

Policy



# Diversity Policy

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**Adairs Limited (Company)**  
**ACN 147 375 451**

Adopted by the Board on 28 May 2015

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# Diversity policy

## 1 Overview

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The Board of Directors of Adairs Limited (**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. Our ultimate responsibility is to the interests of the Company and its shareholders (among other stakeholders).

As a customer centric organisation, and one which believes that our focus on customer experience and satisfaction is core to our success and sustainability, we believe that our commitment to diversity should not compromise our commitment to our customer. Our objective is that the diversity policy operates to enhance the customer experience, not dilute or diminish it, over the long term.

The Company recognises that people are its most important asset and is committed to the maintenance and promotion of workplace diversity. Our commitment to diversity is genuine, but it is only one of a range of objectives considered by the Board in making decisions and appointments. In the pursuit of diversity, we also acknowledge the importance of alignment and cultural compatibility between the organisation as a whole (and its vision, strategy and objectives), and the individual employees within.

We believe that diversity is an important component of the Company's ability to attract, retain, motivate and develop the best talent, create an engaged workforce, deliver the highest quality products and service to its customers, and continue to grow the business profitably. We do not pursue diversity for that purpose alone, rather consider diversity in balance with our other objectives as a Company and responsibilities as a Board.

The Board has formally approved this Diversity Policy (**Policy**) in order to, among other matters, address the representation of women in senior management positions and on the Board, and to actively facilitate a more diverse and representative management and leadership structure.

## 2 Scope

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The Company's vision for diversity incorporates a number of different factors, including gender, ethnicity, disability, age and educational experience. Accordingly, one of the objectives of this Policy is achieving, over a reasonable transition period, and without discrimination against any other group or individual, adequate representation of women in senior management positions and on the Board.

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

- setting measurable objectives relating to diversity at all senior management and leadership levels;
- broadening the field of potential candidates for senior management and Board appointments;
- increasing the transparency of the Board appointment process; and
- embedding the extent to which the Board has achieved the objective of this Policy in the evaluation criteria for the annual Board performance evaluation.

## 3 Promoting diversity

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

- introduce and supplement the measures outlined in this Policy;
- implement policies which address impediments to diversity in the workplace, and review these policies to ensure that they are available and utilised; and
- monitor the effectiveness of, and continue to expand on, existing initiatives designed to identify, support and develop talented employees from a diverse range of backgrounds.

## 4 Measurable objectives

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Each year the Board will set measurable objectives with a view to progressing towards a balanced representation of women at a Board and senior management level.

Performance against these objectives will be reviewed annually by the Nomination Committee, as part of its annual review of the effectiveness of this Policy.

The Board will include in the Annual Report or on the Company's website each year:

- a summary of the Company's progress towards achieving the measurable objectives set under this Policy for the year to which the Annual Report relates; and
- details of the measurable objectives set under this Policy for the subsequent financial year.

## 5 Gender representation review

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On an annual basis, the Nomination Committee will review the proportion of women who are employed by the Company in the organisation as a whole, in senior management positions and who are on the Board. The Nomination Committee will submit a report to the Board outlining its findings.

The Company will disclose in its Annual Report or on its website the proportion of men and women employees in the Company as a whole, in senior management and on the Board or, if applicable, the Company's most recent "Gender Equality Indicators" as defined by the *Workplace Gender Equality Act 2012* (Cth).

## 6 Recruitment, selection and succession planning

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### 6.1 Succession planning

The Nomination Committee is responsible for the development and succession planning process for the Chairman, other non-executive directors, Chief Executive Officer (**CEO**) and senior executives. In discharging this responsibility, the Nomination Committee will have regard to diversity criteria.

## **6.2 Board appointment process**

Whilst skills such as leadership and previous experience as a chief executive officer, chair or board member of other customer centric and commercial organisations 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 experiences which the Board as a whole may comprise:

- brand, marketing and sales;
- policy and regulatory development and reform;
- health, safety and environment and social responsibility;
- fashion, retail operations, online channels, supply chain and logistics;
- international business expansion;
- financial management, financing, and financial markets;
- strategy and business development;
- governance; and
- organisation design and human resources.

The Board will develop a Board appointment process, which includes selection criteria having regard to the skills and experience outlined above and the selection process for senior management positions.

The Nomination Committee is responsible for identifying qualified individuals for appointment to the Board. In identifying candidates, the Nomination 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.

## **7 Disclosure of Policy**

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

## **8 Review of Policy**

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The Nomination Committee is responsible for the review and oversight of this Policy. In executing this role, the Nomination 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; and
  - 2 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.