

# The Case for Advancing Equity, Valuing Diversity and Practising Inclusion in Mining



We need mining to build a safer, greener and more connected world. However, changing demographics, including an aging population, and reduced enrolments in related postsecondary education programs<sup>1</sup> have led to a shortage of skilled workers in the sector. Valuing diversity within the mining and mineral sector is a means of addressing labour force tightening.

Embedding equity, diversity and inclusion (EDI) principles and practices into workplaces offers a competitive advantage that benefits mining companies. EDI facilitates positive outcomes and impacts for talent recruitment and retention, innovation and productivity, as well as investor expectations, corporate reputation and broader societal support.



## Talent Recruitment and Retention

Companies that value diversity realize competitive advantages in talent recruitment and retention. A sense of belonging is key to leading people and positive workplace cultures as “employees experiencing low inclusion are up to six times more likely to actively pursue new jobs.”<sup>2</sup> Advancing EDI supports the establishment of a workplace culture that values both the physical and psychological safety of employees, contractors, suppliers, investors and community members. Inclusive recruitment practices demonstrate organizational EDI commitment to job seekers while a lack thereof has been shown to repel potential job candidates.<sup>3</sup> Further, EDI supports increase employee engagement through equitable development opportunities.<sup>4</sup> Corporate EDI efforts provide employees with opportunities to develop soft skills, building adaptability, resilience and responsiveness to change.<sup>5</sup> These skills translate into a more flexible workforce that takes ownership of work. Employees who feel valued are more engaged and loyal to the organization and outperform their colleagues.<sup>6</sup>

“[Improving EDI and enhancing psychological safety] will help drive the change we so desperately need to address our acute workforce challenges by making our sector a more attractive employer to a wider range of Canadians.”<sup>7</sup>

– Pierre Gratton, President and CEO, Mining Association of Canada

- 1 Pierre Gratton, *The Critical Question*, 6.
- 2 Coffman, *The Fabric of Belonging*, 5.
- 3 McKinsey & Company, *Understanding Organizational Barriers*, 4.
- 4 Institute for Employment Studies, *Employee Engagement*, 33.
- 5 Occupational Health and Safety, *Why Soft Skills*, 7.
- 6 Institute for Employment Studies, *Employee Engagement*, 16.
- 7 Pierre Gratton, *The Critical Question*, 7.





## Innovation and Productivity

A diverse workforce helps spur productivity and innovation at all levels. Diversity in teams leads to increased creativity and better decision-making.<sup>8</sup> Inclusive decision-making has been shown to result in “better business decisions up to 87 percent of the time”<sup>9</sup> while inclusive teams make decisions “twice as fast with half the meetings.”<sup>10</sup> Further, inclusive teams are more likely to call out safety issues and significantly reduce corporate risk.<sup>11</sup> At the same time, research has shown a strong positive link between leadership diversity and organizational innovation.<sup>12</sup>

Not surprisingly, there is also a positive correlation between financial performance and diversity.<sup>13</sup> An international research study revealed that, on average, a one percent increase in ethnocultural diversity gave rise to “a 0.5 percent increase in workplace productivity... [and an] average 2.4 percent increase in revenue.”<sup>14</sup> Gender diversity also leads to positive succession planning results. For example, having more women in leadership roles can lead to a decrease in gender discrimination, which helps in employee recruitment and retention.<sup>15</sup>



<sup>8</sup> Great Place to Work, *Why Diverse and Inclusive Teams*.

<sup>9</sup> Cloverpop, *Hacking Diversity*, 6.

<sup>10</sup> Cloverpop, *Hacking Diversity*, 1.

<sup>11</sup> Deloitte, *The Diversity, Equity and Inclusion Imperative*, 5 and Bourke, “The diversity and inclusion revolution.”

<sup>12</sup> The Boston Consulting Group, *How Diverse Leadership*, 2.

<sup>13</sup> McKinsey & Company, *Diversity Wins*, 12.

<sup>14</sup> CIGI, *The Diversity Dividend*, 7.

<sup>15</sup> Harvard Business Review, *Firms with More Women*.





## Investor Expectations and Corporate Reputation

Mining investors are interested in companies' EDI efforts, known to enrich performance, reputation, and other business factors such as innovation, agility and efficiency.<sup>16</sup> For example, international research shows that companies with greater gender diversity outperform their competitors in terms of share-price performance.<sup>17</sup> A recent Canadian study revealed that investors expect improved returns from their responsible investments and rank EDI, human rights and labour practices as the highest-rated social factors in investment decision-making.<sup>18</sup> Moreover, the mining sector provides critical components (e.g., critical minerals, such as lithium and cobalt) of the supply chain to other sectors (e.g., automotive).<sup>19</sup> As interest in Environment, Social and Governance (ESG) from partner sectors increase, enhanced expectations for the mining sector will follow.<sup>20</sup> EDI supports ESG efforts through a commitment to corporate transparency and reporting on results.

A robust corporate commitment to EDI influences a company's approach to community partnerships, investments and engagement, enhancing a corporation's brand and its reputation with stakeholders. For instance, a demonstrated EDI commitment may facilitate listening and healing in Indigenous communities while supporting reconciliation.<sup>21</sup> It forms a foundation for rebuilding, overcoming or mitigating past reputational issues, human rights, discrimination or harassment cases. The adoption of EDI also demonstrates corporate accountability to communities of interest and a desire to operate with their acceptance.



<sup>16</sup> Deloitte, *The Diversity, Equity and Inclusion Imperative*, 5.

<sup>17</sup> Morgan Stanley, *Gender Diversity*.

<sup>18</sup> RIA, *2023 Canadian Responsible*, 7.

<sup>19</sup> IEA, *The Role of Critical Minerals*, 28.

<sup>20</sup> IEA, *The Role of Critical Minerals*, 40.

<sup>21</sup> Government of Canada, *Truth and Reconciliation*, 10.



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