

# Challenger Limited

## Diversity & Inclusion Policy

This version: Version 5  
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Review of Policy Due by: July 2021  
Policy Owners: Human Resources  
Prepared By: Chief Executive, People, Corporate Affairs & Sustainability  
Authorised By: Remuneration Committee

# SUMMARY

**Why is this policy required?**

This policy sets out Challenger’s approach to workplace diversity and inclusion, how diversity and inclusion is supported and Challenger’s measurable objectives relating to diversity and inclusion.

**Who does this policy apply to?**

This Policy applies to all employees of Challenger Limited.

**Review cycle**

This Policy will be reviewed annually or as required if there are material changes to relevant regulations or legislation.

# 1. What is diversity and inclusion?

Workplace diversity refers to the diverse perspectives and contributions that employees bring to their work as a result of their unique mix of attributes, preferences and experiences. A diverse and inclusive workplace recognises individual differences and perspectives. When these can be expressed, listened to and respected, employees are able to fully participate in their work and enjoy a productive and positive work culture. Successfully harnessing diverse thinking and working styles contributes to innovation and superior long-term outcomes.

# 2. What is Challenger's approach to diversity and inclusion?

Challenger encourages a diverse and inclusive workplace where employees can succeed regardless of gender, gender identity, age, cultural or religious background, marital or family status, disability, sexual orientation or carer responsibilities. Challenger's Diversity & Inclusion Strategy, which is endorsed by the Board and Chief Executive Officer, has three key areas of focus:

- **Diverse and inclusive workplace** – An environment where differences are valued and employees have a strong sense of belonging
- **Gender equality** – Improving business outcomes through equal representation, opportunities and reward for women and men
- **Employment opportunities for people aged over 50** – Supporting employment outcomes for people aged over 50.

Challenger's commitment to diversity and inclusion is reflected in all employment practices. The policies and guidelines in place to support diversity and inclusion include:

- The I ACT values;
- Code of Conduct
- Discrimination and Harassment Policy;
- Workplace Bullying Policy;
- Flexible Work Toolkit;
- Recruitment Toolkit;
- Leave Guidelines; and
- Remuneration Policy.

Reflecting the importance of diversity and inclusion at Challenger, all people leaders have a compulsory key performance indicator requiring them to contribute to the delivery of Challenger's Diversity & Inclusion strategy.

# 3. What is Challenger's approach to gender equality?

Gender equality is achieved when employees are equally valued, rewarded by role, and able to access the same opportunities, irrespective of gender. Challenger is committed to achieving gender equality and realising the many benefits it delivers. Together with a focus on continued improvement against gender composition targets (see Appendix A), which are reported to the Board on a monthly basis, practices are in place to achieve gender equality in the following areas<sup>11</sup>:

- **Recruitment** –The Recruitment Toolkit details expectations around non-discriminatory selection practices, including on the basis of gender. Recruitment training covers equal employment opportunity principles and anti-discrimination recruitment practices. Externally, terms and conditions with recruitment suppliers require a commitment to the delivery of gender equitable

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<sup>11</sup> This applies to all employee types, including independent contractors and casuals

shortlists. For the recruitment of all roles, a female must participate on the panel throughout the process.

- **Performance Management** – The performance management process is transparent and considers performance against agreed objectives and the I ACT values. Performance ratings are subject to rigorous peer review through annual Business Unit and Leadership Team calibration to ensure gender equity, and outcomes are reported to the Board.
- **Promotions** – All employees are considered for promotion opportunities, irrespective of gender. All vacant positions are advertised internally (except in exceptional circumstances) to ensure equitable access to opportunities. Employees on parental leave are considered for promotion opportunities when they arise. Analysis of promotion data by gender is reported to the Board on a quarterly basis.
- **Talent identification and succession planning** – The Leadership Team conducts an annual talent and succession process to identify high potential employees and to discuss succession plans for key roles, ensuring both men and women are represented in this talent pool.
- **Remuneration** - Challenger is committed to the delivery of equitable remuneration outcomes irrespective of gender. Annual remuneration outcomes, with a particular focus on gender remuneration equity for like roles and by level, are subject to rigorous review through the Leadership Team calibration process to ensure internal equity and fairness. Appropriate adjustments are made where required and outcomes are analysed and reported to the Board.
- **Training and development** – All employees have equal access to training and development opportunities irrespective of gender, and analysis is conducted to ensure participation is equitable for major development programs and initiatives.
- **Resignations** – Resignation data is captured by gender and reported to the Board on a quarterly basis. Where material differences are noted, action is taken to understand the reasons for departure and how they may be addressed going forward.
- **Significant organisational changes** – A robust process is followed when identifying structural changes in the organisation to ensure outcomes are determined by business requirements and not on the basis of gender.

## 4. Diversity & Inclusion Committee

To provide continued focus on, and promotion of, a diverse and inclusive workplace, Challenger established a Diversity Committee in 2014. Renamed in 2019, the Diversity & Inclusion Committee is chaired by the Chief Executive Officer and sponsored by the Chair of Challenger's Board.

## 5. Measurable objectives

Each year, the Board commits to measurable diversity objectives against which progress is reviewed at the end of the year. Challenger's measurable objectives for diversity for FY21 are included in Appendix A.

## 6. Point of contact

The Chief Executive, People, Corporate Affairs & Sustainability is the point of contact in relation to any questions or issues arising from this policy.

## 7. Review Cycle

This policy will be reviewed annually or as required if there are material changes to relevant regulations or legislation.

## Appendix A: FY21 measurable objectives

Objective	Measured by:																
<p><b>Gender balance</b> Improving business outcomes through equal representation and opportunities for women and men.</p>	<ul style="list-style-type: none"> <li>• Achievement of gender composition targets:</li> </ul> <table border="1" data-bbox="647 427 1458 763"> <thead> <tr> <th></th> <th>Jun 20 (%)</th> <th>Jun 20 (n)</th> <th>FY21 Target</th> </tr> </thead> <tbody> <tr> <td><b>Women in all roles</b></td> <td>43.1%</td> <td>321</td> <td>45%</td> </tr> <tr> <td><b>Women in management</b></td> <td>37.7%</td> <td>58</td> <td>40%</td> </tr> <tr> <td><b>Board</b></td> <td>25%</td> <td>2</td> <td>30%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• Building Challenger's profile as an employer of choice for women.</li> <li>• Succession plans are gender diverse and a strong external pipeline of talented women has been established.</li> <li>• Implementation of talent management program for high potential women.</li> <li>• Gender balance achieved for recruitment shortlists, appointments, promotions, and strategies in place to address inequities.</li> </ul>		Jun 20 (%)	Jun 20 (n)	FY21 Target	<b>Women in all roles</b>	43.1%	321	45%	<b>Women in management</b>	37.7%	58	40%	<b>Board</b>	25%	2	30%
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<p><b>Work/Life Integration</b> Supporting employees to achieve meaningful engagement in their work and life</p>	<ul style="list-style-type: none"> <li>• Continuing to support and expand flexible working and enable employees to better balance work and life commitments.</li> <li>• Strengthening the existing support provided to employees: <ul style="list-style-type: none"> <li>○ During the transition to and from parental leave;</li> <li>○ With elder care and disability care commitments;</li> <li>○ Impacted by domestic violence; and</li> <li>○ In the transition from work to retirement.</li> </ul> </li> </ul>																
<p><b>Gender pay equity</b> Extending pay equity to all levels in the organisation</p>	<ul style="list-style-type: none"> <li>• Continuing rigorous calibration processes to ensure performance assessment and remuneration recommendations are evidence based and without gender bias.</li> <li>• Maintaining existing parity of remuneration for like roles.</li> <li>• Improved organisation-wide and by level pay gaps.</li> </ul>																
<p><b>Aged employment</b> Supporting employment outcomes for older employees</p>	<ul style="list-style-type: none"> <li>• Retention of existing employees aged over 50.</li> <li>• Implementation of initiatives which create opportunities to employ people aged over 50.</li> <li>• Increasing the proportion of employees aged over 50 to be more representative of the Australian population.</li> </ul>																
<p><b>Diverse and inclusive workforce</b> A workplace where differences are valued and employees have a strong sense of belonging</p>	<ul style="list-style-type: none"> <li>• Supporting employees to shape the diversity agenda and extend Challenger's diversity focus to areas which matter to them.</li> <li>• Recognising and celebrating important events and milestones that represent the many different backgrounds and perspectives of employees at Challenger.</li> </ul>																