

2019  
Sustainability report



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## Material Issues

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## Performance data

## Contact Us

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AMP Limited ABN 49 079 354 519  
Unless otherwise specified, all amounts are in Australian dollars.

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# Introduction

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## CEO's message

**Welcome to AMP's 2019 sustainability report. This report forms part of our annual reporting suite, setting out how AMP, as an organisation, will respond to challenges and take up opportunities to build a more secure future for our clients, people and the community.**

For our clients, we took bold steps to reset our company in 2019. We set out a new purpose articulating why we exist and the positive impact we seek to make in the world – realising human ambitions one client at a time. We are working hard to create a simpler company that can drive better value and client outcomes in this digital age, while tackling issues of the past – including those raised through the Financial Services Royal Commission.

Setting things right is our priority. Our remediation program is on track, with a total of \$264 million spent to date. We have worked hard to identify and remediate clients as quickly as possible. We remain on track to complete our remediation program in 2021 with 80% expected to be complete by the end of 2020.

We have also strengthened our governance and control settings through a \$100 million (pre-tax) investment which will be complete by the end of 2020. This includes strengthening board governance, training and expanding our whistleblowing function as part of our commitment to meet the highest ethical and professional standards.

For our people, times of great change require great resilience, which is why employee wellbeing has been a key focus in 2019. Initiatives like wellbeing leave days and an employee-led mental health first aid program will keep us strong and focused on transformation. So too, a culture that supports flexible working, female leadership and values diversity, will bring better results.

In the community, we know climate change is a significant concern. Now more than ever, following the devastating bushfire season, businesses in Australia are expected to take a leading position.

We are ready to step up. We are proud to be carbon neutral since 2013 in our group operations and we have used our influence through AMP Capital as early signatories to the Carbon Disclosure Project (CDP) and Investor Group on Climate Change (IGCC). We recognise there is more to do, particularly in the investments we manage on behalf of our clients. Having already committed our Real Estate Funds to be net zero by 2030, we will review our targets in 2020 to align other activities with our support for the Paris Agreement.

The AMP Foundation continues to drive positive change in our community. Since 1992, our philanthropic arm has donated \$100 million, supporting our people's generosity and volunteering. In 2019, over half of our employees engaged in our community programs. The Foundation continued to support amazing individuals through awarding another \$1 million in grants to 37 AMP Tomorrow Makers working in fields as diverse as science, sport, music, medicine and more.

In 2020, the world is already facing new, unprecedented challenges, particularly the outbreak of COVID-19. Companies like AMP will play a key role in supporting governments and communities to manage the pandemic and its economic and financial market impacts. In uncertain times, we know we have a responsibility to help.

I am proud to lead AMP and have every confidence that we are creating a better future for our clients, our people and the community.



**Francesco De Ferrari**  
Chief Executive Officer





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## Who we are and what we do

Over the course of our 170-year history, our business has evolved and it will continue to do so into the future.

AMP is a wealth management company with a growing retail banking business and an expanding international investment management business. We provide retail clients with financial advice and superannuation, retirement income, banking, investment products and life insurance.

AMP also provides corporate superannuation products and services for workplace super and self-managed superannuation funds (SMSFs).

### AMP Australia: Australian wealth management

We help our clients to save for, and to live well in, retirement with our retail and workplace superannuation products and self-managed superannuation funds services, as well as retirement income solutions and investments for individuals.

As part of our three-year strategy, we are committed to reinventing wealth management in Australia. Bringing together our bank and wealth management teams in Australia will drive a more integrated organisation to better deliver whole-of-wealth services to clients.

## AMP was founded in 1849 on a simple yet bold idea: that all individuals should have the power and ability to control their money and achieve their financial goals.

### AMP Australia: AMP Bank

AMP Bank provides clients with residential and investment property home loans, deposit and transaction accounts and SMSF products. We also provide loans to AMP-aligned financial adviser practices.

### AMP Capital

AMP Capital is a global investment manager, which services institutional and direct clients, including AMP. It manages more than \$202 billion for clients across the world. In real assets, we manage real estate and infrastructure assets including shopping centres, airports, trains and pipelines on behalf of funds and clients; while in public markets, we manage investments in equities, fixed income, diversified, multi-manager and multi-asset funds on behalf of clients around the world.

### New Zealand wealth management

In New Zealand we provide clients with financial products and services, directly and through one of the largest networks of financial advisers in the country. This is a strong business, that is now largely localised and running as a standalone business. We're in discussions with a number of interested parties and will provide an update at or before half-year results in August 2020.

### AMP Life

In August 2019, AMP announced a revised agreement to divest its Australian and New Zealand wealth protection and mature businesses to Resolution Life. This is a major step in reshaping AMP as a simpler, more focused group. The revised transaction is expected to complete by 30 June 2020.

### Wealth protection (life insurance)

We support our clients and their families during tough times with life insurance, income protection and disability insurance solutions. AMP provides policies that are held by individuals or are a part of their superannuation funds.

### Mature

Through our mature business, we manage closed insurance and superannuation products that are no longer being sold. This business is managed for yield and capital efficiency.



Our strategy

2019 was a year of fundamental reset for our company. The three-year strategy we have outlined will transform AMP into a client-led, higher growth and higher return business. The heart of our new strategy is the prioritisation of our clients.

Recognising the substantial disruption in the wealth management industry, our new strategy aims to meet the growing advice needs of Australians, on their own terms.

Our commitment to advice means AMP is uniquely positioned to develop whole-of-wealth client offers, encompassing wealth management, banking and advice.

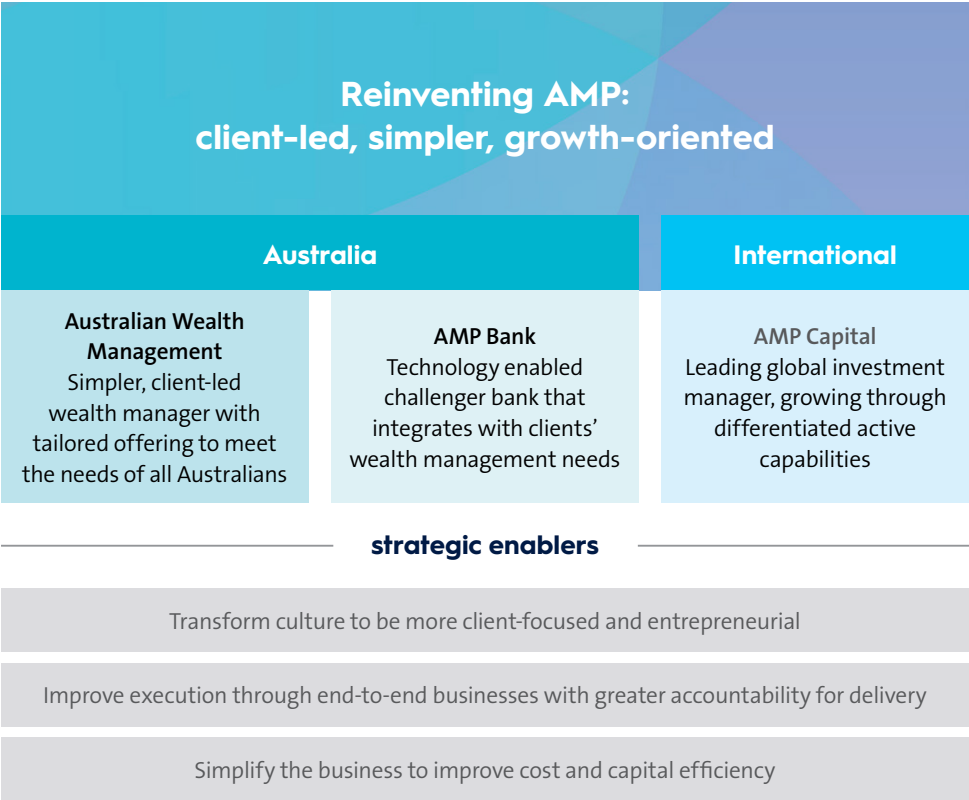
In our investment management business, AMP Capital, we will continue to invest to expand our global footprint through expertise in infrastructure and real estate investments, as well as growing our solutions in public markets.

In our banking business, AMP Bank, the focus will be on growing through a broader mix of channels and seeking opportunities for closer integration of banking and wealth offers.

We are simplifying our portfolio of businesses. The sale of AMP Life is progressing and expected to be complete by 30 June 2020. We are also exploring options to divest our New Zealand wealth management business. To ensure the success of this strategy, we are making targeted investments.

We’ve announced a program to invest between \$1 billion and \$1.3 billion over the next three years, focused on growth, cost improvement and de-risking the business. This includes \$350 million to \$450 million to create a leaner, simpler business, and \$300 million to \$400 million to restructure our advice network and simplify our superannuation business.

In moving to the implementation phase of our strategy, in 2020 we will focus on key drivers of value: simplifying our portfolio; reinventing wealth management in Australia; continuing to grow our successful asset management franchise; and creating a simpler, leaner business.



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## About this report

To AMP, sustainability is our ability to meet the needs of the present without compromising future generations. As custodians of our clients' money and future, we face complex economic, social and environmental challenges which bring both risks and opportunities to our clients, our people and our community.

**The purpose of this report is to outline how we monitor and manage the risks and opportunities associated with our material sustainability issues, and to provide a snapshot of our performance in each area.**

This report provides an aggregated view of our sustainability performance and is complemented by our detailed disclosures to the Carbon Disclosure Project (CDP), the Global Real Estate Sustainability Benchmark (GRESB), and AMP Capital's reporting as a signatory of the UN Principles for Responsible Investment (UNPRI).

We are also a constituent of the [FTSE4Good Index](#).

Our sustainability report forms part of our [annual reporting suite](#), which includes:

### Financials

- 2019 Annual report
- 2019 Investor report

### Governance

- 2019 Corporate governance statement
- 2019 Remuneration report (included in the Annual report)
- 2019 Directors' report (included in the Annual report)

### Sustainability and ESG disclosures

- 2019 Sustainability report
- AMP Capital fund level disclosures and ESG performance are available on the [AMP Capital website](#).

### Report scope

The scope of our report covers AMP's operations globally for the period 1 January 2019 to 31 December 2019. The entities that are within AMP Limited's operational control boundary are AMP Australia, AMP Capital, AMP New Zealand, AMP Foundation and AMP Life (which we have agreed to sell to Resolution Life). The activities of AMP Life are included in this report and included in people metrics unless otherwise stated.

Aligned advisers are business partners of AMP and operate under our Australian Financial Services Licences to provide services to our clients. They have been included where relevant in this report.

The premises of the aligned advisers are not under AMP Limited's operational control, and therefore the energy consumption and other environmental impacts of aligned advisers do not form part of the disclosures in the '[Operational impacts and supply chain](#)' section of this report.

Performance of commercial office buildings and shopping centres managed by AMP Capital is reported separately to the AMP operational footprint. This information is noted in the Performance data section of the report. Further details specifically related to performance of funds can be found on the [AMP Capital website](#).



Material issues

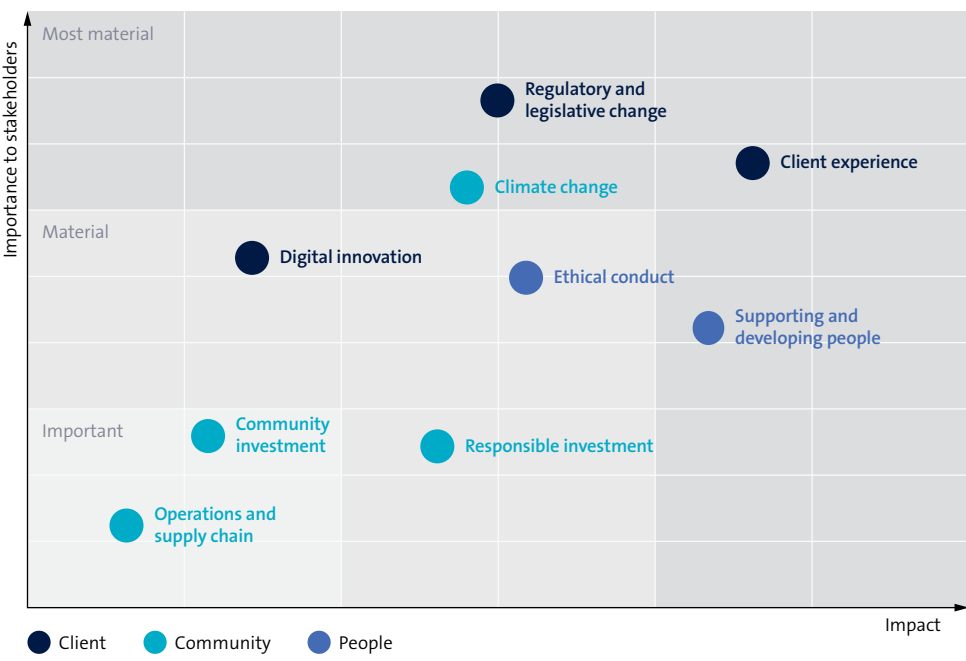
AMP assesses the issues of greatest importance and impact to our clients, our people and our community annually through our materiality assessment process.

In 2019, these material issues were reassessed through a process of reviewing and analysing feedback from a cross-section of employees, existing external stakeholder engagement channels, analysis from our in-house ESG specialists, analyst and investor feedback, reviews of media coverage on financial services issues, our competitors’ materiality issues, feedback from our business partners and regulatory feedback and recommendations.

Based on this process, we identified nine material sustainability issues of importance to stakeholders and their impact. This included combining two issues identified previously as *Digital disruption and innovation* with *Cyber security and privacy* as one issue – *Digital disruption and security*. This reflects how closely our stakeholders perceive issues like artificial intelligence, privacy, data security and technological change to be related. We also combined *Inclusion and diversity* with *Supporting and developing people*, acknowledging the importance of diversity to our people strategy.

Governance and trust in institutions was consistently top of mind for our stakeholders, particularly after the Financial Services Royal Commission.

Materiality matrix








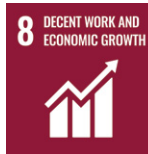


Our governance activities are specifically addressed in our Corporate governance statement. We have not addressed trust in institutions as a discrete issue as we believe addressing all our material issues detailed in our annual reporting suite will help us address this issue.

Other macro-economic trends that featured in our discussions with stakeholders included issues such as an ageing population, low interest rate environments, inequality and intergenerational equity. These issues are considered within the nine material issues identified in the report.






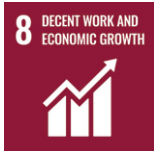

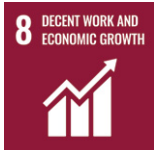


## Material issues

The **materiality matrix** outlines the key issues that emerged from our consultation process. The table below, and over the page, maps the issues identified which inform the content and structure of the report.

Stakeholder focus	Material issue	Description	Relevant Sustainable Development Goal (SDG)
 Client	1. Client experience	How we provide best of breed products and services that help clients reach their goals and the processes we have in place to assist vulnerable customers and manage complaints.	
	2. Regulatory and legislative environment	How we respond to global legislative and regulatory changes that are shaping financial services for consumers.	
	3. Digital disruption and security	How we respond to disruptions to services and products in financial services due to the emergence of new digital technology and how we enhance our security processes to prevent data threats.	
 People	4. Ethical conduct and professional standards	How we use culture, governance, accountability, processes and controls to ensure our people and advisers act ethically and to a high professional standard.	N/A
	5. Supporting and developing people	How we support wellbeing and professional development of our people and advisers so that they can help our clients reach their goals. This includes diversity and inclusion, mental health and employee attraction and retention.	  



## Material issues

Stakeholder focus	Material Issue	Description	Relevant Sustainable Development Goal (SDG)
 Community	6. Responsible investment	How we consider environmental, social and governance factors in our investments to drive long-term financial outcomes for our clients and the community.	  
	7. Climate change	How we manage the risk of climate change as a significant economic and environmental challenge, including how we reduce our own impact.	
	8. Operational impacts and supply chain	How we manage the direct and indirect impact arising from our own operations and purchasing decisions.	 
	9. Community investment	How we invest in positive change in our communities through philanthropy.	  

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# 1. Client experience

1. Client experience

We are committed to reinventing our business to deliver better outcomes for our clients and meet the financial needs of clients.



We want to make quality financial advice available and affordable for all our clients.

Our wealth management strategy considers the whole-of-wealth needs of our clients across all stages of their lives. For example, how to invest an inheritance or redundancy, better managing superannuation for retirement and how to pay off mortgages faster. We are committed to resetting our business so we can deliver on our wealth philosophy. We want to make quality financial advice available and affordable for all of our clients.

In our investment management business, AMP Capital, our focus is on delivering strong outcomes for institutional clients. In many cases, these institutions are managing funds on behalf of retail clients. We invest our client funds in a number of asset classes including commercial real estate, shopping centres, infrastructure debt and equity, fixed income and equities.

In 2019

In 2019, AMP:

- made \$2.6 billion in pension payments to 124,275 Australian clients to help them in retirement<sup>1</sup>.

- paid \$1.14 billion in insurance claims in Australia, including \$362 million in life insurance.

- helped 5,633 Australian clients buy a home, including 828 first homeowners, through our bank.

- delivered solutions for 465 institutional clients through AMP Capital, managing \$202.9 billion in assets under management.

AMP continues to experience changes in the profile of our retail client base due to changes in regulation requiring the transfer of low balance, inactive accounts to the ATO and continued reputational challenges. In 2019, the number of retail clients decreased to approximately two million clients with approximately 88% of change in client numbers attributable to changes in regulation. We expect further changes to client numbers in the current environment. AMP is committed to rebuilding trust with all stakeholders starting with simplifying our range of products, reducing fees to clients and delivering compelling wealth, banking and advice offerings that meets the needs of Australians.

We also launched our new strategy to reinvent AMP as a client-led and simpler business. The key elements of this strategy include reshaping our financial advice networks, simplifying our superannuation offers to deliver better client outcomes, growing our platforms business, integrating our bank to offer a whole-of-wealth service, and continuing the strong international growth of AMP Capital. We also committed to creating a leaner and more cost-efficient business, transforming our culture and risk management.

1 Includes payments from Mature business.

1. Client experience

Simplified, better value super

As part of our client-led strategy, AMP has focused on simplifying and improving the value of our superannuation products and offers. Following major fee reductions on our MySuper products which benefited 600,000 clients in 2018, we undertook fee reductions across our MyNorth and North wrap platforms in 2019, reducing fees to benefit more than 85,000 clients. We announced further fee reductions for 500,000 clients in February 2020.

AMP also welcomed the further transparency across the superannuation industry, with APRA’s MySuper Product Heatmap report, which compares performance of MySuper funds across the industry. The inaugural heatmap shows our fees comparing well against the industry, reflecting the reductions we have introduced.

For some of our funds we know our performance needs to be consistently stronger. We also believe there are areas where the heatmap’s methodology needs to evolve, particularly where risk profiles differ from the benchmark portfolios they are compared against.

In 2019, respected research house SuperRatings awarded some of AMP’s most popular superannuation products with its highest ‘Platinum’ rating as part of its MySuper, Choice and Retirement Product Ratings. AMP’s Signature Super – MySuper and Choice offer, AMP Signature Super Select – Choice offer and AMP Flexible Super Retirement (Core, Choice and Select) all received the top honour. Signature Super has now been given a Platinum rating eight times over the past decade and AMP Flexible Super Retirement has received a Platinum rating for 10 years in a row.

	2019	2018
Number of advice practices in Australia	954	1,121
Advisers leaving the network	439	–
New advisers joining AMP network	96	409
New practices joining AMP network	8	36

Changes to our advice services

Our ability to deliver advice to clients is underpinned by a strong advice network. In 2019, we began reshaping our advice business, with a focus on ensuring a professional, productive and compliant adviser network to deliver the best quality service to our clients. Among the changes announced is an adjustment to commercial terms on which AMP will buy back advice registers when advisers exit our networks. This change was to align the commercial terms with market value.

In 2019, we announced our intention to introduce annual agreements for clients who currently receive ongoing financial advice. The new system will be introduced during 2020, while ongoing advice agreements are phased out for both our aligned and employed advice networks.

We believe annual agreements best serve the interests of people who want advice over a period of time. The new agreements will require clients and advisers to explicitly agree the services to be provided and fees paid in a 12-month period.

It is important for AMP to help our advisers through these changes. Our efforts to support advisers through professional development and personal support are outlined in the Ethical conduct and professional standards and Supporting and developing people sections of this report.

1. Client experience



Our research shows that employees who are financially stressed took an additional two sick days per year.

Financial wellness

In 2019, AMP published new research on the impact of financial wellness in the workplace. The research has identified how financial wellness affects employees and the key triggers of financial stress at home and in the workplace. Our data demonstrates that employers have a key role to play in prevention and recovery. It shows that employees who are financially stressed took an additional two sick days per year and spent close to an hour on personal money problems during the workday.

The research informs our approach with our corporate superannuation clients, including Workplace Education Managers who share their expertise with clients on topics like tax legislation, super contribution caps and retirement options.

Financial literacy

Improving financial literacy is key to helping people reach their financial goals and achieve a more comfortable and secure future. The financial world is becoming ever more complex and we have a role to play to help Australians and New Zealanders make important financial decisions. To help promote financial literacy, we’ve published a series of short, educational videos on the AMP website based on areas where our clients have the most questions.

AMP continues to develop tools and wider plans to support improved financial literacy and capability in society.

First homeowners

In 2019, AMP Australia helped 828 clients purchase their first home. In New Zealand, AMP NZ KiwiSaver Scheme members received NZ\$65.9 million in first-home withdrawals, helping clients buy their first home.

Acting on client feedback

AMP uses the Net Promoter System (NPS) to continually listen to clients, learn from their feedback and act to improve experiences.

NPS helps AMP assess how well we meet clients’ needs and where we need to improve. The feedback provides valuable insights about what is important to clients and has shaped many changes to our processes and systems.

	2019	2018
Client NPS (average for Australian clients)	+15	+13
Number of NPS surveys (Australian clients)	573,393	563,745





1. Client experience

We are committed to reinventing our business to deliver better outcomes and meet the financial needs of our clients.

	2019	2018
Clients assisted	900	536
Complaint reviews completed	327 + 21 AFCA legacy	136
Complaint reviews resolved in favour of the client	58%	54%
Enhanced resolution for the client	5%	14%
New outcome for the client	53%	40%

AMP Customer Advocate

The AMP Customer Advocate continues to support clients through four focus areas:

- providing fair and reasonable complaint outcomes through impartial complaint reviews for clients of the Australian business;
- embedding fairness principles at the centre of AMP’s client complaints framework through governance and oversight, together with robust and transparent reporting for the CEO and AMP group boards;
- enabling an enterprise approach to client conduct risk through its customer governance framework; and
- advocating for better client outcomes through regulatory, stakeholder and community engagement.

The Office of the Customer Advocate grew in 2019 as the number of clients seeking assistance increased by 68% year-on-year and customer governance capabilities were uplifted. The number of advocate complaint reviews undertaken increased by 140% from 2018, reflecting an increased focus by clients on their financial circumstances and greater awareness of the Advocate Office during the second year since establishment. The proportion of new or enhanced client outcomes remained relatively steady. These outcomes refer to remediation provided to clients after review of their complaints by the Advocate Office.

With external dispute resolution through the Australian Financial Complaints Authority (AFCA) now within the function’s remit, the Customer Advocate has enabled a more holistic approach to client issues which is focused on fair decision making, understanding client needs and supporting our business strategy. The Customer Advocate will also implement an enterprise-wide framework for providing special care and additional assistance for our clients experiencing vulnerability, following the policy and principles launched in 2019.



1. Client experience



Our new strategy to become a client-led, simpler and growth-oriented business will see AMP focus on simplifying the business in 2020.

Responsible lending

We recognise the importance of the responsible lending obligations for lenders and brokers to ensure we are undertaking reasonable inquiries into a client’s requirements and objectives, as well as their ability to service the loan.

In 2019, AMP Bank strengthened its measures to protect clients and help them obtain loans that are suitable for them. This included introducing minimum servicing hurdles for highly leveraged clients, maximum debt-to-income ratios and increased assessment buffers.

Investment performance

AMP Capital aims to be a trusted partner of its clients delivering consistent investment performance.

As at December 2019, the proportion of AMP Capital’s AUM performing at or above defined client goals was 62% over three years. AMP Capital’s internal target is 75% over three years. Assessed on the more conventional metric of performance versus market benchmarks, 72% of AUM have outperformed over a three-year time period.

AMP Capital saw continued strength in real assets, with infrastructure investments meeting 100% of client goals and real estate investments meeting 88% of client goals over a three-year period. The challenging retail sector has resulted in lower performance in some of our real estate investments. 2019 was a more positive year for AMP Capital’s multi-asset funds. Performance reflected gains across most underlying asset classes, with global equity allocations key contributors to performance outcomes over the year.

	2019	2018
AMP Capital assets under management meeting or exceeding benchmarks <sup>2</sup>	72%	68%
AMP Capital Public Market assets under management meeting or exceeding client goals over a three-year period.	62%	61%
AMP Capital Infrastructure investments meeting or exceeding client goals over a three-year period.	100%	100%
AMP Capital Real Estate investments meeting or exceeding client goals over a three-year period.	88%	98%

2 Performance against benchmarks is the key investment performance measure from 2020.

Future outlook

Our new strategy to become a client-led, simpler and growth-oriented business will see AMP focus on simplifying the business in 2020 to deliver strong client outcomes. This includes:

- completing the sale of AMP Life, reshaping the advice network and simplifying our super options and fees;
- producing innovative new products and services to meet the financial needs of Australians and supporting financial wellbeing and financial literacy;

- prioritising the Customer Advocate office to drive the identification and resolution of systemic issues across the organisation, including a holistic enterprise approach to vulnerable and disadvantaged clients; and
- continuing to invest in our AMP Capital investment capabilities to grow real assets internationally and simplify and strengthen public markets.



## Case study

### AMP Bank Saver accounts

In 2019, AMP Bank was recognised for the calibre of its savings products, picking up 10 Mozo Experts Choice Awards, including multiple awards for AMP Saver, along with being named Small Business Savings Bank of the Year and SMSF Savings Bank of the Year.

The AMP Saver accounts were developed after listening to clients, brokers and advisers to ensure we offer savings products that meet their needs at a competitive interest rate. We are helping Australians save for their future in the current low interest rate environment. The accounts provide highly competitive ongoing rates and are free of account fees.

More information about our banking offers can be found at [amp.com.au](https://amp.com.au).

## 2. Regulatory and legislative environment





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## 2. Regulatory and legislative environment



**AMP supports a strong and stable financial system that is critical to the national economy and the future of Australians.**

**The financial services sector has experienced considerable regulatory and legislative change in recent years, as well as media and political scrutiny.**

AMP supports a strong and stable financial system that is critical to the national economy and the future of Australians.

The regulatory and legislative environment is important for AMP as it sets the boundaries and the rules in which our business operates, and our clients are served. AMP engages with regulators to ensure the system maintains the confidence of the public, and the regulatory framework works for the benefit of our clients, our people and investors.

AMP has increased its investment and number of employees dedicated to responding to regulators and legislative change, as well as embedding a more rigorous focus on risk management to ensure our legal and regulatory responsibilities are front of mind for all employees in our daily activities.

### **In 2019**

The Financial Services Royal Commission delivered its final report in February 2019, with a series of recommendations that the Australian Federal Government is implementing into legislation. The Royal Commission's work has been a catalyst for change across the sector and at AMP.

We are contributing cooperatively and constructively to the regulatory, policy and legislative debate in Australia across financial advice, superannuation and the role of financial services more broadly in the Australian economy.





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## 2. Regulatory and legislative environment



**AMP is an active participant in multiple industry forums, such as the ASFA and the FSC.**

### Regulatory and legislative change approach

To facilitate our engagement, we have a dedicated team to monitor and actively represent our clients and stakeholders on the complex legislative framework that impacts the financial services industry. We also engage in important discussions on the potential outcomes for banking, superannuation, retirement incomes, life insurance and financial advice.

In 2019 we contributed to many of these important policy and regulatory developments by:

- responding to the Government’s implementation of the recommendations of the Final Report of the Financial Services Royal Commission, including contributing to consultations on related legislation such as Grandfathered Commissions, Insurance Claims Handling, Compensation Scheme of Last Resort, Mortgage Broker Best Interests Duty and Remuneration Reforms, Unfair Contract Terms, and APRA Prudential Standard CPS 511 Remuneration Reforms, among others;

- appearing before the superannuation round of the House of Representatives Standing Committee on Economics Inquiry into the Four Major Banks and other financial institutions;
- implementing changes to comply with the Government’s Protecting Your Superannuation, Putting Members’ Interests First, and Improving Accountability and Member Outcomes legislation;
- contributing to consultation on the development of FASEA, particularly the Code of Ethics, adviser standards and competency training;
- contributing to the Government’s Retirement Income Review, including participating in preliminary industry working groups;
- ensuring compliance with the obligations set out in the Banking Executive Accountability Regime (BEAR) within AMP Bank by the 1 July 2019 deadline;
- examining and considering applicability to AMP of the recommendations of the Productivity Commission Inquiry into Superannuation: Assessing Efficiency and Competitiveness and actively contributing to the debate on the future of super; and

- engaging with industry bodies more broadly – AMP is an active participant in multiple industry forums, such as the Association of Superannuation Funds of Australia (ASFA) and the Financial Services Council (FSC).

### International regulatory change

AMP operates in several legal and regulatory jurisdictions around the world, primarily via its asset management business AMP Capital. Each of the jurisdictions in which the AMP group operates have differing requirements, which continue to evolve.

The AMP Capital Enterprise Risk Management (ERM) team identifies and monitors regulatory changes proposed across our global markets and has dedicated staff that monitor and assess global regulatory change. The team works with our network of jurisdictional risk and compliance professionals located in our global offices to understand the impacts of regulatory change and implement change activity where required.

AMP Capital is also an active member of several global industry bodies and committees which support AMP Capital in understanding and meeting changing global regulatory obligations. In 2019 key examples of global regulatory change implemented or progressed included:

- implementation of the Senior Manager Certification Regime in the UK;
- progressing plans to transition away from the use of the London Inter-bank Offered Rates (LIBOR);
- preparing scenario plans in advance of Brexit; and
- advancing efforts to meet ongoing G20 commitments as they relate to over-the-counter derivatives.

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## 2. Regulatory and legislative environment

### Regulator engagement

There has been continued focus on strengthening our regulatory reporting, risk culture and risk governance practices. In 2019, a Regulatory Relations team was established in our group ERM function, which is a centralised regulatory engagement function.

The team's purpose is to drive an integrated and strategic approach to regulatory relationships. It manages regulatory risk across the group by providing oversight, review and challenge over regulatory interactions, improved reporting to boards and committees, and driving data analytics to assist AMP in meeting its regulatory commitments. It is also a single point of contact for regulators, reflected in our updated Regulatory Contact Policy.

This approach has driven greater transparency of regulatory commitments and interactions, capturing volume and type of regulator interaction in a centralised depository.

### Governance, Risk and Compliance (GRC) system

AMP is developing an enterprise-wide Governance, Risk and Compliance (GRC) system, bringing together multiple systems in order to raise and manage incidents, issues, breaches, risks, controls and compliance obligations across the AMP group in one core system. The system utilises technology and data analytics to improve reporting and response to breaches.

In 2019, we piloted new Risk, Control, Compliance Obligation and Policy modules for the Superannuation Trustee, National Mutual Superannuation. These modules collectively provide inbuilt workflows and notifications that ensure we understand and manage risks and controls in a way that is consistent with our three lines of defence model. It will also provide us with a clearer view of the events and problem areas that impact the risks facing our organisation, and the activities undertaken to control and manage our risks and to comply with obligations.

The GRC system will continue to be developed and rolled out across multiple business areas in the company.

### Regulator monitoring

In 2019, ASIC conducted its Close and Continuous Monitoring program which included embedding ASIC employees with AMP teams focusing on internal dispute resolution and the role of the Client Advocate. AMP is committed to working with regulators to ensure we achieve the best outcomes for our clients.

### Banking Code of Practice

In 2019, we went live with the implementation of the Australian Banking Association's Banking Code of Practice. The code includes new rights and protections for clients, small businesses and guarantors. The code also provides for stronger enforcement and compliance.

### Political donations

While AMP does not make donations to political parties, we do participate in various party forums to maintain dialogue and contribute to better policy outcomes for the company and our clients.

### Future outlook

2020 will be another year of significant regulatory and legislative change. AMP will:

- work constructively with the government, regulators, advisers, trustees and other bodies to ensure that, as the recommendations made in the Royal Commission Final Report move into definitive legislative reform, the outcomes are clear, simple and meet the best interests of clients; and
- invest further in the GRC system to deliver enhancements of the current modules to address other focus areas including licence management.

## Case study

### Banking Executive Accountability Regime

In 2019, the Banking Executive Accountability Regime (BEAR) was implemented in AMP Bank. The regime aims to establish clear and heightened expectations of accountability for authorised deposit-taking institutions, their directors and senior executives and to ensure that there are clear consequences for not meeting these expectations. Changes implemented in 2019 included:

- clarifying reporting lines and responsibilities for senior executives and their direct reports, including delegations of authority;
- clarifying the scope and charters of management committees, including the establishment of two new committees – Bank Leadership Committee and Distribution Committee;
- enhancing oversight of outsourcing arrangements;
- providing training to each Accountable Person and their direct reports on BEAR and how they can meet their obligations; and
- updating the remuneration framework for senior executives.





**Case study**  
**Protecting Your Super package**

In 2019, the government passed the Protecting Your Super package which includes reforms to the management of low balance and inactive super accounts. AMP supports these measures which are designed to make sure members are not paying for insurance cover they don't know about or premiums that inappropriately diminish their retirement savings.

In 2019, AMP contacted over 400,000 clients via mail, email and SMS to warn of these changes. In addition, we identified a further 50,000 clients whose insurance would have been switched off. Of the clients we contacted, approximately 32,000 have opted to retain their insurance.



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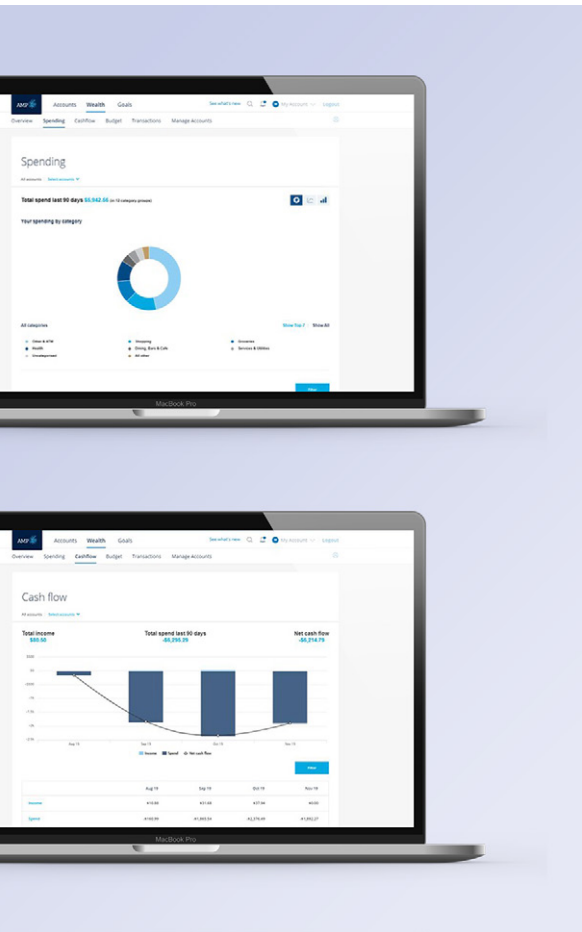


## 3. Digital disruption and security



### 3. Digital disruption and security

### Advances in technology are rapidly changing the way we live, work and interact with our clients, people and the community.



Digital transformation is fundamentally shifting how financial service providers compete globally and serve their clients. These technological changes enable us to improve our client experience, improve operational effectiveness and strategically position AMP for the future. Our goal is to develop and deliver digital client experiences that are personalised and proactive, helping us build more direct relationships with our clients.

These advances also come with new and increased exposure to cyber security and privacy threats, with the potential to impact the operational and financial sustainability of AMP. AMP maintains a cyber defence and privacy capability to continually address and adapt to cyber threats and expectations from regulators.

#### In 2019

The growing pace of technological disruption continued in 2019, with consumers seeking market-leading, technology-enabled wealth solutions that securely meet their needs. AMP is responding to these demands by enhancing our wealth-management platforms with new and improved functionality to help clients take control of their finances.

	2019	2018
Total clients using MyAMP	367,387	341,400
Total MyAMP app downloads	141,116	92,306

Cyber security and privacy remain key priorities, including strengthening our security capability to adapt to continued threats and developing a specific Cyber Risk Profile to track and measure exposures and potential impacts. We conduct our activities in line with detailed commitments in our [Privacy Policy](#).

#### Improved online tools and experience

In 2019, we increased the functionality of websites and platforms to meet client expectations, improve flexibility of services and make it easier to interact with AMP.

MyAMP is a one-stop online wealth-management technology for banking, tracking cash flow, budgeting, reviewing and changing super and insurance arrangements, and accessing investment research to help over 367,000 clients to better manage their finances.

MyAMP’s new features include interactive goals timelines, money manager budgeting tools to view whole-of-wealth position and cash flow and budgeting insights based on spending habits.

We also launched the MyNorth Retirement Modelling Tool 3.0, allowing the modelling of 900 different retirement strategies to help advisers identify the right solutions for their clients. Through AMP’s MyNorth and North wrap platforms, the real-time modelling enables advisers to test and develop retirement strategies for clients, factoring in risk profiles, income and capital requirements.

### 3. Digital disruption and security

	2019	2018
Total number of clients on Goals 360 platform	33,392	28,050
Number of Goals 360 sessions completed	10,508	11,361

#### Goals 360

Goals 360 is an innovative financial planning experience that helps consumers make better financial decisions. By connecting a client’s life goals to their financial circumstances, Goals 360 recommends a set of actions to improve the likelihood of achieving their goals. Our unique Goal Achievability calculation created by AMP is pending patent protection.



In 2019, we extended the user experience to more closely align with AMP’s product aggregation services (called Money Manager). This enables clients to add and manage their goals and timeline in the MyAMP wealth website. We also enhanced Goals 360 to substantially automate the advice review process when delivered by a financial adviser and expanded our distribution channels to AMP’s Corporate and Assist clients.

#### Cloud technology and implementation

We recognise the strategic importance that cloud-based solutions have in the delivery of our client experience. In 2019, AMP was awarded the [NICE CX Excellence Award](#) for Best Cloud Implementation for our call digitisation program.

This program has taken AMP Assist’s General Advice compliance coverage from a manual process to near 100% automated, consistent with AMP’s aim to leverage technology to strengthen risk and compliance.

#### Amplify 2019

Now in its 14th year, Amplify, AMP’s technology and innovation festival, had its biggest year yet. In 2019, over 3,000 attendees from 425 companies attended sessions in Sydney and Melbourne to hear more than 40 of the world’s global thought leaders. It provides our employees and partners with new and external concepts to shift our thinking and compete in the future.

2019’s theme ‘Limitless’ focused on how traditional business models, old modes of thinking and legacy systems will be no match for the next generation of AI-powered businesses. To compete in the future, companies need to shift their thinking today, adopt an exponential mindset and question what they are doing and why. For further information visit [amp.com.au/amplify](http://amp.com.au/amplify).

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### 3. Digital disruption and security



**In 2019 and into 2020, the AMP Cyber Team has an ambitious roadmap of continual improvement in cyber security.**

#### Information and cyber security

Information security was a central theme for the financial services industry in 2019, following the introduction of new APRA regulation. Ensuring compliance with this standard is paramount to maintaining the trust of clients, investors, business partners and the regulator. It resulted in improved security capabilities including:

- strengthening our Information Security Policy Framework;
- identifying and quantifying key cyber risk profiles for AMP;
- enhancing board understanding and reporting of cyber threats and risks to our organisation; and
- increased employee education on the importance of data and information security through videos and education sessions.

Cyber-attacks are becoming increasingly sophisticated. Organised crime remains a primary threat in financial services and there has been a rise in attacks by well funded nation-state actors. Within AMP, and evidenced globally, email remains a primary threat and will continue to be used in conjunction with social attacks to deploy malicious software and to extract information.

In 2019 and into 2020, the AMP Cyber Team has an ambitious roadmap of continual improvement in cyber security that will considerably reduce our exposure to cyber threats and significantly enhance our ability to respond to threats.

#### Protecting privacy

Privacy and protecting client data are paramount to maintain trust with clients, employees and regulators. Our Privacy Office is responsible for managing our privacy program, setting policy and standards, ensuring privacy risks are identified and managed, maintaining privacy awareness and monitoring compliance.

AMP continues to be a corporate member of the International Association of Privacy Professionals ([IAPP](#)). The IAPP is a non-profit privacy professionals' association which enables AMP to stay up to date with the latest developments in privacy and data protection. We ensure that all AMP employees and contractors complete mandatory privacy training.



### 3. Digital disruption and security

	2019	2018
Total data breaches reported	3	7
Malicious attacks	2	3
Human/system error	1	4

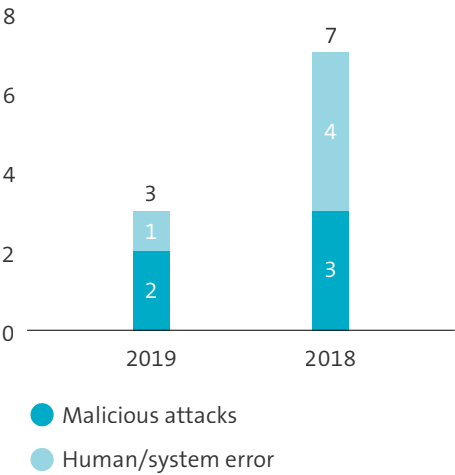
#### Reporting breaches

Data breaches involve the loss, unauthorised access or disclosure of personal information. This can include an error by a company, that of a third party or malicious attacks by hackers.

AMP takes privacy, data security and our obligations to report and notify clients very seriously. We have comprehensive incident response and data breach response plans, which ensure a proactive approach to unauthorised access, and disclosure or loss of personal information.

During 2019, we notified the Office of the Australian Information Commissioner and the UK Information Commissioner’s Office of three data breaches that impacted a small number of our clients and employees. The causes of the data breaches included one case of human error and two cases of malicious attacks by unknown external parties. In all cases, we notified impacted individuals, and took steps to protect individuals from harm and prevent future data breaches.

#### Data breaches reported



#### Future outlook

Digital innovation and security remain high priorities for AMP and key activities for 2020 include:

- continuing to update our wealth management technology platforms to enhance client and adviser experience;
- implementing ApplePay and uplifting AMP’s mobile digital experience;
- further enhancements to cyber security capabilities; and
- growing the maturity of our threat intelligence by understanding our controls, weaknesses and resulting risks, to enable our board to make informed decisions.





## Case study

### Amplify Ignite 2019

Ignite was first launched 10 years ago, to help foster Australian innovation and entrepreneurialism, and bridge the gap between academia and corporate businesses.

The Amplify Ignite competition is open to PhD researchers from across Australia, who have game-changing ideas. This year, 16 finalists were selected to receive professional coaching and mentoring to learn how to pitch their research in only 150 seconds, in ways that truly engage the audience.

Suneeti Purohit from Swinburne University of Technology won the AMP Amplify Ignite competition in 2019 for her initiative to revolutionise the steel processing industry with solar power. Lorna Howlett from the University of Technology Sydney received the people’s choice prize, selected by the live audience, for her research into regenerating coral on the Great Barrier Reef.



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## 4. Ethical conduct and professional standards

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## 4. Ethical conduct and professional standards

Public trust in AMP, and the financial services sector more broadly, has been eroded by unacceptable conduct and client issues.

AMP is committed to rebuilding that trust by taking action, across multiple areas, to improve our culture, strengthen governance systems, and ensure our employees take accountability.

AMP's Code of Conduct is our commitment to acting ethically and responsibly. It outlines the minimum standards of behaviour, decision making and our expectations for the treatment of employees, clients, business partners and shareholders.

AMP is further committed to improving the professionalism and the formal education of our advisers.

We are focused on ensuring we act in the best interests of our clients at all times, and meet and exceed the expectations of the broader community. We have more to do and we are committed to doing it.

### In 2019

In 2019 we continued to act on our client remediation commitments, including paying back clients who were charged fees for no service and reviewing client files where the advice provided was not to our standard. We are actively supporting our advisers with formal education requirements through our own programs and partnerships with universities.

We continued to strengthen our ethical conduct and professional standards for employees by creating a stronger risk culture aligned to our purpose. This included the appointment of a new dedicated Group Whistleblowing Officer to facilitate secure channels to report unacceptable behaviour.

## Combined with our legal and regulatory obligations, AMP is committed to meeting the highest ethical and professional standards.

### Client remediation

The Review and Remediation Program continued to make significant progress in 2019. This included reviews of financial advice provided to clients, and whether there is sufficient evidence to determine if clients who were charged a fee received ongoing service.

We have agreed with ASIC on most of the methodological aspects of our Fee for No Service review, relating to both advisers within our advice network and those who have departed. During 2019 we also received positive independent expert reports on our progress.

We remain on track to complete our client remediation program in 2021 with 80% of the program expected to be complete by the end of 2020. Total program spend to date, including program costs and money repaid to clients, is \$264 million with \$190 million paid in the second half of 2019.

Our client remediation program consists of the following components:



**Inappropriate advice, approximately 50% complete.**



**Fee for no service:**

- active advisers: approximately 20% complete;
- inactive advisers: pilot program for inactive advisers has commenced; and
- overall fee for no service refund rate expected of 17% (29% including interest) of ongoing service fees charged.



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## 4. Ethical conduct and professional standards



**AMP is committed to giving our advisers a clear pathway to FASEA compliance.**

### Compliance with Financial Adviser Standards and Ethics Authority

The Financial Adviser Standards and Ethics Authority (FASEA) was established in April 2017 to set the education, training and ethical standards for financial advisers licensed under Australian law. As of 1 January 2019, new entrants into the financial planning industry require a FASEA-approved degree (or higher). AMP is committed to giving our advisers a clear pathway to FASEA compliance.

In 2019, 486 advisers sat and passed the FASEA Financial Adviser exam, representing 22% of our network. We have supported our network of advisers through a series of professional development presentations and expos with FASEA-approved providers nationally. We held 727 one-on-one coaching sessions over 2019 with advisers, on education and professional pathways, under these new requirements.

In addition to the Professional Development Day content, we also built a comprehensive library of ethics-related learning webinars which advisers could access to meet their (nine-hour) FASEA ethics Continuing Professional Development (CPD) requirements.

### Adviser education

To ensure all new financial advisers in the AMP network are appropriately certified, AMP offers a Graduate Certificate in Financial Planning qualification, which can be used for entry to the FASEA-approved Master of Financial Planning qualification at Griffith University. We understand that returning to study while running an advice practice can be challenging, which is why we have built flexibility into our course programs.

We offer a two-to-four-year graduate diploma for existing advisers who do not have a degree or whose degree is not in an advice-related discipline, and a one-to-two-year graduate certificate for AMP advisers with a degree in a related discipline (such as accounting or economics) who are eligible for recognition of prior learning. We also offer a free online training course to prepare AMP advisers for postgraduate study.

AMP also offers graduates a FASEA-approved blended learning experience of professional development and education. The program has four phases:

- a six-month foundational training program with our general advice team;
- a six-week intensive blended learning solution conducted through a partnership between Griffith University and AMP Adviser Academy – the education body within AMP that delivers professional adviser training and education through the Adviser Pathways program;

- a 12-to-18-month placement in AMP's phone-based advice team; and
- a final optional phase of a 12-month face-to-face advice placement.



## 4. Ethical conduct and professional standards



In 2019, we awarded six new entrants undertaking Financial Planning studies a scholarship.

### Supporting study and research of financial advice at university

Since 2014, we have supported Griffith University’s Master of Financial Planning – a degree that includes AMP’s Adviser Academy’s Financial Planning Skills unit. AMP has also jointly funded a Research Fellow who is investigating, among other areas, the value of financial advice and education standards.

We provide scholarships and support to students undertaking Financial Planning studies. In 2019, we awarded six new entrants a scholarship, one of whom is now working in an AMP-aligned practice in Queensland while studying their Bachelor degree at Griffith University.

We also continue to run the AMP University Challenge (now in its tenth year), a national financial planning competition that aims to identify new talent and promote high standards of education and professionalism. In 2019 we achieved a record number of submissions with 213 students participating across 94 teams.

### Strengthening our risk management, culture and governance

In 2019, we conducted a company-wide Risk Survey to better understand our risk culture and how effectively we are managing risk. We implemented a new Risk Culture Framework which describes how all employees should manage risk focused on:

- 1. Thinking client first:** managing conduct risk through how we deal with our clients, how our products and advice offers are designed, and in our business practices.
- 2. Acting like an entrepreneur:** actively seeking opportunities by taking desired risks and reducing undesired risks; focusing on making informed decisions and managing change and uncertainty.
- 3. Taking action and being accountable:** taking ownership for the outcomes and management of risk such as following policies and procedures or calling out issues where something needs improvement.

	2019	2018
Advisers completing mandatory Code of Conduct and ethics training	98%	98%
Employees completing My Call whistleblowing program training	98%	95%
Employees completing mandatory training, including Code of Conduct and ethics	98%	97%

These have been embedded through a combination of online training modules, face-to-face training and broader educational videos and articles.

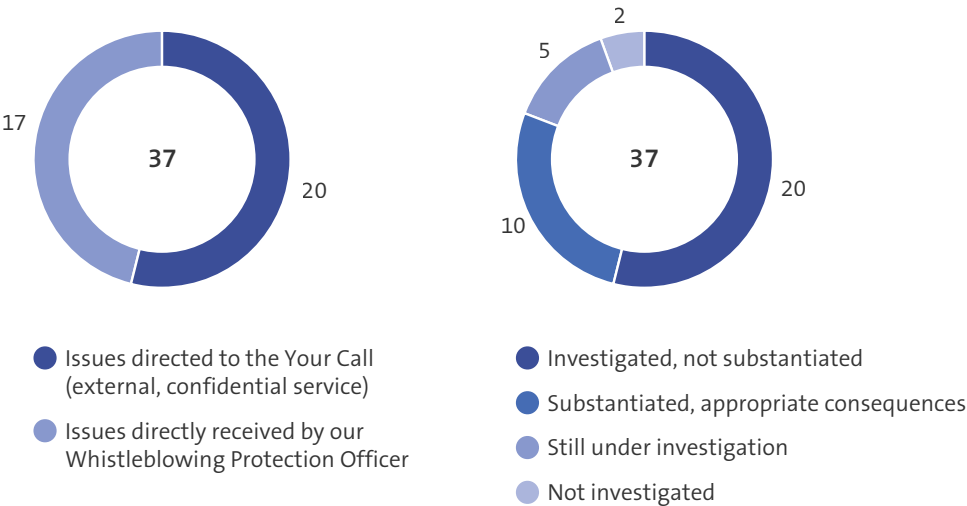
AMP employees and advisers are required to complete a range of mandatory training modules annually, which cover ethical and professional conduct and whistleblowing. Completion rates among employees and advisers remain high at 98%.

### Members First

In 2019, our Superannuation Trustee Office released a mandatory training module for all staff that work in and for our superannuation business. The training covers the best interest duties to members and includes a test with a 100% pass mark required. It is now part of the mandatory training suite.

## 4. Ethical conduct and professional standards

Issues raised through the AMP Whistleblowing Program (2019)



	2019	2018
Issues raised through the AMP Whistleblowing Program	37	20
<i>Issues directed to the Your Call external, confidential service</i>	20	17
<i>Issues directly received by our Whistleblowing Protection Officer</i>	17	3
<i>Issues investigated that were not substantiated</i>	20	12
<i>Issues substantiated, resulting in appropriate consequences</i>	10	4
<i>Issues still under investigation</i>	5	4
<i>Issues not investigated</i>	2	–

### Whistleblowing

AMP’s Whistleblowing Program provides a secure channel for people to report concerns relating to AMP and provides assurance that concerns will be reviewed and/or investigated in an objective, independent and confidential manner, with appropriate corrective action taken where concerns are substantiated.

In 2019, our Whistleblowing Program was significantly uplifted with the appointment of a dedicated Group Whistleblowing Officer. A new Global Policy was implemented, fully compliant with our obligations under the Corporations Act 2001 and ASIC’s regulatory guide, as well as face-to-face training for all senior leaders and e-learning for all our people.

Greater awareness and investment in our Whistleblowing Program contributed to 37 whistleblowing issues raised, representing an 85% increase in volume compared to 2018. Of these 37 issues:

- 20 were investigated and were not substantiated;
- 10 were investigated and substantiated, resulting in appropriate consequences being applied;

- five remain under investigation; and
- two did not require investigation upon review and determination of the Whistleblowing Program.

The Whistleblowing Policy is accessible to all current and former employees, contractors, service providers, associates and officers of AMP.

### Future outlook

Conduct and creating a strong risk culture remain key priorities for AMP. Key future activities will focus on:

- delivering on our client remediation program;
- supporting our advisers’ transition to new qualification requirements and continuing to support pathways for advisers entering the profession;
- strengthening our risk culture through ongoing training; and
- continuing to raise awareness of our Whistleblowing Program.



Case study

Sedgwick review recommendations for retail banking

The final Retail Banking Remuneration Review report by former Public Service Commissioner Stephen Sedgwick was released in 2017, as well as related 2017 ASIC and Combined Industry Forum (CIF) reports to change remuneration structures in retail banks to be more aligned to client outcomes.

AMP Bank has made significant progress in delivering against these recommendations including:

- changing employee (frontline, middle and senior managers) remuneration with regards to the variable reward payment. This included not linking more than 33% of reward to sales, ensuring that the variable reward represented a smaller amount than the fixed portion component and introducing balanced variable reward metrics;
- reviewing the culture and performance-management systems to ensure there is no bias to sales over ethics; and
- clarifying the relationship and governance of third-party introducers, removing volume-based incentives, changing commission structures so as not to directly link to loan size, and implementing clearer disclosures of ownership structures and greater governance with regards to ‘soft dollar’ benefits.





## 5. Supporting and developing people

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## 5. Supporting and developing people

**As a financial services company, our people and human capital are critical to how we create value over the short and long term.**

Our vision is to have a vibrant and diverse culture, which forms a foundation for delivering great client outcomes and growth for our business.

Our people strategy aims to build organisational resilience, taking a people experience approach to attract, develop and retain talent needed to deliver against our vision and strategy. The focus on supporting and developing people makes it possible to optimise the workforce, to meet current and future AMP goals, and contribute to and protect the value of the AMP brand.

We promote a respectful, inclusive and safe workplace that supports the professional and individual wellbeing of our people. Given the rapid and disruptive change occurring in our industry, the wellbeing and resilience of our people are critical to our success.

### In 2019

In 2019, we conducted a review of AMP's purpose, culture and behaviours with almost 2,000 employees participating in a company-wide survey and focus group sessions.

In August, AMP announced a new purpose to employees, accompanying our group strategy reset. Our new purpose – 'Realise human ambitions' – articulates the aspiration and objective of our business, providing a basis as we transform our culture, strengthen accountability among our employees and simplify our business.

In practice, our purpose will be exemplified by three core behaviours which aim to drive change and improvement:

- **Think client first** – Consider the client impact in everything we do and in every decision we make, and be obsessive about improving client outcomes.
- **Act like an entrepreneur** – Actively manage the upside and downside of risk. Consider all decisions in the context of this being your own company and ask these questions; Would you do this? Would you spend this money? Would you buy this product or service?
- **Take action and be accountable** – Be accountable to take action in service of our clients, employees, shareholders and communities. Consider the options, understand the risks, make the decision and move swiftly to action.

We have aligned the new purpose and behaviours within AMP's systems – including our performance management and remuneration process.





## 5. Supporting and developing people

68%

2019 employee engagement

64%

2018 employee engagement

76%

2017 employee engagement

### Employee satisfaction

We use several key measures to help track progress in supporting and developing people, including overall employee satisfaction. With a number of challenges in 2018 and 2019, satisfaction fell, but we are working to making improvements through our employee wellbeing approach and saw an improvement to 68% in 2019.

### Employee wellbeing

AMP is committed to the health, safety and wellbeing of our people and has focused this commitment on four key areas: healthy places, healthy communities, healthy minds and healthy bodies.

Our Board’s Risk Committee monitors health and safety performance and oversees the identification and mitigation of workplace risks and programs to continually improve injury and illness prevention. The committee monitors risks through a range of qualitative and quantitative measures including Lost Time Injury Frequency Rate (number of injuries where an employee loses more than one full day/shift, per million hours worked) which increased marginally to 0.41 in 2019, from 0.38 the previous year.



AMP is committed to the health, safety and wellbeing of our people.

Employee engagement	2019	2018	2017
AMP employee engagement index	68%	64%	76%

### Healthy places

Since 2013, AMP’s Australian offices have operated an activity-based working approach. This includes providing a variety of working spaces, standing desks and mobile technology to encourage flexible and healthier work practices. We are aligned with healthy building frameworks, including Green Star, the WELL Building Standard and Fitwel, to ensure best practice in indoor environmental quality, ergonomics and active spaces.

In 2019, we moved our Melbourne office to One Melbourne Quarter, which included a new fit-out with best-practice wellbeing design features and policies informed by the Fitwel standard (certification pending).



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## 5. Supporting and developing people



**We have more than 90 accredited MHFA officers throughout Australia, with a further 80 to be trained in 2020.**

### Healthy bodies

As a signatory to the Royal Australasian College of Physicians' Consensus Statement on the Health Benefits of Good Work, AMP has implemented health and safety systems to minimise physical and mental health risks. We help our employees manage their health through fitness and nutrition programs and by providing on-site flu vaccinations and various opportunities to participate in activities such as fun runs, workplace yoga and fitness classes.

### Healthy minds and communities

AMP understands the importance work plays in wellbeing; particularly mental health. This year our people continued to be under pressure to not only change our business strategy and approach but also work under high levels of scrutiny and pressure from external stakeholders. We took a proactive approach to helping employees manage psychological wellbeing.

A group-wide survey of inclusion and diversity also tested for mental health concerns and provided data that one in five of our people in the business had or knew of people with mental health concerns associated with work stress, organisational change and conflict management among other factors.

In response to these findings, AMP has invested in initiatives to support employee mental health, including:

- **BeWell leave days**, which enable employees to access two additional days of personal leave for their wellbeing.
- **Mental Health First Aid officers (MHFA)** were trained throughout the business. We have more than 90 accredited MHFA officers throughout Australia, with a further 80 to be trained in 2020. MHFA officers provide an immediate support to those feeling the effects of mental ill-health. They are equipped to listen and direct people to the relevant ongoing support, such as our Employee Assistance Program.

- **Employee training programs** on a variety of topics, including resilience, self-care and recognising signs and symptoms of ill-health. In addition, we hosted numerous guest speakers on these topics as part of our Amplify festival and RUOK Day.
- **Support to advisers** and adviser-facing staff to assess and respond to wellbeing concerns amid the significant disruption in the financial advice industry.

Psychological risk management and employee support were considered in the organisational design and implementation of a new AMP operating model. Support for employees through the process included webinars available on our internal social media channel, onsite psychologist well-checks and drop-in employee and vocational support centres.



# 5. Supporting and developing people



Flexibility is promoted throughout AMP and reinforced by leader support and education and sharing success stories.

Turnover	2019	2018	2017
Male employee turnover, yearly average	13.9%	13.6%	13.0%
Female employee turnover, yearly average	13.7%	13.0%	12.3%
Turnover in Australia, yearly average	13.5%	13.0%	12.8%
New Zealand turnover, yearly average <sup>3</sup>	19.3%	17.6%	13.0%
International turnover, yearly average	7.8%	7.6%	5.0%

3 NZ figures include NZ life and mature businesses.

## Turnover

Despite the challenges presented, AMP’s annual employee turnover rate increased marginally in 2019, with a 13.5% voluntary turnover rate compared to 13.0% recorded the previous year in Australia. The international turnover rate remained stable at 7.8% (compared to 7.6% in 2018). Voluntary turnover deteriorated in New Zealand, with 19.3% recorded (up from 17.6% in 2018).

Voluntary turnover rates by gender were stable, at 13.9% and 13.7% for males and females respectively.

## Accountability framework and consequence management

In 2019 we developed an accountability framework to ensure our employees are clear on their key accountabilities, obligations and decision rights. We introduced role charters, which outline all accountabilities – including regulatory and compliance obligations – in a single location. Role charters provide clarity around what AMP expects of its employees and provide transparency of others’ accountabilities to improve efficiency of decision making. All employees are required to review their role charter with their leader as part of the annual performance conversation.

In November 2019, AMP introduced a conduct management policy and process as part of our strengthened focus on risk and accountability. Conduct management is designed to support delivery of fair and transparent outcomes where expected standards of behaviour are not met and to recognise exceptional employee conduct and positive behaviour.

## Flexible working

We are committed to making flexible working more accessible to everyone at AMP. Flexibility can take different forms and be put in place for a variety of purposes. It not only promotes work-life balance but also helps to generate better business outcomes. Flexibility is promoted throughout AMP and reinforced by leader support and education and sharing success stories. In 2019, approximately 10.5% of our workforce took advantage of our flexible work practices by choosing to work part-time.



## 5. Supporting and developing people

Female representation by role	2020 target	2019 progress target	2019	2018
AMP Limited Board	40%	40%	18%	11%
Senior executives	47%	44%	39%	39%
Middle management	50%	47%	43%	41%
All employees	n/a	n/a	51%	52%

### Diversity and inclusion

AMP encourages a respectful, diverse and safe workplace. We do not tolerate bullying, discrimination, harassment, victimisation, unreasonable or unlawful behaviour or unsafe work practices.

AMP aims to achieve diversity of perspective and thought, as well as gender and ethnic diversity among our employees reflecting our broad client base.

In 2019, the representation of women at board level increased to 18% while other role types remained steady. Overall, women make up 51% of our workforce.

AMP acknowledges that we are behind in our progress to meeting these targets but we continue to remain committed to these measurable objectives. We have in place a number of initiatives aimed at supporting the continual improvement of diversity.

### Female Leaders Ignite program

In response to the Inclusion and Diversity Survey insights into improving gender representation at senior levels of the organisation, a Female Leaders Ignite program was delivered in 2019. The program targeted high-potential current and future female leaders at the middle layers of the organisation, with an aim to promote decision making and empowerment, increase access to mentors and sponsors, build resilience and provide them with the tools and knowledge to progress their careers. The program led to an increase in resilience, engagement and career ownership for participants.

### Innovation program

2019 saw an increased focus on how cognitive diversity can foster a culture of innovation and high performance. To harness this, AMP launched its inaugural Innovation program, which sent a cross-functional team of 10 employees to China for a week-long intensive learning experience.

The cohort spent time with an AMP strategic partner, China Life, and a number of leading fintech companies, to learn how these businesses are driving innovation in the global market.

### Living wage

In New Zealand, everyone working at AMP, direct or contracted, receives the living wage or higher, which reflects the real cost of living in New Zealand. We believe all New Zealanders should be empowered to live with dignity and be able to realise the benefits of working hard, which is why we are proud to be the first financial services provider to sign up to the Living Wage, to encourage other businesses to do the same to improve outcomes for all New Zealanders.

Everyone working at AMP in New Zealand, direct or contracted, receives a minimum of NZ\$21.15 per hour – significantly higher than the minimum wage.

### Future outlook

There will be further change in 2020 as we continue to reinvent AMP and become a simpler, client-led organisation. In 2020, we will continue to focus on aligning and embedding this purpose and behaviours into everything we do.

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**Case study**  
**AMProud**

Open to everyone at AMP, AMProud is a community group recognising lesbian, gay, bisexual, transgender, intersex and queer/questioning (LGBTIQ) employees and their allies. The group promotes a diverse and inclusive environment where employees can confidently present themselves, and feel free to talk about their families and lives.

In 2019, AMProud increased its support across the business, particularly through hosting its first LGBTIQ awareness sessions and celebrating the inaugural AMProud Week. Many of the initiatives were supported by senior leaders, including the CEO, and an increased number of employees from outside of our Sydney headquarters.

In New Zealand, AMP is Rainbow Tick accredited – a certification that recognises our focus on being a diverse and inclusive workplace for people of different genders, sexualities, ethnicities, physical capabilities and cultures.



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## 6. Responsible investment



6. Responsible investment

We are committed to responsible investment by considering environmental, social and governance (ESG) factors in investments to drive better long-term financial outcomes for our clients and to achieve better outcomes for society.

A/A+
UNPRI reporting and assessment score (across all asset classes)

9%
of AUM invested in environmentally and socially themed areas

29%
of infrastructure AUM invested in environmentally and socially themed areas

We consider a range of factors when investing on behalf of our clients and AMP superannuation members including natural resource use, climate change, human rights, workplace health and safety, executive remuneration, board composition and diversity.

Our investment manager, AMP Capital, launched its first responsible investment funds in 2001, and in 2007 became one of the first signatories to the UN-backed Principles for Responsible Investment (UNPRI). Demand for responsible investments is growing, and AMP Capital continues to deliver existing and new clients with investment solutions.

Table with 3 columns: Metric, 2019, 2018. Rows include UNPRI reporting and assessment scores, % of AUM invested in environmentally and socially themed areas, and % of infrastructure AUM invested in environmentally and socially themed areas.

- In 2019
Our ongoing commitments to ESG and responsible investing have been reflected through AMP Capital:
- achieving A/A+ ratings for our UNPRI assessments across all major asset classes;
- achieving Global Real Estate Sustainability Benchmark (GRESB) Infrastructure Top 5 global rankings for two flagship infrastructure funds;
- achieving six Real Estate funds scoring an average 90% in GRESB and receiving five Green Stars – the highest rating available;
- making investments in environmentally and socially themed areas which have grown to approximately 9% of AMP Capital’s total AUM including renewable energy, water infrastructure, green bonds and low-carbon building portfolios; and
- making infrastructure investments in environmentally and socially themed areas which have grown to approximately 29% of AMP Capital’s infrastructure AUM including renewable energy, water infrastructure and social infrastructure.

## 6. Responsible investment

### Investment approach

Investing in companies and assets with long-term sustainable business models is an important part of our investment approach across all asset classes. AMP Capital’s [ESG and Responsible Investment Philosophy](#) outlines our approach to considering material ESG factors. Our team of ESG and sustainability specialists work in asset classes and across investment teams, providing research and advice that is integrated into our decision-making and active ownership strategies.

We also encourage boards and management of investee companies and assets to ensure sound risk management, appropriate capital allocation, fair remuneration and disclosure, and use our proxy voting power to encourage corporate behaviour that delivers better results for all.

AMP Capital engages with individual investee companies and other investors for industry responses to these issues. As of 2019, AMP Capital is a member of a number of investor signatories and initiatives (see table below).

### Governance and proxy voting

AMP Capital remains at the forefront of corporate governance initiatives. As an investment manager, we seek to influence company policy on matters of corporate governance. By virtue of the shareholdings under our management, we lodge considered proxy votes on all resolutions and engage with companies on specific matters.

Issues discussed typically include board composition and independence, remuneration, corporate accountability structures, compliance, negligence, bribery and corruption, conflicts of interest, related-party transactions, shareholder rights, accounting and audit quality. This is done in the interests of driving better long-term outcomes for our clients.

The details of our proxy voting activities including our voting statistics are available on the [AMP Capital website](#).

Investor signatories				
ESG	Climate change	Gender diversity	Governance	Human rights and supply chain
<a href="#">United Nations Principles of Responsible Investment</a>	<a href="#">Carbon Disclosure Project</a>	30% Club Investor Group	Asian Corporate Governance Association	KnowTheChain Investor Statement
<a href="#">Responsible Investment Association of Australia</a>	<a href="#">Investor Group on Climate Change</a>	Women’s Infrastructure Network Australia	International Corporate Governance Network	
<a href="#">Global Real Estate Sustainability Benchmark</a>	<a href="#">Climate Action 100+</a>	Male Champions of Change		



## 6. Responsible investment

90%

Real Estate funds  
GRESB average  
rating 2019.

### Ethical Leaders funds

In 2019, AMP Capital refreshed its ethical superannuation funds with a new name – AMP Capital Ethical Leaders – along with enhanced ethical screens, including fossil fuels.

The funds have a clear mission: to invest for the long term while making the world a better place. The funds exclude companies and assets that have a significant negative social impact, and choose external fund managers who engage with companies and lobby for change on ESG issues. These funds are certified Responsible Investments by the Responsible Investment Association of Australasia ([RIAA](#)).

In 2019, AMP Capital also established a Youth Advisory Committee – a committee made up of university students from Australia and New Zealand who discuss ethical issues for consideration by the funds’ Ethics Committee. This committee seeks to provide a voice to the younger generation on how superannuation is invested, bringing new perspectives particularly on sustainability and ethical issues. The committee met twice in 2019 to discuss: firstly, animal rights issues including live exports, animal testing and pesticide impacts on bee populations; and secondly, social media and the ethics of data and privacy.

Further details on the engagement activities of our Ethical Leaders funds can be found on the [AMP Capital website](#).



**The Youth Advisory Committee provides a voice to the younger generation on how superannuation is invested.**

Metric	2019	2018
Real Estate funds GRESB average rating	90%	86%

### Real Assets – Real Estate

In 2019, AMP Capital Real Estate launched its ambitious 2030 ESG strategy, which aims to address key sustainability issues facing the real estate sector including climate change, waste, biodiversity, social impact, accessibility and supply chain.

The strategy outlines objectives and targets including:

- net zero carbon for Scope 1 and 2 emissions by 2030;
- create a biodiversity conservation reserve that is equivalent in area to the entire AMP Capital managed portfolio, estimated at over four million square metres (or 400 hectares);
- improve accessibility across all assets for the one in five people who have a disability; and
- improve supply chain governance and work with partners to manage modern slavery and materials safety.

A key measure of success for the AMP Capital Real Estate funds is the Global Real Estate Sustainability Benchmark ([GRESB](#)) survey which ranks global real estate funds across ESG issues. In 2019, AMP Capital achieved an average score of 90 out of 100 across six funds, up from an average of 86 in 2018 due to improved management practices and disclosure of our Real Estate performance.

### Community consultation

AMP Capital manages more than 90 office, retail and logistics assets on behalf of institutional and retail investors, including several Australian superannuation funds. In shopping centres, these assets are often recognised as destinations that are at the heart of their communities. Our focus therefore is to deliver exceptional experiences that balance the interests of all our stakeholders and ultimately deliver sustainable investment performance for our clients. Community engagement is integral to this and is a key component of our/Real Estate’s 2030 Sustainability strategy and all major developments managed by AMP Capital.

6. Responsible investment

2 AMP Capital Infrastructure funds in GRESB Top 10 2019.

Real Assets – Infrastructure

AMP Capital also manages infrastructure funds which invest in infrastructure assets across healthcare, education, justice, defence, community housing, transport, water and recreational facilities.

In 2019, our Community Infrastructure fund announced the successful refinance of the South Australian Schools Project (SA Schools) and acquired a 50% stake in Perth’s Optus Stadium, a 60,000-seat stadium that caters for a range of entertainment and sporting events. AMP Capital also agreed to acquire a 50% interest in the Macarthur Wind Farm, the largest wind farm in the Southern Hemisphere.

Key highlights of the AMP Capital Community Infrastructure Fund from 2019:

- the largest owner of public schools after State Governments, with 30,000 students taught at our schools and TAFE facilities;

- the largest wind farm and water desalination plant in the Southern Hemisphere delivering 430MW clean green wind power to equivalent of

188,000

Australian homes, and 230GL clean water to equivalent of

700,000

Australian homes;

- Australia’s only public hospital dedicated solely to cancer research, with

900,000

patient treatments at our hospital facilities;

- 500 behavioural change programs delivered in our correctional facilities; and

- 2,000,000

guests hosted and entertained at our stadium and convention facilities.

AMP Capital also acquired the Australian National University’s student accommodation concession with 4,184 beds on behalf of investors in the AMP Capital Diversified Infrastructure Trust (ADIT) and AMP Capital Core Infrastructure Fund (CIF). The ADIT fund further agreed to acquire the student accommodation concession for Melbourne Connect at the University of Melbourne. These acquisitions demonstrate the growing investment in social infrastructure in developed markets.

AMP New Zealand

In 2019, AMP New Zealand and AMP Capital Investors New Zealand Limited completed the exclusion of investments in civilian weapons following the tragic shooting event in Christchurch to meet changing client and market expectations in New Zealand.

Future outlook

AMP, through its investment manager AMP Capital, will continue to meet the increasing demand for environmentally and socially positive investment opportunities by:

- continuing to refine and improve ESG assessments to enhance our long-term decision making;
- monitoring ESG integration across AMP to improve measurement and reporting on the environmental and social impacts of our investments; and
- providing further investment opportunities for our clients and partners in funds and assets with improved ESG credentials.

	2019	2018
AMP Capital Infrastructure funds in GRESB Top 10	2 <sup>4</sup>	3

4 The AMP Capital Irish Infrastructure fund is no longer in the Top 10 rankings due to acquisition activities, changes in assessment methodology and restructure of the fund.





**Case study**  
**AMP Capital Sustainable Share Fund**

In 2019, Mercer named AMP Capital’s Sustainable Share Fund the third best performing Australian equity fund for 2018-19. This is good news for our clients and demonstrates the fund’s performance over the last financial year. However, we remain focused on the long-term performance of the fund.

Since its launch as one of Australia’s first sustainable share funds in 2001, the fund has enabled investors to reflect their values in their investments and delivered above index returns over the same period. The fund’s long-term performance is underpinned by our Sustainable Investment Team’s ability to identify stocks that should outperform the index through their material ESG and sustainability drivers. There is as much value in avoiding underperformers as there is in investing in the outperformers.

More information on this fund can be found on the [AMP Capital website](#).



# 7. Climate change



7. Climate change

Climate change is a defining global economic and environmental challenge that is impacting our business and society.

A–

CDP score 2019

C

CDP score 2011

Climate change poses a range of physical, financial and legal liabilities to our business, the investments we manage on behalf of our clients and the wider community.

AMP supports the Paris Agreement and global efforts to decarbonise the economy and align to a less than 2-degree world.

For these reasons, we take measures to reduce our impact on the environment through responsible investing and carbon-reduction initiatives across the business.

	2019	2018	2011
CDP score	A–	A–	C

In 2019

In 2019, we made important steps to incorporating climate-related risks into our business-wide risk-management processes and as part of our public disclosures.

Our most significant initiatives in response to climate change have been through our investment manager, AMP Capital. This is due to the nature of climate change as an investment risk driver and demand from our clients. AMP Capital undertook further analyses of climate-related investment risks through its dedicated Environment, Social and Governance (ESG) capability across asset classes, including extending its carbon footprint of funds to include fixed income investments.

AMP committed itself to being carbon neutral across our own operations and achieved this for the seventh consecutive year. We have also recorded energy and emissions reductions (these are detailed in the [Operational impacts and supply chain](#) section of this report).

In 2019, AMP again received an A– score for our disclosure with the Carbon Disclosure Project ([CDP](#)), which has increased significantly from our first public disclosure in 2011.

Task force on Climate-related Financial Disclosures

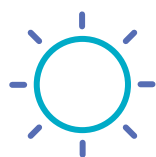
AMP acknowledges and is committed to meeting the recommendations of the Task force on Climate-related Financial Disclosures ([TCFD](#)), which provides guidance on how companies can consider climate change risks and report them within their existing financial disclosures.

AMP has long been reporting against other climate-related disclosure frameworks, which now align with the TCFD recommendations. For example, AMP’s full [2019 CDP submission](#) outlines our performance against this framework.



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## 7. Climate change



**AMP has several committees in place for the management of climate related issues.**

### **Environmental and climate-related governance**

Overall responsibility for AMP's climate change-related strategies sits with the Chief Executive Officer (CEO) of AMP, who reports to the AMP Limited Board. Along with the broader AMP corporate responsibility strategy, climate change strategy is the responsibility of the AMP Group Leadership Team (GLT), which consists of the CEO and direct reports. In addition, AMP has several committees in place for the management of climate-related issues and in 2019, we have established a group sustainability team to facilitate and coordinate climate-related initiatives across the business.

The Group Risk and Compliance Committee (GRCC) guides the implementation of risk management practices, processes and systems, and oversees all material risk exposures (ie financial, non-financial risks and cross-type) and risk decisions facing AMP. Its membership includes all group executives and it reports to the board. Climate change has been identified through the AMP emerging risk framework as a risk driver, and therefore risk management activity and performance are reported annually to this committee and the board.

The AMP Capital Investment Committee has oversight accountabilities for considering the potential impact of climate-related investment risks on behalf of AMP Capital clients. This committee consists of the leaders from each asset class (public markets, infrastructure and real estate) and responsibility for the consideration of climate-related risks on specific investments rests with the individual investment teams, asset managers or portfolio managers.

AMP's Environmental Leadership Team (ELT) is responsible for addressing AMP's operational environmental impacts across the offices in which AMP employees are located. The ELT consists of members from different functional departments including operations, procurement, corporate affairs and ESG investment management. The ELT also develops strategies and reviews progress against AMP's organisational environmental objectives and targets (eg greenhouse gas or GHG emissions) such as AMP's operational commitment to remain carbon neutral.

AMP's Environmental Legislative Compliance (ELC) Committee monitors compliance with laws and policy developments concerning climate change and energy efficiency issues affecting AMP. It is a sub-committee of the ELT, consisting of members from operations, AMP Capital Commercial office operations, shopping centre operations, infrastructure and risk. It has responsibility for delivery of AMP's reporting obligations under the National Greenhouse and Energy Reporting (NGER) Act, which is signed off each year by the CEO.

### **Strategy and risk management**

#### **AMP Capital**

Climate change is considered most likely to materially impact the activities of our investment management business, AMP Capital, which is managed through its ESG strategy and frameworks. This considers physical and transition investment risks and opportunities across asset classes detailed below.



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## 7. Climate change

### Risks and opportunities

#### Low-carbon equity and multi-asset funds available to clients

AMP Capital offers its clients specific investment options through superannuation and personal investment services that adhere to strict ESG requirements and governance. These include the AMP Capital Australian Sustainable Share Fund and the Ethical Leaders Fund range. While AMP Capital integrates climate risk assessments throughout all its investments, these particular funds have explicit exclusions of some carbon emissions intensive industries and favour better performing ESG companies in their equity and fixed income asset classes. They also target investments in clean energy technologies, sustainable forests and direct investment in energy efficient buildings.

These funds have carbon footprints at least 30% below the appropriate benchmark. This provides clients the opportunity to avoid greenhouse gas emissions as part of their superannuation and/or investments when compared to more traditional funds.

AMP Capital has undertaken preliminary scenario analyses on its managed equity portfolios using a projected carbon price. Implementation of a carbon price is considered among the most likely policy responses to be used by governments to incentivise emissions reductions and can be applied to equity and fixed interest portfolios.

Different carbon prices have been used to assess potential impacts including \$25/tonne CO<sub>2</sub>-e, \$50/tonne CO<sub>2</sub>-e and \$100/tonne CO<sub>2</sub>-e. Preliminary assessments have also been undertaken of value at risk from a gradual phasing out of fossil fuels for major equity benchmarks.

### Engagement

AMP Capital also engages with companies and policymakers on climate change and through a range of investor collaborations and initiatives. This includes as co-founder of the Investor Group on Climate Change (IGCC), an early investor signatory to the [CDP](#), and actively participating in the global [Climate Action 100+](#) investor engagement initiative. AMP Capital's Sustainable Investment Team also regularly publishes its [investment research](#).



7. Climate change

AMP Capital Real Estate funds

Climate change is also considered through ESG performance benchmarking of AMP Capital’s flagship Real Estate funds. This informs fund and asset management strategies relating to carbon emission reductions, asset resilience and fostering investment opportunities in low-carbon technologies.

In 2019, AMP Capital committed all AMP Capital managed Real Estate funds to be zero net carbon by 2030 for Scope 1 and 2 emissions (which includes natural gas, diesel and electricity consumption) and for our buildings to run on 100% renewable energy. Climate change considerations have been integrated into asset due diligence processes, including climate risk, energy efficiency, operating costs and suitability for solar photovoltaics.

AMP Capital has also conducted physical climate risk assessments of major real estate assets in Australia. The methodology included considering the Intergovernmental Panel on Climate Change Representative Concentration pathways and the anticipated change in acute and chronic climate parameters, including sea level rise, and risk of fire, flood and storms. These scenarios have been considered to 2050 and 2100.

AMP Capital assesses over this timeframe as it relates directly to the long-term asset life of real commercial and shopping centre assets. By adopting this process, AMP Capital can assess potential physical impacts to asset valuations from changes in mean temperatures and extreme weather events such as storms and coastal inundation. It is intended that the results of these analyses will inform asset level financial plans and capital expenditure requirements to put in place climate change adaptation plans. This is consistent with AMP Capital Real Estate’s 2030 sustainability strategy, which sets targets for climate change adaptation plans for every asset by 2022.

Managed investments (Real Estate)	2019 (FY)	2018 (FY)	2013 (FY)
Scope 1 emissions (tCO <sub>2</sub> -e)	6,748	8,117	8,901
Scope 2 emissions (tCO <sub>2</sub> -e)	93,094	102,491	137,055
Total Scope 1 and 2 emissions (tCO <sub>2</sub> -e)	99,842	110,608	145,956



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## 7. Climate change



**AMP continues to build on its progress against managing climate change, through implementing the AMP Capital Real Estate climate-related targets for 2030.**

### Infrastructure

AMP Capital is already pursuing climate-positive opportunities internationally where regulatory and other incentives are providing new opportunities. Both our infrastructure equity and infrastructure debt teams closely monitor environmental risks, as well as new regulation, as part of their investment strategies.

Several infrastructure transactions have been completed in the renewable sector, including direct investments in wind, hydro and offshore transmission assets. For example, in 2019, the AMP Capital Community Infrastructure fund and AMP Capital Core Infrastructure funds agreed to acquire a 50% stake in the Macarthur Wind Farm, the largest wind farm in the Southern Hemisphere.

### AMP Australia

The potential impact of climate change is more varied in our retail wealth and banking business activities and is detailed below.

#### Superannuation

The risks arising from climate change for superannuation members are considered by the Superannuation Trustee, which takes ESG considerations as one of many factors used in assessing the appropriateness of its investment options offered to members. To date, the Superannuation Trustee has formally adopted the AMP Capital ESG Investment Philosophy and includes an ESG overlay as part of the due diligence process for the appointment and review of investment options.

AMP retail clients have access to a wide range of investment options, which includes the low carbon funds offered by AMP Capital.

SuperConcepts, our Self-Managed Super Fund (SMSF) business, provides SMSF administration services to our clients. Given the nature of these services, the impact from climate-related risks is considered minimal.

### Advice

Our advisers work with clients to achieve their goals. For some clients, this includes investing in line with sustainable and ethical values. Financial advisers are equipped to help clients understand where money is invested and how to access responsible investment options aligned to their goals and values.

### Banking

AMP Bank provides transactional banking services, residential mortgages and some adviser practice financing. It is not directly exposed to potentially high emission industries such as energy generation, mining or agriculture as it does not provide business financing to these industries.

AMP Bank is building increased data and reporting capabilities that allow it to monitor physical risks to mortgage assets from events such as bushfires, floods and coastal inundation. Data remains a challenge for mortgage book climate stress testing and we are working with industry to address this.

SuperConcepts provides SMSF administration services to our clients. Given the nature of these services, the impact from climate-related risks is considered minimal.

### Future outlook

AMP continues to build on its progress against managing climate change, through:

- further strengthening risk management practices to give more structured considerations to emerging risks;
- working with industry to overcome data and measurement challenges and enhancing scenario analysis work;
- remaining carbon neutral for our own operations and reviewing our targets to set longer-term objectives;
- implementing the AMP Capital Real Estate climate-related targets for 2030; and
- further embedding risk management practices and reporting capabilities in our bank and superannuation business.

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## Case study

### Carbon footprint of funds

Understanding the carbon footprint of a company is an essential step in assessing the investment risks that can arise from climate change. We have been assessing the climate risks of our investments for over a decade and in 2016 created a methodology for calculating the greenhouse gas exposure of our equity investments.

In 2019, we extended and revised this methodology to calculate the greenhouse gas exposure of our fixed income investments. We disclose the carbon footprint of all AMP Capital managed public market funds relative to their benchmarks to help increase investor understanding of the climate exposure of their investments.



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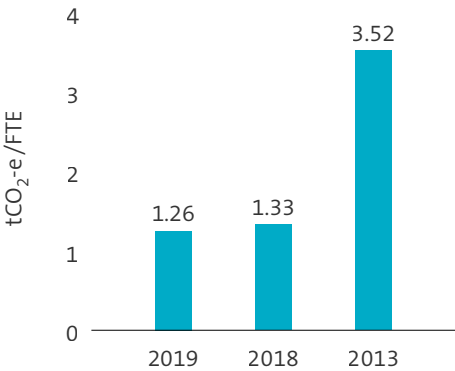


## 8. Operational impacts and supply chain

## 8. Operational impacts and supply chain

AMP recognises the need to manage the direct impacts of our own operations and the indirect impacts of purchased goods and services.

Scope 1 + 2 emissions per employee

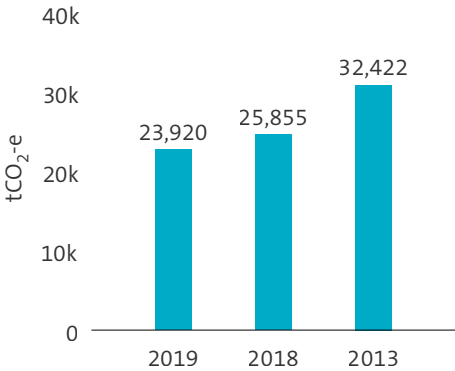


Every aspect of AMP’s operations and supply chains needs to meet community and legal standards. We have strategies in place that ensure we are operating efficiently and sourcing responsibly to create value for our clients, employees and the community.

### In 2019

In 2019, we continued to find efficiencies in our direct office operations as part of our workplace accommodation strategy, including the relocation of our Melbourne offices with improved people, community and cost outcomes.

Gross Scope 1 + 2 + 3 emissions



We have strengthened the governance of our supplier management framework as part of our strategy to improve addressing issues such information security, privacy and modern slavery. This included the release of a new [Supplier Code of Practice](#) to better communicate our policies and expectations to our suppliers, as well as new controls to assist with identifying and managing risks of modern slavery.

	2019	2018	2013
Scope 1 + 2 emissions (tCO <sub>2</sub> -e)	8,214 <sup>5</sup>	8,239	20,830
Scope 3 emissions (tCO <sub>2</sub> -e)	15,706	17,615	11,592
Gross Scope 1 + 2 + 3 emissions (tCO <sub>2</sub> -e)	23,920	25,855	32,422
Scope 1 + 2 emissions per employee (tCO <sub>2</sub> -e/FTE)	1.26	1.33	3.52

5 Due to acquisition activity of our SMSF business, our footprint has increased by 554 tCO<sub>2</sub>-e, representing a structural change to our emissions inventory. Our year-on-year reductions reflect adjusted values for meaningful comparisons over time. More details can be found in the [Performance data](#) section of this report.

### Reducing our operational impact

AMP is reducing its environmental impacts through our own business operations by improving energy and resource efficiency. This is consistent with the principles outlined in our Environment and Social Policy, which was updated in 2019.

AMP has been carbon neutral since 2013 and continues to maintain this commitment across our operations, including Scope 3 emissions such as air travel and outsourced IT services (data centres).

We continued to make progress on reducing our impact, including:

- 48% reduction in operational Scope 1 and 2 emissions (mainly office electricity usage) from our 2013 base year;
- 6.6% reduction in Scope 1 and 2 emissions from 2018 to 2019; and
- reducing our emissions per employee rate to 1.26 tCO<sub>2</sub>-e, down 65% from 2013.

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## 8. Operational impacts and supply chain



**AMP has been carbon neutral since 2013 and continues to maintain this commitment across our operations.**

Our operational carbon-reduction strategy is underpinned by the roll-out of activity-based working arrangements to AMP offices nationally. These continue to deliver energy efficiency improvements, demonstrated through higher National Australian Built Environment Rating Scheme (NABERS) Tenancy Energy ratings of our buildings. Our Sydney headquarters (Circular Quay) achieved a 5.5-Star NABERS Tenancy Energy rating in 2019, rising from a 3.5-Star rating prior to adopting the activity-based working model.

More details are provided in AMP's environmental performance data, reported in line with [AMP's Greenhouse Gas Reporting Criteria](#). Since 2013, AMP's Scope 1, 2 and 3 emissions have been assured by [Ernst & Young](#).

### Carbon offsets

AMP offsets the remaining operational carbon footprint with high quality local and international carbon offsets.

In 2019, AMP purchased and retired [4,000 Fish River Fire Project](#) offsets, which was the first Indigenous savanna burning project in Australia to sell Australian carbon credit units. The project employs Indigenous rangers to undertake controlled burning in the early dry season to reduce the risk of more dangerous wildfires later in the season, which produce twice the carbon emissions.

Our remaining carbon inventory was offset using [Verified Carbon Standard](#) and [Gold Standard](#) offsets from international renewable energy projects in Indonesia and Turkey.

### Supply chain

AMP is required by APRA to maintain a group-wide Outsourcing Policy, which is approved by the AMP Limited Board. This Policy is designed to ensure that risks arising from all outsourcing arrangements are appropriately managed so that AMP can meet its financial and service obligations to regulators, clients and other stakeholders.

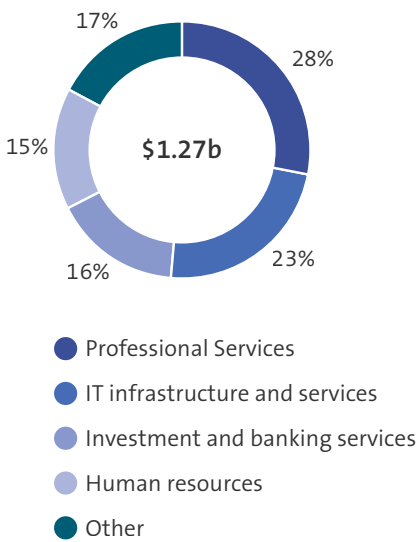
AMP Limited's third-party supply chain in Australia and internationally is largely managed via a centralised group procurement function that supports our businesses in managing these relationships.

We also have extensive supply chains in our AMP Capital Real Estate business that are managed separately.



## 8. Operational impacts and supply chain

AMP total external spend<sup>6</sup>



### Supply chain profile

In 2019, AMP spent approximately \$1.27 billion on external goods and services. About 28% of this spend is in professional services, which includes legal and consulting services, 23% on IT infrastructure and other IT services and 16% on investment and banking services. The remaining is a combination of human resources, property, travel, utilities and compliance-related spend. The nature of these services means that our spend is highly concentrated, with the top 151 suppliers representing approximately 80% of total spend.

AMP Capital Real Estate separately administers procurement and supply chain activities in its managed assets, including commercial, logistics and shopping centres. The managed and engineering services represent operating expenses of approximately \$100 million per year with over 700 suppliers. About 44% and 19% are with cleaning and security services respectively while the remaining spend is with a range of building services and related maintenance contractors.

	2019
AMP total external payments <sup>6</sup>	\$1.27b
Suppliers by type	
Professional services	28%
IT infrastructure and services	23%
Investment and banking services	16%
Human resources	15%
Other	17%

6 Represents total external payments. Excludes corporate credit card and AMP Capital fund activities.

	2019
AMP Capital asset operations <sup>7</sup>	\$97m
Cleaning	44%
Security	19%
Other (including mechanical services, landscaping, lift maintenance)	37%

7 These figures do not include development or capital work projects.



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## 8. Operational impacts and supply chain



**In Australia, our group procurement team assess AMP's major suppliers to manage service delivery and risks.**

### Managing our supply chain

In Australia, our group procurement team assess AMP's major suppliers to manage service delivery and risks. The assessments include reviewing major suppliers based on materiality, including commercial and regulatory impact. We apply appropriate governance over these arrangements to ensure we adequately manage service delivery and risks.

Within these governed relationships, we have various controls in place, such as contractual obligations, due diligence questionnaires and self-assessments, that consider risks and opportunities in our supply chain to ensure commitment to:

- acting ethically and with integrity in our business relationships;
- providing respectful and safe workplaces, free from discrimination;
- observing International Labour Organisation principles and taking steps to address modern slavery in our supply chains;

- maintaining privacy and information security; and
- considering and monitoring the environmental impact of goods and services used by AMP.

In 2019, we strengthened the AMP Supplier Management Framework and introduced:

- a new Supplier Code of Practice to better communicate our policies and expectations;
- a new contract management system to integrate risk assessment processes, document management and obligation management; and
- new controls and processes to address modern slavery risks and Information security for data held by third parties.

Our AMP Capital Real Estate business also adopted the Supplier Code of Practice, updated precedent agreements and implemented controls to address ESG considerations in the supply chain.

### Future outlook

- remain carbon neutral in our operations and select Scope 3 emissions from our supply chain;
- review our current emissions reduction targets and commit to longer-term objectives;
- continue to embed the principles of our Supplier Code of Practice into our supplier relationships;
- collaborate with industry to develop responses to complex issues such as modern slavery and information security; and
- continue to invest in data quality and systems to further understand supply chain profiles and risks, particularly for emerging complex issues such as modern slavery.



## Case study

### Melbourne office

In 2019, we relocated our Melbourne employees to a new premises at 699 Collins Street. The new office has been designed with energy efficiency, employee wellbeing and community impact front of mind, using industry-recognised frameworks.

The new site has a 5-Star NABERS Tenancy Energy commitment rating compared to a 4-Star rating at our previous office, leading to cost savings and carbon reductions. Consistent with our longstanding commitment, the office is carbon neutral through offsetting Scope 1 and 2 emissions, as well as Scope 3 sources, including air travel, base building emissions and outsourced services.

We also partnered with respected social enterprise STREAT to run our internal café. An AMP Foundation partner since 2016, STREAT supports disadvantaged young Melburnians into employment through hospitality training and work opportunities. All coffee grounds are collected from the STREAT café and used at STREAT’s worm farm or collected by sustainability social enterprise Reground and recycled at Melbourne Zoo. We have implemented an internal share cup system, achieving a 99% reusable cup usage for all sales and organics recycling to reduce waste.

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## Case study

### Modern slavery

AMP is committed to meaningful action and disclosure of our actions to address modern slavery in our operations and supply chains. In 2018, a dedicated project was established by our AMP Capital business to address its legislative requirements under UK legislation and uplift our capacity to manage modern slavery risks. This work continued in 2019 with AMP group functions including procurement, financial crime compliance and people and culture.

In 2019, we implemented a new [Supplier Code of Practice](#), incorporated contract clauses in our precedent contracts, integrated a risk rating process in our contract management tool and established an escalation procedure for suspected instances with law enforcement. We have also conducted training and awareness sessions with key procurement and operational employees.

Recognising the complexity of addressing modern slavery and human trafficking requires industry-level action to effect meaningful change. To support this, our AMP Capital Real Estate business is part of the Property Council of Australia Industry pilot of a risk assessment tool and we participate in industry working groups across investment management, superannuation and retail banking.

We recognise this is just the start and the nature of this issue means there are still many unknowns. AMP supports efforts to increase transparency and understanding of global supply chains and will continue to evolve our responses as our own and industry’s understanding of effective interventions grows.





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## 9. Community investment



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## 9. Community investment

**It is in everyone's interest to ensure our communities are healthy, resilient and provide opportunities for all.**

AMP supports the community through the AMP Foundation – one of Australia's largest, independently funded corporate foundations.

Since it was founded in 1992, the AMP Foundation has distributed more than \$100 million to charities, non-profits and individuals working to bring about positive change.

### In 2019

In 2019, the AMP Foundation continued to work with long-term community partners that provide employment and education opportunities for marginalised Australians. The Foundation also issued \$1 million in AMP Tomorrow Fund grants to help 37 Australians who are making a positive impact in our community.

Our AMP Capital Real Estate teams continued to take a grassroots approach to supporting the communities in which they operate.

### Impact investing

The Foundation was an early adopter of impact investing. It invested in the first two Australian social impact bonds and was the only institutional investor in GoodStart Early Learning – a non-profit that provides childcare across Australia. Over the years it has also provided funding to Social Ventures Australia to build its impact investment arm.

In 2019, the AMP Foundation held investments in the Newpin Social Benefit Bond and the Social Ventures Australia Diversified Impact Fund. The AMP Foundation board approved a new impact investing policy and appointed Australian Impact Investments as its impact investment manager. It also committed to investing 10% of the AMP Foundation's corpus in impact investing initiatives, with a focus on social outcomes.



**Since it was founded in 1992, the AMP Foundation has distributed more than \$100 million to charities and individuals working to bring about positive change.**



## 9. Community investment

### Community partners

In 2019, the AMP Foundation continued to work with non-profits that provide sustainable employment opportunities for marginalised Australians. Partnership funding includes growth capital, core infrastructure/ operational funding or program funding, or a combination of all three.

Throughout 2019, the AMP Foundation supported the following community partners: Clontarf Foundation, First Australians Capital, STREAT, The Conversation, The Funding Network, The Stroke Association of Victoria, Vanguard Laundry Services, Wesley Mission and Settlement Services International.

Our partners work to help a range of Australians access employment opportunities, including Aboriginal people, people from refugee and migrant backgrounds, women facing disadvantage, young people in the care system, people with a lived experience of mental health and those recovering from strokes.

The AMP Foundation is transitioning to a new focus on financial wellbeing.

### AMP’s Tomorrow Fund

Through the [AMP Tomorrow Fund](#), we provide \$1 million in grants to talented, hard-working Australians whose ideas and work benefit Australia. In 2019, the program awarded grants to 37 Australians and the winners included social entrepreneurs, musicians, medical researchers, athletes, educators, artists, scientists and more. More information can be found at [ampstomorrowfund.com.au](#).

### Cancer Council Pro Bono Program

AMP-aligned financial advisers provided free advice to people affected by cancer through the AMP Foundation-funded Cancer Council Pro Bono Program. Established in 2010, this program provides free guidance on issues such as accessing Centrelink benefits, applying for early access to superannuation and insurance benefits, budgeting and estate planning. Now in its tenth year, this national program supported 623 people affected by cancer with free advice in 2019 – a 6% rise from 2018.



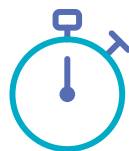
Through the AMP Tomorrow Fund, we provided \$1 million in grants to talented, hard-working Australians whose ideas and work benefit Australia.

	2019	2018
AMP Foundation direct giving	\$4,541,771	\$4,915,615
Other AMP direct giving	\$394,322	\$123,991
Number of financial advice cases delivered via Cancer Council Pro Bono Program	623	588
Cancer Council Pro Bono Program service value <sup>8</sup>	\$623,000	\$588,000

8 Based on \$1,000 per pro bono case.



9. Community investment



In 2019, AMP employees contributed 20,537 hours to help our community.

Employee volunteering program

The AMP Foundation supports employees to donate their time and resources to a range of charities. Our employees have a deep commitment to helping the community, and this is reflected by 53% of employees engaging in volunteering, mentoring and fundraising.

In 2019, our program contained the following major components:

- **Volunteering and mentoring:**  
AMP employees contributed 20,537 hours to help our community. This included team volunteering with organisations such as OzHarvest, Salvation Army and FareShare, as well as mentoring students through the Clontarf Foundation and Beacon.
- **Fundraising and payroll giving:**  
With the AMP Foundation's dollar matching support, AMP employees raised \$1,490,865 through our fundraising and payroll giving programs.

	2019	2018
Employee giving and fundraising	\$1,490,865	\$1,027,452
Employee volunteering contribution value	\$2,846,936	\$2,001,605
Rate of employee participation in AMP Foundation programs (volunteering, fundraising, payroll giving)	53%	50%

Other AMP community initiatives

AMP Capital Shopping Centres in Australia and New Zealand coordinated activities for charities active in the local community – providing fundraising, volunteering and in-kind support. Many centres ended the year by initiating fundraising activities for bushfire-affected communities and wildlife.

In 2019 AMP New Zealand contributed \$150,000 to key charity partners, including The Key to Life Charitable Trust, which helps change the way New Zealanders think and act about mental health and suicide. AMP New Zealand also supported Dignity NZ, which provides free sanitary products to women and girls in need.

Future outlook

- In 2020, we will:
- continue to support our employees and advisers to donate their time, skills and resources to support the community;
  - announce new AMP Foundation initiatives and partnerships that focus on helping Australians to improve their financial wellbeing; and
  - increase our focus on impact investing through the AMP Foundation.

For more information, visit the [AMP Foundation website](#).

Case study

The Funding Network

On 12 June 2019, the AMP Foundation hosted The Funding Network’s (TFN) live crowdfunding event that raised more than \$270,000 for three grassroots charities at the forefront of social change.

The AMP Foundation is a founding supporter of TFN, which introduced its innovative form of collective giving to Australia in 2013. To date, TFN has facilitated more than \$11 million in funding and pro bono support for charities via its live crowdfunding events. Guests at the events hear three pitches from small, innovative non-profits and pledge their support with a minimum \$100 donation.

Held at AMP’s Circular Quay office, the June event brought together three 2018 AMP Tomorrow Fund grant recipients – AMP Tomorrow Makers – to pitch their charity’s work to our employees and other guests. Loren O’Keeffe raises awareness and provides family support through her Missing Person’s Advocacy Network (**MPAN**); The Man Cave CEO Hunter Johnson gives high school-aged boys the mental health skills to lead happier, healthier lives; while Kylie Harris runs Midnight Feast, which provides theatre opportunities for Australians living with disability.

With the AMP Foundation matching pledges on the night, guests set a record for the amount raised at a TFN event held at an AMP office.





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# Performance data

## Performance data

1. Client experience	2019	2018
<b>Clients</b>		
Total clients in Australia <sup>9</sup>	1,991,969	2,922,778
Total workplace client members in Australia	482,489	572,755
Total clients in New Zealand	337,533	589,785
Total AMP Capital clients	465	464
<b>Client payouts<sup>10</sup></b>		
Retirement payouts in Australia	\$2.60b	\$2.55b
Retirement payouts in New Zealand	NZ\$133.6m	NZ\$130.9m
Insurance claims paid out in Australia	\$1.14b	\$1.21b
Insurance claims paid out in New Zealand	NZ\$54.6m	NZ\$55.9m
Life insurance paid out in Australia	\$362m	\$377m
Life insurance paid out in New Zealand	NZ\$93.1m	NZ\$105.1m
<b>Client feedback</b>		
Client NPS (aggregate for all client interactions)	+15	+13
NPS responses (Australia)	573,393	563,745
Number of clients whose fees were reduced	85,000	600,000
<b>Advice network</b>		
Number of advice practices in Australia	954	1,121
Total number of advisers	2,128	2,567
Advisers exiting the network	439	—
New advisers joining AMP network	96	409
New practices joining AMP network	8	36

<sup>9</sup> Reduction in client numbers largely due to transfers to the ATO under Protecting Your Super changes and other regulations affecting 814,688 members.

<sup>10</sup> Figures include payments from mature business.

1. Client experience	2019	2018
<b>Customer Advocate</b>		
Clients assisted <sup>11</sup>	900	536
Complaint reviews completed	327 + 21 AFCA legacy	136
Complaint reviews resolved in favour of the client <sup>12</sup>	58%	54%
Enhanced resolution for the client	5%	14%
New outcome for the client	53%	40%
<b>AMP Capital client goals</b>		
AMP Capital assets under management meeting or exceeding expectations	62%	61%
AMP Capital Infrastructure investments meeting or exceeding client goals	100%	100%
AMP Capital Real Estate investments meeting or exceeding client goals over a three-year period	88%	98%
<b>3. Digital disruption and security</b>		
<b>Digital</b>		
Total clients using MyAMP	367,387	341,400
Total MyAMP app downloads	141,116	92,306
Total number of clients on Goals 360 Platform	33,392	28,050
Number of Goals 360 sessions completed	10,508	11,361
<b>Cyber security and privacy</b>		
Number of data breaches reported <sup>13</sup>	3	7
Malicious attacks	2	3
Human/system error	1	4

<sup>11</sup> Clients who had their concerns resolved by AMP following assistance from the AMP Customer Advocate.

<sup>12</sup> Calculated as a percentage of complaint reviews completed by the AMP Customer Advocate. Percentage represents the sum of 'Enhanced resolution for the client' and 'New outcome for the client'.

<sup>13</sup> Breaches reported to the Office of the Australian Information Commissioner and the UK Information Commissioner's Office.

## Performance data

4. Ethical conduct and professional standards				
<b>Client remediation</b>				
Total program costs to date				\$264m
Total paid in second half of 2019 (including program costs)				\$190m
	2019			2018
<b>Training</b>				
Advisers completing mandatory training, including Code of Conduct and ethics	98%			98%
Employees completing My Call whistleblowing program training	98%			95%
Employees completing mandatory training, including Code of Conduct and ethics <sup>14</sup>	98%			97%
<b>Whistleblowing</b>				
Issues raised through the AMP Whistleblowing Program	37			20
Issues directed to the Your Call external, confidential service	20			17
Issues directly received by our Whistleblowing Protection Officer	17			3
Issues investigated that were not substantiated	20			12
Issues substantiated, resulting in appropriate consequences	10			4
Issues still under investigation	5			4
Issues not investigated as subject to other business investigation	2			—
5. Supporting and developing people				
	2020 target	2019 progress target	2019	2018
<b>Diversity and inclusion</b>				
Female representation by role				
AMP Limited Board	40%	40%	18%	11%
Senior executives <sup>15</sup>	47%	44%	39%	39%
Middle management <sup>16</sup>	50%	47%	43%	41%
All employees	n/a	n/a	51%	52%

14 Completed by individuals on the AMP payroll, including employees and time and materials contractors.

15 Senior executives are typically one or two reporting layers below the CEO and represent the top 8% of the organisation.

16 Middle management are typically three to six reporting layers below the CEO and represent the next 25% of the organisation.

5. Supporting and developing people				2019	2018	2017
<b>People</b>						
Total employees				6,519	6,189	5,697
Lost Time Injury Frequency Rate				0.41	0.38	0.39
AMP employee engagement index				68.0%	64.0%	76.0%
Male employee turnover, yearly average				13.9%	13.6%	13.0%
Female employee turnover, yearly average				13.7%	13.0%	12.3%
Turnover in Australia, yearly average				13.5%	13.0%	12.8%
New Zealand turnover, yearly average				19.3%	17.6%	13.0%
International turnover, yearly average				7.8%	7.6%	5.0%
6. Responsible investment				2019		2018
<b>Responsible investment</b>						
Real Estate GRESB Fund average (across six funds)				90%		86%
AMP Capital Infrastructure funds in GRESB Top 10 <sup>17</sup>				2		3
% of AUM invested in environmental and social themed areas				9%		7%
% of AUM invested in environmental and social themed areas in Infrastructure				29%		27%
UNPRI reporting and assessment scores (across all asset classes)				A/A+ rating		A/A+ rating
7. Climate change				2019	2018	2013
<b>Climate change</b>						
Carbon Disclosure Project (CDP) rating				A—	A—	B (77)
AMPC Managed Fund carbon footprints				Link provided		
	2019 (FY)			2018 (FY)		2013 (FY)
<b>Managed investments (Real Estate)<sup>18</sup></b>						
Scope 1 emissions (tCO <sub>2</sub> -e)	6,748			8,117		8,901
Scope 2 emissions (tCO <sub>2</sub> -e)	93,094			102,491		137,055
Total Scope 1 and 2 emissions (tCO <sub>2</sub> -e)	99,842			110,608		145,956

17 The AMP Capital Irish Infrastructure fund is no longer in the Top 10 rankings due to acquisition activities, changes in assessment methodology and restructure of the fund.

18 Emissions arising from AMP Capital managed Real Estate funds. Emissions are for financial year ending June 30. Figures are published NGER data less AMP's own operational footprint per NGER methodologies.

## Performance data

8. Operational impacts and supply chain	2019	2018	2013 <sup>20</sup>
Environmental performance <sup>19</sup> (tCO <sub>2</sub> -e)			
<b>Total Scope 1 emissions</b>	75	122	115
<b>Scope 2 emissions</b>			
Offices	7,168	7,686	13,986
Data centre <sup>21</sup>	—	—	6,844
Small sites (where data available) <sup>22</sup>	417	431	—
Acquired international operations <sup>23</sup>	554	—	—
<b>Total Scope 2 emissions</b>	<b>8,139</b>	<b>8,117</b>	—
<b>Total Scope 1 + 2 emissions</b>	<b>8,214</b>	<b>8,239</b>	<b>20,830</b>
<b>Scope 3 emissions<sup>24</sup></b>			
Air travel	8,263	10,472	11,592
Transmission and distribution losses	967	1,067	—
Waste <sup>25</sup>	236	269	—
Base building emissions	4,709	4,165	—
Offshore business processing	1,116	1,053	—
Outsourced IT	415	590	—
<b>Total Scope 3 emissions</b>	<b>15,706</b>	<b>17,615</b>	—
<b>Gross Scope 1 + 2 + 3 emissions</b>	<b>23,920</b>	<b>25,855</b>	<b>32,422</b>
Carbon offsets retired	23,920	25,855	32,422
FTE	6,519	6,189	5,913
Scope 1 + 2 emissions (tCO <sub>2</sub> -e/FTE)	1.26	1.33	3.52
Scope 1 + 2 + 3 emissions (tCO <sub>2</sub> -e/FTE)	3.67	4.18	5.48
Paper usage (kg)	42,548	55,047	165,953
Waste (kg)	242,972	272,765	—

19 AMP's operational environmental performance per the [AMP GHG Reporting Criteria](#). Limited assurance is provided by [EY](#).

20 2013 is AMP's base year.

21 In 2016, AMP sold its owned and operated data centre. Inventory has been adjusted to allow meaningful comparisons over time.

22 Due to improvements in metering and data collection, AMP can report on smaller office locations where previously unavailable.

23 An increase of 554 tonnes occurred in 2019 due to acquisition of international operations.

24 In 2017, AMP expanded Scope 3 sources which are now included in the emissions inventory.

25 Waste is reported for AMP headquarters in Sydney and office in Melbourne.

8. Operational impacts and supply chain		2019
Supply chain		
External spend		\$1.27b
Categorisation		
Professional services		28%
IT infrastructure and services		23%
Investment and banking services		16%
Human resources		15%
Other		17%
AMP Capital Real Estate		
AMP Capital asset operations spend with suppliers		\$97m
Cleaning		44%
Security		19%
Other (including mechanical services, landscaping, lift maintenance)		37%

9. Community investment	2019	2018
Community investment		
AMP Foundation direct giving	\$4,541,771	\$4,915,615
Other AMP direct giving	\$394,322	\$123,991
Employee giving and fundraising <sup>26</sup>	\$1,490,865	\$1,027,452
Employee volunteering contribution value	\$2,846,936	\$2,001,605
Number of financial advice cases delivered via Cancer Council Pro Bono Program	623	588
Cancer Council Pro Bono Program service value <sup>27</sup>	\$623,000	\$588,000
In-kind support <sup>28</sup>	\$1,055,200	\$1,233,087
Rate of employee participation in AMP Foundation programs (volunteering, fundraising, payroll giving)	53%	50%
Total contribution to the community <sup>29</sup>	\$10,245,229	\$10,238,241

26 Employee fundraising and payroll giving, and fundraising facilitated by AMP Capital Shopping Centres employees.

27 Based on \$1,000 per pro bono case.

28 Includes free or subsidised rent for non-profits, AMP Capital Shopping Centres space donated to community groups and donated use of function/meeting rooms.

29 This figure includes funds donated by the AMP Foundation, in-kind giving value, the value of AMP employee and adviser volunteering value and AMP Foundation management costs.



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