

**Australian  
Ethical**



# AUSTRALIAN ETHICAL WHISTLEBLOWING POLICY

**Document Owner**

**General Counsel**

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# 1 Purpose and Scope

- Australian Ethical is committed to a culture of high ethical standards and behavior.
- This Policy applies to Australian Ethical Investment Limited (**AEI**) and all subsidiaries (**Australian Ethical**). For the avoidance of doubt this includes but is not limited to Australian Ethical Superannuation Pty Ltd (**AES**) and the Australian Ethical Foundation.
- The purpose of this Policy is to encourage the raising of any concerns about actual or potential misconduct, or any improper state of affairs, in relation to Australian Ethical, without fear of reprisal or victimisation.
- This Policy sets out the Whistleblower Program with guidelines for what is considered Reportable Conduct, who can make a report, how to make a report, and who to make a report to. This Policy also sets out the protections and support available to individuals who raise concerns in accordance with this Policy, and how Australian Ethical will handle and investigate reports.
- Additional information relating to the legal protections and remedies available to whistleblowers is set out in the Annexure.

# 2 Reference

This Policy has been written with reference to:

- Part 9.4AAA of the Corporations Act 2001
- Part IVD of the Taxation Administration Act 1953
- APRA Superannuation Prudential Standard 510 Governance
- APRA Superannuation Prudential Standard 521 Fit and Proper
- ASIC Regulatory Guide 270 on Whistleblower Policies
- Open letter from ASIC regarding Whistleblower Policies
- ASIC Information Sheet 247 (INFO 247).

This Policy should be read in conjunction with the:

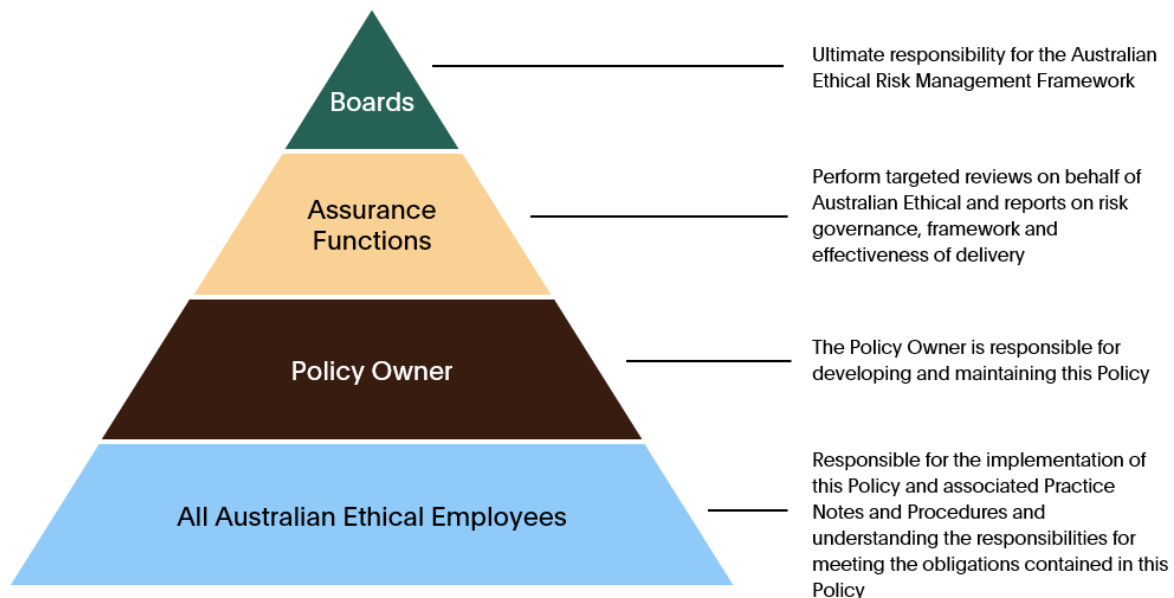
- Risk Management Framework
- Conflict Management Framework
- Whistleblower Protection Procedures

# 3 Risk Management and Capacity

Risk	Response	Comments
<b>Risk Appetite Statement</b>	Compliance	This Policy relates to Australian Ethical in all capacities and is aimed at ensuring there are adequate Resources to operate.
<b>Board's Appetite</b>	Minimise / Avoid	
<b>Risk Tolerance</b>	Low	

Adherence to this Policy will ensure that concerns raised regarding Reportable Conduct are able to be raised without fear of victimisation or reprisal.

## 4 Roles and Responsibilities



## 5 Eligible Whistleblowers

Reports may be made under this Policy by anyone who is, or has been:

- A Director or officer of any Australian Ethical entity (this includes but is not limited to AES);
- An employee of AEI;
- A contractor, supplier or consultant (including their employees) of AEI or AES;
- An associate of AEI or AES;
- A trustee, custodian or investment manager (including their employees);
- A supplier of services or goods to the trustee, custodian or investment manager (including their employees); or
- A relative, spouse or dependant of any of the above

A Discloser is any individual listed above who has made a report in accordance with this Policy. A Discloser will be eligible for the protections under this Policy when they make a disclosure about a Reportable Matter (as described in s6) using any of the reporting methods described in s8. Disclosers may also be able to access legal protections under the Corporations Act and the Taxation Administration Act. Further information about these legal protections is set out in the Annexure.

## 6 Reportable Matters

A **"Reportable Matter"** under this Policy is any information about Australian Ethical (or an officer or employee of Australian Ethical) that the Discloser has reasonable grounds to suspect indicates:

- dishonest, fraudulent or corrupt activity, including bribery and misuse of a person's position for personal gain;
- unethical conduct (such as acting dishonestly, altering company records, willfully making false entries in books and records, engaging in questionable accounting or other practices, knowingly and willfully breaching the AEI Group Code of Conduct or other AEI Group policies);

- conduct that is seriously harmful or potentially seriously harmful to an AEI Group stakeholder, such as deliberate unsafe work practices or willful disregard for the safety of others;
- a criminal offence (including theft, illicit drug sale/use, discrimination, harassment, violence or threatened violence and criminal damage against property);
- a danger to the public or the financial system;
- misconduct or an improper state of affairs or circumstances in relation to Australian Ethical;
- misconduct, or an improper state of affairs or circumstances, in relation to the tax affairs of Australian Ethical;
- an offence against or a contravention of the Corporations Act 2001, the Superannuation Industry (Supervision) Act 1993 (Cth); the Australian Securities and Investments Commission Act 2001 (Cth), or any other law applicable to Australian Ethical;
- any conduct or circumstance that is potentially damaging to the AEI Group (e.g. gross mismanagement, serious or substantial waste of company resources or repeated breaches of administrative procedures);
- any other kind of serious impropriety, including retaliatory action against a Discloser for having disclosed Reportable Conduct; or
- Deliberate concealment of any of the above.

A Discloser must have **reasonable grounds** for a report made under this Policy. A rumour or a mere allegation with no supporting information is unlikely to be considered as having “reasonable grounds”. However, a Discloser does not need to prove their allegations. A Discloser will still qualify for protection under this Policy even if their disclosure turns out to be incorrect.

## Personal Work Related Grievances Excluded

Personal Work Related Grievances of current or former employees are not covered under this Policy, and should be reported to your line manager or Human Resources representative. These matters may be protected under other legislation such as the *Fair Work Act 2009* (Cth).

A Personal Work Related Grievance means a grievance about any matter in relation to the discloser’s employment, or former employment, having (or tending to have) implications for the discloser personally. This includes:

- an interpersonal conflict between the discloser and another employee;
- a decision relating to the engagement, transfer or promotion of the discloser;
- a decision relating to the terms and conditions of engagement of the discloser; and
- a decision to suspend or terminate the engagement of the discloser, or otherwise to discipline the discloser.

However, it does not include:

- any conduct that would be considered victimisation of an individual because they have made, may have made, or propose to make a report under this Policy; or
- any matter that would have significant implications for Australian Ethical.

## 7 Making a Report

Prior to making a report, a Discloser may confidentially seek information or advice from the Whistleblower Protection Officer.

### Internal Reporting for Employees

We encourage all employees to report any matters of concern to their direct line manager or human resources advisor. Where these reports concern Reportable Matters they may be referred to the Whistleblower Protection Officer and treated as whistleblowing reports under this Policy. However, such reports may not necessarily qualify for protection under relevant laws. Please refer to the Annexure for further information on legal protections for Disclosers.

Reports can be made using any of the reporting channels outlined below.

### Report to a Whistleblower Protection Officer

A report can be made directly to a Whistleblower Protection Officer (**WPO**). There are currently two WPOs – a Primary WPO and a Secondary WPO.

- The Primary WPO is the Group General Counsel (Maria Conejo, 0415 116 925); and
- The Secondary WPO is the Chief Risk Officer (Karen Hughes, 0406 753 535)

Reports to a WPO:

- can be made in person or by telephone, in which case the Discloser must first inform the WPO that they wish to make a report under this Policy, so that the WPO can make appropriate arrangements in relation to confidentiality; or
- can be made by e-mail if the Discloser wishes to remain anonymous.

### Report to an Eligible Recipient

If a Discloser is unable to use any of the above channels for reporting, a report can be made to an Eligible Recipient within the Company. Eligible Recipients in relation to the Company are:

- (i) officers,
- (ii) directors of AEI and AES;
- (iii) senior managers; and
- (iv) internal or external auditors (including a member of an audit team conducting an audit).

Disclosures relating to tax issues can also be made to any employee or officer who has functions or duties relating to the tax affairs of Australian Ethical.

### Reports to an Eligible Recipient:

- can be made in person or by telephone, in which case the Discloser must first inform the Eligible Recipient that they wish to make a report under this Policy, so that the Eligible Recipient can make appropriate arrangements in relation to confidentiality; or
- can be made by e-mail if the Discloser wishes to remain anonymous.

An Eligible Recipient may direct the Discloser to make the report to a WPO, if they consider it appropriate in the circumstances.

## Report to an External Body

Australian Ethical encourages employees and other Disclosers to make an internal report in the first instance, so that it can identify and address wrongdoing as early as possible. However, the Discloser may make a report about a Reportable Matter to an external party such as ASIC, APRA or the ATO, as set out in the Appendix.

## Information to include in the Report

For a report to be investigated, it must contain sufficient information to form a reasonable basis for investigation. For this reason, Disclosers should provide as much information as possible, in any form, about the Reportable Matter.

By way of example, this information could include (but must not necessarily include):

- a) the date, time and location of the events mentioned in a report;
- b) the name(s) of person(s) involved and possible witnesses to the events;
- c) evidence of the events (e.g. documents, emails etc); and
- d) steps the Discloser or another person may have already taken to report the matter or to resolve the concern.

# 8 Confidentiality

Disclosers are encouraged (but not required) to disclose their identity when making a report. A Discloser can choose to make an anonymous disclosure and will still be protected under applicable law. However, providing a Discloser's identity will assist in:

- monitoring their wellness and protections against Detriment; and
- investigating their report and obtaining further information from them as is necessary to complete the investigation.

In circumstances where the Discloser has not consented to the disclosure of their identity, the matter may still be referred for investigation, but the investigator will be required to take all reasonable steps to reduce the risk that the Discloser will be identified as a result of the investigation.

## Discloser's Right to Anonymity

Information about a Discloser's identity may only be disclosed in the following circumstances:

- Where the information is disclosed to ASIC, APRA, the Australian Federal Police, the ATO Commissioner (for tax-related disclosures) or to a person or body prescribed by regulations;
- Where the information is disclosed to a legal practitioner for the purpose of obtaining legal advice or representation in relation to the operation of applicable whistleblowing protection laws; or
- Where the Discloser consents.

Information that may be likely to lead to the identification of the Discloser may be disclosed if:

- The information does not include the Discloser's identity; and
- The Company has taken all reasonable steps to reduce the risk that the Discloser will be identified from the information; and

- It is reasonably necessary for investigating the issues raised in the report.

It is an offence for a person to identify a Discloser or disclose information that is likely to lead to the identification of a Discloser, apart from the exceptional circumstances described above.

## 9 Investigation of Reports

### Assessment of Report

The Primary WPO (or if the Primary WPO is implicated, the Second WPO) will conduct an initial assessment of a report made under this Policy to assess whether it concerns a Reportable Matter, whether a formal, in-depth investigation is required, and whether the matter may be investigated or confirmed in other ways. An investigation may not be possible if the WPO is not able to contact the Discloser (for example, if a report is made anonymously and the information provided is not sufficient to enable an investigation).

### Appointment of an Investigator

If the WPO is satisfied that the report concerns or potentially concerns a Reportable Matter, that an investigation is able to be conducted, and that an investigation is appropriate in all the circumstances, the WPO may appoint an investigator to investigate the matter. The investigator can be:

- (i) a manager or senior executive;
- (ii) an external independent resource; or
- (iii) another suitably qualified person,

who, in whichever case, is not implicated directly or indirectly in the report.

### Conduct of the investigation

Where the WPO deems that an investigation is appropriate, reports of Reportable Conduct made under this Policy will be investigated as soon as possible after the matter has been reported. The investigator will use his or her best endeavours to conduct the investigation in a timely, thorough, confidential, objective and fair manner, as is reasonable and appropriate having regard to the nature of the Reportable Conduct and all of the circumstances.

- Where appropriate, the subject(s) of the report will be informed of the allegations and have an opportunity to respond.
- Where appropriate, the WPO will update the Discloser on the progress of the investigation. A Discloser must not disclose and must keep confidential any details of the investigation, its progress or its outcome.
- Where appropriate, and where the identity of the Discloser is known, the WPO will inform the Discloser of the outcome of an investigation into a report made by the Discloser in accordance with this Policy.

### Investigation outcomes

The outcome of the investigation that confirms a Reportable Matter will be reported to the Board of Directors. A finding of misconduct may result in disciplinary action for officers and employees up to and including dismissal without notice. Serious criminal matters will be reported to the police or the appropriate regulatory authorities.

## 10 Protections for Disclosers



It is a breach of this Policy to subject a Discloser to any Detriment because they have made, or propose to make, a report under this Policy. It will also be a breach of this Policy to make a threat to cause Detriment to a Discloser (or another person) in relation to a report.

Disclosers are encouraged to discuss any concerns about possible Detriment with a WPO prior to or after making a report, so that appropriate measures can be put in place to prevent any potential Detriment to a Discloser.

“**Detriment**” includes (without limitation):

- (i) dismissal;
- (ii) injury of an employee in his or her employment;
- (iii) alteration of an employee’s position or duties to his or her disadvantage;
- (iv) discrimination between an employee and other employees of the same employer;
- (v) harassment or intimidation;
- (vi) harm or injury (including psychological harm);
- (vii) damage to a person’s property; and
- (viii) reputational, financial or any other damage to a person.

Detriment does not include administrative action that is reasonable to protect a Discloser from Detriment (for example, a temporary transfer or arrangements for the Discloser to work from home or another location), or reasonable management action in relation to managing an employee’s work performance, if the action is in line with the Company’s performance management framework.

If a Discloser believes they have suffered or may suffer Detriment because they have made a report under this Policy, or if any person has threatened to cause Detriment to them or another person in connection with a report, they should immediately report the matter to a WPO.

## **Civil, Criminal and Administrative Immunity**

The Discloser cannot be subject to civil, criminal or administrative liability for making a report under this Policy (although, he or she may be subject to civil, criminal or administrative liability for any personal misconduct revealed by the report or the investigation). The Company has the discretion to provide the Discloser (or anyone assisting with the investigation) with immunity from its disciplinary procedures. However, the Company has no power to provide immunity from criminal prosecution.

Causing Detriment to a Discloser because they have made or propose to make a report about a Reportable Matter may also be an offence under applicable laws. Further information on the protections and remedies available to Disclosers under the Corporations Act and the Taxation Administration Act is set out in the Appendix.

# 11. Support for Disclosers

Support available for Disclosers includes:

- connecting the Discloser with access to the Employee Assistance Program (EAP)
- appointing an independent support person from the human resources team to deal with any ongoing concerns they may have

- connecting the Discloser with third party support providers such as Lifeline (13 11 14) and Beyond Blue (1300 22 4636)
- changes to an employee's working arrangements may be considered on a case-by-case basis

Use of these support services by a Discloser may require the Discloser to consent to the disclosure of their identity or of information that is likely to lead to the discovery of their identity.

## 12. Fair Treatment of Persons Implicated

Each report will be assessed and may be the subject of an investigation.

No action will be taken against employees or officers who are implicated in a report under this Policy until an investigation has determined whether any allegations against them are substantiated. However, an employee or officer who is implicated may be temporarily stood down on full pay whilst an investigation is in process, or may be temporarily transferred to another workplace (including working from home), if appropriate in the circumstances. Any such stand-down or temporary transfer may only continue for the duration of the investigation. If the investigation determines that the allegations are not substantiated, the employee or officer must be immediately reinstated to full duties.

### Confidentiality

Any reports that implicate an employee or officer must be kept confidential, even if the Discloser has consented to the disclosure of their identity, and should only be disclosed to those persons who have a need to know the information for the proper performance of their functions under this Policy, or for the proper investigation of the report.

An employee or officer who is implicated in a disclosure has a right to be informed of the allegations against them, and must be given an opportunity to respond to those allegations and provide additional information, if relevant, in the course of an investigation into those allegations (subject to the Discloser's right to anonymity). An employee or officer who is implicated in a report will be informed of the outcome of any investigation.

Support available for persons implicated in a report under this Policy includes:

- connecting the person with access to the Employee Assistance Program (EAP)
- appointing an independent support person from the human resources team to deal with any ongoing concerns they may have
- connecting the person with third party support providers such as Lifeline (13 11 14) and Beyond Blue (1300 22 4636).

## 13. Review and Monitoring

The WPO will report to the Board on an as-needed basis regarding the effectiveness of this Policy, and the whistleblowing process. All such reports shall be de-identified and shall ensure confidentiality of Disclosers. For the avoidance of doubt, if no disclosures have been received under this Policy in the relevant period, no report to the Board will be required.

If a report under this Policy relates to serious misconduct or involves a serious risk to Australian Ethical, the WPO may immediately notify the Board.

The Board shall review this Policy, and its whistleblowing process and associated procedures and practices, on a periodic basis, or as deemed necessary by the Chief Risk Officer, to ensure that it is operating effectively (including indicator and metrics to monitor the Policy's effectiveness), and to rectify any issues identified in the review.

## **Conflicts of interest management**

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

## **Resourcing**

Adequate information technology resources and organisational measures to keep whistleblowers' personal information secure will be maintained. This will be done by reference to the Adequacy of Resources Policy, Conflicts of Interest Management Framework and the Information Security Policy.

## **Training and awareness**

Risk and Compliance are responsible for ensuring that all relevant employees and officers are aware of their obligations under this Policy and any Practice Note and that appropriate divisional procedures to meet the requirements of this Policy and any Practice Note are documented and operational.

## **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 Board, or their delegate.

# 14. Point of contact

The General Counsel (or in their absence one of their direct reports who is a Legal Practitioner) is the point of contact for matters arising from this Policy.

# 15. Accessibility, Education and Training

This Policy will be made available to officers and employees through the Australian Ethical Intranet and website. Copies may also be obtained by request to a HR representative or a WPO. Regular training will be conducted for Eligible Recipients and persons who may receive a report under this Policy.

# Appendix

## Legal Protections

A Discloser may qualify for protection as a whistleblower under the *Corporations Act 2011* (Cth) if they are an 'eligible whistleblower' in relation to Australian Ethical, and:

- They have made a disclosure of information relating to a 'disclosable matter' directly to an 'eligible recipient', or to ASIC, the Australian Prudential Regulation Authority (APRA) or another Commonwealth body prescribed by regulation;
- They have made a disclosure to a legal practitioner for the purposes of obtaining legal advice or legal representation about the operation of the whistleblower provisions in the Corporations Act (Disclosures to a legal practitioner for the purposes of obtaining legal advice or legal representation in relation to the operation of the whistleblower protection provisions in the Corporations Act are protected, even if the disclosure does not relate to a "disclosable matter"); or
- They have made an 'emergency disclosure' or a 'public interest disclosure'.

A Discloser may qualify for protection as a whistleblower under the *Taxation Administration Act 1953* (Cth) if they are an 'eligible whistleblower' in relation to Australian Ethical, and:

- They have made a disclosure of information relating to misconduct, or an improper state of affairs or circumstances, in relation to the tax affairs of Australian Ethical directly to an 'eligible recipient' or to the Commissioner for Taxation; or
- They have made a disclosure to a legal practitioner for the purpose of obtaining legal advice or legal representation in relation to the operation of the whistleblower protection provisions in the Taxation Administration Act.

## Public Interest Disclosures and Emergency Disclosures

Disclosures can be made to a journalist or a parliamentarian under certain circumstances and qualify for protection under the Corporations Act. Such disclosures must first be made to ASIC, APRA or another Commonwealth body prescribed by regulation, and must meet other specific requirements. A Discloser should obtain independent legal advice to ensure that they understand the criteria for making an emergency disclosure or a public interest disclosure that qualifies for protection.

The following protections are available to whistleblowers who make a protected disclosure under the Corporations Act or the Taxation Administration Act (whether that disclosure is made internally, or to an external body such as ASIC, APRA, a legal practitioner or is a public interest or an emergency disclosure):

- Protection of the Discloser's identity, if he or she wishes to remain anonymous;
- Protection from Detriment because of making a protected disclosure;
- The right to claim compensation for loss, damage or injury caused to the Discloser because of a protected disclosure; and
- Protection from civil, criminal and administrative liability because of making the protected disclosure.

## Legal Remedies

A Discloser that suffers loss, damage or injury because of a protected disclosure, or because their identity has been disclosed without their consent, may seek compensation and other remedies through the courts. A Discloser should seek independent legal advice if they wish to obtain such a remedy.

A Discloser may also contact regulatory bodies such as ASIC, APRA or the ATO (in relation to tax related disclosures) if they believe that they have suffered Detriment due to making a report about a disclosable matter, or if there has been a breach of confidentiality such as a disclosure of their identity without their consent.