

February 2025

Australian Ethical Gender Pay Gap Statement

At Australian Ethical Investment Ltd, we are deeply committed to fostering a workplace that champions gender equality and inclusivity. We have experienced that a diverse and equitable environment not only reflects our core values but also drives innovation and excellence, and our results demonstrate this.

This is a topic we've taken seriously as an organisation for many years, and have worked hard to build a diverse workforce, including gender balance of the Board and Executive leadership team, as well as advocating for positive change in other organisations.

While 2024 was the first year Australian Ethical was required to submit a Gender Equality Report, for several years we have reported the gender diversity of our Board, our Leadership team, and more recently our Investment team, in our annual Sustainability Report. We not only welcome but actively encourage feedback from all stakeholders, as collaboration and open dialogue are essential to driving meaningful change.

We embrace WGEA's reporting and the transparency and accountability to improving workplace gender equality. AE's median gender pay gap is 9.4% and average pay gap is 12.1%, compared to the finance and insurance services sector at 22.2% and 22.2% respectively, according to WGEA 2023-24 data.

To drive measurable progress, Australian Ethical has implemented comprehensive policies and strategies designed to support gender equality across all areas of the business. These include targeted approaches in recruitment, retention, performance management, promotions, succession planning, training and development, and talent identification. We also set specific targets aimed at increasing the representation of women in management positions, key management personnel roles, and traditionally male dominated roles. By the end of FY24 we had 36% female representation in the investment team, and women represented 67% of our Board and 50% of our Leadership team.

During the 2023-24 reporting period, we undertook several new initiatives to advance gender equality, including:

- Uplifting our Parental leave policy to gender-neutral 20 weeks paid leave, which can be taken flexibly
- Signed onto 40:40 vision; an investor-led initiative dedicated to achieving gender balance in executive leadership within Australia's largest listed companies.

Looking ahead, we plan to work on a new Diversity, Equity, Inclusion and Belonging Strategy which will ensure targeted annual actions for gender equality and other areas of diversity beyond gender, demonstrating our ongoing commitment to creating an equitable and inclusive workplace.

We remain steadfast in our dedication to gender equality and acknowledge that there is still work to be done. While we are proud of the progress we have made, we recognise that achieving true gender equity is an ongoing journey.

AUSTRALIAN ETHICAL'S GENDER EQUALITY POLICIES AND PRACTICES

Recruitment

- 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.
- Recognising long-term structural diversity imbalances in financial services we aim to redress these inequities by:
 - Proactively working to encourage equal representation by both genders in shortlists for all positions.
 - 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.

Gender Pay Equity

- In line with the Remuneration Policy our remuneration approach is guided by principles, including "we pay fairly and equitably".
- During the annual remuneration review and ongoing we have a particular focus on ensuring gender remuneration equity for like roles.

Flexible Working

- 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.

Policies

- 20 weeks gender neutral flexible paid parental leave, including one day paid leave per week for the first three (3) months when returning to work
- Superannuation on paid and unpaid on parental leave for up to 24 months
- Online mandatory training covering DEI topics including: Equal Employment Opportunity, Sexual Harassment, Diversity & Inclusion, Anti-Bullying and Harassment, Discrimination.

Career Development

- We take an open and inclusive approach when it comes to job promotions and allocation of internal job opportunities and are committed to ensuring that career development decisions are made without bias. Management may consider role and structural re-design to ensure no group is discriminated against and there is equal opportunity for all employees.

Partnerships

- Member of the Diversity Counsel of Australia
- Signatory to the FSC Women in Investment Management Charter, introduces accountability and transparency mechanisms to achieve desired, self-nominated, gender diversity targets
- Future IM/Pact, an industry initiative aimed at attracting more diverse talent into the investment teams of fund managers, super funds and industry participants.

Targets

- Our targets for achieving gender diversity are:
 - 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