

Diversity Policy

Adelaide Brighton is committed to the promotion of diversity within our organisation, and recognises that removing barriers to diversity enables us to attract and retain the best people with the appropriate skills to contribute to the continuing success of our business. Our Diversity Policy outlines five core objectives which form the foundations of our approach to diversity and upon which we measure our performance in this area. An overview of these objectives, and our progress towards achieving these objectives for the 2013 financial year, are set out below.

| <i>Objectives</i> | <i>Diversity measures to facilitate achievement of objectives</i> | <i>Progress</i> |
|--|--|--|
| To promote a culture of diversity (which includes gender, skills, experience, and cultural background) | Leadership programs targeted at our female management and frontline employees focussing on their strengths and contribution to the broader workplace to be rolled out across the organisation. | In 2012, 70% of our female employees completed the program. In 2013, 40% completed the optional follow up. A number of individual coaching arrangements remain in place across the business. In 2014, we are planning a broader program aimed at our managers and supervisors. |
| | Company-wide training in workplace policies (including diversity, bullying and harassment, Equal Employment Opportunity). | Employee inductions include information on Company policies such as equal employment opportunity and bullying. |
| | The Board and Nomination, Remuneration and Governance Committee review Adelaide Brighton's diversity achievements relative to the industry structure in which the Company operates. | In 2013, the Board and then Nomination and Remuneration Committee discussed the Company's diversity measures and the need to develop a positive workplace culture. |
| To ensure that recruitment and selection processes are based on merit | Internal review of Adelaide Brighton's recruitment practices and systems to ensure that employment decisions are made without regard to factors that are not applicable to the inherent requirements of a position and that unconscious gender bias does not influence outcomes. | Recruitment mentoring training continues across the business with a view to eliminate any unconscious bias that may occur. 16% of all new hires in 2014 were female. Selection of recruitment agencies employed by Adelaide Brighton is based on their commitment to providing diverse candidate pools. |
| To provide talent management and development opportunities for all employees | Ongoing talent recognition and in-house leadership programs for employees. | Various development programs provided for recognised employees and tailored to individual needs ranging from external training and education, mentoring and/or specific on the job training. |
| | Sponsor or encourage professional networking, coaching and mentoring programs to give female employees the opportunity to connect with other professionals. | Where identified, these programs continue to be supported across the organisation. |
| | Sponsor MBA or post-graduate studies for high potential female employees. | Adelaide Brighton supports external study and development for high potential employees. |

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(To provide talent management and development opportunities for all employees - continued)

In recognition of the low numbers of females entering into engineering and manufacturing vocations:

- > implement programs designed to engage female graduate engineers;
- > offer undergraduate scholarship opportunities and sponsor vacation work programs to engage female students who are entering tertiary education to consider engineering as a career option; and
- > strive for gender balance in the recruitment of graduates each year.

Continued sponsorship of the Women in Engineering program at the University of Wollongong in 2013 that provides both a financial benefit and work placement opportunity.

The Company has attended career expos at the University of Adelaide and the University of Wollongong and sponsored Engineering awards at University of Wollongong.

To reward and remunerate fairly

Adelaide Brighton has a policy to provide equal pay for equal work.

The gender pay parity review was completed in 2013 as part of Adelaide Brighton's annual remuneration review processes.

As part of the annual salary review process, Adelaide Brighton undertakes a review of pay parity.

Pay parity is also considered at the time of hiring new employees, to eliminate potential gaps in pay arising from hiring decisions.

To provide flexible work practices

Adelaide Brighton seeks to provide suitable working arrangements for employees returning from maternity leave.

As with 2012, of the women who commenced and finished maternity leave in 2013, 100% have returned to work in either a full or part time capacity.

Flexible working arrangements are available to all employees under our flexible work policy, to recognise that employees may have different domestic responsibilities throughout their career. This includes opportunities to work part time and from home or a remote location.

We also offer 12 weeks' paid parental leave for the primary carer.

Formal review of all part time work arrangements to ensure roles are appropriate to maintain career development.

Adelaide Brighton is committed to the regular review of its objectives to ensure that these continue to be appropriate and relevant. The Board is committed to build upon the achievements to date and reinforce the continued efforts in promoting and cultivating a culture of diversity and inclusiveness.

The proportion of women across Adelaide Brighton's workforce is reflective of the generally low level of female representation in the building, manufacturing and construction materials industries in which we operate.

We recognise that the available pool of female candidates in engineering roles relevant to our business operations is limited, and this impacts our ability to increase the number of female new hires in the short term. In an effort to make our Company (and industry) more attractive to women, we have focussed on measures designed to increase the proportion of female graduates and to support the leadership development of female employees who are recognised as having future potential. We believe that, over time, our diversity objectives and measures will achieve an improvement in the level of female representation across the organisation.

The following table shows the proportional representation of women employees at various levels within the Adelaide Brighton Group (as at 31 December 2013):

16% Board
 14% Senior executives
 17% Senior managers
 (Direct reports to senior executives)
 12% Total workforce

A copy of Adelaide Brighton's Diversity Policy is available in the corporate governance section of Adelaide Brighton's website.