

QUICKSTEP HOLDINGS LIMITED

DIVERSITY REPORT 2021 FINANCIAL YEAR

ACN 096 268 156

361 MILPERRA ROAD, BANKSTOWN AERODROME, NSW, 2200

Quickstep's Diversity Policy has been adopted by the Board of Quickstep Holdings. It is upheld by management and reviewed annually to ensure compliance with legislation and relevance both to the business and the marketplace. Quickstep's Diversity and Inclusion Strategy (the Strategy) details the company's commitment to a workplace culture that builds respect; fosters inclusiveness; promotes diversity; and embraces the unique skills and qualities of all employees.

The Strategy focuses on four key areas, and measurable objectives aligned to these are adopted by the Board:

- **Gender diversity.** Increasing the female representation across all levels within the business, which is currently 20 percent, through conscious actions such as policy development and specific initiatives that enable Quickstep to become an employer of choice for women.
- **Mature aged workers** (defined as anyone over 55 years of age). Quickstep has an average age of 46.8 across the workforce and by 2022, 23 percent of the workforce will be over 60, down from 35 percent in the prior report. This creates a challenge for the retention of the skills and transfer of knowledge that the organisation requires to support growth. The Strategy sets out the mechanisms by which mature aged workers are supported to remain as part of the workforce, whilst transitioning to their retirement;
- **Younger workers** (defined as anyone up to 25 years of age). Quickstep had increased the workforce in this category from 5 percent to 12 percent over the last three years, although this reduced to 8 percent in the second half of FY21. The focus is on attracting, retaining and developing the skills of younger workers to effectively manage the replenishment of those who plan to transition to retirement. 14.5 percent of the workforce is under 30 years of age. We also support those entering the workforce for the first time through training and mentoring.
- **Ethnic groups** (defined as a grouping of people with shared attributes including traditions, ancestry, culture, religion, nation, language). At Quickstep our workforce consists of a wide and varied ethnic group of people. Although Quickstep is governed by International Trading In Arms Regulations (ITAR), this has not restricted our diversity. We have a proportion of our workforce who are nationals from various Asian countries, in particular the Philippines, India as well as South America countries. We are conscious of providing a workplace that is inclusive for those from various cultures and religions.

The Strategy is supported by detailed initiatives that challenge all levels staff to consider diversity, inclusion and belonging in everything they do, positively impacting the delivery of business outcomes.

Key programmes of work include:

- The regular review of the Diversity and Inclusion policy ensuring it is relevant, up-to-date and adopted by the Board.
- Ensuring alignment to the Equal Employment Opportunity policy.
- Ensuring alignment to the Harassment and Bullying Prevention policy.
- Increasing the awareness of staff of unintended bias through training, building diverse and inclusive teams and discussing unconscious bias in the workplace.

- Adapting and refining our employment engagements through transition to retirement programs, knowledge management transfers, mentoring and training.
- Providing apprenticeships and traineeship opportunities and supporting career and development opportunities through our investment in the Quickstep Learning Academy with structured theory, practical and on the job training, as well as structured individual development plans.
- Identifying and partnering with relevant training and education institutions to support individual professional development and to promote career opportunities.
- Ongoing development of policies and practices that support employees with other life responsibilities and enable Quickstep as an Employer of Choice.
- Monitoring and ensuring pay equity through annual and adhoc reviews; and
- Actioning areas of opportunity identified from annual workplace diversity and inclusion reports including the Workplace Gender Equality Act report.

ATTRACT	RECRUIT	DEVELOP	RETAIN
Raise the profile of Quickstep as an 'employer of choice' across all diversity segments and partner with relevant networks to attract a diverse workforce	Implement targeted programs to support recruitment that is linked to our cultural vision, and that is an integral part of our values and the way we do business	Provide equal developmental and career opportunities to ensure we provide innovative solutions to customer requirements at the highest quality levels	Provide a supportive approach to workforce conditions, career management and career pathways. Creating a fair, respectful and inclusive work environment

2021 Measureable Objectives

Inclusiveness and Diversity targets were set by the Board in 2018 for a three-year period to FY20. New targets are currently being developed for the period FY22-FY24 and will be reviewed by the Remuneration, Nomination and Diversity Committee during FY22. The key measures and results for FY21 tracked against FY20 are detailed in the table below.

Inclusiveness and Diversity Statistics		
Measure	Actual FY20	Actual FY21
HEADCOUNT - DEMOGRAPHICS		
% of female	20%	20%
% of female senior executives	17%	17%
RECRUITMENT/TURNOVER (cumulative)		
% of new recruits < 25 years of age	21%	9%
% of female new hires	22%	28%
WORKING ARRANGEMENTS		
% of employees working part-time/job share	4%	7%
% of females returning to work in some form after having a child	n/a	n/a
% of staff on transition to retirement plans > 55 years of age	10%	10%

Summary

Quickstep continues to work on progressing the four key strategic focus areas. Gender diversity remained unchanged throughout the year and it was pleasing that the business was able to retain mature age workers on the transition to retirement plans. The average age of the workforce has reduced slightly and there has also been an increase in employee's working part-time or in job share arrangements, a key focus of our intent to improve our position as an Employer of Choice. Working from home during the pandemic, has been supported where appropriate.

FY21 has been a more challenging year where we were impacted by limited labour pools and higher turnover, some of which was attributable to the uncertainty of the COVID-19 pandemic.

Despite these challenges, Quickstep continues to work to overcome specific challenges to improving its diversity, given our industry sector and geographical location. This include the support of STEM initiatives which include:

- Building relationships with local schools, TAFE, and universities to heighten the awareness of Quickstep as an Employer of Choice in the advanced manufacturing industry in South Western Sydney.
- Establishment of a mentoring program through a partnership with iSTEM
- Participation in virtual careers fairs with universities and schools; hosting our local STEM school on site; and supporting work experience students
- Providing an engineering internship program
- Embedding the Quickstep Learning Academy (QLA) model into our business, allowing new and current employees the opportunity to learn theory and practical skills off the job, with the support of dedicated trainers.
- Raising awareness of our referral program amongst staff which is particularly successful for the attraction and retention of younger workers

Our transition to retirement program continues to be effective with retention of key knowledge and skills from operators who continue to support our business, but on a part time basis.

Quickstep will continue to measure and report on a range of diversity objectives and initiatives each year, including those measurable objectives identified in the Corporate Governance Council Principles and Recommendations.

Gender Equality Indicators

Quickstep satisfies the criteria of an “eligible employer” for reporting purposes under the Workplace Gender Equality Act. Quickstep has submitted their report for the 2020-2021 reporting period, and a copy of the public report can be accessed via <https://www.quickstep.com.au/wp-content/uploads/2021/08/Combined-WGEA-Report-2021.pdf>