



**PEOPLE**  
**AT SOUTH32**

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## PEOPLE

Our people are the foundation to our success and the key to ensuring our ongoing sustainability and productivity.

To attract and retain talent we focus on creating an environment where everyone is able to perform to their full potential every day. We do this by building an inclusive workplace, making sure we have the right people in the right roles, and ensuring our people are engaged, empowered and rewarded for demonstrating the performance and behaviours that contribute to our growth and success.

### OUR OPERATING MODEL, CARE STRATEGY AND OUR PEOPLE APPROACH

The creation of a positive and safe work environment is based on:

- Our Operating Model, which defines how we are organised, the values that guide us and the way we work
- Our Care Strategy, which ensures all employees are focused on creating an inclusive workplace where work is well-designed and we continuously improve
- Our people approach, which guides how we attract, employ, develop, connect, engage and retain talented people. Key elements of our people approach include:
  - Creating an inclusive workplace
  - Developing our people and our leadership capability
  - Investing in our people

### CREATING AN INCLUSIVE WORKPLACE

At South32, an inclusive workplace is where everyone feels comfortable to bring their whole self to work and where each person's unique differences are recognised, valued and celebrated. We embrace the diversity of our people and harness their talents to achieve exceptional results working together.

For us, an inclusive workplace is both good business and the right thing to do. It fosters an environment where everyone can speak up without fear, leading to a safe workplace for all. It ensures that everyone understands their roles and accountabilities and empowers our people to explore new ideas and make decisions.

### DIVERSITY

We have set ambitious diversity targets that focus on gender and ethnicity, taking into account our starting point and the emerging trends in the jurisdictions in which we operate. These include:

- Demonstrating year on year improvement in the representation of women in the total workforce
- Improving the representation of women in leadership
- Improving the representation of Black People<sup>(1)</sup> in South Africa
- Achieving gender pay equity

We are committed to achieving these diversity targets and, during FY17, have implemented a number of initiatives including:

- The allocation of approximately US\$1.8 million, in addition to routine salary increases, to address the gender pay gap. Further funds will be allocated in FY18
- Targeted campaigns to attract Black People and female applicants, particularly in core disciplines such as engineering
- Policies and practices that ensure a more flexible work environment
- Educating line leaders to effectively manage a diverse workforce and recognise unconscious bias
- Remuneration practices that ensure no new cases of bias are introduced

(1) 'Black People' is a term meaning Africans, Coloureds and Indians who are citizens of the Republic of South Africa by birth or descent (as more fully defined in the Broad-Based Black Economic Empowerment Amendment Act 2013 (South Africa)).



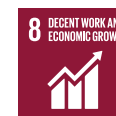
### Our People programs support the Sustainable Development Goals

South32 supports the United Nations (UN) Sustainable Development Goals (SDGs). The United Nations 2030 Agenda for Sustainable Development defined 17 SDGs in September 2015 seeking to address the world's greatest challenges. The SDGs build on the work undertaken through the Millennium Development Goals, but have a greater focus on the involvement of the private sector. South32 plans align with achieving the SDGs. The key to a successful result is working together with our stakeholders to develop and implement actions that contribute to sustainable development.

Our approach to People contributes towards two Sustainable Development Goals, SDG5 and SDG8.



Achieve gender equality and empower women and girls



Promote sustainable and inclusive economic growth, employment and decent work for all



Table 1 Progress against our measurable diversity objectives

Measurable objectives		Target		Actual	
		%	By when	FY16	FY17
Improve representation of women in total workforce	Total Employees <sup>(2)</sup>		Continuing improvement	15.7%	16.2%
Improve representation of women in leadership teams	Board	30%	30-Jun-18	13%	14% <sup>(3)</sup>
	South32 Lead Team	30%	30-Jun-18	17%	17%
	Africa Region Lead Team	40%	30-Jun-20	15%	27%
	Australia Region Lead Team	40%	30-Jun-20	29%	33%
	Corporate Functions Lead Team	40%	30-Jun-20	48%	33%
	Africa Operations Lead Teams	30%	30-Jun-18	10%	18%
	Australia Operations Lead Teams	30%	30-Jun-18	11%	19%
Improve representation of Black People in South Africa	Management Roles	70%	30-Jun-20	45%	42%
	Total Employees	85%	30-Jun-20	79%	79%
Achieve gender pay equity	Funds allocated to address the gender pay gap				US\$1.8m

(2) Total number of employees as at 30 June 2017.

(3) A change in one per cent resulted from the total number of Directors being reduced from eight to seven at the end of FY17.



## CASE STUDY

## Inspiring the next generation

During FY17, Worsley Alumina hosted its inaugural Work Inspirations Program. Fifty local female high school students were given the opportunity to gain valuable first-hand experience across various roles in the refinery.

The aim of the program is to inspire female students and provide them with the confidence to pursue a career in the resources sector.



## TRANSFORMATION

Transformation is central to our efforts to make a meaningful contribution to the social and economic development of South Africa. As part of our commitment to ensuring that South32, at a minimum, meets the requirements of the Mining Charter, we have set measurable diversity targets and committed to:

- Increasing the representation of Black People in the workforce and management roles
- Increasing the representation of women in management roles
- Upskilling our workforce in line with our skills plans
- Prioritising the recruitment of Black People within our local communities for learnership<sup>(4)</sup> programs

## DEVELOPING OUR PEOPLE AND OUR LEADERS

### DEVELOPMENT PROGRAMS

To deliver our strategy, we need capable people. To achieve this, we focus on developing our people and recruiting talent from the communities where we operate.

Our inclusive workplace development programs focus on cultural change and unconscious bias. The programs create a greater understanding of the culture and behaviours that we expect from our people and enables them to identify hidden biases, realise their impact and manage them effectively.

Our mentor program leverages the knowledge, skills and experience of our leaders at all levels, building capability and deep functional expertise across the business.

Our graduate program focuses on building capability across a range of disciplines, ensuring participants achieve the technical, professional and personal competencies required to help them develop their career.

(4) Learnership is a work based learning program that leads to a National Quality Framework (NQF) registered qualification in South Africa.

## TRAINING AND EDUCATION

Our people are encouraged to develop their careers and seek both professional and personal growth opportunities. In line with our Care Strategy, we provide our people with training, ensuring they have the necessary skills to do their job safely. We support the continual development of our people and encourage membership of professional associations and further education.

In FY17, we invested approximately US\$8.5 million in the training and education of our people.

## LEADERSHIP DEVELOPMENT

We build good leaders by enhancing leadership capability at all levels of the business. In FY17, we designed and began implementing a suite of leadership development and management programs that promote our values and key leadership behaviours.



### CASE STUDY

#### Supervisor development

To enhance technical and leadership capabilities, Mozal Aluminium implemented Supervisor development programs in Mozambique. Assessments are conducted, and individual development plans generated, to target gaps that have been identified.





## CASE STUDY

**Interactive training**

Following a change in process, 'Introduction to Contract Management' training was successfully implemented across the Australia region. The interactive sessions introduced contract owners and representatives to South32's new process and tools designed to improve contract management skills and vendor relationships.

**INVESTING IN OUR PEOPLE****EMPLOYEE WELLBEING**

We recognise that work is a significant part of our employees' lives. Making a positive impact on their wellbeing increases workplace morale, productivity and innovation. We have several initiatives designed to improve employee wellbeing:

- Flexible work arrangements
- A supportive work environment where people are encouraged to speak up
- An Employee Assistance Program available for all employees and their families, providing confidential counselling and support
- Our employee volunteering program, which encourages our people to give back to their local communities
- Participation in events that promote healthy lifestyle choices

**EMPLOYEE ENGAGEMENT SURVEY**

During FY17 we conducted an employee engagement survey which captured the thoughts, opinions and insights of our people. With a 78 per cent participation rate, the results revealed that we have made positive progress in the overall level of employee engagement, as well as in areas such as health and safety, team collaboration and freedom of speech. It also highlighted areas for improvement, which largely focused on change management and internal communications.

**EMPLOYEE OWNERSHIP**

To promote higher levels of engagement and productivity, all eligible employees are invited to participate in one of our employee share ownership plans. These share plans provide our people with shares in the company, which creates a vested interest in South32's success and a direct connection to how their performance and behaviours can positively impact the value we deliver.



## PERFORMANCE AND REWARD

South32 is a high performing workplace where differences are valued and respected. Building a culture that lives our values is about truly connecting with each other and having real conversations, where expectations are clear, we work together to solve problems and give each other feedback so that we can continuously learn and improve.

All employees participate in our performance and development program, Success@South32, where regular conversations between line managers and employees are key. Ownership of the process is equally shared and provides the opportunity for ongoing performance feedback to be received by both parties.

Employee performance is linked to reward through short-term incentive or bonus payments. Paid in addition to base salary, the value is determined based on a combination of both company and individual performance. Leaders determine the performance of employees based on objectives that have been jointly agreed between the line manager and the employee.

## EMPLOYEE RELATIONS

The countries where we operate are members of the International Labour Organisation and promote the 'Declaration of Fundamental Principles and Rights at Work'. We have processes in place to assist us to comply with all country-specific, labour-related legislation, including local legislation relating to notification of significant operational change that may affect our employees. Where collective agreements specify further consultation obligations, these commitments are fulfilled.

We respect our employees' right to freedom of association, representation and to collectively bargain. Employee relations matters are managed by our leaders with support from Human Resources. Our engagement with employees and their representatives is in accordance with local legislation and consistent with our values and Code of Business Conduct.

Thirty per cent of our employees are engaged under collective bargaining agreements. During FY17, collective agreement renewal negotiations commenced at South Africa Energy Coal, Metalloys alloy smelter, Cannington and Illawarra Metallurgical Coal. Our Hillside and Mozal aluminium smelters concluded collective agreement negotiations during FY17.

During FY17 we did not experience any lock-outs or employee strikes that exceeded one week's duration. We did, however, experience approximately 70 days of industrial action at our Appin mine due to contractor enterprise agreement and wage negotiations.

## OUR PEOPLE STATISTICS

In FY17, we employed 14,002<sup>(5)</sup> people across seven countries. Of these, 96 per cent were permanent and four per cent were temporary or fixed-term employees. In addition to our employees, approximately 9,974 full-time equivalent contractors contributed to the success of our business. Our voluntary turnover rate for FY17 remains low at 2.8%.

(5) Total number of employees as at 30 June 2017.





## Our purpose

Our purpose is to make a difference by developing natural resources, improving people's lives now and for generations to come. We are trusted by our owners and partners to realise the potential of their resources.



## Our strategy

Our business strategy is to invest in high-quality metals and mining operations that allow our distinctive capabilities and regional model to stretch performance in a sustainable way. By maintaining financial discipline, we will deliver sector leading total shareholder returns.

We will continue to:

- Optimise the performance of our existing operations
- Unlock their potential by converting high value resource into reserve
- Identify new opportunities to compete for capital



## Our values

### Care

We care about people, the communities we're a part of and the world we depend on.

### Trust

We deliver on our commitments and rely on each other to do the right thing.

### Togetherness

We value difference and we openly listen and share, knowing that together we are better.

### Excellence

We are courageous and challenge ourselves to be the best in what matters.

