

# WGEA Pay Equality Review 2023

## GUD Employer Statement

### Introduction and Background

GUD Group brings focus to Diversity, Equity, and Inclusion (DEI) under our Environmental Social and Governance (ESG) Strategy within the Thriving People pillar, and as an enabler of our GUD values. GUD's DEI plan prioritises diversifying thought, by increasing women, ethnicities, and younger talent. Simultaneously, it values existing employees and strengthens pathways for older individuals to continue contributing to our workplaces.

GUD is dedicated to fostering workplaces where everyone is valued and treated equitably. Recognizing historical male dominance in our industry, we acknowledge that gender pay equality aligns with achieving a more balanced workforce at all levels. Our DEI Action Plan for 2023-2025 underscores our commitment to thriving workplaces, attracting top talent, driving innovation and enhancing overall competitiveness.

Our work in respect of Diversity, Equity and Inclusion is not separate from the efforts we have made to build, and support, the culture we seek for our businesses. Over the recent years the following significant areas of focus under our Thriving People pillar (in addition to the specific actions contained within our DEI strategy) have created the foundation for the presence and leverage of greater diversity of thought:

- Seeking to be an upper quartile Company in respect of employee engagement.
- Developing and implementing leadership programs which upskill and develop our leaders.
- Enhancing our employee value proposition through provision of greater employee benefits and support programs.
- Ensuring that physical safety is paramount in creating and maintaining safe workplaces.
- Creation of workplaces where mental health and wellbeing are valued and focused on in the same way as physical safety.
- Establishment of Speak-Up processes and pathways. Creation of forums, and an environment of psychological safety where people can, and do, speak up and ask questions in seeking to understand other perspectives.
- Strategically hiring people who are different from those we have hired in the past, when possible, to support the culture and diversity of thought that we seek.

The GUD Group has an average median total remuneration gender pay gap of 12.7%, outperforming the national median total remuneration rate of 19%. GUD is steadfast in ensuring equitable pay for employees, focusing on a like-for-like role basis. Following a review of like for like pay equity in 2023, there are now no gender pay gaps on a like for like basis across the Group.

### Organisational Context

GUD's Board gender composition exceeds the Australian average for top 300 ASX listed companies at 67% male to 33% female, with 40% of Non-Executive Directors being female. The Business Unit leader representation, previously at 23%, following our divestiture of Davey now stands at 17%, 2ppts below the estimated 19% within the Automotive industry. Our DEI plan aims to elevate female senior leaders through intentional hiring, increased representation in leadership programs, and utilisation of the graduate program.

At the total workforce level, GUD maintains a gender split of 22% female and 78% male. Over the past year, new female hires have marginally increased from 26% to 27%. Initiatives encompassing training, development, greater flexibility, and enhanced parental leave offerings are designed to foster a rise in female representation within the Group in the coming years.

### How GUD Compares To Others

In the broader Australian Automotive Industry, employing 254,826 individuals, women constitute 19%<sup>1</sup>, reflecting a 5-percentage point increase from 2016 to 2021, and being 3ppts less than GUD's population. Recognising the industry's relatively low female presence, a cornerstone of GUD's DEI Strategy involves collaboration to augment the talent pool, promoting the industry as a compelling workplace. A second pillar emphasizes flexibility to retain current talent and attract new employees, particularly from adjacent industries, including younger individuals and women.

1. Source: AAAA & Australian Bureau of Statistics

## Current Gender Pay Gap

The table following shows the overall gap between males and females within GUD. The columns shaded blue show the overall median pay gap for all males within the business, as compared to all females within the business. GUD has an overall average median base salary gap of 11.3% (which compares to 14.5% for the Australian national level) and a total remuneration average median gap of 12.7% (which compares to the Australian national median of 19%).

In 2023, an examination across all Business Units of individual roles, conducted on a like-for-like basis, revealed one instance of an existing like for like gender pay gap. Immediate corrective measures have been taken and the like for like pay gap closed.

**Table One: GUD's WGEA measured Pay Gap and Like for Like Pay Gap<sup>1,2</sup>**

Business Unit	Number of Employees within report	Median Pay Gap (Base Salary)	Median Pay Gap (Total Remuneration)	Like for Like Pay Gap <sup>3</sup>
Ryco	88	16.6%	16.6%	No gap exists
AA Gaskets	22	15.5%	15.5%	No Gap Exists
Brown & Watson (BWI)	189	26.0%	26.0%	Gap in one role identified; Closed
AE4A	26	15.0%	15.0%	No Gap Exists
ACAD	4	43.6%	50.5%	No Gap Exists
Wesfil	135	-4.0%	-4.7%	No Gap Exists
Auto Pacific Group (APG)	380	10.0%	12.0%	No Gap exists
IMG	81	9.5%	9.5%	No Gap Exists
ECB	90	-10.7%	-5.3%	No Gap Exists
ACS	63	-14.8%	-14.5%	No Gap Exists
DBA	59	-13.6%	-13.6%	No Gap Exists
GUD Holdings	21	42.9%	45.4%	No Gap Exists
<b>OVERALL Average Median GUDH</b>	<b>1,158<sup>4</sup></b>	<b>11.3%</b>	<b>12.7%</b>	

1. A positive percentage indicates men are paid more on average than women in the organisation. A negative percentage indicates that women are paid more on average than men.

2. Non-binary employees are not included in these figures, WGEA is investigating including them for 2024 reporting

3. Analysis covers all GUD Group employees globally.

4. WGEA data covers only Australian based employees.

## Detailed Gender Pay Analysis

Several factors influence the interpretation of WGEA published gender pay gap data as follows:

- International Leadership Roles: Three senior female leaders, serving in GUD entities outside Australia, are excluded from WGEA data.
- Business Unit Differentials: In five Business Units, WGEA reports a median salary for women higher than men. These units have a lower count of female employees, primarily in supervisory and management roles.
- GUDH Executive: The gender pay gap in GUDH is explained by the inclusion of senior male executives, particularly Executive Key Management Personnel (EKMP). Anticipated positive impacts on this data include the retirement of the previous male Company Secretary & General Counsel, with the recruitment of a female successor.
- Management Level Gap: Business units with a significant gender pay gap often have fewer women in management levels, with a higher prevalence of women at the operational level.

These considerations provide a nuanced understanding of the WGEA data, guiding our ongoing commitment to gender pay equality and organisational transparency.

## Gender Pay Gap Drivers and Our Actions

Further development of initiatives to bridge the gender pay gap need, and are, to be undertaken in coming years to reduce the gap seen in the Business Unit Executive Summaries. The key elements of this work are described below.

### Senior Positions and Flexible Work Options

The latest National WGEA data showed that senior positions remain incompatible with how some women need, or want, to engage in the workforce. WGEA found that 92% of manager roles are full time, while 57% of women work in part time and casual roles. The higher proportion of men in full time employment (67% compared to 43% of women) increases the chances to progress into higher earning and management positions<sup>3</sup>.

Flexible work options across all roles within GUD is also a factor in our gender pay gap with 56 women and 45 men working part time currently. There has been an increase in part time work for both genders over previous years, but more work will be initiated in 2024-25 to support flexible working options for both office (who already have flexible working ability) and non-office-based employees.

All our Business Unit CEOs are committed to recruiting, developing, and promoting women where possible.

Pay equality on a like for like basis across all roles has been measured and will continue to be measured each year.

We continue to move towards more women into our leadership programs to increase our gender equality in our management levels of the business.

### Parental Leave

The WGEA Gender Equality Scorecard 2022-23 states that 63% of employers offer employer funded paid parental leave with one third of them offering parental leave universally (available equally to men and women with no distinction made between primary and secondary carer).

In 2024 GUD will implement our increased non-gendered parental leave allowances which includes the provision of superannuation paid on unpaid leave where primary carers leave is taken up by individuals. The contribution to superannuation for our primary carers will have a lasting effect on their financial wellbeing.

### Enhanced Diversity Strategies

Over the past two years, targeted efforts have increased gender diversity, for example, the GUD Holdings team is now at 48% women, up from 29%. Future recruitment practices will actively seek gender-diverse candidates, mandated by the inclusion of diverse candidates in recruiter 'long lists'.

Our 2023-2025 Diversity, Equity, and Inclusion Strategy aligns with Gender Equality Indicators for 2024 and 2025. Key actions include ongoing collaboration with industry peers to increase the wider talent pool from which the industry recruits, and heightened focus within each Business Unit on Gender Equality Indicators. Further strategies include investigating further workplace flexibility, improved parental leave provisions, and reinforcing the knowledge and skills necessary to support our DEI strategy, including a continued focus on sexual harassment training and reporting for a secure workplace environment. Gender equality and equality for all our people is an underpinning commitment as we continue to grow both within Australia and in other geographies.