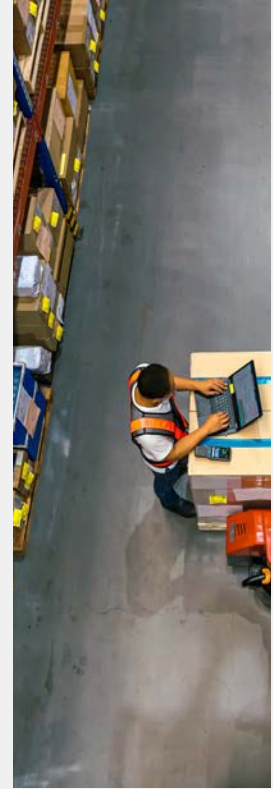


# Partners and supply chains

**AMP has extensive relationships with partners and service providers throughout our value chain to deliver for clients, members, employees and the community. We recognise that every aspect of our value chain needs to meet community and legal standards, and we work to ensure these relationships align to our principles and values.**



In Australian Wealth Management, we have an aligned advice network and important partnerships with external financial advisers. We share accountability with these networks to ensure customers receive professional and compliant advice that is in their best interests. AMP Bank also works with external brokers to provide competitive home loans to Australians in a highly competitive mortgage market.

Through our investment management activities, AMP also partners with a range of external fund managers as part

of the investment strategies of specific fund ranges, such as our MySuper range for superannuation members and investment options available on our platforms. These activities are outlined in [Customer Experience](#) and [Responsible investment](#) sections of this report.

We work collaboratively with our partners and service providers to evolve the strategies and processes in place to address material Environmental, Social and Governance risks and deliver value for our stakeholders.

## 2021 at a glance

AMP worked closely with our partners and service providers to continue to deliver for customers and members while managing the impacts of COVID-19. Some key actions included:



### LAUNCHING A CONTEMPORARY ADVICE SERVICES MODEL

and strengthening the productivity, compliance, and professionalism of the advisers we license



### SELLING OUR EMPLOYED ADVICE NETWORK

to a trusted partner in PSK Financial Services and continuing as an equity holder in the business



### SUPPORTING PROFESSIONAL DEVELOPMENT OF ADVISERS

and ensuring advisers meet education requirements



### WORKING WITH PARTNERS THROUGH THE SUPPLY CHAIN

to ensure ongoing services for our business, while addressing risks including information security and modern slavery



### CONTINUING TO REFINE AND IMPROVE OUR SUPPLIER CODE OF PRACTICE

to reflect our expectations of suppliers and updated risk assessment processes, including for modern slavery



### PUBLISHING OUR FIRST MODERN SLAVERY STATEMENT

under Australian legislation, covering actions taken in 2020 and developing our second statement for the 2021 reporting year

### ALIGNED SDG



## Contemporary advice service model

In 2021, AMP announced the introduction of a new service model with its aligned advice network, marking a new era for financial advice at AMP. The new model will be progressively introduced, giving advisers increased choice, flexibility and transparency with how they partner with AMP and how they continue to operate their business.

The contemporary approach includes three key components:

- 1 A new service proposition and fee model for advice practices, which has been competitively benchmarked against the industry and reflects the services offered. It includes a set of core services as well as user pay services. The new fee model will be phased in from 1 January 2022 to 1 January 2023.
- 2 The release of institutional ownership of clients from AMP Financial Planning to advisers, with the ability to transfer clients out of the AMP network. This change will take effect from 1 January 2022.
- 3 The conclusion of client register buy-back arrangements from 31 December 2021, with practice principals able to take advantage of current terms remaining in place until this date.

## Financial advice network

In 2021, we continued to reshape our advice model to build a more productive, compliant and professional network, with our overall number of advisers reducing as practices merged or exited the industry. During the year we completed over 160 practice transactions which included sales of advice practices, resulting in the transfer of over 5,000 service fee clients and 24,555 non-service fee clients to AMP-aligned advisers.

We continue to invest heavily in the quality of advice delivered by advisers. For example, we believe annual agreements best serve the interests of clients who seek advice over a period of time. The annual agreements require clients and advisers to explicitly agree on the services to be provided and fees paid in a 12-month period. In 2021, there were approximately 97,855 clients with annual advice agreements with AMP aligned advisers.

The number of aligned advisers in the network reduced to 1,097 in 2021, from 1,573 in 2020. This reflects ongoing network reshaping and the retirement of some advisers due to significant industry reform.

## Adviser network<sup>1</sup>

	2021	2020	2019
No. of advice practices	433	595	954
No. of advisers	1,097	1,573	2,128
Advisers exiting the network	416	555	439
New advisers joining AMP network	61	127	96
New practices joining AMP network	-	9	8
FUM (\$m)/Adviser	69.0	56.2	52.3

1 Represents total advisers in Australia licenced by AMP as part of the aligned advice network. It does not include self-licenced advisers under non-AMP licences.

## Compliance with the Government's Higher Education Standards

(previously Financial Adviser Standards and Ethics Authority)

The Financial Adviser Standards and Ethics Authority (FASEA) was established in April 2017 to set the education, training and ethical standards for Australian licensed financial advisers. This body was disbanded on 1 January 2022 and their previous functions were transferred to Treasury and ASIC.

As of 1 January 2019, new entrants into the financial planning industry required an approved degree (or higher) and existing advisers are also required to upskill to meet the new higher education requirements. AMP is committed to supporting our advisers with clear pathways to achieve compliance.

As of 16 December 2021, 1,125 AMP advisers had sat and passed the Financial Adviser exam, representing 96% of our network. The remaining advisers are either eligible for the Better Advice Bill extension or are leaving the network. We have supported our network of advisers by offering access to assessed Continuing Professional Development (CPD) exam preparation modules, which align to the topics being assessed in the national exam. Additionally, AMP offered advisers optional one to one higher education coaching conversations and ran exam preparation webinars.

In 2021, AMP also included six Professional Planner ethics podcasts as part of our annual suite of CPD options. This content further assisted advisers in meeting their annual ethics CPD requirements.

## PARTNERS AND SUPPLY CHAINS

### Adviser professional standards

	2021	2020	2019
Advisers meeting FASEA exam requirements	96%	61%	22%
Advisers completing annual CPD requirements, including ethics training	99%	97% <sup>1</sup>	92%

1 The 2020 completion rate reflects the deadline extension advisers received to 31 March 2021, in light of COVID-19.



### AMP 2021 University Challenge

AMP University Challenge is a national financial planning competition for tertiary students that aims to identify promising new talent and promote high standards of education and professionalism among the next generation of advisers. More than 5,600 students from 30 universities across Australia have participated in the Challenge since it commenced in 2011, with many going on to join the financial advice profession.

The AMP University Challenge is integrated into the curriculum and assessment for students studying financial planning majors at Central Queensland University, Deakin University, Griffith University, TAFE NSW, University of Wollongong, Charles Sturt University and Western Sydney University.

In 2021, for the first time in the competition's 11-year history, there was a tie for first place in AMP's annual University Challenge. Jamie Lee Fraser from Griffith University has shared top honours with Molly McGinn and Aaron Mynard from Deakin University. Jamie, Molly and Aaron shared in the combined first and second place prize money of \$5,000.

## Supply chain profile

In 2021, AMP spent approximately \$1.10 billion on external goods and services. About 30% of this spend is on IT infrastructure and services, 24% on professional services, which includes legal and consulting services, and 21% on investment and banking services. The remaining is a combination of human resources, property, travel, utilities and compliance-related spend.

As a predominantly services-based business, our spend is highly concentrated, with the top 116 suppliers representing approximately 80% of total spend.

Through our aligned advice network, larger and network-wide outsourcing activities are managed

centrally, however individual practices are responsible for office-related procurement activities. Advisers who wish to engage offshore services are expected to submit evidence of due diligence to AMP.

AMP Capital's Real Estate business separately administers procurement and supply chain activities in its managed assets, including commercial, logistics and shopping centres. The managed and engineering services represent operating expenses of approximately \$97 million per year with over 700 suppliers based in Australia and New Zealand. About 36% and 12% are with cleaning and security services respectively, while the remaining spend is with a range of building services and related maintenance contractors. These suppliers are primarily Australian based.

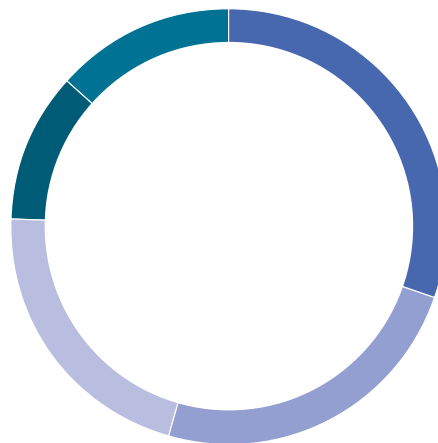
### SUPPLY CHAIN PROFILE 2021

# \$1.10B

## AMP total external payments<sup>1</sup>

#### Suppliers by type

- IT infrastructure and services **30%**
- Professional services **24%**
- Investment and banking services **21%**
- Human resources **11%**
- Other **14%**



<sup>1</sup> Represents total external payments. Excludes corporate credit card, AMP Capital Real Estate fund activities and payments to customers.

### Supply chain profile

**2021**

AMP Capital Real Estate asset operations <sup>1</sup>	\$97m <sup>2</sup>
Cleaning	36%
Security	12%
Other (including mechanical services, landscaping, lift maintenance)	52%

<sup>1</sup> Operational managed services, excluding capital and development works, statutory expenses, internal management and employment and related ad-hoc expenses.

## PARTNERS AND SUPPLY CHAINS

### Managing our supply chain

AMP is required by APRA to maintain a group-wide Outsourcing Policy, which is approved by the AMP Limited Board. This policy is designed to ensure that risks arising from all outsourcing arrangements are appropriately managed so that we meet our financial and service obligations to regulators, customers and other stakeholders. AMP also has a [Supplier Code of Practice](#) that outlines our expectations of suppliers and their employees or contractors to adhere to values that are consistent with AMP's own policies and standards.

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

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

- 1 **Acting ethically and with integrity in our business relationships**
- 2 **Providing respectful and safe workplaces, free from discrimination**
- 3 **Observing International Labour Organisation principles and taking steps to address modern slavery in our supply chains**
- 4 **Maintaining privacy and information security**
- 5 **Considering and monitoring the environmental impact of goods and services used by AMP, where relevant**

AMP also has a range of procurement activity across AMP Capital Real Estate, International locations and subsidiaries with operations in New Zealand and India. For more information, please refer to AMP's [2021 Modern Slavery Statement](#).

Throughout 2021, we have continued to identify and address risks of modern slavery across our supplier management framework and other business activities. These are detailed in our [2021 Modern Slavery Statement](#).

AMP continued to manage the impacts of COVID-19, working closely with our partners and service providers to maintain critical services globally and to deliver for clients and members. This included ongoing support for remote working with offshore partners in India to ensure people's safety and maintain service levels.



### Real assets – real estate

In 2021, AMP Capital Real Estate enhanced its engagement with suppliers on modern slavery risks. As of December 2021, 908 suppliers have been engaged via the Property Council of Australia's (PCA) Informed 365 Modern Slavery Risk Assessment Survey platform; with 335 completed surveys and 111 in progress.

Building on our 2020 progress, we developed a best-practice methodology to analyse the Informed 365 Modern Slavery Risk Assessment Survey results, including criteria to review suppliers' policy and process documents and undertake subsequent engagement with suppliers based on their inherent risk.

In 2021, an engagement strategy and implementation plan was piloted through 'deep dives' with three select suppliers. These suppliers were selected to cover a range of procurement pathways and risk profiles across our Real Estate development, operations and marketing activities.

Based on the outcomes of this pilot, we expect to formalise our approach in 2022. This is consistent with our continual improvement approach to managing modern slavery risks in our supply chain.





## Human rights and Modern Slavery

In 2021, AMP published its first Modern Slavery statement under the Australian Modern Slavery Act, detailing the actions taken in 2020 to identify and address risks of modern slavery. As part of our ongoing commitment to respecting human rights, including Modern Slavery, we have continued to implement actions throughout 2021 which are detailed in our latest [2021 Modern Slavery Statement](#).

Building on the progress we have made on modern slavery and other human rights issues, such as Reconciliation, AMP has published its first [Human Rights Position Statement](#). This position outlines the relevant human rights issues to AMP Limited and the relevant policies and processes in place to address these risks.



## Future outlook

As we look ahead, AMP will continue to:

- Support our advisers to meet their formal professional development requirements.
- Deliver on our contemporary service model to our aligned network, including new service proposition and fee model and release of institutional ownership from AMP Financial Planning to advisers. Embed the principles of our Supplier Code of Practice into our supplier relationships and ongoing due diligence practices.
- Collaborate with industry to engage higher risk sectors and inform responses to complex issues such as human rights, modern slavery and information security.
- Monitor and manage modern slavery risks and progress the relevant activities outlined in our [Modern Slavery Statement](#).