

# Husky Energy Diversity Forum

## / C-NLOPB Expectations

### Slide 1 – Title Slide

I'd like to thank Husky Energy and Malcolm in particular for inviting me to speak today. It's a pleasure to be here. I'd also like to acknowledge several of my colleagues from the C-NLOPB – Mike Baker, Sean Kelly, Colin Dyer, Kent Munn and Lesley Rideout; as well as MHA Derek Bennett, from the Provincial Government. With the events of recent days in mind, it feels like an especially good time to talk about diversity.

I'll talk a bit about the topic as it relates to the *Atlantic Accord* regulatory regime, and a bit about the Oil and Gas Industry's performance and the Board's expectations in this area. But first, everyone's other favourite subject – safety.

### Slides 2 and 3 - Safety Moment

At the Canada-Newfoundland and Labrador Offshore Petroleum Board, or C-NLOPB, safety is always paramount and we begin each of our presentations with a safety moment.

Over the past few weeks there has been a stream of stories in the media related to the hazards of icy conditions. Stories about injuries due to slips and falls; close calls and near misses; people going through the ice on snowmobiles; boats trapped in ice; and a few safety tips. A number of the headlines appear in this slide and I'm sure everyone has a related story of your own of an accident or near miss on ice.

No one in this room is a stranger to the icy conditions around town and the associated risks. Yet every year, people in our province are injured or even killed due to ice related incidents.

According to a website called [icyroadsafety.com](http://icyroadsafety.com), and yes I'm assured that's a real website, accidents on icy roads kill at least twice the number of people annually than all other severe weather hazards combined such as tornadoes, hurricanes, lightening, floods and high winds. I'm not sure I want you to quote me on that stat, but recent media stories featured emergency rooms being inundated with people who were injured due to ice related incidents.

As the safety and environmental regulator for the offshore oil and gas industry, we are always conscious of the risks associated with ice offshore and on installations. So are the operators, of course.

As part of the regulatory regime, offshore operators are required to have a management plan describing how risks are managed against icebergs and pack ice becoming a safety threat **to an installation**.

An ice management plan will establish the actions that companies must take when ice approaches an installation. In most cases, icebergs are towed or steered away from installations by supply vessels. Occasionally the installation will need to disconnect from the well and move to a safe location, returning when the threat is reduced.

Operators are also required to have a safety plan describing how risks are managed for ice that is a safety threat **to offshore workers on an installation**.

A Safety Plan defines how operators reduce risks to as low as is reasonably practicable, including how to mitigate for icy conditions onboard.

Ice inspections occur and de-icing is applied to areas where ice build up occurs. Some sections of flooring are heated to prevent ice build up and at times, it is necessary to cut ice away from the structure. The possibility of ice dropping from overhead and striking a worker below is a recognized threat and personal protective equipment is mandatory in all areas where such risks exist.

There are also some things we can do with minimal effort onshore as well. Make sure you have plenty of salt or de-icing products at your home. Wear proper footwear with good grips. Always use handrails when you go up and down steps. Remove ice from areas where people are walking. Slow down - whether walking or driving. Finally, be aware of the dangers of black ice, which is difficult to see making it even more treacherous. Local weather forecasts will often alert you to the presence of conditions that create black ice.

## **Slide 4 – Background on C-NLOPB**

I'd now like to share a short video with you to provide some background information about the C-NLOPB. It moves along quickly and covers a lot of ground in 3 minutes.

[We are the C-NLOPB video – available on YouTube]

We have several other videos on our You Tube Channel that you may find interesting, including a Fast Facts video. You can access them directly through You Tube, or use the You Tube link on our home page.

## **Slide 5 – Diversity within the C-NLOPB (Section 45)**

Now let's turn to the topic at hand today, diversity, and I'll start by being the first to acknowledge that diversity within the C-NLOPB could be improved. Our seven-person board presently has two female members, Cynthia Hickman and Lidja Chubbs. We also have two vacancies – one federal and one provincial. Both governments have been recruiting candidates to fill these positions and to their credit, governments are considering diversity to a greater degree than ever before in their appointment processes.

For example, the Government of Canada's Appointments website includes the following statement:

***We know that our country is stronger — and our government more effective — when decision-makers reflect Canada's diversity. Moving forward, the Government of Canada will use an appointment process that is transparent and merit-based, strives for gender parity, and ensures that Indigenous Canadians and minority groups are properly represented in positions of leadership. We will continue to search for Canadians who reflect the values that we all embrace: inclusion, honesty, fiscal prudence, and generosity of spirit. Together, we will build a government as diverse as Canada.***

I couldn't agree more with these sentiments.

But then we have the Executive and roster of Directors at the Board. You'll see we all have a couple of things in common. There are some opportunities to increase diversity with that group, without a doubt.

On a more encouraging note, the percentage of women working at the C-NLOPB is 47 percent with many occupying professional positions in areas such as law, engineering, geoscience, human resources, public relations and finance. There are no current staff with self-identified disabilities and there are at least two who belong to visible minority groups. This is out of a staff of 85-90. We are slowly heading towards a more diverse management team and workforce. We know there's work to do and we know that diversity is best for our organization.

## **Slide 6 – Benefits Plan (Section 45 of the Accord Acts)**

Beyond safety, environmental protection, exploration and resource management, our mandate includes regulatory oversight of industrial benefits. Our role is to oversee operator compliance with the statutory requirements for a Canada-Newfoundland and Labrador Benefits Plan in the areas of employment, procurement, research and development, education and training and diversity provisions.

Section 45 of the *Atlantic Accord Acts* grants the Board authority to require a proponent to submit a Benefits Plan. This is a plan for the employment of Canadians and, in particular members of the labour force of the province; and for providing manufacturers, consultants, contractors, and service companies in the province and other parts of Canada with a full and fair opportunity to participate on a competitive basis in the supply of goods and services.

The language of our legislation is definitely outdated as it refers to “disadvantaged” individuals and groups. The wording in our new draft Benefits Plan Guidelines brings a more modern perspective by replacing the word ‘disadvantaged’ with the word ‘designated’. Designated individuals and groups are defined as women, Indigenous People, persons with disabilities and members of visible minorities. What’s not listed there is sexual orientation or identity? It comes from employment equity legislation – in case you are wondering.

## **Slide 7 – Benefits Plan (Key Requirements)**

Key statutory requirements for a Benefits Plans under the *Atlantic Accord Acts* include:

- The establishment of an office in the Province with appropriate levels of decision-making;
- Provision for manufacturers, consultants, contractors, and service companies in the province, and other parts of Canada, to have full and fair opportunity to participate in the supply of goods and services, with first consideration provided to those within the Province on a competitive basis;
- A plan for the employment of Canadians, in particular first consideration for members of the labour force of this Province;
- Expenditures for research and development and education and training to be made in the Province; and

- Designated individuals or groups having access to training and employment opportunities. Corporations owned or cooperatives operated by such individuals and groups must also be able to participate in the supply of goods and services used in any proposed work or activity referred to in the benefits plan.

However, there is a legitimate question that I've heard about what sort of weight diversity should carry in procurement. Most of the discussion is about training and competency, then local content, then diversity. Not that it's an afterthought, but so much emphasis is on competent local content that it feels like diversity is a bonus sometimes.

## **Slide 8 – Guidelines**

The invitation to attend this forum asked that I speak about the Board's expectations related to diversity plans for upcoming projects. Generally speaking, our expectations are described in the Atlantic Accord legislation and further interpreted in its implementing guidelines.

While proponents will be given flexibility in the preparation of plans for building a diverse workplace, proponents should also review, assess and apply models such as the federal Employment Equity Act, the Federal Contractors Program, and other models as appropriate. Such plans will normally encompass employment equity measures with an explicit objective to facilitate the participation of designated groups.

The C-NLOPB has been working towards new Benefits Plan Guidelines and the draft guidelines identify 14 key areas that operators, contractors and sub-contractors must address. I'll review them briefly, but keep in mind these are open for feedback, and they are based on the Board's experience, interpretation and judgement.

## **Slides 9 and 10 - C-NLOPB Expectations**

1. The Diversity Plan should provide for collecting information and conducting an analysis of the proponent's workforce to determine the degree of underrepresentation of persons in designated groups in each occupational group in that workforce.
2. It should provide for a review of the proponent's and its main contractors' employment systems, policies and practices to identify, and address in the short-term, employment barriers against persons in designated groups.
3. Consistent with the Employment Equity Act, the Plan should establish both short and long term numerical and qualitative goals to increase representation of persons in designated groups.
4. It should describe how the design of facilities takes account of the need to accommodate persons from designated groups and, more generally, to ensure that policies and procedures accommodate persons from designated groups.
5. The Plan should describe how practices, policies and procedures aimed at implementing a supportive work environment that fosters diversity and inclusion will be established, implemented and evaluated both internally within the proponent's organization, as well as within its main contractors' organizations.
6. It should also outline measures to educate and inform members of the proponent's and main contractors' workforces of employment equity and diversity, and to ensure that there is a culture within the organization that is consistent with the provisions of employment equity. Particular measures should be undertaken to educate frontline supervisory workers.
7. Timelines should be established for implementation of the described initiatives.

8. The Diversity Plan should cover measures to address under-representation of corporations or firms owned by designated groups to supply goods and services to the project.
9. It should demonstrate contractor and sub-contractor commitments to setting diversity goals in a manner that directly supports the achievement of the proponent's plan, and submitting annual reports on their accomplishments to the proponent.
10. Proponents should use diversity-related language in job postings and labour agreements to ensure that members of designated groups have access to employment opportunities. The Diversity Plan should outline measures to ensure job ads reach members of designated groups. Where the labour force is covered by a collective agreement(s), this aspect should also be addressed, such that the Diversity Plan is fully supported.
11. The Plan should describe public information initiatives to be undertaken in partnership with community stakeholders to familiarize members of designated groups with the project and the types of employment, training and contracting opportunities associated with it.
12. Strategies respecting initiatives to achieve gender equity should be included. Examples include increasing women's representation in non-traditional occupations through mentoring, special assignments and management training.
13. The Diversity Plan should include specific outreach initiatives aimed at building relationships with community groups and supporting linkages to employment. Partnering with local community organizations which represent members of designated groups is needed to raise awareness of employment and business opportunities. This includes initiatives designed to increase participation of designated groups in educational programs related to employment and entrepreneurial opportunities of the project.

14. The Plan should describe how partnering will be undertaken with local training institutions to promote education and employment opportunities to members of designated groups.

Again as mentioned, the revised guidelines also request operators to include a summary of initiatives and accomplishments related to diversity throughout the year in annual benefits reports to the Board. This information shall also be included in the operator's public annual benefits reports.

The draft Benefits Plan Guidelines are currently open for feedback and we'd welcome views from any interested party about whether we got it right.

### **Slide 11 – Diversity Plans**

In addition to Benefits Plans, Operators of all major projects have diversity objectives, policies and initiatives. Husky documents its approach, principles, processes and initiatives in its Diversity Plan, with which you are probably familiar.

Husky's Diversity Plan was developed as a result of the conditions imposed by the Board under the White Rose Project Decision Report wherein Husky was required to submit a report for approval by the Board describing its approach to affirmative action as contemplated in the Accord Acts.

The Diversity Plan supplements the Human Resource Plans prepared in response to the C-NLOPB White Rose Decision Report and builds on the White Rose Project Canada-Newfoundland and Labrador Benefits Plan.

Suncor, Hibernia Management and Development Company (HMDC) and ExxonMobil also have plans and initiatives that meet the same objectives and they report progress to the Board annually.

## **Slide 12 – Husky Energy’s Responsibilities**

As an operating company that we regulate, Husky has the primary responsibility for advancing diversity throughout the White Rose Project.

This includes:

- providing leadership in developing and implementing the Diversity Plan;
- advocating and supporting relevant diversity initiatives;
- reporting on Project diversity to the CNLOPB;
- maintaining a liaison with other stakeholders, including community groups; and,
- holding an annual Diversity Plan Workshop.

Husky’s company-wide diversity experience, which includes its involvement in the Federal Contractors Program and its Respectful Workplace Initiative, provides a valuable source of information and expertise in its ongoing diversity efforts.

Contractors and sub-contractors also have a critical role to play in meeting diversity objectives. They too must adhere to the Canada-Newfoundland and Labrador Benefits obligations and put in place various organizational requirements such as;

- setting diversity targets;
- monitoring and reporting to Husky on their success in meeting targets, including submitting annual Diversity Reports; and
- ensuring their sub-contractors meet the Plan's requirements.

## **Slide 13 – C-NLOPB Monitoring**

The C-NLOPB monitors for compliance through the following activities:

- We receive and review annual reports from Operators;
- We meet with Operators to discuss progress and issues as needed
- We respond to complaints; and
- We attend Annual Diversity Forums

Operators have so far worked to our satisfaction to meet their obligations.

## **Slide 14 – A Look at the Numbers - Women in the Workforce**

Having said that, I'd like to focus a little on industry performance, particularly Husky's performance as this is a Husky led event. Most of these numbers have been extracted from the company's most recent report on Diversity.

At present, the percentage of women working in the Can-NL Offshore Oil Industry is about 15 percent. NLOWE, the Women's Policy Office and others have taken up the challenge and I'm sure we'll see improvements.

In 2015, the overall workforce of the White Rose project, Husky, Contractors and sub-contractors included was 1,251; a decline of 31 percent from 2014.

The total number of women working on the project decreased by 43 percent from 2014 to 2015. The reasons for the decline include the White Rose Expansion Program being placed on hold and completion of the South White Rose Extension in 2014. As well, the number of Husky operated drill rigs fell from two to zero.

Over the life of the White Rose project, the representation of women in the workforce has varied between a low of 13 percent in 2006 and a high of 20 percent in 2015, which is the highest level since 2005.

Between 2014 and 2015, the number of women decreased in every occupational category due to the decreased total labour force. The biggest decreases were in skilled trades and management. As in previous years, the majority of positions held by women were in administration.

However, the participation rate for women in engineering positions increased from 15 percent to 21 percent and remained higher for professional positions, at 35 percent.

### **Slide 15 – A Look at the Numbers - Designated Groups**

Reporting for designated groups other than women is based on self-reporting.

In 2015, 39 Husky Atlantic Region employees belonged to one of these groups, representing 3.1 percent of all personnel. This total represented 11 Indigenous People or 0.8 percent of all employees; eight people with disabilities or 0.6 percent; and 20 members of visible minorities or 1.6 percent.

White Rose contractors employed 93 members of these groups, or 7.4 percent of all their employees. This total represented 19 Indigenous People or 1.5 percent; 10 people with disabilities or 0.8 percent; and 64 members of visible minorities or 5.1 percent.

In total, 132 members of Husky and its major White Rose contractors' workforces, or 10.6 percent of all employees, reported belonging to one or other of these three designated groups.

## **Slide 16 – A Look at the Numbers - Designated Groups (2)**

In the total White Rose labour force, seven persons with disabilities held professional and technical positions.

In previous years, Indigenous People were strongly concentrated in skilled crafts and trades; however, in 2015, 16 employees who are Indigenous People held professional and technical positions, which accounted for more than 50 percent of all Indigenous People working on the White Rose Project.

Members of visible minorities were mostly professional and technical workers. 59 were employees and 13 were Managers and Supervisors.

## **Slide 17 – Moving Ahead**

Diversity is a proactive initiative that seeks to use a range of interventions to increase the representation of designated groups in the normal running of an organization and also to create a diversity culture within an organization. In his presentation, Malcolm illustrated many of the interventions that Husky is pursuing and we at the Board commend them for their efforts.

Realistically however, there are challenges with achieving diversity. Most prominent is increasing the participation of individuals and companies from designated groups in the oil and gas industry. The numbers I provided earlier fluctuate over time, but are lower than any of us would like.

Husky's approach has been to grow the size of the pool of diversity group members. Overall, the Board is supportive of this approach and the company's efforts to date so that hopefully over time the best qualified candidates and companies will be selected from diverse groups.

Husky has demonstrated leadership in this area by its efforts to establish a diversity culture within its organization, to guide contractors and subcontractors to meet the requirements of the diversity plan, and by working with community groups and government to achieve diversity.

We encourage Husky and its contractors to continue its diversity initiatives with the goal of having policies, processes and initiatives turn into jobs.

### **Slide 18 – Thank You**

Again, I want to thank you for this opportunity to speak at this Forum. I will be staying for the remainder of the Forum and I'm looking forward to participating in the group discussions. This is an important topic, and that importance is growing.

If you want additional information about the C-NLOPB, please check out our website, follow us on Twitter, view our videos on You Tube or e-mail us.