

# DIVERSITY REPORT

Adelaide Brighton is committed to being an inclusive workplace that values and promotes diversity of skills, experience and cultural background. We recognise that an inclusive culture enables us to attract and retain the best people with the appropriate skills to contribute to the continuing success of our business.

In 2017, we continued to embed our performance delivery enabling our Diversity and Inclusion Policy which outlines seven core objectives which form the foundations of our approach to diversity and upon which we measure our performance in this area.

As part of the board's renewal program, following an assessment of the Board's skills matrix, in February 2018 Dr Vanessa Guthrie was appointed a non-executive Director.

The appointment of Dr Guthrie was also in line with Adelaide Brighton's goal of improving diversity across all levels of the Company.

An overview of these objectives, and our progress towards achieving these objectives during the 2017 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 and inclusion	Continue to align our business activities with our Diversity and Inclusion Policy to achieve the objectives approved by the Board and Nomination, Remuneration and Governance Committee of Adelaide Brighton.	The Board and the Nomination, Remuneration and Governance Committee discussed the Company's diversity measures and reviewed progress towards achieving the objectives, to continue to develop an inclusive workplace culture.
	Proactively engage with industry to enhance inclusion and increase diversity.	As a member of the Cement Concrete & Aggregates Australia (CCAA) and their Diversity Working Group, have contributed to the development of inclusive strategies to attract a diverse group of people to work in heavy construction materials industry including: Revised CCAA Diversity Statement for approval of the Extractive Industries Committee and the CCAA National Council.
	Company-wide training in workplace policies (including diversity, anti-bullying and harassment, Equal Employment Opportunity).	Launch of on-line management systems provide effective platforms for employee and contractor inductions and training, complimenting face to face workshops including content on Company policies such as equal employment opportunity and anti-bullying.
To ensure that recruitment and selection processes seek out candidates from a diverse background, with selection decisions being based on merit	Recruitment sourcing strategies and practices deliver diverse candidate pools, employment decisions are made without regard to factors that are not applicable to the inherent requirements of a position and unconscious gender bias does not influence outcomes.	Recruitment training continues across the business to support and enable diverse candidate pools and to eliminate any unconscious bias that may occur. 15% of all new hires in 2017 were female with 31% of staff roles filled by female candidates.
	Promote Adelaide Brighton as a diverse employer with an inclusive culture.	Advertising templates for vacancies refreshed to ensure ads are attractive to a diverse pool of job seekers with an increased offering of on-the-job training. 66% of roles advertised in 2017 attracted female applicants.
Develop inclusive leaders who value diversity of opinions and challenge the status quo	ABL mentoring program for high potential employees facilitated across the divisions to continue to develop inclusive leadership.	Mentoring program deployed across all divisions with 28 mentors and mentees attending workshop training, webinars and 1:1 coaching sessions for a shared positive mentoring experience.  Executive and 50 senior leaders completed inclusion training; what can we learn from others, what needs to be different and what commitments will we make.
Build talent pipelines through investment in skills and capabilities	Ensure performance, development and succession management processes support the career progression of individuals regardless of factors that are not applicable to the inherent requirements for the position.	Development programs are provided for individuals as part of 'Our Business My Potential' program.  Talent and succession management process proactively challenges and promotes gender representation.  4.3% of women and 2.3% of men were promoted internally in 2017.
	Sponsor or encourage professional networking, coaching programs and cross divisional projects to give employees the opportunity to connect with other professionals.	Where identified, these programs continue to be supported across the organisation.

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Objectives	Diversity measures to facilitate achievement of objectives	Progress
(continued)	In recognition of the low numbers of females entering into engineering and manufacturing vocations and to increase the diversity of our workforce: > implement programs designed to engage graduate engineers; > offer undergraduate scholarship opportunities and sponsor vacation work programs to engage students who are entering tertiary education to consider engineering as a career option; > offer opportunities for high school students to become aware of diverse career opportunities within our industry.	Continued sponsorship of the Women in Engineering program at the University of Wollongong in 2017 that provides both a financial benefit and a work placement opportunity.  Engineering scholarships in place at University of Adelaide and University of Technology Sydney.  Sponsorship of STEM Program (Science, Technology, Engineering and Math) for Year 10 and 11 high school students.  Vacation employment programs in place in Adelaide, Perth and Sydney; Participation in Kwinana Industries Council iWomen and iScience projects; and inaugural Women in Industry Open Day in Adelaide.  Sponsorship of the SA Law Society Indigenous Law Student Mentoring Program and established of a Scholarship for an indigenous high school student at St Peter's College in Adelaide.
To reward and remunerate fairly	Adelaide Brighton has a policy to provide equal pay for equal work.  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.	Refresher training in the remuneration framework, Mercer International Position Evaluation (IPE), was conducted and all staff positions were re-evaluated to ensure the ABL framework is appropriate.  The gender pay parity review was completed in 2017 resulting in an improvement due to the recalibration of the IPE.
To provide flexible work practices	Adelaide Brighton seeks to provide suitable working arrangements for employees returning from maternity leave.  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.  Adelaide Brighton offers 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.	As per previous years, 100% of the women who commenced and finished maternity leave in 2017 have returned to work in either a full or part time capacity.  7% of the workforce have a part time or casual work arrangement.  3% of employees have taken 'Paternity Leave' in 2017.
Understand the diversity of our workforce	Measure age, gender, and cultural identity of our workforce.	Results of employee survey of cultural identify plus diversity data is collected from candidates during the recruitment process. Having identified that we have an ageing workforce, succession and workforce planning strategies have been implemented to ensure business sustainability.  As a member of (CCAA) Diversity Working Group understand diversity of workforce in our industry via the CCAA Benchmarking (Gender Survey) project.

Adelaide Brighton is committed to the regular review of its objectives to ensure that these continue to be appropriate and relevant. This commitment includes the completion of the workplace profile report as required by the Workplace Gender Equality Act 2012. A copy of the workplace profile report is available in the investor relations section of our website at [www.adbri.com.au/ourresponsibilities#reporting](http://www.adbri.com.au/ourresponsibilities#reporting).  
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 manufacturing and engineering roles relevant to our business operations is limited, and this impacts our ability to increase the number of female new hires. In an effort to make our Company (and industry) more attractive to women, we have focused on measures designed to increase the proportion of female candidates, graduates and to support the 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 and inclusiveness 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 2017):

		Male	Female
Board	14% <sup>(1)</sup>	6	1
Senior executives	14%	6	1
Senior managers (direct reports to senior executives)	20%	32	8
Total workforce	12%	1,349	188

<sup>(1)</sup> Following the appointment of Dr Vanessa Guthrie and Mr Geoff Tarrant as a non-executive Directors in February 2018, the percentage of female Board members is 22%.

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