

IOC-NL Industrial and Employment Benefits Plan

Reporting Required as of January 1, 2020

The Industrial and Employment Benefits Plan and the Gender Equity, Inclusion and Diversity Plan (the Plans) outline commitments for the provision of full and fair opportunity and first consideration for employment and procurement opportunities. The commitment set forth in these plans apply to all IOC Labrador City operations for the life of the mine. Correspondingly, the obligations and commitments are required of all contractors and subcontractors completing work for IOC Labrador City operations. The link to both plans are available on IOC's website <https://www.ironore.ca/>

In order to capture contractor quantitative employment and invoice data, IOC has implemented the IOC-Benefits Reporting and Monitoring system. It is a stand-alone custom build platform, and each contractor will be assigned an account.

The following outlines the Industrial Benefits Reporting Process:

- 1) Contractor is required to provide contact details of the individual within their organization responsible for Benefits reporting to Gail Hickey, Industrial and Employment Benefits Plan Coordinator. Her contact details are below.
- 2) An account in the IOC-BPRS will be set up for each company.
- 3) Company representative with reporting responsibility will be assigned a username and password to access the account.
- 4) An IOC-BPRS training session will be provided upon request. The training consists of a 30 minute online session.
- 5) The system requires invoice and employment data to be entered on a bi-weekly or monthly basis depending on the company's internal billing and payroll cycle. Each invoice is to be entered individually.

All data entered in the system will be strictly confidential and only accessible by your company representative and the system administrator. Data contained in reports provided to the Government of Newfoundland and Labrador will be presented in aggregate form and will not include any identifiable or commercially sensitive information.

Should you have any questions/concerns please do not hesitate to contact Gail directly.

Gail Hickey
Industrial and Employment Benefits Reporting Coordinator

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**Wabush 3 Open Pit Mine Project
Industrial and Employment
Benefits Plan**

This INDUSTRIAL AND EMPLOYMENT BENEFITS PLAN dated this ___day of _____ 2018

BETWEEN: Her Majesty in Right of Newfoundland, as represented by the Minister of Natural Resources

AND The Iron Ore Company of Canada

1. Introduction

WHEREAS: The Iron Ore Company of Canada (IOC), a leading Canadian producer of iron ore pellets and concentrate, has operated an open pit mine and processing facilities in Labrador City, Newfoundland and Labrador since 1962.

WHEREAS: IOC's products are shipped from Labrador City via the Québec North Shore & Labrador (QNS&L) Railway that links to port facilities in Sept-Îles, Québec. Marine bulk carriers transport the ore products from Sept-Îles year-round to steel producers in Asia, Europe and other parts of North America.

WHEREAS: IOC and the Labrador Iron Ore Royalty Corporation derive mining rights from the Labrador Mining and Exploration Company, Limited Act, 1938 No. 41 (as amended) and submit annual reporting as per Section 7.1 of the Newfoundland and Labrador Mining Act. IOC is also subject to various other municipal, provincial and federal regulations.

WHEREAS: IOC is planning to construct and operate a new open pit mine at its Labrador City operations. The proposed Wabush 3 Open Pit Mine Project will be a conventional open pit mine with associated infrastructure. Wabush 3 will provide iron ore to IOC's existing processing plant and in doing so, allow flexibility in iron ore feed as well as serve as a new source of iron ore to extend the operating life of the Labrador City operations.

WHEREAS: Once operational, Wabush 3 will utilize conventional (drill and blast) mining techniques for the extraction of iron ore, along with associated ore handling and transport, water management, waste rock disposal and maintenance activities.

WHEREAS: The Wabush 3 Open Pit Mine Project will be fully integrated into IOC's Labrador City operations, and will use the existing iron ore transportation, processing and tailings management facilities, equipment, labour force and other aspects of IOC's current infrastructure in Labrador City.

WHEREAS: As a condition of release from any applicable environment assessment process under the *Environmental Protection Act*, SNL2002, c.E14.2 the provisions of this Benefits Plan shall apply, mutatis mutandis, to any extensions or expansions of IOC's existing mining operations in the Labrador West area.

2. Effective Time

This Benefits Plan will cover both Construction Phase and Operation Phases of the Wabush 3 Open Pit Mine Project.

3. Definitions and Interpretation

3.1 Definitions

Except as otherwise defined herein, the capitalized terms used in this Benefits Plan shall have the respective meanings ascribed to them below:

"Construction Phase" means all activities undertaken in the period of time from the start of site development activities for the Wabush 3 Open Pit Mine Project until the Operations Phase.

"Contract" means a contract, sub-contract or purchase order for the supply of goods or provision of commercial services or both in respect of any part of the Wabush 3 Open Pit Mine Project.

"Government" means the Government of Newfoundland and Labrador.

"IOC" means the Iron Ore Company of Canada and any of its successors and assigns in the operation of the Wabush 3 Open Pit Mine Project.

"LM&E Act" means the Labrador Mining and Exploration Company, Ltd. Act (1938), as amended.

"NL Content" means the monetary value of a product or service associated with the work performed in the Province and can be calculated as that portion of the purchase price, expressed as a percentage of the total purchase price of a product or service that includes NL labour, materials, services, overhead and profit.

"Operations Phase" means all activities within the period of time commencing when the first production shovel is deployed and operational (with sustained production for 30 days) in the Wabush 3 Open Pit Mine Project until the end of the Wabush 3 Open Pit Mine Project.

"Party" means either IOC or Government.

"Parties" means both IOC and Government.

"Person Hours" means hours spent by any person actively engaged in work in furtherance of the Project.

"Proponent" means IOC and its respective successors and permitted assigns.

"Province" means the Province of Newfoundland and Labrador, Canada.

"Provincial Supplier" means a Supplier that maintains business operations, offices and employees in the Province.

"Resident" means a Canadian citizen ordinarily resident in the Province or who meets the requirements of the *Elections Act, 1991*, SNL 1992 c. E-3.1, as amended from time to time.

"Supplier" means a Person that has the capacity to and intends to or does supply goods or commercial services, or both, in respect of the Wabush 3 Open Pit Mine Project including, without

limitation, a manufacturer, distributor, consultant, contractor, sub-contractor or service and supply company.

"Supplier Development" means the investment of time, people and resources in an effort to develop Provincial Suppliers such that they provide a competitive global industrial base.

"Wabush 3 Open Pit Mine Project" means the new conventional open pit mine to be located on Mining Lease 15 (Block 22-5), and all development and operational activities associated with the mine and associated haul roads, waste dumps, overburden stockpiles and infrastructure, excluding such infrastructure already existing for the rest of IOC Labrador City operations.

3.2 Interpretation

The recitals to this Agreement are made a part of this Agreement and incorporated herein for all purposes. In this Agreement, the singular includes the plural and the plural the singular and words importing any gender include the other gender. When a reference is made in this Agreement to Sections, paragraphs or clauses, such reference shall be to a Section, paragraph or clause of this Agreement unless otherwise indicated. The words "include," "includes," and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." A reference to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

4. Industrial and Employment Benefits

4.1 Full and Fair Opportunity and First Consideration

IOC shall:

- a) provide Residents and Provincial Suppliers full and fair opportunity and first consideration for employment and procurement opportunities in relation to the Construction Phase and Operations Phase of the Wabush 3 Open Pit Mine Project in accordance with Schedule A
- b) require that contractors and sub-contractors used in relation to the Construction Phase and Operations Phase of the Wabush 3 Open Pit Mine Project shall, in accordance with the principles set out in Schedule A, provide:
 - o Full and fair opportunity for procurement opportunities to Provincial Suppliers;
 - and,
 - o First consideration for employment to qualified Residents.

4.2 Project Management and Engineering

IOC shall:

- a) during the Construction Phase and Operations Phase, maintain offices for the Wabush 3 Open Pit Mine Project in the Province for overseeing the engineering, procurement management and construction management of the Wabush 3 Open Pit Mine Project;
- b) maximize, to the extent possible, Operations Phase engineering related to the Wabush 3 Open Pit Mine Project in the Province.

4.3 Supplier Development

Recognizing IOC's requirement to follow Rio Tinto policies and standards IOC shall:

- 4.3.1 Designate a specific individual as a primary point of contact to interface with Government regarding procurement and supplier development activities.
- 4.3.2 Cooperate and collaborate on Supplier Development with Government to facilitate participation of Provincial Suppliers within IOC's and Rio Tinto's supply chain both within the Province and globally for both the Construction Phase and Operations Phase of the Wabush 3 Open Pit Mine Project.
- 4.3.3. In coordination with Government, hold Supplier Development and Provincial Supplier information sessions in relation to the Construction Phase and Operations Phase of the Wabush 3 Open Pit Mine Project

4.4 Education and Training

IOC shall:

- 4.4.1 Collaborate with Government, education and training Institutions, and industry stakeholders to seek out local solutions to any identified skilled trades or labour shortages for the Construction Phase and Operations Phase of the Wabush 3 Open Pit Mine Project.
- 4.4.2 Continue to support the training and development of registered apprentices and maximize the use of apprentices on the Construction Phase and Operations Phase of the Wabush 3 Open Pit Mine Project.
- 4.4.3 As part of its recognition of the value and importance of apprentices to resource development projects, inform its contractors and subcontractors of apprenticeship programs and encourage their use of and support for such programs and the role of apprentices.

4.5 Research and Development

IOC shall:

- 4.5.1 Recognizing the existing R&D capacity at IOC and Rio Tinto, at least on an annual basis, discuss with Government any R&D requirements that may be needed now or in the future for the Operations Phase of the Wabush 3 Open Pit Mine Project.
- 4.5.2 In the event that R&D is required to support the Operations Phase of the Wabush 3 Open Pit Mine Project beyond R&D capacity available within IOC or Rio Tinto, consult with Government to determine whether such R&D can be performed competitively in the Province.
- 4.5.3 If it is determined that the R&D referenced in Section 4.5.2. can be performed competitively in the Province, perform the R&D in the Province.
- 4.5.4 If it is determined that the R&D referenced in Section 4.5.2 cannot be performed competitively in the Province considering existing Provincial R&D capacity, consult with Government to explore opportunities to increase Provincial R&D capacity to perform the R&D in the Province.

5. Gender Equity and Diversity Plan

IOC shall fully implement and abide by its Gender Equity and Diversity Plan attached as Schedule B to this Benefits Plan.

6. Reporting, Communications and Monitoring

Reporting requirements for the Project shall apply to the Construction Phase and Operations Phase of the Wabush 3 Open Pit Mine Project. Within 60 days following the start of the Construction Phase, reporting requirements will apply to all components of IOC's operations in the Province.

6.1 Quarterly Reporting

IOC shall provide to the Department of Natural Resources reports on a quarterly basis continuing throughout the life of the Wabush 3 Open Pit Mine Project in a form satisfactory to the Department of Natural Resources within 30 calendar days of the reporting quarter end.

Quarterly reports shall, at a minimum, contain the following information, in all cases broken out by 4-digit National Occupational Classification (NOC) Code (2011 version): work location, (Newfoundland, Labrador, other), Phase (Construction Phase/Operations Phase/other Labrador operations), owner (IOC, contractor), classification (management/union), position start and end dates (where available), Residency at point of hire (Newfoundland, Labrador, other), journeypersons, apprentices (by level), gender, and diversity status (i.e. Aboriginal affiliation, visible minority, persons with disabilities) for the period.

- a) Total number of positions and Person Hours of all works in that quarter and to date;

Quarterly reports shall also provide the following information:

- b) Total value of goods and commercial services purchased in that quarter;
 - c) Total value of NL Content of goods and commercial services purchased in that quarter;
 - d) Total value of goods and commercial services purchased from businesses in the Province by geographic location(Island/Labrador) in that quarter;
 - e) Total value of goods and commercial services purchased by industry category (e.g., transportation, fuel, equipment, etc.) in that quarter ;
 - f) Cumulative total value of goods and services referred to in subparagraphs (b), (c), (d) and (e) for project to date;
 - g) A quarterly procurement forecast;
 - h) A qualitative update on operations, education and training initiatives (including any unique or specialized training offered), supplier development activities, research and development activities, gender and diversity initiatives; and,
-
- i) A qualitative summary of measures taken to ensure compliance with the principles of full and fair opportunity and first consideration for Residents and Provincial Suppliers and the benefits commitments contained within this Benefits Plan.

6.2 Annual Reporting

IOC shall provide to the Department of Natural Resources qualitative and quantitative reports on an annual basis and continuing throughout the life of the Wabush 3 Open Pit Mine Project in a form satisfactory to the Department of Natural Resources within 30 calendar days of the reporting annual end.

The annual report shall contain:

- a) Annual quantitative summary of all activities in Section 6.1;
- b) Details of all Contracts awarded in that reporting year including name and location of successful bidder (Newfoundland/Labrador/Other), NL Content and Contract value;

- c) Details of all Contracts awarded to businesses owned by women and businesses owned by members of other underrepresented groups in that reporting year (Aboriginal, persons with disabilities, and visible minorities).
- d) An updated project employment forecast including apprentices, detailed by 4-digit NOC code (2011 version);
- e) An annual procurement forecast;
- f) A qualitative update on operations, education and training initiatives, supplier development activities, research and development activities, gender and diversity initiatives;
- g) Qualitative summary of measures taken to ensure compliance with the principles of full and fair opportunity and first consideration for Residents and Provincial Suppliers and the benefits commitments contained within this Benefits Agreement; and
- h) Summary of R&D discussions with Government, as well as any R&D activities that have occurred related to the Wabush 3 Open Pit Mine Project.

6.3 On a semi-annual basis, or at the request of Government, IOC shall meet with Government to discuss the foregoing reports and provide further information if requested including but not limited to a summary of Provincial Suppliers that have unsuccessfully bid on contracts for the Project including general information on why they were unsuccessful, where available.

7 Dispute Resolution

- (a) This Benefits Plan shall be binding on the Parties and shall be governed in accordance with the laws of the province of Newfoundland and Labrador.
- (b) IOC and the Province shall attempt to resolve any dispute that may arise with respect to the interpretation or implementation of this Benefits Plan through consultation and discussion between officials designated by each party with the responsibility to review and address disputes. The Party wishing to start the dispute resolution process shall first send a notice to the other party describing the dispute.
- (c) If the officials so designated by each party are unable to resolve a dispute respecting the interpretation or implementation of the Benefits Plan, the dispute shall be forwarded to the senior executives of each party for resolution.

(d) Nothing in this Section 7 shall prevent either Party from seeking resolution of a dispute through laws of general application of Newfoundland and Labrador.

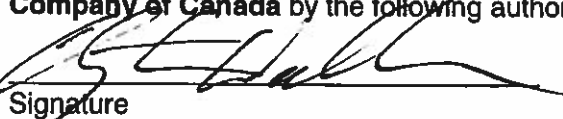
IN WITNESS WHEREOF, this Agreement has been executed on behalf of **Her Majesty in Right of Newfoundland and Labrador** by the following authorized representative(s):


Signature


Name


Minister of Natural Resources
Title

IN WITNESS WHEREOF, this Agreement has been executed on behalf of **The Iron Ore Company of Canada** by the following authorized representative(s):


Signature


Name Clayton Walker
Executive President and CEO
Iron Ore Company of Canada

Title

SCHEDULE A

Full and Fair Opportunity and First Consideration

Employment Commitments

- 1) Consistent with the Canadian Charter of Human Rights and Freedoms and in a manner consistent with the requirement under the LM&E Act, first consideration for employment for both the Construction Phase and Operations Phase of the Wabush 3 Open Pit Mine Project shall be given to qualified Residents on the basis of Labrador residents receiving first priority and the residents of the rest of the Province receiving next priority.
- 2) Any existing or new collective agreement(s) entered into by the Proponent or its Suppliers, may not frustrate the commitments entered into under this Benefits Plan.
- 3) Employment opportunities for the Wabush 3 Open Pit Mine Project shall be made available to Residents on a timely basis, through the Proponent's website and through other means.
- 4) IOC shall continue programs designed to maximize the succession of Residents to increasingly higher levels of responsibility, subject to the needs of the Wabush 3 Open Pit Mine Project.
- 5) IOC shall provide opportunities for the integration of Resident personnel in all phases of the Wabush 3 Open Pit Mine Project life cycle.
- 6) IOC shall continue to facilitate the transfer of knowledge and expertise through existing programs such as mentoring, work-term placements, job enrichment, job sharing initiatives and management development programs.
- 7) IOC shall require that Contracts related to the execution of the Wabush 3 Open Pit Mine Project include an acknowledgement from successful bidders that they shall comply with the applicable requirements of this Benefits Plan.

Procurement Commitments

- 1) IOC shall establish procedures consistent with the principles of first consideration and full and fair opportunity for Provincial Suppliers whereby:
 - a. First consideration shall be given to services provided from within the province and to goods manufactured in the province, where those services and goods are competitive in terms of fair market price, quality and delivery; and
 - b. Full and fair opportunity to participate on a competitive basis in the supply of goods and services to the project is provided to the manufacturers, distributors, consultants, contractors, and service and supply companies of the province.
- 2) Consistent with principles of first consideration and full and fair opportunity for Provincial Suppliers, with respect to all procurement for the Wabush 3 Open Pit Mine Project (or mainly the Wabush 3 Open Pit Mine Project when Contracts cover the integrated operations):

- a. IOC, in cooperation and collaboration with Government, shall conduct supplier information workshops in relation to the Wabush 3 Open Pit Mine Project for the local service and supply community so contractors can prepare for bidding and establish joint ventures, and promote and encourage technology transfer opportunities.
- b. IOC shall require that contracts related to the execution of the Wabush 3 Open Pit Mine Project include an acknowledgement from successful bidders that they shall comply with the applicable requirements of this Benefits Plan.
- c. IOC shall require that bids for contracts related to the Wabush 3 Open Pit Mine Project shall include a section on NL Content, including the percentage of NL Content as a percentage of the total contract value.
- d. IOC shall require that all Expressions of Interest and Invitations to Bid include language recognizing the Proponent's commitment to full and fair opportunity and first consideration for Provincial Suppliers.
- e. IOC and Suppliers shall make procurement opportunities for the Wabush 3 Open Pit Mine Project available to Provincial Suppliers on the Proponent's website on a timely basis.
- f. Where capacity exists, the Proponent shall use all commercially reasonable efforts to size and design packages to fit the capabilities of Provincial Suppliers.
- g. IOC shall ensure that the Proponent's procurement processes and policies are posted and available the Proponent's website, updated regularly and on a timely basis.
- h. IOC shall, if requested, provide any unsuccessful Newfoundland and Labrador bidders for procurement opportunities the opportunity to meet with appropriate procurement personnel to discuss why bids were unsuccessful to prepare for future opportunities.
- i. IOC shall encourage any non-provincial Suppliers to form alliances and joint ventures with Provincial Suppliers to promote technology exchanges and business partnerships.

SCHEDULE B

Gender Equity and Diversity Plan

IRON ORE COMPANY OF CANADA
WABUSH 3 OPEN PIT MINE PROJECT

GENDER EQUITY, INCLUSION & DIVERSITY PLAN



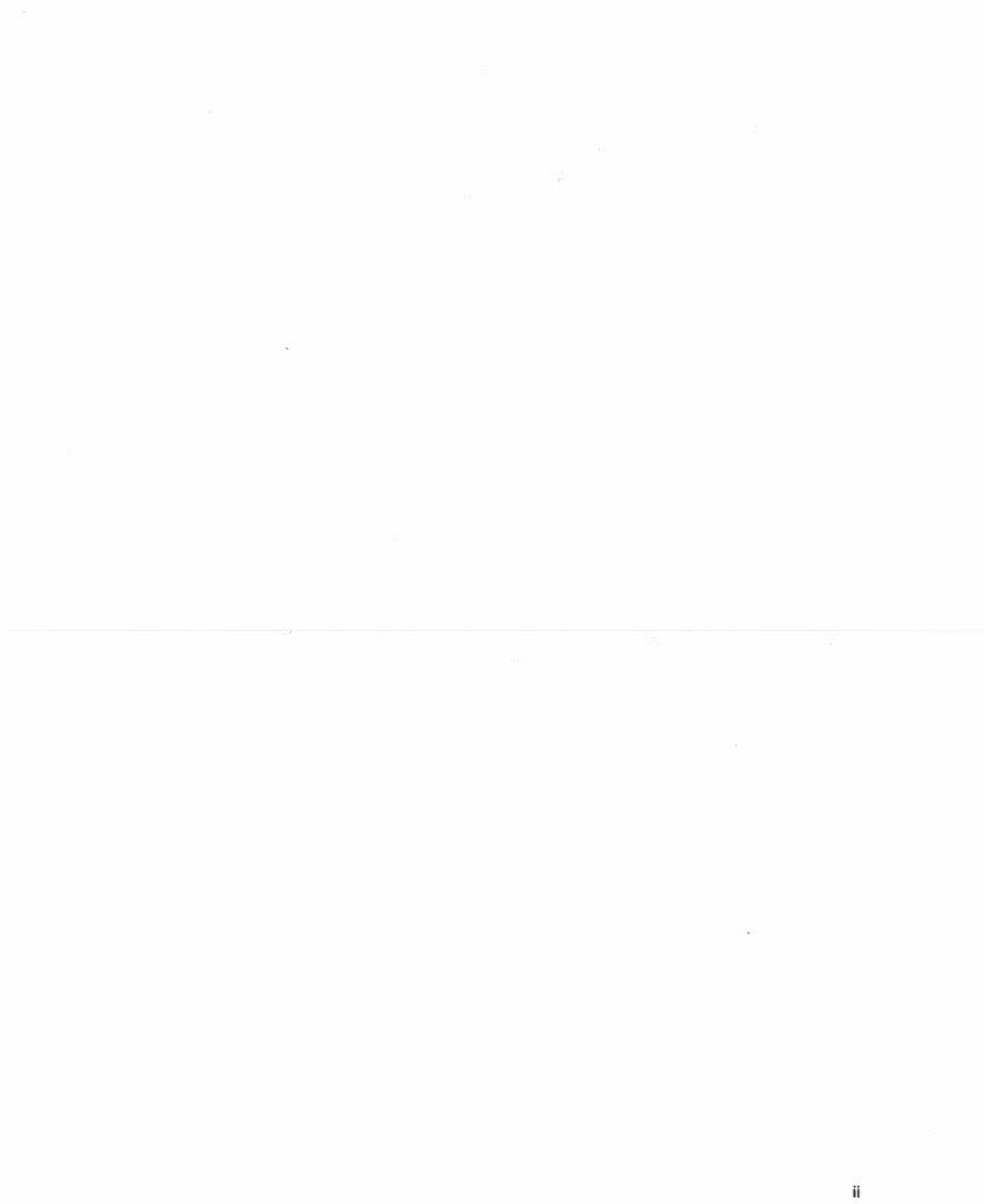
May 5th, 2016

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1 INTRODUCTION

The Iron Ore Company of Canada (IOC), a leading Canadian producer of iron ore pellets and concentrate, has operated an open pit mine and processing facilities in Labrador City, Newfoundland and Labrador since 1962. IOC's products are shipped from Labrador City via the Québec North Shore & Labrador (QNS&L) Railway that links to port facilities in Sept-Îles, Québec. Marine bulk carriers transport the ore products from Sept-Îles year-round to steel producers in Asia, Europe and other parts of North America.

IOC and the Labrador Iron Ore Royalty Corporation derive mining rights from the *Labrador Mining and Exploration Company, Limited Act, 1938 No. 41 (as amended)* and submit annual reporting as per Section 7.1 of the *Newfoundland and Labrador Mining Act*. IOC is also subject to various other municipal, provincial and federal regulations. As a Rio Tinto managed business unit, IOC is required to meet international policies and standards that advance the company's commitment to corporate responsibility and sustainable development.

1.1 The Wabush 3 Project

IOC is planning to construct and operate a new open pit mine at its Labrador City Operations. The proposed Wabush 3 Open Pit Mine Project (Wabush 3) will be a conventional open pit mine with associated infrastructure. Wabush 3 will provide iron ore to IOC's existing processing plant and in doing so, allow flexibility in iron ore feed as well as serve as a new source of iron ore to extend the operating life of the Labrador City Operations.

Once operational, Wabush 3 will utilize conventional (drill and blast) mining techniques for the extraction of iron ore, along with associated ore handling and transport, water management, waste rock disposal and maintenance activities. Wabush 3 will be fully integrated into IOC's Labrador City Operations, and will use the existing iron ore transportation, processing and tailings management facilities, equipment, labour force and other aspects of IOC's current infrastructure in Labrador City.

1.2 Wabush 3 Project Workforce

The Wabush 3 Project's 8-12 month initial development period will include an estimated 545 person months of employment for construction and development involving a mix of IOC personnel and contractors (18% IOC and 82% contractors). Table 1.1 shows work to be completed by each of these groups.

Table 1.1 Work to be completed for the Wabush 3 Project

Contractors	IOC Personnel
<ul style="list-style-type: none">– Clearing vegetation– Stripping overburden– Drilling and equipping dewatering wells– Installing borehole water pipelines– Excavating settling ponds– Constructing the security fence– Initiating drilling and blasting	<ul style="list-style-type: none">– Constructing the haulage roads– Installing the power line extension and electrical sub-station– Constructing the pit water pipeline

During operations, a portion of IOC's current labour force (an estimated 136 persons) will be redeployed from the existing mine pits to carry out mining and support activities at Wabush 3. The actual number of persons and particular occupations involved will vary over time according to the nature and scheduling of specific operational and maintenance activities and requirements.

1.3 Wabush 3 Project Schedule

Initial construction activity for Wabush 3 is anticipated to begin in 2016, followed by further progression of the mine pit. Additional construction and mine development activities (clearing, overburden stripping and development drilling and blasting) will occur concurrently with mining operations for several years following commencement of extraction from the new pit.

Mine operations will begin once the initial Wabush 3 construction has been completed and the required infrastructure and utilities have been developed and / or installed in the mine pit. The current Wabush 3 schedule indicates that this phase will commence in late 2016 (pre-production). A key purpose of the Wabush 3 Project is to extend the mine life of the Labrador City Operations. Without the Project, operations are estimated to conclude in approximately 2067, whereas Wabush 3 will extend this timeframe to approximately 2079.

1.4 Requirements for the Gender Equity, Inclusion & Diversity Plan

The proposed Wabush 3 Project required an environmental assessment (EA) review and approval under the *Newfoundland and Labrador Environmental Protection Act (NL EPA, Part 10)* and associated *Environmental Assessment Regulations*. IOC prepared an Environmental Impact Statement (EIS), as required by the Guidelines issued by the Government of Newfoundland and Labrador in April 2014.

The EIS Guidelines state that IOC is to prepare a Gender Equity & Diversity (GED) Plan to meet the approval of the Minister of Natural Resources and the Minister Responsible for the Status of Women. This plan must include an employment plan and a business access strategy for women, Indigenous Peoples, persons with disabilities and people from visible minority groups. The plan will document IOC's strategy to maximize participation of identified underrepresented groups in the development of Wabush 3 and continued operations at IOC.

Subsequent communications with the Women's Policy Office and the Department of Natural Resources (December 2014 and February 2015) have clarified that all new projects and project expansions or extensions that are subject to EA require a Gender Equity, Inclusion & Diversity Plan prior to project start up, with ongoing reporting during construction and operations. The GEID Plan will apply to IOC and its primary contractors for all contracts over \$250,000 and encompass both direct and indirect effects of construction and operations of the Wabush 3 mine pit. The Plan's main components include a women's employment plan, a diversity plan for other underrepresented groups (i.e. disabilities, Indigenous Peoples and visible minorities) and a business access strategy for these target populations. Government is particularly interested in resource based industries' approaches to women's employment including recruitment, career development and advancement, participation in technical roles.

2 RIO TINTO AND IRON ORE COMPANY OF CANADA VALUES AND VISION

Rio Tinto values are outlined in *The way we work*, its global code of business conduct, which focuses on economic prosperity, social well-being, environmental stewardship and corporate governance. The mining company has a number of policies, strategies and standards that apply to its business units in any part of the world. Extensive guidance notes have been developed to address specific elements of Rio Tinto's operations.

2.1 Rio Tinto Policies and Guidance

Rio Tinto's policies and standards including *The way we work* are supported by a comprehensive set of policy statements that govern elements such as the workplace, human rights, communities and environment. Rio Tinto is committed to protecting the safety, health and well-being of workers. *The way we work* establishes the approach to ensuring *Respect, Inclusion and Diversity* at all Rio Tinto operated sites and business units and sets the stage for the company's inclusion and diversity planning. In addition to *The way we work*, Rio Tinto has various additional relevant policies and standards such as:

- *Human Rights Policy*
- *Employment Policy*
- *Diversity, Inclusion and Equal Opportunity Programs Policy*

2.1.1 Leadership Commitment

To help embed inclusion and diversity into daily business practices, Rio Tinto has established a global Inclusion and Diversity Council, chaired by Sam Walsh, Chief Executive. The Council acts as a guiding hand in sponsoring, communicating and leading inclusion and diversity efforts, addressing barriers and sharing best practices. IOC now has a seat at the chairman's level on the Council. A growing network of nearly 200 voluntary business unit "Champions" supports the Council across each region in which Rio Tinto operates. This network meets every quarter (virtually) to share insights and practices, connecting and collaborating across geographies, product groups and functions to facilitate progress on inclusion and diversity.

Each product group (e.g. Rio Tinto Iron Ore) has an inclusion and diversity plan that aims to build a more inclusive work culture and increase workforce diversity at all levels within the company. Rio Tinto is actively involved in mining groups for women, professional women's and men's associations and other targeted recruiting efforts to raise awareness about Rio Tinto and to increase the attraction, development and retention of diverse talent, local and Indigenous people wherever it operates. To enhance retention of members of underrepresented groups, Rio Tinto has introduced training programs aimed at increasing awareness around unconscious bias in the workplace.

This is inclusion with a purpose. If everyone feels genuinely included, has their ideas heard and is able to make a full contribution, our company will be more productive, safer and a better place to work. Everyone benefits. Creating an inclusive culture is everyone's responsibility, whatever their role or location, and I will be challenging different parts of the business to develop their best and most relevant approach, said Sam Walsh, Chief Executive.

From: Rio Tinto Diversity & Inclusion – Our Approach

2.2 Rio Tinto Approach to Inclusion and Diversity

Rio Tinto is a global company and, wherever it operates and across every part of the business, strives to create an inclusive culture in which difference (i.e. age, gender, race, national or ethnic origin, religion, language, political beliefs, sexual orientation and physical ability) is recognized and valued. By bringing together men and women from diverse backgrounds and giving them the opportunity to contribute their skills, experience and perspectives, the company believes that it is able to develop the best solutions to challenges and deliver sustainable value for Rio Tinto and its stakeholders.

We are committed to achieving a diverse workforce as a key driver in achieving our overall business objectives. Specifically, inclusion and diversity supports our ability to:

- Make good quality decisions about how we organize and optimize our business, resources and work by eliminating structural and cultural barriers to working together effectively;*
 - Protect and enhance our license to operate by recognizing, respecting and taking into account in our decisions the needs and interests of our diverse stakeholders;*
 - Deliver superior business performance and growth by being better able to attract, retain and engage talented people;*
 - Accelerate innovation and change by drawing on the diverse perspectives, skills and experience of our employees and other stakeholders;*
 - Adapt quickly and respond effectively to changing societal expectations.*
-

Rio Tinto Iron Ore's commitment to inclusion and diversity is aligned with the values of accountability, respect, teamwork and integrity as set out in the global code of business conduct. IOC is part of this product group, which has developed an inclusion and diversity strategy with the following three pillars:

- People: Attract, develop and retain a diverse, talented workforce.
- Performance: Keep safe, engage and build capability of talent to organizational diversity performance.
- Sustainability: Trust, respect and include employees and stakeholders within a workplace characterized by an embedded and sustained inclusive culture.

Diversity Targets and Progress

Rio Tinto's group wide diversity targets are published in the organization's annual sustainable development report under the "Goals and Targets" section. Objectives have been established and progress to date has been encouraging (Table 2.1).

Table 2.1 Rio Tinto Iron Ore Diversity Targets

Measurable Objectives for 2016
Women to represent 18.1 percent of senior management
Underrepresented nationalities (individuals) to represent 12.7 percent
Indigenous employees to represent 12.2 percent

2.2.1 Why a Strong Focus on Gender?

Rio Tinto believes, based on an overwhelming body of research, that gender balance improves performance, accesses the widest talent pool and achieves better corporate governance. A number of studies have found a positive correlation between having women in executive positions and a company's financial performance. In addition, some research has found a positive impact of gender diversity on problem solving tasks and innovative outcomes.

Rio Tinto operates internationally and sets gender diversity targets globally. Gender is the largest diversity dimension, a common inclusion and diversity dimension across all countries and the only dimension that can be measured legally worldwide. Government and public attention has focussed on gender equity and some countries have set targets and quotas for gender balance. Improving the status of women furthers societal development and strength.

2.2.2 Rio Tinto's Current Diversity Focus

Rio Tinto's goal is to have a workforce that is representative of the countries and communities in which it operates. Currently, the focus is to improve the representation of women and of people from nationalities that are underrepresented in our workforce and continue to build an inclusive culture in which all talent can thrive. Current focus areas for Rio Tinto include, but are not limited to:

Leadership

- The development of executive-sponsored inclusion and diversity plans and accompanying scorecards.
- Expansion of Rio Tinto's Diversity Champions network group to include additional geographies and operations.
- The establishment of several new business unit Inclusion & Diversity Councils and Inclusion & Diversity Committees across Rio Tinto 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 are targeting senior leaders, hiring managers and recruiters to help minimize the impact of bias in recruitment and development practices as well as to improve cross-cultural interactions and relationship building needed to globalize our business.

Gender Balance

- Active involvement in initiatives such as Women in Mining Career Connections, Women in Science and Engineering, Women in Resource Development Corporation, professional women's associations and other targeted recruiting efforts to raise awareness and increase the attraction, development and retention of talented women wherever Rio Tinto operates.

Cultural Diversity

- The launch of easily-accessible language learning applications with access to over 23 languages. The aim is to encourage employees to improve existing foreign language skills as well as to learn new languages.

2.2.3 Rio Tinto Canada Indigenous Engagement Strategy

Rio Tinto Canada's *Indigenous Engagement Strategy* corresponds with Canadian federal and provincial governments' expectations that industry play a greater role in improving outcomes for Indigenous governments and organizations. Rio Tinto has a history of signing agreements with communities around the world. In Canada, Rio Tinto's approach to engaging with and increasing opportunities for Indigenous Canadians is reflected in our agreements with Indigenous communities who are affected by our operations. The vision of the Indigenous Engagement Strategy includes: "creating capabilities and opportunities for Indigenous people through education, training, skills development, employment and business development". Further, Rio Tinto Canada reports quarterly to the Canada Steering Committee and bi-annually to the Canada Forum, which consists of the CEO and Presidents of all of the Business Units in Canada, as well as Sam Walsh, Chief Executive of Rio Tinto.

Rio Tinto Canada recently committed to a scholarship contribution of \$1 million over five years to Indspire, a Canada-wide Indigenous-led registered charity that invests in the education of Indigenous people. Indspire, which is aimed at Science, Technology, Engineering and Math (STEM) disciplines, encourages Indigenous young people from across Canada to participate in higher education. The Rio Tinto Award, of which IOC is an active participant, supports Indigenous students in Canada who are enrolled, or who would like to enroll in post-secondary studies or postsecondary training and development programs.

2.3 IOC Policies, Procedures and Programs

As a Rio Tinto Iron Ore business unit, IOC has its own Inclusion & Diversity Committee, which includes members of its Human Resources staff as site leads, one in Labrador City and one in Sept-Îles. The Committee's mandate is to ensure inclusion and diversity throughout IOC by:

- Aligning IOC with Rio Tinto / Rio Tinto Iron Ore strategies while meeting regulatory requirements.
- Defining, proposing and implementing comprehensive inclusion and diversity actions for the next three years.
- Creating an inclusive and diverse culture at IOC.
- Maximizing the representation of identified underrepresented groups.

2.3.1 Respect, Inclusion and Diversity

IOC is bound to Rio Tinto's larger framework but develops certain policies and procedures within its operational areas. IOC's *Respect, Inclusion and Diversity* policy is a commitment to providing and maintaining an environment where workers are treated with respect and consideration and where an individual's dignity, ability and contribution are valued. The policy is intended to prevent harassment of employees, suppliers and contractors and their employees, clients and visitors and to deal quickly and effectively with any incident that might occur.

The *Respect, Inclusion and Diversity* policy addresses personal, sexual and psychological harassment. All employees of IOC, its Canadian subsidiaries and others who work at IOC sites are responsible to treat others with respect and consideration and not to tolerate situations of harassment in which they are a victim or a witness. Complaints are dealt with through IOC's HR department and, where appropriate, a third party investigator. Other relevant IOC policies such as the *IOC Fair Treatment System* apply to work sites in Labrador and Québec.

2.3.2 Engagement with Indigenous Governments and Organizations

Rio Tinto's *Indigenous Engagement Strategy* guides individual business unit's programs that are specific to particular operational location. IOC engages in a variety of ways with the following five identified Indigenous governments and organizations in Labrador and Québec who claim and / or assert Indigenous rights and / or other interests in the regions where the company operates.

- Labrador Innu (Sheshatshiu and Natuashish, Labrador, as represented by Innu Nation)
- NunatuKavut Community Council (Labrador)
- Innu of Matimekush-Lac John (Québec)
- Innu of Uashat mak Mani-Utenam (Québec)
- Naskapi Nation of Kawawachikamach (Québec)

IOC is committed to working with Indigenous governments and organizations to understand their needs so that they may be more effectively included in education / training, employment and business opportunities.

2.4 Student Scholarships

IOC and Rio Tinto are supportive of students in Newfoundland and Labrador and provide scholarships of which the following are examples:

- The Eldon Perry Memorial Scholarship awards \$1,500 annually to a student enrolled in a trades program at the College of the North Atlantic Labrador West Campus.
- The Iron Ore Company of Canada Undergraduate Scholarship (\$1000 tenable for up to five consecutive years or until the first degree is obtained) is awarded annually to four (4) students who enroll in their first undergraduate program.
- The Indspire Rio Tinto Award, of which IOC is an active participant, supports Indigenous students in Canada who are enrolled, or who would like to enroll in post-secondary studies or postsecondary training and development programs.

3 GENDER EQUITY, INCLUSION & DIVERSITY ACTION PLAN

IOC is preparing a Newfoundland and Labrador Benefits Plan which is applicable to the construction and operations of the Wabush 3 Project. The Benefits Plan will inform all contracts, purchasing and employment directly by IOC or through its primary contractors, which will be required to adhere to the terms contained within the agreement with a goal of maximizing opportunities and benefits to individuals and companies in Newfoundland and Labrador. This Gender Equity, Inclusion & Diversity Plan forms part of the overall Benefits Plan.

It must be understood that Wabush 3 is essentially a small construction project for which 18 percent of labour will be provided by IOC itself and 82 percent by contractors. The operation of Wabush 3 is part of IOC's general operations that will be executed and managed by the current workforce in a unionized environment. No existing workers at IOC or its contractors will be displaced to meet gender equity, inclusion and diversity targets. In addition, during times of fiscal restraint (such as the present), no individuals may be hired and positions may be eliminated. IOC currently anticipates very little hiring for the next 10 years, which could potentially result in no change to current employment statistics.

3.1 Scope of the Plan

This Gender Equity, Inclusion & Diversity Plan outlines goals and initiatives that currently exist at IOC, and others that will be implemented for the Wabush 3 Project and in ongoing mine operations. The GEID Plan describes activities that will provide fair and equal employment and procurement opportunities for members of traditionally underrepresented groups (e.g. women, Indigenous Peoples, persons with disabilities and people of visible minorities) in Newfoundland and Labrador to help them access benefits arising from Wabush 3 construction and IOC operations. This plan will apply to work performed by IOC and its primary contractors for all contracts of \$250,000 and greater.

3.2 IOC Gender Equity, Inclusion and Diversity Commitments

The goal of the Gender Equity, Inclusion & Diversity Plan is to contribute to improving equity and diversity in employment and business access for individuals belonging to underrepresented groups in Newfoundland and Labrador while meeting Rio Tinto guidelines and standards, the Newfoundland and Labrador Benefits Plan and applicable collective agreements with United Steelworkers Union Local 5795 and Local 6371.

3.2.1 Employment

IOC has been operating for more than 50 years, is committed to diversity in the workplace and is proud of its achievements in employing members of underrepresented groups. In 2013, 398 (19% of provincial workforce) of IOC's 1,923 employees in Newfoundland and Labrador were female, which is higher than the average of the Canadian mining industry (Table 3.1). IOC also employed 126 Indigenous individuals (7% of provincial workforce) in its Newfoundland and Labrador operations in 2013 – considerably higher than the Canadian mining industry average. Below is an overview of diversity at IOC in 2015.

Table 3.1 IOC Employment Diversity in 2015

Underrepresented Group	Number of Employees			Percentage of Employees		
	IOC Total	IOC NL	IOC Quebec	IOC Total	IOC NL	IOC Quebec
Females	409	342	67	18.1 %	15.2 %	2.9 %
Indigenous People	130	104	26	5.8 %	4.6 %	1.2 %
Indigenous Men	109	85	24	4.8 %	3.8 %	1 %
Indigenous Women	21	19	2	0.9 %	0.8 %	0.1 %
Persons with Disabilities	47	30	17	2.1 %	1.3 %	0.8 %
Visible Minorities	41	31	10	1.8 %	1.4 %	0.4 %

The Gender Equity, Inclusion & Diversity Plan will help to optimize employment equity for qualified members from underrepresented groups. IOC will continue to implement proactive programs and practices that contribute to attracting women, Indigenous individuals, persons with disabilities and those of visible minorities and retaining them through the creation of an inclusive and supportive work environment. IOC will focus particular attention and efforts on increasing employment for these underrepresented groups. Within this framework, IOC is committed to:

- Maintaining its positive contribution to Rio Tinto Iron Ore's global inclusion and diversity employment targets (Table 3.2).

Table 3.2 Rio Tinto Iron Ore Diversity Targets

Targeted Group	Measurable Objective
Female Executive Committee Members	22.1%
Females directly reporting to Executive Committee Members	18.1%
Executive Committee Members and Human Resource Vice-Presidents of Diverse Nationalities	21.1%

3.2.2 Business Access

The business access strategy for underrepresented groups will promote and encourage the successful involvement of companies from these groups in the procurement process. IOC encourages Indigenous owned companies to register and self-identify in its procurement management system. IOC also provides information on available opportunities directly to Indigenous governments and organizations especially those with which IOC is actively engaging. Due to limited data available on businesses owned and / or operated by women and members of other designated groups, the establishment of quantitative targets for procurement is not feasible. Nonetheless, IOC will continue to work with stakeholders (e.g. Indigenous governments and organizations and women's business groups) to collaboratively provide information to their members and to encourage registration and self-identification.

3.3 Women's Employment Plan

IOC is aware that women have been traditionally underrepresented in mining, and that when they are given the right training, opportunities and support they can make a significant contribution to the business. Nonetheless, companies need to be cognizant of the barriers that women face in natural resource industries and to make provisions that increase awareness of women's capabilities and accommodate their needs. IOC's efforts have resulted in a high percentage of female employees overall and the advancement of women in management and non-traditional areas of work.

IOC will make efforts to reach the following diversity targets for the Wabush 3 Project and work with contractors to achieve the results (Table 3.3). IOC will adopt the GEID Plan but as no new employees are anticipated to be hired during the construction of Wabush 3, these targets cannot be achieved in the short term.

Table 3.3 IOC Diversity Targets for Wabush 3

Female Employment	Objective
Trades and Labour	5%
Project Support	5%
Engineering, Professional and Technical	5%
Project Management	5%
Apprentices	5%
Total Employment	5-10%

3.3.1 Recruitment and Selection

Recruitment is subject to global Rio Tinto policies and practices in keeping with its international standards relative to employment equity, which means that inclusion and diversity employment targets are not managed at the local level. However, IOC is proactive in providing information and encouraging women to prepare for and pursue a career in mining.

IOC has also been a participant in initiatives such as the Women and Mining Forum, an annual Newfoundland and Labrador Mining Week event. In 2014, IOC and partners developed a booklet called *Women in Mining Career Connections* which helps young women learn about careers in the mining industry. This is achieved by profiling females working in the provincial mineral resource development cycle: Geoscience, Mineral Exploration, Mine Development, Mine Operation and Mine Closure. To continue with this work, IOC is committed to:

- Continuing to participate in initiatives and organizations (e.g. Women in Science and Engineering, Women in Resource Development Corporation, Newfoundland and Labrador Organization of Women Entrepreneurs, Office to Advance Women Apprentices) designed to help women, and especially young women, to become aware of upcoming employment opportunities and associated training requirements. These actions include participating in career fairs and career counselling activities in schools and with stakeholder groups and publicizing successful female role models.

- Identifying entry level and advanced level recruitment opportunities and promoting these to women's employment groups.
- Supporting and participating in initiatives that promote opportunities for women with a focus on those trades, technical and professional occupations where women are underrepresented.

3.3.2 Education and Training

IOC was instrumental in establishing the Mining Technology Centre at the College of the North Atlantic in Labrador City in 2001. Originally designed for mine-related workplace training and upgrading, the Centre was later expanded to a three-year Mining Technician Program. This program, which presented a local opportunity for specific training for the mining industry, has resulted in high enrollment of women who have been subsequently hired to work at IOC. Further, IOC is committed to:

- Continuing to support initiatives that increase the number of women who have the required skills to work in the mining industry, including supporting post-secondary educational institution efforts that encourage the participation of women in trades and other occupations required for mining.
- During periods of active recruitment and hiring, IOC generally hires a significant number of graduates of the College of the North Atlantic mining technician program and hires summer students with the goal of generating interest in the mining industry.
- Supporting education and training opportunities and partnerships.

3.3.3 Career Advancement

IOC is supportive of the advancement of women in leadership roles in its operations, management and in the mining industry. For example, IOC's former President and Chief Executive Officer, Zoë Yujnovich, was also the first female Chair of the Mining Association of Canada. Heather Bruce-Veitch, IOC's Director of Communications and External Relations, is the first female Chair of Mining Industry NL, former Vice-President of the Canadian Institute of Mining NL Branch and a Director of the NL Employers Council.

IOC will explore opportunities to participate in Rio Tinto's internal Horizons Female Talent Development program, which targets women in positions with potential and aspirations for leadership roles. The program is designed to help women build new skills, shift comfort zones, and develop relationships and networks to leverage for future opportunities while maintaining their current position. The program provides an opportunity for increased exposure of high potential women in areas with low female representation, building relationships and breaking down resistance to advancing women due to unconscious bias. IOC is also committed to:

- Maintaining a work environment that facilitates the achievement of the career goals of women and provides the training and support they need to help IOC meet its business objectives.
- Continuing to provide an environment where women are supported towards advancement in trades, technical and professional roles.
- Continuing to provide mentoring programs
- Continuing to participate in Rio Tinto Academy, providing both on-line and in person courses.
- Continuing to offer IOC education assistance programs to provide employees with an opportunity to enhance knowledge and skills relevant to their work.

3.3.4 Supportive Work Culture

The Rio Tinto business unit Diversity Champion (a portion of the assignments of one individual) is responsible for delivery of Rio Tinto Iron Ore's Gender Equity, Inclusion & Diversity Plan in Newfoundland and Labrador. IOC also has an employee induction program, which provides information about gender sensitivity and maintaining a respectful work place, and provides opportunities for learning about unconscious bias and supportive workplaces. IOC also has a progressive employee issue resolution program, which includes *Speak-Out* an anonymous information sharing system.

The Rio Tinto Diversity & Inclusion Council will establish a Working Parents Working Group with a Resource Centre; a dedicated diversity intranet portal for Rio Tinto Iron Ore leaders and employees capturing all diversity-related information and resources. IOC also recognizes that women and families have special needs and the company has been involved in initiatives that help address issues that often preclude women's full engagement in successful employment. For instance, IOC has an Employee and Family Assistance Program with support available to help women, men and their families. In 2012, in response to an employee survey about family care needs, IOC renovated space in an existing building in Labrador City for a child care facility, which is available for an independent third party to establish a second child care program in the region. In support of its current and potential female employees:

- IOC provides gender separated washrooms and locker rooms.
- IOC uses gender inclusive language in all written correspondence with verbal communications with employees and stakeholders.
- IOC ensures that gender equity is evident in images used in regular employee communications and notices.

IOC's Inclusion & Diversity Committee supports the previous work and successes of a Respectful Work Campaign aimed at increasing awareness among all current and future employees about the importance of respect for all employees. In early development stage, IOC cannot confirm all training modules but understands that topics will include: cultural heritage awareness and acceptance of differences that may result from age, gender, race, national or ethnic origin, religion, language, political beliefs, sexual orientation and physical ability.

IOC will develop a respectful cultural program with the relevant Indigenous governments and organizations so that information is applicable to the Labrador and Québec workplaces and communities in which it operates. IOC will also consult with relevant groups such as Women in Resource Development Corporation for input into a module aimed at frontline managers, forepersons and supervisors to help improve their understanding of and ability to address and mediate issues affecting women and other members of underrepresented groups in the workplace.

Further, IOC is committed to:

- Continuing to participate in the Rio Tinto Diversity & Inclusion Council including maintaining its own business unit Diversity & Inclusion Committee.
- Continuing to access Rio Tinto inclusion and diversity programs and providing opportunities for learning about unconscious bias and supportive work environments.
- Accessing the support of Rio Tinto / IOC staff with responsibilities related to women's workplace concerns.

- Continuing to provide new employees with an induction program that includes awareness on gender sensitivity and Respect, Inclusion and Diversity.
- Developing its Respect, Inclusion and Diversity program, an inclusion and diversity awareness program for all employees.
- Ensuring that IOC and its contractors provide safety equipment appropriate for all workers (e.g. correctly fitting personal protective equipment).
- Continuing to provide a supportive work culture for women and to address the challenges of adapting to this environment.
- Continuing to participate in an annual global Rio Tinto Employee Engagement Survey to gather information from staff. IOC will work with Rio Tinto to explore ways of improving data gathering thorough this survey so that it may be used to compile more detailed data on diversity metrics. The addition of questions related to workplace climate (e.g. workplace dynamics around topics such as diversity, safety and respect that may be contributing to issues of recruitment and retention) could be useful for collecting information from employees to help improve policies, practices and programs in the future.
- Conducting, through the HR Department, exit interviews with all employees (including females) and using this information to address concerns.
- Working with successful IOC contractors to provide adequate workplace training for employees including health and safety, cultural awareness, gender sensitivity, environmental awareness and Respect, Inclusion and Diversity programs as well as specialized skills training.

3.4 Employment Inclusion and Diversity Plan

Rio Tinto's goal is to provide a work environment that fosters mutual respect and work relationships free of harassment for everyone, including members of underrepresented groups, with an inclusive and culturally sensitive work environment. Rio Tinto supports human rights consistent with the *Universal Declaration of Human Rights* and respects those rights in conducting its operations around the world.

IOC protects human rights in keeping with the *Newfoundland and Labrador Human Rights Code*, the *Canadian Charter of Rights and Freedoms* and the *Canadian Human Rights Act* as applicable. IOC supports human rights consistent with the United Nations Convention on the Rights of Persons with Disabilities. Through its Respect, Inclusion and Diversity policy, IOC is committed to providing and maintaining a safe and supportive work environment. IOC is also aware of legislative requirements such as the *Newfoundland and Labrador Buildings Accessibility Act* that may affect the participation of persons with disabilities.

The Rio Tinto business unit Diversity Champion (a portion of the assignments of one individual) and an IOC Indigenous Advisor (a portion of the assignments of one individual) are currently charged with delivery of Rio Tinto Iron Ore's Inclusion & Diversity Plan and Rio Tinto Canada's *Indigenous Engagement Strategy* in Newfoundland and Labrador. IOC is also planning to hire a full-time Indigenous Advisor. IOC is working with Indigenous governments and organizations to understand their needs so that they may be more effectively included in education / training, employment and business opportunities.

Rio Tinto diversity priorities and targets are outlined in Table 3.2 and women's employment objectives for the Wabush 3 Project are shown in Table 3.3. Specifically, IOC is committed to:

- Continuing to participate in initiatives and working with organizations (e.g. Coalition of Persons with Disabilities, Empower (Business OPEN), NL Association of Community Living (Ready, Willing and Able), Multicultural Women's Organization of Newfoundland and Labrador, Association for New Canadians) designed to help individuals from underrepresented groups to become aware of upcoming employment opportunities and associated training requirements.
- Working with training institutions and government agencies throughout the province to offer technical advice and expertise where appropriate and to assist in coordination of training with relevant stakeholders.
- Providing mentoring programs for members of underrepresented groups.
- Continuing its commitment to initiatives such as *Respect, Inclusion and Diversity* policy, which helps to provide and maintain a safe and supportive work environment for Indigenous individuals, members of visible minorities and persons with disabilities.
- Continuing to provide professional IOC positions with responsibility for inclusion, diversity and Indigenous affairs.
- Continuing to work with Indigenous governments and organizations, and other organizations such as Native Friendship Centres to provide training and employment opportunities for Indigenous people.
- Continuing to support education and training for Indigenous people through initiatives such as Indspire. Early in 2016, IOC will launch an awareness campaign aimed at young Indigenous people in Labrador encouraging them to apply for scholarships.
- Supporting initiatives to increase the number of Indigenous people, including young Indigenous women, who have the skills required to participate in mining, including supporting post-secondary education efforts that encourage the participation of Indigenous people in trades and other relevant occupations.
- Promoting successful role models who are Indigenous or members of other underrepresented groups.
- Accessing suitable employment programs that can assist workers from underrepresented groups to obtain employment at IOC.
- Providing disability-related supports for applicants/employees with disabilities during recruitment, employment and advancement processes.
- IOC commits to posting on our website;
- IOC values diversity in the workplace and encourages applications from Indigenous Peoples, women, visible minorities, and persons with disabilities. Please contact recruitment.support@riotinto.com if you need disability-related accommodations as part of the recruitment process.
- Implementing IOC's Gender Equity, Inclusion & Diversity Plan, which is linked to its Benefits Plan in Newfoundland and Labrador.
- Working with other groups in Labrador West such as Community Advisory Panel, which represents community stakeholders, and Regional Task Force, which addresses cumulative effects of mining and other industrial sectors in the region.
- Maintaining a work environment that facilitates the achievement of the career goals of members of underrepresented groups and providing the training and support they need to help IOC meet its business objectives.

- Ensuring that on-site communication of policies and practices (i.e. *Respect, Inclusion and Diversity* policy) related to inclusion and diversity are visible and clearly outline incident reporting procedures.
- Continuing to ensure that onsite communications include images and inclusive language relating to members of underrepresented groups.
- Obtaining further information on accommodation of persons with disabilities from organizations such as Coalition of Persons with Disabilities, Empower and the Autism Society.
- Participating in initiatives and working with organizations (i.e. Empower, Businesses OPEN – The Disability Resource Centre to identify and remove or solve barriers.
- Continuing to support initiatives that increase the number of persons with disabilities who have the required skills to work in the mining industry, including supporting post-secondary educational institution efforts that encourage the participation of persons with disabilities in trades and other occupations required for mining.
- Continuing to ensure that external publications such as IOC's website, brochures and images shared with other organizations such as Mining Association of Canada and Mining NL include images that encourage members of underrepresented groups (e.g. Indigenous individuals, persons with disabilities and people of visible minority) to be interested in the mining industry.
- Continuing to participate in community initiatives such as cultural and multi-cultural events to help raise awareness and tolerance at IOC and within the community.
- Continuing to include inclusion and diversity awareness as part of the IOC induction program and to working with external groups (e.g. currently with Indigenous partners) to develop materials as appropriate.
- Ensuring that IOC and contractors take into account inclusiveness requirements such as providing appropriate safety equipment (e.g. accommodates specific disabilities) for all workers.
- Working with successful IOC contractors to provide adequate workplace training for employees. This training will include health and safety, cultural awareness, gender sensitivity, environmental awareness and *Respect, Inclusion and Diversity* programs as well as specialized skills training.
- Conducting, through the HR Department, exit interviews with all employees (including those from underrepresented groups) and using this information to address concerns.

3.5 Business Access Strategy

As a Rio Tinto company, IOC is required to follow Rio Tinto policies and standards for various functions and *The way we buy* outlines the company's procurement practices. This policy includes local sourcing where possible and feasible, and other sustainable development considerations. This will help to ensure that Project-related procurement benefits will accrue to companies in Labrador West and Newfoundland and Labrador, to the degree possible and where these companies have the ability to supply required goods and services in a competitive manner. Also, Rio Tinto's *Communities Standard* directs its companies and partners to focus community activities on local and / or regional economic development.

IOC recognizes the importance of encouraging members of identified groups to take advantage of business opportunities related to the Wabush 3 Project and IOC operations and in ensuring that they have fair and equal access to such opportunities. Rio Tinto companies use a global procurement system that assesses potential vendors based on capacity to provide the necessary goods and services in a competitive manner while meeting other requirements (e.g. health, safety and environment). IOC actively engages with Indigenous business development groups through organizations such as Nunacor, the Indigenous Business Centre, Innu Development Limited Partnership and other agencies to share information about business opportunities and to encourage Indigenous self-identification in the procurement system. In 2016, IOC will support supplier development by bringing representatives of Indigenous owned companies that have been successful working with Diavik Diamond Mine in the North West Territories to Happy Valley-Goose Bay to speak with Labrador Indigenous owned companies about capacity building. IOC is also committed to:

- Adopting a culture of inclusion, with a goal of continuous improvement.
- Ensuring awareness of IOC with groups including Newfoundland and Labrador Organization of Women Entrepreneurs (NLOWE) that maintain a database of female owned companies to determine what goods and services they supply, and to assist them in identifying opportunities in the procurement chain.
- Ensuring that IOC procurement and contracting policies and procedures provide full and fair opportunity for participation of companies owned (51% or more) Indigenous people.
- Providing workshops for Indigenous partners and groups on Rio Tinto procurement opportunities and requirements.
- Contributing to supplier development activities with Indigenous governments and organizations.
- Working with relevant organizations (e.g. Coalition of Persons with Disabilities) and associations that provide business development support for underrepresented groups to identify opportunities, and provide information on Rio Tinto conditions and requirements (e.g. health and safety plans, liability insurance and workers compensation).
- Where possible, assisting small companies to work with IOC.
- Working with Rio Tinto to explore making the online procurement system accessible to persons with visual disabilities (e.g. WCAG 2.0 universal guidelines for accessibility) and to make materials available in alternative formats upon request.
- Obtaining further information on accommodation for persons with disabilities from organizations such as the Independent Living Resource Centre and the Autism Society to augment the procurement process.
- Providing feedback to successful and unsuccessful vendors and suppliers so that they may be able to develop capacity to be consistently successful as bidders.
- Working with IOC's primary contractors to achieve similar results.

3.6 Contractor Responsibilities

Diversity is important to IOC and primary contractors will be required to adhere to the conditions outlined in the Gender Equity, Inclusion & Diversity Plan. Conditions are included in all requests for proposals and tender packages for contractors and sub-contractors. For awards above \$250,000, contractors must

adhere to the GEID Plan and reporting will be part of implementation. *This will include reporting of apprenticeship information during Wabush 3 construction.*

IOC values Indigenous governments and organizations and in the performance of an IOC contract, contractors are requested to identify and encourage opportunities that benefit Indigenous Peoples. Wherever possible contractors will give consideration towards the inclusion of Indigenous governments and organizations located in Québec and Newfoundland and Labrador.

All contractors have a role to play in assisting IOC in implementing the plan. In order to help contractors comply with IOC's GEID commitments, they will be directed to IOC's website for information related to their responsibilities including:

- IOC's Gender Equity, Inclusion & Diversity Plan (GEID Plan) and
- Processes and procedures to comply with IOC employment targets for identified groups.

In particular, upon award of an IOC contract, contractors will be required to:

- Take proactive steps to increase representation of women and other traditionally underrepresented groups and to implement these initiatives in a timely manner, taking advantage of training and hiring periods.
- Provide all employees with the opportunity to voluntarily self-identify their diversity status.
- Ensure job postings invite applications from members of identified groups.
- Develop and maintain policies and procedures for zero tolerance of workplace harassment and / or adopting IOC's *Respect, Inclusion and Diversity* policy.
- Ensure employees complete orientation training, including *Respect, Inclusion and Diversity* awareness training.
- Investigate any complaints of harassment or discrimination and report complaints to IOC in a timely manner.
- Working with sub-contractors to achieve similar results through employment and procurement activities.
- Reporting on employment metrics by status (i.e. self-identified member of identified group), NOC code and gender for the Wabush 3 construction.
- Reporting on procurement metrics by companies owned by identified groups, where available.
- Working with successful sub-contractors to provide adequate workplace training including health and safety, cultural awareness, gender sensitivity, environmental awareness and *Respect, Inclusion and Diversity* programs as well as specialized skills training.
- Contracts under \$250K will be required to ensure the following:
 - Women, Indigenous individuals and members of other under-represented groups are encouraged to apply for all employment opportunities related to the contract.
 - Women, Indigenous individuals and members of other under-represented groups are given full access to any on-the-job training opportunities associated with the contract.
 - *Respect, Inclusion and Diversity* policies are in place and clearly communicated to all staff.

- IOC will periodically review hiring / referral processes to ensure that opportunities to support the Gender Equity, Inclusion & Diversity Plan are maximized.
- Contractors may be required to report periodically on the means taken to achieve IOC's inclusion and diversity objectives and on its progress towards those objectives.

IOC's procurement department will be responsible for conducting periodic compliance reviews.

3.7 Communications

A communications strategy will be necessary to ensure effective implementation of the Gender Equity, Inclusion & Diversity Plan. Consultation and communication with internal and external stakeholders is integral to IOC's success and to addressing its commitments to Rio Tinto and the Mining Association of Canada. IOC regularly engages stakeholders to maintain communications, understand concerns, address specific issues and to discuss its short term and long term development plans with the community. IOC has established a Community Advisory Panel (CAP) in Labrador West to provide transparency and oversight on a wide range of issues that include child care, women's employment, women's shelter, Indigenous business, housing and recruitment / retention. CAP meetings are held on a regular basis.

Communications for the Gender Equity, Inclusion & Diversity Plan will include:

- Communicating the goals, targets and initiatives of the Gender Equity, Inclusion & Diversity Plan to IOC employees and contractors to ensure implementation for Wabush 3 and IOC operations.
- Proactive communication of opportunities for employment and procurement to identified underrepresented groups (i.e. women, Indigenous Peoples, persons with disabilities, and people of visible minorities). Partnering with, supporting and participating in programs and presentations for underrepresented groups to share this information. Participating in school programs and career fairs to provide career, education and training information and highlight IOC team members from underrepresented groups as potential role models.
- Continuing to ensure that women and other members of identified groups are visibly represented and inclusive language is used in IOC promotional and public relations material.
- Establishing communication mechanisms for stakeholder groups, especially those that advocate on behalf of underrepresented groups, to receive ongoing information and provide feedback regarding diversity initiatives. This will include organizations such as Women in Resource Development Corporation, Newfoundland and Labrador Organization of Women Entrepreneurs, Association for New Canadians, Multicultural Women's Organization of Newfoundland and Labrador, Coalition of Persons with Disabilities and relevant Indigenous governments and organizations.

3.8 Reporting, Monitoring and Review

IOC recognizes the importance of monitoring gender equity, inclusion and diversity initiatives to make adjustments to the plan as required. The first year of this process will include establishment of the plan and communications with the Women's Policy Office. Monitoring will include analysis of performance against employment targets and seeking information from stakeholders and members of underrepresented groups to understand whether or not the plan and its initiatives have been successful and / or how they can be improved. Annual reporting to Government on gender equity, inclusion and diversity performance will be required to meet IOC's commitments under the Newfoundland and Labrador Benefits Plan and begin one year following implementation of the GEID Plan which will be post construction of Wabush 3. With regard to reporting, monitoring and review, IOC is committed to:

- Applying principles of continuous improvement throughout the life of Gender Equity, Inclusion and Diversity Plan.
- Submitting quarterly gender equity, inclusion and diversity reports with general and apprenticeship employment data by gender and identified group as well as NOC during the construction phase of the Wabush 3 Project. Reporting to indicate the number of individuals and total hours of women, Indigenous women, Indigenous men, persons with disabilities and member of visible minority groups during Wabush 3 construction.
- Submitting annual gender equity, inclusion and diversity reports with benefits plan reports that will be included in IOC's annual report on overall mine operations.
- Reporting annually both quantitative and qualitative descriptions of activities related to the GEID Plan.
- Meeting with the Women's Policy Office on an annual basis to discuss progress.
- Meeting regularly with Indigenous governments and organizations, women's groups and organizations representing people with disabilities and people of visible minorities to discuss progress on the GEID Plan.
- Meeting with stakeholders (e.g. NLOWE) and community groups (e.g. CAP) throughout to review progress and consult on future initiatives that allow for continuous improvement.
- Working within existing structures such as Rio Tinto's Inclusion & Diversity Council, local Diversity Champions, and IOC's *Respect, Inclusion and Diversity* initiatives to promote the plan and ensure effective implementation throughout the system.
- Seeking feedback, through mechanisms such as Rio Tinto's *Speak-Out* program, which is a confidential and independent means of reporting concerns, so that issues can be identified and addressed in a timely fashion.
- Requiring IOC's primary contractors for the Wabush 3 Project and ongoing operations to gather and submit employment and procurement data to IOC on a quarterly basis during construction and annually for operations, including a breakdown by gender and identified underrepresented groups as available through self-identification.
- Annually reviewing diversity employment results with IOC's primary contractors to identify areas for improvement.

IOC will also report on procurement of goods and services from companies owned by underrepresented groups or members of underrepresented groups where this information is available. This reporting to the Government of Newfoundland and Labrador is also a requirement of the Benefits Plan. IOC is committed to:

- Reporting procurement results on a quarterly basis during construction of the Wabush 3 Project and on an annual basis for ongoing IOC operations.
- Annually reviewing procurement results with IOC contractors to identify areas for improvement.
- IOC's Inclusion & Diversity Committee will determine and monitor gender equity, inclusion and diversity metrics for IOC.

