



The a2 Milk Company

Gender Pay Gap Statement

(Australian team members)

2024 (Published February 2025)



Our ongoing commitment to Gender Pay Equality

Closing the gender pay gap remains a priority for The a2 Milk Company (a2MC), and our focus on improving gender equality in all Australian workplaces is consistent with our values, policies and commitment to equal pay and gender diversity.

We acknowledge that the key driver for our gender pay gap is gender representation and we have made solid progress this year in our pursuit to having equal participation of women and men at each pay grade. We know that fostering an inclusive and diverse workforce will help us deliver better outcomes for our people and our business, and while there is much more work to do, we are proud of the progress we've made so far.

The Company includes both our Global and Australian Gender Pay Gap as a companywide short-term incentive (STI) scorecard metric to which we hold ourselves responsible, reinforced through the voluntary disclosure of our Global Gender Pay Gap and Australian Gender Pay Gap (median and average) in our [August 2024 Company Annual Report](#).

We track continued progress towards our goal of achieving at least 40% female and 40% male representation across each of our pay grades and in the past year we have made progress towards our gender pay gap objectives and significantly reduced the Australian average and median gender pay gap compared to the previous year.

Whilst we have made progress in reducing our gender pay gap, the current Australian average and median gender pay gap indicates that there is much more the Company can do. The 2024 average and median total remuneration gap is 40.8% and 21.2% compared to 46.6% and 44.7% in 2023 respectively. Our average gender pay gap highlights an underrepresentation of women in senior leadership roles and higher pay grades and we acknowledge that we have more to do in achieving our goals.

The Company is determined to make a difference in Australia and globally and we have taken tangible actions throughout the year to continue to reinforce and provide accessible opportunities for all of our team members to thrive and reduce the gender pay gap.

Two highlights of the past year that we are particularly proud of which are consistent with our position as one of the leading global infant milk formula players are the:

1. Introduction of our market-leading gender neutral paid parental leave policy, providing 20-weeks paid leave for all genders and with no minimum tenure requirement; and
2. Certification as a Family Inclusive Workplace, awarded by Parents at Work in partnership with UNICEF Australia. This recognition was achieved through our family friendly policies, practices and benefits.

The data we share in our 2024 Annual Report and WGEA report demonstrates we are moving in the right direction, and we maintain a strong focus and commitment to accelerating progress across our business.



Pip Greenwood
Chair



David Bortolussi
Managing Director & CEO

28 February 2025

The a2 Milk Company's Gender Pay Gap

The below table shows our average and median gender pay gap and the positive progress we have made in 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.

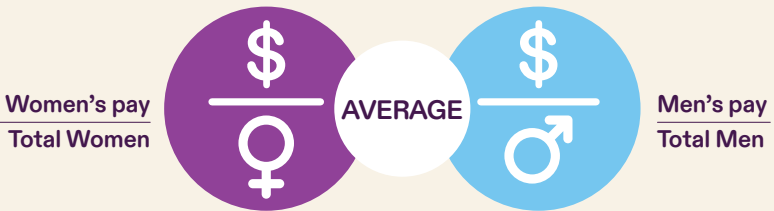
Our gender pay gap is not a result of equal pay issues, as we have a gender-neutral approach to pay across all levels of the organisation. We regularly monitor this to make sure we meet this legal and moral obligation.

Australian Gender Pay Gap ¹		FY24 ²	FY23 ²	Reduction in pay gap
Base salary	Average	26.6%	36.0%	-9.4 ppts
	Median	19.9%	43.8%	-23.9 ppts
Total remuneration	Average	40.8%	46.6%	-5.8 ppts
	Median	21.2%	44.7%	-23.5 ppts

Global Gender Pay Gap ¹		FY24 ²	FY23 ²	Reduction in pay gap
Base salary	Average	20.8%	28.2%	-7.4 ppts
	Median	11.8%	17.1%	-5.3 ppts
Total remuneration	Average	32.7%	36.7%	-4.0 ppts
	Median	11.0%	22.2%	-11.2 ppts

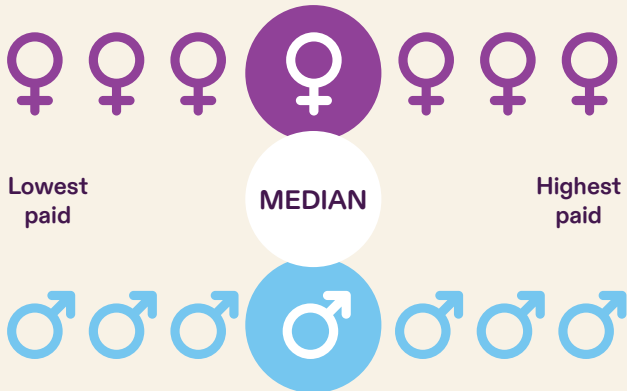
How WGEA calculate the average (mean) pay gap

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.



How WGEA calculate the median pay gap

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.

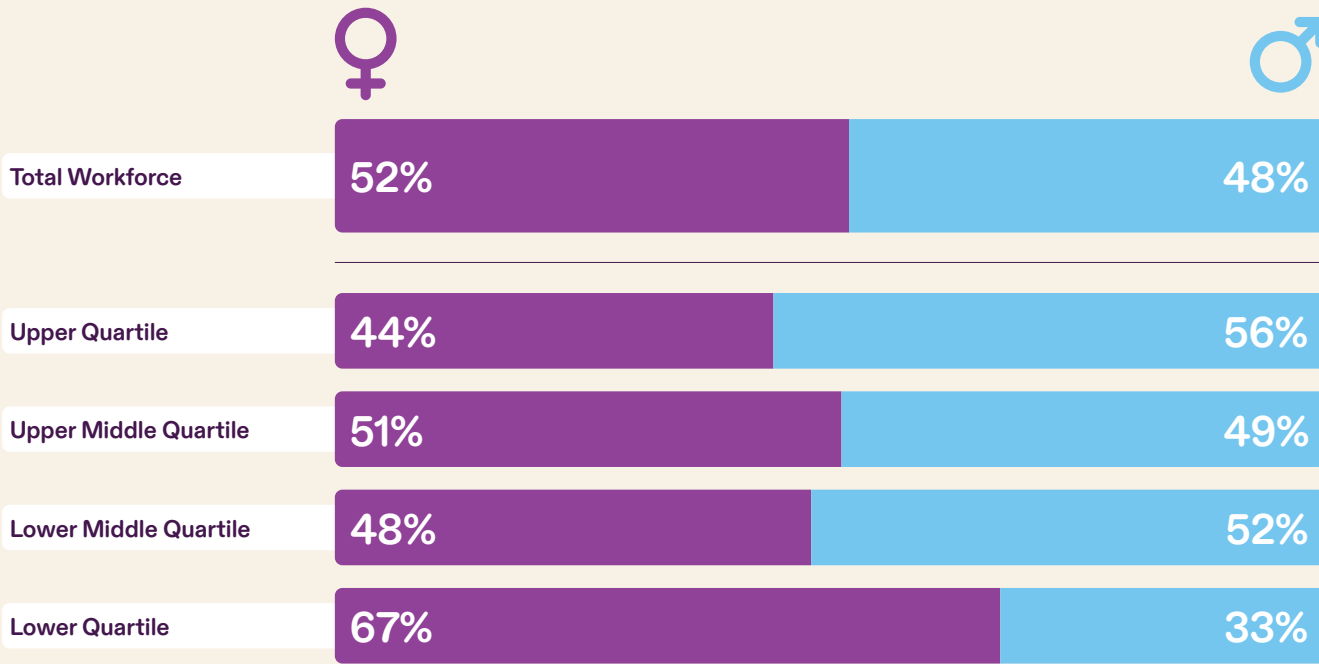


3 1 WGEA methodology used to calculate gender pay gap based on data as at 31 March of each year.
2 a2MC engaged an independent accounting firm to assist with the calculations based on a data set provided by the Company.

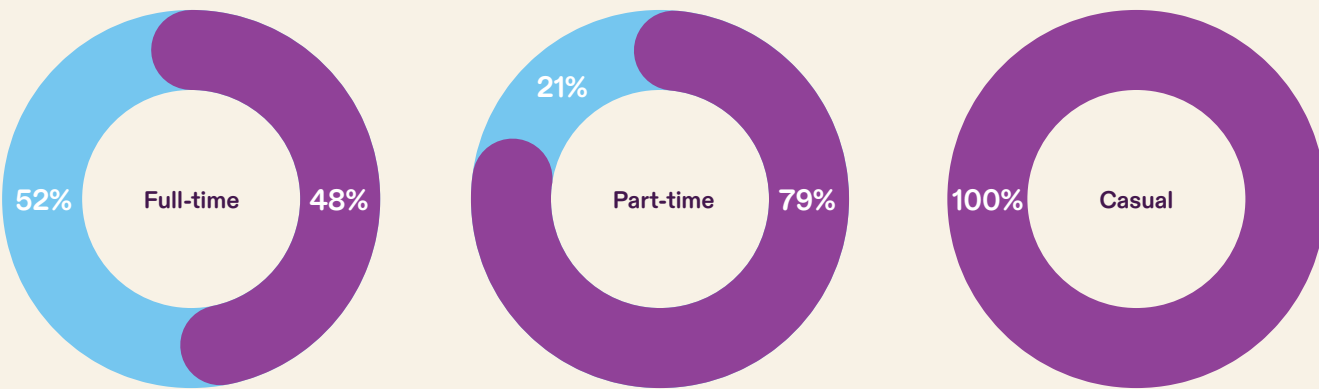
Overview of results and contributing factors

The primary contributing factors to our gender pay gap include a lower representation of women 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. We are committed to continuous improvement and achieving a more equitable distribution of men and women across all organisational levels to continue to reduce the gender pay gap over time.

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

In the past year we have implemented unconscious bias training for all hiring and people leaders to support inclusive, bias free recruitment practices and mindset. We currently use gender decoder technology to ensure gender neutral language is used in external job advertisements and we require gender balanced shortlists and selection panels as part of our Talent Acquisition strategy.

Flexible Work Practices

We proudly launched gender neutral parental leave in the past year, offering twenty weeks of fully paid leave for all team members. We continue to promote and support the unique benefits that a2MC provides to women, whilst also providing greater opportunity for all team members to access flexible work practices.

Our Talent Acquisition team now list all vacancies (internal and external) as flexible and provide examples to candidates of flexibility that they can access.

Remuneration and performance framework

We were pleased to further reduce our overall gender pay gap in Australia this year, as measured by both the average and median remuneration. We have achieved this primarily by increasing the number of women in more senior and higher paying roles. Key initiatives to driving further change which we have implemented and will continue are:

- **Annual Pay Equity Audits:** We will continue to actively monitor and review both our gender pay gap and equal pay compliance, including as part of our Annual Performance and Remuneration Review process, aiming to take positive action to adjust where necessary.
- **Set gender pay gap targets:** We have set and communicated a gender pay gap target for Australia and globally to ensure focus and commitment.
- **Pay transparency and leader education:** We have enhanced pay transparency by providing greater information and resources to inform and educate our team members and leaders on remuneration practices and processes.
- **Clear and robust performance framework:** We have improved our support resources and education on the annual performance cycle and also incorporated a robust calibration process to reduce any unconscious bias and support fairness. During the calibration process, we also report and discuss ratings distribution with a gender lens.



The extended parental leave policy helps normalise the idea of both men and women taking time off work during the birth of a child, promoting gender equity in the workplace.

By encouraging men to take longer parental leave, which I am doing, it challenges traditional gender roles and reduces the stigma associated with men taking time off for family responsibilities.

This shift not only supports a more balanced distribution of caregiving duties, but also fosters a more inclusive work environment where both parents can equally contribute to their family's well-being.

Ultimately, this policy paves the way for greater equity in the job market, as it acknowledges and values the importance of parental involvement from both mothers and fathers.

Justyn Botha
Head of Sales



Gender Equality Indicators* and Our Actions

GEI 1

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

Our workplace profile is regularly assessed and currently shows a greater proportion of men in senior, higher-graded and higher-paid roles.

We continue to focus on three key priority areas to increase the number of women in higher-graded and higher-paid roles:

- **Attract and retain more women:** Our Talent Acquisition team is required to provide gender-balanced shortlists. We also ensure that all talent acquisition selection panels consist of both equal female and male representation.
- **Provide increased opportunities for flexible work and family-friendly practices:** All roles are advertised with the option of flexible working and we review all policies on an annual basis to ensure our team members have access to best practice family-friendly policies and practices.
- **Maintain our commitment to equal pay:** We are committed to reviewing gender pay data annually to identify and proactively address any pay equity issues.

GEI 2

Gender composition of governing bodies of relevant employers

A woman was appointed as Chair of our Board of Directors in November 2023 and currently we have equal (i.e. 50:50) representation of men and women on our Board.

The Executive Leadership Team (ELT) has 30% women and management continues to work towards the goal of having at least 40% representation of men and women across all levels in the organisation.



Gender Equality Indicators* and Our Actions

GEI 3

Equal remuneration between women and men

We have established and continue to review our remuneration practices, policies and processes to ensure equal pay for like-for-like roles. We are committed to reviewing gender pay data regularly to help us identify and proactively address any pay equity issues where they exist. On an aggregate level, we ensure gender pay equity on a 'like for like' basis – that is, men and women are paid equally for performing the same or comparable work.

In addition, in the past year we have increased pay transparency by providing education and resources to team members and leaders on how we set pay, common remuneration concepts and our governance processes for pay decisions.

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

We continue to offer a range of family friendly practices and benefits to support all Australian team members.

Our ongoing commitment and support to employees with family or caring responsibilities earned us the 'Family Friendly Workplace Certification' which is issued by Parents at Work and UNICEF Australia. The certification is achieved by meeting a comprehensive criteria requiring demonstration of the Company's commitment to improving work life wellbeing with leading policies and practices on flexible work and family friendly culture. These policies and practices in Australia include:

- **Gender Neutral Parental Leave:** 20 weeks leave at full pay for any gender who are welcoming the arrival of a child through pregnancy, adoption, surrogacy, fostering or kinship arrangements. The leave is provided with no qualifying period and the removal of primary and secondary carer labels.
- **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 20 weeks' parental leave payment.
- **Multiple Births:** Employees who welcome multiple newborns are eligible for 20 weeks of paid leave and will receive an additional 8 week's parental leave pay, bringing the total amount of parental pay to 28 weeks.
- **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.
- **Grandparents Leave:** Up to five days of paid leave can be taken within six months from the time of birth or adoption of a grandchild.



Gender Equality Indicators* and Our Actions

GEI 5

Consultation with employees on issues concerning gender equality in the workplace

We meet with the senior leaders of our business regularly to share updates on gender pay gap metrics and discuss company priorities and actions to continuously improve the gender pay gap.

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

- *'People from all backgrounds have equal opportunities to succeed at The a2 Milk Company'*
79% of all participants rated the question as strongly agree.
- *'I can be my authentic self at work'*
80% of all participants rated the question as strongly agree.

There was a 90% participation rate in the companywide survey. There is also opportunity for open text comments from team members to allow anonymous and open feedback which is addressed through leader action planning.

The Company also partnered with an external diversity, equity and inclusion consultancy (TDC Global) who hosted listening and discussion sessions with team members and leaders across all worksites and locations companywide. The listening sessions explored team member experience of diversity, equity and inclusion at a2MC and these insights informed the focus areas and action planning that is currently underway to support our formal diversity, equity and inclusion strategy.

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. The Company strives to uphold a safe, diverse, inclusive and engaging place for our people to thrive.

We take a zero-tolerance approach to harassment at a2MC and we are committed to maintaining a respectful and safe workplace. 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. We approach any harassment and bullying claim with a people-centric and trauma-informed perspective and keep records of all claims to ensure good governance.



