



Gender Equality in Remuneration at IFM Investors



Purpose of this response

Each year, as required under the Australian *Workplace Gender Equality Act 2012*, we submit remuneration data for our Australian employees to the Workplace Gender Equality Agency (WGEA) to facilitate assessment of the Gender Pay Gap in Australia. Under the Australian *Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Act 2023*, WGEA will be publishing the Gender Pay Gap data by firm publicly from early 2024. WGEA has invited all firms to include a response to this analysis on their website that gives context to the published Gender Pay Gap results.

It is important to note that the Gender Pay Gap as reported by WGEA compares the difference in earnings between women and men in the workplace¹ and should not be confused with men and women being paid the same for the same or comparable job. This is equal pay, and we have strategies in place to help ensure we remunerate all of our people equally for equal work or work of equal value. This is described in detail in this response.

Gender equality in remuneration at IFM Investors

Our purpose is to invest, protect, and grow the long-term retirement savings of working people.

We believe our clients, whose beneficiaries include millions of working people globally, deserve the very best talent managing their investments.

We believe an inclusive culture that welcomes and embraces different qualities, backgrounds and perspectives enables us to bring our authentic selves to work, leading to innovative thinking, better decision making and value for our clients and stakeholders. Our focus in this response is on Australia due to WGEA’s Gender Pay Gap data being focused on Australia only, but our strategy and approach to I&D at IFM is to take a global perspective. We want IFM to be a workplace where each of our people feel safe, included, respected and recognised for their distinct qualities, backgrounds and perspectives, regardless of their race, gender, religion, sexual orientation, age, ability and family status. Importantly, we also acknowledge the intersectional dimensions that mean that not any one experience is the same and some of our colleagues could experience additional systemic barriers to inclusion.

I&D VISION

At IFM Investors, inclusion and diversity are fundamental to how we do business.

We know an inclusive culture that welcomes and embraces unique qualities, backgrounds and perspectives enables us to bring our authentic selves to work, leading to innovative thinking, better decision making and superior value for our investors and stakeholders.

I&D BELIEFS

- ✓ Diverse teams with a strong sense of purpose and belonging will enable us to deliver on our Purpose
- ✓ People of every ethnicity, social background, religion, gender, sexual orientation, age or ability feel welcomed, included and valued
- ✓ We should strive to reflect the communities in which we operate
- ✓ Leveraging cognitive diversity is central to solving complex problems
- ✓ For the respective I&D priorities across our network, we are engaging in opportunities to improve equity and value creation

I&D STRATEGY PILLARS



Our Inclusion and Diversity (I&D) initiatives influence the fabric of our culture and are fundamental to how we work and conduct business. To create a truly inclusive lived experience for our people, we have embedded I&D into every aspect of their experience at IFM (refer below for examples).

¹ While WGEA collects data for those identifying as non-binary, these results are not published due to the small numbers and voluntary nature of reporting.



As a global institutional investment manager, we operate in a global marketplace. To attract and retain the best people, it is also important that we pay globally competitive remuneration.

Our remuneration is structured to align IFM employees with our aim of delivering superior net investment returns to members of superannuation and pension funds and like-minded institutional clients around the world. Our remuneration practices are designed to:

- Align our remuneration outcomes to the results we have delivered and aim to continue to deliver for our clients
- Ensure that individual key performance objectives are linked to our strategic goals and objectives, such as delivering for our clients. For example, for our investment professionals, variable remuneration is driven primarily by whether our investment products exceed investor return benchmarks net of all fees
- Encourage and reward outcomes and behaviours that support our cultural and strategic goals
- Incorporate and uphold our Risk Management Framework, which includes the consideration of sustainability risks
- Not compromise the independence of risk and financial control employees have in carrying out their roles and functions
- Comply with legal and regulatory obligations

We remunerate all employees equally for equal work or work of equal value. We seek to eliminate unintended bias in its pay practices by regularly comparing the remuneration of men and women in like-for-like roles, within like roles and when compared to external market benchmarks. Where material differences between the average pay of people of different genders in like for like roles are identified, we document, investigate and take appropriate action where relevant.

We also have recruitment, promotion and succession planning strategies and processes in place within which we monitor the development of any gender pay gaps between like-for-like roles with a view to achieving pay equity over time.

WGEA Gender Pay Gap

Our median remuneration Gender Pay Gap data, as analysed under the WGEA methodology, is shown in the table below, with a comparison to our Industry Comparison Group as determined by WGEA. Our Gender Pay Gap is broadly aligned to our Industry Comparison Group, with our median base salary Gender Pay Gap lower than our peers.

	IFM	Industry Comparison Group
Median base salary	17.9%	23.4%
Median total remuneration	23.7%	23.2%

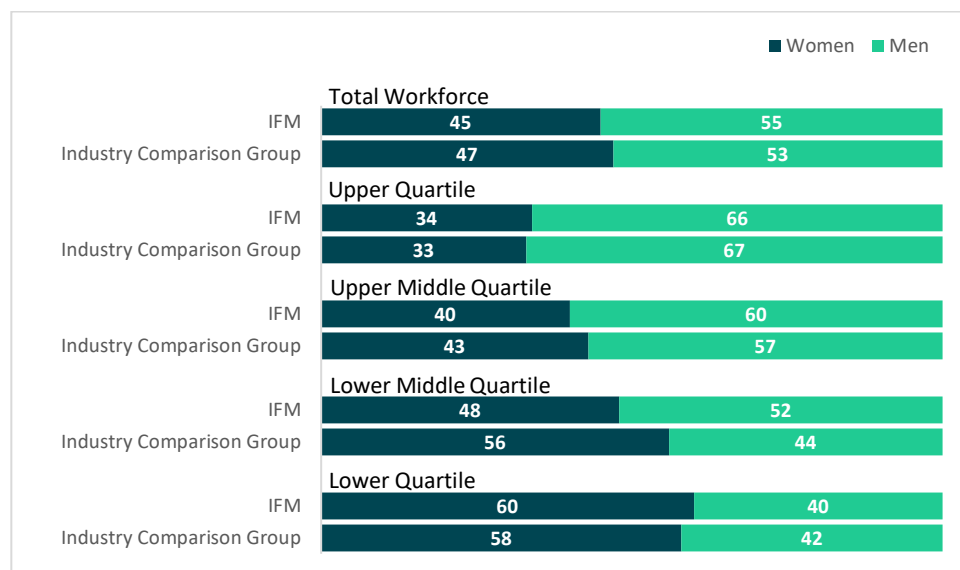
Source: Workplace Gender Equality Agency, WGEA Reporting Industry Benchmark Report 2023

Due to the strategies and processes in place through which we monitor differences in pay between genders, we have a clear understanding of what is driving our overall difference in earnings between women and men.

At IFM, variable remuneration paid to our team reflects our exceptional investment performance for our clients. Our senior investment roles attract higher levels of variable performance-based remuneration. The primary driver of the median pay disparity results from the overrepresentation of men in these senior investment roles. We have strategies in place to attain greater gender representation across all levels and goals in place to hold ourselves accountable (further outlined below).



Figure 1 – Breakdown of Men and Women by IFM Pay Quartile



Source: Workplace Gender Equality Agency, WGEA Reporting Industry Benchmark Report 2023

We believe that our remuneration structures are appropriately designed to align our people with delivering our purpose. Therefore, it is only through achieving more balanced gender representation across our roles and levels that we will close the gap.

Our Diversity Strategy to drive more equal representation across our population

In 2022, we refreshed our gender diversity goals and set firm-wide longer-term goals. We know that increasing our gender representation, especially in investment teams and at the senior levels, requires a long term approach. Our firm-wide goal is to achieve no more than 55% of any one gender at both the all-employee level and the director and above level by 2026.

We have also set gender diversity goals for each business unit, recognising each of our business units have different starting points and complexities to achieve this goal. Importantly, each of our business units, including investment teams, have tailored strategies for the attraction, retention and development of diverse talent. The progress against these strategies is reported to the Board.

While we have long term gender diversity goals, this is supported by short and medium term actions plans. Our multi-faceted approach includes working to attract the best talent in the market; investing in our current emerging leaders; and identifying early career talent for longer term roles, both internally and externally. We are also taking other steps to increase the capability of our teams, as outlined below.

Embedding Inclusion

In 2022, we launched a global unconscious bias training program, which was a foundational step of a broader program to embed inclusion within the full employee experience. Notably, this was a key priority identified by our I&D Forums in 2021. We have three regional I&D Forums – APAC, EMEA and North America. The Forums form a critical part of how our I&D strategy is embedded in the business and one of their key purpose areas is to play an advisory role to what and how the I&D strategy is delivered, both globally and tailored to our regions.

Introduce I&D focused leadership and cultural capability development programs

In 2022, we launched two new I&D related leadership programs. The ‘Women in Leadership Scholarship’ program is designed for senior women at IFM who have been identified as our future executive leaders, and the ‘Breakthrough



Leadership’ program which is targeted at our diverse emerging leaders. Targeting different career levels (emerging and senior) is reflective of our focus in investing in our future leaders. We aim to run these programs biannually, aligned with priorities.

We are also a corporate member of external organisations such as Women in Banking and Finance (WiBF) and Women in Super ,and sponsor several development opportunities for our employees each year at varying levels.

Build on our inclusive hiring practices and early careers

We now have a dedicated I&D page on our external website to demonstrate to prospective candidates and stakeholders our commitment and I&D strategy. This is a deliberate step to be more visible and accountable for our I&D aspirations, both internally and externally.

We understand the importance of language in attracting a diverse, talented workforce. Our hiring practices also include the use of inclusive language in our recruitment material through our partnership with external technology company, Textio.

In 2022, our infrastructure team established a ‘Women in Infrastructure Scholarship and Internship’, in partnership with RMIT and Monash University. As part of the program, we offer two female finance and engineering students a A\$20,000 scholarship and a paid internship in our infrastructure team in Melbourne, Australia.

We have been involved in the Australian Institute of Superannuation Trustees (AIST) SuperGrad program since 2018. In 2022, we welcomed female AIST SuperGrads rotating through different teams.

Enhancing and broadening our family support

We are proudly certified in Australia by Family Friendly Workplaces, a community of progressive organisations united in driving global change by creating and embedding practices to support employees at work and at home, which contributes to removing barriers for more senior females in leadership roles.