

# DIVERSITY AND INCLUSION POLICY

Revised on 30 April 2018

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## 1 Overview

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The Board is committed to workplace diversity and inclusion. It recognises that the success of the South32 group relies on having a team made up of the best people with broad perspectives and experiences, aligned to a common purpose and set of values. This is achieved through attracting, retaining and developing people who bring diverse perspectives and whose difference is valued.

The Board's vision for diversity considers the broadest definition of difference, including gender, ethnicity, disability, age, thought, education, experience, family responsibilities and sexuality.

The Board is committed to have a workforce that reflects the communities in which our assets are located and where our employees live.

## 2 Scope

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At a Board and senior management level, gender and ethnicity have been identified as key areas of focus for the Company. Accordingly, the primary focus of this Policy is achieving, over a reasonable transition period, representation of women and employees from diverse ethnic backgrounds in senior management positions and on the Board.

## 3 Promoting diversity and inclusion

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South32 will adopt strategies which aim to progress towards a balanced gender and an ethnically diverse representation at Board, senior management and across all areas of our business including:

- setting challenging and measurable diversity and inclusion objectives relating to the recruitment, appointment and retention of women and people with diverse ethnic backgrounds;
- broadening the fields of successors for senior management roles and potential candidates for Board appointments;
- enabling a diverse workforce by removing barriers to participation which may disproportionately affect potential female candidates and those from diverse backgrounds, and review these policies to ensure that they are available to and utilised at senior management levels;

- monitoring the effectiveness of, and continue to expand on, existing initiatives designed to identify, support and develop talented women and employees from diverse ethnic backgrounds;
- supporting both the spirit and intent of transformation and empowerment in our industry and at local and national levels in South Africa, and at a minimum, complying with legislative requirements in relation to employment equality, including the requirements of the South African Mineral and Petroleum Resources Development Act No. 28 of 2002 and Employment Equity Act No. 55 of 1998.

## **4 Measurable objectives**

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Each year the Board will set measurable objectives, including in relation to the strategies listed at 3, with a view to improving performance in relation to employees from diverse ethnic backgrounds and progressing towards a balanced gender representation at Board and senior management levels. The Board will also consider setting measurable objectives relevant to ensuring other forms of diversity at Board and senior management levels. Measurable objectives will be developed by management and recommended to the Board for approval.

## **5 Diversity in recruitment, selection and succession planning**

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### **5.1 Chief Executive Officer**

The Nomination and Governance Committee is responsible for the development and succession planning process for the Chief Executive Officer. In discharging this responsibility, the Nomination and Governance Committee will have regard to diversity criteria.

### **5.2 Board**

Whilst skills such as leadership and previous experience as a chief executive, chair or Board member of a large organisation with international operations have traditionally been prerequisites to appointment as a director, the Board recognises that other skills are required to optimise the performance of the Board.

The Board, through the appointment process documented in the Nomination and Governance Committee charter, will identify director candidates having regard to:

- the strategic objectives of the Company;
- the skills, expertise and background that add to and complement the range of skills, expertise and background of the existing directors;
- diversity; and
- the extent to which the candidate would fill a present need on the Board.

## **6 Review of Policy and reporting of performance**

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In executing its oversight role, the Nomination and Governance Committee will review on an annual basis the effectiveness of this Policy.

As part of this annual review, performance against the measurable objectives at 4 above will be assessed by the Nomination and Governance Committee, and it will submit a report to the Board outlining its findings.

The Board will report to shareholders each year:

- a summary of the Company's progress towards achieving the measurable objectives set under this Policy for the year;
- details of the measurable objectives set under this Policy for the subsequent financial year; and
- the proportion of women and people from diverse ethnic backgrounds who are employed by the Company as a whole, in senior management positions and who are on the Board.