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Employer Statement

Gender Pay Gap

February 2026

Challenger's Approach to Gender Equality

Challenger is committed to achieving gender equality and realising the many benefits it delivers for our workplace, the industry and society. Our approach to gender equality is a critical part of our diversity, equity and inclusion strategy.

Along with a focus on continued improvement against gender composition targets, we have practices in place to help us progress towards gender equality including[1]:

- **Recruiting** for diversity, particularly at senior levels
- Creating an inclusive **culture** which values difference
- Setting of **measurable diversity targets** and **reporting on progress** on a monthly basis
- **Performance** processes include people and diversity measures for our leaders
- **Remuneration** is calibrated annually to ensure fair and equitable outcomes
- Gender diverse pools identified through **talent** and **succession planning**
- **Talent development** programs and ensuring that all employees have actionable plans

1. This applies to all employee types, including independent contractors and casuals

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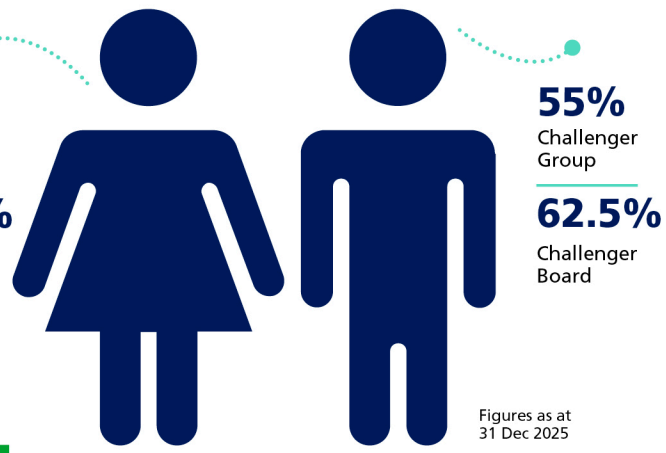
Achieving Gender Equality at Challenger 2026



Figures as at 31 Dec 2025

GEI 1 & 2

Gender composition of the workforce and governing bodies of relevant employers

GEI 3

Equal remuneration between women and men

Average total remuneration = **33.7% gap**
Median total remuneration = **16.4% gap**

Average base salary = **15.1% gap**
Median base salary = **12.3% gap**

No pay differentiation in like-for-like roles at Challenger

GEI 5

Consultation with employees on issues concerning gender equality in the workplace

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- Supporting employees to **shape the** diversity and inclusion **agenda**
- **Recognising and celebrating** important events and milestones
- **Learn from the best** through our people and their lived experiences
- Employee focus groups conducted on workplace culture and diversity & inclusion.

GEI 4

Availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and to working arrangements supporting employees with family or caring responsibilities

- Providing **flexible resources** and **opportunities** to **all individuals**
- Signatory **commitment** to ongoing partnerships
- **Gender neutral** paid parental leave of up to **18 weeks** which can be taken flexibly
- Family inclusive workplace **certified**

GEI 6

Sexual harassment, harassment on the ground of sex or discrimination

Respect@Work guidelines were launched and mandatory training was delivered to all Challenger people and Board members in 2024, with refresher training required every two years.

In line with our positive duty, we are **proactively taking steps** to eliminate sexual harassment, harassment on the ground of sex, and sex-based discrimination across our workplace.

Gender Pay Gap Overview

Challenger's average and median gender pay gap for total remuneration and base salary is provided in the table below.

Gender Pay Gap	2024-25	Industry Comparison
Average total remuneration	33.7%	16.3%
Median total remuneration	16.4%	16.4%
Average base salary	15.1%	15.1%
Median base salary	12.3%	14.3%

Although there was an increase to the gender pay gap over the past 12 months, we are in line with the industry comparison across most metrics, with the exception of average total remuneration.

The increase to our gender pay gap is driven by the timing of long-term incentive awards being reported for the first time and organisational structure changes for the reporting period. We continue to take steps to improve gender representation at all levels across our workforce.

We remain committed to reducing this pay gap in alignment to our ongoing commitment in delivering against our Diversity, Equity and Inclusion (DEI) strategy.

To help achieve this, we have targets for women in management, sales and investment management, in addition to offering a range of other benefits, including leadership programs, to improve diversity outcomes and ensure a balanced workforce composition.

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Understanding this year’s gender pay gap

Challenger’s reported gender pay gap increased this year, primarily due to two structural and timing-related factors rather than changes to how employees are paid.

Long-term incentive awards granted in 2020 vested in 2024 for the first time since 2018 following strong performance over the four-year period. These awards were concentrated among senior leaders, roles predominantly held by men at the time the awards were granted, lifting average male earnings for the reporting period as the absence of vesting's in prior years resulted in nil reporting values for prior year long-term incentive awards.

Following the expansion of strategic partnerships throughout 2024 with Accenture, providing access to world class technology and capabilities, and State Street’s global leading investment administration and custody services, a number of operational roles were transitioned to these external partners. Their removal from Challenger’s workforce shifted the overall employee mix toward higher-paid roles, many of which are concentrated in investment management.

To support our commitment to reducing gender pay equity in areas such as investment management, which typically has a higher concentration of males, we are a signatory to the FSC Women in Investment Management Charter and have a set a gender-based target which is reported on a monthly basis.

Gender Pay Equity

Equal pay for equal work

- Challenger recognises that the gender pay gap is not the same as ‘pay equity’. Pay equity is achieved when women and men receive equal pay for work of equal or comparable value (i.e. like-for-like roles).
- Pay equity remains an important focus for Challenger and is typically reported to the Board through our annual remuneration review processes.
- Challenger confirms that based on its most recent review, there continues to be no difference in pay for men and women in like-for-like roles.

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Moving Forward

Challenger has held its Employer of Choice citation from the Workplace Gender Equality Agency for nine years and continues to do so as part of its strategy towards a diverse and inclusive workplace.

This citation recognises Challenger's commitment to and focus on improving gender equality across areas such as leadership and strategy, developing a gender-balanced workforce, preventing gender-based harassment and discrimination, sexual harassment and bullying and driving change beyond the workforce.

Challenger was ranked 76 out of 100 globally in the 2026 Equileap Gender Equality Global Report (including 23rd for Financial Services globally and 8th in Financial Services, Australia). Equileap is the leading organisation providing data and insights on gender equality in the corporate sector. Every year, they evaluate ~5,600 companies around the world on gender equality based on 21 indicators including gender balance at all levels within the company, the gender pay gap, sexual harassment and parental leave.

Additionally, in 2025 Challenger was recognised as a Bronze Employer in the Australian Workplace Equality Index, the national benchmark for LGBTQ+ inclusion.

We recognise that in working towards a zero gender pay gap, our policies and processes must reflect the strategy set by our Board to deliver an equitable remuneration framework, which may evolve based on research, industry changes and employee feedback.

Working towards a zero gender pay gap

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WGEA Employer of Choice for Gender Equality

AUSTRALIAN LGBTQ INCLUSION AWARDS 2023 – 2026 AWEI BRONZE EMPLOYER

Family Inclusive Workplace™ CERTIFIED 2023/2024