

**Notes for a presentation by**

**Zoë Yujnovich**

**President and CEO, IOC**

**Federal/Provincial/Territorial Forum**

**Status of Women**

**October 8<sup>th</sup>, 2013**

**Ottawa, Ontario**

## **Opening / Introduction**

Senior officials, ladies and gentlemen, on behalf of Rio Tinto, the Iron Ore Company of Canada and the Mining Association of Canada, thank you for the opportunity to take part in this Federal, Provincial and Territorial Forum for the Status of Women.

It's an honour to have been invited here to discuss this important issue – and one that is very close to my heart – the attraction, retention and advancement of women in the mining industry. I must admit that this is an issue that I am extremely passionate about – due in no small part to my own personal rewarding experiences, but also more broadly due to the challenges that currently face the mining industry and the role which, I believe, women can play in further shaping this incredible industry.

## **Industry**

You will not be surprised to hear me say that the mining sector has experienced unprecedented growth in recent years, driven by the strength of development and urbanisation in emerging economies, and the improvement of living standards for billions of people.

However, we have seen a recent shift in our industry as increased volatility and depressed commodity prices undermine market confidence. Fortunately, the long-term view remains positive. And so, our industry needs to strategically move forward to build a sustainable foundation to ensure its continued success. Through proper planning, while remaining environmentally and community focused, and through government collaboration, we can stabilize the industry to capitalize on future opportunities for the benefit of all Canadians and our industry at large.

Mining is one of Canada's most important economic sectors and a major job creator. According to Natural Resources Canada, the industry contributed to Canada's nominal gross domestic product to the tune of \$63 billion in 2011 and employs some 330,000 people across the country in well-paid, highly-skilled jobs.

As you know, Canada's provinces and territories benefit significantly from mining operations. The industry has spurred job creation and economic growth in more than 115 rural and northern communities from coast to coast to coast.

However, the sector is under increasing pressure to ensure that it remains as competitive as possible. A strong, sustainable mining industry requires a strong, sustainable workforce. It is estimated that 140,000 new workers will be needed over the next decade to replace retirees and fill new positions. Mining has a lot to offer those looking for a rewarding career across a huge spectrum of jobs – from mining and mineral-processing to finance or environmental management.

I believe that the mining industry has much to offer to skilled and talented women who, like me, are fascinated by what lies beneath the earth, how best to extract these commodities in a responsible way and how our industry contributes every day to improving our quality of life.

Why does having more women in the mining industry matter?

Because we – as an industry – need them. It is not about female and male duality. It's about attracting and retaining more women, as well as people from Aboriginal communities and new Canadians in what has been a predominantly male industry. Greater diversity is our competitive advantage and is key to maintaining our position as a global mining leader.

Mining companies need to think creatively and introduce programs to attract and retain our newest employees. The industry must also continue to shed tired misconceptions about working in this industry and create a more diverse and inclusive workforce through nurturing partnerships with underrepresented groups. It must promote careers in the mining sector and spread the word that we offer good jobs. It must ensure that it taps into the broader population of Canada across all demographics and diversities.

Many mining companies are making positive strides. I am proud to work for a company like Rio Tinto, which is a progressive and innovative organisation in many ways, not to mention a company that empowers women to build exciting and successful careers. In Canada, two of the five Rio Tinto-owned companies are led by female CEOs. But there is still much work to do to increase the employment of women in mining.

The Mining Industry Human Resources Council's 2012 Labour Force Survey found that female participation in mining grew by 60 per cent from 1996 to 2012. Women now account for 16 per cent of the mining workforce. These numbers are still well below women's current labour force participation rate, which is 48 per cent. Still, mining outperformed some other resource sectors in employing women. In 2012, women represented just 7 per cent of the forestry sector workforce and 14 per cent of the fishing industry workforce. However, mining continues to lag other resource sectors in this respect, with women representing 30 per cent of the total workforce in the oil and gas sector and 24 per cent in the utilities sector.

The continuing disparity of women's representation rates across certain occupations within the mining industry is of concern. Less than 5 per cent of trades and production, scientific and management positions are occupied by women. Whereas, most clerical and support roles (95 per cent) and corporate services positions (60 per cent) are held by women.

The data would suggest that the underrepresentation of women in mining is to some extent an outcome of the educational pathways that women are selecting.

Here in Canada, women tend to make up more than half of the undergraduate population. A Statistics Canada report on national post-secondary enrolment trends, released in January of this year, showed that women accounted for 56.5 per cent of the national enrolment total, compared to 43.5 per cent for men. This is a ratio that has remained relatively constant over the past decade.

In fact, female graduates outnumbered men in every field except: **mathematics, computer and information sciences**, architecture, **engineering and related technologies**, transportation services, agriculture, and **natural resources and conservation**.

Despite maintaining the majority in post-secondary education, female graduates within Canada remain underrepresented in STEM fields – Science, Technology, Engineering and Mathematics.

Recent studies have shown that girls are earning high school math and science credits at the same rate as boys, and earning slightly higher grades in these classes. However women are still underrepresented in the STEM studies upon entering post-secondary education.

The transition from high school to post-secondary education is a critical moment when many young women turn away from STEM studies. We must encourage and support the brave few who choose to follow their passion and potential into these fields.

Many career choices are confirmed during the first years of post-secondary education. We must ensure that these women are presented with positive professional role models within the mining industry and promote the exciting careers offered within our industry.

In 2010, Women in Mining Canada, in partnership with the Mining Industry Human Resources Council released findings from a detailed report on women's participation in the mining industry. The report, titled *Ramp-Up: A Study on the Status of Women in Canada's Mining and Exploration Sector*, provides bench-marking statistics to measure improvements on the status of women in mining. It also provides employers with information on the barriers to engagement of female workers, and suggestions on how to increase their participation.

The report reveals discrepancies between what employers perceive as barriers for women in the workforce and those described by female workers, and provides a foundation for developing targeted initiatives. Key recommendations of this report are:

- **Training and career development of women** within mineral organizations should have a stronger emphasis.
- **More flexibility and time** is needed for all employees to arrange remote or international assignments.
- **Reporting diversity measures** in organizations' sustainability or annual reports should be encouraged.
- **To encourage women to pursue careers in the sector**, post-secondary alumni groups, women's networks and industry associations should be supported to build awareness of the sector among mature, skilled women and Aboriginal women, and to help organize work placement of youth and post-secondary students.
- **Promoting a positive image** of the sector is essential. Women's professional associations should be encouraged to advocate for the exploration and mining industry through testimonials and to speak to groups to heighten awareness and dispel public misconceptions about the sector.

An increasing number of companies are making gender diversity a priority.

In 2011, Canadian mining companies formed the **Diversity Network** – a network and a community of practice – to develop and implement plans for increasing workforce diversity within their organizations as well as across the industry.

These companies, Iron Ore Company of Canada, BHP Billiton, Cameco, De Beers, IAMGOLD, Noront, Teck and Vale, have been working with the Mining Industry Human Resources Council through its [SHIFT: Take Action for Diversity project](#), funded in part by the Government of Canada.

A March 2013 report on this initiative outlines successful practices, and disseminates knowledge and insights that will encourage other employers to develop diversity goals and implementation plans. The companies that made the strongest progress on their diversity goals were those that ensured that their diversity initiatives were strategically integrated into important business goals.

I will take this opportunity to share with you some of the diversity and inclusion activities and initiatives that were reported in Rio Tinto's 2012 Annual Report:

- **The development of executive-sponsored diversity and inclusion plans within the product groups and geographies in alignment with business goals.** These aim at increasing the diversity in our workforce at all levels and building a more inclusive culture. Progress will be evaluated each year by the Executive Committee and Group Diversity Council beginning this year.
- **The design of a diversity and inclusion scorecard to accompany the above plans** with metrics in three areas: 1) Who we are (demographics); 2) How we behave (performance and development); and 3) What we stand for (values), to be applied across Rio Tinto to help baseline, trend and track progress as well as to address areas where we may be underperforming.
- **The active involvement with Women in Mining groups, professional women's associations** and other targeted recruiting efforts to raise awareness about Rio Tinto and to increase the attraction, development and retention of talented women wherever we operate.

- **The publication of a resource and training manual to accompany our Why Gender Matters Guide** to further integrate gender, diversity and human rights considerations into the management and planning of all Communities and Social Performance (CSP) work across all sections of our business.
- **Expansion of our diversity champions network group** to include additional geographies and operations and the establishment of several new business unit diversity councils and committees across Rio Tinto that are focused on increasing leadership engagement, cross-company collaboration, and the sharing and replication of best practices.
- **The expansion of training programs** aimed at countering unconscious bias. These programs target senior leaders, hiring managers and recruiters to help minimise the impact of bias in recruitment and development practices as well as to improve cross-cultural interactions and relationship building needed to globalise our business.
- **The continuation of a three-year commitment by the chairman to mentoring high-potential female board candidates** through the FTSE100 Cross-company Mentoring Programme.

### **Women in Leadership**

This segues into another crucial area where continued progress is needed - the presence of women in leadership positions.

Although the number of female CEOs of Fortune 500 companies has doubled in the last decade, in 2012, it was still only 4 per cent of the total. In industrialized economies, just 11.1 per cent of board directors are women, and in rapid-growth markets, that number falls to 7.2 per cent.

You would have to admit that is a pretty miserable result for an issue that has been on the priority agenda for the last decade.

By contrast, in the US, although 46 per cent of privately-held firms are now at least half-owned by women (representing almost 16 million jobs), these businesses often have difficulty scaling up. Enterprises owned by men are 3.5 times as likely to reach \$1 million in annual revenues as businesses owned by women.

This is due to multiple factors, including:

- Difficulty in gaining access to financing
- Lack of business networks
- Lower self-confidence
- Greater family commitments

I would also argue it is the result of bias and structural issues preventing women from reaching their full potential.

Let me share a story with you to illustrate this. I had the opportunity to meet a lady, Elin Hurvenes, a few years ago in Rome. She is a Norwegian and is the founder and chair of the Professional Boards Forum. A company she created when Norway introduced tough new laws in the beginning of 2004 aimed at increasing the number of women on company boards to a compulsory 40 per cent.

I would like to share a story she shared with me.

She described how she interviewed chairmen of existing boards...and found that the main skills and experiences they wanted women to possess were having a primary degree with a second degree preferable, 20 years' experience, CEO profit and loss accountability and being financially savvy.

What she found was interesting ... these seem like good criteria but many of the existing board directors didn't have these qualifications ... so why was the benchmark higher for women?

I would argue that this is the natural unconscious barriers to change. Often, we want an incentive to change, otherwise it's easier to stick to what we already have – a result of many pre-programmed unconscious biases. What I've learned since becoming involved in driving diversity is that all of us have biases. Our challenge is to understand what they are and to work hard to overcome them to think differently. We are heavily influenced by society, advertising, and family values that can have a powerful bearing on our choices at home – like who is cooking dinner tonight!!

Let me also speak a moment about the approach of quotas that Norway took. Many people were angry with the quotas. Women were angry because they felt it undermined their credibility. Everyone said it would lead to disaster.

There was a strong concern that companies would be forced to appoint less-qualified people as board members just because of their gender, and there would be widespread resentment among male and female colleagues.

It is now almost a decade after the introduction of the 40 per cent quota, the great debate the law unleashed has been silent now for years. The quota has been successful and has gained broad acceptance. What is more, the calibre of women on company boards is just as high as their male counterparts. But this has only been achieved because, after a period of voluntary compliance that yielded few results, the government introduced tough sanctions for companies that failed to implement the quota.

Whilst I am generally not a proponent of the quota approach, I am starting to become increasingly impatient at the lack of results our industry is delivering. Hence, the proactive role I am choosing to take to help accelerate change.

I am proud to tell you that I sit on the Canadian Board Diversity Council. In November of last year, we issued the first Diversity 50 list - an initiative designed to help corporate directors identify board-ready diverse candidates beyond their own networks. This year, the Council will add another 50 candidates to the list, creating what we believe is the definitive resource of diverse, board-ready candidates.

## **FINISH WITH A FINAL STORY**

To finish with a final story, about 4 years ago, I was offered a role to lead Rio Tinto in Brazil. I was 33 at the time and this would be my first role with profit and loss accountability. I recall how excited I was about the opportunity to learn about a new emerging country, a new culture, a new language and to be there at a time where we were undergoing a major \$2 billion expansion project. I couldn't think of a more perfect job and opportunity for my family.

And then I recall in a quiet moment being struck with fear as I realised I would be starting my new job 6 months pregnant. I kept thinking ... how would I be received by my new team; not only as the company's new President of Brazil, but being a heavily pregnant young woman in a foreign country taking on a new role. I was breaking all the paradigms about gender and age diversity in one hit.

As a further twist, I arrived in Brazil with my family, just as the global financial crisis struck. The expansion I desired to lead turned into a divestment. I was left having a baby in a strange country, with a language I didn't speak, to divest a business with a future of great uncertainty. This was a turning point for me in testing my resilience and confidence to pave a new path forward. And I will never forget being in a Brazilian hospital with a new baby unable to communicate with anyone around me.

And I am proud that I didn't shy away from the challenge. As tough as it was at the time, I would make the same decision if I had to again. The experience was exhilarating and I grew as a leader enormously through that year. I am also proud of the leaders in

Rio Tinto for not looking at my belly or my age as they offered me the role, but instead, at my credentials and adaptability and then supporting me through the transition.

From that experience, Rio Tinto took another leap of faith and promoted me to my current role as the CEO of Canada's largest iron ore company.

So, as I have grown up and seen more of the world, I have begun to appreciate the things around me and I have come to realise that many of the things I have been given are privileges I have been afforded. And, I now realise that with privilege comes responsibility. I have a responsibility to support the growth and development of the country and people who host me, and specifically, to seek opportunities for women to play an important role in creating the future.

**THANK YOU VERY MUCH**