

Additional Employee Data – Sustainability Report 2020

Introduction

This document is a supplement to our Sustainability Report 2020 published to provide additional detail and employee data disclosure as required by the GRI Standards.

Assurance

Independent assurance of our Sustainability Report including this appendix has been completed by Bureau Veritas. Please refer to the assurance statement in the main report.

Scope and Methodology

The report covers the activities of Fonterra Co-operative Group Limited and joint ventures under Fonterra's management control.

Our employee data is drawn from our global SAP-based employee data systems, primarily our MY Fonterra system.

Numbers are generally reported for all fixed-term and permanent employees on a full-time equivalent (FTE) basis. Gender pay gap is on headcount basis with pay compared on an FTE basis.

Turnover and new hires cover permanent employees on a headcount basis using MY Fonterra data. For FY19 and FY20 the turnover and new hires data excludes only those employees in our Brazilian joint venture.

There are no significant seasonal variations in the employee data reported. Casual staff contracted by Fonterra are excluded from these figures as this represents only a very small proportion of the regular workforce.

Some percentages shown in tables may not sum to 100% due to rounding.

Reporting Period

The reporting period is for the 2020 Financial Year (FY20), 1 August 2019 – 31 July 2020. Employee numbers are as of 31 July 2020.

Definitions

Term	Definition
Significant locations of operation	Significant locations of operations are countries where more than 5% of our employees are located.
Employee categories	Our organisation has a banded approach to remuneration based on business roles.
<ul style="list-style-type: none"> Senior Leaders Managers Supervisory & Professional Operators, Techs, Drivers, Farm Workers 	Bands 14 and above Bands 10-13 Bands 3 ¹ -9 Waged or equivalent workforce

Employee Data

Full-time equivalent employees by employment contract by gender

Contract Type by Gender	Percentage per Contract Type			
	Permanent		Fixed-term	
	FY19	FY20	FY19	FY20
Male	96.8%	96.6%	3.2%	3.4%
Female	96.7%	96.7%	3.3%	3.3%
Gender diverse	0.0%	0.0%	0.0%	0.0%
Undeclared	0.0%	0.0%	0.0%	0.0%

Full-time equivalent employees by region

Global Employee Numbers	FTE (Permanent & fixed term)	
	FY19	FY20
New Zealand	11,732	11,757
Australia	1,381	1,276
Greater China	1,876	1,774
Brazil	1,415	1,350
Chile	1,651	1,596
Rest of Asia	2,107	2,014
Rest of World	523	511
Global Total	20,685	20,278

Employment contract by region

Contract Type by Region	Percentage per Employment Type			
	Permanent		Fixed-term	
	FY19	FY20	FY19	FY20
New Zealand	97.8%	97.6%	2.2%	2.4%
Australia	95.4%	95.5%	4.6%	4.5%
Greater China	96.2%	97.1%	3.8%	2.9%
Brazil	100.0%	100.0%	0.0%	0.0%
Chile	100.0%	100.0%	0.0%	0.0%
Rest of Asia	89.2%	88.4%	10.8%	11.6%
Rest of World	89.9%	88.7%	10.1%	11.3%

¹ Threshold varies according to country

Employment type by gender

Employment Type by Gender	Percentage per Employment Type			
	Full-time		Part-time	
	FY19	FY20	FY19	FY20
Male	99.5%	99.5%	0.5%	0.5%
Female	95.9%	96.2%	4.1%	3.8%
Gender diverse	100.0%	100.0%	0.0%	0.0%
Undeclared	100.0%	100.0%	0.0%	0.0%

Hiring from Local Communities

To support the recruitment of senior management roles we run talent forums across the different disciplines.

One of the aspects assessed when appointing senior management roles into countries where we have significant operations, is the composition of employees from local communities versus employees on international assignments. We recognise the value of a high representation from local communities but balance that with the opportunity for talent development from other countries. We review the composition and effectiveness of senior management teams on a regular basis.

Global Employee Numbers	Percentage of Senior Management	
	FY19	FY20
New Zealand	86%	97%
Australia	90%	90%
Brazil	100%	100%
Chile	100%	100%
Greater China	70%	69%

Reported for significant locations of operation only.

'Senior Management' is defined as the most senior employee working in a country plus all direct reports to the senior manager, excluding employees working in a different country and non-management staff (e.g. Personal Assistants, Technical Assistants, other admin staff). In FY20, we implemented a new regional operating model. For the purposes of this assessment, under this new operating model, members of the Fonterra Management Team, who have regional responsibilities are also excluded. For New Zealand, the CEO is excluded and the multiple New Zealand-based managers reporting to the CEO and their direct reports are assessed.

Locally hired employees are citizens or permanent residents of the given country.

Diversity by age and gender

Diversity of governance bodies and employees by age

Diversity (Age)	Percentage by Age Range	
	FY19	FY20
All employees	<30: 14% 30-50: 57% >50: 25% Unknown: 4%	<30: 14% 30-50: 57% >50: 26% Unknown: 4%
Fonterra Management Team (FMT)	<30: 0% 30-50: 43% >50: 57% Unknown: 0%	<30: 0% 30-50: 50% >50: 50% Unknown: 0%
Fonterra Board	<30: 0% 30-50: 9% >50: 91% Unknown: 0%	<30: 0% 30-50: 9% >50: 91% Unknown: 0%

Diversity of employee categories by age

Diversity (Age)	Percentage by Age Range		
	FY19 (orig)	FY19 (revised)	FY20
Senior Leaders	<30: 1% 30-50: 60% >50: 35% Unknown: 4%	<30: 1% 30-50: 61% >50: 35% Unknown: 4%	<30: 0.3% 30-50: 63.3% >50: 31.8% Unknown: 4.6%
Managers	<30: 5% 30-50: 70% >50: 22% Unknown: 3%	<30: 5% 30-50: 70% >50: 22% Unknown: 3%	<30: 7.3% 30-50: 68.9% >50: 20.4% Unknown: 3.4%
Supervisory & Professional	<30: 20% 30-50: 60% >50: 18% Unknown: 2%	<30: 20% 30-50: 60% >50: 18% Unknown: 2%	<30: 22.3% 30-50: 57.4% >50: 16.9% Unknown: 3.5%
Operators, Techs, Drivers, Farm Workers	<30: 15% 30-50: 50% >50: 32% Unknown: 3%	<30: 14% 30-50: 50% >50: 32% Unknown: 3%	<30: 15.8% 30-50: 49.3% >50: 31.0% Unknown: 3.9%

FY19 breakdown of age by employee category has been restated to exclude employees on leave of absence and the same approach has been adopted for FY20.

Diversity of governance bodies and employees by gender

Diversity (Gender)	Percentage by Gender	
	FY19	FY20
All employees	Male: 73% Female: 27%	Male: 72% Female: 27%
Fonterra Management Team (FMT)	Male: 71% Female: 29%	Male: 75% Female: 25%
Fonterra Board	Male: 82% Female: 18%	Male: 73% Female: 27%

Diversity (Gender)	Percentage by Gender	
	FY19	FY20
Senior Leaders	Male: 70% Female: 29%	Male: 71% Female: 29%
Managers	Male: 62% Female: 38%	Male: 63% Female: 37%
Supervisory & Professional	Male: 51% Female: 49%	Male: 52% Female: 48%
Operators, Techs, Drivers, Farm Workers	Male: 84% Female: 16%	Male: 84% Female: 16%

New employee hires and employee turnover

The analysis of new employee hires and turnover is used to inform decision-making within our People and Culture team. For example, for diversity and inclusion, statistics are used on a 12-month rolling basis to assess implications to the make-up of the organisation and the achievement of specific targets.

New hires and leavers associated with businesses that we have divested are excluded from these calculations from the point of divestment. We did not divest of any businesses during FY20 but we have provided updated information for FY19 that corrects our calculations for our divestment of Tip Top.

New hires by age and gender

New Hires	FY19 (orig)		FY19 (revised)		FY20	
	Number	%	Number	%	Number	%
Aged <30	546	30.1%	503	28.2%	435	32.5%
Aged 30-50	867	47.8%	860	48.3%	662	49.5%
Aged 50+	116	6.4%	122	6.8%	96	7.2%
Age Unknown	283	15.6%	297	16.7%	145	10.8%
Male	1118	61.7%	1106	62.1%	789	59.0%
Female	694	38.3%	676	37.9%	549	41.0%
Gender unknown	0	0.0%	0	0.0%	0	0.0%
Total new employee hires	1812	9.6%	1782	9.5%	1338	7.3%

Leavers by age and gender

Leavers	FY19 (orig)		FY19 (revised)		FY20	
	Number	% of all leavers	Number	% of all leavers	Number	% of all leavers
Aged <30	576	20.5%	556	20.6%	369	18.0%
Aged 30-50	1405	50.1%	1313	48.7%	1020	49.8%
Aged 50+	498	17.8%	514	19.1%	366	17.9%
Age unknown	325	11.6%	314	11.6%	292	14.3%
Male	1886	67.3%	1798	66.7%	1323	64.6%
Female	918	32.7%	899	33.3%	723	35.3%
Gender unknown	0	0.0%	0	0.0%	1	0.0%
Total leavers	2804	14.9%	2697	14.4%	2047	11.1%

Turnover by reason

Turnover reason	FY19 (orig)		FY19 (revised)		FY20	
	Number	% of total workforce	Number	% of total workforce	Number	% of total workforce
Voluntary	1729	9.2%	1725	9.2%	1255	6.7%
Involuntary	828	4.4%	717	3.8%	610	3.2%
Other (Contract end, Legal Retirement, or deceased)	247	1.3%	255	1.4%	182	1.0%
Total Turnover Rate	2804	14.9%	2697	14.4%	2047	11.1%

New hires and leavers by region

Region	FY19 (orig)		FY19 (revised)		FY20	
	New Hires	Leavers	New Hires	Leavers	New Hires	Leavers
New Zealand	774	1293	768	1291	725	1023
Australia	100	117	101	124	69	183
Greater China	428	504	450	518	235	334
Brazil	0	5	0	4	0	10
Chile	171	324	174	323	87	145
Rest of Asia	220	317	214	314	161	267
Rest of World	119	244	75	123	61	85
Total	1,812	2,804	1,782	2,697	1,338	2,047

Gender Pay

FY19 has been restated to exclude employees on leave of absence and the same approach has been adopted for FY20.

Gender Pay Gap by region – Basic Salary

Region	FY19 (orig)		FY19 (revised)		FY20	
	Mean	Median	Mean	Median	Mean	Median
New Zealand	0.97	0.95	0.96	0.94	0.96	0.96
Australia	0.92	0.95	0.92	0.95	0.95	0.96
Greater China	1.68	4.18	1.68	4.18	1.60	3.90
Brazil	1.35	1.14	1.33	1.14	1.09	1.08
Chile	1.37	1.30	1.37	1.30	1.32	1.29
Rest of Asia	1.55	3.82	1.55	3.68	1.67	3.69
Rest of World	1.22	1.59	1.21	1.58	1.23	1.63
Total	1.09	0.95	1.09	0.94	1.08	0.95

Gender Pay Gap by employee category – Basic Salary

Employee Category	FY19 (orig)		FY19 (revised)		FY20	
	Mean	Median	Mean	Median	Mean	Median
Senior Leaders	0.88	0.92	0.87	0.92	0.88	0.96
Managers	0.96	0.95	0.95	0.94	0.96	0.96
Supervisory & Professional	1.03	1.11	1.02	1.10	1.06	1.14
Operators, Techs, Drivers, Farm Workers	0.91	0.83	0.90	0.82	0.88	0.82
Total	1.09	0.95	1.09	0.94	1.08	0.95