



Nanosonics Limited Gender Pay Gap Statement

2023 (published February 2024)



WGEA statement

Nanosonics firmly commits to Diversity, Equity, and Inclusion (DEI), which our Diversity and Inclusion Policy and our DEI Strategy support

Our approach to DEI is to create a culture that is inclusive of everyone and where all our employees feel valued and a sense of belonging by embracing diversity in all aspects.

The Workplace Gender Equity Agency (WGEA) Gender Pay Gap Report is aligned with our DEI approach. It will provide further data and insights that will enable Nanosonics to develop impactful DEI actions related to gender equity for women in the areas of attraction, retention, and promotion.

At the time of this report, our Australian workforce included a total of 307 employees, and our identified WGEA gender pay gap was 12.6% for the median total remuneration and 11.3% for the median base salary. [See table 1.](#)

The gender pay gap is being driven by two components: a higher composition of men in our workforce with a gender ratio of 43% women and 57% men, and the level of representation of women at a management level compared to men, results in a higher concentration of men in both upper pay quartiles. [See tables 2 and 3.](#) In contrast, there is not a higher representation of women in the lower pay quartiles, which results in a more balanced gender composition than the industry comparison. [See table 3.](#)

Importantly at Nanosonics, we ensure through our appointments, promotions, and remuneration reviews that there are no identified pay equity gaps based on like-for-like roles or job levels.

Many new initiatives have been implemented to attract and retain diverse talent to Nanosonics, such as enhanced and gender-neutral parental leave benefits, gender neutral leave options, an Emerging Female Leaders' program to support development of our female talent and the introduction of a Women's Networking Group.

During 2023, two new Board members were appointed to the Nanosonics Board of Directors which resulted in an increase in the composition of women to 37.5% at the Board level.

We remain committed to ensuring an inclusive workforce for all our employees. We will focus on actions that will enable continuous improvement to the composition of women at the senior leader and executive level, which will assist in reducing the gender pay gap over time.



Michael Kavanagh
Chief Executive Officer/
President



Jodi Sampson
Chief People
& Culture Officer

Table 1 – Gender pay gap

The Nanosonics Gender Pay Gap reflects the higher composition of men in our total workforce and senior management roles, both of which attract higher remuneration outcomes in base salary and bonus opportunity, resulting in a higher composition of men in the upper two pay quartiles.

Gender pay gap	2022-23	Industry ¹	National
Median total remuneration	12.6%	25.0%	19.0%
Median base salary	11.3%	23.4%	14.5%

The gender pay gap is a measure that shows the difference between the average earnings of women and men.

The gender pay gap is expressed as a percentage of men's average earnings. Gender pay gaps are not a comparison of like roles. Instead, they show the difference between the average pay of women and men across organisations, industries and the workforce as a whole.

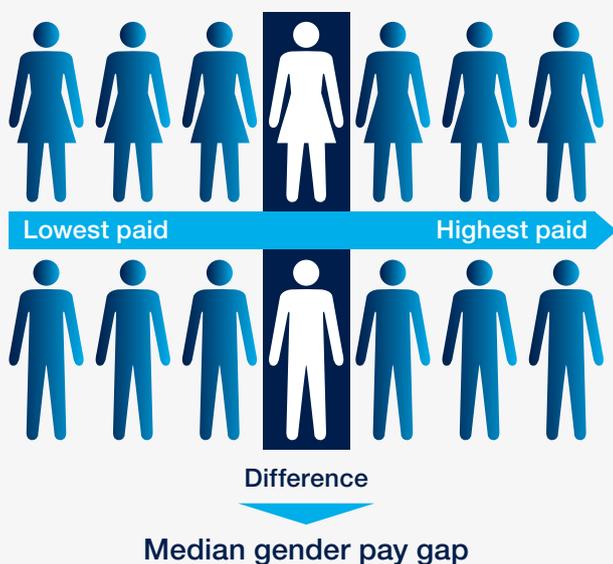
The gender pay gap is not the same as equal pay

Equal pay is where women and men are paid the same for performing the same role or different work of equal or comparable value. Equal pay is a key principle for Nanosonics, and we do not have any identified equal pay challenges when comparing like-for-like roles or job levels.

1. Industry comparison is Professional, Scientific and Technical Service except Computer System Design and Related – 69.

How the median is calculated

The median is calculated by sorting all the women's pay in order of earnings, taking the pay that falls in the middle of the list, and then doing the same for men. We then calculated the percentage difference between these two numbers.



How the average (mean) is calculated

The average (mean) is calculated by dividing the sum of women's pay by the total number of women and then doing the same calculation for men. We then calculate the percentage difference between these two numbers.

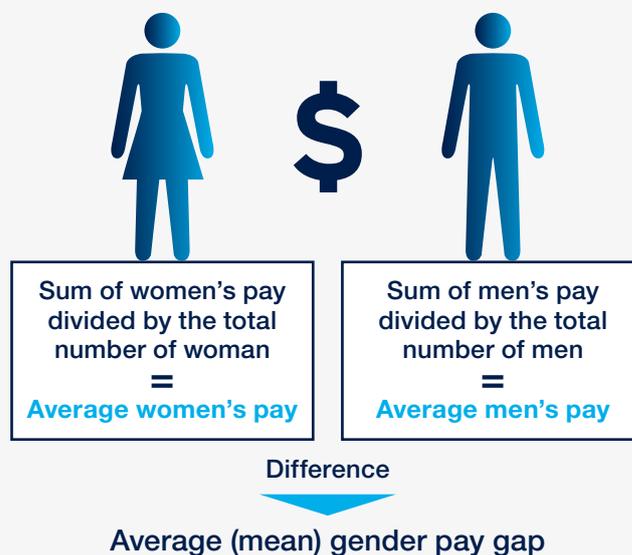


Table 2 – Gender composition by manager level

Nanosonics' Gender composition by occupation at the manager level represents the need to continue to improve the gender composition at the senior manager level, where there is a higher remuneration structure in both the base and bonus opportunities compared to other managers.

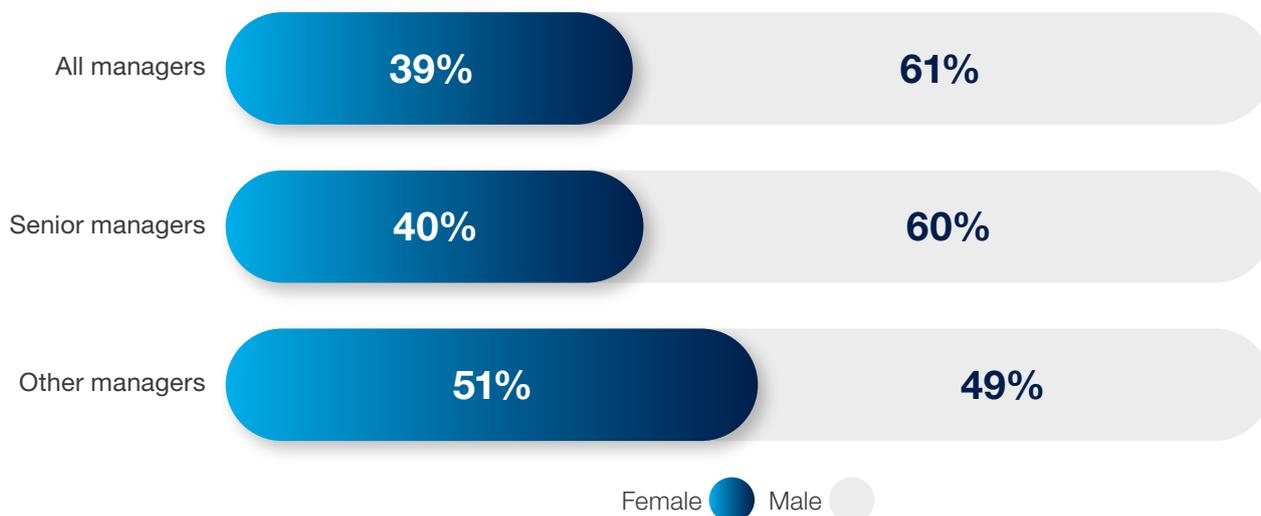
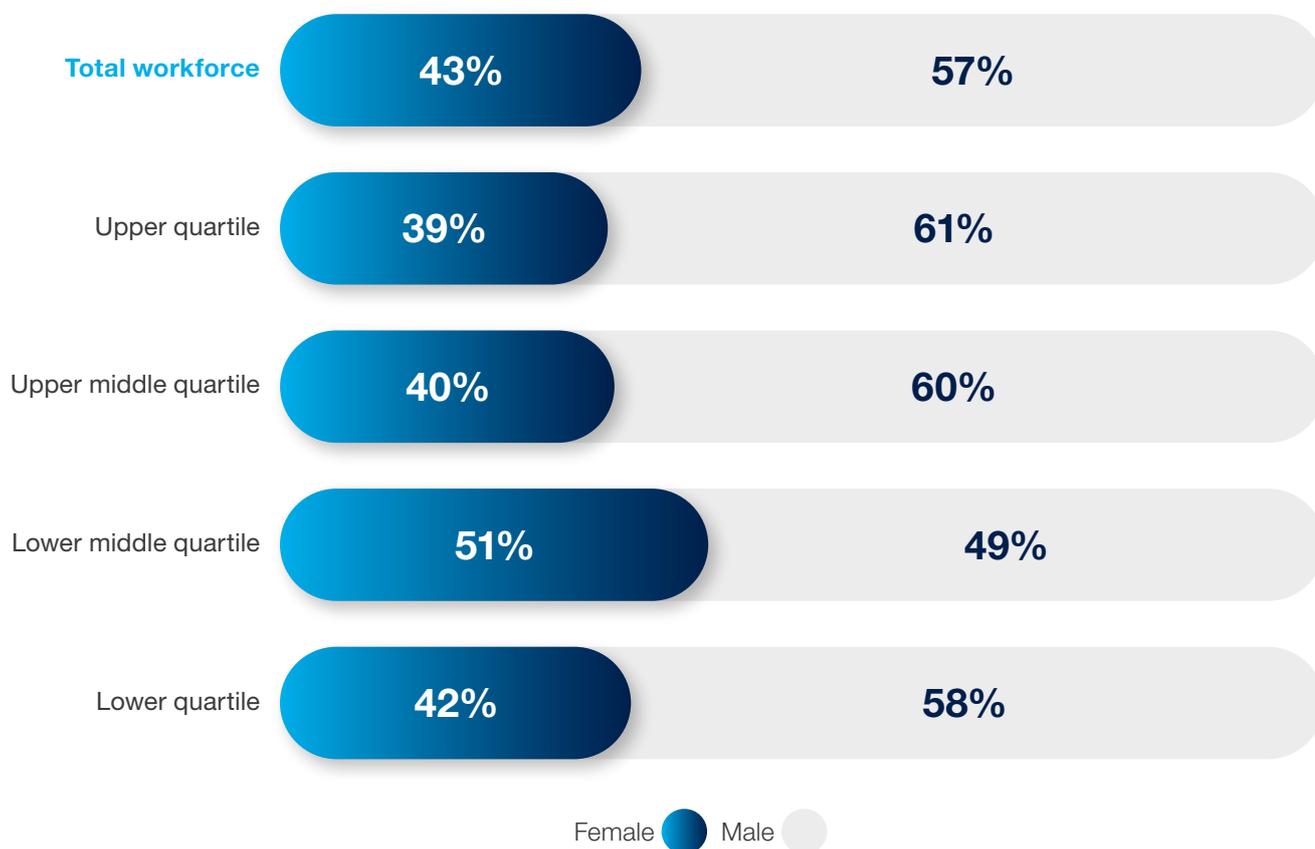


Table 3 – Gender composition by pay quartile

Nanosonics Gender composition by pay quartile reflects the higher composition of men in senior roles where these roles attract a higher remuneration structure in both the base and bonus opportunity.



Gender Equality Indicators² (GEI) and Nanosonics Actions

GE1 Composition of the workforce

Our workforce has a higher composition of men than women overall, with women under-represented at the management level and a higher portion of men being represented in the top two pay quartiles. [See tables 2 and 3.](#)

The percentage of women being appointed has improved year on year since 2021, and is more favourable than the industry comparison.³

The percentage of women being promoted is aligned with our workforce composition.

The composition of the workforce has improved over time, and we will continue to focus on the areas of attraction, promotion, and retention to increase the number of women in senior and executive-level roles.



GE2 Gender composition of governing bodies of relevant employers

The gender composition of the Board improved in 2023, with the appointment of two new Board members and is now reporting a composition of 37.5% women, which is more favourable than the industry comparison of 35%.⁴

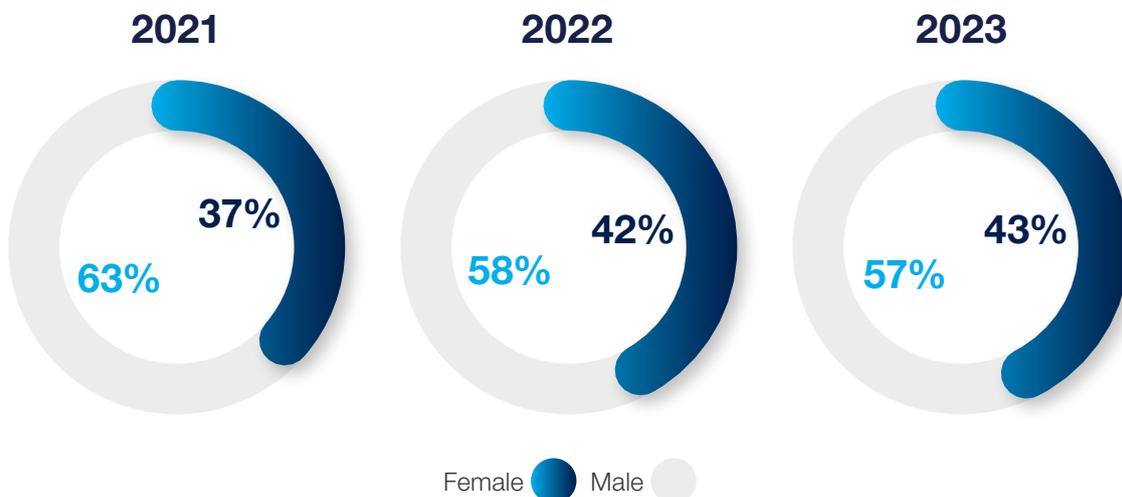
GE3 Equal remuneration between women and men

Equal Pay is a key principle for Nanosonics in relation to both hiring and remuneration reviews, where offers and remuneration changes are based on the job level of the role and the knowledge, skills, experience, and performance of each individual.

Analysis is conducted as part of our annual remuneration review process to identify and address any gender pay equity gaps based on like-for-like roles (comparable value) and job levels.

2. The Workplace Gender Equity Act 2012 requires employers with 100 or more employees to report annually against six Gender Equity Indicators (GEI).
 3. Industry comparison is Professional, Scientific and Technical Services except Computer System Design and Related – 69.
 4. Industry comparison is 6910 – Scientific Research Services.

Gender composition improving year on year





GE4 Availability and utility of employment terms, conditions and practices relating to flexible working arrangements for supporting employees with family or caring responsibilities

Nanosonics introduced new and improved Flexible Leave Benefits and Flexible Options for all our employees in April 2023 which was modelled on the Families & Work Institute model, which included:

- **Improved Parental Leave Policy:** An increase to 10 weeks paid parental leave for the primary care giver from 6 weeks. The policy also removed any reference to gender to ensure the policy is gender neutral and removed the 12 months of tenure eligibility criteria.
- **Superannuation Payments:** Company paid superannuation contributions for a period of 6 months (both paid and unpaid leave for primary caregivers).
- **Flexible Return Leave:** For the primary caregiver to access a total of up to 10 days of paid leave to balance the return to work in the first 3 months.
- **Premature Birth Leave:** Up to 2 weeks of additional paid parental leave for the premature birth of a child prior to 37 weeks of gestation. For either primary caregiver or secondary caregiver.
- **Early Pregnancy Loss Leave:** Up to 5 days paid leave due to pregnancy loss or a partner's pregnancy loss due to miscarriage (before 20 weeks of gestation).
- **Late-Stage Pregnancy Loss Leave:** Up to 10 weeks paid leave due to a pregnancy loss or a partner's pregnancy loss after 20 weeks of gestation.
- **Extended definition of Personal/ Carers Leave:** To include and recognise a diverse range of extended families.
- **Launch of a new and improved Employee Assistance Program:** To provide support and care for all our employees on a broad range of situations, assisting with family/carers responsibility, conflict resolution, financial well-being, nutrition/lifestyle choices and legal matters.

GE 5

Consultation with employees on issues concerning gender equity in the workplace

Each year, all global employees are invited to participate anonymously in the annual employee engagement survey.⁵ The survey consists of 57 questions measuring employee engagement and identifying any contributing factors impacting engagement.

Nanosonics always experiences a high participation rate, and in 2023, the participation rate was 90%.

The survey results are shared across the Company, and key trends from the feedback and comments are considered as part of the annual action planning process by Leaders. The outcomes from the action planning provide valuable inputs to policy and employee benefit changes, for example the new and improved Flexible Leave Benefits and Flexible Options outlined under GE4.

5. The Global Annual Employee Engagement Survey (March 2023).

6. The Nanosonics Diversity & Inclusion Policy (September 2023).

7. The Nanosonics Code of Conduct & Ethics Policy (December 2023).

GE 6

Sexual harassment, harassment on the grounds of sex or discrimination

The Nanosonics Diversity & Inclusion Policy⁶ and the Nanosonics Code of Conduct & Ethics Policy⁷ demonstrate our commitment to protecting and celebrating the diversity of our organisation regardless of age, family or marital status, sexual orientation, status, gender, gender identity, intersex status, breastfeeding needs, disability, ethnicity, religious beliefs, cultural background, socio-economic background, and perspective across all levels of our organisation. This policy also states our zero-tolerance approach to workplace bullying and/or harassment.

All our employees complete mandatory Code of Conduct training each year, focusing on our standards concerning Diversity & Inclusion, Workplace Bullying & Harassment and Health, Safety & Wellbeing.

This training is also a mandatory component of the onboarding process for all new employees and is to be completed within the first two weeks of joining Nanosonics.





Key actions

We have prioritised three key areas of action to improve the gender pay gap, which will focus on increasing the composition of women in the workforce overall, with a focus at a senior and executive level at Nanosonics:

Attraction

We will continue attracting diverse talent to Nanosonics by ensuring our recruitment processes and practises are inclusive and bias-free by incorporating the Diversity Council of Australia Inclusive Framework into how we attract and hire our talent.

Nanosonics hiring managers are trained on unconscious bias and are provided regular education sessions on our recruitment framework and processes by our Talent Acquisition Business Partner.

Gender statistics will continue to be reported and monitored at each stage of the recruitment process in support of our gender equity hiring principle.

Retention

Our employee benefits will continue to be reviewed to ensure that they are gender-equal and provide an opportunity for all our employees to experience flexible ways of working, and ensure they feel supported during all life stages.

We will continue to approach our remuneration reviews through the lens of equal pay for all roles and job levels and ensure any identified gender pay equity gaps are highlighted and addressed through the remuneration review process.

Promotion

We will continue to invest in programs that will develop our female talent to increase the composition of women in senior and executive level roles, such as the Emerging Female Leader program, formalised mentoring and coaching programs for identified female talent and the executive sponsorship of the Nano Circles Networking Group for Women in Nanosonics.

Our internal first approach to all vacancies will continue. We are committed to advertising all vacancies internally and encourage all employees to have career and personal development conversations with their leaders regularly.

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