



# Diversity Policy

Version 1.1

**ERM Power Limited**  
**ABN 28 122 259 223**

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# 1. Introduction

## 1.1 Commitment to Diversity

ERM Power is committed to:

- a. complying with the diversity recommendations published by the ASX by establishing measurable objectives for achieving gender diversity;
- b. promoting diversity among employees, consultants and senior management throughout the ERM Group; and
- c. keeping shareholders informed of ERM Power's progress towards implementing and achieving its diversity objectives.

## 1.2 Purpose

The purpose of this policy is to outline ERM Power's commitment to fostering a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management. The policy also provides a process for the Board to determine measurable objectives and procedures which ERM Power will implement and report against to achieve its diversity goals.

# 2. Definitions and Interpretation

## 2.1 Definitions

In this document, each term identified below in the left column has the meaning set out opposite in the right column:

Term	Definition
ASX	means the ASX Limited ACN 008 624 691.
Board	means the board of Directors of ERM Power.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a director of ERM Power.
ERM Power	means ERM Power Limited ACN 122 259 223.
ERM Group	means ERM Power and any subsidiary or related body corporate.
Committee	means the Remuneration & Nomination Committee established by the Board.

## 2.2 Interpretation

Concepts not defined in this policy which are given a meaning in the Corporations Act have the same meaning as in the Corporations Act.

# 3. Policy

## 3.1 What is diversity?

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

## 3.2 Corporate Culture

ERM Power aims to actively promote a corporate culture that supports diversity in the workplace, in the composition of its Board and senior management and throughout the ERM Group as a whole.

A corporate culture that embraces diversity seeks to encourage and facilitate opportunities for the employment of women and people from different backgrounds, provide skills and career development initiatives, increase workforce participation and create an inclusive environment where employees feel they are valued. In building a corporate culture where diversity is encouraged, ERM Power also recognises that employees at all levels have responsibilities outside of the workplace.

ERM Power acknowledges the known corporate benefits that flow from advancing employee and Board diversity, in particular gender diversity, including identification and rectification of gaps in the skills and experience of employees, enhanced employee retention, greater innovation and maximisation of available talent to achieve corporate goals and better financial performance.

By focusing on diversity, ERM Power aims to promote an environment that is conducive to the appointment of well-qualified employees, senior management and Board candidates so that there is appropriate diversity to maximise the corporate goals of the ERM Group.

## 3.3 Diversity Commitments

In order to foster a corporate environment where employee and Board diversity are achievable and maintainable, ERM Power will implement the following diversity commitments:

- a. the Board will review and determine, as frequently as required, a diversity profile that meets the particular needs of the ERM Group, including identifying the skill and experience set for the Board and senior management necessary to effectively oversee its business and achieve its corporate goals;
- b. through the Committee, the Board will seek to ensure that the diversity profile is a factor that is taken into account in the selection and appointment of qualified employees and senior management and will consider options in order to expand the pool of qualified candidates to select from, including where appropriate through the use of a professional intermediary to assess candidates to promote appointments in accordance with the diversity profile;
- c. through the Committee, the Board will seek to ensure that the diversity profile is a factor that is taken into account in the selection and appointment of qualified Board candidates; and
- d. the Board will seek to identify and consider programs and initiatives that:
  - i. assist in the development of a broader pool of skilled and experienced Board candidates, in particular women, including initiatives focused on skills development, such as executive mentoring programs or more targeted practices relating to career advancement including those that develop skills and experience that prepare employees for senior management or Board positions;
  - ii. assist with enhancing employee retention, in particular that of women from middle management, including programs that foster career development and personal skills and, where possible, initiatives that address competing demands between work and other obligations;
  - iii. assist with minimising career disruption when employees take time out of the workplace to meet other obligations and attempt to re-enter the workforce, and, where reasonable, possible and in line with the needs and objectives identified by the diversity profile, facilitate or permit employees to access such programs or initiatives.

While the key focus of this policy and the ASX recommendations are on promoting the role of women within organisations, ERM Power recognises that other forms of diversity are also important and will seek to promote and facilitate a range of diversity initiatives throughout the ERM Group.

### 3.3.1 Implementing diversity commitments

The Board will aim to ensure that appropriate procedures and measures are introduced and responsibilities delegated to the Committee to ensure that ERM Power's diversity commitments are implemented appropriately.

## 3.4 Measurable Objectives

### 3.4.1 Setting measurable objectives

The Board, in consultation with the Committee, will set measurable objectives for achieving diversity, in particular gender diversity, in accordance with this policy and the diversity profile set by the Board and will review the effectiveness and relevance of these measurable objectives on an annual basis.

The measurable objectives should identify ways and, where applicable, specify benchmarks against which the achievement of diversity is measured, in order for the Board to assess and report annually on ERM Power's progress towards achieving its diversity goals.

### 3.4.2 How will the measurable objectives be determined?

In order to set meaningful objectives, the Board (in consultation with the Committee) will assess its current diversity levels and identify where gaps exist. Measurable objectives will then be developed which are tailored towards improving diversity in areas where most work is needed.

### 3.4.3 Types of measurable objectives

ERM Power acknowledges that there are a number of different types of measurable objectives which may be implemented to assist in meeting its diversity goals, including:

1. procedural and structural objectives – for example, implementing internal review and reporting procedures or ensuring that candidates are interviewed by a diverse selection/interview panel;
2. diversity targets – setting targets for the number of women throughout the ERM Group or to increase the proportion of women within senior management positions and implementing timeframes for this to occur by; and
3. initiatives and programs – for example, identifying appropriate initiatives and programs and determining how the initiative will operate, who will be responsible for implementing it and setting a timetable for its introduction.

### 3.4.4 Measurable objectives as key performance indicators

The Board, in consultation with the Committee, will consider the extent to which the achievement of these measurable objectives should be tied to key performance indicators for the Board, the Managing Director and other senior management.

## 3.5 Annual Disclosure to Shareholders

### 3.5.1 Purpose of reporting

ERM Power acknowledges that reporting to shareholders on its diversity profile and diversity objectives facilitates greater transparency and accountability in relation to diversity matters and that such reporting and transparency has been endorsed by the Board.

It is anticipated that shareholders will have greater confidence in ERM Power and the Board if they are fully informed of the policies and the measurable objectives which have been implemented to facilitate the performance of the ERM Group.

### 3.5.2 What will be reported?

As part of its annual reporting requirements to shareholders, ERM Power will disclose the measurable objectives set by the Board for achieving diversity in accordance with the diversity profile and will report on its progress against those objectives. A copy of these measurable objectives may also be published on ERM Power's website from time to time.

A component of ERM Power's disclosure on diversity in its annual report should also include information about:

- a. the proportion of women employees in the ERM Group;
- b. the number of women in senior management positions; and
- c. the number of women on the Board.

The Board will determine the most appropriate method to present this information to ensure that it is accurate and does not falsely represent the participation of women and men within the ERM Group.

### 3.5.3 Board selection process

ERM Power is also committed towards achieving greater transparency of the Board candidate selection and nomination process and may include in its annual report the information about the mix of skills and diversity which the Board is looking to achieve in membership of the Board as set out in the Committee charter.

### 3.5.4 Responsibility

The Board may delegate these obligations to the Committee, but the Board retains ultimate responsibility for ensuring that these reporting benchmarks are met.

## 3.6 Remuneration & Nomination Committee

### 3.6.1 Role of the Committee

The Committee will be responsible for implementing ERM Power's diversity policy, profile and measurable objectives and for ensuring compliance with this policy. The Committee will report to the Board as necessary to facilitate compliance.

The Committee will also be responsible for reviewing and reporting to the Board, at least annually, the proportion of women and men in the workforce at all levels of the ERM Group.

### 3.6.2 Internal review

An internal review will be undertaken by the Committee as required to ensure that it remains relevant and appropriate to the ERM Group, to determine the effectiveness of this policy and to recommend changes to correct any identified deficiencies.

# 4. Miscellaneous

## 4.1 Review of Policy

External reviews of this policy may be undertaken at the request of the Board. A copy of this policy (or a summary of it) will be made available on ERM Power's website.

## 4.2 Endorsement

ERM Power is committed to this policy and its implementation and to ensuring that diversity is achieved throughout the ERM Group.

## 5. Policy Information

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