview of TechnologyOne's sustainability performance and achievements from 1 October 2022 to 30 September 2023. Complementing our 2023 TechnologyOne Annual Report, 2023 Corporate Governance Statement, and other environmental, social, and governance (ESG) reports, this report provides more detail on our sustainability initiatives and climate change disclosures.

In this report a reference to 'TechnologyOne', 'Company', 'we', and 'our' is to Technology One Limited (ABN 84 010 487 180) and our controlled entities as outlined in our 2023 Annual Report, unless otherwise stated.

Where our report includes future-based statements regarding climate change or other environmental scenarios, these are based on good-faith assumptions which involve known and unknown risks, uncertainties, and factors beyond TechnologyOne's reasonable control.

Our reporting is aligned with and promotes the United Nations Sustainable Development Goals (SDGs) and the Task Force on Climate-Related Financial Disclosures (TCFD) and has been prepared with general reference to the Global Reporting Initiative (GRI) standards.

We welcome your thoughts and feedback. Email us at communications@technologyonecorp.com

Our ESG Related Disclosures

Key information	Annual Report	Corporate Governance Statement	Modern Slavery Statement	Financial Results	Sustainability Report
Operational performance	●			●	
Strategy	●			●	●
Risk	●	●	●		●
Governance	●	●	●	●	●
Sustainability	●				●
Climate action	●				●
Financial performance	●			●	

Sustainability at TechnologyOne

We're **committed** to building a sustainable future.
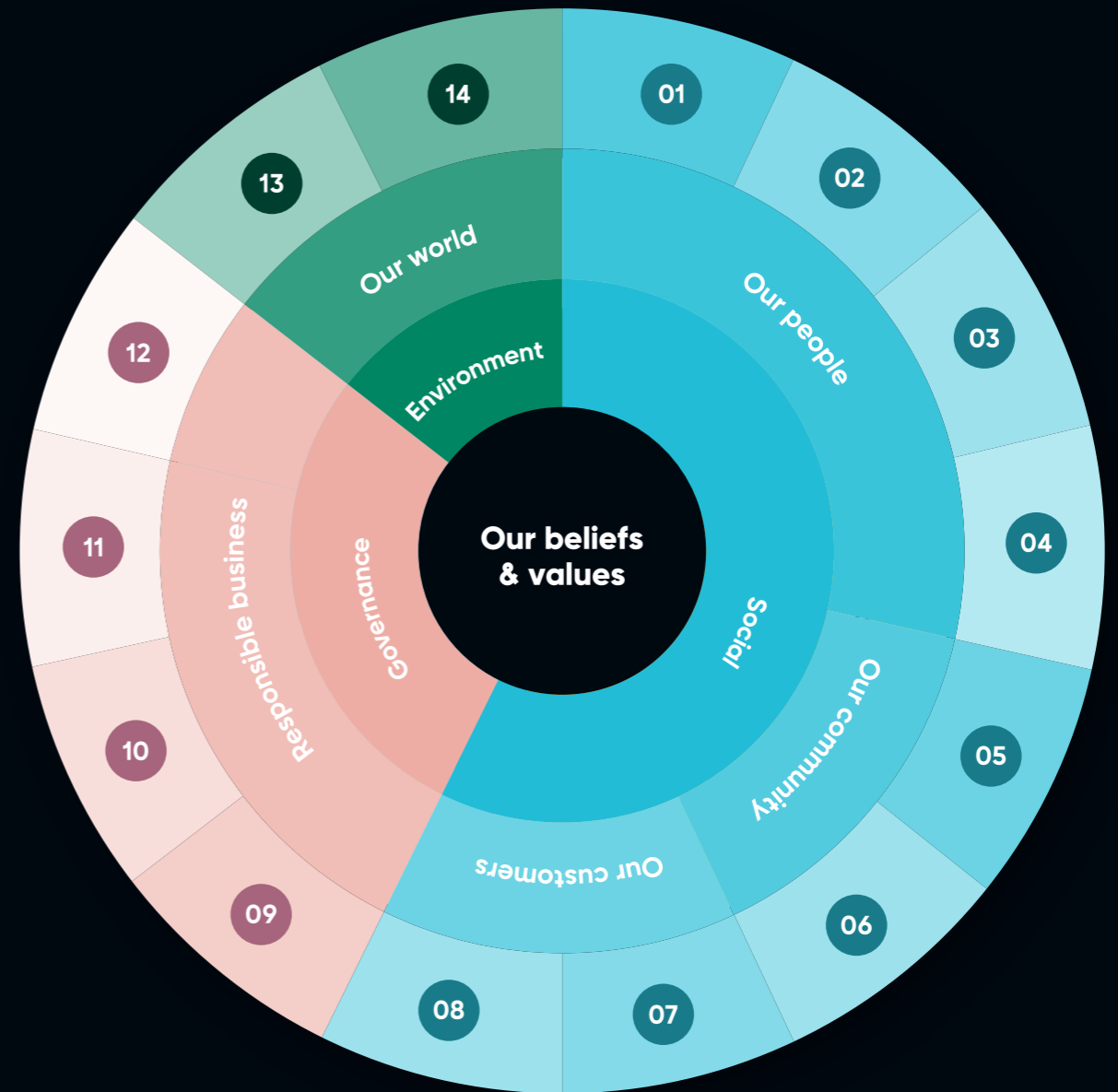
Every department within TechnologyOne has ESG-related opportunities and risks, where every team member is responsible for embedding sustainable practices into everyday operations.

Our commitment to sustainability is driven by sound governance practices that enhance transparency, accountability, and collaboration among our teams. These practices are grounded in our core beliefs and values and what we term the TechnologyOne Way.

Our sustainability agenda, performance, and effectiveness are embedded into our corporate governance. This is done with our Board and Committees being involved in our ESG agenda and reporting, and our leaders throughout the business ensure our ESG impacts are aligned to our sustainability focus areas.

At the heart of our sustainability strategy lies our ESG framework. It guides our business management, shapes our sustainability priorities, and serves as a materiality assessment, identifying the issues of greatest significance to our stakeholders.

Social

Investing in our people
01. Talent attraction and retention
02. Team member engagement and development
03. Workplace diversity and inclusion
04. Team member health and wellbeing

Supporting our customers and communities
05. Responsible sourcing
06. Community investment
07. Customer satisfaction and retention
08. Data privacy and security

Governance

Responsible business
09. Ethics, values, and transparency
10. Effective governance and risk management
11. Innovation, research and development
12. Shareholder value

Environmental

Protecting our environment
13. Environmental impact reductions

CEO's message.

Welcome to our 2023 Sustainability Report.

One of TechnologyOne's core values is 'Our People are Our Power' and our 2023 Sustainability Report reflects our dedication to building a better future for not only our people, but for our communities and the planet, while ensuring TechnologyOne's long-term success.

Responsible business

We understand our impact extends beyond building and delivering truly great products and services. We have a responsibility to harness the transformative power of technology to drive positive change and minimise our environmental and social footprint.

As we navigate a rapidly changing world, our dedication to sustainability is not just a moral obligation but a strategic initiative. Our goals are not static, they evolve as the world evolves, and we innovate and adapt to address emerging challenges.

The journey towards a sustainable future is not without challenges, but we don't take the standard path. These challenges present us with our greatest opportunities for growth and innovation.

Corporate sustainability and accountability are areas we know our stakeholders are invested in. This report outlines how fundamental principles of sustainability are to the way we operate.

Reflecting our progress in several areas, in FY23 we were named in BetaShares' Australian Sustainability Leaders list.

Supporting our customers and communities

We remain committed to making a difference to disadvantaged youths, by empowering them to transform their lives and create their own pathways to success. I'm immensely proud of the TechnologyOne Foundation's efforts to support our communities.

As of this year, we've positively impacted the lives of 83,628 children and their families to break the cycle of poverty through education, learning, health, and wellbeing support. I thank our team members who passionately volunteered for charities around the globe, contributing to 5,341 volunteer hours.

Our Foundation continues to be a proud member of the Pledge 1% movement, donating 1% of profit, product, and team members time to our communities. We're thrilled to have our achievements recognised as the 2023 Community Contribution winner by the ABA.

Investing in our people

Every day our people see opportunities to innovate, create, and find simple solutions to complex problems. They're our greatest competitive advantage, and we continue to value our team through investment in engagement, career paths, wellbeing programs and capabilities. For the eighth year running we've been named as the ABA Employer of Choice, highlighting our longstanding commitment to developing a strong culture and the TechnologyOne Way.

Protecting our environment

We're focused on reducing our impact on the environment and are proud to be Climate Active carbon-neutral certified for our global operations. Reflective of the increased urgency to accelerate carbon reduction initiatives, we recently set reduction targets to reduce our Scope 1 and 2 global emissions by 80 per cent by 2025 and 100 per cent by 2030 from a FY22 baseline.

While our day-to-day operations don't have a material impact on the environment, we recognise that climate change presents both risks and opportunities for society and the global economy where greenhouse gas reductions require universal transformation from business, government, and individuals collectively.

We continue to align our sustainability program with the UN Sustainable Development Goals to contribute towards meaningful change and have progressed our alignment with the TCFD.

I'm incredibly proud of our sustainability achievements and thank our team members for their contribution to our sustainability agenda. I'm pleased to present this report to shareholders, customers, our team and wider stakeholders for the financial year 1 October 2022 to 30 September 2023.

Edward Chung
Chief Executive Officer

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 stakeholder relationships.

We recognise that our long-term success depends on maintaining the trust of our investors, customers, people, suppliers and community.

We do this by ensuring we have robust measures for ethical, responsible, and transparent operations, and continually investing in product innovation and development to deliver new features, functionality, and concepts.

Performance at a glance

Invested $112m in R&D for FY23, which is approximately 25 per cent of revenue

Maintained a comprehensive corporate governance framework based on risk management, compliance, and assurance controls

Achieved FY23 record revenues, profit and SaaS ARR

Awarded ABA100 Winner 2022 for ERP Innovation by the Australian Business Awards

Ethics, values and transparency

The TechnologyOne Way serves as the cornerstone of our corporate culture, influencing our behaviour and the choices we make. It encompasses our fundamental beliefs and engrains responsible business practices, with a commitment and dedication to excellence in corporate governance, accountability, innovation, and transparency, in all our endeavours. These beliefs and principles not only define our value proposition to our customers but also protect the interests of our shareholders and other stakeholders.

All our directors, managers and team members understand they are expected to act with the utmost integrity and objectivity, observe the highest standards of behaviour and business ethics, and always strive to enhance the reputation and performance of the company as outlined in our Code of Business Conduct which grounds the TechnologyOne Way.

Transparency is critical to our success. We strive to maintain an open, meaningful dialogue with our stakeholders and to provide confidence that we understand and respond to our ESG risks and opportunities.

Effective governance and risk management

We have a comprehensive corporate governance framework, based on leading standards and industry best practice, to safeguard our operations and long-term value.

As a global organisation, we seek to apply our operating countries' most stringent legal and regulatory obligations across all operations where practical. We achieve this by integrating these obligations into organisation-wide corporate governance practices and cultures. Our internal system for compliance, assurance, and risk management not only fosters business growth but also ensures that we conduct our operations in a responsible and sustainable manner.

Our ESG related risks and

opportunities are integrated into our Risk Management Framework and managed as part of our overall business strategy. Risk level assessments are routinely undertaken, where the Board maintains oversight of our material enterprise risks. Our material risks include cyber risk, people risk, and building the future risk where robust controls are in place to mitigate risk impact and occurrence. We are of the opinion that we do not have material ESG risks outside of this due to controls implemented.

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

For more information, refer to our 2023 Corporate Governance Statement.

Innovation, research and development

Part of the TechnologyOne Way is to design for the future, thinking 20 years ahead when innovating. We began experimenting with web technology in the client server world well before the rise of SaaS.

In 2010, we announced our intention to become a SaaS company – and got to work making this a reality.

In 2011, we began building our fourth generation ERP – CiA. An enterprise resource planning platform offering the ultimate in simplicity and consistency. The CiA interface is a seamless experience that's accessible across any device, in any location, at any time of day.

With the ability to fully integrate all 16 products across key industries into the CiA platform, it supports over 400 modules with over 10,000 capabilities. Enabling our customers to manage day-to-day tasks like accounting, procurement, project management, risk and compliance management, and supply chain operations through a single intuitive interface.

CiA delivers in a way that on-premise solutions simply cannot. According to our research, migrating from on-premise to a SaaS solution, like CiA, delivers a range of business and customer benefits. These include 25–50 per cent cost savings for our customers, 22 per cent increase in developer productivity,

15 per cent reduction in asset-related labour costs and a reduction in carbon emissions and energy consumptions.

CiA was recognised by the Australian Business Awards as the ABA100 Winner 2022 for ERP Innovation.

We commissioned a study with IBRS and Insight Economics on the economic impact of SaaS to better understand the potential and cumulative economic benefits to Australia. Modelling showed that in aggregate, the potential direct benefit to Australian organisations in moving to SaaS solutions compared to current software capabilities is in the order of $252 billion dollars over the next ten years. This research also showed that an increase in cloud computing from 25 per cent to 40 per cent by 2025 – enabling the retirement of small, inefficient data centres – could see energy use reduce by 80 per cent, aiding Australia to avoid 4Mt of CO_2-e emissions by 2030.

It's time to take SaaS to the next level

We're leveraging our unique domain experience of over 36 years and our unwavering commitment to our industries with SaaS Plus.

SaaS Plus is our all-inclusive offering specifically tailored for the industries we serve, delivering industry specific software solutions. Harnessing TechnologyOne's unique 'Power of One', SaaS Plus offers end to end software implementation quickly, securely, and efficiently.

TechnologyOne takes complete responsibility for delivering outcomes with our best-in-class SaaS ERP. With SaaS Plus, implementation, support, and upgrade costs are including with TechnologyOne taking full ownership of the outcome of the solution experience, not just the software.

We are proud of our industry-leading investment in research and development (R&D), which in FY23 equated to $112m - approximately 25 per cent of revenue. Our Hack Days continue to provide our team members with the freedom to innovate by working on projects outside of their normal scope of work.

Shareholder value

TechnologyOne has been continually profitable since 1992, with repeated years of record profit, revenue, and record SaaS annual recurring revenue (ARR). This year was no exception.

Our success is underpinned by our clear vision, strategy, culture, and significant investment in R&D, together with our continued focus on strong performance and growth for shareholder value maximisation.

Our primary focus is on safeguarding existing revenue streams while fostering ongoing growth to ensure sustainable returns for our shareholders. We achieve this by aligning executive compensation structures appropriately. Our approach revolves around creating long-term, sustainable value that not only serves the interests of investors but also extends to employees, customers, and the communities we operate in.

TechnologyOne has upgraded our commitment to reach $500m+ in annual recurring revenue by FY25 instead of FY26, where over the next few years, our SaaS and Consulting business is expected to grow strongly.

Recognising that shareholders are critical to our stakeholder network,

the Chief Executive Officer, Chief Financial Officer, and other members of senior management routinely meet with shareholders to discuss relevant developments at our results roadshows and investor meetings.

For more information, refer to our 2023 Annual Report and 2023 Full-Year Results Presentation on our website.

Our next steps include plans to:

- continue to strengthen our systems to evaluate, monitor and report on ESG performance in alignment with our sustainability goals.

- maintain our industry-leading investment in R&D for continued innovation.

- implement our FY24 initiatives aimed at $500m+ in ARR by FY25 and continuing to double in size every five years.

Supporting our customers and comm**unity**
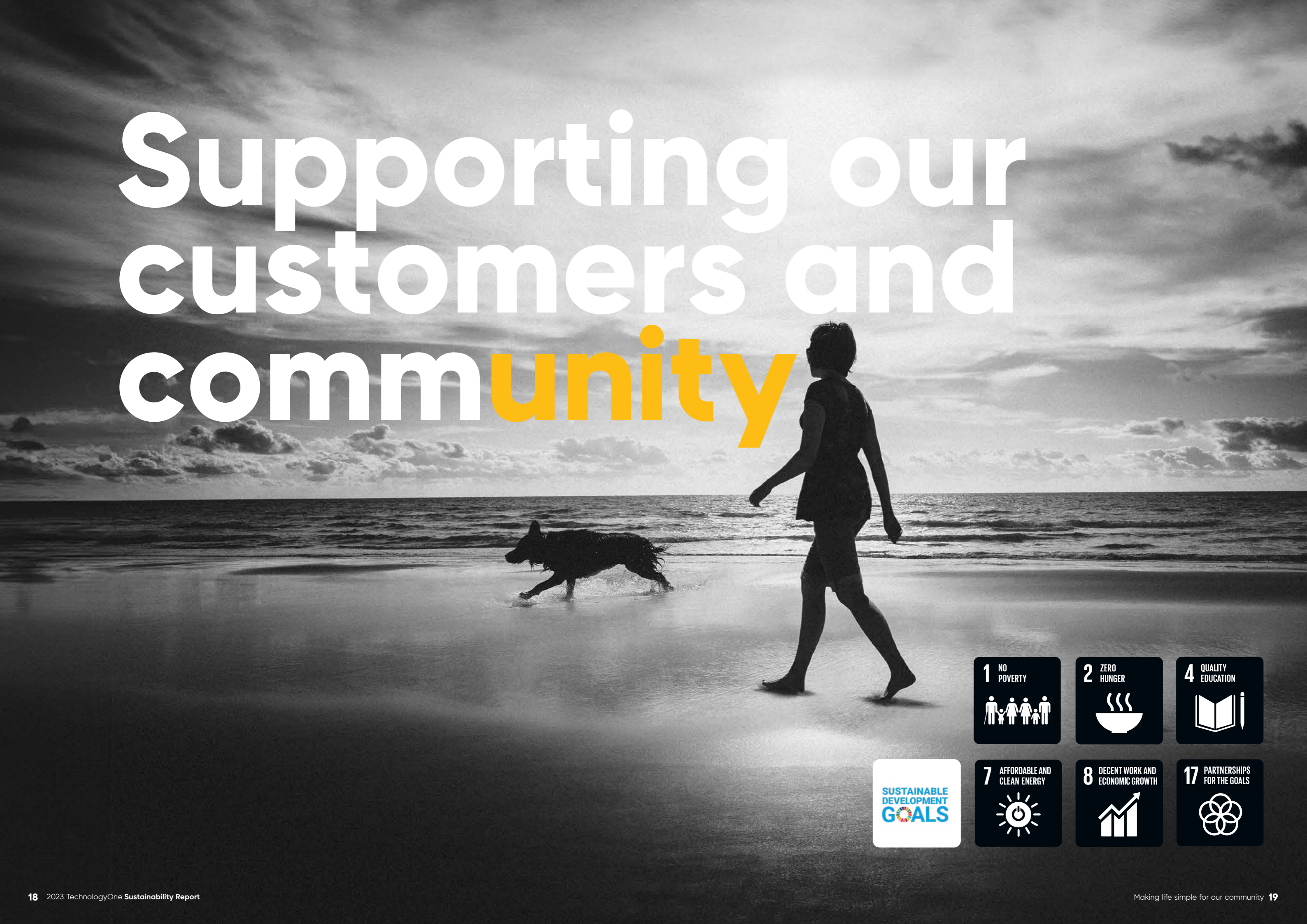
Our success relies on providing a compelling customer experience.

To measure satisfaction and to understand our customers more deeply, we survey over 1,000 global customers each year.

We prioritise the privacy and security of our customers' data, weaving this commitment into the very core of our operations. We're committed to creating the world's most trusted SaaS platform for enterprise software, and we will persist in making substantial investments toward achieving this goal.

We have a strong focus on giving back to the community through the TechnologyOne Foundation which forms an important driver of our culture and values.

A key focus of our Foundation is supporting underprivileged and at-risk youths by empowering them to transform their lives for success.

We also recognise that by engaging with our suppliers on ESG matters, we can promote topical issues to drive change and minimise risk to both our suppliers and TechnologyOne. On this front, part of our responsible sourcing agenda includes prioritised engagements with suppliers who have established ESG practices.

Performance at a glance

Customer

Maintained 99 per cent customer retention and 99.9 per cent SaaS uptime

Released two software upgrades – 2023A & 2023B – to deliver enhancements designed to simplify the way our customers work

Maintained SaaS certifications and accreditations to provide the highest levels of data protection

Community

$856,849 profit contributed to the TechnologyOne Foundation to give back to our communities

5,341 hours volunteered to charity and community organisations

900 SolarBuddy lights assembled for disadvantaged children in Fiji, Papua New Guinea and Sudan

Awarded the Community Contribution Award 2023 by the Australian Business Awards

Completed over 230 vendor screening assessments for new and existing suppliers

Customer satisfaction and retention

Customer satisfaction and success is our focus. We believe in the power of a single, integrated ERP solution built on a modern platform with a consistent look, feel, and user-friendly experience. Our comprehensive suite of fully integrated software products – spanning across six key markets of local government, government, education, health and community services, asset and project intensive industries, and corporates and financial services – is designed to deliver the best possible experience for our users.

Engaging with our customers and soliciting their feedback is critical to our success. To measure satisfaction and to understand our customers more deeply, we survey over 1,000 global customers each year and engage with them through our online Customer Community.

TechnologyOne uses the Net Promoter Score (NPS) to understand customer satisfaction, which measures an individual's tendency to recommend TechnologyOne to others. The NPS serves as a valuable tool for comprehending our customers' sentiments, helping us identify our strengths and areas that require improvement. Our commitment lies in utilising these customer ratings and feedback to shape our future enhancements and guide strategic decisions, ensuring we're delivering maximum loveable products and services. We are dedicated to continuously enhancing our NPS scores through a range of significant initiatives – including embedding NPS into the TechnologyOne culture, engaging in meaningful conversations with customers to delve deeper into the context and underlying reasons behind their scores, and leveraging feedback to create improvement roadmaps that align with industry benchmarks.

Power of One

The TechnologyOne's difference is being one vendor with a single vision, code-line, and experience. We don't use implementation partners or value-added resellers. We take ownership for building, marketing, selling, implementation and supporting our enterprise solution for each customer to help ensure their success – this is the Power of One.

This philosophy gives our customers the opportunity to establish a strategic partnership with a single vendor, and avoid the complexity, risk, and inefficiency of having multiple platforms and vendor relationships.

The power of one enables us to deeply understand and optimise the customer experience at every stage of the journey.

User Connect

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

In FY23, we facilitated 138 User Connect sessions covering a range of topics including software releases, product upgrades and improvements, and avenues to maximise support to customers.

Customer support

We're committed to helping our customers get the most out of their software solutions, allowing them to concentrate on core business operations. TechnologyOne offers a variety of global support options, ensuring an unparalleled customer experience.

As part of our support and maintenance services, we offer 24/7 customer support where queries or concerns are addressed promptly and thoroughly. Our customer service teams operate swiftly, with friendly and knowledgeable team members, and are quick to resolve any issues.

Further information on how we support our customers is available in our Annual Report.

Customer Community

Through our online Customer Community, customers can connect, communicate, and work together with us and with each other to get the most out of our solutions while also assisting us in constantly developing and delivering product ideas.

Over 85 per cent of product enhancements are based on direct feedback from our customers.

Software releases

Our customers have access to two software releases per year that aim to deliver enhancements designed to simplify the way our customers work and elevate their enterprise experience. These releases are thoughtfully crafted to align with our customers' evolving needs and are seamlessly integrated into our SaaS platform, ensuring the long-term sustainability of our offerings.

Each year, we issue Service Organisational Control (SOC) reports, to provide our customers with assurance that our services are reliable, secure, private, and compliant. Our SOC reports are independently audited and contain design and effectiveness verifications. For our SaaS services, our goal is to exceed SOC compliance standards by going beyond the minimum requirements.

In addition to our full annual audits, we also run a monthly program of internal reviews, and have quarterly external audits of a subset of our SOC controls.

Data privacy and cyber security

TechnologyOne operates on a shared responsibility model where all parties have a significant role to play in protecting the security and privacy of the system and data. The TechnologyOne SaaS platform integrates the latest in innovative security and privacy technologies. All SaaS customers are protected by our multi-tiered security measures and accredited procedures.

We continue to heavily invest in a stringent cyber program to provide the highest levels of security – proactively predicting, preventing, and responding to cyber risks that threaten business continuity – which meets the highest levels of certifications and accreditations.

Our cybersecurity program is overseen by our Security Council – with representation from across our business – who direct our security framework and strategy, with relevant matters provided to the TechnologyOne Board. Cybersecurity risk assessments are undertaken regularly in response to control changes, evolving threats, and technological advancements. The systems implemented to achieve our certifications enable us to maintain a strong cybersecurity posture and greater certainty in response to increased threat landscapes.

We seek to apply General Data Protection Regulation equivalent data privacy requirements to all activities which involve the collection, processing, and management of personal data, unless a local jurisdiction requires otherwise. Our related entities are in Australia, New Zealand, United Kingdom and Malaysia, where we take commercially reasonable steps to maintain sound governance parameters and controls.

All team members are provided annual privacy and security training, which includes assessment modules to test an individual's understanding of our key privacy and security obligations in line with Australia's Privacy Amendment (Notifiable Data Breaches) Act 2017, UK Data Protection Act 2018 and the EU General Data Protection Regulation. Our nominated Privacy Officers – acting as privacy champions across our business – undertake additional training for deepened understanding of our privacy obligations.

Our SaaS solution continues to hold certifications for:

- ISO/IEC 27001
- ISO/IEC 27017
- ISO/IEC 27018
- ISAE 3402 SOC 1
- SSAE 18 SOC 1
- AT-C 205 SOC 2 + HIPAA
- AT-C 205 SOC 3
- IRAP Protected
- Cyber Essentials & Cyber Essentials Plus (UK).

During the reporting period there was one notifiable data breach relating to our May 2023 O365 incident for our back-office system which did not impact our core SaaS product used by our customers.

For more information, refer to our ASX notifications or our Privacy Policy and Security and Trust website information.

Our next steps include plans to:

- review and refresh our Privacy Management Framework for increased governance parameters and controls.

- further enhance our cybersecurity risk management practices to keep pace with the evolving threat landscape and to continue to support our customers.

Community investment

Each year our TechnologyOne Foundation pledges 1% of time, 1% of product, and 1% of profit to charitable causes. This initiative is part of the 1% Pledge corporate philanthropy movement, dedicated to making the community a key stakeholder in every business.

Our long-standing commitment to philanthropy stems from our founder, Adrian Di Marco, with the Foundation established in 2016. Our charity partners and programs include the Smith Family's Learning for Life program, an initiative to improve access and participation in education for Aboriginal and Torres Strait Islander students experiencing disadvantage. We also support other partners – Opportunity International, School of St Jude, Fred Hollows Foundation, The Salvation Army, SolarBuddy, St James

Bursary Fund, KidsCan, and The Prince's Trust – that deliver educational, health and sustainability programs for disadvantaged children and their families.

During FY23, we supported over 85 charities through 5,341 volunteer hours and we contributed $856,849 into our communities through Foundation programs and direct charitable donations. Our goal is to assist 500,000 children to break the cycle of poverty through education, learning, health and wellbeing support. Our efforts to date have positively impacted the lives of 83,628 children through microfinance loans issued by our charity partner, Opportunity International.

We also assembled and/or quality checked over 900 SolarBuddy lights distributed to disadvantaged children in Fiji, Papua New Guinea, and Sudan

living in energy poverty, and ran volunteer sessions to build solar kits for children and families living in remote islands of Indonesia without electricity for International Earth Day. The 900 lights we assembled impacted approximately 4,500 lives, enabling an additional 2.2 million educational study hours.

We're proud to have been awarded the Community Contribution Award 2023 by the Australian Business Awards.

1% of time

Team members are provided 2.5 days of leave per year to make a difference to their community by volunteering.

1% of product

We provide significant discounts and implementation support to eligible not-for-profit organisations. This represents 1% of our net new annual recurring revenue.

1% of profit

We ensure that 1% of profit is used for Foundation Programs in our communities and direct donations to charities helping disadvantaged youth find pathways to success.
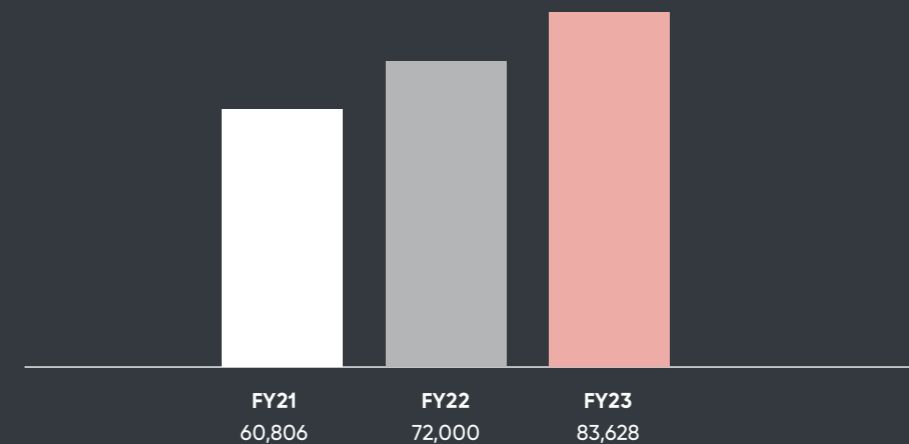
technologyone | Foundation

unite | donate | participate

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

So far, we've supported 83,626 children and their families

Impact figures

FY21	FY22	FY23
60,806	72,000	83,628

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

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

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.

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.

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

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.

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

KidsCan is Aotearoa New Zealand's leading charity dedicated to helping Kiwi kids affected by poverty. TechnologyOne's partnership aims to improve the prospects of Kiwi kids who face significant barriers to success and developing greater awareness of the KidsCan work. lives.

The Prince's Trust is a charity in the United Kingdom founded in 1976 by Charles III, to help support vulnerable 11 to 30-year olds in the UK. TechnologyOne has been a partner of the Prince's Trust since 2018, and our UK team members regularly volunteer at the Trust's disadvantaged youth programs.

Impact story:

Repurposing electronic waste to tackle energy poverty with Substation33 and PowerWells

Our partnership with Substation33 and PowerWells is to repurpose electronic waste from office and home to reduce waste and to tackle energy poverty. In FY23, we supported their electronic recycling programs to connect 15 small scale solar systems built from e-waste. The solar systems built have impacted the community significantly by helping to power 23 families for five plus years. From the power they can charge 11,250 devices, 327,600 hours of light, and 2,250L less kerosene.

Impact story:

Reducing the cost-of-living crisis in Australia through Salvation Army Red Shield Appeal

The current economic climate has led to a steady increase in people facing hardship. Over 700,000 children, are currently living in poverty, and an alarming number of Aussie families are struggling to afford household basic needs. During the Salvation Army Red Shield Appeal campaign that has focus on homelessness and poverty, we launched the appeal during a Town Hall event and attended the launch event across regions to learn more about the work and the impact. We activated the dollar matching initiative to match the team members' donation and collectively we raised $25,000 for the appeal. The fund allows our partner to provide life-changing care to those who are struggling through food vouchers, accommodation and financial assistance. Which means those who are struggling receive not just immediate help but long-term solutions to get back up and move forward towards a full life.

Impact story:

The Smith Family Digital Access Program

The Digital Access program aims to increase the number of Learning for Life families who are digitally included by ensuring students have access to technology-enriched home learning environments. This includes access to a device, affordable internet (including access to free data, technical support, and information on how to make the most out of the technology they have.

In FY23, TechnologyOne sponsored 18 students' receipt of digital devices through our Digital Access program.

Student's testimonial: *"I am a proud Kamilaroi woman. COVID struck in my final year of high school. Study became a lot harder, and a computer a lot more necessary."*

"If it weren't for The Smith Family, I wouldn't have been able to afford that computer, and my future could have been very different. Now, I am the first person in my family to study at university, which is something I am very proud of."

Recognising the history, culture and achievements of Aboriginal and Torres Strait Islander people

In July we recognised NAIDOC Week, encouraging engagement in the wider community for curiosity and reflection on Australia's history, culture, and achievements of Aboriginal and Torres Strait Islander peoples.

We also announced our intention to work on our first Reconciliation Action Plan (RAP) – which is expected for launch in early FY24. As a proud Australian company, with strong community ties through the TechnologyOne Foundation, and a commitment to diversity, equity, inclusion, and belonging – we're excited to formalise and embed the principles and purpose of reconciliation across our business.

Responsible sourcing

Our supply chain encompasses over 950 direct suppliers across more than 10 countries. The goods and services we procure are predominantly provided from Australia, New Zealand, Malaysia, the United Kingdom, the United States and Canada. IT and Technology represents our largest procurement category and accounts for close to 50 per cent of total supplier spend.

Our Supplier Code of Conduct sets our minimum supplier expectations on human rights, labour standards, ethical standards, and environmental management. We aim to cascade sustainable practices through our supply chain by prioritising engagements with suppliers who have established ESG goals. Through our onboarding and tender processes, we ask our suppliers a range of pre-qualification questions to assess their corporate governance ethical practices.

Business integrity

Our suppliers are expected to comply with all applicable local, national, and international laws and regulations, including in relation to bribery and corruption, modern slavery, and ethical conduct. In FY23, we issued ESG assessment questionnaires to our strategic and high-risk suppliers to confirm they have policies and/or processes in place to:

- Comply with all applicable local and national laws

- Commit employees to ethical conduct, standards, and behaviours.

Human rights and labour conditions

Our suppliers are expected to provide a fair, ethical, and safe workplace, which upholds high standards of human rights and integrates appropriate labour and human rights policies and practices into its business. During the year, we asked our strategic and high-risk suppliers to confirm they have policies and/or processes in place to:

- Comply with all applicable employment and industrial relations laws and standards relevant to workers' rights

- Have whistleblowing mechanisms in place to enable people to report matters of concern.

Identifying, assessing, and addressing modern slavery risks

We consider any form of modern slavery to be unacceptable and acknowledge our responsibility to help eradicate it. During the year, we assessed over 230 new suppliers or those with altered supply agreements over $1,000 for modern slavery risk. All our suppliers are expected to identify, prevent, and address modern slavery risks and to hold their supply chains to the same standard. Our standard supply contract terms include enforceable undertakings against modern slavery and human rights contraventions.

If we identify adverse human rights impacts (such as modern slavery) that we may have caused, or which we may have contributed to, we will seek to address these impacts in line with the guidance provided under the United Nations Guiding Principles on Business and Human Rights, including by providing or cooperating in remediation activities.

For more information, see our 2023 Modern Slavery Statement.

Our next steps include plans to:

- Strengthen our local and skill-based volunteering community investment by increasing the uptake of our team member volunteer days to connect them with their personal purpose and the community.

- Explore alternate engagement opportunities with our Foundation partners to deepen our understanding of how we can best support the needs of our beneficiaries and other underprivileged groups.

- Further embed our Supplier Code of Conduct and strengthening our supplier due diligence and screening processes.

Investing in our people

Our people are a crucial source of our competitive advantage, utilising their individual talents to solve complex business problems is one of our most essential elements in achieving sustainable success.

We attract the best and brightest, where our culture promotes innovation, creativity and realisation of full potential – the TechnologyOne Way.

Our international team is made up of more than 1,200 passionate individuals.

We believe in investing in our people, and we do this with a wide range of initiatives such as O Week, One Talks, MARVEL awards, leadership courses and wellbeing (physical, mental and financial) initiatives.

Performance at a glance

Employee engagement score increase to 34 (up 94 per cent since FY21), a notable step towards our FY26 target of +50

Increased women in senior roles to 43 per cent

Awarded Employer of Choice for 2023 by the Australian Business Awards

No fatalities or material workplace injuries reported during the year

Talent attraction and retention

TechnologyOne is committed to attracting and retaining talented individuals by providing them with an environment in which they can be innovative, creative and realise their full potential.

Our team members are selected based on their qualifications, suitability, and professional experiences. Internally, we focus on job rotation, promotions, and capability development to tackle challenges and develop innovative solutions to enhance our workforce.

Externally, we concentrate on building robust talent pipelines through proactive engagement with potential future hires, partnering with universities for our graduate and intern programs and maintaining our alumni relationships. During the year, 19 talented individuals joined us as part of our graduate and intern intake with considerable training, coaching and development invested.

Our onboarding program is industry leading. All new team members across our global operations participate in an immersive 'O-Week' program where they meet our executive and senior leaders, learn about our history, vision and mission, company values, business structure and how we deliver a compelling customer experience.

During the year, we welcomed over 280 new team members as we continue to expand our operations. These team members joined us predominantly in Malaysia and Australia, expanding our global presence.

Team member engagement and development

Having an engaged and empowered workforce is critical to our employee retention. Our twice-yearly employee Net Promoter Score (eNPS) survey is one of the principal tools used to measure employee engagement and commitment to TechnologyOne, as well as to gather team members' views. Our

For the eighth year running, we're proud to have been named as Employer of Choice by the Australian Business Awards.

FY23 result was an increase on prior years and a continued step towards our FY26 target of eNPS +50.

Our hybrid working model – which allows team members to work three days a week in our offices and two days remotely – enables what is best for our people, teams and customers and reflects external trends and expectations.

We invest considerable time and energy into team engagement and culture building initiatives, including Hack Days, Regional Days, Town Halls, MARVEL Awards and our Service Recognition Awards, to celebrate innovation, achievements, and to give our people an experience they love.

Our annual MARVEL awards recognise our high achievers who go above and beyond to achieve outstanding results while role modelling exemplary behaviour. This year we received 461 nominations, which is the most ever received for MARVELs.

During FY23, our senior leadership team have been focused on refreshing our strategies and business plans, and the TechOne Way, ensuring all teams have a clear sense of purpose, and that our values are infused throughout TechnologyOne. In July, we facilitated our second Leadership Community Summit, bringing together over 180 leaders across our global operations to share our company purpose and to engage on strategic initiatives. Additional avenues to support our current and emerging leaders include mentoring, coaching and 360-degree feedback for continual professional development.

We work towards a 70:20:10 blended model for learning and development, focusing on experience, exposure, and

formal training. Our Learning Team supports team member development by creating in-house learning modules and monitoring compliance to ensure all our team members are equipped to do their roles.

Our values and core beliefs represent what matters and what's important to us. They represent our default moral position and are our underlying principles when working with each other, our customers, and the wider community.

Further information on our core beliefs and values is available in our Open Culture Book and Annual Report.

Speaking up

We place great importance on fostering a culture where our people observe good governance and ethical behaviour and feel supported to speak up. Our Whistleblower Policy encourages team members and external partners to disclose matters of concern and ensures there are mechanisms for support and protections.

Our Independent Whistleblower Service (Stopline) is available 24/7 with translation services and is our primary means for whistleblowers to report concerns. These are referred to TechnologyOne's Whistleblower Officer, with oversight provided to the Board on significant matters raised, the number of notifications and their status.

EMPLOYER OF CHOICE WINNER 2023
EMPLOYER OF CHOICE WINNER 2022
EMPLOYER OF CHOICE WINNER 2021
EMPLOYER OF CHOICE WINNER 2020
EMPLOYER OF CHOICE WINNER 2019
EMPLOYER OF CHOICE WINNER 2018
EMPLOYER OF CHOICE WINNER 2017
EMPLOYER OF CHOICE WINNER 2016

eNPS Ratings

Year	Rating
2018	1
2019	14
2020	15
2021	17
2022	33
2023	34

The Power of one.

We dream big and deliver.

...e ...perience ...r our customers.

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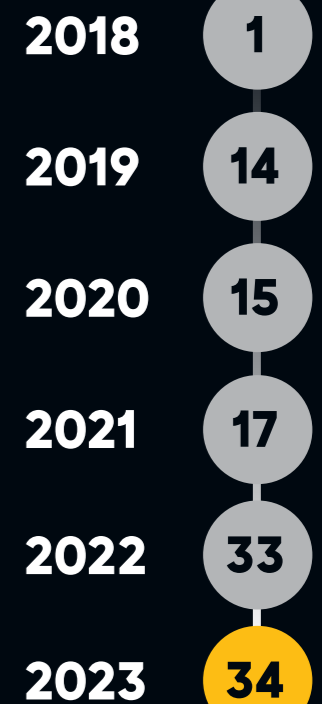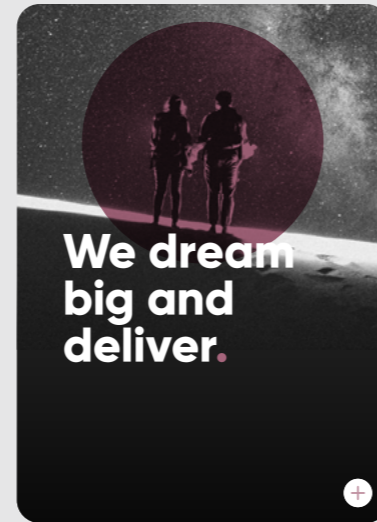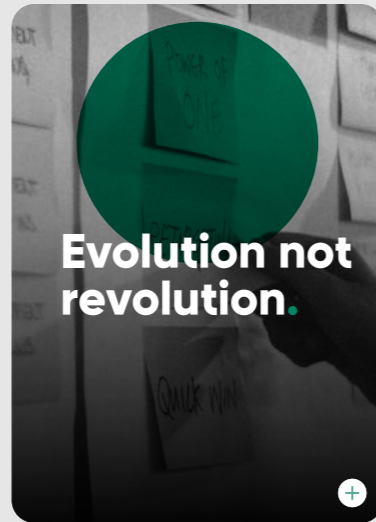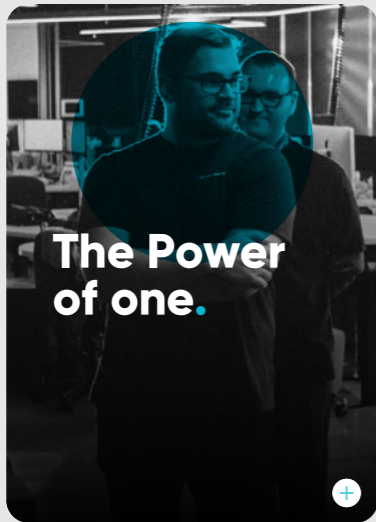
Workplace diversity and inclusion

Having an inclusive and diverse team is integral to our culture and commercial success. We work hard to foster an environment of trust and respect, where every person feels empowered to realise their full potential and has a sense of belonging.

We stand for equal opportunity, regardless of gender, age, sexual preference, religion, ethnicity, and cultural background. Underpinning this are our policies for anti-discrimination, workplace gender equality, diversity and inclusion, sexual harassment, flexible working arrangements and paid parental leave. Recruitment and promotions are based on relevant skills, experience, qualifications, aspirations, potential and aptitude of the applicants.

Our remuneration policy is firmly committed to achieving pay equality between men and women. Each year, we conduct a thorough analysis of the gender pay gap, and if any potential gender bias in performance-related pay is identified, we take immediate corrective measures to rectify such disparities on a like-for-like basis.

We continue our strong support for the involvement of women in the technology sector. In FY23, we were proud sponsors of the Women in Digital

Transformation Leader of the Year Award. We have implemented several strategies to increase the number of women in senior roles. For each recruitment shortlist, we aim to include at least one female candidate (where we have a goal to achieve this for 70 per cent of vacancies). During the year, we achieved a gender equality rate of 38 per cent across all roles at TechnologyOne.

In March, to mark International Women's Day, we encouraged conversations about creating a world that is equitable and inclusive, where our differences are valued and celebrated. We also supported our internal Employee Interest Group, Women as One by contributing $10,000 to help them advance the interests of women within TechnologyOne through advocacy, representation, education, networking and development opportunities.

In June, we celebrated International Men's Health Week, by hosting a panel discussion and encouraging conversation on building healthy habits by identifying small changes that can be made to benefit health and wellbeing.

Team member health and wellbeing

In FY23, our focus remained on supporting the mental, physical and workplace wellbeing of our people.

Our wellbeing program ensures that we have a holistic approach to the wellbeing of our team members. This includes teaming up with eight-time world surfing champion and the greatest female surfer of all time, Stephanie Gilmore, as TechnologyOne's official Brand Ambassador. Stephanie's grit and determination to make the impossible possible, stay at the top of her game, and to succeed year in, year out, is a great fit for our values – because TechnologyOne has the same philosophy.

We firmly believe that wellbeing plays a pivotal role in realising our goal of achieving an Employee Net Promoter Score of +50. As part of this commitment, we have made enhancements in FY23 to our physical workspaces, dedicating areas for wellbeing activities and creating a space that aligns with the requirements of hybrid work. It also includes initiatives to encourage our team to engage in physical wellbeing including a new gym fit out at our Brisbane office, gym memberships for team members at remaining offices, and programs and sponsored community sports

activities. Our teams have high levels of participation in the Corporate Games and other team-based triathlon events throughout the year.

For financial wellbeing, our team members can sign up to our Employee Share Plan – providing one matched share right for every two shares purchased – and can benefit from a range of deals and discounts as well as financial counselling for themselves and their families through Converge International.

During the year, 307 team members received an influenza vaccination through our onsite vaccine program with a further 124 vouchers provided for externally sourced vaccinations. We have an annual utilisation rate of 8.1 per cent with our Employee Assistance Program which is 3.7 percentage points higher than industry average.

We have a commitment to learning from internal and external incidents and trends and maintaining focus through sound governance arrangements. Our Work Health and Safety Committee oversees our employee health and wellbeing program of work, inclusive of measures to address incidents and risks, where relevant matters are reported to the TechnologyOne Board.

No fatalities or material workplace injuries were reported during the year.

Our team member benefits

- Enhanced flexible work arrangements
- Paid parental leave for primary and secondary caregivers
- Career and professional development programs
- Employee share ownership plans
- Employee assistance programs for confidential counselling services
- Onsite gym at our Brisbane office, gym memberships for remaining offices and private health membership discounts
- Salary packaging options
- Refer-a-friend and other incentive payments
- Additional leave purchase options
- Volunteering opportunities
- Social events, activities and company sponsored sporting
- Various offers, deals and discounts through partner affiliations.

Our next steps include plans to:

- Continue to evolve our wellbeing initiatives to best support our team members' mental, physical and financial wellbeing.
- Implement initiatives aimed at further embedding our culture and the TechnologyOne Way.
- Continue to benchmark and assess our employee benefits and practices.

Protecting our environment

We're committed to playing our part in limiting climate change.

We understand that climate action is an evolving landscape with rising expectations. Our environmental strategy expresses our commitment to addressing climate change and conducting our operations sustainably and transparently.

Maintained Climate Active carbon neutral certification for our global operations

Decreased our global Scope 1 and 2 emissions by 19 per cent against FY22

Set company-wide targets to reduce our Scope 1 and 2 emissions by 80 per cent by 2025 and 100 per cent by 2030 from a FY22 baseline

Carbon reductions

We accept the science of climate change and the Paris Agreement which aims to limit global temperatures well below 2°C above pre-industrial temperatures.

Climate change mitigation will require deep and permanent greenhouse gas (GHG) reductions as part of a universal transformation from business, government, and individuals collectively. Within this challenge we will seek to identify and manage both the risks and opportunities that present themselves.

While our day-to-day operations don't have a material impact on the environment, we're committed to continually lifting the bar to reduce our carbon emissions to the lowest amount possible and offsetting remaining amounts to maintain carbon neutrality.

During the year, we strengthened this commitment by setting targets to reduce our Scope 1 and 2 emissions by 80 per cent by 2025 and 100 per cent by 2030 from a FY22 baseline.

For our customers, there's a powerful business case in implementing energy-efficient practises and technologies – where a 15 per cent increase in organisations transition from on premise solutions to SaaS by 2025 could see energy use reduce by 80 per cent, aiding Australia to avoid 4Mt of CO_2-e emissions by 2030.
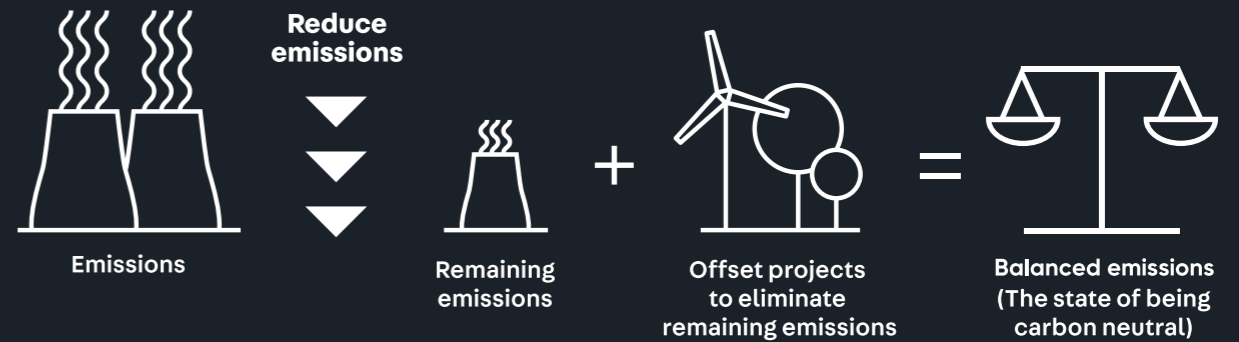
To this end, we will continue to prioritise significant investment in innovation, and toward new technologies, concepts and innovation which provide enterprise software that adapts and evolves to the needs of today and the future.

Our goal is to reduce our carbon emissions to the lowest amount possible and maintain a carbon neutral status

This is how we're doing it

Categories	Climate reduction initiatives
Employee engagement	Increase team member awareness and engagement on driving carbon reductions
Operational reductions	Become more energy efficient, increase renewable energy, reduce our consumption and waste, and recycle and reuse e-waste
Supplier engagement	Cultivate demand for lower-carbon solutions and prioritise suppliers who are carbon neutral or have a proven commitment to acting on climate change

What does it mean to be carbon neutral.

Emissions → Reduce emissions → Remaining emissions + Offset projects to eliminate remaining emissions = Balanced emissions (The state of being carbon neutral)

© Climate active

Carbon neutral certification

TechnologyOne's global operations are carbon neutral. In FY20 and FY21 we achieved Climate Active certification for our Australian operations and in FY22 we expanded our certification to include our global operations. We apply for Climate Active certification annually in arrears in October. In FY23 our certification for FY22 was maintained, where we'll report on the outcome of our FY23 certification in our FY24 Sustainability Report.

The highest proportion of our emissions come from third-party services. We're ramping up our plans to reduce our carbon emissions and have invested in certified carbon offset credits to counteract the emissions that remain after our reductions.

For every tonne of carbon attributable to TechnologyOne, a tonne of carbon credits is purchased by TechnologyOne and retired. Our carbon offset credits are sourced from projects related to solar and wind power initiatives in India. The wind power project aims to develop enough power to replace existing coal-fired power plants.. As well as providing a source of clean energy, the project improves the overall well-being of local communities by providing employment, clean water and sanitation, improved agricultural techniques, and opportunities for everyone - including women and youth.

In FY23, TechnologyOne offset 8,466 tonnes of greenhouse gas emissions with the purchase and retirement of certified carbon credits. Our carbon footprint measurement is completed internally with external advisory support from Pangolin Associates as subject matter experts.

Environmental management and climate risk

We're committed to maintaining our carbon-neutral status and reducing the carbon footprint in our supply arrangements to support global efforts to limit climate change in line with the Paris Agreement. During the year, we asked our key suppliers to confirm they have policies and/or processes in place to comply with all applicable environmental laws and regulations relevant to their operations. Through our engagement, we also sought to understand their position on environmental management and their progress in achieving carbon neutral status.

Maturing our TCFD capacity and implementing the IFRS Sustainability Disclosure Standards

As part of our progress to date, TechnologyOne has adopted an iterative approach to implementing the TCFD recommendations and to identify, measure, manage, assure, and report on climate-related risks and opportunities.

With the International Sustainability Standards Board's June 2023 release of the IFRS Sustainability Disclosure Standards, moving forward we will progress maturity on quantifying the impacts of climate-related risks and opportunities, and the metrics and targets for measuring, monitoring and managing climate-related risks and opportunities, amongst other key areas, in transitioning to the new disclosure standards ahead of legislated timeframes.

TCFD gap analysis & climate scenario analysis

We undertook a high-level review of our performance against the TCFD recommendations and completed a climate scenario analysis

TCFD reporting

In 2021, we released our first Annual Report addressing the TCFD recommend actions

Climate scenario analysis

We expanded our climate scenario analysis to include an additional scenario and matured our risk assessment

TCFD reporting

In 2022, we improved our TCFD reporting capacity and transparency with additional risk and opportunity disclosures

TCFD reporting

We released our third round of reporting addressing the TCFD recommendations, with plans to progress maturity in adopting the IFRS Sustainability Disclosure Standards

Ensuring accountability and responsibility for climate-related risks and opportunities

Board oversight

The TechnologyOne Board maintains oversight of sustainability matters, translating these into our strategy for long-term value. The Board oversees progress against our strategic programs on an ongoing basis and approves disclosures, including against the TCFD.

Through our Risk Management Framework, the Audit & Risk Committee oversees TechnologyOne's material enterprise-wide risks and the integrity of our statutory statements, including reviewing compliance with applicable laws, regulations, and reporting standards.

Our Nominations & Governance Committee reviews TechnologyOne's sustainability agenda and progress against key priorities.

Our Remuneration Committee considers executive performance on ESG issues when considering whether malus should be applied to vesting outcomes.

Our leader's role

The Executive Team are accountable for the implementation of key objectives and programs under TechnologyOne's sustainability agenda.
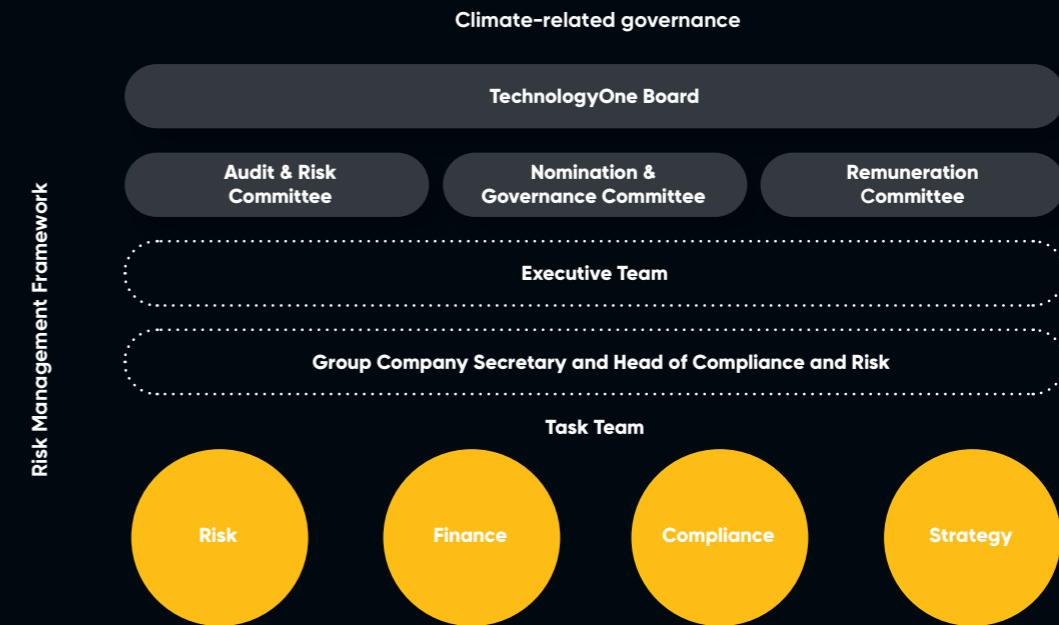
Reporting to the Chief Financial Officer, the Group Company Secretary and Head of Compliance and Risk has accountability for TechnologyOne's environmental sustainability agenda. The Group Company Secretary and Head of Compliance and Risk informs the activities of the Task Team who is responsible for supporting, guiding, and overseeing key programs of work under our environmental sustainability agenda.

Embedding climate into our risk management framework

We constantly challenge the status quo to deliver maximum loveable products and services to our customers which exposes us to several risks that could impact the achievement of our strategic objectives.

To protect and enhance our sustainable value, TechnologyOne has an established enterprise risk management framework that sets out a dynamic and structured approach for identifying, assessing, mitigating, and monitoring existing and emerging risks.

Climate risks are included in the scope of our risk management framework, and during the year we strengthened our tools to identify and assess climate-related risks and opportunities.

Climate-related governance

TechnologyOne Board

Risk Management Framework

Audit & Risk Committee

Nomination & Governance Committee

Remuneration Committee

Executive Team

Group Company Secretary and Head of Compliance and Risk

Task Team

Risk · **Finance** · **Compliance** · **Strategy**

Risk monitoring

Risks and opportunities are tracked and monitored on a regular basis through varying channels. Changes in risk and opportunity status are endorsed by executive leaders, wth Board visibility facilitated for material items.

Risk identification

Risks are identified through a bottom-up and top-down approach using varying methods including stakeholder management

Risk analysis

We analyse risks through quantitative and qualitative measures to assess their likelihood and consequence of materialisation

Risk evaluation

Risks are assessed evaluated against the expected benefits, key metrics and/or performance targets. Risks and opportunities are prioritised based on their impact

Risk mitigation

A risk mitigation strategy with specific actions is identified for each risk with a responsible owner identified

Processes for identifying, assessing and managing climate-related risks are integrated into overall risk management frameworks

Understanding our exposure to climate change

We recognise that climate-related risks and opportunities have the potential to impact our operational and financial performance.

To enable us to secure a clearer understanding of the strategic implications of climate-related risks and opportunities, we matured our assessment of potential future scenarios to maximise the positive impacts and minimise the negative impacts on our business.

In 2021, we undertook a high-level climate scenario analysis against the impacts of a 2°C and 4°C climate increase above pre-industrials levels, and in 2022 we expanded our analysis to include a 2°C climate increase scenario characterised by late and disorderly action.

The insights gained inform our approach to managing our short to long term climate-related risks.

Our global warming scenarios have been expanded to include:

• **2°C climate increase** characterised by strong ambitious action which is orderly and gradual to meet climate goals

• **2°C climate increase** characterised by late, disruptive, sudden and/or unanticipated action which is disorderly but sufficient to meet climate goals

• **4°C climate increase** characterised by limited action to meet climate goals beyond what has already been committed and there is continued increase in emissions

Transition Risk	Physical Risk
Growing external pressures and demands negatively impact companies slow to respond to GHG reduction controls and targets	Increase in temperature and frequency of extreme weather events leads to higher energy consumption, damaged infrastructure and adverse health outcomes

Risk and/or Opportunity				Risk and/or Opportunity	
Offsets: increases in carbon offset purchase price and percentages required in local jurisdictions	**Reputation:** elevated investor, customer and employee preferences for environmentally responsible organisations	**Litigation:** increased risk of stakeholder class actions against companies that fail to address climate change	**Carbon costs:** increased price of purchased products through carbon costs	**Acute risks:** increased frequency and severity of extreme weather events which increase network disruptions and downtime outside of TechnologyOne's control, resulting in missed sales	**Chronic risks:** increased heat leads to lower workforce productivity and adverse health outcomes

Key Mitigation Activities	Key Mitigation Activities
• GHG emission calculation and reduction initiatives for TechnologyOne's global operations • GHG emission reduction goals to emit the lowest amount possible, with only remaining amounts offset • Climate Active carbon-neutral certification with offsets procured via a reputable third-party broker • Increased transparency on climate risk disclosures and GHG reduction targets which are aligned with goals of the Paris Agreement	• Critical vendor assurance of climate-related risk management • Critical infrastructure and connectivity resilience safeguards • Flexible working, health and wellbeing arrangements for team members • WHS management framework and systems.

Measuring and managing climate impact

We measure our Scope 1, 2 and 3 emissions according to the Greenhouse Gas Protocol with the support of Pangolin Associates as subject matter experts. In FY23, we achieved a decrease in our global Scope 1 and 2 emissions by almost 19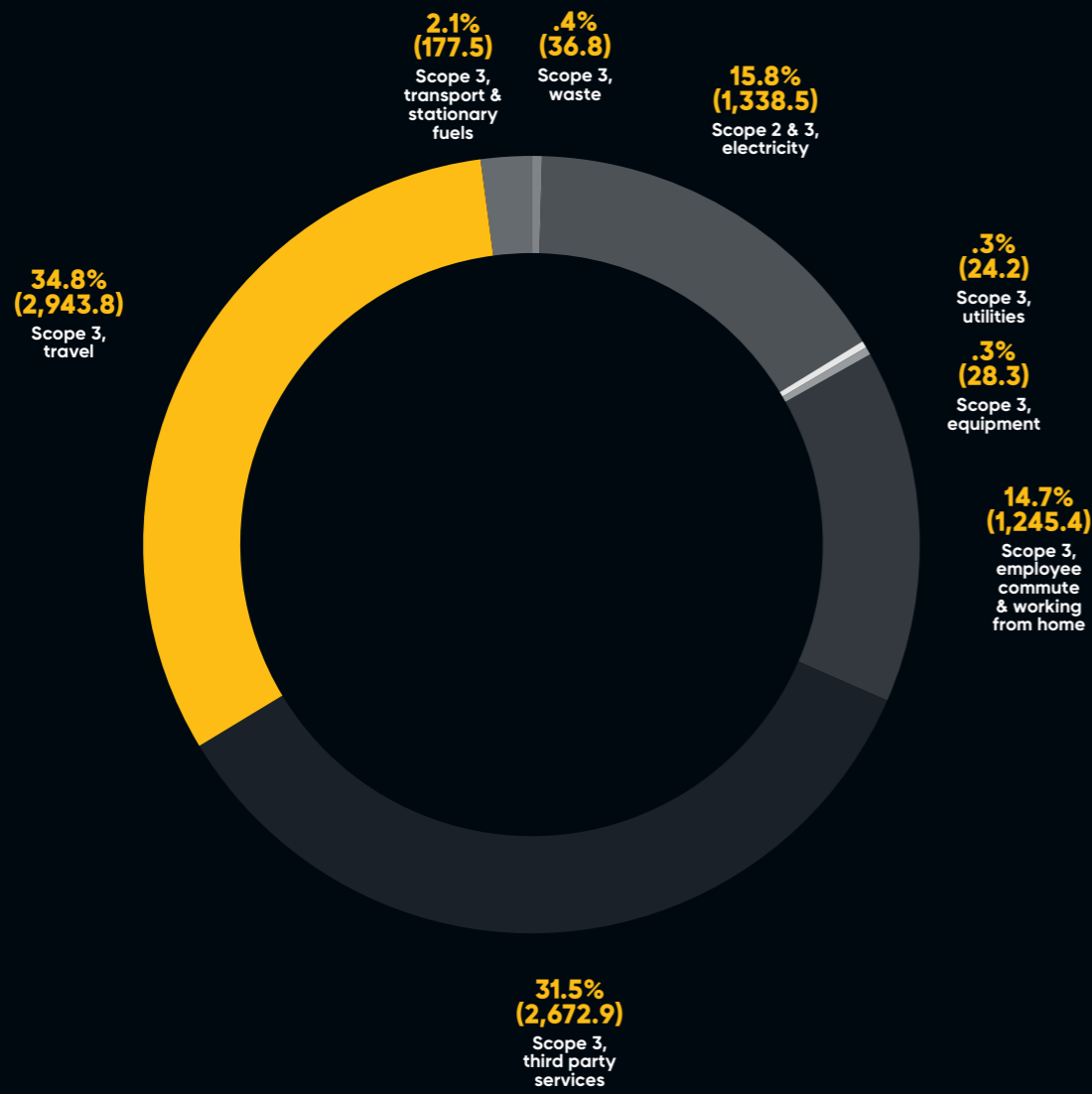 per cent against FY22. Whilst we've made progress, we acknowledge we've got more work to do which is why we set company-wide targets to reduce our Scope 1 and 2 global emissions by 80 per cent by 2025 and 100 per cent by 2030 from a FY22 baseline.

Our total global operational emissions for FY23 amounted to 8,465 tCO_2-e, an increase against FY22 which was primarily attributed to resuming global travel (flights) and increasing our technology investment.

| Metric	Unit	FY20	FY21	FY22	FY23	Comments
Global BAU GHG emissions (full scope)	tCO_2-e	–	–	5,860	8,465	FY23 increase predominately attributed to increased global travel and technology spend
Australian BAU GHG emissions (full scope)	tCO_2-e	6,765	5,513	4,993	6,563	
Per employee (total amounts / FTE)						
GHG emissions (full scope)	tCO_2-e	7.3	6.7	5.7	7.7	–
Energy intensity	GJ	7.6	3.6	3.1	7.3	–
Waste intensity	KG	40.1	24.2	26.3	33.9	–
Water intensity	KL	12.0	13.6	23	11.5	–

Scope 1, 2 & 3 global BAU emissions by activity activity

Scope 3 emissions for third-party goods and services continue to be the key contributor to our total emissions.

2.1% (177.5)
Scope 3, transport & stationary fuels

.4% (36.8)
Scope 3, waste

15.8% (1,338.5)
Scope 2 & 3, electricity

.3% (24.2)
Scope 3, utilities

.3% (28.3)
Scope 3, equipment

14.7% (1,245.4)
Scope 3, employee commute & working from home

34.8% (2,943.8)
Scope 3, travel

31.5% (2,672.9)
Scope 3, third party services

As our main direct use of energy is from our facilities, we actively seek energy efficient offices. Where possible we aim for our offices to be NABERS certified or equivalent.

- **Brisbane** (largest office): our Brisbane office has a 5.5 Star NABERS Energy rating and is fitted with a 180kW solar system (estimated annual production of 272MWh), CO_2 monitoring to track and adjust ventilation rates, energy efficient lighting and a rainwater harvesting system.

- **Sydney**: our Sydney office has a 6 Star NABERS Energy rating and is in a carbon-neutral building which uses renewable energy.

- **Perth**: our Perth office has a 5 Star NABERS Energy rating.

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

Legend: ● t CO$_2$e   ● km
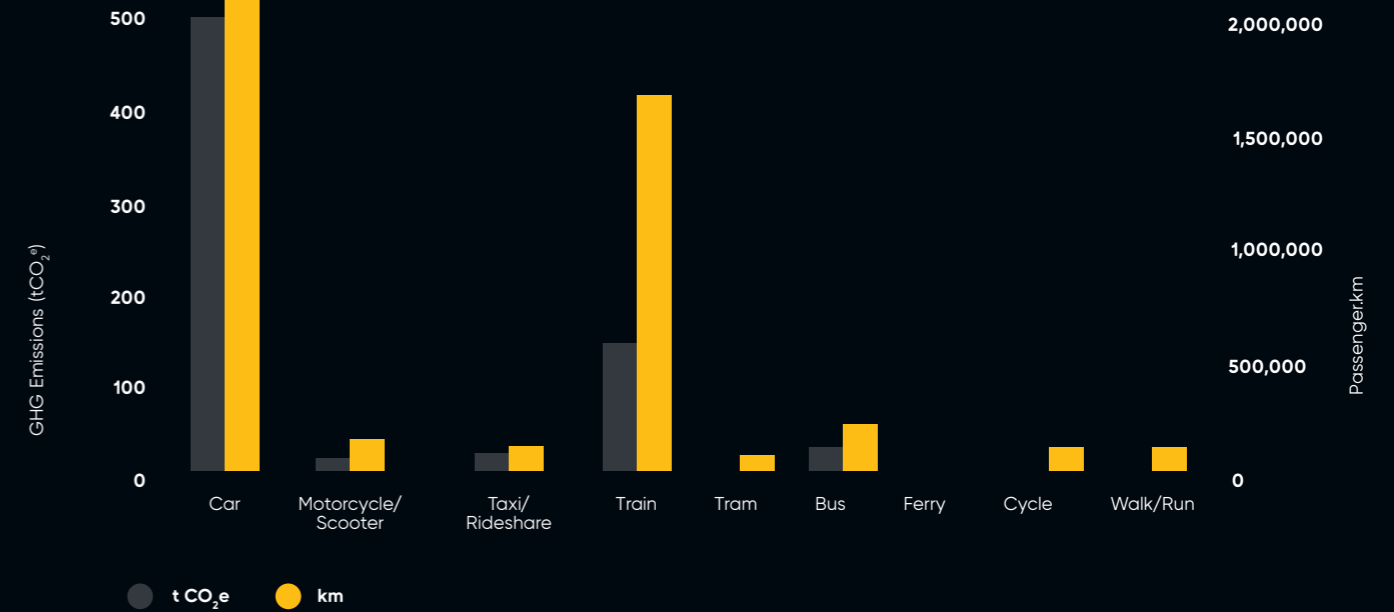
GHG emissions and passenger kilometres travelling to and from work

By Mode	t CO$_2$e	km
Car	479.0	2,040,254.4
Motorcycle/Scooter	19.8	138,551.7
Taxi/Rideshare	18.3	94,829.5
Train	72.1	1,621,743.7
Tram	1.5	40,214.1
Bus	26.1	205,370.9
Ferry	0.2	8,531.1
Cycle	0.0	168,077.7
Walk/Run	0.0	88,441.1

How we compare to other businesses

We continue to generate below average emissions when compared to our sector peers (sector J) for our emissions per employee.

BUSINESS SECTOR	ANZSIC* Division	S1&2 (tCO$_2$-e)	Total (tCO$_2$-e)	FTE	S1&2/ FTE	(total/ FTE)
Wholesale Trade	F	195,793.6	361,828.7	4,626	42.3	78.2
Manufacturing	C	38,210.5	98,197.9	2,157	17.7	45.5
Retail Trade	G	93,602.6	366,636.1	8,777	10.7	41.8
Arts and Recreation Services	R	453,006.3	620,149.4	15,161	29.9	40.9
Public Administration and Safety	O	161,494.1	269,360.2	9,842	16.4	27.4
Education and Training	P	967,282.8	1,550,616.2	72,404	13.4	21.4
Professional, Scientific and Technical Services	M	226,204.2	594,956.7	37,085	6.1	16.0
Information Media and Telecommunications	J	5,655.2	7,650.3	461	12.3	16.6
Other Services	S	28,308.0	58,405.2	5,122	5.5	11.4
Rental, Hiring and Real Estate Services	L	22,111.2	104,770.4	9,595	2.3	10.9
TechnologyOne	J	524	8,465.05	1,103.9	0.5	7.7
Financial and Insurance Services	K	16,422.8	75,489.8	14,363	1.1	5.3

*Australian & New Zealand Standard Industrial Classification

Waste

Our commitment to waste management extends across all business operations. The primary sources of our waste generation lie within our facility waste and electronic waste. When it comes to electronic waste, our approach involves repairing equipment that is less than halfway through its intended lifecycle to maximise its utility. Any obsolete equipment is responsibly disposed of through vendor recycling programs or social enterprise initiatives.

In FY23, we donated over 400 devices (including laptops, tablets and phones) to SubStation33 for dismantling of components f for recycling, reuse or repurpose, and diverted from landfill.

Reflective of our efforts to promote awareness and to drive change, our total waste diversion from landfill maintained at 31 per cent during the year through TechnologyOne's recycling programs.

Our next steps include plans to:

• implement our carbon reduction initiatives.

• undertake a gap and maturity assessment against the IFRS Sustainability Disclosure Standards for transition and further embedding of the TCFD standards.

• improve our climate assessment capabilities and methodologies to guide decision making.
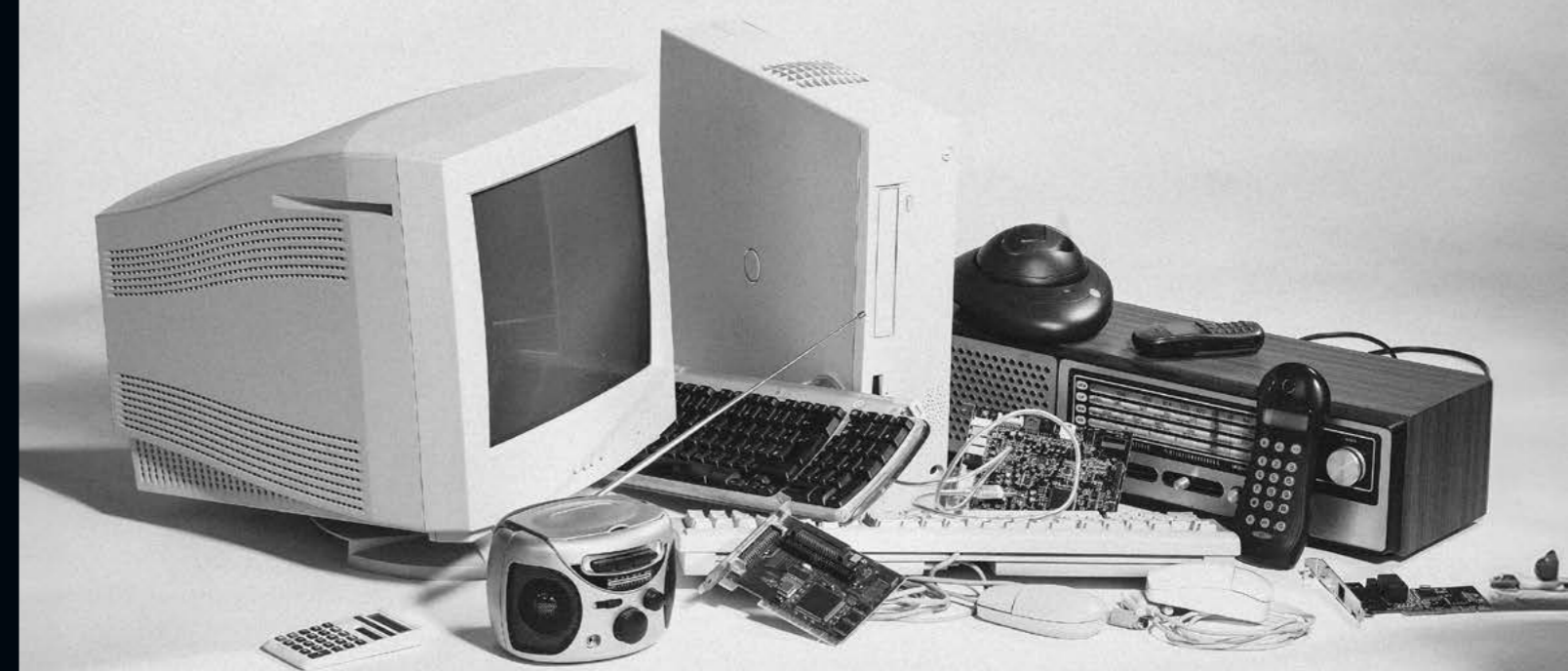
Our reporting

Our 2023 Sustainability Report outlines our priority areas and performance to ensure long-term sustainability, focusing on the topics that matter most to our stakeholders and business.

Stakeholder engagement

Our stakeholders' opinions matter. We seek to maintain open dialogue with our broad range of stakeholders to inform our current and future ESG focus areas, and to understand the issues most material to our stakeholders.

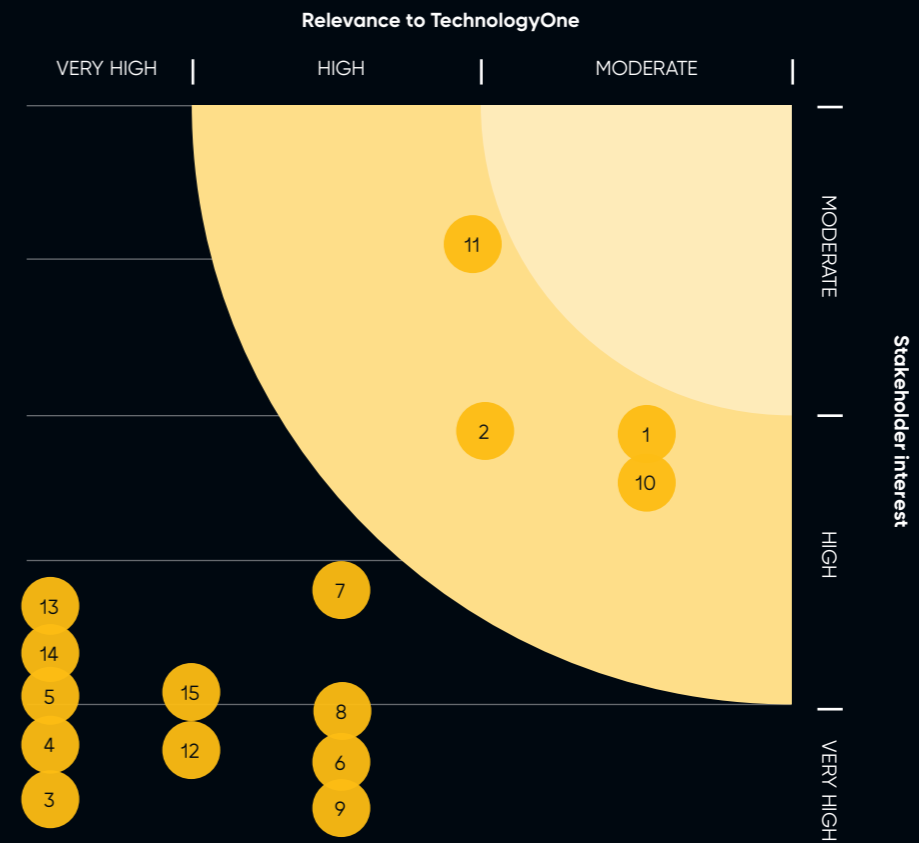| Stakeholder group	Areas of interest	How we engaged	
Customers	• Product performance • Quality of service and support • Data privacy and security • Systems to strengthen business • Digital experience • Climate change and emissions	• Net Promoter Score (NPS) verbatims • Surveys • Feedback and complaints • Direct relationships	• Conferences and showcases • Online community groups and social media • Sustainability Report
Shareholders	• Total shareholder return growth • Ongoing growth • Identification and management of risks • Remuneration • ESG performance, including climate change and emissions • Innovation • Data privacy and security	• Half and Full Year results presentations • Annual General Meetings • Investor roadshows, presentations and meetings	• Proxy advisors and analysts • Sustainability Report
Team Members	• Remuneration • Career growth • Learning and development • Wellbeing • Talent management • Climate change and emissions • Purpose	• Employee Net Promoter Score (eNPS) • Quarterly pulse surveys and termination surveys • Feedback and complaints • CEO and Executive Town Halls • Career development and training programs • Share participation initiatives	• "Open Door" feedback philosophy • Foundation activities, Hackdays, team member and family events • Internal social media • Physical, mental and financial wellbeing initiatives • Diversity and inclusion initiatives
Community & Environment	• Employment and economic contribution • Social contribution • Environmental impacts	• Foundation and community partnerships • Industry memberships and networks • Supply chain screening to ensure alignment with company values and regulations	• Traditional and social media • Carbon neutral and emission reduction initiatives
Suppliers	• Responsible business • Payment terms	• Supplier agreements and screenings • Surveys • Feedback and complaints	• Meetings • Supplier Code of Conduct assessments
Government & Regulators	• Compliance • Policies and standards in technology industry	• Certification engagements • Regulatory reporting	• Policy and reform analysis • Industry forums

Our material sustainability issues

During the year, we reviewed our stakeholder engagement and materiality assessment to ensure that our ESG agenda remains closely aligned to our stakeholder interests and the everyday needs of our business. Our process generally followed the methodology suggested by the GRI standards and was based on:

• material relevance to our business model, corporate strategy, enterprise risks and key performance indicators; and

• material importance for our business and operations as perceived and experienced by our key stakeholder groups.

The following chart shows the results of our materiality assessment:

We engage with our stakeholders on an ongoing basis and the feedback we gather throughout the year informs our materiality assessment in addition to our targeted survey of key stakeholder groups, where we ask them to rank our list of sustainability issues by importance to them.

Relevance to TechnologyOne

VERY HIGH | HIGH | MODERATE

Stakeholder interest: MODERATE | HIGH | VERY HIGH

1. Minimising environmental impacts across all areas of the business
2. Maintaining carbon-neutral operations
3. Customer satisfaction, retention and engagement
4. Product and services aligned to customer expectations
5. Data protection and cyber security
6. Investment in workforce learning, development and career growth
7. Commitment to wellbeing, diversity and inclusion in the workforce
8. Fair pay and good conditions for all employees
9. Employee health and wellbeing
10. Community investment and positive contributions
11. Ensuring ethical operations in our supply chain
12. Ethical and transparent operations
13. Effective governance, risk and compliance management
14. Innovation, research and development
15. Investor returns

ESG performance and disclosure data

Indicator / disclosure	Units	Target	2021	2022	2023	Status	Notes
Responsible business: ethics, values and transparency							
Team engagement: How We Work Training	Per cent	95	96	90	96	✓	1
Team member engagement: Code of Business Conduct Training	Per cent	95	98	94	96	✓	–
Responsible business: effective governance and risk management							
Notifiable privacy incidents	Number	0	0	0	1	○	2
Material legal or regulatory compliance failures	Number	0	0	0	0	✓	–
Team engagement: Privacy and Data Security Training	Per cent	95	98	94	96	✓	–
Annual internal audit plan delivered	Per cent	100	100	100	100	✓	–
Responsible business: innovation							
New technologies, concepts and innovation investment	AUD $m	25% of revenue	77	92	112	✓	–
Team members supporting Research and Development activities	Number	–	380	416	488	–	–
Hack Days	Number	2	2	2	1	○	3
Our customers							
Customer retention	Per cent	99	99	99	99	✓	–
SaaS uptime	Per cent	99.5	99.5	99.5	99.5	✓	–
Our people: talent attraction and retention							
Voluntary turnover	Per cent	16	17	21	10.9	✓	4
Graduate & intern appointments	Number	–	16	34	19	–	–
Our people: team member engagement and development							
eNPS	Number	FY26: +50	17	33	34	◈	5
Average hours of formal training per team member	Hours	–	10	13	26	–	6
Permanent team members – undertaken annual performance and career planning	Per cent	–	95	95	97	–	–
Our people: workplace diversity and inclusion							
TechnologyOne Board – women	Per cent	30	22	25	25	◈	–
Senior roles – women	Per cent	–	14	19	43	–	7
All staff – women	Per cent	–	37	37	38	–	–
Candidate shortlists – women	Per cent	70	89	85	87	✓	–
Our people: team member health and wellbeing							
Work-related fatalities	Number	0	0	0	0	✓	–
Material work-related injuries	Number	0	0	0	0	✓	–

Indicator / disclosure	Units	Target	2021	2022	2023	Status	Notes
Our community: community investment							
1% time contribution	Hours	FY23: 20,376	3,795	3,811	5,341	○	8
1% profit contribution	AUD$	FY23: 856,849	–	726,910	856,849	✓	9
1% product contribution	AUD$	FY23: 579,000	–	394,167	442,265	○	9
Children and their families out of poverty	Number	500,000 (by 2030)	60,806	72,000	83,628	◈	10
Our community: responsible sourcing							
Vendor screening for new or altered supply arrangements	Number	–	162	249	230	–	11
Supplier modern slavery or human rights breaches	Number	0	0	0	0	✓	–
Team engagement: modern slavery training	Per cent	95	98	94	96	✓	–
Our environment: carbon reductions							
Global: Scope 1 & 2	tCO$_2$-e	FY25: 129 FY30: 0	–	644	524	◈	12
Global: Scope 3	tCO$_2$-e	–	–	5,217	7,941		
Global: transport fuels	L	–	–	10,228	50,961		
Global: total electricity purchased	kWh	–	–	891,926	1,018,093		
Global: total gas use	GJ	–	–	3,766	510		
Global: total water use	kL	–	–	32,398	12,732		
Global: total waste generated	Ton	–	–	19	29		
Global: total waste diverted from landfill	Per cent	–	–	31	31		

◈ On track to meet target   ✓ Met target   ○ Behind target

1. Percentage of permanent team members who have completed all How We Work modules. Modules include Corporate Information Security, Emergency Procedures, Harassment, Discrimination, Bullying and Misconduct, Privacy, Code of Business Conduct, Workplace Health & Safety and Quality Management Framework.
2. Includes notifications to impacted data subjects and/or relevant privacy regulators. FY24 notifiable privacy breach relates to TechnologyOne's May 2023 O365 incident for our back-office system which did not impact our core SaaS product used by our customers.
3. A second Hack Day for FY23 was postponed to March 2024 due to TechnologyOne's scheduled Company Kick Off event in October 2023.
4. Employee initiated turnover is the sum of all separated team members (who have left voluntarily in the last 12 months) as a percentage of average headcount.
5. Percentage of team members who are likely to recommend TechnologyOne as a great place to work.
6. TechnologyOne works towards a 70:20:10 blended model for learning and development, focusing on experience, exposure, and formal training. The hours per year of formal training represents external and internal courses only.
7. Senior role is defined as SLT and SLT – 1.
8. FY23 target marginally not met despite increasing our volunteering hours by 167 days (or 1,530 hours) from FY22.
9. 1% profit contribution and 1% product contribution calculation methodologies were revised in FY22.
10. Value impact estimates are provided from our key Foundation Partners.
11. Vendor screenings for new or altered supply agreements over $1,000.
12. Excludes base building electricity. Targets provide for an 80% reduction in Scope 1 & 2 emissions by FY25, and a 100% reduction by FY30 against a FY22 baseline.

United Nations Sustainable Development Goals (SDGs)

In 2015, the United Nations adopted the 17 SDGs to end poverty, protect the planet and ensure prosperity for all by 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.

Our mission of building and delivering truly great products and services that transform business, while delivering long-term value for shareholders is aligned with many of the SDGs. We have mapped the SDGs to the three sections of our report and outlined our aims and overarching approach in these areas. The table below maps some of the actions we have taken during the year that support the SDGs.

SDG	Actions in FY23 that support the SDGs	Sustainability Report location
1 NO POVERTY	• Donated $100,000 through the TechnologyOne Foundation to Opportunity International to support microfinance loans to help disadvantaged youth and their families find ways out of poverty.	18
2 ZERO HUNGER	• Donated over $39,000 through the TechnologyOne Foundation to strategic charity partnership initiatives aimed at ensuring vulnerable communities have sufficient food all year round. Nearly $12,000 of this contribution supported families during the recent floods in New Zealand and the additional funds went towards programmes to support over 66 kiwi kids with the basic essentials for a year including sturdy shoes, a warm jacket, food and basic health items.	18
4 QUALITY EDUCATION	• Donated $856,849 through the TechnologyOne Foundation to strategic charity partners focused on providing disadvantaged children with a quality education. • Continued to invest in the Smith Family's "Exploring Educational Pathways" program to enable 58 First Nations students to develop a better understanding of the education pathways available to them after school. Partnered with SolarBuddy through the TechnologyOne Foundation to provide solar lights to 900 families to assist children with study and improve education outcome.	18
5 GENDER EQUALITY	• Published our Gender Equality Report inclusive of strategies to achieve gender pay equality and equal opportunity (WGEA Report). • Improved women in senior roles to 43 per cent (29 per cent increase since 2021). • Promoted women's success through the Women in Digital Awards. • Contributed $10,000 to support our internal Employee Interest Group, Women as One.	30
7 AFFORDABLE AND CLEAN ENERGY	• Donated $66,819 to SolarBuddy through the TechnologyOne Foundation to provide children with access to sustainable and reliable energy. • 180kW solar panel installation at our Brisbane office (with an estimated annual production of 272MWh).	18
8 DECENT WORK AND ECONOMIC GROWTH	• Published our Gender Equality Report inclusive of strategies to achieve gender pay equality and equal opportunity (WGEA Report) • Donated $100,000 through the TechnologyOne Foundation to Opportunity International to support microfinance loans to help disadvantaged youth and their families find ways out of poverty. • Continued to promote flexible working arrangements including working from home options and opportunities to purchase extra leave • Published our Modern Slavery Statement inclusive of our efforts to reduce modern slavery risk both in our operations and supply chain • Promoted our Supplier Code of Conduct which outlines the minimum expectations of our suppliers inclusive of human rights standards.	18, 30
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Invested $112m in R&D to ensure products and services remain resilient, reliable, and sustainable. • Held a Hack Day to encourage innovation across our business.	12
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Rolled out initiatives aimed at reducing GHG emissions, and ensuring sustainable and efficient use of natural resources • Developed our Supplier Code of Conduct to outline our supplier expectations for sustainable practices.	38
13 CLIMATE ACTION	• Matured our climate related risk assessment to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters • Expanded our Climate Active carbon neutral certification statis to our global operations.	38
17 PARTNERSHIPS FOR THE GOALS	• Contributed 5,341 hours through the TechnologyOne Foundation for team member volunteering aimed at raising sustainable development awareness or engaging in grassroots efforts.	18

Glossary.

Acute risk	Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods.
Chronic risk	Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.
CO_2 (GHG)	Carbon dioxide.
CO_2-e	Carbon dioxide equivalent (CO_2-e) is a measure for describing how much global warming potential a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration (CO_2) as the reference.
GHG emissions	Greenhouse gas emissions mainly refers to carbon dioxide, methane, nitrous oxide, sulphur hexafluoride, hydrofluorocarbons and perfluorocarbons.
GJ (gas measure)	Gigajoule. One GJ = 10^9 joules.
GRI standards	Global Reporting Initiative standards.
MWh (electricity measure)	Megawatt. One MWh = 1,000 kW or one million watts.
KL (water measure)	Kilolitre. One kL = one thousand litres.
Physical risks	Physical risks are those resulting from climate change and can be event driven (acute) or from longer-term shifts in climate patters (chronic).
Scope 1 emissions	Scope 1 greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity at an operations level. These are sometimes referred to as direct emissions; examples include emissions from fuel consumed by TechnologyOne owned vehicles (if we had any).
Scope 2 emissions	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	Scope 3 encompasses 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).
TCFD	Task Force on Climate-Related Financial Disclosures.
Transition risk	Transition risk is the risk inherent in changing strategies, policies or investments as society and industry reduce reliance on carbon and impact on the climate
tCO_2-e	Tonnes of CO_2-e.
UN SDGs	United Nations Sustainable Development Goals.

Directory.

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About TechnologyOne

TechnologyOne (ASX: TNE) is Australia's largest enterprise software company and one of Australia's top 100 ASX-listed companies, with locations globally. 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 1,300 leading corporations, government agencies, local councils and universities are powered by our software.

For more than 36 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.

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Making life simple for our community