



MACARTHUR **COAL** LIMITED

## **Diversity Policy**

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## 1. PREAMBLE

### PURPOSE

The Company's purpose in establishing this Diversity Policy is to document the principles, commitment and measurable objectives in relation to diversity upon which the Company forms and implements its recruitment and retention strategies for Board, management and workforce roles.

### BACKGROUND

The Company is a member of the QRC. As a member of the QRC, the Company is committed to the QRC's Leading Practice Principles.

The Company has established this Diversity Policy in accordance with the ASX Corporate Governance Principles and Recommendations in relation to gender diversity, and in doing so has moved to early adoption of a policy on diversity.

The Company has, prior to the establishment of this Diversity Policy, implemented a number of initiatives with the aim of increasing the diversity of its Personnel participating at all levels across the Company.

## 2. SCOPE AND AUDIENCE

This Policy applies to all recruitment and retention activity of the Company and of companies and joint ventures where authority, delegated or otherwise, to make decisions in relation to recruitment is ultimately the decision of the Board of the Company.

The Policy does not apply to recruitment and retention activity of Independent Projects. Where appropriate, a copy of the Policy will be made available to the management team of an Independent Project, with the Company's recommendation that the Policy be adopted by the Independent Project.

Reporting against the measurable objectives outlined in the Policy will exclude Independent Projects.

## 3. DEFINITIONS

This section sets out the definitions for key terms and acronyms referred to in this Diversity Policy. Definitions should be consistent with the broader Macarthur Coal definitions.

**ASX Corporate Governance Principles and Recommendations** means the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 2<sup>nd</sup> edition, August 2007 as amended by the changes announced on 30 June 2010.

**Board** means the board of directors of the Company.

**Company** means Macarthur Coal Limited and its wholly owned subsidiaries.

**Diversity Committee** means the internal committee of the Company established for the purposes of this Policy.

**Independent Projects** means companies or joint ventures in which the Company has an interest but where the operational activities of those companies or joint ventures are not subject to the authority of the Board of the Company or managed by the Company.

**MacNet** means the Company's intranet.

**NRC** means the Nomination and Remuneration Committee of the Board.

**QRC Leading Practice Principles** means the Leading Practice Principles for the Attraction and Retention of Women in the Minerals and Energy Sector (published by the Queensland Resources Council, Fourth edition, December 2009) being a commitment to:

- providing a cultural and physical environment where women feel comfortable, included and valued
- employment and promotion practices that encourage female participation and retention
- investigating innovative solutions for the provision of flexible working arrangements (for men and women), which take into account such matters as employees' child care commitments and work/life balance, while also meeting operational requirements
- promoting and monitoring effectiveness of attraction and retention initiatives for women and equal employment opportunities policies

as part of the QRC's Women in Resources Action Plan.

**Policy** means this Diversity Policy.

**Personnel** means directors, officers and employees of the Company.

**QRC** means the Queensland Resources Council.

## 4. POLICY

### PRINCIPLES

Diversity delivers value.

The long-term workforce requirements of the mining industry, with the challenges of recruiting and retaining a skilled workforce for remote and regional operations create an imperative for the Company to continually develop initiatives to foster a broad level of participation and representation of members of the community in the business of the Company.

The Company recognises the important contribution that people of diverse backgrounds, experience, age and cultural association make to the Company.

Specifically in relation to gender diversity, increased, meaningful and long-term participation of women in the Company is best achieved through professional development opportunities and flexible employment practices rather than through quotas.

Through this Policy the Board has established its commitment to and measurable objectives for achieving diversity.

Through the Diversity Committee the Board will annually assess the objectives and performance of the Company against the measurable objectives of this Policy.

### COMMITMENT

In adopting this Policy the Company is committing to:

- maximise the opportunities for people from diverse cultural and social backgrounds, with a range of life experiences, to participate in the Company's growth at all levels of the business
- formally adopt and endorse as policy of the Company a commitment to the QRC Leading Practice Principles
- monitor and measure the performance of the Company in achieving the measurable

objectives of this Policy.

### **MEASURABLE OBJECTIVES**

The measurable objectives that underpin the Company's commitment to increasing diversity of participation in the Company, are focused on:

- the adoption, publication and promotion of this Policy by the Company
- structuring recruitment and selection processes to recognise the value that diversity brings to the Company in recruiting the best candidate for each and every role
- providing relevant and challenging professional development and training opportunities to Personnel
- providing flexible work and salary arrangements to accommodate family commitments, external study, cultural traditions and other personal choices of Personnel and potential external candidates for roles with the Company
- having a clear and transparent governance process around reward and recognition.

## **5. IMPLEMENTATION**

### **ROLES AND RESPONSIBILITIES**

#### Policy Review and Monitoring

Following approval of this Policy by the Board, the Diversity Committee will:

- review this Policy on an annual basis to ensure that this Policy remains consistent with the Company's commitment with respect to creating and maintaining a diverse Board, management and workforce, as well as compliance with external corporate governance and legal requirements with respect to diversity
- monitor diversity implications of the Company's reward and recognition strategies and performance against the measurable objectives of this Policy on an annual basis and report to the Board on performance
- monitor reporting on the diversity implications of the Company's reward and recognition strategies and performance against the measurable objectives of this Policy and make recommendations to the Board in relation to disclosure of information in accordance with this Policy.

The Diversity Committee will have regard to external staff resourcing trends and metrics, including where appropriate trends and metrics from peer companies, industry and ASX 200, in discharging its responsibilities in relation to diversity.

The NRC will act as the Diversity Committee.

#### Internal Policy Implementation, Review and Monitoring

Implementation and internal review of this Policy, reporting to the Diversity Committee on the diversity implications of the Company's reward and recognition strategies, and monitoring performance against the measurable objectives of this Policy are responsibilities of the Project Sponsor, EGM – Human Resources.

Policy Communication

External and internal communication in relation to this Policy is the responsibility of the EGM - Corporate Services and Company Secretary.

**COMMUNICATION**

Internal communication in relation to programmes and initiatives to encourage diversity in the workplace is available via the Human Resources page on MacNet. This Policy is published internally on MacNet.

External communication in relation to this Policy will primarily be undertaken through the Company's annual report. The annual report will include reporting or commentary on:

- the measurable objectives under this Policy
- progress made towards achieving the measurable objectives of this Policy in the relevant financial year, whether or not the measurable objectives are defined in terms of annual objectives
- the proportion of women employees in:
  - the Company
  - in executive and senior management
  - on the Board of the Company
- the diversity implications of the Company's recruitment and selection practices, as well as reward and recognition strategies (which may relevantly be qualitative rather than quantitative e.g. external benchmarking of salaries for roles typically performed by women within the Company)
- any other information indicated in guidance to reporting on Principle 3 (Ethical and Responsible Decision Making) of the ASX Corporate Governance Principles and Recommendations
- in the Corporate Governance Statement, an explanation of any departure from the ASX Corporate Governance Principles and Recommendations in relation to gender diversity.

This Policy is published on the Company's external website under Corporate Governance.

**SUPPORT AND ADVICE**

Support and advice in relation to this Policy can be requested from:

- in relation to the Company's diversity objectives, initiatives and performance, from Human Resources
- in relation to corporate governance reporting and policy requirements in relation to diversity, from Company Secretariat.

## **PROCEDURES AND FORMS**

Information on training and development opportunities provided by the Company, as well as forms and procedures for participating in training and development, are accessible to Personnel via the Human Resources page on MacNet.

## **6. REVIEW**

This Policy is reviewed at least annually for the purposes of:

- reviewing the appropriateness of measurable objectives under this Policy
- assessing performance and progress made by the Company against the measurable objectives set out in this Policy
- general relevance and accuracy
- consistency with other documented policies, procedures, charters and codes of the Company.

The Policy Sponsor is responsible to take any proposed amendments to the Board for approval following endorsement by the NRC and consultation with the CEO and executive management.

## **7. REFERENCES**

Nomination and Remuneration Committee Charter

Corporate Code of Conduct

Human Resources Policy

## Document Version Control Table

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