



The a2 Milk Company

# Gender Pay Gap Statement

(Australian team members)

**2023** (Published February 2024)



# Our ongoing commitment to Gender Pay Equality

**The a2 Milk Company (a2MC) welcomes the publication of gender pay gaps by the Workplace Gender Equality Agency (WGEA). The focus on improving gender equality in Australian workplaces is consistent with our values, policies and commitment to equal pay and gender diversity.**

We adopt a holistic approach to diversity and inclusion in the workplace at a2MC driven by our strong belief that it drives better business outcomes and provides a better experience for our team. From a gender diversity perspective, our policy which has been in place for several years is to work towards having at least 40% representation of men and women across all levels in the organisation whilst ensuring that the most appropriate person is appointed to each role. This policy is designed to support our broader diversity and inclusion objectives and the economic empowerment of women consistent with the objectives of WGEA.

The a2MC WGEA report for 2023 was based on a total Australian headcount of 171 team members and has identified our gender pay gap to be 25.2% and 40.5% on a mean and median basis respectively. Whilst our total workforce is relatively balanced with 45% men and 55% women overall, we have a greater proportion of men in higher graded roles and a greater proportion of women in lower graded roles. It is the composition of our team across the Australian organisation that gives rise to our gender pay gap, which is significantly lower on a global basis (calculated in accordance with the WGEA methodology). Importantly, we do not have any equal pay issues at a2MC contributing to our gender pay gap.

From a leadership and governance perspective, we are proud to be a company with 50% female representation at the board level including our Chair. Our executive leadership team has 30% women and we are committed to improving the representation of women particularly in higher graded roles, as well as the representation of men in lower graded roles.

We have confidence in our policies, benefits and practices that support and promote gender equality which have helped drive year-on-year improvement in our gender pay gap, but we acknowledge that there is more work to be done. In doing so, we have prioritised actions in the areas of talent acquisition, flexible work practices and our remuneration framework which are further explained in our following report. For example, we have enhanced our employee benefits significantly over the past few years to support flexible working arrangements, family caring and women's health.

Regarding equal pay, we have a gender-neutral approach to pay across all levels of our organisation and we uphold equal pay as a core component of our remuneration policy. We have long standing practices in place to ensure that equal pay is fundamental to our remuneration approach and decision making. More specifically, we engage Korn Ferry to undertake an independent and comprehensive job grading and remuneration benchmarking process using the Hay Group Chart-Profile Method which was most recently conducted in 2023. The objective of the process is to review job grade and remuneration to identify and address any 'like-for-like' pay gaps by role regardless of gender. Importantly, we found that we have very few like-for-like gender pay gaps and where we do, those minor differences are due to factors such as experience and performance.

Whilst the WGEA gender pay gap report is an important insight into gender equality it does not provide a complete picture of a2MC's commitment to it. We are proud of our approach to diversity and inclusion, are committed to continuous improvement in closing the gender pay gap, and will continue to create a great place to work that provides accessible opportunities for all our team members to thrive.



**Pip Greenwood**  
Chair



**David Bortolussi**  
Managing Director & CEO

27 February 2024

# The a2 Milk Company's Gender Pay Gap

The below table shows our overall median and average (mean) gender pay gap and the positive progress made towards closing our gender pay gap over the past year.

## Gender pay gap vs equal pay

A gender pay gap is a measure of the difference between the average earnings of men and women (irrespective of roles or seniority).

Equal pay is our legal obligation as an employer to give men and women equal pay for equal work.

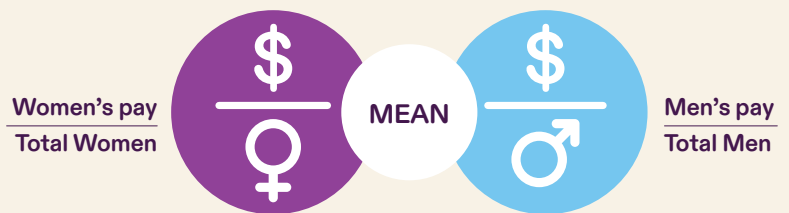
Our gender pay gap is not a result of equal pay issues, as we have a gender-neutral approach to pay across all levels of the organisation. We regularly monitor this to make sure we meet this legal and moral obligation.

Gender pay gap	2021-22	2022-23
Average (mean) total remuneration	32.0%	24.8%
Median total remuneration	42.2%	40.5%
Average (mean) base salary	30.4%	25.2%
Median base salary	42.5%	40.5%

## How WGEA calculate the average (mean) and median pay gap

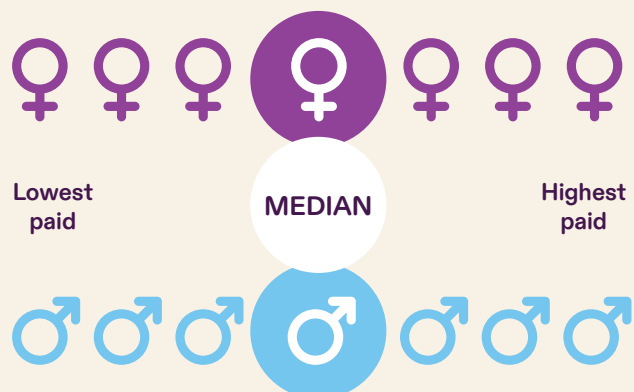
### Mean

This is the percentage difference between the average male salary and the average female salary. This average is calculated by taking the pay for all our female team members and dividing it by the total number of female team members. We do the same for our male team members and calculate the percentage difference.



### Median

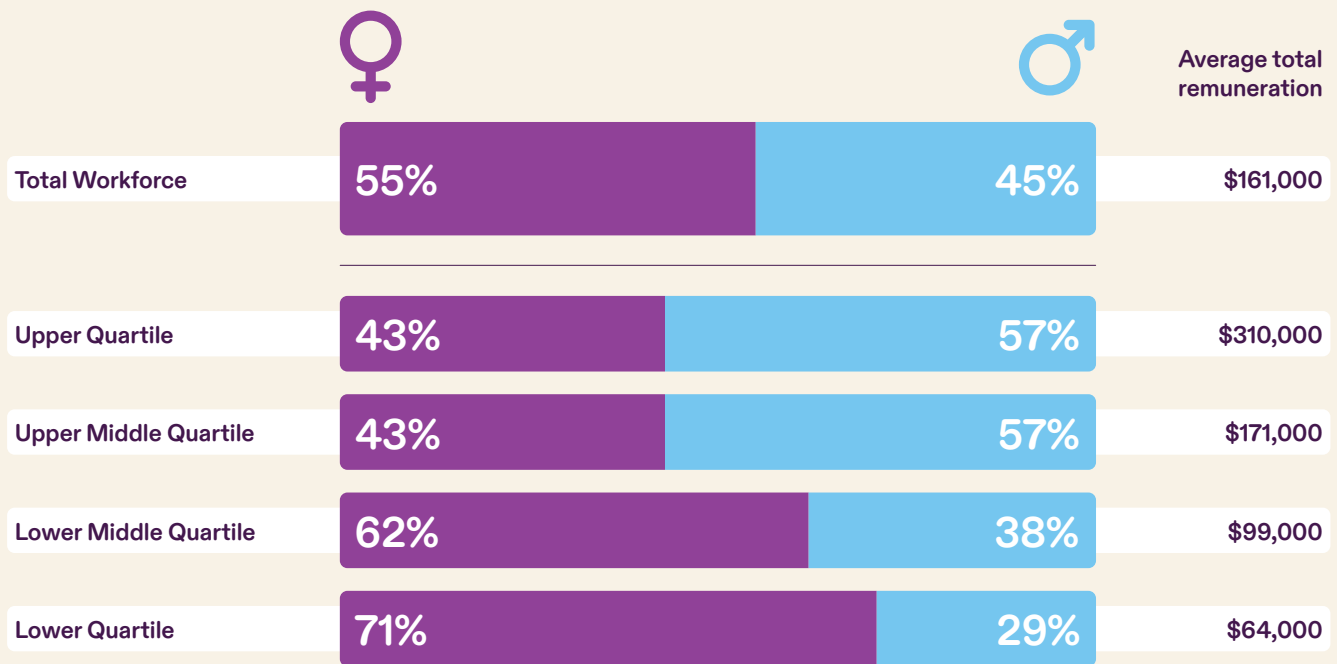
If you were to line up all our female team members in order of earnings, the salary of the female in the middle is the median female salary. Comparing this to the median male salary provides the median gender pay gap.



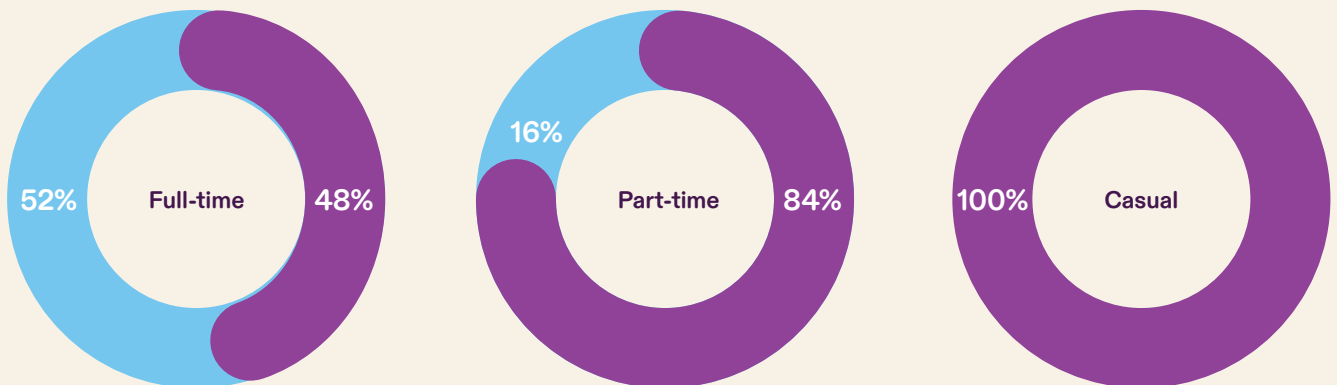
# Overview of results and contributing factors

The primary contributing factors to our gender pay gap include a lower representation of females in higher graded roles (higher pay quartiles), a reduced proportion of men in lower graded positions (lower pay quartiles) and the relative number of team members in each quartile. This is also reflected in the mix of full-time, part-time and casual team members. Achieving a more equitable distribution of men and women across all organisational levels is crucial for narrowing and ultimately eliminating this gap.

## Gender composition by pay quartile



## Workforce composition by employment status



# Key actions

We have prioritised three specific focus areas to reduce the gender pay gap:

## Talent Acquisition

Increase the number of females recruited into higher graded roles in our business. Undertake hiring leader education to support inclusive, bias free recruitment practices. We currently use gender decoder technology to ensure gender neutral language is used in external job advertisements and acknowledge that more flexible work opportunities for new and existing roles must be offered to attract and support females entering our business.

## Flexible Work Practices

Continue to promote and support the unique benefits that a2MC provides to females, whilst also providing greater opportunity for all team members to access flexible work practices.

## Remuneration framework

We will continue to undertake regular independent salary reviews and equal pay validation. Over the past year we engaged global consulting firm Korn Ferry to lead an independent and extensive job grading process for all roles in Australia across all job grades. The Korn Ferry Hay Group Guide Chart-Profile Method of Job Evaluation is the most widely accepted method worldwide. We utilise this methodology annually during the annual salary review process and ad-hoc to verify job grades, market data and equal pay. We have a long-standing partnership with Korn Ferry, in which we utilise their expertise to regularly review our remuneration ranges, benchmarking and job matching. We will be completing the same job grading and gender pay gap analysis process in all of our regions.



*Fostering a diverse and inclusive workplace isn't just words on a page for us; it drives our actions every day, and I am proud that we have implemented a range of initiatives that make a tangible impact on the lives of our team members.*

*Hearing from our team directly or seeing them take advantage of the programs, resources and policies that we have implemented at a2MC gives me immense pride and tells me that we are on the right path – supporting them across all life stages, whether this is caring for an elderly parent, raising teenagers, support through perimenopause, menopause or the financial security of superannuation payments while taking time to care for a newborn. These transformative actions remove barriers and create opportunities for women to thrive at every stage of their careers.*

**Amanda Hart**  
Chief People & Culture Officer



# Gender Equality Indicators\* & Our Actions

## GEI 1

**Measures the participation rates of women, men and non-binary employees in the workforce.**

Our current workforce profile is measured regularly and has a greater proportion of males in higher graded/highly paid roles. We believe that by focusing on three key priority areas (attract and retain more females, provide increased opportunity for flexible work/family friendly practices and maintain our commitment to equal pay) over time we will rectify this imbalance and increase the number of women in higher graded roles.

## GEI 2

**Gender composition of governing bodies of relevant employers**

A female was appointed as Chair of our Board of Directors in November 2023 and currently we have equal/50:50 representation of men and women on our Board.

## GEI 3

**Equal remuneration between women and men**

Our remuneration strategy and policy promotes and upholds an equal pay approach (equal pay of men and women for like-for-like roles). In 2023 we partnered with independent global consulting firm, Korn Ferry to determine if there are any remuneration gaps between men and women. We also assess our gender pay gap as part of our annual remuneration review process and prioritise changes accordingly.



# Gender Equality Indicators\* & Our Actions

## GEI 4

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

The a2 Milk Company offers an array of family friendly practices and benefits to support all Australian team members, some of which include:

- **Parental Leave:** 18 weeks full pay for primary carers.
- **Superannuation:** Company paid superannuation contributions for the full duration of parental leave (both paid and unpaid leave for primary carers).
- **Early Pregnancy Loss Leave (in the first 20 weeks of pregnancy):** Up to 10 days paid leave provided, which can be taken either in one block or in individual days for up to 12 months after the loss of the pregnancy.
- **Late-Stage Pregnancy Loss Leave:** A Pregnancy loss after 20 weeks entitles a team member to full paid and unpaid parental leave benefits.
- **Neo-natal Leave:** Up to four weeks' additional paid leave provided in the circumstance of premature and full-term babies who require additional hospital support and care. This paid leave is in addition to the 18 weeks' parental leave payment.
- **Women's Health Leave:** Up to five days of paid leave for the purpose of fertility treatments and IVF and managing symptoms and treatment of perimenopause and menopause that may interfere with work.

## GEI 5

### Consultation with employees on issues concerning gender equality in the workplace

We undertake a company wide engagement survey annually, which is independently administered by a third-party. All team members are asked to respond to the question:

**'The a2 Milk Company supports a diverse and inclusive culture, and I feel like I belong'.**

81% of our team members answered, 'strongly agree'. There is 91% participation in the survey and this is one of The a2 Milk Company's highest rated questions in a survey of 32 questions. There is also opportunity for open text comments from team members to allow anonymous and open feedback which is addressed through leader action planning.

## GEI 6

### Sexual harassment, harassment on the ground of sex or discrimination

Creating a positive and safe workplace environment is vital to the success of a2MC and we are focused on upholding and living a culture of inclusion and connection. a2MC strives to create the safest and most diverse, inclusive and engaging place for our people to thrive.

We take a zero-tolerance approach to harassment at a2MC.

All team members undertake compulsory training and education on what constitutes unlawful behaviour and their obligations in the workplace according to our policies, company values and their legislative responsibility.



[thea2milkcompany.com](http://thea2milkcompany.com)