1 December 2022

Technology One Limited (ASX: TNE)

TechnologyOne FY22 Sustainability Report

Technology One Limited (TechnologyOne) has today published its FY22 Sustainability Report, refer attached.

Corporate sustainability and accountability are areas we know our stakeholders are invested in. In this year's report, we've taken steps to strengthen our disclosures as we continue to expand and deepen our sustainability reporting.

We recognise the strategic relevance of embedding sustainable practices into our business for long-term success and have been committed to delivering and communicating our position and performance across ESG criteria since 2018.

We are proud to confirm that all of TechnologyOne's operations globally are now carbon neutral.

Ends -

Released by the Company Secretary.

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About TechnologyOne

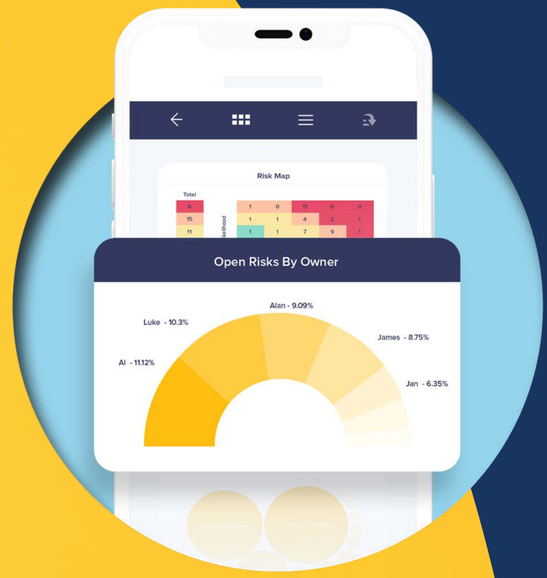
TechnologyOne (ASX: TNE) is Australia's largest enterprise software company and one of Australia's top 150 ASX-listed companies, with locations across six countries. We provide a global SaaS ERP solution that transforms business and makes life simple for our customers. Our deeply integrated enterprise SaaS solution is available on any device, anywhere and any time and is incredibly easy to use. Over 1,300 leading corporations, government agencies, local councils and universities are powered by our software.

For more than 35 years, we have been providing our customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology.

For further information, please visit: TechnologyOneCorp.com technologyone

2022 Sustainability Report.

Climate Active Carbon Neutral ORGANISATION



What’s inside

About TechnologyOne

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

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

Over 1,300 leading corporations, government agencies, local councils and universities are powered by our software. For more than 35 years, we have been providing our customers with enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology.

Our 2022 Sustainability Report.

This report provides an overview of TechnologyOne's sustainability performance and achievements from 1 October 2021 to 30 September 2022. Focusing on our sustainability initiatives, this report provides more detail on those initiatives and climate change disclosures. Complementing our 2022 TechnologyOne Annual Report, 2022 Corporate Governance Statement, and other environmental, social, and governance (ESG) reports.

In this report a reference to 'TechnologyOne', 'Company', 'we', and 'our' is to Technology One Limited (ABN 84 010 487 180) and our controlled entities as outlined in our 2022 Annual Report, unless otherwise stated.

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

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

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

Our ESG Related Disclosures

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

CEO's message.

Welcome to our 2022 Sustainability Report.

TechnologyOne's vision is to build and deliver truly great products and services that transform business and make life simple for our customers.

Recently, we unveiled our reinvigorated company values that guide us to achieve success. One of these values is 'customers are our true north', this value is why our success has spanned over more 35 years and continues to build into the future. With a clear focus we have consistently maintained customer retention rates of above 99 per cent and achieved strong growth in a competitive market. Our customers, community, team members, and shareholders play a pivotal role in shaping the way we do business.

Corporate sustainability and accountability are areas we know our stakeholders are invested in. In this year's report, we've taken steps to strengthen our disclosures as we continue to expand and deepen our sustainability reporting. We recognise the strategic relevance of embedding sustainable practices into our business for long-term success and have been committed to delivering and communicating our position and performance across ESG criteria since 2018.

Unstoppable simplicity

With a vision to transform business and make life simple. Our latest SaaS ERP innovation – CiA, is a fundamental shift that sets our customers up for the future. It's the platform that allows us to deliver on our vision and give customers access to our entire suite of products from any device, anywhere, anytime. We're proud to have this exciting new interface recognised as the 2022 Australian Business Award 100 (ABA100) winner for ERP innovation.

Investing in our people

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

Supporting our communities

We remain committed to making a difference to disadvantaged youths, by empowering them to transform their lives and create their own pathways to success. I'm immensely proud of the TechnologyOne Foundation's efforts to support our communities. As of this year, we've positively impacted the lives of over 72,000 children and their families to break the cycle of poverty through education, learning, health and wellbeing support. I thank our team members who passionately volunteered for charities around the globe, contributing to over 3,811 volunteer hours.

Protecting our environment

Reflective of the increased urgency to accelerate carbon reduction initiatives, we've stepped up our actions to further reduce our impact on the environment. All of TechnologyOne's operations globally have now been certified as carbon neutral. Our Climate Active certification incorporates our operations in Australia, New Zealand, the United Kingdom and Malaysia. We've also rolled out initiatives aimed at reducing our carbon emissions to the lowest amount possible in our operations, and to assess our key suppliers against environmental commitments and progress.

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

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

I'm incredibly proud of our sustainability achievements and thank our team members for their contribution to our sustainability agenda. I am pleased to present this report to shareholders, customers, our team and wider stakeholders for the financial year 1 October 2021 to 30 September 2022.

Edward Chung
Chief Executive Officer

Sustainability at TechnologyOne

We're committed to building a sustainable future.

Every department within TechnologyOne has ESG-related opportunities and risks, where every team member is responsible for embedding sustainable practices into everyday operations.

Our approach to sustainability is driven by sound governance, which facilitates visibility, accountability, and collaboration between teams, and is guided by our core beliefs and values and what we term the TechnologyOne Way.

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

The core to our sustainability approach is our ESG framework. It informs how we manage our business, sustainability focus areas, and is a materiality assessment of issues that matter most to our stakeholders.

Our World

- Environmental impact reductions

Responsible Business

- Ethics, values and transparency
- Innovation
- Effective governance and risk management

Our Community

- Responsible sourcing
- Community investment

Our economy

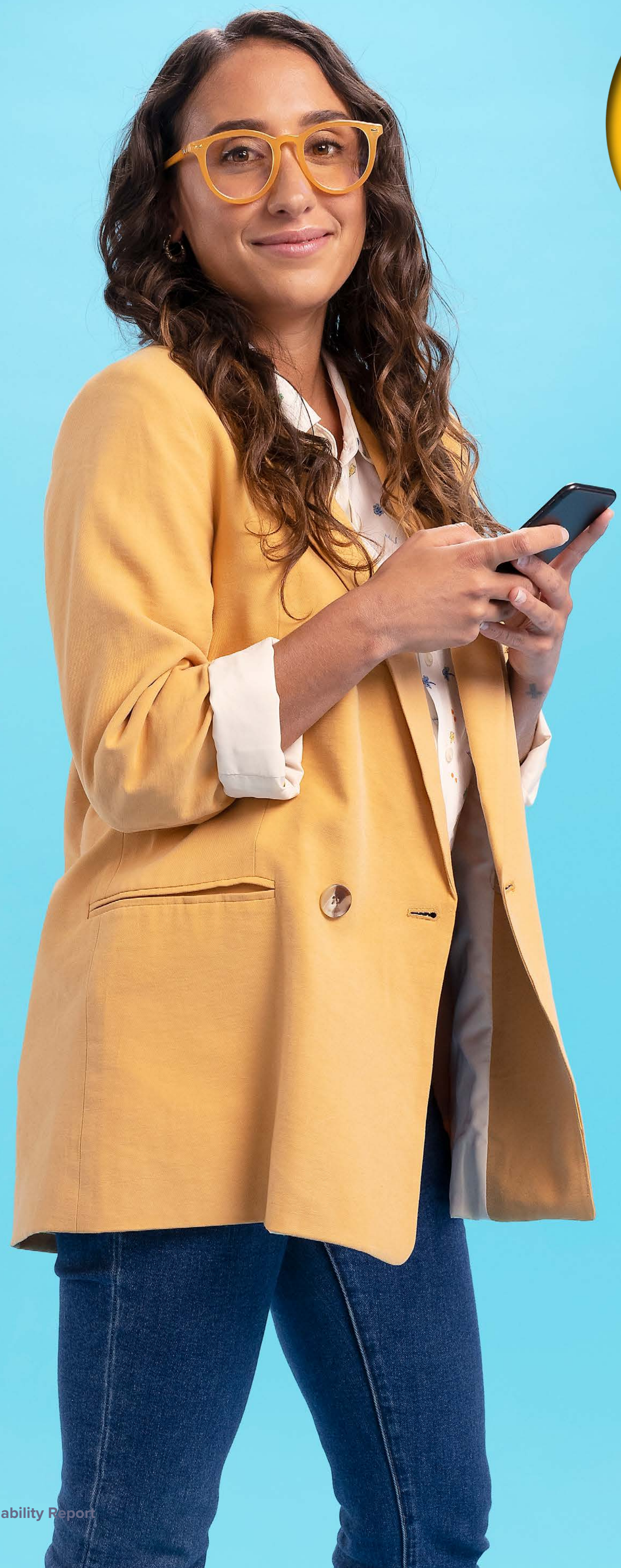
- Shareholder value

Our Customers

- Customer satisfaction and retention
- Data privacy and security

Our People

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



Responsible Business

Performance at a glance

- Maintained a comprehensive corporate governance framework based on risk management, compliance, and assurance controls
- Invested $92.2m in R&D for FY22, which is approximately 25 per cent of revenue
- Awarded ABA100 Winner 2022 for ERP Innovation by the Australian Business Awards
- Achieved FY22 record revenues, profit and SaaS ARR.

For TechnologyOne, being a responsible business is about behaving ethically and demonstrating a robust approach to corporate governance in line with our values across all stakeholder relationships.

Ethics, values and transparency

The TechnologyOne Way underpins our culture and guides our behaviours and the decisions we make. It comprises our core beliefs, and embeds responsible business practices, including a commitment to excellence in corporate governance, accountability, innovation and openness into everything we do. These beliefs and principles articulate our value proposition to our customers and protect the interests of our shareholders and other stakeholders.

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

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

Effective governance and risk management

Strong governance, risk, compliance, and assurance controls are central to our business. We have a comprehensive corporate governance framework, based on leading standards and industry best practice, to safeguard our operations and long-term value.

As a global organisation, we seek to apply our operating countries' most stringent legal and regulatory obligations across all operations where possible by embedding these into organisation-wide corporate governance controls and cultures. Our system of internal compliance, assurance, and risk management promotes business growth while ensuring we operate in a responsible and sustainable manner.

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

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

For more information, refer to our 2022 Corporate Governance Statement.

Speaking up

We place great importance on fostering a culture where our people observe good governance and ethical behaviour and feel supported to speak up. During the year, we refreshed our Whistleblower Policy with a maintained focus on encouraging our team members and external partners to disclose matters of concern and to clarify the support and protections available.

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

Innovation, research and development

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

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

In 2011, we began building our fourth generation ERP – CiA. An enterprise resource planning platform that gives users access to the entire suite of TechnologyOne products via one cloud-based solution. Offering the ultimate in simplicity and consistency, the CiA interface is a seamless experience that's accessible across any device, in any location, at any time of day.

With the ability to fully integrate all 16 products across key industries into the CiA platform, it supports 300 modules with over 10,000 capabilities. Enabling our customers to manage day-to-day tasks like accounting, procurement, project management, risk and compliance management, and supply chain operations through a single intuitive interface.

The solution incorporates several products that help customers to seamlessly integrate new and existing solutions across their business operations. This includes App Builder, a simple no-code toolset that helps customers solve business problems quickly and easily. It does this by allowing users to create specific business data and applications inside our TechnologyOne ecosystem, eliminating other software, spreadsheets, and manual processes, and allowing integration to the rest of the TechnologyOne system.

DXP, another new platform and technology, is a simple, intuitive interface that offers our customers the tools they need to provide a streamlined customer-centric experience.

Meanwhile, Migration Central helps seamlessly transition customers from our previous Ci platform to CiA.

As of this year, 700 of our customers organisations are utilising the benefits of CiA in some way.

No matter the industry or organisation size, to keep up with modern workforce demands it's vital that organisations have the technology that enables their employees to access remote, mobile, and hybrid work.

CiA delivers this in a way that on-premise solutions simply cannot. According to our research, migrating from on-premise to a SaaS solution like CiA delivers a range of business and customer benefits. These include 25–50 per cent cost savings for SMEs, 22 per cent increase in developer productivity, 15 per cent reduction in asset-related labour costs and a reduction in carbon emissions and energy consumptions.

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

With the tools provided as part of CiA we were able to help our customers rapidly develop and deliver systems to manage their COVID response. This included everything from tracking assets – such as laptops and desk chairs – employees had taken home to providing analytics that gave our customers visibility and enabled business continuity.

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

We commissioned a study with IBRS and Insight Economics on the economic impact of cloud SaaS to better understand the potential and cumulative economic benefits to Australia. Modelling showed that in aggregate, the potential direct benefit to Australian organisations in moving to SaaS solutions compared to current software capabilities is in the order of $252 billion dollars over the next ten years. This research also showed that an increase in cloud computing from 25 per cent to 40 per cent by 2025 – enabling the retirement of small, inefficient data centres – could see energy use reduce by 80 per cent, aiding Australia to avoid 4Mt of CO2-e emissions by 2030.

Shareholder value

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

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

We focus on preservation of existing revenue and continued growth to deliver sustainable shareholder returns, with appropriately aligned executive remuneration structures. TechnologyOne is on track to surpass $500m+ in annual recurring revenue by FY26, and business is expected to grow at 15 per cent + per annum in the next few years.

Our next steps include plans to:

- strengthen our systems and processes to evaluate, monitor and report on ESG performance in alignment with our sustainability goals
- maintain our industry-leading investment in R&D for continued innovation
- implement our FY23 initiatives aimed at surpassing $500m+ in ARR by FY26.
- increase awareness of our Independent Whistleblower Service and continue to promote a 'speak up' culture to encourage our people to raise concerns

Full Year Dividend

up 22% | Compound growth up 11%

	Full Year Dividend
FY22	17.02*cps
FY21	13.91cps
FY20	12.88cps
FY19	11.93cps
FY18	11.02cps

SaaS ARR

up 43% | Compound growth up 40%

	SaaS ARR
FY22	$274.2M
FY21	$192.3M
FY20	$134.6M
FY19	$101.7M
FY18	$70.4M

Net Profit After Tax

up 22% | Compound growth up 15%

	Net Profit After Tax
FY22	$88.8M
FY21	$72.7M
FY20	$62.9M
FY19	$58.4M
FY18	$51.0M**

* Includes special Dividend of 2 cents / ** FY18 has not been restated for AASB15

Our Customers

Performance at a glance

- Maintained 99 per cent customer retention and 99.5 per cent SaaS uptime
- Released two software upgrades – 2022A & 2022B – to deliver enhancements designed to simplify the way our customers work
- Maintained SaaS certifications and accreditations to provide the highest levels of data protection
- Incurred no notifiable data breaches or material security incidents during the reporting period.

Our success relies on providing a compelling customer experience and maintaining our customers trust in our ability to protect their data.

Customer satisfaction and retention

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

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

TechnologyOne uses the Net Promoter Score (NPS) to understand customer satisfaction, which measures an individual's propensity to recommend TechnologyOne to others. The NPS is designed to help us understand our customers sentiment; what we're doing well and what we can improve on. We're committed to using customer ratings and feedback to inform our future improvements and steer strategic decisions to ensure we're delivering maximum loveable products and services. We aim to continually improve our NPS scores through a number of key initiatives – including rallying our company around the NPS, closing the loop with customers to dig deeper into the context and reasons behind a score, and using feedback to develop improvement roadmaps – to align with industry benchmarks.

We also view our customer retention rates as a key measure for satisfaction, which continues to sit at 99 per cent.

99% Customer retention

2020 → 2021 → 2022

User Connect

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

During the year, we facilitated over 68 User Connect sessions covering a range of topics including software releases, product upgrades and improvements, and avenues to maximise support to over 11,150 users.

Customer support

We're committed to helping our customers get the most out of their software, so they can focus on running their business. TechnologyOne offers multiple options for global support to provide an experience like no other.

As part of our support and maintenance services, we offer 24/7 customer support where queries or concerns are addressed promptly and thoroughly. Our customer service teams operate with fast response times, friendly and knowledgeable team members, and quick resolution.

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

Software releases

Our customers have access to two software releases per year that aim to deliver enhancements designed to simplify the way our customers work and elevate their enterprise experience. With a focus on customer evolution these releases are provided as part of our SaaS solution future proofing our solutions.

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

During the year we commissioned an independent review of our SaaS platform security certifications to review and continually enhance our position. Our SOC reports are undergoing refresh for increased reporting of salient security related topics and to address frequently asked questions.

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

Data privacy and cyber security

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

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

Our cybersecurity program is overseen by our Security Council – with representation from across our business – who direct our security framework and strategy, with relevant matters provided to the TechnologyOne Board. Cybersecurity risk assessments are undertaken regularly in response to control changes, evolving threats and technological advancements.

The systems implemented to achieve our certifications enable us to maintain a strong cybersecurity posture and greater certainty in response to increased threat landscapes.

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

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

Our SaaS solution continues to hold certifications for:

- ISO/IEC 27001
- ISO/IEC 27017
- ISO/IEC 27018
- ISAE 3402 SOC 1
- SSAE 18 SOC 1
- AT-C 205 SOC 2 + HIPAA
- AT-C 205 SOC 3
- IRAP PROTECTED
- Cyber Essentials & Cyber Essentials Plus (UK)
- NZ IRD SPS 21/02.

As of this year, we became Defence Industry Security Program members which recognises our security practices alignment to the Australian Department of Defence.

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

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

Our next steps include plans to:

- review and refresh our Privacy Management Framework for increased governance parameters and controls
- further enhance our cybersecurity risk management practices to keep pace with the evolving threat landscape and to continue to support our customers.

Our people

Performance at a glance

- Employee engagement score increase to +33 (up 94 per cent on FY21), a notable step towards our FY26 target of +50
- Increased women in senior roles by five per cent (to 19 per cent)
- Awarded Employer of Choice for2022 by the past seven years Australian Business Awards
- No fatalities or material workplace injuries reported during the year

SUSTAINABLE DEVELOPMENT GOALS

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

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

Talent attraction and retention

TechnologyOne is committed to attracting and retaining talented individuals by providing them with an environment in which they can be innovative, creative and realise their full potential. We want to attract the best and brightest and induct them in the TechnologyOne Way.

Our team members are selected based on their qualifications, suitability, and professional experiences. Internally, we focus on job rotation, promotions, and capability development to tackle challenges and develop innovative solutions to enhance our workforce. During the year, we refreshed our succession planning processes to focus on identifying and developing talent to deliver our short and medium-term business needs.

Externally, we concentrate on building robust talent pipelines through proactive engagement with potential future hires, partnering with universities for our graduate and intern programs and maintaining our alumni relationships. During the year, we more than doubled our graduate and intern intake against the previous year with considerable training, coaching and development invested in 34 talented individuals.

Our onboarding program is industry leading. All new team members across our global operations participate in an immersive 'O-Week' program where they meet our executive and senior leaders, learn about our history, our vision and mission, our company values, business structure and how we deliver a compelling customer experience. Our new team members also have half a day volunteering with their new colleagues as part of our TechnologyOne Foundation time.

During the year, we welcomed over 50 new team members through our acquisition of Scientia. These team members joined us predominantly in the UK and Australia but also expanded our global presence.

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

Team member engagement and development

Having an engaged and empowered workforce is critical to our employee retention. Our twice-yearly employee Net Promoter Score **(eNPS)** survey is one of the principal tools used to measure employee engagement and commitment to TechnologyOne, as well as to gather team members' views. Our FY22 result was a significant increase on prior years and a notable step towards our FY26 target of eNPS +50.

COVID-19 prompted us to quickly adapt to new ways of working to prioritise the health and safety of our team members and customers. We listened to our people to understand their needs and expectations, where we empowered leaders to utilise and support the best working environments to enable wellbeing, collaboration and to deliver results. These are practices that we've continued and incorporated into our ongoing "business as usual" processes.

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

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

Our annual MARVEL awards recognise our high achievers who go above and beyond to achieve outstanding results whilst role modelling exemplary behaviour. This year we received 428 nominations, which is the most ever received for MARVELs. We also acknowledge at our annual Service Recognition Awards the milestone anniversaries of our team members.

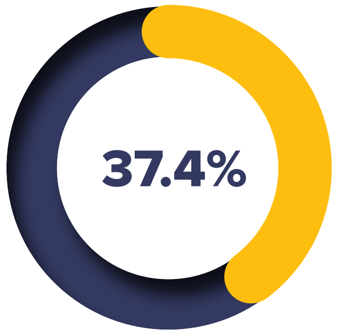
During 2022, our senior leadership team have been focused on ensuring all our team have a clear sense of purpose, and that our values are infused throughout TechnologyOne. In July, we facilitated our inaugural Leadership Community Summit, bringing together over 120 leaders across our global operations to share our company purpose and to engage on strategic initiatives. Additional avenues to support our current and emerging leaders include mentoring, coaching and 360-degree feedback for continual professional development.

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

eNPS Ratings

2018	1
2019	14
2020	15
2021	17
2022	33

Percentage of women in workforce



Our core values

- People are our power
- Make the impossible possible
- Simplicity is our compass
- We're stronger as one
- Customers are our true north.

Further information on our values is available in our Open Culture Book.

We work towards a 70:20:10 blended model for learning and development, focusing on experience, exposure, and formal training. Our Learning Team supports team member development by creating in-house learning modules and monitoring compliance to ensure all our team members are equipped to do their roles.

Workplace diversity and inclusion

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

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

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

We continue our strong support for the involvement of women in the technology sector by sponsoring both the Women in Technology and Women in Digital Awards. In 2022, we were proud sponsors of the Women in Technology - Technology Professional Award and the Women in Digital Software Engineer of the Year Award. We have implemented a number of strategies to increase the number of women in senior roles. For each recruitment shortlist, we aim to include at least one female candidate (where we have a goal to achieve this for 70 per cent of vacancies). During the year, we achieved a gender equality rate of 37.4 per cent across all roles at TechnologyOne.

In March, to mark International Women's Day, we rolled out unconscious bias training for our team members and also launched a new partnership with UNIQU, an organisation enabling mentoring between high school students and successful female STEM professionals. Five of our talented women leaders are engaged in this mentoring with students to help them 'see what they can be'. We were also proud to partner with a local school and Foundation charity partner to provide speakers at their International Women's Day event to inspire their students about a career in technology.

Team member health and wellbeing

In 2022, our focus remains on supporting the mental, physical and workplace wellbeing of our people.

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

We believe that wellbeing is a key enabler of achieving our employee net promoter goal of +50. This includes the enhancement of our physical workspaces including space for wellbeing activities and a workspace which is conducive to how we work in a hybrid world. It also includes initiatives to encourage our team to engage in physical wellbeing including discounts and programs, sponsored community sports activities. Our teams have high levels of participation in the Corporate Games and other team-based triathlon events throughout the year.

For financial wellbeing, our team members can benefit from a range of deals and discounts as well as financial counselling for themselves and their families through Converge International.

During the year, over 288 team members received an influenza vaccination through our onsite vaccine program with a further 131 vouchers provided for externally sourced vaccinations. We have an annual utilisation rate of 5.2 per cent with our Employee Assistance Program which is 1.0 percentage points higher than industry average.

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

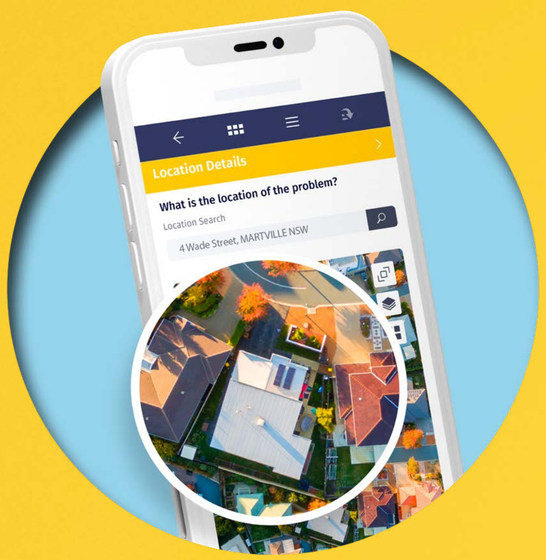
No fatalities or material workplace injuries were reported during the year.

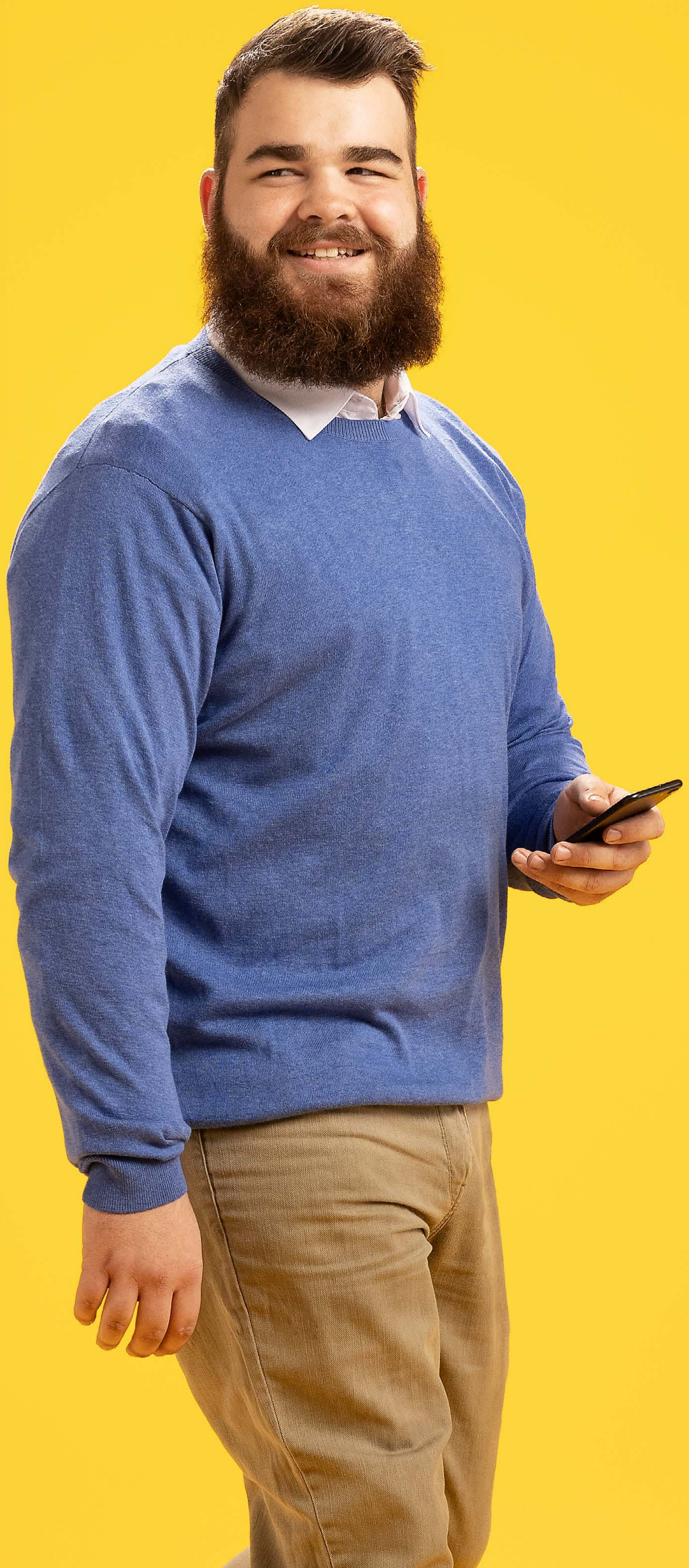
Our team member benefits

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

Our next steps include plans to:

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





Our Community

Performance at a glance

- $726,910 profit contributed to the TechnologyOne Foundation to give back to our communities
- 3,811 hours volunteered to charity and community organisations
- 500 SolarBuddy lights/assembled for disadvantaged children in Palm Island, Papua New Guinea and Madagascar
- Awarded the Community Contribution Award 2022 by the Australian Business Awards
- Completed close to 250 new and existing key supplier ESG assessments.

SUSTAINABLE DEVELOPMENT GOALS

2 ZERO HUNGER

1 NO POVERTY

4 QUALITY EDUCATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

17 PARTNERSHIPS FOR THE GOALS

We have a strong focus on giving back to the community through the TechnologyOne Foundation.

Community investment

TechnologyOne Foundation's mission is to support disadvantaged youths to transform their lives and create their own pathways to success. Each year our TechnologyOne Foundation pledges 1% of time, 1% of product and 1% of profit to charitable causes. This initiative is part of the 1% Pledge corporate philanthropy movement, dedicated to making the community a key stakeholder in every business.

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

During the year, we supported over 30 charities through 3,811 volunteer hours and we contributed $1,121,077 into our communities through Foundation programs, product discounts and direct charitable donations. Our goal is to assist 500,000 children to break the cycle of poverty through education, learning, health and wellbeing support. Our efforts to date have positively impacted the lives of over 72,000 children through microfinance loans issued by our charity partner, Opportunity International. Through our team member generated giving program, we also raised over $71,000 for supporting charities and their social impact cause including youth education, health and well-being, community disaster response and Salvation Army flood relief.

We also assembled and/or quality checked over 500 SolarBuddy lights distributed to disadvantaged children in Palm Island, Papua New Guinea and Madagascar living in energy poverty.

We're proud to have been awarded the Community Contribution Award 2022 by the Australian Business Awards.

1% of time

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

1% of product

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

1% of profit

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

technologyone | Foundation

unite | donate | participate

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

So far, we've supported over 72,000 children and their families.

Our charity partners

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

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

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

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

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

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

St James College is a coeducational secondary college for years 7 – 12, located in Brisbane, Australia. TechnologyOne supports the St James Bursary Fund which provides an authentic real-world connection for students, helping connect students to future pathways.

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

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

Responsible sourcing

Our supply chain encompasses nearly 500 direct suppliers. The goods and services we procure are predominantly provided in Australia, New Zealand, Malaysia, the United States of America, the Republic of Ireland and the United Kingdom. Technology represents our largest procurement category and accounts for close to 65 per cent of total supplier spend.

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

Business integrity

Our suppliers are expected to comply with all applicable local, national and international laws and regulations, including in relation to bribery and corruption, modern slavery and ethical conduct. During the year, we issued ESG assessment questionnaires to our key suppliers (who together represent close to 75 per cent of our total supplier spend) to confirm they have policies and/or processes in place to:

- comply with all applicable local and national laws, and
- commit employees to ethical conduct, standards and behaviours.

Human rights and labour conditions

Our suppliers are expected to provide a fair, ethical and safe workplace, which upholds high standards of human rights and integrates appropriate labour and human rights policies and practices into its business.

During the year, we asked our key suppliers to confirm they have policies and/or processes in place to:

- comply with all applicable employment and industrial relations laws and standards relevant to workers' rights
- have whistleblowing mechanisms in place to enable people to report matters of concern.

Identifying, assessing, and addressing modern slavery risks

We consider any form of modern slavery to be unacceptable and acknowledge our responsibility to help eradicate it. During the year, we assessed close to 250 new and existing key suppliers for modern slavery risk. All of our suppliers are expected to identify, prevent and address modern slavery risks and to hold their supply chains to the same standard. Our standard supply contracts terms include enforceable undertakings against modern slavery and human rights contraventions.

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

For more information, see our 2022 Modern Slavery Statement.

Environmental management and climate risk

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

Our next steps include plans to:

- strengthen our local and skill-based volunteering community investment by increasing the uptake of our team member volunteer days to connect them with their personal purpose and the community
- explore alternate engagement opportunities with our Foundation partners to deepen our understanding of how we can best support the needs of our beneficiaries and other underprivileged groups
- further embed our Supplier Code of Conduct and strengthening our supplier due diligence and screening processes
- strengthen our controls to minimise risk of human rights violations and modern slavery.

Our environment

Performance at a glance

- Achieved Climate Active carbon neutral certification for our global operations
- Reduced our total GHG emissions for our Australian operations from our FY20 baseline by 26 per cent
- Matured our TCFD capability and increased transparency on climate related risks and opportunities.

SUSTAINABLE DEVELOPMENT GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Climate Active Carbon Neutral ORGANISATION

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

Carbon reductions

We accept the science of climate change and the Paris Agreement which aims to limit global temperatures well below 2°C above pre-industrial temperatures. Climate change mitigation will require deep and permanent greenhouse gas (GHG) reductions as part of a universal transformation from business, government, and individuals collectively. Within this challenge we will seek to identify and manage both the risks and opportunities that present themselves.

As part of our commitment to operate sustainably and ethically, we are dedicated to contributing to carbon reductions of the Australian and global economy and disclosing our performance under the recommendations of the TCFD.

Cloud-based technology is the way of the future. It offers an innovative solution to reducing carbon emissions and energy consumptions when compared to many on-premises customer solutions. Given the growing importance of the IT sector in achieving global emission reductions, we see industry public disclosures on climate-related risks and opportunities as fundamental.

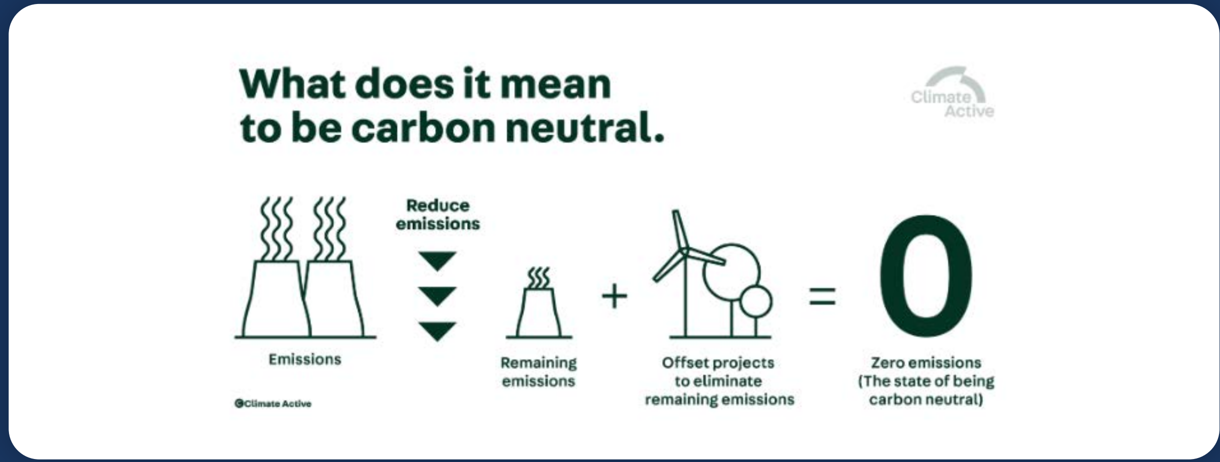
We will continue to prioritise significant investment to innovation, and toward new technologies, concepts and innovation which provide enterprise software that adapts and evolves to the needs of today and the future.

While our day-to-day operations do not have a material impact on the environment, we're committed to reducing our carbon emissions to the lowest amount possible and offsetting remaining amounts to maintain carbon neutrality.

Our goal is to reduce our carbon emissions and maintain a carbon neutral status

This is how we'll do it

Categories	Climate reduction initiatives
Employee engagement	Increase team member awareness and engagement on carbon reduction initiatives for Scope 3 emission reductions
Operational reductions	Become more energy efficient, reduce our consumption and waste, and recycle and reuse e-waste for Scope 3 emission reductions
Supplier engagement	Cultivate demand for lower-carbon solutions and prioritise suppliers who are carbon neutral or have a proven commitment to acting on climate change for Scope 2 and 3 emission reductions



Carbon neutral certification

TechnologyOne's operations are carbon neutral. In 2020 and 2021 we acheived Climate Active certification for our Australian operations, and in 2022 we expanded this to include our global operations. Our carbon footprint measurement is completed internally with external advisory support.

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

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

TechnologyOne has also retired carbon credits generated by the Oakvale Native Forest Protection Project in Australia. The project protects the native forest from being deforested (cleared) and the land from being converted to an agricultural system, where a clearing permit was issued before 1 July 2010.

When choosing which carbon credits to retire, TechnologyOne prioritises carbon credits that result in funds returning to under-developed communities that do not have basic infrastructure (clean water, health services and improper sanitisation).

In 2022, TechnologyOne offset 5,860.8 tonnes of greenhouse gas emissions with the purchase and retirement of certified carbon credits.

Maturing our TCFD capacity

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

Moving forward, we will continue to assess how we quantify climate-related risks and opportunities, how the Board integrates climate-related considerations into decision-making and strategy, and how we engage with shareholders, customers, team members, suppliers and other key stakeholders.

2020

Climate related risks and opportunities identification

We reviewed our climate-related risks and opportunities, and assessed their materiality

Climate Active certification

2021

TCFD gap analysis

We undertook a high-level review of our performance against the TCFD recommendations and benchmarked our performance against peers

Climate Active certification

Climate scenario analysis

We completed a high-level qualitative assessment of the impact of 2°C and 4°C global warming on our current business model

TCFD Reporting

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

2022

Climate scenario analysis

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

Climate Active certification

TCFD Reporting

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

Ensuring accountability and responsibility for climate-related risks and opportunities

Board oversight

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

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

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

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

Our leader's role

The Executive Team are accountable for the implementation of key objectives and programs under TechnologyOne's sustainability agenda.

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

Embedding climate into our risk management framework

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

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

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

Climate-related governance

Risk Management Process

Risk monitoring

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

Risk identification

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

Risk analysis

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

Risk evaluation

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

Risk mitigation

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

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

Understanding our exposure to climate change

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

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

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

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

Our global warming scenarios have been expanded to include:

- **2°C climate increase** characterised by strong ambitious action which is orderly and gradual to meet climate goals
- **2°C climate increase** characterised by late, disruptive, sudden and/or unanticipated action which is disorderly but sufficient to meet climate goals
- **4°C climate increase** characterised by limited action to meet climate goals beyond what has already been committed and there is continued increase in emissions

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

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

Key Mitigation Activities (Transition Risk)

- GHG emission calculation and reduction initiatives for TechnologyOne's global operations
- GHG emission reduction goals to emit the lowest amount possible, with only remaining amounts offset
- Climate Active carbon-neural certification with offsets procured via a reputable third-party broker
- Increased transparency on climate risk disclosures and GHG reduction targets which are aligned with goals of the Paris Agreement

Key Mitigation Activities (Physical Risk)

- Critical vendor assurance of climate-related risk management
- Critical infrastructure and connectivity resilience safeguards
- Flexible working, health and wellbeing arrangements for team members
- WHS management framework and systems.

Measuring and managing climate impact

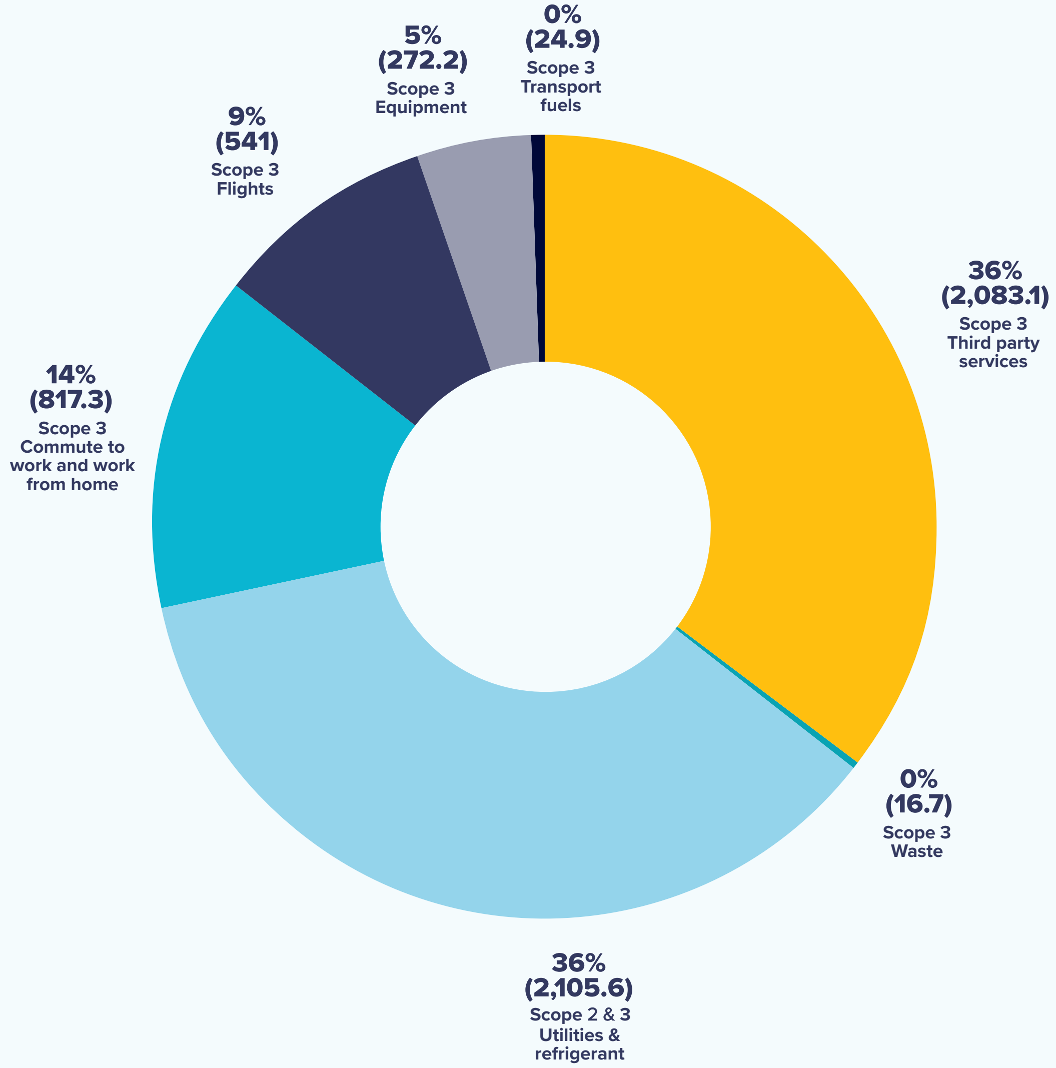
We're carbon neutral for Scope 1, 2 and 3 emissions from our global operations and supply chain. To assist us in calculating our CO2-e emissions, we engaged Pangolin Associates as subject matter experts. Our total global emissions for FY22 amounted to 5,860 tCO2-e, where the emissions linked to our Australian operations decreased from FY20 baseline emissions by 26 per cent. As part of our FY23 program of work, we're seeking to set meaningful 2025 and 2030 reduction targets following a detailed review of our reduction initiatives and empirical data.

Metric	Unit	Target	FY20	FY21	FY22	Progress	Comments
Global GHG emissions (full scope)	tCO_2-e	FY22 baseline reductions	-	-	5,860		This year we calculated our emissions from our global operations
Australian GHG emissions (full scope)	tCO_2-e	FY20 baseline reductions	6,765	5,513	4,939		
Per employee (total amounts / FTE)							
GHG emissions (full scope)	tCO_2-e	FY20 baseline reductions	7.3	6.7	5.7		
Energy intensity	GJ	FY20 baseline reductions	7.6	3.6	3.1		
Waste intensity	KG	FY20 baseline reductions	40.1	24.2	26.3		
Water intensity	KL	FY20 baseline reductions	12.0	13.6	23		FY22 increase is predominately attributed to the capture of increased office spaces through calculating our global emissions
Paper	KG	FY21 baseline reductions	-	6.0	0.5		

New Achieved In Progress

Scope 1, 2 & 3 emissions by activity

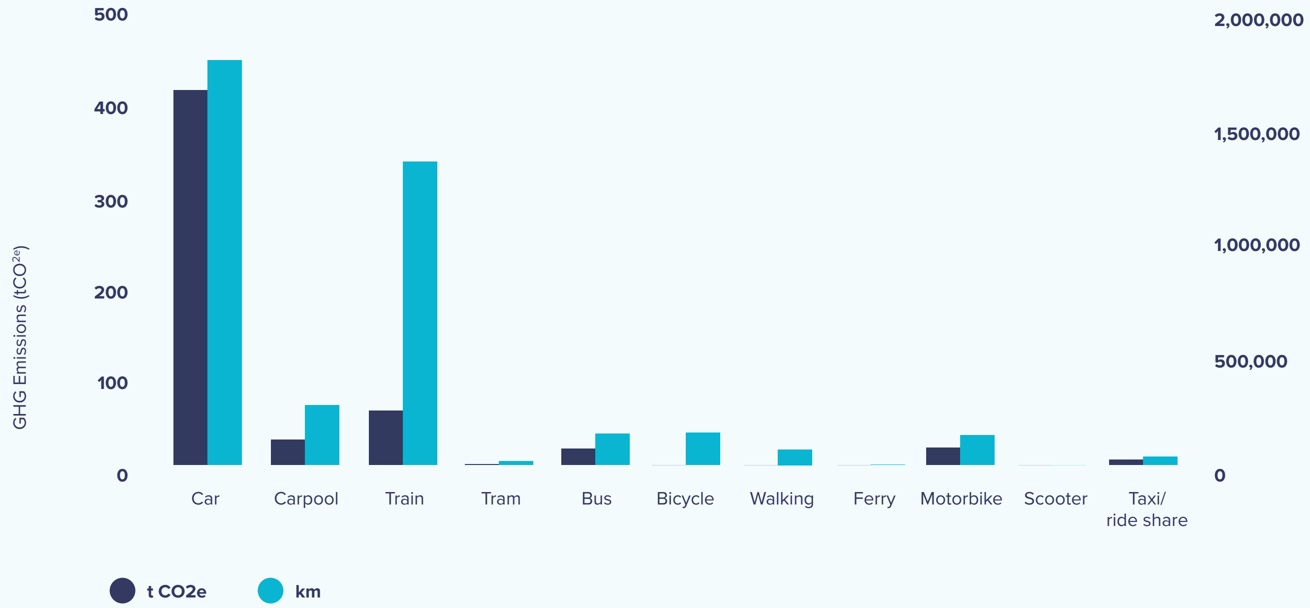
Emissions linked to our utilities and third party goods and services continue to be the key contributors to our total emissions.



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

- Brisbane (largest office): our Brisbane office has a 5.5 Star NABERS Energy rating and is fitted with a 180kW solar system (estimated annual production of 272MWh), CO2 monitoring to track and adjust ventilation rates, energy efficient lighting and a rainwater harvesting system.
- Sydney: our Sydney office has a 6 Star NABERS Energy rating and is in a carbon-neutral building which uses renewable energy.
- Perth: our Perth office has a 5 Star NABERS Energy rating.

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



Emission gas types

GHGs are categorised as any gaseous compound in the atmosphere that is capable of trapping and holding heat in the atmosphere, these consist of more than just carbon and have different average lifespans in the atmosphere.

	CO^2	CH^4	N^2O	Other
Average lifetime in the atmosphere	300 to 1,000 years	12.4 years	121 years	-
Scope 1	-	-	-	-
Scope 2	641.2	0.4	1.861	-
Scope 3	5,198.03	16.77	2.49	-
Total	5,839.23	17.21	4.35	-

How we compare to other businesses

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

	ANZSIC* Division	Total (tCO_2-e)	Emissions per employee (total CO_2-e / FTE)
TechnologyOne	J	5,860	5.7
BUSINESS SECTOR			
Wholesale Trade	F	361,828.7	78.2
Manufacturing	M	98,197.9	45.5
Retail Trade	G	366,636.1	41.8
Arts and Recreation Services	H	620,149.4	40.9
Public Administration and Safety	I	269,360.2	27.4
Education and Training	J	1,550,616.2	21.4
Professional, Scientific and Technical Services	K	594,956.7	16.0
Information Media and Telecommunications	L	7,650.3	16.6
Other Services	O	58,405.2	11.4
Rental, Hiring and Real Estate Services	P	104,770.4	10.9
Financial and Insurance Services	Q	75,489.8	5.3

*Australian & New Zealand Standard Industrial Classification

Waste

We are committed to effectively managing waste across our entire business. Our highest waste-generating areas are our facilities waste and electronic waste. For our electronic waste, we seek to repair our electronic equipment if the unit is less than halfway through its prescribed lifecycle to maximise use. Obsolete equipment is disposed of via vendor recycling programs or social enterprise initiatives.

During the year, over 30 per cent of waste was diverted from landfill through TechnologyOne's recycling programs.

Our next steps include plans to:

- implement our carbon reduction initiatives
- enhance our climate change stress testing and risk analysis capabilities;
- improve our climate assessment capabilities and methodologies to guide decision making.

Our reporting

SUSTAINABLE DEVELOPMENT GOALS

Our 2022 Sustainability Report outlines our priority areas and performance to ensure long-term sustainability, focusing on the topics that matter most to our stakeholders and business.

Stakeholder engagement

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

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

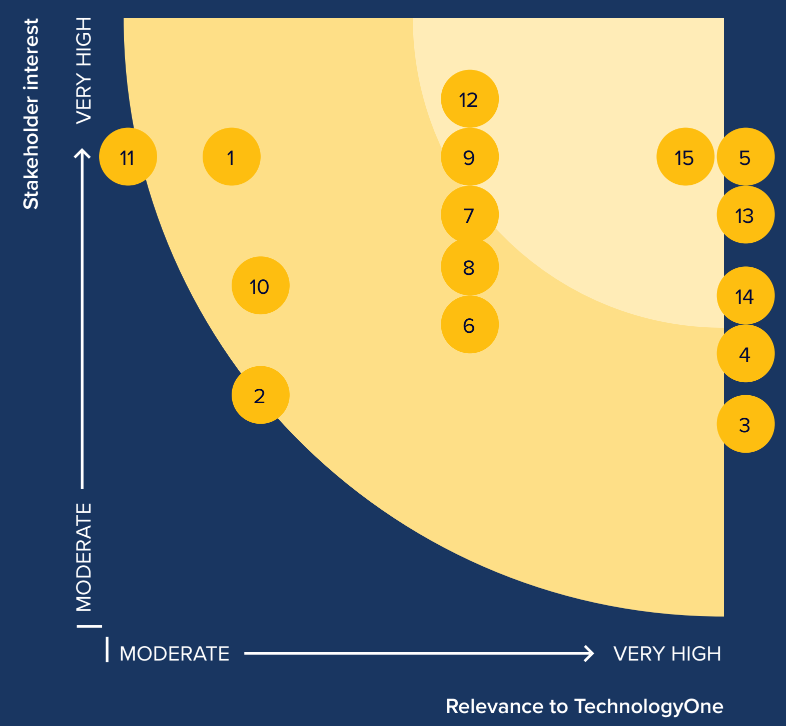
Our material sustainability issues

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

- material relevance to our business model, corporate strategy, enterprise risks and key performance indicators; and
- material importance for our business and operations as perceived and experienced by our key stakeholder groups.

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

The following chart shows the results of our materiality assessment:



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

ESG performance and disclosure data

	Indicator / disclosure	Units	2021	2022	Notes
Governance	**Responsible business**				
	Ethics, values and transparency				
	Team member engagement: How We Work Training	Per cent	96.0	90.0	
	Team member engagement: Code of Business Conduct Training	Per cent	98.0	94.2	
	Effective governance and risk management				
	Notifiable data breaches	Number	0	0	
	Material legal or regulatory compliance failures	Number	0	0	
	Team member engagement: Privacy and Data Security Training	Per cent	97.9	93.6	
	Annual internal audit plan delivered	Per cent	100	100	
	Innovation				
	New technologies, concepts and innovation investment	AUD $m	77	92.2	
	Team members supporting Research and Development activities	Number	380	416	
	Hack Days	Number	2	2	
	Shareholder value				
	Basic earnings per share (cents per share)	AUD $	0.2264	0.2751	
Social	**Our customers**				
	Customer retention	Per cent	99	99	
	SaaS uptime	Per cent	99.5	99.5	
	Our people				
	Talent attraction and retention				
	Voluntary turnover	Per cent	16.7	21.3	
	Graduate / intern appointments	Number	16	34	
	Team member engagement and development				
	eNPS	Number	17	33	
	Average hours of formal training per team member	Hours per year	10.4	13.4	1
	Permanent team members - undertaken annual performance and career planning	Per cent	95.0	94.5	
	Workplace diversity and inclusion				
	TechnologyOne Board - women	Per cent	22	25	
	Senior roles - women	Per cent	14.0	19.0	2
	All other team member levels - women	Per cent	36.5	37.4	
	Candidate shortlists - women	Per cent	89.2	84.7	

	Indicator / disclosure	Units	2021	2022	Notes
Social	**Team member health and wellbeing**				
	Work-related fatalities	Number	0	0	
	Material work-related injuries	Number	0	0	
	Our community				
	Community investment				
	1% time contribution	Hours	3,795	3,811	
	1% profit contribution	AUD$	-	726,910	3
	1% product contribution	AUD$	-	394,167	3
	Responsible sourcing				
	ESG due diligence assessments - new and existing key suppliers	Number	162	249	
	Suppliers confirmed modern slavery or human rights breaches	Number	0	0	
	Team member engagement: modern slavery training	Per cent	96.0	90.0	
Environment	**Our environment**				
	Carbon reductions				
	Operational GHG emissions				
	Global				
	Scope 1	tCO_2-e	-	0	
	Scope 2	tCO_2-e	-	643.5	
	Scope 3	tCO_2-e	-	5217.3	
	Australia				
	Scope 1	tCO_2-e	-	0	
	Scope 2	tCO_2-e	-	590.3	
	Scope 3	tCO_2-e	-	4,349.5	
	Total fuel use (global)	L	-	10,227.8	
	Total electricity purchased (global)	kWh	-	891,926.4	
	Total gas use (global)	GJ	-	3,766.3	
	Total water use (global)	kL	-	23,623.2	
	Total waste generated (global)	Ton	-	26.9	
	Total waste diverted from landfill (global)	Per cent	-	30.8	

[1] TechnologyOne works towards a 70:20:10 blended model for learning and development, focusing on experience, exposure, and formal training. The hours per year of formal training represents external and internal courses only.

[2] Senior role is defined as SLT – 1.

[3] 1% profit contribution and 1% product contribution calculation methodologies were revised in 2022

United Nations Sustainable Development Goals (SDGs)

In 2015, the United Nations adopted the 17 SDGs to end poverty, protect the planet and ensure prosperity for all by 2030. Adopted by 193 member states of the United Nations in 2015 as the successor to the Millennium Development Goals, the SDGs comprise of 169 targets categorised into 17 goals that focus on the five key elements of people, planet, prosperity, peace, and partnership.

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

SDG	Actions in FY22 that support the SDGs	Sustainability Report location
1 NO POVERTY	• Donated $100,000 through the TechnologyOne Foundation to Opportunity International to support microfinance loans to help disadvantaged youth and their families find ways out of poverty.	29
2 ZERO HUNGER	• Donated $15,000 through the TechnologyOne Foundation to strategic charity partnership initiatives aimed at ensuring vulnerable communities have sufficient food all year round. Our contribution enabled KidsCan to provide 7,500 hot meals to disadvantaged children at school.	29
4 QUALITY EDUCATION	• Donated $178,614 through the TechnologyOne Foundation to strategic charity partners focused on providing disadvantaged children with a quality education. Our contribution enabled 1,800 students to improve their computer literacy skills for today's workforce. • Continued to invest in the Smith Family's "Exploring Educational Pathways" program to enable 34 First Nations students to develop a better understanding of the education pathways available to them after school. • Partnered with SolarBuddy through the TechnologyOne Foundation to provide solar lights to 1,500 children to assist with study and improve education outcome.	29
5 GENDER EQUALITY	• Published our Gender Equality Report inclusive of strategies to achieve gender pay equality and equal opportunity (WGEA Report). • Improved women in senior roles to over 19% (5% increase since 2021). • Promoted women's success through the Women in Technology and Women in Digital Awards.	23
7 AFFORDABLE AND CLEAN ENERGY	• Donated $56,000 to SolarBuddy through the TechnologyOne Foundation to provide children with access to sustainable and reliable energy. • 180kW solar panel installation at our Brisbane office (with an estimated annual production of 272MWh).	29
8 DECENT WORK AND ECONOMIC GROWTH	• Published our Gender Equality Report inclusive of strategies to achieve gender pay equality and equal opportunity (WGEA Report) • Donated $100,000 through the TechnologyOne Foundation to Opportunity International to support microfinance loans to help disadvantaged youth and their families find ways out of poverty. • Continued to promote flexible working arrangements including working from home options and opportunities to purchase extra leave • Published our Modern Slavery Statement inclusive of our efforts to reduce modern slavery risk both in our operations and supply chain • Rolled out our Supplier Code of Conduct which outlines the minimum expectations of our suppliers inclusive of human rights standards.	23, 29
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	• Invested $92.2 million to R&D to ensure products and services remain resilient, reliable, and sustainable. • Held our twice-yearly Hack Days.	13
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• Rolled out initiatives aimed at reducing GHG emissions, and ensuring sustainable and efficient use of natural resources • Developed our Supplier Code of Conduct to outline our supplier expectations for sustainable practices.	35
13 CLIMATE ACTION	• Matured our climate related risk assessment to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters • Expanded our Climate Active carbon neutral certification statis to our global operations.	35
17 PARTNERSHIPS FOR THE GOALS	• Contributed $50,000 through the TechnologyOne Foundation for team member volunteering aimed at raising sustainable development awareness or engaging in grassroots efforts.	29

Glossary.

Acute risk	Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods.
CH^4 (GHG)	Methane.
Chronic risk	Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.
CO^2 (GHG)	Carbon dioxide.
CO^2-e	Carbon dioxide equivalent (CO2-e) is a measure for describing how much global warming potential a given type and amount of greenhouse gas may cause, using the functionally equivalent amount or concentration (CO2) as the reference.
GHG emissions	Greenhouse gas emissions mainly refers to carbon dioxide, methane, nitrous oxide, sulphur hexafluoride, hydrofluorocarbons and perfluorocarbons.
GJ (gas measure)	Gigajoule. One GJ = 10^9 joules.
GRI standards	Global Reporting Initiative standards.
MWh (electricity measure)	Megawatt. One MWh = 1,000 kW or one million watts.
N_20 (GHG)	Nitrous oxide.
KL (water measure)	Kilolitre. One kL = one thousand litres.
Physical risks	Physical risks are those result from climate change and can be event driven (acute) or from longer-term shifts in climate patters (chronic).
Scope 1 emissions	Scope 1 greenhouse gas emissions are the emissions released to the atmosphere as a direct result of an activity at an operations level. These are sometimes referred to as direct emissions; examples include emissions from fuel consumed by TechnologyOne owned vehicles (if we had any).
Scope 2 emissions	Scope 2 emissions are indirect emissions from the generation of purchased energy consumed by a company (e.g. emissions from electricity bought from the grid by TechnologyOne).
Scope 3 emissions	Scope 3 encompasses are all other indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company (e.g. emissions our suppliers produce in providing goods and services to TechnologyOne).
TCFD	Task Force on Climate-Related Financial Disclosures.
Transition risk	Transition risk is the risk inherent in changing strategies, policies or investments as society and industry reduce reliance on carbon and impact on the climate
tCO_2-e	Tonnes of CO2-e.
UN SDGs	United Nations Sustainable Development Goals.

Directory.

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About TechnologyOne

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

Over 1,300 leading corporations, government agencies, local councils and universities are powered by our software. For more than 35 years, we have been providing our customers enterprise software that evolves and adapts to new and emerging technologies, allowing them to focus on their business and not technology.

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