

Code of Conduct – Australian Ethical Group

This Code provides guidance about the standards that Australian Ethical expects in the conduct of its operations. The Code is endorsed by the Board and applies to all directors, employees and contractors.

If you are in any doubt about whether you might breach the Code, apply the following test:

Can this activity be justified in terms of the Australian Ethical Charter?

If something fails this test, even if it is legal, then you should not do it.

Be aware of conflicts

There will be times when our personal interests' conflict with our customers or Australian Ethical's interests. Australian Ethical has a statutory duty to put the interests of customers first in the event of a conflict. If the conflict is between our personal interests and Australian Ethical, you must remove or manage the conflict.

Directors, employees and contractors should be familiar with Australian Ethical's Conflicts Management Policy. If you have a conflict, you must disclose that conflict to your Manager and the Chief Risk Officer (CRO). You, your Manager and the CRO are responsible for managing the conflict – which will also be recorded on the Register of Relevant Duties.

Insider trading

If you have price-sensitive information that is not publicly available such as information:

- acquired through working on investments;
- about a business proposal or project;
- about any entity in which Australian Ethical has an interest; or
- that you have acquired through your employment with Australian Ethical or any other means;

Then you must not:

- deal in that entity's securities such as shares or debt;
- pass that information on to another person; or
- encourage another person, for example a family member, to make any investments in the entity.

All of your share trading activity, including Australian Ethical shares (ASX:AEF) must comply with the Australian Ethical Share Trading Policy.

No unauthorised gains or payments

You should not accept or offer gifts, services, discounts or gratuities when conducting Australian Ethical business.

Directors, employees and contractors receiving gifts or soft dollar benefits from third parties because of their employment or association with Australian Ethical must declare them to the CRO. Gifts may be accepted or declined if the procedures in the Australian Ethical Conflicts Management Policy are followed. Accepted gifts are recorded on the Register of Relevant Interests.

Australian Ethical will not provide gifts or soft dollar benefits to third parties for the referral of customers or for the issue of Australian Ethical products to customers. Australian Ethical may conduct competitions and other promotional activities that involve the granting of nominal rewards to current and/or new customers. Any such promotional activities will be monitored to ensure that they are consistent with this Code and the Australian Ethical Charter.

The offering of bribes to anyone is prohibited, could compromise all concerned and is illegal.

Australian Ethical's assets are critical

You must only use Australian Ethical's assets as authorised. These assets include office equipment, computer systems, the data on those systems (including the passwords allowing access to that data), intellectual property, brands and corporate credit cards.

You must use the assets in line with the terms outlined in the Australian Ethical IT Acceptable Use Policy. You must not use the assets for personal gain or to compete with Australian Ethical.

An obligation of care and diligence

You must exercise care and diligence in the performance of your duties. You have a responsibility to our customers and shareholders to ensure that your work is accurate and that decisions are based on relevant, up to date information.

Protect confidential and personal information

You may have access to confidential information about Australian Ethical, its customers or its shareholders. It is critical not to use or distribute confidential information unless you have been authorised. This includes not giving confidential information to other people within Australian Ethical or using it for a different purpose.

You must comply with the Australian Ethical Privacy Policy at all times.

Everyone must have an equal opportunity

Australian Ethical has a long-standing commitment to equal opportunity for all. Discrimination, bullying or harassment of any kind are absolutely inconsistent with our philosophy and are prohibited. This includes ensuring you are polite and respectful to everyone you interact with while using social media both for work and personally.

Compete fairly

Australian Ethical is committed to fair competition. When competing for business we do so vigorously but fairly. This means: not intentionally misleading customers, business partners, competitors or the community; only using Australian Ethical's reputation in legitimate ways; and not engaging in suspect practices.

Consider environment, health and safety impacts when making a business decision

The Australian Ethical Charter outlines the principles used when Australian Ethical makes investment and business decisions. These principles require us to consider a range of environmental, social and governance criteria.

In addition to selecting companies which meet the Charter, it is important that we promote the Charter in our everyday business dealings.

Directors, employees and contractors should strive to ensure that our business decisions do not compromise our commitment to the Charter and to comply at all times with local regulations.

No unauthorised public statements

Only Directors and authorised employees may make public statements on behalf of Australian Ethical. In particular. We must be careful in the following areas:

- *Price sensitive information* concerning Australian Ethical or its businesses must be disclosed to the ASX before it is otherwise released publicly. Not doing this is a criminal offence. Australian Ethical cannot make price sensitive disclosures to analysts or ratings agencies or preliminary disclosures to the media, even if it is "embargoed" until public release;
- Any publicly available information (for example, in publications, memos, presentations or releases) must utilise the current form of that information located on our website or in our Product Disclosure Statements or which has otherwise been approved;
- *Social media*: Do not post material that is offensive, obscene, defamatory, threatening, harassing, bullying, discriminatory, hateful, racist, sexist, infringes copyright, or is otherwise

unlawful on Australian Ethical's social media accounts or *your own personal accounts*;

- Do not imply that you are authorised to speak for Australian Ethical or give the impression that what you are saying is Australian Ethical's position, unless you are authorised.

No political donations

Australian Ethical does not make political donations.

Know our policies and procedures

You must make yourselves aware of and understand Australian Ethical's policies and procedures, particularly those that affect your role. You must be clear on your limits of authority and never exceed those limits.

Responsibilities to shareholders and the community

We have a responsibility to our shareholders to deliver shareholder value through:

- sustainable and efficient business operations;
- the adoption and implementation of sound risk management; and
- compliance with applicable laws and regulations.

We have a responsibility to the community within which we work to consider the impact of our operations when making business decisions.

Reporting Breaches of the Code

We all have a responsibility to report breaches of this Code. Australian Ethical maintains a Whistleblowing Policy that includes procedures for reporting breaches of this Code or concerns about unethical practices.

Obligation to Comply with the Code

We should all adhere to the terms and spirit of this Code.

Breaches of the Code may be subject to disciplinary action, including termination of directorships, employment or contacts.