

McMillan
Shakespeare
Limited

**Sustainability Report
2020**

About the McMillan Shakespeare Group

The McMillan Shakespeare Group (MMS) is a trusted, market-leading provider of salary packaging, novated leasing, disability plan management, asset management and related financial products and services.

Through its subsidiaries, it offers a breadth of services and expertise, designed to responsibly deliver superior long-term value to its customers. The Group employs a highly committed team of 1,300 people across Australia, New Zealand and the United Kingdom and domestically manages programs for some of the largest public, private and charitable organisations.

MMS has adopted a vision, values and a WHY to guide the Group's activities, in both a business sense and in our commitment to our communities and stakeholders, providing a framework to guide us in our day-to-day actions and long-term decision making.

They are a guarantee to our people, our customers and our broader stakeholders that they are always at the centre of what we do and that there is a considered and deliberate approach to delivering value through all our activities.

Vision

To build a sustainable business that creates long term value for our people, customers and shareholders.

For our people we create value through long term job security, career opportunities and through being a values-based business.

For our customers we create value through the quality services and products we deliver.

For our shareholders we deliver value through dividends and share value growth.

Purpose

To create new ways to make people's lives easier.

Values

Above and beyond – always going the extra mile.

Better together – always supporting and challenging one another to learn, grow and develop – it's OK to disagree.

Make it count – Big or small, we make the most of each and every opportunity and always follow through and do what we say we will.

Own it – always taking responsibility for our decisions, actions and interactions.

Our 'WHY' – Driving What's Possible

We do this by:

- Being a leader, not a follower
- Being a smart, creative driven business
- Investing in/sharing the thrill of BIG ideas
- Seeing things differently
- Challenging ideas and conventions
- Shaping what's to come

Introduction/Overview

MMS is committed to impacting positive change within the broad range of communities in which we operate.

This report presents the MMS Corporate Responsibility and Sustainability performance over the course of the 2020 Financial Year (FY20), and details progress made during the period. This includes our commitment to a range of areas and initiatives designed to reduce the impacts of man-made climate change, improve the sustainability and value of our products and services, and embed appropriate levels of governance within our organisation.

We take a formalised approach to sustainability, measuring our performance against specified key categories to ensure that our operations deliver tangible results for our stakeholders and communities. Our performance in these categories can be found on page 15.

This year saw the world face an unprecedented public health and economic crisis in the form of the COVID-19 pandemic. During this period, our key priorities were the health and wellbeing of our people while also supporting our customers through this difficult time. As part of our COVID-19 response, we transitioned our entire workforce to a remote working model, the success of which is reflected in our FY20 Pulse Survey results.

Now in its second year of active leadership, our Environmental, Social, and Governance (ESG) Steering Committee continued to develop and enshrine a more formal approach to Governance of MMS' commitment to sustainable operations. The introduction of the MMS Environmental Sustainability Policy is a big step in formalising that commitment, introducing a number of systems designed to manage and reduce the impact of our operations on the environment.



Environment

MMS is committed to sustainable environmental management and throughout FY20 we made progress on several initiatives designed to reduce our impact on the environment.

Fleet management carbon offset

As a provider of vehicle fleet management services, responsible management of our carbon emissions output is an important priority for both our own MMS usage and those as a fleet manager.

We are a proud partner of Greenfleet, a not-for-profit provider of carbon offsets which are invested in reforestation initiatives. Greenfleet plants native biodiverse forests in Australia and New Zealand to capture carbon emissions and protect the environment from the impacts of climate change.

During FY20 we offset our entire Group travel emissions, consisting of our MMS Company car fleet travel and the air travel of our people, through the purchase of carbon offsets with Greenfleet. In addition, we purchased one Standard approved credit for each tonne of carbon emissions that we offset through Greenfleet.

With emissions offset through Greenfleet, funds go towards biodiverse revegetation in Australia and New Zealand, with sufficient native trees planted to capture the carbon generated by the activities (in this instance car fleet and air travel) we have offset.

In respect of our broader fleet management, during FY20, we upgraded our Asset Management Enterprise Resource Planning system to enable our customers to offset their emissions from company related transport with the contribution also remitted to Greenfleet.

This service contributed to planting native trees in Australia, which as they grow, will sequester 625 tonnes of carbon emissions from the atmosphere. Our effort equates to taking 1,250 cars off the road for a whole year.

Participation in the Greenfleet tree planting day

Lake Connewarre, a shallow estuary of the Barwon River in Victoria's Bellarine Peninsula is currently undergoing revegetation as part of a major Parks Victoria project. In total, 3,000 native trees will be planted in the reserve to increase the area's biodiversity, build habitat for native wildlife and absorb carbon from the atmosphere.

More than 1,000 of those trees were planted in one day, with the help of a group of MMS volunteers, including Michael Dole, Bruno Hrstic, Tim Hynes, Jeremy Raine and Liam Martschinke, as well as around 30 other volunteers from various Victorian businesses, as part of Greenfleet's annual tree planting day.

These plantations create habitats for native and endangered wildlife and ensure a greener future for the next generation.





Carbon footprint and emissions reduction

Electricity usage across our Australian offices was substantially lower than in FY19, with a 17% reduction in our total tonnes of CO₂ per full time employee (FTE). This figure was influenced by our team moving to remote working during the COVID-19 pandemic.

Prior to the onset of the COVID-19 pandemic, there had been a 6% reduction in our total tonnes of CO₂ per FTE for our Melbourne Central Head Office compared with the prior year.

Reducing the amount of printed paper remains a priority, with the Carbon Reduction Institute certifying our carbon neutrality with respect to our external printing output. Carbon offsets were purchased to achieve a carbon neutral output from printing related CO₂ emissions.

We also ensure that appropriate recycling programs are in place across all our sites.

MMS Commuter Survey

In order to more accurately identify and calculate Greenhouse Gas emissions associated with MMS business activities, we carried out an Employee Commuter Survey during the period. The results of this survey will establish a baseline for our current environmental impact and enable us to make sensible and sustainable decisions as an organisation to further reduce our impact on the environment.

Key metrics

- MMS continued to reduce the carbon emissions produced by its corporate travel requirements across its car fleet and air travel activity during FY20.
 - > Air travel emissions (tonnes of CO₂ by FTE) reduced from 0.27 in FY19 to 0.17 in FY20 – this number was substantially reduced as a result of the travel restrictions imposed by the COVID-19 pandemic in the second half.
 - > The Company's car fleet emissions (tonnes of CO₂ by FTE) remained steady at 0.30 in FY20.
- Emissions from electricity usage reduced from 1.40 to 1.19 tonnes of CO₂ per FTE.
- Retained carbon neutrality as measured by the Carbon Reduction Institute for all emissions resulting from the external production of printed materials.



Above
Greenfleet tree planting day



Customers

In FY20 we once again made significant progress in enhancing the customer experience through our ongoing investment in digital solutions. In the second half of the period, this priority shifted to ensuring our customers had the support they needed throughout COVID-19.

During FY20, our Beyond 2020 business transformation program made significant progress in enhancing the digital capability of our core business with a strong focus on putting the customer at the centre of what we do. Enhancements to our mobile applications increased self-service functionality and included the addition of a novated lease fuel spend tracker.

We also introduced a new online sign-up process for eligible RemServ customers, which gives customers the flexibility to establish their salary packaging arrangements at their own convenience. Following a successful introduction, this process will be made available to Maxxia customers in FY21.

Despite COVID-19 impacting on our ability to deliver our usual program of on-site client education, we were able to maintain an active program of digital engagement with our customers throughout FY20. Having successfully carried out on-site client education sessions before the onset of COVID-19, we promptly developed a webinar and related virtual communications capability that enabled us to continue to support our customers remotely.

We were pleased to be able to continue servicing our customers without interruption, as our team transitioned to a remote working model. This included working with our financiers to provide temporary relief to a number of novated lease holders in financial distress as a result of the pandemic.

Conscious of the economic challenges presented by the pandemic, our Asset Management business provided tailored support for customers seeking financial assistance, across Australia, New Zealand and the UK. We provided immediate assistance to small businesses and worked with larger organisations to understand how they had been impacted and determine appropriate assistance. In most cases businesses were provided with interest-only payment solutions while in some more extreme cases we provided customers with the option of capitalising interest.

Our monthly Net Promoter Score (NPS) across Maxxia and RemServ averaged 52 across the period, consistent with our score achieved across FY19 of 53. This result continues to sit well above the sector benchmark and reflects our continued investment in customer experience.

The ratio of complaints received per customer was 0.39% across FY20, up from 0.23% in the last period, which is consistent with a general increase in customer complaints observed across the wider financial sector. An internal review of complaints handling processes undertaken during FY20 resulted in the enhanced handling, management and recording of complaints. While still managed appropriately in order to achieve customer satisfaction, similar matters may not have been specifically captured and reported in previous periods. Coupled with the broader financial sector trend of increased complaints, specific changes to and greater formalisation of complaint recognition and processes of complaints recording resulted in a larger number of complaints being documented and therefore reported against previous periods.



People

MMS is determined to nurture our people and ensure they are provided ample opportunities for professional and personal growth.

Throughout FY20 we engaged in several initiatives focussed on the importance of mental health, including Mental Health First Aid courses, a Masterclass in Mental Health in the Workplace for Maxxia Operations leaders, Navigating the Fine Line Between Leadership and Counselling webinars, team connectedness, and other valuable mental health resources while working remotely. In addition, we promoted and participated in R U OK?Day through a variety of team forums as well as active promotion of the Group's Employee Assistance Program.

Support through COVID-19

This financial year saw our business and people face unprecedented disruption, with our entire team moving to a remote working model in response to the COVID-19 pandemic. This was a considered, prudent and welfare-based approach that not only complied with Government guidelines but safeguarded the health and wellbeing of our team members.

Ensuring our team were supported, engaged and empowered during this period was a priority and the business took several measures to achieve this. A dedicated resource and communications channel was established in order to support team members in the transition to working from home, including maintaining a sense of workplace wellbeing, and ensuring that health and safety was maintained, while working remotely.

Recognising the importance of transparent communication in times of uncertainty, staff were provided with daily email updates from Group CEO, Mike Salisbury, which gave an overview of the various measures the business was taking in order to navigate through the pandemic. These were supplemented with regular communications from Executives and team leaders, which helped to engage staff and maintain a strong sense of connection, even while working remotely.

In the early stages of the pandemic, a COVID-19 hub was created on the MMS intranet. This page was regularly updated with helpful advice on staying connected, staying healthy, and adjusting to the challenges of working from home, ensuring staff had the tools needed to maintain a proper work-life balance and fortify their mental health throughout the pandemic.

All MMS employees and their families are encouraged to access the Group's Employee Assistance Program when necessary, with particular emphasis placed on this during the pandemic. The program offers staff and family access to free and confidential counselling sessions with experienced psychologists for either face to face, telephone or Skype appointments in times of stress and anxiety.

Team members and leaders are also encouraged to refer colleagues who they feel are showing signs of stress and mental health deterioration.

In May 2020 we conducted a COVID-19 Pulse Survey to gauge the sentiment of our people concerning COVID-19 and working from home; what was working well and what else we could do to support them. With over 81% of employees completing the survey we achieved a pleasing rate of response, enabling a high level of confidence in the data.

Most pleasingly, we achieved a score of 87% on sustainable engagement elements of the survey, with our people telling us they feel well connected, informed, supported and enabled to effectively work from home during this time. Our results place us above the Australian and High Performing Organisations norms at this time.

Our people also communicated that they have confidence in their leaders to protect their health and wellbeing and pleasingly, the majority were optimistic about their ability to ride the health crisis out.



LIFT, LEAP and PACE – an integrated talent and leadership development suite

LEAP (Leadership Effectiveness Advancement Program), LIFT (Lead, Inspire, Facilitate, Trust) and PACE (Professional and Commercial Excellence Program) are integrated workforce and leadership development programs designed to help our people realise their full potential and fulfil their aspirations, be that in leadership or skill set expansion.

These programs incorporate a combination of formal learning, business project work and personal reflection. They are designed to support MMS' capacity to foster the talent, capability and career aspirations of our people. The intent is to create internal networks, strengthen cross function collaboration and, importantly, for participants to identify and drive their own career and personal success.

During FY20, 37 leaders graduated from our LIFT program. 18 leaders were scheduled to attend our PACE program; however the program was temporarily paused as a result of the COVID-19 pandemic.

Our LEAP program is scheduled to run in FY21 and whilst we hope to be able to deliver this as planned, along with the delay in our PACE program, it will be subject to COVID-19 impacts and restrictions.

Case Study – LIFT Program

Mark Toussaint started his Maxxia career 18 years ago, working in the mailroom. He's since worked his way up through the business and is now Business Systems Product Owner for our Asset Management segment.

Mark was one of the 37 leaders who graduated from this period's LIFT program. For Mark, the program not only helped him build his leadership skills, he says it also taught the new father some valuable life lessons:

"LIFT had a profound experience on me, both professionally and personally. It was challenging, in that it took us out of our comfort zone and made us reflect on our personal leadership styles; but that also made it incredibly rewarding.

The program didn't just teach us the theory behind good leadership, it gave us the tools, mindset and frameworks to truly be good leaders. Most importantly, it taught us how to work with different personality types in order to bring out their best – something that has been extremely useful as we transitioned to working from home.

Knowing that the business is committed to investing in its people is a great feeling, and you can really see the effect of that investment in the quality of our leaders and their teams."



Above
Mark Toussaint



The Leadership Network – A Peer to Peer Mentoring Initiative

The Leadership Network is a staff initiated and driven peer-to-peer development program that aims to bring MMS leaders together from across the group so that they can learn from one another and benefit from shared experiences and guidance of invited Group Executives as guests of the network.

The brainchild of LIFT graduates Kala Ludlow and Simon Young, Melbourne-based Maxxia Managers, the program aims to help managers understand the value of networking and fostering mutually beneficial relationships.

More than 15 Managers attended the first two sessions during FY20, in a relaxed and informal setting, that saw long term MMS Executives, Venus Sopikiotis and Ron Steiner, discuss their experiences and pass on insights to their captive audiences.

Following the Q&A the group broke out into pairs or trios for the peer mentoring component of the 50-minute session where participants again reflect on the discussion and share their own insights. Things wrapped up swiftly — the idea being quality of time over quantity.

Initial feedback has been 100% positive. “I most liked being able to hear other stories, both about colleagues’ career progression and leadership experiences so far,” said one attendee. “I liked the interviews with the Group Executives and group activity where I got to know a colleague from another part of the business,” explained another.

Above
The Leadership Network



Traineeship Program

For the second year running the Group partnered with MAS National (MAS) employment services to recruit and upskill jobseekers and the long-term unemployed for our internal Traineeship program.

MAS is a nationally accredited Apprenticeship Network (AASN) provider and is fully compliant with Australian Government standards. Trainees are recruited to work in our Melbourne Customer Care Centre and are trained to answer customer questions professionally, problem solve account queries and perform administrative tasks. Knowledge Space, a registered training authority, also works with us to support the completion of defined learning modules.

The 12 month Traineeship provides structured classroom sessions, an opportunity to gain formal qualifications and invaluable experience to work in a professional work environment. Upon completion of the program, trainees achieve a Certificate IV in Business and Certificate III in Customer Engagement qualifications.

Since the inception of the program in 2018, 24 trainees have joined our business with 90% completing the Traineeship within 12 months, and 75% taking on permanent roles within our business. Of the 25% who have moved on, the majority have chosen to undertake further study. Our current group of six trainees commenced in October 2019 and are progressing through the program remotely due to the current COVID-19 crisis.

Other notable metrics¹:

- Of the total participation in Leadership Development Programs across FY20, 60% were female
- MMS leaders completed 5,108 hours of development across nine themes of leadership during FY20
- Of the total participation in all learning and development programs across FY20, 52% were female
- During the period, 56% of promotions were secured by females, and 50% of all external appointments to senior and executive level positions were female

Pulse Survey

In FY20 we carried out our Pulse survey. Conducted in between our more comprehensive biennial Employee Engagement Survey, the Pulse survey provides a valuable opportunity to check in with our employees on matters of most concern to them and a chance for them to provide ongoing confidential feedback about their working experience.

This year's survey was focussed on the impact that COVID-19 has had on our people. It sought to understand how supported our people felt, what was working well and aimed to identify opportunities for improvement.

Our Pulse survey is an important listening tool in support of our commitment to enhance the experience and wellbeing of our employees. The results of this year's survey will be instrumental in helping to retain our strong employee engagement and shape the way we work into the future.

2020 Pulse Survey Snapshot:

- Participation rate: 81%

Our Pulse survey found that aspects of our Sustainable Engagement have increased, with our people feeling well informed.

Pleasingly, the survey also demonstrated that our people felt well supported and managed throughout COVID-19, with an overall positive result for wellbeing. Thanks to our ongoing investment in technology, 94% reported that they had the tools and resources needed to work productively from home for an extended period.

Other findings from the survey include:

- There was a strong sense of pride amongst MMS staff, stemming from our response to COVID-19
- Our focus on clients remained strong and had not wavered while our people are working remotely
- Most people had confidence in leaders and were getting the support they need

“I've found the messaging from Mike to be very clear and have appreciated the structure of his videos.”

“I feel the organisation is providing as many tools that they possibly can in the current environment.”

“Knowing that our Team Leader is representing us and advocating for improved processes has been fantastic and boosted morale.”



Driving What's Possible Hero Awards

Since its launch in 2015, Driving What's Possible has encapsulated our very reason for being when it comes to our customers and people. It provides a platform to drive future engagement, growth and value by steering our long-term vision, purpose and values, along with the day-to-day actions and decision-making that enable them.

Each year, our employees are given the opportunity to recognise and reward a colleague who embodies our values and goes above and beyond in their contribution to our organisation.

Our Hero Awards allow team members to show support for each other and celebrate those who truly put the customer first.

Across FY20, we received 91 nominations from team members around the country, with four employees receiving a Hero Award for their commitment to our shared purpose.

Case Study – Hero Awards

Maryanne Lok was one of four MMS team members to be awarded a Hero Award in FY20.

As a customer support officer at Plan Partners, Maryanne works with people with a disability and their carers to take full advantage of their National Disability Insurance Scheme (NDIS) budgets.

Maryanne's colleagues nominated her for a Hero Award for her readiness to go above and beyond to ensure callers understand the complexities of the NDIS and how they can leverage the full support they're entitled to.

For Maryanne, winning a Hero Award was an unexpected surprise – however it didn't compare with the rewarding feeling that comes from helping people to navigate the NDIS.

"Having only worked at Plan Partners for two years, it's incredibly humbling to have my work recognised with this award – it shows just how much the business appreciates those who genuinely care about our customers.

The Plan Partners team is full of determined and passionate people who don't hesitate to go the extra mile to make sure customers feel comfortable and confident while on their NDIS journey – there's not one of them who doesn't deserve a Hero Award."

Employee share plan

Australian-based MMS staff are given the opportunity to acquire shares in the Company through salary sacrifice, through an annual contribution of up to \$1,000 from pre-tax salary, deducted each pay in equal amounts.

By presenting our people with the opportunity to own part of the business and benefit from our combined success, we aim to strengthen the sense of empowerment and ownership of the MMS employee experience.

Pleasingly, strong employee support of this initiative continued in FY20.

Right
Maryanne Lok



Workday and LearnLab – tools for career development

During this financial year, we introduced a number of enhancements to Workday. Now in its second year, Workday is an intuitive, cloud-based system that allows our people to have more control over their personal working experience.

The Workday enhancements focussed on improving the recruitment process, with a streamlined digital application process for both internal and external applicants. Current staff can now also create a Workday profile that will auto-populate internal applications and speed up the approval process, which is a significant step in creating long-term opportunities for career development.

FY20 also saw the introduction of LearnLab, an online learning portal designed to enable staff to drive their own education. Utilising a mix of classroom and interactive online learning methods, LearnLab allows staff to take control of their professional development and gives leaders greater visibility of their teams' competencies.

LearnLab was utilised throughout COVID-19 to assist our staff with the transition to working remotely, with modules on coping with change, mental health, effective communication through digital channels, and more.

Key metrics¹

- MMS employee gender composition at the conclusion of FY20 was 52% female and 48% male
- Employed 1,056 staff (FTE) as at 30 June 2020
- Reduced staff turnover by 1.7% to less than 24%
- Increased staff training and development hours by 32% compared to FY19

¹ Australasian operations





Community

MMS recognises that we have an obligation to enrich the communities in which we operate and the people and organisations that encompass them. This is achieved through a range of activities including sponsorships, fundraising activity, donations, and volunteering.

During the period, we supported a broad range of organisations, causes and events all dedicated to making a meaningful positive impact on the lives of others. Across our many locations, our teams made regular material donations to the Australian Red Cross, as well as blood donations to Australian Red Cross Lifeblood. They also donated their time and services through our volunteer program, which continued to have a positive impact on the wider community during FY20, despite COVID-19 restrictions limiting volunteering opportunities.

This year also saw the creation of a formalised calendar of key community events and charitable appeals to be celebrated and supported collectively across the Group.

Some of the community initiatives proudly undertaken by our people during the year include the following:

MMS Bushfire Appeal

Following the devastating bushfires of summer 2019/2020, our responsibility to communities across Australia – particularly the many thousands of firefighters, emergency services personnel and volunteers who have tirelessly and heroically worked to protect our communities - was at the forefront our thoughts

MMS made a donation of \$100,000 that was shared equally between the NSW Rural Fire Service, The Red Cross Disaster Relief and Recovery Fund, The Victorian Bushfire Appeal and the RSPCA.

The Group also pledged to match dollar for dollar any staff donations made during January in response to the crisis, up to an additional \$100,000. Team members were provided with the opportunity to make a pre-tax donation over two pay periods in January toward our fundraising activities, while localised fundraising activities within teams was also encouraged and matched.

Throughout the month of January, all bushfire relief contributions made by employees (either directly to organisations or via salary packaging) were matched dollar for dollar by the Group. The total donated by the MMS community was \$155,456. This was the largest charitable contribution to date in the Group's history.

Employees who wished to volunteer or assist communities in other ways were also encouraged to pursue these requests through agreement with their managers.

Random Acts of Kindness

With National Volunteer Week falling in May 2020, this year's celebration was heavily impacted by COVID-19. Determined to make a difference despite the restrictions in place around the country, we launched our Random Acts of Kindness initiative.

To coincide with National Volunteer Week in May, we ran an internal engagement campaign prompting employees and their families to partake in 'random acts of kindness'. These "acts", however large or small, are intended to deliver a positive impact to community members at a local or personal level.

Activities undertaken included employees encouraging their children to draw pictures and write kind letters for people in aged care facilities, make blood donations, supporting neighbours through dropping off baking and collecting groceries, or making other donations or charitable gestures.



Christmas Appeal for the Homeless

In late 2019, Maxxia’s Aftermarket Sales team launched a Christmas appeal to raise money and essential items for those facing homelessness. Sunscreen, tissues, medical supplies, snacks and more were loaded into backpacks, which were then distributed to those in need by the charity Many Rooms. The packs also contained a heartfelt letter of support from the team and a list of key community services and resources that can provide support.

The monies raised by the campaign were donated to Orange Sky, a charity that provides regular showers and laundry services to those facing homelessness.

Sharing the Dignity for International Women’s Day

As part of our International Women’s Day celebrations, during the period our RemServ team ran a special donations program in support of Share the Dignity; a charity that provides women and girls experiencing homelessness, fleeing domestic violence or doing it tough with the basic necessities of life.

Throughout all of March 2020, our team contributed much needed toiletries, socks, underwear and more, with a range of items donated.

Organisations and events supported during FY20 included:

- National Reconciliation Week (27 May – 3 June) through internal articles on the company intranet and the introduction of Acknowledgement of Country protocols at key events.
- NSW Rural Fire Service
- RSPCA
- R U OK?Day
- The Queensland Government Showcase Award for Excellence in Schools
- The Red Cross Disaster Relief and Recovery Fund
- The Victorian Bushfire Appeal
- Wesley Hospital
- yourtown Wishing Tree Appeal

Key metrics

- Continued our contribution to the community through our sponsorships and support of selected organisations, totalling \$685,221 in FY20
- Delivering community benefits by improving overall productivity and paying dividends to our shareholders and providing employment for over 1,000 people



Above
MMS Bushfire Appeal



Above
The RemServ Christmas tree provided donations to the charity yourtown



Privacy and Data Security

In an increasingly connected age, MMS is committed to protecting our customers' data and privacy.

We understand that a robust privacy and data security strategy is paramount and as such we are continually appraising and evolving the measures that we have in place to ensure they meet the changing landscape.

Privacy

MMS have in place a Privacy Policy, an Incident and Breach Reporting Policy and a Data Security Incident Response Plan which apply to all subsidiary companies and business units of MMS, and form part of our privacy framework.

Our privacy framework also includes annual compliance training for employees on the Group's privacy and data security obligations and a robust Privacy Monitoring Program which monitors, measures and reports privacy compliance performance. Findings and recommendations are provided to Senior Management and the Audit, Risk and Compliance Committee of the Board. There were no notifiable data breaches during the period.

Data security

MMS takes all reasonable steps to ensure that our data remains secure. These measures include physical protections of hardware, including cloud servers; digital security in the form of stringent, latest generation firewalls; remote access via a Virtual Private Network (VPN) with multi-factor authentication; and other data security controls which safeguard data from loss, file corruption and other risks. Rigorous testing and independent audits are carried out regularly to ensure the integrity of these measures.

People and Training

While systems and processes are vital to ensuring privacy and data security, people also play an integral role. To that end, our staff and contractors receive regular cyber awareness training and clear guidelines on cyber security best practice. We also perform due diligence on all individuals with access to our networks to ensure they are of sound character.

Cyber Security Incident Response Plan

Part of MMS' Crisis Management Framework, our Cyber Security Incident Response plan acts as a roadmap for continuing operations under adverse conditions while maintaining the integrity of our IT systems, supply chain and critical infrastructure.

Working from Home

With our entire team moving to a remote working model during this period, we took appropriate measures to support the transition and maintain the integrity of our cyber security. We also worked closely with Microsoft to employ modern working solutions that utilise telemetry, the reporting of which will be used to improve policy moving forward.



Governance

Sitting at the heart of our organisation is a commitment to good Governance, which guides the culture, strategy, and decisions across the entire spectrum of our operations.

A copy of the Group's Corporate Governance Statement for 2020 is available at www.mmsg.com.au. This statement outlines the corporate governance policies and practices formally adopted by the Company. In addition, our business operations are governed by a number of accessible and clear policies that reflect the diverse nature of our workforce.

During FY20, several important policies were reviewed and updated in accordance with modern good Governance principles.

Environmental Sustainability Policy

Recognising that we have a duty of care to minimise the effects of climate change resulting from our business, in FY20 we introduced our Environmental Sustainability Policy which aims to integrate a philosophy of sustainable development into the Group's activities.

As a first step in development of this policy, we engaged an independent external provider to conduct a comprehensive assessment of the Greenhouse Gas emissions accountable to the Australian operations of MMS for the FY19 year. This work not only provided us with a greater understanding of the environmental impact of our business operations, it also established a baseline for us to measure the success of our future endeavours to avoid, reduce and off-set our Greenhouse Gas emissions.

Our Environmental Sustainability Policy seeks to formalise and add structure to the many environmental initiatives which the Group, our suppliers, our customers and our employees partake. Throughout the period, we continued to embed environmentally sustainable practices into our business, including the decision to purchase carbon off-sets for our air travel and company car fleet emissions. Within our operations we further sought to help educate stakeholders in the broader community about the sustainability of our products and services.



Modern Slavery Statement

MMS has a zero-tolerance approach to Modern Slavery and is committed to working with our partners to ensure that our operations and supply chains are slavery free, and compliant with reporting obligations under the *Modern Slavery Act 2018* (Cth). Throughout the period we conducted an audit of more than 600 of our leading suppliers with whom we raised a purchase order in the previous 12 months, to ensure they were compliant, and more than 100 MMS procurement staff and contractors were required to complete Modern Slavery compliance training.

This training is designed to ensure relevant team members are familiar with the MMS Procurement Policy and understand its requirements as prescribed. Additionally, our people ensure any contracted preferred supplier is provided with a copy of the MMS Supplier Code of Conduct before any agreement has been signed.

Parental Leave Policy

During the year we improved our Parental Leave Policy, in order to better align it with modern lifestyles and offer working parents increased flexibility and freedom. Key updates to the policy include reduced eligibility timeframes, the introduction of 12 weeks of paid leave for primary carers and two weeks for secondary carers, and the option to take leave at either half or full pay. Coinciding with the new Parental Leave Policy, we also launched our Parental Portal, an online resource containing practical tools and handy advice created in partnership with leading working parent platform, Circle In.

Equal Opportunity and Diversity

MMS believes every person has a right to be treated fairly and equally. We endeavour to create an equal opportunity workplace where all employees have the same opportunities to develop their career and be heard.

We are committed to the elimination and prevention of all forms of discrimination and harassment in the workplace, through fostering an environment which encourages and values diversity in the workplace and ensures the diverse backgrounds, experiences and perspectives of employees are respected.

The Group has implemented a range of initiatives that form part of our Reconciliation Journey. These include the promotion to staff, and encouragement to participate, in 2020 National Reconciliation Week (virtual) events and the introduction of 'Acknowledgement of Country' at appropriate staff and external events and presentations.

MMS Corporate Sustainability Scorecard

	FY20	FY19	FY18	FY17	FY16					
Customers¹										
Net Promoter Score (Average monthly score)	52	53	49	50	49					
Customer Compliments (%) (Ratio per Customer)	0.20	0.20	0.14	0.18	0.20					
Customer Complaints (%) (Ratio per Customer)	0.39	0.23	0.37	0.46	0.45					
Customer Complaints resolved by MMS & Customer Advocate (%)	99	99	99	99	100					
Stakeholders²										
Donations and Sponsorships	\$685,221	\$588,282	\$547,275	\$317,196	\$396,190					
Taxes paid (\$M)	25.2	55.1	49.2	47.0	41.2					
Salaries and related expenses paid to employees (\$M)	128.9	138.7	132.1	121.4	120.2					
UNPATA (\$M) ⁴	69.0	88.7	93.5	87.2	87.2					
Dividends paid to shareholders (\$M)	59.6	61.2	56.2	54.1	46.6					
Market Capitalisation (A\$M)	702.6	1,062.0	1,331.3	1210.0	1138.1					
Environment¹										
Air Travel (tonnes CO ₂ per FTE) ⁵	0.17	0.27	0.36	0.47	0.38					
Car Fleet (tonnes CO ₂ per FTE) ⁵	0.30	0.30	0.31	0.32	0.39					
Electricity (tonnes CO ₂ per FTE)	1.19	1.40	1.52	1.79	1.82					
Printed material (tonnes CO ₂ per FTE) ⁶	Neutral	Neutral	Neutral	Neutral	Neutral					
Responsible Corporate Governance³										
Headcount (FTE) ^{3,7}	1,056	1,073	1,056	996	984					
Employee sustainable engagement score (%) ⁸	No Survey	79	No Survey	76	No Survey					
Staff Turnover (%)	23.8	25.5	26.7	30.6	29.4					
Absenteeism (%)	4.0	4.1	4.0	3.6	3.5					
Staff Training & Development (Hours)	56,751	43,049	34,374	22,165	28,863					
Employees^{3,7}	M	F	M	F	M	F	M	F	M	F
Total (%)	48	52	50	50	49	51	49	51	48	52
Management (%)	65	35	71	29	66	34	67	33	66	34
Group Executive (%) (including MD/CEO)	73	27	75	25	75	25	75	25	79	21
Board (%) (including MD/CEO)	71	29	83	17	83	17	83	17	83	17
Employee Age Diversity^{3,7}	<20	20-29	30-39	40-49	50-59	60+				
%	0.9	22.8	39.0	21.6	12.0	3.7				

1 Australian operations

2 Australian, NZ and UK operations

3 Australasian (Australia and NZ) operations

4 UNPATA is calculated as NPAT before the after-tax impact of acquisition related items (including impairment charge for intangible assets, acquisition expenses, amortisation of acquired intangible assets and deferred consideration items) and disposal of business. FY20 UNPATA excludes one-off adjustments for Deferred Income and Deferred Acquisition Costs of \$9.8m (post tax), class action provision for possible settlement and legal costs of \$5.1m (post tax) and share buy back costs of \$0.4m (post tax). FY19 UNPATA excludes one-off provision for a UK contract of \$3.7m (post tax)

5 Air travel and Company car fleet emissions are offset through the partnership with Greenfleet and 100% Climate Active Renewable Energy Credits

6 Printed material carbon emissions are 100% offset by purchased carbon offsets

7 As at 30 June

8 Employee engagement survey completed biennially

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