THE BUSINESS IMPERATIVE FOR WORKFORCE DIVERSITY

Seamus French, Chief Executive Officer, Metallurgical Coal

Real Mining. Real People. Real Difference.
ANGLO AMERICAN METALLURGICAL COAL
A global metallurgical coal business with exceptional growth opportunities

Scale
2nd largest Australian and 3rd largest global seaborne metallurgical coal producer

Operations
• 6 in Australia
• 1 in Canada

Projects
• Grosvenor 1 and 2 (Australia)
• Moranbah South (Australia)
• Drayton South (Australia)
• Roman (Canada)

Employees
4,000
Permanent employees and
1,300
Contractors

Social investment
(Queensland only)
$1 million in past year
Including health & education
$204 million
Contributed to the Queensland Government in Royalties in 2012

Size Comparison

Europe
2 Mt
China
1 Mt
India
3 Mt
Asia
13 Mt
 Americas
1 Mt

Total Production
19 Mt

Total Production
1 Mt

20 30 40
BHP Billiton Teck * Anglo American Rio Tinto Walter Xstrata

Source: Annual Reports & Quarterly Results  Excludes SSCC production. All figures are attributable production 2011.
* Teck production data is shown in 100% terms
OUR CHALLENGE – TO DOUBLE SIZE OF THE BUSINESS

Employee numbers and skills mix are key challenges

• Overall the Met Coal workforce will grow by up to 50% from 2014-2022.

• Critical skill capabilities are required in underground mining.

• Our management challenge:
  – Ensuring the right structures and leadership are in place.
  – Managing the business effectively as it grows in size, complexity.
  – Managing global growth.

• Our diversity opportunity:
  – Ensuring managers have the right mindset to consider people from diverse and non-traditional backgrounds.
  – Providing flexibility in working conditions to suit different personal circumstances.
  – Promoting the mining industry as an attractive career choice for women.
THE BUSINESS CASE FOR DIVERSITY
An appeal to the numbers people!

*Best Practice in Qld Coal Industry based on EOWA 2011 data.*

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Diversity gives us the opportunity to grow the resourcing pool rather than fishing it dry

- Resourcing our requirements from the very competitive and limited Queensland underground coal mining pool is impossible.
- To attract currently marginalised groups into the industry requires a new approach – a focus on diversity.
- Diversity for the Metallurgical Coal business is creating an inclusive culture which embraces all employees.
- Key dimensions are gender, ethnicity, age and religion.
- Achieving best in class performance in our own backyard provides significant sourcing opportunity.

**Gender Diversity Example for Grosvenor Project**

<table>
<thead>
<tr>
<th>Job Family</th>
<th>Grosvenor Requirements</th>
<th>Met Coal % Females</th>
<th>Best Practice % Females*</th>
<th>Best Practice Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operators</td>
<td>122</td>
<td>8.6</td>
<td>14</td>
<td>270</td>
</tr>
<tr>
<td>Trades</td>
<td>84</td>
<td>0.6</td>
<td>5</td>
<td>220</td>
</tr>
<tr>
<td>Apprentices</td>
<td>6</td>
<td>1</td>
<td>7</td>
<td>300</td>
</tr>
<tr>
<td>Professional Staff</td>
<td>130</td>
<td>24</td>
<td>36</td>
<td>650</td>
</tr>
</tbody>
</table>

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*Best Practice in Qld Coal Industry based on EOWA 2011 data.*
DIVERSITY ACTION PLAN
Creating opportunity across the organisation at all levels

Since 2011 Anglo American’s Met Coal business has:

• Established a Diversity Council with representatives from both the corporate office and site – the council is 50:50 men and women. Council is chaired by the CEO.

• Gender balanced recruitment in pipeline development programs (graduates, associates, apprentices & scholars) with 50 – 70% females since 2011.

• Our own leadership team completed inclusive leadership training for more than 150 corporate and site leaders.

• Placed advertisements in national newspapers to promote Anglo American as an employer of choice offering inclusive and flexible working arrangements.

• Celebrated our women finding success in non-traditional roles, through the Queensland Resources Council’s Resources Awards for Women (2 winners and 1 runner up this year) and the Women in Mining NSW Awards (1 winner this year).
DIVERSITY ACTION PLAN
Creating opportunity across the organisation at all levels

• Strengthened our partnership with the Qld Minerals & Energy Academy (QMEA) in encouraging female students to consider careers in Mining.

• Targeting an increase of women in senior positions by talent mapping high potential women and helping them plan their future development.

• Visited schools, conducted mine tours to highlight opportunities in mining.

• Support for innovation in rostering & work arrangements; Foxleigh Mine Working Parents (hot-seat) roster (2010).

• Established a First Nations ‘Life training’ programme in northeast British Columbia for mine operators – 50 graduates to date.

• Developed a Mature Age Apprenticeship Scheme – first graduates 2012.
RETAINING THE TALENT PIPELINE
How do we help the Superintendents progress to Executives?

Overall
Gender Diversity has improved by 32% from 2010

- 12% of mine site employees are female.
- 23% of all New Hires in 2012 were female
- 50% of our pipeline programs are women

<table>
<thead>
<tr>
<th>Overall</th>
<th>2013 (% of talent pipeline)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td>17%</td>
<td>Talent representation within the management job family has grown significantly, female representation in this group is effected by a historical lag in the talent pipeline.</td>
</tr>
<tr>
<td>Superintendent</td>
<td>38%</td>
<td>Increase number of females with potential to reach management level position.</td>
</tr>
<tr>
<td>Total Female Representation</td>
<td>27%</td>
<td>Overall Talent population has increased by 173%, female representation has improved and grown by 17%</td>
</tr>
</tbody>
</table>

Development is now the key challenge

- Internal mentoring program, partnering identified female talent with Executive Leadership Team members as sponsors;
- Pro-active career mapping and talent management program;
- Reinforcing and maintaining inclusive culture in support of the progress of diverse groups through the business;
- Target ‘break through’ areas; CHPP, underground growth project and trades (electrical & mechanical).
THE LEADERSHIP CHALLENGE

Building a culture of diversity and inclusion – it’s about being inclusive to all groups

Our commitment:

It doesn’t matter where they’re from, what their first language is, what gender they are or what their personal circumstances are at home; our vision for Met Coal is that we create a truly diverse workforce. If we get that right, we double the size of our potential talent pool in one swoop and ultimately create a higher performing organisation.

What’s the benefit?

Well obviously people in jobs, but it’s also diversity of thought – we bring new people into our business with new ideas who will help us grow, improve and innovate.

The Leadership Opportunity

• Demonstrating leadership from the top;
• Developing a business case and plan for diversity and inclusion;
• Holding leaders accountable for setting the right example;
• Developing leadership capability on an inclusive mindset and skills;
• Taking the time to develop and foster our talent;
• Communicate diversity initiatives internally & externally;
• Removing the implicit barriers as well as the explicit.
“Our diversity strategy is not about singling anyone out or favoring any one particular group. It’s about making sure we are doing all we can to include all people.”