

Employer Statement February 2024
2022 – 2023 Workplace Gender Equality Agency Reporting

At Heritage and People's Choice we are committed to gender equality and ensuring women in our workplace are remunerated equitably and supported to reach their full potential.

The reporting period for the Annual WGEA Report was 1 April 2022 to 31 March 2023. At the time of data capture, Heritage and People's Choice had been operating as a single entity for one month having merged on 1 March 2023. The data set used to calculate our Gender Pay Gap is reflective of:

- Two independent organisations <1000 employees, with separate business structures for 11 months of the reporting period prior to merging and becoming a single significant financial institution (SFI) with 1,900 employees.
- A merger commitment of no redundancies (below Executive level) resulting from the merger.
- More than 90 retail banking branches and two contact centres with a significantly higher representation of women

Whilst we established new structures for day 1 of our merger, we have continued to operate two retail banking brands in the market while a single new brand was developed. We are now implementing the rollout of our new brand, People First Bank, as part of a significant multi-year integration program.

Gender Pay Gap (by Median)

The Workplace Gender Equality Agency (WGEA) calculates median gender pay gap by taking the middle pay value of women and comparing it to the middle pay value of men at Heritage and People's Choice using both base salary and total remuneration.

	Heritage and People's Choice	WGEA Reporting Industry Benchmark Report (1000 to 4999 head count)
Median base salary	22.5%	20.1%
Median total remuneration	23.5%	22.3%

The WGEA 2023 Gender Pay Gap by median (GPG) at Heritage and People's Choice for total remuneration is 23.5% and 22.5% for base salary, marginally higher than the relevant Industry Comparison Group by organisation size.

Drivers of our Gender Pay Gap

Heritage and People's Choice overall has a majority female workforce (66%). We have a concentration of women in lower paid roles (77% female in the lower quartile and 76% female in the lower middle pay quartile). These roles are typically our member facing employees within our branches and contact centres with approximately 70% of these employees being female. In addition, our member support clerical and administration roles generally fall within the lower quartiles with approximately 78% female employees.

In the most senior pay level (upper quartile), women are under-represented at 44%. This disproportionate concentration of men in the upper quartiles and our large concentration of women in the lower quartiles has driven our median GPG.

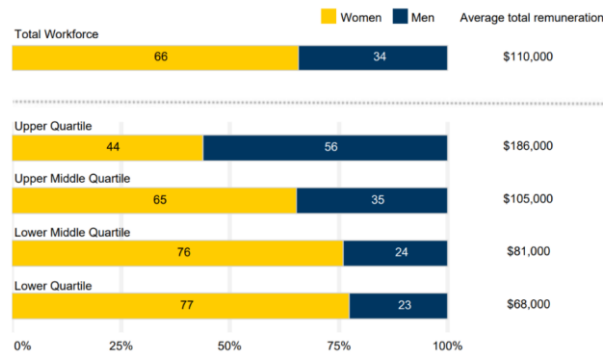


Table 1: Gender composition of Heritage and People's Choice workforce by pay quartile. The chart divides the total remuneration full-time equivalent pay of all employees into four equal quartiles.

We know we have work to do on reducing our GPG. We are committed to taking action through building on initiatives and programs that reduce our GPG.

Taking action

Since merging on 1 March 2023, we have improved our accountability and implemented tools for achieving gender equality by:

- Implementing integrated organisational-wide policies, systems and processes that support remuneration and salary reviews being applied fairly and consistently across the business.
- Pay equity reviews are completed based on same or like-for-like positions.
- Implementing a common job evaluation system for sizing and benchmarking roles consistently and we determine pay by job size, level of responsibility, skills and experience.
- Building and implementing tools to model and monitor changes in our gender pay gap and identify potential gender bias for action in our performance assessment and annual salary review cycle.
- Introducing key performance measures on improving GPG and gender representation at senior leadership levels within our FY24 Corporate Scorecard which is used to measure Executive and Senior Leadership performance.
- Measuring and analysing on a monthly basis the gender composition of our workforce, including by employment type, status, job type and leadership category.
- Analysis of our workforce data to further understand what is driving our GPG.
- Developing a Board endorsed three-year Diversity and Inclusion Strategy with specific focus to increase female gender representation in senior leadership.
- Appointment of a full time Diversity & Inclusion Specialist.

Looking to the future, our vision to deliver positive change through banking will be achieved through a purpose-led strategy focused on doing good, simplification and digital enablement through increased capability and technology integration. This requires several years of transforming our organisation and our workforce composition, presenting both opportunities and challenges to reduce our GPG and achieve gender equality.

Continuing activity to focus on reducing our GPG includes:

- Ongoing analysis, monitoring and reporting of our overall gender representation and GPG to identify opportunities to reduce the GPG.
- Implementation of our Diversity and Inclusion strategy through leadership training, and educational opportunities, raising awareness, and providing strategies and tools to advance diversity and inclusion excellence.
- Identifying opportunities and implementing targeted actions to achieve gender equality in Senior Leadership.
- Board Directors and all levels of leadership to undertake professional development on inclusive leadership and unconscious bias.

- Reviewing remuneration, parental leave and flexible working arrangements policies to identify improvements, and address gender equity.

We will continue to strive to be an inclusive workplace for everyone and we are committed to reducing our GPG as well as advancing overall gender equality in the organisation.

Calculating our Gender Pay Gap | key terms

- **Gender Pay Gap** is the difference in average earnings between women and men in the workforce. It is not to be confused with women and men being paid the same for the same, or comparable, job. This is **equal pay** and has been a legal requirement since 1969.
- **Median gender pay gap** is the middle value after sorting the gender pay of organisations in the comparison.
- **Total remuneration** includes all remuneration for an employee, including superannuation, overtime, bonuses and other additional payments.