

Gender Pay Gap Employer Statement

Alcoa of Australia's gender equity strategy recognises and seeks to enhance the capability of all employees to create a supportive, flexible and fair workplace. Inclusion is about acknowledging the value of individual differences and making the most of these differences in our workplace. We recognise and value the wide range of attributes, life experiences, capabilities and skills that each employee brings to the organisation. Our workforce is one of the greatest strengths for Alcoa. Gender equity and pay equity at Alcoa of Australia are essential tools to support our wider inclusion strategies that are embedded in all we do.

A key component of our strategy is that we are committed to an equitable and inclusive workplace where all employees are valued equally and this includes being compensated fairly, regardless of gender.

As an Employer of Choice for Gender Equality for many years, we recognise the existence of a gender pay gap and its detrimental impact on equality and have been proactively taking steps to address and eliminate the pay gap.

Our gender equity strategy has an overall commitment to ensuring no gender bias occurs at any point in the employee lifecycle and the remuneration review process. Our actions include:

1. **Transparent pay practices:** We ensure continued transparency in our remuneration policy and conducting regular and hot spot analyses, both internally and against market benchmarks to rectify any gender-based disparities.
2. **Equal opportunities:** We provide equal opportunities for career growth, professional development, and promotions, based solely on merit and qualifications, free from gender bias, and have systems and safeguards to identify any biases that may exist.
3. **Awareness and education:** We provide ongoing awareness and education programs to increase understanding of gender biases, empowering our leaders to recognise and address these issues within our workplace, and to support the continued opportunities for ensuring we 'engineer' out issues from our processes.
4. **Supportive policies:** We continuously review, benchmark and improve our policies and procedures to ensure they promote fairness and equity in all aspects of the employee lifecycle, including hiring, promotions, salary reviews and benefits.
5. **Measuring and governance:** We focus on implementing measurable targets and holding ourselves accountable by regularly evaluating our progress towards closing any gender pay gap.
6. **Inclusive culture:** We continue to strive to leverage and build diverse teams and an inclusive culture which ensures we are an employer of choice through our respectful and safe workplaces.
7. **Focussed support:** Ongoing support, collaboration and focussed actions are available and promoted through the long-established Alcoa Women's Network (AWN), which has sponsorship both regionally and globally.

2022-2023 Gender Pay Gap Analysis

Background

Alcoa of Australia has a workforce which currently includes 80.5% men and 19.5% women, with an average tenure of 8 years for women and 13 years for men. Despite that, our female participation has increased from 11.5% in 2013 to 19.5% in 2023, and our pay gap has remained consistently between 7-10% in this period.

Overall gender pay gap

The overall average total remuneration gender pay gap (mean) across Alcoa of Australia is 9.4%, indicating that, on average, men earn 9.4% more than women in our organisation. The median average gender pay gap is 11.2%, which is calculated as the percentage difference between women's and men's earnings at an organisation. The median describes the figure in the middle of the dataset. Identifying the middle of the dataset assists in accounting for outliers. However, our analysis also shows that our awards, incentives and bonuses are generally equal to or better for women on a proportional basis.

Drivers of the pay gap

Over a lifetime, drivers of the gender pay gap are both societal and personal and can include time spent out of the workforce on caring duties, unconscious bias, industry, work patterns, cultural impacts and many other factors. For Alcoa, our analysis has shown two factors are the main drivers of the pay gap. These are the impact of the payment of **shift allowances** and the **supplementary shift payments**. Our analysis indicates that without these included in our pay data sets, our current pay gap would decrease from **9.4%** to **1.9%**. We continue to implement strategies to support the impact of these factors through ongoing analysis, reviews of pay structures, job design, work allocation and training programs.

Conclusion

At Alcoa, eliminating the gender pay gap has been a focus and will continue to be, despite the complexity of the issue. Nonetheless I am confident we have the right strategies to ensure that we are fair and transparent in our remuneration policies and will continue to build a brilliant, diverse and inclusive workforce at every level in Alcoa of Australia

Signed

Matthew Gleeson, Human Resources Director, Australia

Alcoa of Australia

20th February 2024