

Diversity policy

Diversity policy

Yancoal Australia Limited

ACN 111 859 119

Approved on 22 February 2018

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Diversity policy

1 Objective

The Board of Directors of Yancoal Australia Limited (**the Company**) is responsible for the overall management of the Company, including guidance as to strategic direction, ensuring best practice corporate governance and oversight of management. The Company recognises that people are its most important asset and is committed to the maintenance and promotion of workplace diversity.

Diversity drives the Company's ability to attract, retain and develop the best talent, create an engaged workforce, deliver the highest quality services to its customers and continue to grow the business.

The Nomination and Remuneration Committee has developed, and the Board has formally approved, the Diversity Policy (**Policy**) in order to address the underrepresentation of women in senior executive positions and on the Board, and to actively facilitate a more diverse and representative management and leadership structure.

The Policy forms part of a broader diversity strategy, which includes the following policies:

- Workplace Behaviour and Anti-Discrimination Policy;
- Leave Policy;
- Working Flexibly Policy; and
- Parental Leave Policy.

2 Scope

The Company's vision for diversity incorporates a number of different factors, including gender, ethnicity, disability, age, marital or family status, religious or cultural background, sexual orientation, gender identity and educational experience. At a Board and senior executive level, gender has been identified as a key area of focus for the Company. Accordingly, the primary focus of this Policy is achieving, over a reasonable transition period, adequate representation of women in senior executive positions and on the Board.

The strategies outlined below aim to achieve the objectives of this Policy by:

- setting measurable objectives relating to gender at all senior executive and leadership levels; and
- broadening the field of potential candidates for senior executive and board appointments.

3 Statement

In order to facilitate greater gender diversity in management and leadership roles, the Company will:

- introduce and supplement the measures outlined in this policy;

- implement policies which address impediments to gender diversity in the workplace, and review these policies to ensure that they are available to and utilised by both men and women at senior executive levels; and
- monitor the effectiveness of, and continue to expand on, existing initiatives designed to identify, support and develop talented women.

4 Application

4.1 Measurable objectives

Each year the Board, with the assistance of the Nomination and Remuneration Committee, will set measurable objectives with a view to progressing towards a balanced representation of women at a Board and senior executive level.

The measurable objectives and performance against them will be reviewed annually by the Nomination and Remuneration Committee, as part of its annual review of the effectiveness of this Policy.

4.2 Gender representation review

On an annual basis, the Nomination and Remuneration Committee will review the proportion of men and women on the Board, in senior executive positions and across the whole Company group. The Nomination and Remuneration Committee will submit a report to the Board outlining its findings.

5 Responsibilities

Position	Responsibility
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Nomination and Remuneration Committee	<p>5.1 Succession planning</p> <p>The Nomination and Remuneration Committee is responsible for the development and succession planning process for the Chief Executive Officer (CEO) and the CEO's direct reports. In discharging this responsibility, the Nomination and Remuneration Committee will have regard to diversity criteria.</p>
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Nomination and Remuneration Committee	<p>5.2 Board appointment process</p> <p>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 gained from experience in the following areas are key skills and experience which the Board as a whole should comprise:</p> <ul style="list-style-type: none"> • marketing and sales; • policy and regulatory development and reform;
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Position	Responsibility
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- health, safety and environment and social responsibility; and
- human resources.

The Nomination and Remuneration Committee is responsible for identifying qualified individuals for appointment to the Board. In identifying candidates, the Nomination and Remuneration Committee will have regard to the selection criteria set out in the board appointment process, which will include:

- 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.
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6 Management

6.1 Maintenance

The Nomination and Remuneration Committee is responsible for the review and oversight of this Policy.

In executing this role, the Nomination and Remuneration Committee will, with the appropriate support and input from management:

- review on an annual basis:
 - 1 the effectiveness of this Policy, its objective and the strategies outlined above, which aim to achieve the objective;
 - 2 the relative proportion of women and men who are employed by the Group as a whole and in senior executive positions, and who are on the Board; and
 - 3 the division of responsibilities and accountability for developing and implementing diversity initiatives across the organisation; and
- report to the Board on the outcomes of its review, including any recommendations for changes to those strategies or the way in which they are implemented.

6.2 Communication

A summary of this Policy and the Company's achievement of the Policy's objectives will be disclosed in the Annual Report.

A copy of this Policy will be available on the Yancoal Management System and the Company's website www.yancoal.com.au.

6.3 Monitoring

The Nomination and Remuneration Committee will monitor compliance with this Policy against the measurable objectives which the Board sets in accordance with section 4.1 of this Policy.

6.4 Reporting

As at the end of each reporting period, Yancoal will disclose:

- the measurable objectives for achieving gender diversity set under this Policy;
- Yancoal's progress towards achieving those measurable objectives; and
- either:
 - 1 the respective proportions of men and women on the Board, in senior executive positions and across the whole Company group (including how Yancoal has defined 'senior executive' for these purposes); or
 - 2 Yancoal's most recent 'Gender Equality Indicators', as defined in and published under the *Workplace Gender Equality Act 2012* (Cth).

7 Control

7.1 Amendments

Subject to and after receiving Board approval for an amendment, this Policy can only be amended by the Group Manager HR/Health & Safety, the Company Secretary, a member of the Compliance Team and Group Counsel.

7.2 Approval

This Policy and any amendment to it must be approved by the Board.

This Policy was approved on 22 February 2018.

7.3 Effective Date

This Policy came into effect on 22 February 2018.