

2023 Australia Gender Pay Gap Report

Morgan Stanley is committed to embedding diversity & inclusion as an essential pillar of our business strategy and building a workforce that reflects the demographics and values of our employees, clients, shareholders and the global communities where we live and work. We remain focused on achieving this through innovation, strategic action and long-term investment in our employees and communities.

GENDER PAY GAP EXPLAINED

This report provides context to our 2023 Gender Pay Gap results. The Gender Pay Gap is a measure of the average pay difference between men and women across an organisation, regardless of role or level. This is different from gender pay equity, which measures whether women and men are paid equally for the same or similar roles, or work of equal value.

In accordance with new requirements under Australian Government legislation, our Gender Pay Gap and Gender Composition by Remuneration Quartile have been published by the Workplace Gender Equality Agency (WGEA). Morgan Stanley Australia's 2023 median gender pay gap for total remuneration was 48.2% and for base salary was 25.1%. This is based on 605 employees within the Morgan Stanley Australia Group, of which 42% were women. These figures are within the range of other Finance and Investment Services firms that we are benchmarked against.

Morgan Stanley is committed to ensuring compensation and reward decisions are fair, equitable and consistent, and are made based on an individual's role, performance and experience, regardless of gender, race, ethnicity or other demographic. Although this is the first time that results are being disclosed publicly at an employer level, this is a topic that has been a key area of focus for us for some years and we have a series of long-standing initiatives in place to address the Gender Pay Gap.

While we have increased the representation of women in our Australia business over time from 37% in 2021 to 42% in 2023, our Gender Pay Gap results reflect the fact that we have a greater proportion of men than women in senior positions, and in businesses where market rates of pay are highest. Fairness in our pay practices remains a core part of our compensation strategy and we remain committed to increasing the number of women in leadership roles through development, retention and promotion, and reducing our Gender Pay Gap over time.



CEO STATEMENT

"Our Australia Executive Committee and Australia Diversity Council are committed to addressing the Gender Pay Gap through the development, retention and promotion of more women into senior roles. Whilst this is the first year these figures have been publicly reported at an employer level, this has already been a key area of focus of the Firm for several years now and we have made progress in increasing our overall female representation and reducing the Gender Pay Gap in the Australia business over the past few years. Meaningful and sustainable change will take time. We remain committed to investing in our female talent and striving for gender balance across all levels and divisions."

Richard Wagner
CEO of Morgan Stanley Australia

women
banking
and
finance



CEW Women Leaders
Empowering
All Women

Morgan Stanley Australia Action Plan

Morgan Stanley Australia will continue its five point, multi-year action plan to increase the number of women in senior roles and ultimately reduce its gender pay gap.

1. Senior Leadership Commitment

- Commit to Diversity and Inclusion is one of Morgan Stanley's five Core Values.
- In 2020, we introduced representation objectives to drive greater accountability to improve diversity representation for women globally. Building a diverse workforce remains central to our strategy, and we are continuing to take steps to ensure that our employees reflect the demographics of the communities in which we live and work. Each year across Asia discussions are held with each Business Unit focused on the development and advancement of women within our Managing Director pipeline. These discussions are seeking to identify individual and collective strengths and development opportunities to better support our diverse talent pipeline.
- Our Australia CEO and Executive Committee in partnership with our Australian Diversity Council, HR and D&I partners ensure continued focus, thought leadership and accountability for our diversity, equity and inclusion strategy through regular forums, and monitoring firmwide and divisional metrics and initiatives.
- In 2023, we appointed senior women into key leadership roles within Morgan Stanley Australia including the Head of Wealth Management, the Head of Institutional Equities Division and the Head of Morgan Stanley at Work.

2. Focus on Recruitment

- Since 2016, our Women in Banking Scholarship program has provided financial support, internships and the opportunity of graduate roles to talented women who are studying banking and finance.
- In 2023, 61% of open roles in Australia were filled by women including mobility candidates within the Firm. At the Early Career level, we were pleased to welcome an Intern class of 61% women and a Graduate class of 45% women.
- We continue our efforts to drive diverse and inclusive recruiting practices, including inclusive job descriptions, diverse candidate slates and gender balanced interview panels.

3. Path to Leadership and Robust Talent Management

- To achieve greater gender balance, we offer a range of targeted programs to help women at our Firm thrive with specific programming for women relating to development and retention, from junior talent through to Managing Director. Programs are designed to include Managers or Sponsors for a holistic approach to development and advancement.

- To enhance cross business connections, our Australia cross business Mentoring Program allows talent to connect with seniors from across the firm.
- Our global Institutional Securities Group (ISG) mentoring initiative, ISG Connects, allows our diverse talent to expand their global reach within the organisation and allows further professional development as a participant.

4. Focus on Benefits

- Our benefits support the physical, mental and financial wellbeing of our employees and their families with support for working parents at the core of our policies including: 16 weeks paid parental leave to all employees following the arrival of a child whether through birth, adoption, or surrogacy, which they are entitled to from their first day of employment, plus an additional 10 weeks of paid leave to support recovery related to pregnancy and birth. Specialist coaches are available as part of our Parental Transition Coaching program for parents which includes additional training for managers. We also offer 4 weeks of Family Caregiver Leave (on top of the 10 days paid Family and Domestic Violence leave) annually to all employees to provide physical or psychological care for a family member with serious health condition.
- The Australian Women's Business Alliance promotes career development, cross business activity and idea sharing and our Family Network provides networking and resources tailored for working parents, returning mothers and carers.
- Our Global Wellbeing Board and Wellbeing Influencer Network curate best-in-class content for topics including children's mental health, sleep and burnout prevention. Gym membership access is also available to support employee health and wellbeing.

5. Manager Education

- Our manager development programming covers inclusive leadership competencies and the role and expectations of the manager to create psychological safety in the workplace.
- Managers are provided with a suite of in-person or selfdirected training options, with practical tools to lead inclusively and high-performing teams on key topics including employee engagement, career progression, effective feedback, and wellbeing support.
- To support local programming and develop manager capability, Morgan Stanley provides sessions with global thought leaders on topics such as Unconscious Bias, Leading in a Multi-Generational Workplace, Performance Management Best Practices and How to Talk About Identity & Diversity.