

MATERIAL ISSUES

AMP's materiality review process considers the impacts of issues both internally to our business and externally to society. We consider the financial and non-financial impact, including human rights impacts, to our stakeholders.

In 2021, our culture and human capital related issues have remained high in relative importance among our stakeholders in response to feedback on the importance of people, talent and capability in order to deliver for other stakeholders groups.

Since the Royal Commission in 2018, trust in institutions and social licence to operate have featured heavily in discussions with stakeholders. It is not treated as a discrete issue in the framework as feedback suggested that addressing all of our material issues detailed in this report serves to address this broader issue.

We have also updated the following issues based on stakeholder feedback:

- *Digital disruption and security* has increased in relative importance among stakeholders due to: ongoing cyber security threats globally; the importance of digital capability to enable AMP's strategy and providing direct to customer channels; and supporting remote and collaborative working.
- We have amended *Client experience and investment performance (2020)* to *Customer Experience* to include obligations to AMP's customers, clients and members across our portfolio of businesses. Investment performance is considered within this issue.
- We have removed *Operational impacts and supply chain (2020)* to be replaced with *Partners and supply chains*, recognising the role of advisers, service providers and intermediaries to support AMP's strategy. Operational impacts are now covered under *Climate change*, as they predominantly relate to emissions.

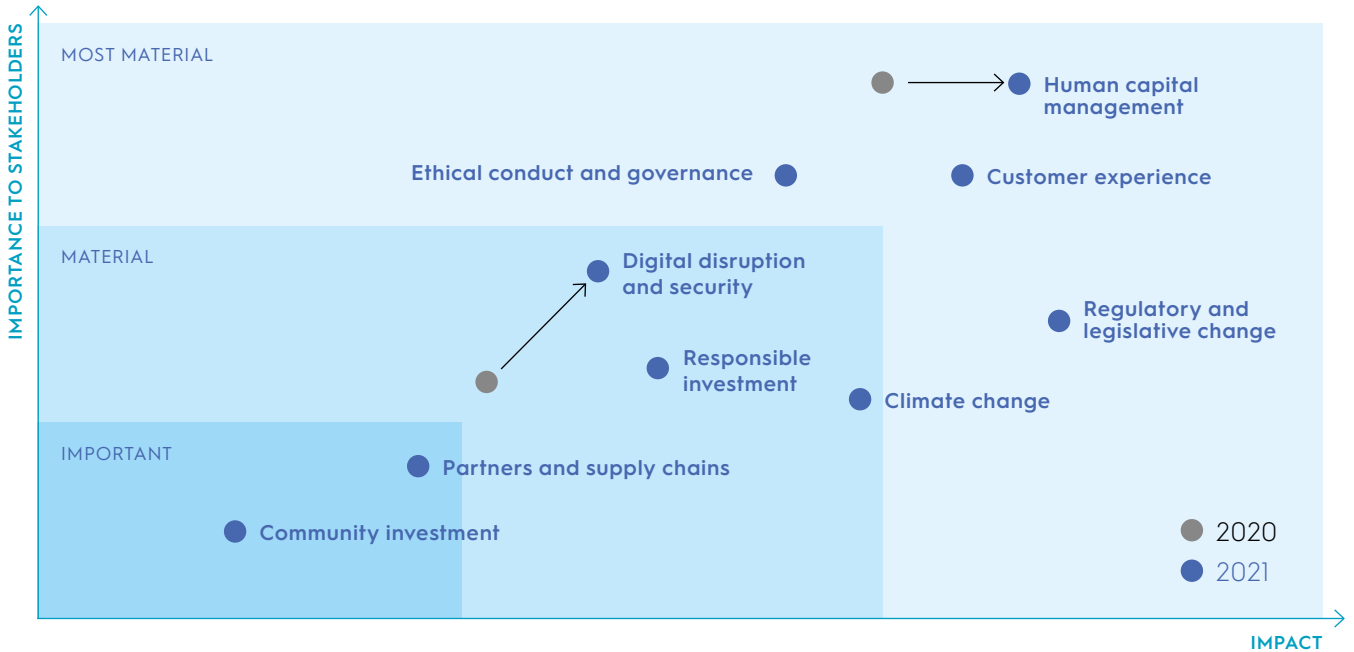
Human capital management, which includes culture, inclusion and diversity, and talent attraction and retention, continued to be top of mind in discussions with stakeholders. Given this continued focus, the relative importance of this people-related issue ranked highest in both importance to stakeholders and impact, making it our most material issue in 2021.

The relative importance of several other issues has reduced given the increased focus on *Digital disruption and security* and *Human capital management*. Despite these changes, we continue to focus on our responses to these important issues. Further, we report on each issue in line with Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) financial sector topic specific sustainability accounting standard 'Asset Management and Custody Activities'. The issues for 2021 are summarised on [page 19](#).

The impact of COVID-19 and remote working continued to feature in our discussions with stakeholders. As in 2020, this was not treated as a distinct issue, and COVID-19 related impacts are assessed through our identified material issues.

Other macro-economic trends raised in discussions included issues such as the economic recovery, unemployment, an ageing population and health. These issues are considered within the context of the nine material issues identified in this report.

Our materiality matrix



Material issues – Our sustainability Framework

We have aligned our material issues to the United Nations Sustainable Development Goals (SDGs) and throughout 2022 we will be continuing to assess where we can drive more impact and how we can equip our people with the skills to support progress towards the SDGs.

Customers

Customer experience

Demonstrate how we are a customer-led business focused on helping them to invest and achieve their financial goals. This includes the processes we have in place to assist vulnerable customers and manage complaints.

Regulatory and legislative environment

Demonstrate how we are responding to global and domestic legislative and regulatory changes that are shaping the value of financial services for customers over the short and long term.

Digital disruption and security

Demonstrate how we respond to digital disruption in financial services and embrace opportunities to deliver digital customer experiences that are personalised and proactive. This includes how we manage and maintain security processes to protect customer data.

People and partners

Ethical conduct and governance

Demonstrate how we use culture, governance, accountability, processes and controls to rebuild trust in AMP and the financial services sector. This includes ensuring our employees act ethically and quickly resolve issues to a high professional standard.

Human capital management

Demonstrate how we attract, develop and retain the skills and talent of our people as key assets to AMP’s ability to create value for customers and shareholders. This includes employee attraction and retention, diversity and inclusion, and wellbeing.

Partners and supply chains

Demonstrate how we are supporting our partners and managing the direct and indirect social and environmental impacts arising from our purchasing decisions.

Communities and environment

Responsible investment

Demonstrate how we consider environmental, social and governance (ESG) factors in our investments to drive long-term value creation for our clients and the community.

Climate change

Demonstrate how we are managing the investment risks and opportunities presented by climate change for our customers and community. This includes leveraging our influence as a global investor and how we reduce the impact of our investment activities.

Community investment

Demonstrate how we create value for communities through philanthropic activities and engage employees with fundraising and volunteering opportunities.