

# Corporate Sustainability Report 2021

FOR THE YEAR ENDED 30 JUNE 2021



**tyro**

TYRO PAYMENTS LIMITED - ABN 49 103 575 042

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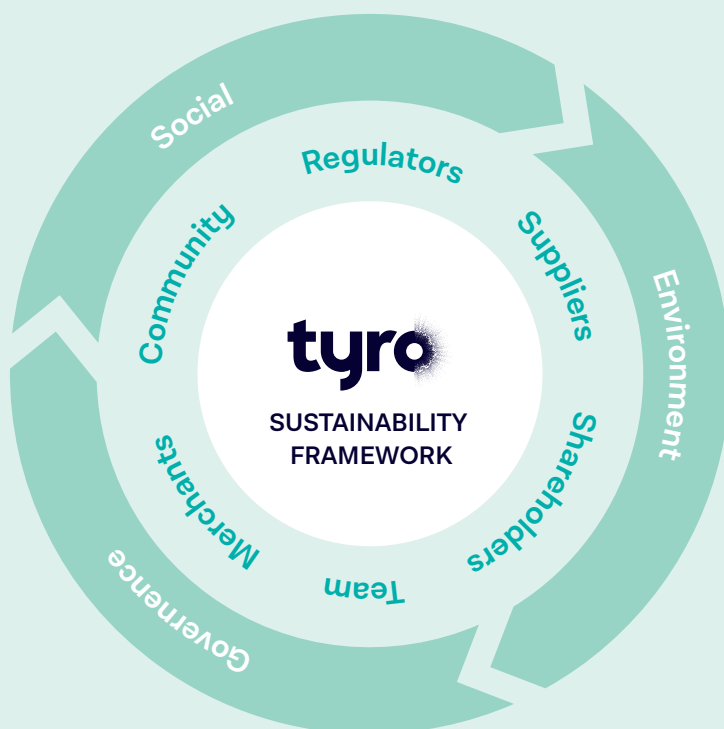
## REPORT SCOPE

This report covers the 2021 financial year from 1 July 2020 to 30 June 2021. In certain cases, metrics are provided for periods outside of the 2021 financial year. Where these metrics are provided, the period covered by the metric is noted.

Unless otherwise noted, the information in this report only covers Tyro's operations and does not include any sustainability metrics for our merchants or suppliers. In selecting content for inclusion in our 2021 report, we referenced our industry-specific sustainability standards.

## ABOUT THIS REPORT

Tyro did not employ an external auditor or organisation to audit the contents of this report. Please direct questions on this sustainability report or topics related to our corporate responsibility activities to [investorrelations@tyro.com](mailto:investorrelations@tyro.com).



# Tyro's Sustainability Priorities

This report provides a comprehensive overview of Tyro's approach to Sustainability going forward following the adoption of our new Sustainability Framework in FY21. In summary, the priority targets that we are seeking to achieve under this new Sustainability Framework are as follows:

	PRIORITY	TARGET DESCRIPTION	TARGET DATE	ESG CATEGORY
	Gender balance - whole of organisation	Achieve a gender balance of 40/40/20 representing 40% of our workforce made up of women, 40% of men and 20% non-binary (refer to Page 17 of this Report)	30 June 2023	Social
	Gender balance - Board representation	Achieve a gender balance of 30% for Directors of each gender (refer to Page 17 of this Report)	30 June 2022	Social
	Employer of choice	Rated in the Top 20 best places to work in Australia (refer to Page 16 of this Report)	30 June 2024	Social
	Employee engagement	Achieve an overall employee engagement score of 80% and above (refer to Page 16 of this Report)	30 June 2023	Social
	Customer satisfaction	Achieve the highest Net Promoter Score amongst payment providers in Australia (refer to Page 23 of this Report)	30 June 2022	Social
	Net Zero	Achieve a 'Net Zero' accredited status for our environmental footprint (refer to Page 28 of this Report)	30 June 2025	Environmental

# CHAIRMAN'S LETTER

Dear Shareholder,

Working with 58,186 merchants across Australia, we are driven by our mission to set businesses free to get on with business by simplifying their payments and banking. We do this by delivering our solutions in a manner that aims to create a sustainable future for all our stakeholders. This includes our shareholders, our people, our merchants, the community in which we operate, our suppliers and business partners and regulatory bodies.

FY21 has demonstrated how resilient we are as a Company as we faced some of the greatest challenges in our eighteen (18) year history. The COVID-19 pandemic has continued to significantly impact our merchants and their ambitions. These social and environmental issues have impacted all of our lives and livelihoods. We also experienced a major terminal connectivity issue in January 2021 that impacted some of our merchants. Through the tremendous efforts of our 500 team members, we managed to restore the operations of affected merchants. We have emerged stronger, more competitive and a more efficient company.

We are committed to living by our Company values in all we do. We are driven to provide the best possible service to our merchants. We endeavour to be open and transparent and do the right thing. We want to think big, move fast and dare to be different. The team is passionate to make a difference for our customers and partners, and to work as a team.

While the words of our Company Values are not new, FY21 has clearly demonstrated that we have to live by our values every day. Our merchants use our technology, resources and capabilities to drive their businesses and ambitions — and we need to be there to support their growth.

Sustainability is not only about our relationship with our merchants - it is also about our responsibility to the environment, social issues, equity, engagement with the community, good governance and ethical standards. During FY21, Tyro has undertaken a detailed assessment of our material sustainability risks and the impact of these risks on our business in the short to mid-term. This assessment included quantifying our current carbon footprint and setting a goal of achieving 'Net-Zero' carbon emissions

in the next 4 years, re-affirming our diversity and inclusion targets and extending our commitment to the communities where we work.

Sustainability is also about effective risk management. We continue to develop and strengthen our governance frameworks and risk management practices to ensure we are meeting the expectations of our stakeholders and meeting all our regulatory requirements. As an authorised deposit taking institution (**ADI**), we are accountable under the Banking Executive Accountability Regime (**BEAR**) framework as well as the regulations maintained by the Australian Prudential Regulation Authority (**APRA**).

This is our first sustainability report. It outlines our objectives across a range of measures for FY21. This includes details on a number of initiatives underway across the business.

We have enhanced our sustainability reporting disclosures this year by reporting with reference to internationally recognised sustainability standards.

Tyro has always been committed to a sustainable business model and our 2021 sustainability report provides an update on our progress. We still have much to do, however we are committed to creating value and building a sustainable future for our merchants, team members, shareholders, and the broader community in which we operate.

Sincerely,



**David Thodey**  
Chair

26 August 2021



# SUSTAINABILITY HIGHLIGHTS



## SUSTAINABILITY FRAMEWORK

Undertaken a detailed assessment of our material sustainability risks and the impact of these risks on our business in the short to mid-term

## NEW TECHNOLOGY

Medipass  
Tyro Connect  
me&u  
Paypa Plane  
Tyro Go



## EQUAL PAY



## SUSTAINABILITY CHAMPIONS

Formation of a Sustainability Champions Group



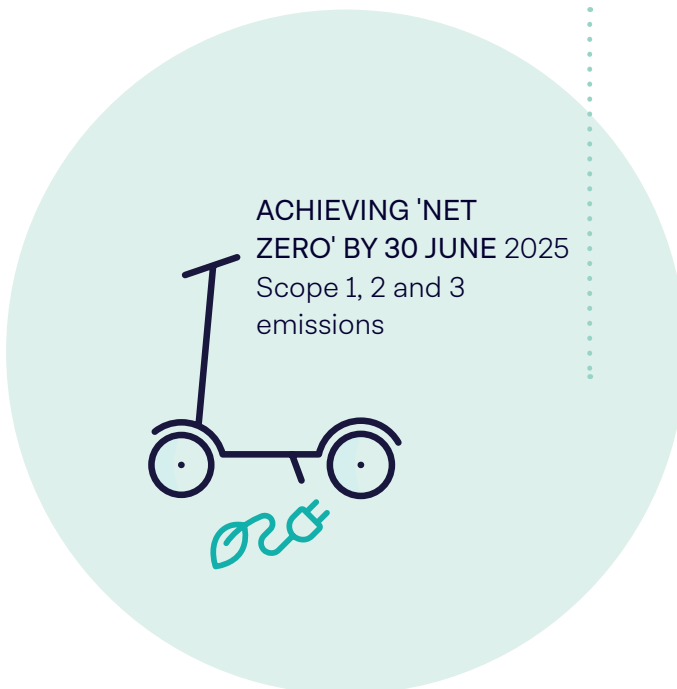
## DOING THE RIGHT THING BY OUR MERCHANTS



1.5M



## CONTINUED RESPONSE TO COVID-19



ACHIEVING 'NET ZERO' BY 30 JUNE 2025  
Scope 1, 2 and 3 emissions



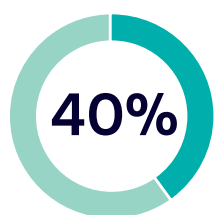
29% Gender representation on the Board



539 Team members



From 47 Countries



Average of 40% Gender representation in Executive, Senior and Other Managers

# ABOUT TYRO



Our business was founded in 2003 with an ambition to be the most efficient acquirer of electronic payments in Australia. We have a track record of innovation, creating purpose-built solutions and being first to market.

We are a technology-focused and values-driven company providing Australian businesses with payment solutions and value-adding business banking products.

Tyro's mission is simple – we exist to set businesses free to get on with business by simplifying payments and banking.

Working with over 58,000 merchants across Australia, it is important that we fulfil our mission by delivering our solutions in a manner that creates a sustainable future for all our stakeholders. This includes our shareholders, our people, our merchants, the broader community in which we operate, our suppliers/business partners and regulatory bodies. A sustainable future requires consideration of our environmental footprint, our impact on the planet and the strategies we have in place to minimise this impact.

## OUR CORE BUSINESS

Payments are at our core, using our proprietary technology platform to enable credit and debit card acquiring. We enhance our acquiring offering with features purpose-designed for those merchants that choose to partner with us, including our point-of-sale system integrations, least-cost routing (Tap & Save) and alternative payment types such as integrated Alipay and Zip Pay QR based payments and tele-health payments. Traditionally, we have been focused on in-store payments, but have recently expanded into eCommerce.

As part of our offering, we also provide value-adding solutions, such as our loans in the form of merchant cash advances and our fee-free, interest-bearing merchant transaction accounts and term-deposit accounts.

## Our Mission

We eliminate friction with payments + banking solutions, that:

-  **Businesses trust**
-  **Partners advocate**
-  **Employees are proud of**
-  **Our community backs**

## Our Vision

To be Australia's:

-  **fastest growing**
-  **most loved + trusted**
-  **sustainable**

payments + business banking partner



## OUR PRODUCTS AND SERVICES

We provide integrated payment solutions and value-adding services to support merchants with growing their businesses and providing their customers with a seamless payment experience.

### CORE PRODUCTS:

**Card-Present Payments:** Payments made at our merchants whereby consumers present their card of choice to facilitate the payment for goods and services purchased.

**Card-Not-Present Payments:** eCommerce, tele-health and mail-order and telephone-order payments made to merchants by consumers where a card is not presented for payment.

**In-app payments:** Payments made using apps such as me&u whereby payment is facilitated through the app using Tyro's payments infrastructure and not through traditional point-of-sale terminals.

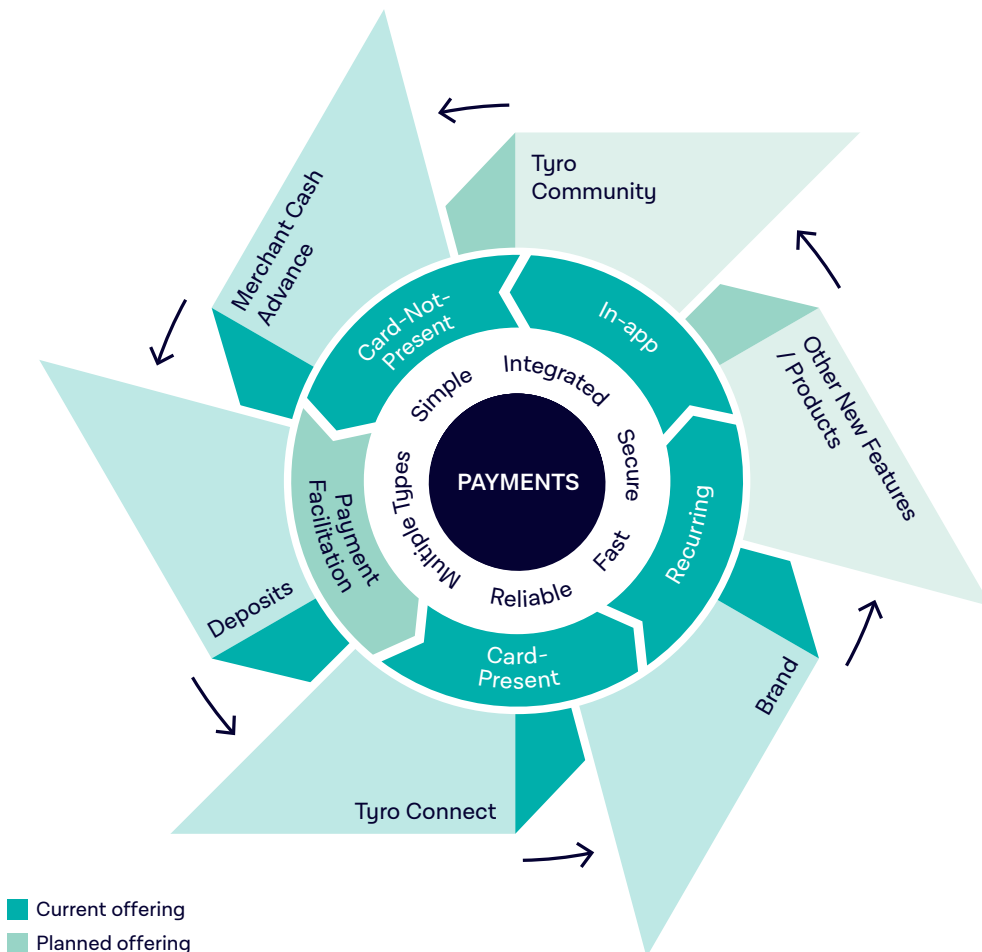
### VALUE-ADDING SERVICES:

**Loans in the form of a merchant cash advance:** An unsecured merchant cash advance designed to help merchants finance working capital and investment needs.

**Tyro fee-free transaction account:** A fee-free, interest-bearing transaction account available to our merchants.

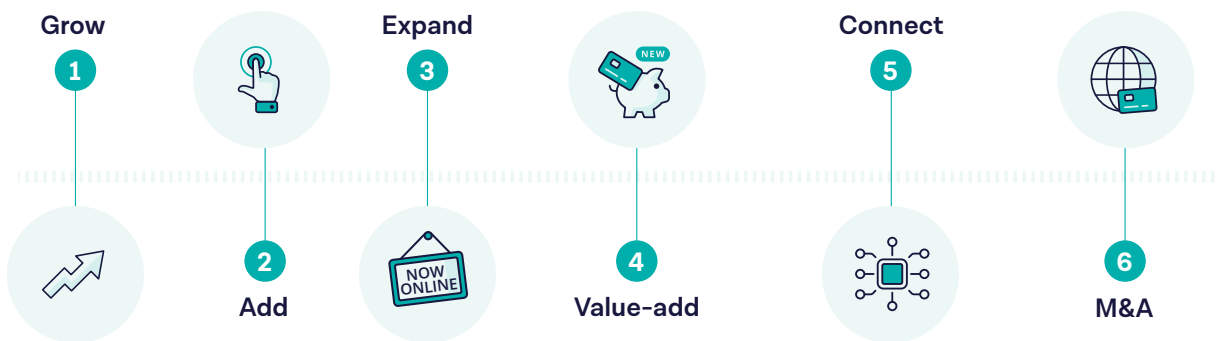
**Tyro term-deposit account:** A competitive interest-bearing fixed term deposit account available for our merchants.

**Tyro Connect:** Tyro Connect is an integration hub for apps and POS systems – a 'plug and play' platform software solution designed to address merchant pain points around 'counter clutter' and manual processes. It also aims to make it easier for POS system partners and app providers to meet customer needs.



## OUR GROWTH STRATEGY

We have a clear strategy which underpins our growth ambitions. This includes a number of key initiatives as set out below:



**1.**

**Grow merchant share in existing core verticals:** we drive continued market segment growth through a variety of approaches including: increased marketing to drive brand awareness; more point-of-sale system integrations; additional payments methods; and the development of more industry-specific solutions.

**2.**

**Add new core verticals:** we intend to add new core verticals, such as Services and Accommodation to our portfolio. We believe merchants in these verticals will benefit from a merchant acquirer with the technical capability to produce specialised solutions and the preparedness to build domain expertise.

**3.**

**Drive our expansion into eCommerce and other payment types:** there is a significant opportunity to drive growth in eCommerce within our current merchant base through our unified payments solution. Additionally, we intend to continue to innovate and provide multiple new and emerging payment types as we have with new payment methods like Alipay, Zip Pay and tele-health.

**4.**

**Cross-sell and drive expansion in lending and other value-adding services:** we will continue to promote our value-adding offerings to existing merchants (including our loans in the form of merchant cash advances, Tyro fee-free transaction account, Tyro term-deposit account and Tyro Connect) to enhance our unit economics through greater share of merchant wallet and retention.



**5.**

**Tyro Connect:** our 'plug and play' platform software solution is designed to be an integration hub for apps and point-of-sale systems, seeking to address merchant pain points around 'counter clutter' and manual processes. This platform seeks to reinforce our value proposition to merchants and embed us more deeply into the evolving commerce ecosystem.

**6.**

**Strategic investments and M&A:** we have made strategic investments in me&u and Paypa Plane. me&u is a leading Australian mobile order and pay in venue solution for the hospitality industry which seeks to improve restaurant-goers' experience, free up wait staff for higher value tasks and increase order value and frequency. As part of our investment, we have the right to provide the in-app payment solution for me&u, and me&u is one of the foundation apps on the Tyro Connect platform. Paypa Plane is the evolution of recurring payments in Australia. Paypa Plane offers an innovative platform to deliver a recurring payment solution to consumers.

The alliance we formed with Bendigo Bank to provide our payments expertise to Bendigo's business customers, with Bendigo Bank continuing to provide all other banking services to these customers under a long term, collaborative, and strategic alliance is another example of our approach to growth.

Our acquisition of Medipass, a Melbourne based health fintech was pursued to provide an immediate uplift in cardless digital health claiming and payments capabilities.

Our appetite to continue to accelerate growth and development through acquisitions and/or strategic partnerships remains a core strategy for us so long as such opportunities align from a valuation, strategy and culture perspective.

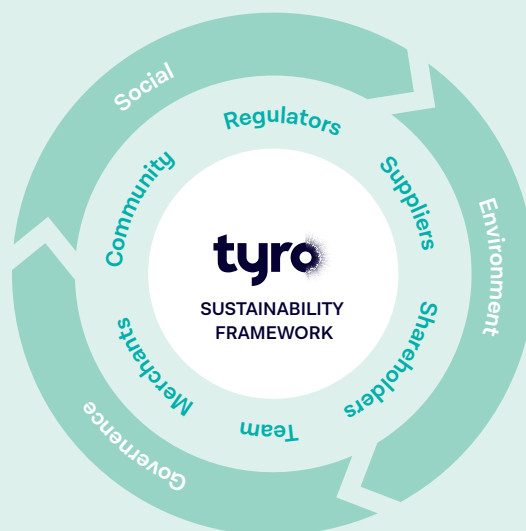
# SUSTAINABILITY AT TYRO

Sustainability at Tyro is at the core of our vision to be the most loved, trusted and sustainable payments and business banking partner.

The Board and management is committed to having a sustainability framework in place that reflects the reason why we exist now and into the future. We recognise that to continue growing a strong business requires consideration of all our stakeholders and the impact of our business on those stakeholders. We are therefore committed to ensure sustainability risks and opportunities are integrated into our purpose, strategic objectives, culture, and values.

In order to facilitate our response to sustainability issues, we have developed a sustainability framework applicable to Tyro’s business that focuses on the three principal pillars of sustainability, namely:

- Social Sustainability;
- Environmental Sustainability; and
- Ethical and Responsible Governance.



## SUSTAINABILITY GOVERNANCE

We operate under the following sustainability governance structure.

**Board and People Committee**

- Review and approve Tyro’s sustainability framework and ensure sustainability risks are integrated into our overall risk framework



**CEO and Managing Director**

- Develops the approach as to how Tyro strategically integrates, reports and discloses the benefit from operating a sustainable business strategy
- Responsible for the performance of the sustainable business strategy
- Engage with key external stakeholders (Shareholders and Regulators)



**Executive Leadership Team**

- Perform annual sustainability risk assessment
- Implement the sustainable business strategy
- Engage with and support the business through leadership of teams
- Engage with our Merchants, Community and Suppliers to ensure our sustainable business strategy meets our performance targets



**Internal Stakeholders**

**Team**



Tyro's sustainability framework has been approved by the Board and responsibility for the framework has been delegated to the CEO | Managing Director (**CEO**), who leads Tyro's Executive Leadership Team (**XLT**) which is responsible for reviewing sustainability risks and opportunities, developing a sustainability strategy and overseeing the delivery of Tyro's sustainability framework. The XLT is also responsible for communicating sustainability matters with team members and other key stakeholders.

As part of our sustainability framework, we performed a sustainability risk assessment for FY21 to ensure we:

- identify the environmental, social and governance issues and risks that may have a material impact on our value over the short, medium, and long term;
- provide both data and a supporting narrative explaining why the issue is material and how it impacts our business value chain;
- recognise the impact that our business has on stakeholders such as team members, merchants, communities, shareholders, regulators, and suppliers and describe how we take the views of our stakeholders into account as part of our risk assessment;
- describe our policies and procedures for managing our environmental and social impact over the short, medium and long term; and
- develop a system to evaluate whether our sustainability policies and procedures are effective, including performance against set annual metrics and targets.



The risk assessment conducted in FY21 incorporated the research and guidance provided by internationally recognised sustainability standards.

The risk assessment conducted in FY21 incorporated the research and guidance provided by internationally recognised sustainability standards.

Informed by this assessment, as well as by our ongoing engagement with stakeholders, the following sustainability issues were identified as our material issues as they relate to the importance of sustainability and the influence on our business success.

RISK	RISK CATEGORY	ESG CATEGORY
Lack of employee engagement, diversity and inclusion	Operational	Social
Irresponsible lending practices and access and affordability of lending	Reputational + Financial	Social
Entry of new technologies, product design and lifecycle management	Strategic + Competitive	Social
Supply chain management including product sourcing	Operational	Social
Impact of increasing energy and water costs	Financial + Operational	Environmental
Exposure to extreme weather events and health events	Financial + Operational	Environmental
Breach of consumer privacy and data security	Reputational + Cybersecurity	Governance + Ethics
Selling practices and product description	Legal + Regulatory	Governance + Ethics
Risk management and compliance	Legal + Regulatory	Governance + Ethics
Increased competitive behaviour	Financial	Governance + Ethics
Business ethics	Brand + Reputational	Governance + Ethics

## STAKEHOLDER ENGAGEMENT

We continually engage with stakeholders to better understand their views and sustainability concerns.

STAKEHOLDER	RELATIONSHIP
Merchants	<p>Our merchants always come first. They are the reason we exist and they can always choose to take their business to a competitor so it is essential that we continue to innovate, to offer great products, excel in service and provide value for money.</p> <p>Australian businesses, mainly small and medium-sized enterprises, are at the heart of what we do. In particular, we focus on three verticals – Health, Hospitality and Retail. This focus has enabled us to produce vertically specific products and features, meeting the needs of our merchants and solving the friction points they experience.</p> <p>We interact with our merchants through our customer service centre, product team, sales team, and our banking team and through the Tyro App and website. We also have an active social media engagement program and source feedback on our service delivery through our Net Promoter Score program together with targeted merchant surveys.</p>
Team	<p>Our employees create and deliver the products and services that our merchants need to set them free to get on with business. Our team is the reason we excel at what we do.</p> <p>We have a strong emphasis on recruiting and retaining top talent that enhances our strong values-driven culture. The accumulation of our collective experience, shared values, and individual skills has allowed Tyro to deliver industry-leading products and solutions.</p> <p>As a team we engage through a variety of channels, including town halls, virtual and face-to-face communications, email and Slack. Feedback is encouraged through our employee surveys, team leader communication and a direct communication channel to our CEO and Executive Leadership Team.</p>
Shareholders	<p>These are our Investors. They own the Company and ultimately the Board is appointed to act on behalf of shareholders and is accountable to shareholders.</p> <p>Our shareholders include retail, self-managed superannuation funds and institutional investors. We maintain an active engagement with our shareholders through our investor relations program and by promoting effective communication with all shareholders. We encourage their participation at general meetings and investor briefings and this participation helps ensure that all shareholders have equal access to relevant information, thereby maintaining an informed market.</p>
Community	<p>We want to be a good corporate citizen with positive links to the local communities in which we operate. We want to be seen as a responsible business, a responsible employer that is providing a great place to work and a responsible participant in doing our part to protect the planet.</p> <p>The long-term success of Tyro is closely inter-related to the success of the communities in which we operate. Positive relationships with these communities allows us to build trust and long-term sustainability of our operations.</p>
Regulators	<p>We need to be compliant with all laws and regulations and ensure that our business practices meet those requirements, as well as community expectations.</p> <p>Compliance with our banking licence, and the legislation, regulations, rules and standards underpinning that licence, is critical to our business sustainability. As is understanding, and being responsive to the broader economic, social and community issues impacting government policy.</p> <p>Our CEO, our risk team and our legal team manage our relations with regulators and participate in regular meetings with government and regulatory agencies which assist us to foster constructive relationships and participate in government and industry forums.</p>
Suppliers	<p>We collaborate with our suppliers to run the business. We aim to build strong long-term relationships with suppliers and business partners in turn ensuring they live-up to our values. We engage with our network of integrated point-of-sale system partners and independent sales organisations as part of our sales strategy.</p> <p>To protect our relationships with key suppliers, we regularly interact through meetings, tender processes and industry and product conferences.</p>

## OUR RESPONSE TO THE TERMINAL CONNECTIVITY ISSUE

On 5 January 2021, we experienced a terminal connectivity issue with respect to some of our EFTPOS terminals. In accordance with our Business Continuity Management Policy and Business Continuity Plan. We immediately initiated a Major Incident Management Response upon the incident being identified to manage our recovery activities.

The root cause of the incident was established with the assistance of our terminal supplier, Worldline. Specifically, an issue existed in some versions of the terminal platform software installed on Tyro's Worldline terminals. This issue caused a subset of those terminals to lose connectivity with our network meaning they could neither transact nor be updated remotely.

To resolve the situation we collected, repaired, and returned the impacted terminals to merchants as rapidly as was possible and at the peak of the connectivity issue, 19% of our merchants were fully impacted by the incident. A further 11% of our merchants were impacted on a limited basis as they had multiple terminals with at least one functioning unit allowing them to continue to process payments. The majority of our merchants (70%) were unaffected by the incident.

This event did not sit comfortably with us as a team, and notwithstanding 18 years of operation with no similar issue, we are now establishing a 'failover' solution to mitigate any repeat of incidents of this nature again. This solution will comprise a 'dongle' supplied in combination with our standard terminals as an extra level of redundancy - this is an industry first move.

We have also implemented a remediation program for financially affected merchants whereby such merchants have the opportunity to claim losses from Tyro. As at 23 August 2021 we have settled claims with approximately 85% of those merchants who have sought remediation via this process.

## OUR RESPONSE TO COVID-19

Although the roll-out of vaccines in Australia and globally is starting to offer hope that business can return to normal, many of our merchants are still impacted by COVID-19, be it through the limitation placed on international travel, the numerous unexpected state based lockdowns, and limitations on the number of customers allowed in a venue at any time.

Our merchants have found the impacts of COVID-19 extremely challenging despite all their efforts to innovate and adapt, and notwithstanding the various assistance packages on offer from the federal, state and territory governments and from Tyro. We continue to be committed to doing all we possibly can to support our merchants and our team during this period. We developed a range of responses to the crisis to ensure Tyro could continue to provide critical payments and banking services to our over 58,000 merchants.

A summary of how we continue to support the recovery efforts for our merchants and employees and for the communities in which we operate during this ongoing COVID-19 crisis is provided below.

*"This solution will comprise a 'dongle' supplied in combination with our standard terminals as an extra level of redundancy."*



## OUR EMPLOYEES

We did not reduce our team nor place any personnel on unpaid arrangements during the COVID-19 crises. This has ensured that we were well positioned to accelerate our growth as merchants return to full operational capacity.

The commitment and performance of our team during the challenges of COVID-19 was immense, even though we froze all remunerations increases from 1 March 2020 to manage our cost base. In recognition of this effort by the team, we have resumed remuneration increases effective from 1 January 2021 in accordance with our stated remuneration framework.

Introduced LinkedIn Learning for all our employees offering free access to over 8,000 learning courses.

Introduced mental wellness guides and support for our employees.

Continued conducting regular employee surveys focusing on employee wellbeing and engagement.

Rolled-out a new safe working environment for our team members working from the office.

Implemented a new distributed work policy to allow for flexibility of working in-office or from home for employees dependent on organisational needs and requirements.

## OUR MERCHANTS/COMMUNITIES

Provided terminal rental waivers to merchants that were impacted by COVID-19. \$1.6 million in waivers provided in FY21 (FY20: \$ 1.1 million).

Loan repayment holidays were provided to merchants affected by COVID-19 through reactive and proactive engagement. Inbound merchant requests with the need to defer loan repayments were prioritised for immediate assessment and action, whilst an outbound contact program provided merchants with awareness of the support available.

Resumption of the Tyro Merchant Cash Advance automated loan product to assist merchants with their working capital and growth requirements as their businesses ramp up to full operating capacity again.

Tyro supported merchants in our Health vertical by processing tele-health claims and gap fee payments through Tyro's EFTPOS terminals, mail order/telephone order processing, direct invoicing and virtual terminals via the Tyro eCommerce platform.

Fast-tracking of access to the Tyro eCommerce product. The Tyro eCommerce solution includes features such as e-Invoicing, virtual terminal, recurring payments and security and fraud protection matched to a competitive pricing structure and our 24/7 Australian-based customer support.

Launch of Tyro Connect to assist our merchants to more easily integrate and more effectively use the apps they need to thrive in today's competitive market.

Continue to drive the adoption of least cost routing to ensure merchants pay the lowest cost transaction fee for card payments.





# GS HEALTH

Preventative Healthcare



# Social Sustainability

## Our People and Culture

Our people are at the core of who we are. We have a strong emphasis on recruiting and retaining top talent that enhances our strong values-driven culture. The accumulation of our collective experience, shared values, and individual skills has allowed Tyro to deliver industry-leading products and solutions.



### OUR VALUES

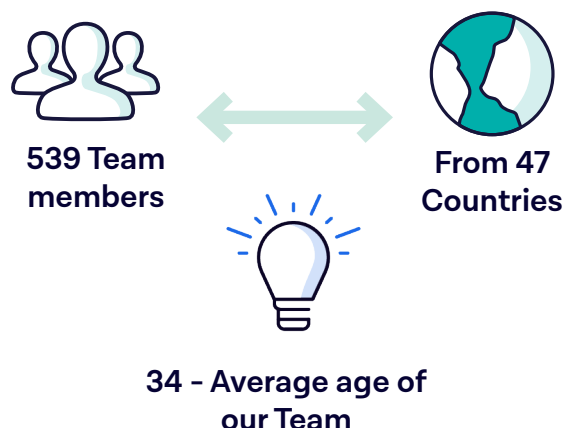
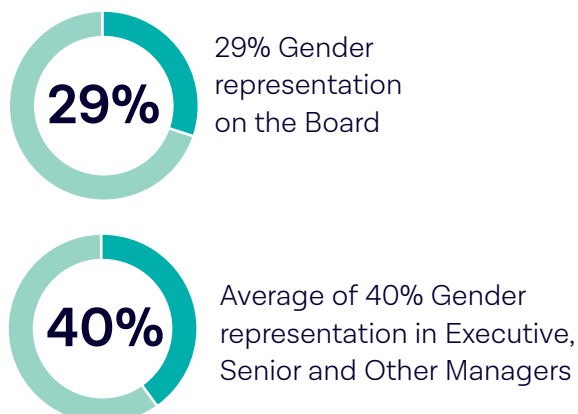
We are proud of our open, inclusive, and collaborative culture which has at its foundation our guiding values. We foster a high performance, values-driven culture and our most recent employee survey showed that 70% of our team members are proud to work at Tyro and 68% would recommend it as a great place to work. Our recent employee engagement survey results showed that we achieved 62% in overall employee engagement. We have set ourselves a target of increasing this score to over 80% by 30 June 2023.

As a team, we are driven by making a real difference to Australian businesses – we support them and provide solutions to their business challenges.

### OUR WORKFORCE

Tyro's workforce has grown and diversified as our merchants, products and services have expanded. Our team members come from 47 countries, speak 53 languages, and have an average age of 34. Our Executive Leadership Team is 33% female while 36% of our senior managers are female and 45% of our other managers are female.

We ended FY21 with 13% more people than the prior year reflecting both organic head count growth to better service our merchants along with 28 new employees as part of the integration of the Bendigo Alliance and the acquisition of Medipass. In total we have 539 team members.



# Women of Tyro



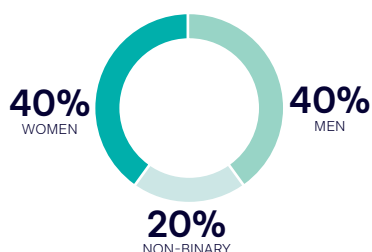
## DIVERSITY

At Tyro, we embrace diversity and inclusiveness and create a sense of belonging because we know it's what makes us better as a team, as a Company and as members of the wider community.

Tyro's workforce is made up of many individuals with diverse skills, values, experiences, backgrounds and attributes including those gained on account of their gender identity, age, disability, ethnicity, marital or family status, religious beliefs, cultural or socio-economic background, sexual orientation, perspective and experience. Advancing our diversity, inclusion and belonging priorities is an ongoing focus for us.

We believe that a commitment to diversity and inclusion as well as a commitment to fairness and respect for all creates a competitive advantage, enhances employee participation and in this way is essential to Tyro's continued growth and success.

We also celebrate diversity of thinking. Our team consists of individuals who share common values, a common vision for Tyro and common respect for their fellow team members. However, in certain circumstances they may not share the same ideas, strategies, or way of doing things. We encourage this difference in thinking to enable us to challenge each other, break down the boundaries that may be holding us back, and challenge our leadership team to shift historical thinking to adopt a new way of fulfilling Tyro's vision.



*"We encourage this difference in thinking to enable us to challenge each other, break down the boundaries that may be holding us back, and challenge our leadership team to shift historical thinking to adopt a new way of fulfilling Tyro's vision."*

## OUR STATED DIVERSITY TARGETS AT TYRO FOR FY21 WERE:

- Representation of gender groups based on a 40:40:20 approach with at least 40% women, 40% men, with the remaining 20% unspecified to allow for flexibility and to recognise that gender is non-binary.
- Achieve a gender balance of 30% for Directors of each gender.
- Taking active steps to identify and rectify any identified gender pay gaps during remuneration reviews taking effect in January 2021.
- Rolling-out unconscious bias training to our team and ensuring 100% of our employees complete the unconscious bias training in FY22.
- Career development and targeted professional development programs including those aimed at helping employees develop skills and experience in preparation for senior management positions.
- Work/life balance policies including flexible work options, parental leave support, and return-to-work programs.
- Opportunities for employees on extended parental leave to maintain their connection with Tyro, for example, by offering them the option (without any obligation) to receive all-staff communications and to attend work functions and training programs through keep-in-touch days.
- Networking opportunities for women at Tyro to expand their networks beyond their team and department, via the Women of Tyro group.
- Launching Tyro's own LGBTQIA+ advocacy network, Tyro Pride, to empower Tyros of diverse genders and sexual orientations to bring their whole selves to work.

Our diversity results achieved in FY21 clearly show our commitment to this fundamental ongoing program of diversity that remains a key pillar of our values at Tyro.

GENDER DIVERSITY	AT 30 JUNE 2021	AT 30 JUNE 2020
Board of Directors (Non-executives)	2 of 6 Directors (33%)	2 of 6 Directors (33%)
CEO   Managing Director	0 of 1 employee (0%)	0 of 1 employee (0%)
Key Management Personnel <sup>1</sup>	0 of 2 employees (0%)	1 of 2 employees (50%)
Other executives / general managers <sup>1</sup>	4 of 10 employees (40%)	4 of 9 employees (44%)
Senior managers <sup>1</sup>	18 of 50 employees (36%)	11 of 31 employees (36%)
Other managers <sup>1</sup>	24 of 53 employees (45%)	23 of 67 employees (34%)
Equal pay audit	No audit conducted	No audit conducted
Culture engagement survey on diversity	73% of employees indicate they are not inhibited by a 'glass ceiling'	No survey conducted

<sup>1</sup> These management positions are defined in the Workplace Gender Equality Agency's guide to reporting under the Workplace Gender Equality Act 2012. Note that Key Management Personnel under these reporting guidelines does not include the CEO, as it does elsewhere in this report.

## REMUNERATION

Tyro offers competitive compensation packages through a mix of fixed and variable pay, including fixed annual remuneration, a short-term incentive plan made up of cash and equity and a long-term incentive plan made up of equity to qualifying employees. Our remuneration approach focuses on both financial and operational performance outcomes, together with an element of individual performance.

Compensation is guided by three core principles and seeks to strike the appropriate balance between:

- Attracting, motivating, and retaining the best talent.
- Reflecting the interests of our shareholders as the owners of our business.
- Respecting and 'wowing the customer' and living our values.

To enable our values-driven approach, our performance reviews include an assessment of how our team members live our values when delivering against the expectations of their roles. This contributes to the overall performance rating which impacts the team member's remuneration outcome.

In relation to our FY21 short-term plan, an increased weighting has been applied to our overall customer satisfaction levels which applies to all team members irrespective of whether they hold a customer-facing role or not. In addition, all our sales incentive programs involve a 'balanced scorecard' approach which is designed to ensure the appropriate balance is set between financial outcomes and doing the right thing by our merchants.

We also recognise that we compete in a hyper competitive, highly skilled, high demand talent market, and as such we offer remuneration designed to attract, motivate and retain team members who will continue to contribute to our growth and success.

Tyro's People Committee is responsible for our remuneration framework and all matters relating to our team members including social sustainability of our workforce. For more information on our approach to remuneration, see our remuneration report on pages 64 to 97 of the 2021 Annual Report.



*"As at 30 June 2021, approximately 12% of Tyro's shares are held by Directors and employees."*

### SHARE OWNERSHIP:

Our goal is for all our team members to be shareholders in Tyro and share in the continued growth and success of Tyro. The majority of our employees were either shareholders in Tyro or had options to acquire shares prior to our listing on the ASX in December 2019. As a further incentive to encourage additional share ownership we offered team members the opportunity to acquire shares through the IPO process as part of the listing. This opportunity included:

- The right to acquire \$5,000 worth of shares in Tyro as a discount of 10% to the IPO listing price; and
- The right to acquire \$10,000 worth of shares in Tyro at the IPO price.

Further opportunities to acquire shares continue through team members' participation in our short-term incentive and long-term incentive equity awards as part of their remuneration package.

As at 30 June 2021, approximately 12% of Tyro's shares are held by Directors and employees.

## EQUAL PAY

We have policies and practices in place designed to ensure that our employees receive equal pay for equal work. In FY21 we conducted an equal pay review with the results confirming that all our employees receive equal pay irrespective of gender. We also offer our team members direct communication channels to XLT and the CEO for raising pay-disparity concerns.

EQUAL PAY – AVERAGE REMUNERATION FOR FY21	WOMAN \$	MEN \$	EQUALITY RATIO FY21
Key Management Personnel (excl. CEO   Managing Director)	\$398,000 <sup>1</sup>	\$418,000	0.95
Other executives / general managers	\$318,000	\$335,000	0.95
Senior managers	\$215,000	\$230,000	0.94
Other managers	\$144,000	\$146,000	0.97
All other staff	\$93,000	\$113,000	0.82

<sup>1</sup> This relates to the fixed annual remuneration for Angela Green who was a KMP of the Group before leaving on 10 June 2021.

## EMPLOYEE BENEFITS

At Tyro, the well-being of employees is an important component of our culture and is vital to thinking about employee benefits in a holistic way. We offer a core package of benefits and supplemental benefits for employees.

### FAMILY SUPPORT AND LEAVE ENTITLEMENT

- Our parental leave benefit supports parenthood for all our employees. It provides up to 52 weeks of leave (of which 16 weeks is paid parental leave) for the primary caregiver and 12 weeks of paid leave for the secondary caregiver.
- We provide 10 days of cumulative personal leave to employees per annum which may also be taken as carer's leave and 2 days of paid compassionate leave for a member of the employee's immediate family or a member of the employee's household.
- Permanent employees are entitled to long service leave after working for an unbroken period of ten years with Tyro. The current service leave entitlement is two months paid leave after ten years' service and one month paid leave for each additional five years' service.
- An employee who is a parent, or has responsibility for the care of a child, may request a change in their working arrangements, including adopting flexi-work arrangements.

### PROFESSIONAL DEVELOPMENT

- We introduced LinkedIn Learning for all our employees offering free access to over 8,000 learning courses in FY21. As at 30 June 2021, 277 employees have participated in these courses.
- Tyro employees have access to in-person training courses offered by the Australian Institute of Management at their Sydney campus. These in-person courses were halted during COVID-19.
- Provision of leadership training and development to all our People Leaders through the Australian Institute of Management and other internationally recognised institutions.
- In FY21, we paused investment in training due to the uncertainty created by COVID-19. We will start all our professional development again once employees can attend in-person training courses again.

"...the well-being of employees is an important component of our culture and is vital to thinking about employee benefits in a holistic way."



## FINANCIAL BENEFITS

- Our Tyro Employee Referral Program offers qualifying employees an incentive of up to \$3,000 for referring successful candidates to Tyro.
- A monthly financial reward program aimed to foster a culture of appreciation and call out for Tyro employees when they go above and beyond in living our values, and positively contribute to making Tyro an even more amazing place to work.
- Access to motor vehicle leasing benefits and corporate vehicle discounts.
- Providing employees with on-demand access to their accrued income.

## COMMUNITY AND LIFE BALANCE

- Effective from FY21, we have introduced a new initiative, our BALI (Bonus Annual Leave Incentive) program which gives employees who reach service milestones are additionally recognised with bonus annual leave of 1 additional day per annum for 5 years' of service, 2 additional days per annum for 6 years' service, 3 additional days per annum for 7 to 9 years' service and 4 additional days per annum for 10+ years' service.
- We provide our employees with leave for volunteer work and community outreach, to encourage their service to these important community organisations.
- We offer a program matching our employees' charitable contributions for approved causes.

## WELL-BEING

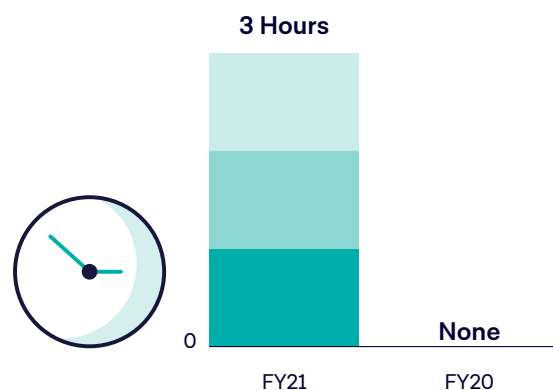
- We offer an annual flu vaccination program to our employees as well as a half-day paid leave to receive each of the two COVID-19 vaccinations should employees choose to be vaccinated.
- We offer all employees with confidential and complimentary access to counseling services for a range of matters including, but not limited to, personal and work relationships, LGBTIQ support, health, trauma, gambling and addiction, trauma, grief and loss, depression, anxiety, drug, alcohol and substance abuse, financial concerns and positive parenting.
- We have provided our employees with discounted access to health and wellness based activities.
- We provide discounted gym and fitness memberships.
- We offer our employees the option to access their pay in advance through a company called Earnd which helps to support their financial wellbeing.
- A Mental Health Guidebook was developed and shared with all employees to ensure and encourage positive mental health during the exceptionally difficult time caused by COVID-19.

## EMPLOYEE SAFETY

### OPERATIONAL SAFETY AND SECURITY

- The safety and security of our Company, our brand, our team, our facilities and our information is of paramount importance to the ongoing success of Tyro. To this end we are committed to providing a safe and secure working environment.
- Our workplace experience team proactively protects the Company and our employees, advising on risk mitigation and threat preparedness for any emergency situations that may occur in the office including providing regular training to employees on office safety and security. Tyro provides training to all employees in first aid, CPR, automatic external defibrillator use and working in a COVID-19 safe environment.

### LOST TIME INJURY FREQUENCY RATES (LTIFR)



## DEALING WITH DOMESTIC VIOLENCE

- Safety is one of the biggest social barriers to women fulfilling their potential in the workplace. For this reason, we actively support and assist any of our team members that may be experiencing domestic violence or abuse at home through some of the following initiatives:
- Team members are entitled to 5 days of paid family and domestic violence leave each year of their employment and includes part time and casual employees. This leave entitlement refreshes each year.
- Team members may also take leave if they need to do something to deal with the impact of family and domestic violence and its impractical to do so outside their ordinary hours of work including making arrangements for their safety, or safety of a close relative.
- We also provide an Employee Assistance Program for all employees, and their immediate families, which is provided as either in-person or telephone counseling support.
- In FY21, we introduced specific training to team members in relation to dealing with, and support offered, for domestic violence and abuse.



"We actively support and assist any of our team members that may be experiencing domestic violence or abuse at home."

## ETHICS AND INTEGRITY

- Everyone at Tyro is expected to live and breathe the standards set out in our Code of Conduct in carrying out their everyday work. This code sets the framework under which all our people are expected to behave. We expect all our Directors and team members to abide by the principles and spirit of this Code.
- Our Code of Conduct is a broad set of guidelines and is not intended to cover every situation that may arise. It complements other policies, procedures, and guidelines we have and is intended to be consistent with them. It sets out a practical set of principles giving direction and reflecting our approach to business conduct, rather than defining a prescriptive set of rules.



- Acting honestly and with high standards of personal integrity.
- Complying with all laws, regulations and statutes that apply to Tyro and its operations.
- Observing at all times, Tyro's policy on the use of the internet, e-mail, computer systems and social media.



- Never engaging in dishonourable, unethical or unprofessional conduct likely to deceive, defraud or harm Tyro or its customers.
- Never carrying out any action, verbal or written, which is likely to discriminate, abuse, torment, harass or bully any person at any time as an employee or contractor of Tyro.



- Acting ethically and responsibly.
- Disclosing and dealing appropriately with any conflicts between your personal interests and your duties as a Director, Exco, people leader, employee or contractor.
- Never taking advantage of Tyro's property, information or customers for personal gain or to cause detriment to Tyro and its customers.



- Dealing with customers and suppliers fairly.
- Maintaining the highest standard of business principles, conduct and service at all times.
- Never carrying out an act which may damage the reputation of, or bring into disrepute, Tyro or our clients.
- Promoting Tyro in a professional and ethical manner.

All Tyro employees receive mandatory training on our key operational and risk management policies and have several ways to report concerns, including an anonymous whistleblower helpline. We also update our Code of Conduct to align with any changes in our business and when we see opportunities for improvement and enhancement. Our Code of Conduct is supported by the anti-bribery and corruption policy, the whistleblower policy and the diversity policy.

## EMPLOYEE ENGAGEMENT

An annual Tyro 'Key Projects Plan' sets out Tyro's targets and deliverables for the year ahead. This 12-month plan, together with our regular hosted events, support our culture of collaboration and innovation. Some of the events that we conduct include our CEO Conference, innovation days known as Blitz, tribe days to encourage effective teamwork across functions and company all-hands, known as Mindshare, to enable the effective flow of pertinent organisational information.

Other engagement activities include:

- A weekly communications update from our CEO.
- An update from our CEO whenever new material ASX announcements are released to the market.
- Use of the internal messaging platform, 'Slack', collaboration platform, 'Confluence' and employee engagement platform, 'Namely'.

We also hold annual all-company employee surveys and more frequent departmental pulse surveys, that not only measures employee engagement but other workplace satisfaction factors such as collaboration, communication, enablement and management, amongst others. Through COVID-19, we also conducted weekly employee surveys to ensure the health and wellbeing of our team was constantly monitored and issues acted on immediately to the benefit of the team.

In July 2020 and then again in March 2021 we conducted an all-employee culture survey. To address the results of these survey's, we created a company Culture Committee, a group of 25 employees represented by all departments of the business to develop action plans to address the 4 key focus areas – Future and Present Commitment, Delivery and Innovation, Work Conditions and Cross-Team Collaboration.

## TYRO SUSTAINABILITY TEAM

We also introduced a Tyro Sustainability Champions Team in FY21. This team is made up of a group of passionate Tyro employees who are volunteering their time to drive a culture of improvement in the way that Tyro deals with its environmental footprint, its contributions to community causes and communicating the positive message of sustainability across the entire organisation.



# New Technology and Product Innovation

## INVESTMENT IN NEW TECHNOLOGIES AND PRODUCT INNOVATION

Tyro recognises that new technology and product innovation is at the core of our value proposition to merchants and we are continually looking for ways to enhance merchants' ability in our core verticals to conduct commerce, whether that be through technological innovation in-house or via industry-leading third parties. Our products and services are designed to address merchant pain points around payments and making the payment process between the merchant and their customers as fast and seamless as possible.

At the heart of our innovation into new technology and product innovation are our innovation days known as Blitz. This is supported by our Tyro LAB which focuses on payments technology 'over the horizon.' We also invest in companies driving new technology in our core verticals to ensure that as payments needs shift, we can innovate to remain relevant to the merchant and their customers.

### Tyro Connect

In FY21, we launched Tyro Connect. Tyro Connect is an integration hub for apps and POS systems that enables hospitality businesses to easily integrate and more effectively use the apps they need to thrive in today's competitive market. It is a 'plug and play' platform software solution that addresses merchant pain points around counter clutter and avoiding the need to re-enter items into the POS. It provides a platform to promote data driven insights to our merchants.



### me&u

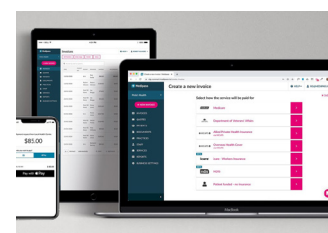
In FY20, we invested in me&u. me&u has become the leading Australian mobile 'tap', 'order' and 'pay' solution for the hospitality industry. Established by the founder of Dimmi (one of Australia's first online restaurant booking and review platforms), me&u enables patrons to view menus, order and pay for meals via their mobile phone, instead of queuing to place an order directly, or via wait-staff. The solution seeks to improve restaurant-goers' experience, free up wait staff for higher value tasks and increase order value and frequency. As part of our investment, we are now starting to provide the in-app payment solution for me&u.



### Medipass

In FY21 we acquired 100% of Medipass Solutions Pty Ltd. Medipass has created a digital health payment platform enabling healthcare providers to accept healthcare payments without the need for a terminal. Over the past three years Medipass has invested in building a multi-sided platform linking healthcare funders, healthcare providers and patients to streamline claims approval and payment acceptance.

Our combination with Medipass is a significant step in building out Tyro's core health vertical and is consistent with our strategy to build our offering through acquisition where there is a distinct opportunity to gain scale and to enhance our position in a key vertical.



### Paypa Plane

In FY21, we invested in Paypa Plane. Paypa Plane is a platform that unites multiple payment methods on one platform and brings simplicity to complex recurring payment structures. As we add this recurring payment functionality to our Tyro bank accounts it will add to our eco-system of providing a comprehensive solution for all types of payments.



### Launch of the Tyro Dongle

To provide a failover for our current terminal fleet, Tyro has started developing a dongle solution. This dongle will also provide Tyro with the ability to expand our current vertical offering into the services and trades space. Future innovation for the dongle product also includes the integration of the dongle into the over 322 POS that our merchants currently work with.

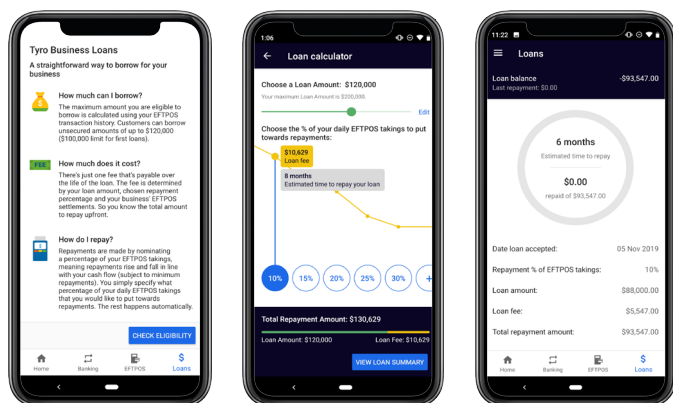


All new products meet current laws and regulations for the product and fall within our existing compliance framework and are developed within strict controls and standards.

# Our Approach to Lending Products

Tyro introduced a business loan to our merchants in the form of an unsecured merchant cash advance. This product is designed to help merchants finance working capital and investment needs and is available to all our merchants who meet our credit and product criteria and provide a personal guarantee.

Key data points considered in determining a merchant's eligibility for a loan include the historic value of transactions processed with us, company director credit scores, standard adverse reporting research and ABN validity. The loan eligibility assessment process is automated; however, where automated eligibility criteria are not met, we may undertake a manual review using additional information collected from the merchant.



The maximum size of each loan is determined by the merchant's annual card transaction value with us, and is currently capped at 10% of that amount to a maximum of \$100,000 for the first loan and \$120,000 for subsequent loans. A merchant cannot have more than one Tyro Business Loan outstanding at any given time. The advantage of this product for the merchant is it aligns repayments with their daily card transaction value, thereby assisting merchants to manage their daily cash flows.

Tyro is committed to meeting our value statement of 'doing the right thing' in our lending product to ensure responsible customer outcomes are realised. We manage and evaluate our approach to responsible lending through a number of mechanisms including monitoring the number of customer complaints and requests for financial hardship assistance received from merchants. We proactively encourage merchants experiencing financial hardship to reach out to us for assistance.

## DEALING WITH FINANCIAL HARDSHIP

COVID-19 escalated the need for Tyro to develop simple, yet robust processes to support our merchants experiencing financial hardship. Loan repayment holidays were provided to merchants affected by COVID-19 through reactive and proactive engagement. Inbound merchant requests seeking loan repayment deferrals were prioritised for immediate assessment and action, whilst an outbound contact program provided merchants with awareness of the support available.

We also provided terminal rental relief to merchants impacted by COVID-19 by waiving terminal rental charges for affected merchants.

The learnings from our interactions with merchants during COVID-19 relating to financial hardship have been incorporated into our lending product and have strengthened our processes around the loan product.

## RESOLVING MERCHANT COMPLAINTS FOR THE LOAN PRODUCT

In FY21, Tyro received 28 complaints from merchants specifically relating to the loan product. Of these, 92% were resolved without any form of further action required or referral to APRA or AFCA.

# Our Approach to Suppliers and Product Sourcing

At Tyro, we seek to incorporate sustainability into all areas of our business, including our supply chain. Our ability to deliver our payments and banking offering is reliant on the performance and availability of our technology and communication systems and that of our suppliers.

We are dependent on a number of key suppliers, including:

- Card schemes.
- Card issuers.
- Our terminal hardware vendor - Worldline and Softspace.
- Telecommunication and network providers.
- Point-of-sale system partners who integrate with our terminals.
- Data centre providers.
- Cloud service providers.
- Third party credit agencies – we rely on the availability and accuracy of their information to assist in making informed credit assessments and in our Know Your Customer on-boarding process to fulfil our anti-money laundering and counter-terrorism financing obligations.
- Third party software providers that are critical in delivering our services.
- Our eCommerce solution provider.
- Our logistics providers who deliver our terminals.

The absence of any one or more of the services above could impact our ability to provide some or all of our services for a period of time, which may adversely affect our reputation, financial position, performance and ultimate sustainability of our operations.

Although we expect each of our suppliers to define their own sustainability measures, including their approach to modern slavery and climate change, our procurement process requires us to evaluate the risk of a suppliers future sustainability and its compliance to relevant legislation including compliance with modern slavery legislation.

In accordance with the Modern Slavery Act 2018 (Cth), we have issued a statement outlining the steps Tyro takes to ensure that our business and supply chain are free of slavery. Tyro recognises and understands the importance of the Modern Slavery Act and is committed to reviewing and assessing the risks of modern slavery in its operations and supply chain. During the reporting period, Tyro developed and enhanced policies and procedures to begin to address the risk of modern slavery in its operations and supply chain. This was the first year in Tyro's journey of managing modern slavery risks and we are focused and committed to continually improve our Modern Slavery Framework. Refer to <https://investors.tyro.com/investor-centre/> for our 2020 Modern Slavery Statement.



# Assisting Our Community

The long-term success of Tyro is closely inter-related to the success of the communities in which we operate. Positive relationships with the community allow us to build trust and long-term sustainability of our operations.

Our employees want to give back, so we make it easy for them. Our team members proactively engage with their local communities through organising fundraising events, assisting in community projects and donating their expertise where needed by communities important to them. We offer our team the support and resources they may need to assist in these proactive initiatives including the ability to take a paid volunteer day annually.

Although we are still a relatively small company that is not generating profits, we are actively looking at ways in which we can make corporate charitable contributions and become involved in corporate social responsible projects. Current projects that we actively looking at include how we can use our payments expertise to roll-out new payments methods to charitable organisations. An example of a charity that we are currently working with is Jeans for Genes (discussed below).

Tyro also actively contributes to public policy debates and industry reviews to improve the payments system in Australia and customer outcomes from those reviews. In FY20, Tyro provided a submission to the current review by the Reserve Bank of Australia Payments System Board's Review of Retail Payments. The key areas of Tyro's submission related to ensuring Least Cost Routing is available in Australia to the benefit of merchants and their customers and improving the transparency of fees in the payments industry.



*"Although we are still a relatively small company that is not generating profits, we are actively looking at ways in which we can make corporate charitable contributions and become involved in corporate social responsible projects."*

## Jeans for Genes

Jeans for Genes is one of Australia's oldest and most beloved charity days supporting vital research to find treatments and cures for children's genetic diseases like cancer, cystic fibrosis, and life-threatening metabolic disorders.

The Children's Medical Research Institute (**CMRI**) relies on the money raised by Jeans for Genes day, and other community fundraising, to keep its labs open and, for nearly 27 years, Australians have seen the streets awash with denim, with volunteers out in force to sell merchandise and collect donations.

With the COVID-19 pandemic, these volunteer locations have had to be scaled back or shut entirely. Those that do operate need to remain COVID-safe, and so contactless payments are essential.

Recognising that charities have been hard hit by the COVID-19 pandemic Tyro is very pleased to be working with the CMRI and providing 50 terminals at no upfront cost.

The accelerated move toward contactless payments has fundamentally disrupted the way that charities fundraise with fewer options for cash-based collections and Tyro is actively working with charities to overcome this disruption through the use of payment technology and will form the core of our corporate social initiatives going forward.



Jeans for Genes  
Volunteer

Jeans for Genes  
VOLUNTEER  
DIVESH (CAN)

1 IN 20 KIDS  
NEED YOUR HELP

1 IN 20 KIDS  
NEED YOUR HELP

1 IN 20 KIDS  
NEED YOUR HELP

1 IN 20 KIDS  
NEED YOUR HELP

1 IN 20 KIDS  
NEED YOUR HELP

Katmandu

# Environmental Sustainability

## WHY IS THIS IMPORTANT

The weather events over the past 2-years in Australia have clearly demonstrated the significant impact that the climate is having on our communities and the sustainability of businesses. Climate change is one of the greatest challenges we all face and every business has a responsibility to take action to reduce its environmental footprint, irrespective of how small that footprint may be.

Our commitment to environmental sustainability runs through our entire business. Tyro's Board is committed to transitioning Tyro to a net zero carbon footprint by 30 June 2025 through a targeted reduction in our direct consumption of resources, through investments in carbon offset projects, together with enhancing our

procurement processes so that environmental impacts are a key consideration in purchasing decisions.

This proactive, voluntary commitment provides increased transparency so our stakeholders can better understand how Tyro measures and responds to environmental risks. By activating our partners, we will have an even larger impact on creating environmentally sustainable solutions.

## TYRO'S ENVIRONMENTAL STRATEGY

Tyro has set the following environmental targets for 2025

MEASUREMENT	2025 TARGET
Scope 1 emissions per employee	N/A - Tyro does not have any scope 1 emissions
Scope 2 emissions per employee	25% reduction from FY21 baseline
Scope 3 emissions per employee	20% reduction from FY21 baseline
e-Waste recycling	100% of e-Waste recycled
Renewable energy as a % of total energy	100%
Net zero carbon footprint	Net Zero emissions achieved
Water usage per employee	25% reduction from FY21 baseline
Paper usage per employee	25% reduction from FY21 baseline

**Use of renewable energy** - In the coming years, we will lessen our dependence on acquiring energy from fossil fuel sources to renewable energy by working with our energy supplier and landlord to reduce fossil fuel energy consumption. Our target is to acquire 100% of our energy needs from renewable sources by 2030 as part of our commitment to a net zero carbon footprint.

**Reduction of electricity usage** - We are working on setting specific targets to lower electricity consumption in the offices from where we operate. In these offices we aim to reduce consumption by 25% per employee from the baseline set on 30 June 2021. We recognise the opportunity to extend our sustainability initiatives to the leased properties we occupy. All renewing leases for Tyro offices are reviewed to include requirements for renewable energy and other sustainability measures. For new leases, we prioritize locations with green certifications.

Additionally, the Tyro Sustainability Team actively identifies energy-saving opportunities to help reach our emissions targets.



**Data centre storage** - Tyro uses the Equinix and Fujitsu platforms as our data centre providers. Equinix has a long-term commitment to use renewable energy in its global infrastructure, and in 2021 it achieved 90% renewable energy usage. Fujitsu have a target of achieving 40% renewable energy in its infrastructure by 2030.

**Supplier engagement** - We have introduced a new collaborative approach to supplier sustainability. Although we do not manufacture any physical goods, the sustainability of each of our suppliers impacts Tyro's emissions outcomes. Our top-emitting supplier categories are telecommunications, data centres and electronic computer and payments terminal manufacturing.

In total, our suppliers contribute more than 95% of our total carbon footprint, so we're working to help our suppliers become more environmentally conscious as well as adding a sustainability rating to our supplier evaluation process as part of our overall procurement process. We have also introduced a compulsory emissions reporting process for our material suppliers.

**Employee engagement** - Our Tyro Sustainability Team works with all Tyro employees in our efforts to be a more sustainable company. Engagement includes targeting the elimination of damaging plastic waste, reinforcement of the importance of recycling, responsible energy, water and paper usage and encouraging new ideas on how Tyro can be a more environmentally responsible company.

**Sustainable lending** - Although lending to our merchants is still a very small part of our business and the three core verticals in which we operate tend to have smaller carbon footprints relative to other sectors of the economy, we recognise that we need to incorporate sustainable lending as part of our overall environmental strategy.

Furthermore, an increasing number of our merchants are seeking environmentally friendly alternatives to equipment used in their businesses such as more energy efficient equipment used in our hospitality venues and clean energy assets such as solar power. Our merchant cash advance product is ideally placed to provide finance to our SME merchants for these asset purchases.

**Recycling** - We are committed to improving our current recycling methods. We currently recycle paper, glass, hard plastic and aluminum through a recycling bin service with a third-party supplier.

We are committed to sourcing all paper for office printers and terminals from recycled sources. We will also continue to procure recycling services for printer toner cartridges, batteries and other electronic waste including recycling IT equipment (laptops, printers, screens etc) and terminals through certified e-waste companies.

**Employee commuting** - We currently provide end-of-trip facilities, including secure bike parking, showers and well-equipped changing rooms to all employees to better support environmentally friendly modes of commuting.





ELECTRICITY



STEAM



HEATING & COOLING



PURCHAED GOODS AND SERVICES



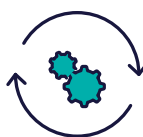
CAPITAL GOODS



UPSTREAM TRANSPORTATION AND DISTRIBUTION



FUEL AND ENERGY RELATED ACTIVITIES



WASTE GENERATED IN OPERATIONS



BUSINESS TRAVEL

## ENVIRONMENTAL PERFORMANCE

To better understand the impact Tyro's operations have on the environment and climate change, we have undertaken a high-level assessment of our carbon footprint which cover our scope 1, 2, and 3 emissions in FY21.

We also report on the amount of waste we produce that is recycled as well as our water usage.

MEASUREMENT	FY21 BASELINE	2025 TARGET
Scope 1 emissions	Nil MTCO <sub>2</sub> e per employee	N/A - Tyro does not have any scope 1 emissions
Scope 2 emissions	0.82 MTCO <sub>2</sub> e per employee	25% reduction from FY21 baseline
Scope 3 emissions	0.04 MTCO <sub>2</sub> e per employee	20% reduction from FY21 baseline
e-Waste recycling	100% of e-Waste recycled	100% of e-Waste recycled
Renewable energy as a % of total energy	0% of energy sourced from renewable energy	100% of energy sourced from renewable energy
Carbon footprint	447 MTCO <sub>2</sub> e	Net Zero MTCO <sub>2</sub> e
Water usage	7.4 KL per employee	25% reduction from FY21 baseline
Paper usage	0.43 reams per employee	25% reduction from FY21 baseline

# Governance and Ethics

## OPERATING WITH INTEGRITY

Our Corporate Governance principles support our values-driven culture which informs our approach to recruitment, retention and performance management as well as the ethics and behaviour of our team members. Our risk culture is a product of this broader values-led culture.

We are committed to a corporate governance structure that promotes stakeholder value creation by providing governance and control, leadership, accountability and promotes responsible behaviour. The composition of our Board and leadership structure is aligned with our strategic objectives and meets the requirements of the ASX Corporate Governance Principles and Recommendations (4th Edition). Refer to our Corporate Governance Statement available on our website at

<https://www.tyro.com/wp-content/uploads/2020/08/Corporate-Governance-Statement.pdf>.

## RISK MANAGEMENT

The purpose of risk management is not to eliminate risk from our business model but to ensure that we maximise our opportunities by taking decisions that meet our risk-appetite and deliver long-term value for our stakeholders.

Our Board oversees our risk-management framework through its Board Risk Committee and promotes a culture of risk-awareness in everything we do. We operate in a complex and constantly changing environment where risk is encountered and managed as part of our day-to-day operations. We are committed to ensuring that a consistent approach to identifying, assessing and managing risk is established across the business and is embedded in our processes and culture, in line with the standard ‘three lines of defence’ model. Our approach includes:

- implementing a systematic risk assessment and escalation process;
- managing and reporting risks in line with delegated risk acceptance and escalation authorities and the Board’s approved risk appetite; and
- embedding risk culture and awareness, with regular team training and education.

Our Board oversees management’s compliance with its policies and procedures and sets its qualitative and quantitative risk appetite (in the form of our Risk Appetite Statement) in pursuit of its business objectives as defined by our strategy. Our Risk Appetite Statement, together with our Risk Management Framework, outlines an approach that establishes how we define risk and how much we are willing to take. Having a risk management framework that is appropriate to the size, mix and complexity of our business and consistent with our strategic objectives is a requirement of the Australian Prudential Regulation Authority.

All employees are expected to understand, monitor and escalate risk related to their roles, while recommending and implementing controls where appropriate. We have rolled-out mandatory training to all employees to make them aware of their responsibilities and provide them with a mechanism for identifying and reporting risk to their People Leaders and XLT members.



OUR PURPOSE	<b>Our Strategy</b>							<b>RISK CULTURE</b>
HOW MUCH RISK WE TAKE	<b>Risk Appetite Statement</b>							
HOW WE DEFINE RISK	<b>Risk Management Strategy</b>							
WHAT RISK WE TAKE	1. Strategic Risk Management							
	<b>FINANCIAL RISK MANAGEMENT</b>			<b>NON-FINANCIAL RISK MANAGEMENT</b>				
	2. Credit Risk Framework	3. Liquidity Risk Management Framework	4. Market and Investment Risk Management Framework	5. Operational Risk Management Framework	6. Compliance Risk Management Framework	7. Customer and Conduct Risk Management		
HOW WE ASSURE OURSELVES	Clear business procedures aligned to policies, risk and compliance self-assessment, control assurance program, staff training, testing adherence to policy, analysing incidents, reporting, risks/issues/breach identification and management, credit decisioning, hindsight review, profiling, stress testing, audits							
HOW WE GOVERN RISK	<b>BOARD, BOARD RISK COMMITTEE, BOARD AUDIT COMMITTEE</b>							
	<b>EXECUTIVE RISK COMMITTEE</b>							
	<b>BUSINESS UNIT RISK MANAGEMENT</b>							

## COMPLIANCE

Our Chief Risk Officer (**CRO**) together with our CEO leads and oversees our Compliance program. The CRO reports to the Board Risk Committee and provides regular updates to the Board Risk Committee including reports covering risk and compliance performance matters such as status of risk and compliance reviews, new risk management initiatives, training programs and results of audit and assurance activities.

We are committed to complying with all internal and external obligations, through the development and maintenance of a risk and compliance framework that is embedded in the way we conduct business. Our compliance obligations are documented in an obligations register which is kept up to date by tracking the progress of new or changed relevant legislation and regulations. These obligations can include:

- legislation and regulations;
- licences;
- mandatory regulatory standards, guides, policies, rules or material regulatory correspondence; and
- mandatory external codes and voluntary codes that we may subscribe to in the future (noting that we do not subscribe to any external code to date).

We have compliance policies and supporting documentation which are subject to regular review to ensure they remain current and we have a compliance monitoring program in place to monitor adherence to policies. Our Risk and Controls Self Assessment process is used to identify, evaluate and manage compliance risks and for developing associated controls. Compliance risks are reassessed whenever there are changes to the business environment, which include products, processes, systems, third parties, regulations and the organisation.

Every Tyro employee is provided with mandatory online compliance training, which includes:

- Anti-money Laundering training;
- Major Incident Management training;
- Anti-bribery and Corruption training;
- Consumer Privacy and Anti-spam training
- Code of Conduct training; and
- Trading in Tyro Securities training including measures to prevent insider trading.

## OUR APPROACH TO CONSUMER PRIVACY AND DATA SECURITY

Strong data protection including protecting privacy is core to our business, and is a non-negotiable commitment to our merchants, their customers and all our other stakeholders.

We use technology platforms to host a number of our key systems, processes and confidential information, including merchant data such as transaction records, cardholder payment details and information regarding merchants' financial position and performance. We have people and processes in place to maintain the confidentiality and security of the personal and confidential data that we collect, and to ensure the integrity of our systems (including through third party service providers). The measures we take include:

- firewalls;
- cyber security;
- anti-virus software programs;
- network separation;
- penetration testing;
- vulnerability scanning;
- restricted access to confidential personal data; and
- physical security and separation where appropriate.

We continue to enhance the control environment related to data security to ensure we can withstand the ever increasing cyber-attacks all businesses in Australia are experiencing and keep our merchant and customer data secure. We also closely work with our key technology suppliers to ensure our suppliers have the necessary data security controls in place.

### DATA PRIVACY

As part of our ordinary business operations, we collect, use and hold a significant amount of personal information relating to our merchants and cardholders, including transaction records and cardholder payment details. Refer to our privacy policy at [www.tyro.com/privacy-policy/](http://www.tyro.com/privacy-policy/).

We are committed to respecting the privacy of our merchants' and cardholders' personal data. Our privacy policy explains how we collect, store, use and disclose personal information and the steps we have taken to comply with privacy laws. We take all reasonable steps to protect this information including using appropriate technology and processes, restricting access, implementing physical security measures, technology security, and destroying information no longer required subject to legal obligations.

In the event of a privacy breach, we have processes in place to ensure these risks are managed in a timely and effective way. These processes also outline the required notifications including notifiable data breaches under the Australian Government's Notifiable Data Breaches scheme.

We also take privacy complaints very seriously, and our Privacy Policy includes details of internal and external complaints avenues available to customers.

### REPORTING OF DATA BREACHES OR PRIVACY BREACHES

All data security attacks (both successful and failed) and privacy breaches are reported to our Board Risk Committee and Audit Committee and all significant and notifiable cyber security or privacy breaches that result in the public disclosure of data will be disclosed in this Sustainability Report. There are no breaches to report in FY21.

### SECURITY OF OUR PRODUCTS - TERMINALS

Our terminal machine PIN pads are protected with a unique key entry shield. We encrypt data between the payment terminal and Tyro's switch-engine and we take every opportunity to make sure merchants and customer's data is always secure. No cardholder data is ever exposed or presented at point-of-sale meaning a merchants business is protected against fraud. The features that Tyro has built to increase the security of our merchants business' are as follows.

- Increased privacy - machine PIN pads protected with a unique key entry.
- Secure PIN - no PIN information stored.
- Robust protection around stored cardholder data.
- Protection for merchants and cardholders - no cardholder data is ever exposed.
- Secure systems & applications - Tyro develops and maintains secure systems and applications.
- Periodic vulnerability scans - conducted on Tyro's own systems to protect merchants.
- Encrypted cardholder data - All cardholder data is encrypted on the Tyro terminal machine so the merchant is always protected.
- Certified under IRAP - certified under the Information Security Registered Assessor Program (IRAP) of the Australian Signals Directorate (ASD) for Tyro's Medicare EasyClaim solution.
- PIN Transaction Security (PCI-PTS) certified - Tyro's terminal machines are Payment Card Industry - PIN Transaction Security (PCI-PTS) certified. This validates that the hardware, firmware, mechanical and manufacturing designs have met sufficient standard to ensure that PIN data and other cardholder data (e.g. track data) cannot be compromised.
- APN & CECS device approval - Australian Payments Network (APN) Consumer Electronic Clearing System (CECS) device approval. The main difference with PCI-PTS involves the verification of correct operation of Australian key management systems for protecting PIN and cardholder data.

## SECURITY OF OUR PRODUCTS - ECOMMERCE

Tyro's eCommerce product is designed as a payment gateway that stores card data in a PCI DSS compliant environment, protecting this data from possible data breaches. We view security as a joint responsibility between ourselves and our merchants. We provide our merchants with education tools on how to prevent fraud and how to identify eCommerce scams.

## SECURITY OF OUR PRODUCTS - BANKING

Our priority is to keep our merchants accounts, data and privacy secure. We proactively monitor transfers as they occur for suspect behaviour and have systems in place to mitigate the exposure to our customers.

Tyro assumes a defence in depth approach to security. As such we incorporate security policies, processes and procedures into our Software Development Lifecycle (SDLC) and change management program. Each Initiative undergoes extensive security assessments which assess both Tyro systems and any outsource system that could affect the impact and likelihood of risk to Tyro. All information assets are assessed in line with CPS234 and Privacy Act requirements to determine sensitivity and criticality of an information asset and upon classification outcomes appropriate NIST and industry best practice security controls are implemented and validated for effectiveness through various assessment activities.

Tyro incorporates least privilege user access principles to ensure that only authorised persons have access to pertinent information assets. All Tyro staff are pre-screened as part of their employment on boarding process to ensure a strong level of trust.

Our Tyro bank account and term-deposit product is protected under the Financial Claims Scheme up to \$250,000 per account holder.

## OUR SELLING PRACTICES

We have policies and processes in place to ensure we do not irresponsibly market our products to merchants. These policies and processes include anti-hawking provisions under the Corporations Act which are potentially triggered when we make an offer to our merchants to issue/sell our products, or when our employees make an unsolicited offer in a telephone call or meeting with a merchant. We maintain a 'No Contact/No Call' register to ensure that we do not communicate with merchants that have opted out of communications with us.

Tyro is also committed to complying to the Australian Spam Act of 2003 which regulates commercial electronic messages. The Act sets out certain parameters which all Australian companies who market their products and services must adhere to when

sending commercial electronic messages. In December 2020, Tyro self reported a breach of the Spam Act after we inadvertently sent more than 150,000 spam email and SMS messages to consumers without an unsubscribe function in 2019 and 2020.

As part of our self-reporting, Tyro offered enforceable undertakings to The Australian Communications and Media Authority (ACMA) committing to have our electronic communication policies, procedures and systems independently reviewed, to implementing recommendations from the independent review, and to providing training to staff and report instances of non-compliance to ACMA. This offer was accepted by ACMA and no financial penalty was imposed for the breach.

This breach was reported to our Board Risk Committee and Audit Committee.

## CONTRIBUTION TO PUBLIC POLICY ON THE PAYMENTS INDUSTRY

Tyro actively contributes to public policy debates and industry reviews to improve the payments system in Australia and customer outcomes from those reviews. In FY20, Tyro provided a submission to the current review by the Reserve Bank of Australia Payments System Board's Review of Retail Payments. The key areas of Tyro's submission related to ensuring Least Cost Routing is available in Australia to the benefit of merchants and their customers and improving the transparency of fees in the payments industry.

Although we are committed to appropriate engagement in the forming of public policy that advances the discussion of issues critical to the payments industry, we have a policy of not making any form of political donations or contributions. In the current reporting period, in compliance with this policy, we have not made any donations or contributions to any political organisation in Australia.



## **INVESTOR RELATIONS CONTACT DETAILS**

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