

Corporate Sustainability

Progress Reporting – Quarterly Update

March 2022

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Enhance our core business

Our vision

- Provide products and services that enable clients to manage their wealth
- Ensure safe custody of our clients' life savings
- Be a leader in technology and innovation
- Provide exceptional customer service
- Enhance insights to see wealth differently
- Protect and enhance shareholder value
- Ensure systems are scalable, secure, and stable

FY2022 goals

Goal	Status	Comments / progress
System scalability <ul style="list-style-type: none"> • Consolidate cloud infrastructure, scale up computing resources, simplify maintenance, and respond to new security threats. • Provide diagnostic tools for software dev teams to detect and fix issues faster. • Introduce Appian workflow management. 	Green	COMPLETE <ul style="list-style-type: none"> • Cloud infrastructure foundations are complete (Q3 FY22) • Diagnostic tools delivered (Q3 FY22) • Appian workflow management was implemented in Q2 FY22.
Product <ul style="list-style-type: none"> • Build XWrap as a product. • Improve reporting and portfolio management to meet the needs of MDA operators and institutional investors. 	Green	<ul style="list-style-type: none"> • XWrap work continuing and on track for delivery in FY22. • Work on the new data feed framework is underway. Still expecting an FY22 delivery
Technology <ul style="list-style-type: none"> • Build out mobile app - more information and data and commence transactional build. • Expand wealth reporting to include property. 	Green	<ul style="list-style-type: none"> • External bank account data is now available on platform & mobile (Q1 FY22) • Property data has been released on platform. Mobile due Q2 FY22 • Transactional data on mobile commencing Q4 FY22
Service <ul style="list-style-type: none"> • Enable selection of frequency and timing of pension payments. • Introduce ability to process W8 Ben forms. • Improve FX transaction process. 	Green	<ul style="list-style-type: none"> • Pension payment frequency and timing now customisable (Q3 FY22). • W8 Ben forms - on track Q4 FY22 delivery. • FX transaction process - on track FY23.
Reporting enhancements <ul style="list-style-type: none"> • Add time weighted returns to perf report • Include benchmark data in client reporting against CPI, RBA cash target rate and the Morningstar Multi Sector Market indices. 	Green	<ul style="list-style-type: none"> • Time weighted returns and benchmark data added to reporting (Q3 FY22). • Rollout of report improvements to all customers due Q4 FY22.
Sustainable investing offerings and reporting <ul style="list-style-type: none"> • Identify ESG investment options, impact suitability and ratings within Compare Funds. 	Green	COMPLETE <ul style="list-style-type: none"> • Profiles include ESG information inc. new "Morningstar Sustainability Rating" and "Low Carbon Designation" graphics. • We hoped to deliver a filter/sort by rating, however this will be reconsidered in strategy planning for FY23 or FY24.
Foundation layers for leveraging data <ul style="list-style-type: none"> • Improving storage of our data • Design data governance framework • Migrate reports to utilise stored data. 	Green	<ul style="list-style-type: none"> • Data Governance Policy introduced Q2 FY22. Controls and training released Q3 FY22.

Be genuine and transparent

Our vision

- Ensure compliant practices and strong governance
- Act in our clients' and wealth professionals' interests
- Set goals, benchmarks, and be transparent in tracking our progress
- Communicate clearly and consistently
- Seek feedback and continuously improve

FY2022 goals

Goal	Status	Progress / Comments for FY2022 report
Compliance projects <ul style="list-style-type: none"> • implement design and distribution obligations (DDO). • Other compliance activities. 	Green	COMPLETE <ul style="list-style-type: none"> • All Netwealth products have a Target Market Determination (TMD) accessible. • Implemented processes to ensure compliance with all other compliance obligations and reporting requirements.
Corporate sustainability <ul style="list-style-type: none"> • Expand report • Investigate and confirm B-Corp certification is best to go toward. • Commence B-Corp certification (Dec 2021) 	Green	<ul style="list-style-type: none"> • Reporting improvement - Complete • B-Corp certification review was delayed and will commence in Q4 FY22.
Financial accountability <ul style="list-style-type: none"> • FAR – accountability matrix across business. 	N/A	<ul style="list-style-type: none"> • The compliance timeframe for this activity has been delayed by Government. Work will progress, but it will not be delivered in FY22.
Enhance our communications <ul style="list-style-type: none"> • Employee comms – all know our corporate sustainability goals • Complaints Process Summary to our website. 	Green	COMPLETE <ul style="list-style-type: none"> • Employee communications have occurred and will now be ongoing including internal media promotion. • Netwealth's Complaints Procedure is available on our website in 13 different languages

FY2023 goals

Goal	Status	Comments / progress
Better communication with all stakeholders <ul style="list-style-type: none"> • Creation and maintenance of a corporate sustainability communication portal 	Green	COMPLETE <ul style="list-style-type: none"> • External CSR website has been released in Q2 FY22 and is frequently updated with new initiatives.
B-Corporation certification <ul style="list-style-type: none"> • Complete B-Corp Cert (certified in FY2023). 	n/a	<ul style="list-style-type: none"> • Progress as noted above.

Above & beyond: further unplanned initiatives delivered in FY2022:

- WGEA now available on corporate website (Q1 FY22)
- Corporate Sustainability Board Committee established (Q2 FY22)
- Enhanced employee communications to encourage connectivity (Q2 FY22)
- Published Supplier Code of Conduct (Q3 FY22)

Foster diversity, talent, and wellbeing

Our vision

- Celebrate diversity in gender, age, ethnicity and thought
- Invest in our people and their development
- Maintain a workplace culture which supports mental health and wellbeing
- Promote individuality and inclusion

FY2022 goals

Goal	Status	Progress / Comments for FY2022 report
Graduate program <ul style="list-style-type: none"> • Launch our first graduate program this year 	Green	COMPLETE <ul style="list-style-type: none"> • Launched Q2 FY22
Build talent through development <ul style="list-style-type: none"> • Execute on a learning and development strategy to expand our leaders' capability • Show clear career paths (Leadership Series) • Mgr forums, toolkits, & new mgr inductions 	Green	<ul style="list-style-type: none"> • Program framework and strategy drafted. • Extending Leadership Series to illustrate career movement so far, and opportunity going forward, Launched mentor program Q3 FY22.
Retention <ul style="list-style-type: none"> • Launch a new employee assistance program. • Celebrate 'role models' • Targeted training and development programs • KidsCo reintroduced in the office 	Green	<ul style="list-style-type: none"> • New Employee assistance program launched in Q1 FY22 • KidsCo offered virtually in school holidays.
Effective hybrid work practices <ul style="list-style-type: none"> • Staff Survey targeting work arrangements • Training on use of the hybrid work technology 	Green	COMPLETE <ul style="list-style-type: none"> • 81% positive result on work & life blend from the survey • Training held in Q2 FY222
Inclusion and diversity initiatives <ul style="list-style-type: none"> • Narrow gender pay gap • Review interview techniques/processes to provide all candidates with equal opportunity • Become certified Family Friendly Workplace 	Green	<ul style="list-style-type: none"> • Ongoing with regular reviews • NW females IT chat established Q1 FY22 • Updated policies to acknowledge family friendly practices and needs Q3 FY22 • FFW certified Q3 FY22 • Unconscious Bias in Recruitment sessions held for Managers Q2 FY22.
Social and wellbeing initiatives <ul style="list-style-type: none"> • Employee wellbeing • Virtual PT and other activities • Initiatives that support mental health 	Green	COMPLETE <ul style="list-style-type: none"> • Hampers sent to staff Q1 FY22 • PT sessions provided Q1 & Q2 FY22 • Employee connection initiatives Q2 FY22 • Health & resilience sessions Q2 FY22

FY2023 goals

Goal	Status	Progress / Comments for FY2022 report
Career development <ul style="list-style-type: none"> • Stretch goals, challenges, internal secondments, and learning • Formal succession planning 	Green	<ul style="list-style-type: none"> • Commenced discussion re: secondments and stretch goals for staff. • Rolling out overhauled succession plan Q2 FY22
Celebrating our people <ul style="list-style-type: none"> • Celebrate people in the public arena 	Green	<ul style="list-style-type: none"> • Setting up committee – on track

Above & Beyond: further unplanned initiatives delivered in FY2022:

- Extended flexible working beyond minimum definition (Q1, FY22)
- Enhanced recruitment and onboarding experience through process & system improvements (Q3, FY22)
- Enhanced benefits for carers (parental leave) and broadened leave types and allowances (Q2, FY22)
- Ran multiple MHFA training sessions to raise awareness and education of mental health (FY22)

Create a positive social and environmental impact

Our vision

- Support workplace giving through the Netwealth Impact Fund
- Encourage employee involvement in the distribution of financial support
- Celebrate and support employee volunteering
- Improve financial literacy and education opportunities in our community
- Seek opportunities to create a positive social and environmental impact

FY2022 goals

Goal	Status	Progress / Comments for FY2022 report
Netwealth Impact Group <ul style="list-style-type: none"> • Build a brand and communication strategy. • Deliver communication strategy to staff. 	Green	COMPLETE <ul style="list-style-type: none"> • Launched brand and communications (Q2 FY22) with ongoing communications occurring (website / office)
Netwealth Impact Fund <ul style="list-style-type: none"> • Partnering with ACF - four not for profit organisations will receive funds in FY2022. • Grant a minimum of \$20,000. • Employee event which will champion the organisations' mission and impact. • Match employee contributions to the Fund. 	Green	<ul style="list-style-type: none"> • Not for profit organisations selected Q2 FY22 and hosted partners at March Town Hall with employees Q3 FY22. • Quarterly fundraising Q2 FY22 raised \$408 • Quarterly fundraising planned for Q4 FY22.
Employee volunteering <ul style="list-style-type: none"> • COVID-19 friendly volunteering. • A clothing drive with Netwealth matching. • 1,000 hours of volunteer work across FY. 	Amber	<ul style="list-style-type: none"> • Clothing Drive generated donations of over 500kg pre-loved clothing Q2 FY22. NWL Donation of \$5,000 to Impact Fund. • 260 volunteer hours achieved with various opportunities (FY22)
Financial literacy <ul style="list-style-type: none"> • CY21 - 25% uplift in schools and students who use the Banqer program in 2021, which will see the program rolled out in 225 schools with 10,700 students participating. 	Green	COMPLETE <ul style="list-style-type: none"> • CY21 Banqer program was provided to 20,583 students in 2021 calendar year across 485 schools
Support businesses that are ethical <ul style="list-style-type: none"> • Etiko Hoodies. • Local Cafes & Restaurants 	Green	COMPLETE <ul style="list-style-type: none"> • Hoodies distributed Q3 FY22. • Promotion of local cafes & restaurants with sustainable / ethical values Q2 FY22

FY2023 goals

Goal	Status	Progress / Comments for FY2022 report
Employee engagement <ul style="list-style-type: none"> • Improve statistical measures 	Green	<ul style="list-style-type: none"> • In progress.
Financial literacy <ul style="list-style-type: none"> • Research financial literacy opportunities for disadvantaged communities. 	Green	<ul style="list-style-type: none"> • Options researched and are being considered in Q3 FY22.
Carbon neutral <ul style="list-style-type: none"> • Explore and implement how Netwealth can become carbon neutral. 	Green	<ul style="list-style-type: none"> • Commenced, research undertaken, and initial approach determined.

Key performance indicators

	FY2022 Actual	FY2022 Target
Enhance our core		
Investment Trends		
Best overall platform (voted by advisers)	#1	#1
Overall Satisfaction with Platform (voted by advisers)	Not released yet	#1
Transparent and genuine		
<i>To be added in FY2022</i>		
Diversity, talent, and wellbeing		
Gender diversity¹		
Board	33%	>30%
Senior Executive (excluding Executive Directors)	Not released yet	>30%
Managers	Not released yet	>40%
All employees	Not released yet	>45%
Gender pay equity gap – Managers	Not released yet	<14%
Gender pay equity gap – Employees	Not released yet	<5%
Staff satisfaction		
Employee satisfaction (Annual engagement survey)	79%	80%+
<i>Wellbeing and targets to be added in FY2022</i>		
Create a positive impact		
Building energy ratings		
NABER energy rating	Not released yet	5.0 stars
NABER water rating	Not released yet	4.0 stars
Green Star rating	Not released yet	5.0 stars
Sustainability rating	Not released yet	5.0 stars
Netwealth Impact Fund		
Workplace giving / fundraising	\$13,939.25 ²	\$25,000
Netwealth contribution	\$18,939.25	\$25,000
Our people involved in workplace giving	9%	30%
Banqer³		
Number of students	20,583	10,700 (25% growth)
Number of schools	485	225 (25% growth)
Other		
Amount disbursed to not for profits (from the Netwealth Impact Fund or through direct fundraising)	\$400	\$20,000
Employee volunteering hours	260 hours	1,000 hours

Green = Target met

Amber = Target near miss

Red = Target significant variance from intended goal

¹ All gender indicators are for the year 1 April 2020 to 31 March 2021 (in accordance with the *Workplace Gender Equality Act 2012* reporting requirements).

² In previous reports the figure of \$20,410 raised from a company-wide Auction was disclosed as a 'Netwealth Contribution'. However, upon reflection half of this figure is now reported under 'Workplace Giving/Fundraising' and half under 'Netwealth Contribution' given the money was raised by staff who were contributing to Netwealth donated items.

³ All Banqer indicators are for the year 1 January 2020 to 31 December 2020 (in accordance with the school year).