

Australian
Ethical



AUSTRALIAN ETHICAL DIVERSITY, EQUITY & INCLUSION POLICY

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1 Purpose and Scope

It is core to Australian Ethical's ethos to promote human happiness and dignity and avoid discrimination in all its forms.

Australian Ethical is committed to fostering an inclusive and equitable culture so our diverse talent can bring their authentic selves to work and be at their best. We believe in the inherent strength this creates which inevitably leads to better outcomes for our people, customers, shareholders, and the wider community.

This policy sets out Australian Ethical's approach to workplace diversity, equity, and inclusion, how diversity and inclusion is supported and Australian Ethical's measurable objectives relating to diversity and inclusion.

This policy applies to all Australian Ethical Investment Limited (AEI), Australian Ethical Superannuation Pty Ltd (AES) and Australian Ethical Foundation Limited (collectively, known as the AEI Group) employees, including permanent, contract and casual employees.

2 Definitions

Diversity

Diversity refers to the attributes that make individuals different from each other. It includes characteristics such as age, caring responsibilities, cultural diversity, disability, gender, Indigeneity, sexual orientation, gender identity, neurodiversity, and religion or beliefs.

Workplace diversity refers to the variety of attributes, experiences and perspectives employees bring and how these differences are represented in the workplace.

AE is committed to building a workforce that better reflects the whole of society.

Equity

Workplace equity refers to providing fair and equal opportunities to all employees and removing barriers to allow everyone to reach their full potential.

Inclusion

Inclusion refers to the act of creating a workplace in which any individual or group feels welcomed, respected and valued to fully participate and contribute. Inclusion is acknowledging, encouraging and valuing different life experiences, knowledge, and insights, which can be used to generate alternative views about work and how best to accomplish it.

AE is committed to creating an environment where our unique differences are respect, valued, and celebrated.

3 Reference

This Policy has been written with reference to:

- Recommendation 1.5 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (3rd Edition) in relation to the disclosure of a diversity policy, setting measurable gender diversity objectives and disclosing progress towards these for each reporting period
- Workplace Gender Equality Act (for workplaces with 100 employees or more)
- Sex Discrimination Act 1984
- Disability Discrimination Act 1992
- Age Discrimination Act 2004
- Racial Discrimination Act 1975
- Australian Human Rights Commission Act 1986
- Workplace Gender Equality Act 2021

Market standards and guidelines:

- Financial Services Council (Standard 20)
- Global Reporting Initiative
- UN Women's Empowerment Principles

Other market norms:

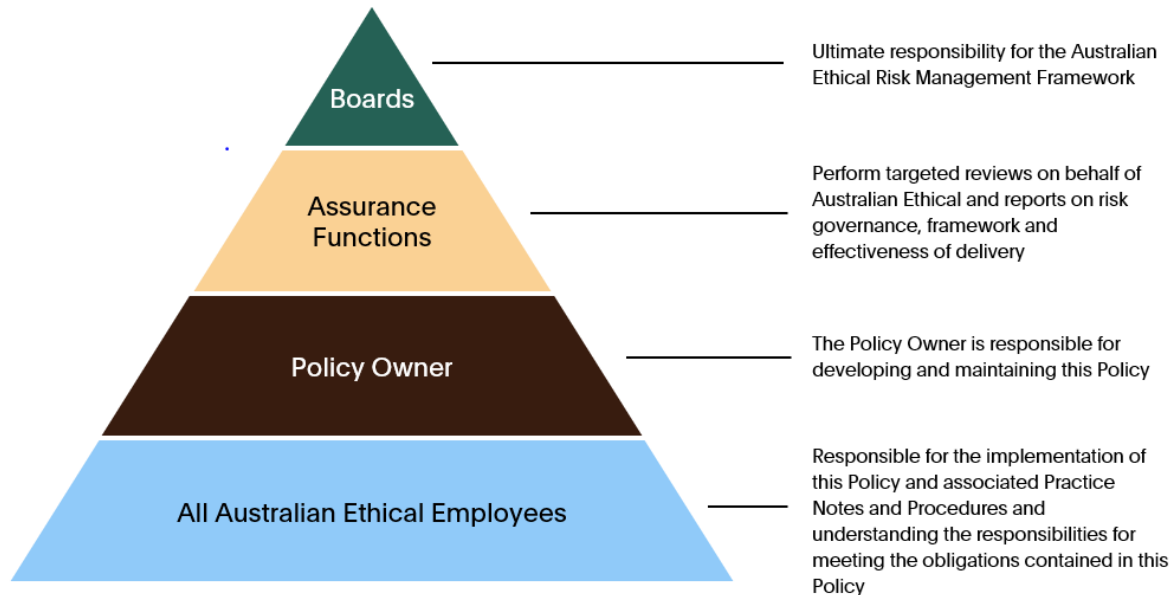
- Australian Institute of Company Directors
- Australian Council of Superannuation Investors
- Diversity Council Australia

4 Risk Management and Capacity

Risk	Response	Comments
Risk Appetite Statement	Culture	This Policy relates to Australian Ethical in all capacities and is aimed at setting the approach to workplace diversity, equity and inclusion.
Board's Appetite	Actively Manage / Minimise	
Risk Tolerance	Moderate	

Adherence to this Policy will ensure workplace diversity, equity, and inclusion is supported and Australian Ethical's measurable objectives relating to diversity and inclusion are monitored.

5 Roles and Responsibilities



6 Obligations and Accountabilities

The principles underpinning this policy and AE's approach to supporting and managing diversity, equity and inclusion are:

- Ensure employees experience equity and fairness in the workplace.
- Continually promote the importance of an inclusive and psychologically safe workplace and educate employees on the role they play.
- Design policies, processes, practices and frameworks so that they eliminate or limit potential unconscious bias.
- Attract and retain a diverse range of talent.
- Encourage employees to undertake active allyship and celebrate our differences.
- Aim to be a recognised leader in creating and maintaining a diverse and inclusive workplace and an employer of choice.

AE Group will implement and maintain a Diversity, Equity and Inclusion strategy that sets objectives, delivers initiatives, and monitors and reports on progress.

The People Remuneration and Nominations (PRN) Committee is responsible for and has delegated authority to: *ii. Set and assess the effectiveness of the Group's diversity and inclusion policy, initiatives and targets and monitor the Group's progress;*

In addition to the initiatives set out in the Diversity, Equity and Inclusion strategy, to achieve a diverse and inclusive environment, we support the following practices:

Component	Requirement
Recruitment	<p>Our recruitment practices are designed to promote equality. Testing, independent evaluations and behavioural interviewing are used to promote equitable and unbiased selection and promotion decisions.</p> <p>We ensure a diverse pool of candidates are considered and recruit, select and promote on the capability, skills, experiences and suitability to the role. Recognising long-term structural diversity imbalances in financial services we aim to redress these inequities by:</p> <ul style="list-style-type: none"> Proactively working to encourage equal representation by both genders in shortlists for all positions. For the purposes of this paragraph a shortlist is defined as being candidates that proceed to final interview. Recognising that diversity is a relevant factor in assessing a candidate's capacity to contribute to the company, including its decision making and pursuit of its purposes. To the extent permitted by law, in circumstances where candidates are equivalent in all other respects, gender, ethnicity or any other appropriate diversity aspect may be the deciding factor if there are imbalances we wish to address. To the extent permitted by law, in certain circumstances we may specifically seek a candidate of a certain gender to fill a particular role. In assessing the appropriate level of diversity, we will be guided by our targets described below. Re-dressing imbalances as above may require keeping vacancies open for longer than anticipated so the approach will only be taken if it does not place undue risk on the business.
Remuneration	<p>In line with the Remuneration Policy our remuneration approach is guided by principles, including "we pay fairly and equitably". During the annual remuneration review we have a particular focus on ensuring gender remuneration equity for like roles.</p>
Flexibility	<p>We provide flexible work arrangements for employees to better enable them to achieve a genuine balance between their work and personal commitments, and recognise the benefits a flexible work environment can provide to all AE stakeholders.</p> <p>We understand that public holidays in Australia may not reflect each person's observations, beliefs and lifestyle and we believe everyone should have the opportunity to celebrate what's important to them and feel included in doing so, regardless of who they are, what they believe in, where they come from. We support employees to apply to work on a gazetted public holiday and swap it for another day that better reflects their beliefs or observations.</p>
Parental leave	<p>We provide supportive parental leave options for employees to care for their newborn child or for a child placed with them for adoption, fostering or via a surrogacy arrangement. Our generous gender-neutral parental leave is inclusive for men, women and LGBTIQ+ people, and better reflects the reality of work and care arrangements for many working families today.</p> <p>We empower parents to take paid parental leave (flexibly) in a manner that best suits their circumstances, and to support employees to transition back to work after parental leave,</p>

Component	Requirement
	employees can access keeping in touch days to stay connected while on leave, and one (1) day paid leave per week for the first three (3) months when returning to work.
Career development	<p>We take an open and inclusive approach when it comes to job promotions and allocation of internal job opportunities. Management may consider role and structural re-design to ensure no group is discriminated against and there is equal opportunity for all employees. Management are committed to ensuring that career development decisions are made without bias.</p> <p>We encourage attendance at forums for women in leadership positions and emerging talent to network and discuss diversity issues. We support mentoring to build capability and encourage career development.</p>
Celebrating diversity and inclusion	We celebrate diversity and drive an inclusive culture through communication and awareness and education campaigns our annual Diversity & Inclusion Day, International Women's Day, Wear it Purple Day, NAIDOC week and other important days throughout the year that acknowledge diversity.
Diversity, equity and inclusion mandatory training	To embed a culture of diversity, equity and inclusion, all employees are required to complete online mandatory training covering DEI topics including: Equal Employment Opportunity, Sexual Harassment, Diversity & Inclusion, Code of Conduct, Anti-Bullying and Harassment, Discrimination.
Targets	<p>Our targets for achieving gender diversity are:</p> <ul style="list-style-type: none"> • 40% minimum of male and female gender at board level • 40% minimum of female and male gender at Senior Management level • 50% representation by both genders across the workforce • 40% minimum of female gender in Investment team <p>These are not quotas but targets that guide our recruitment practices as described above.</p>
Disclosure	<p>We will report our diversity on an annual basis in our sustainability report according to the following measures:</p> <ul style="list-style-type: none"> • Gender – status against the above targets plus other measures
Charter	<p>Our Charter requires:</p> <ul style="list-style-type: none"> • a positive obligation to promote "human happiness and dignity" (paragraph h) • a duty to avoid activities that "discriminate by way of race, religion or sex in employment" (paragraph x).

7 Conflicts of interest management

The Conflicts Management Policy addresses all conflicts that might arise, in particular the identification, monitoring, management, mitigation and resolution of conflicts.

8 Training and awareness

People & Culture are responsible for ensuring that all relevant employees are aware of their obligations under this Policy.

9 Exceptions

It is not expected that any exceptions to this Policy will occur. In the unlikely event that exceptions are required these must be approved by the Chief People & Culture Officer, or the Chief Executive Officer.

10 Adherence with Group Policies, Practice Notes and Procedures

Employees must adhere to, and are responsible for familiarising themselves with, all of Australian Ethical's policies, practice notes and procedures.

11 Whistleblower protections

In certain circumstances an individual may be concerned that unacceptable behaviour, misconduct or other reportable conduct (as defined in the Whistleblowing Policy) has occurred in relation to this Policy but may be in a position where he or she believes it would be personally damaging to report this information through normal channels. The Whistleblowing Policy sets out the guidelines and procedures for dealing with information that may be provided with regard to unacceptable behaviour and misconduct and all other matters relevant to whistleblowing. All employees are encouraged to report any known or suspected incidences of reportable conduct to the Whistleblower Protection Officer (the Primary WPO is the Group General Counsel and the Secondary WPO is the Chief Risk Officer).

12 Point of contact

The Chief People & Culture Officer and the People & Culture team are the points of contact for matters arising from this Policy.

13 Review cycle

This Policy will be reviewed on at least a biennial basis or as deemed necessary by the Chief People & Culture Officer.