

Rio Tinto

Insights and Introspections:

A Local Perspective on Global Real Estate



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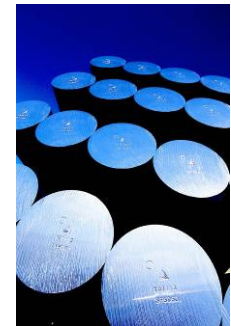
Challenges/Opportunities

Key Learnings



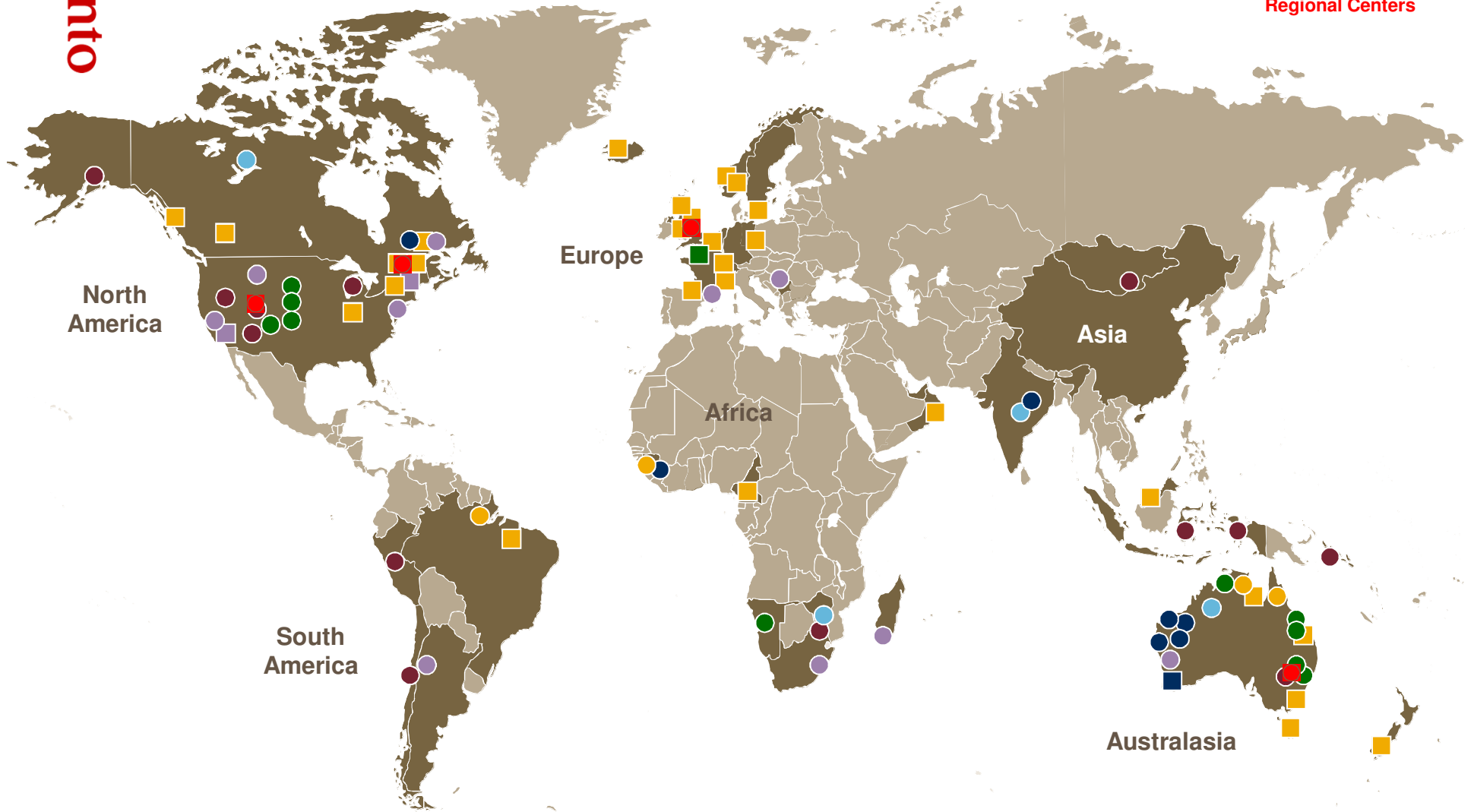
Rio Tinto is...

- a **global** mining company
- in the **business** of finding, mining, and processing the earth's mineral resources including:
 - *aluminum, copper, diamonds, energy products, gold, industrial minerals and iron ore*
- over 70,000 **people** strong
- committed to responsible and **sustainable** operating practices



Where we operate

- Key**
- Mines and mining projects
 - Smelters, refineries, power facilities and processing plants remote from mine
- Aluminum**
Copper
Diamonds
Energy
Iron ore
Minerals
Regional Centers



Portfolio

OVERALL METRICS	No	%	m2	ft2	%2
Owned	13	10%	79,674	857,603	24%
Leased	119	90%	254,856	2,743,242	76%
Total	132		334,530	3,600,845	

TOP 10	Sites	%	m2	ft2	%2
Australia	37	28%	149,603	1,610,316	45%
USA	11	8%	46,521	500,747	14%
Canada	15	11%	49,250	530,119	15%
China	10	8%	7,474	80,449	2%
France	7	5%	21,359	229,906	6%
UK	6	5%	32,179	346,375	10%
India	6	5%	5,627	60,568	2%
Singapore	4	3%	2,635	28,363	1%
Japan	1	1%	737	7,933	0%
Switzerland	2	2%	2,778	29,902	1%

Our scope

Americas

Montreal
Salt Lake City
Denver

EMEA

London (HQ)
Johannesburg
Paris

APAC

Brisbane
Perth
Singapore



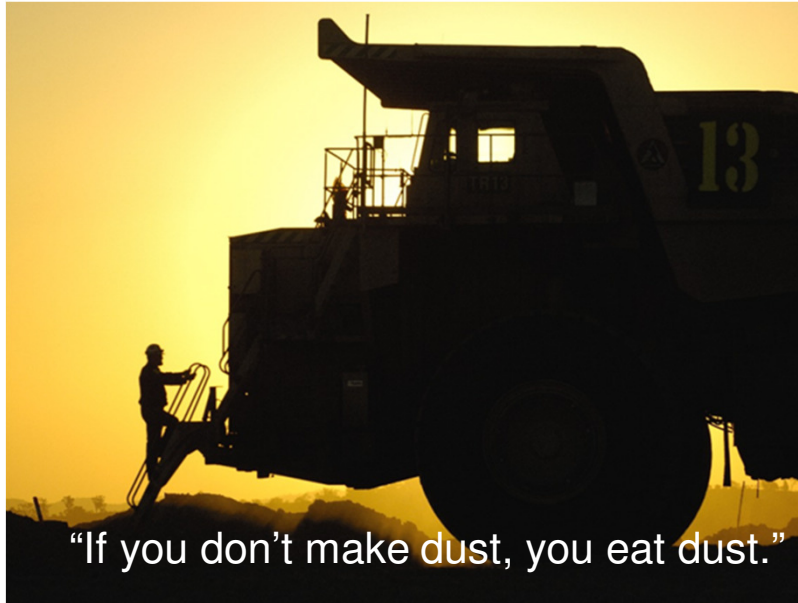
1.086M ft2

693k ft2

1.822M ft2

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Bigger is Better



Motivation

- Collaboration studies sponsored by HR (2005) suggested the need for the business to open itself to higher levels of individual and team interaction
- Group Property function established
- Global Workplace Policy and Standard developed
- Regional Center model developed
- Ongoing data¹ to support idea that higher performing companies:
 - Collaborate more
 - value socialization and learning more



¹ Gensler 2008 Workplace Survey (US), IFMA Distributed Work Research Report, Time Magazine "The Future of Work" May 25, 2009

Implementation

- Regional Centers:

- London (2007)
- Salt Lake City (2008)
- Brisbane (2011)
- Johannesburg (2012)
- Singapore (2012)
- Montreal (2015)



- Key Elements:

- strong leadership (global leaders, local champions)
- formal engagement strategy (processes, strategies, & tools)
- focus on function over hierarchy (bigger is better → smarter is better)
- balanced approach to work, workforce, and workplace elements

Regional center

Amenities

Retail/Restaurants



Public Transportation



Outdoor Space



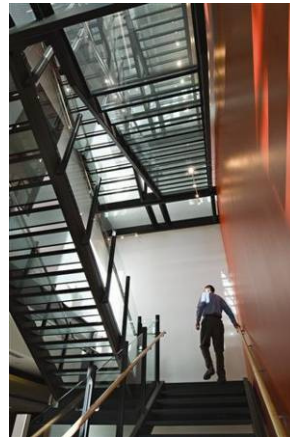
Fitness Center



Regional center

Use of natural materials, textures, shapes, and colors

Refresh/Mix



Reception



Regional center

Proper work and support spaces

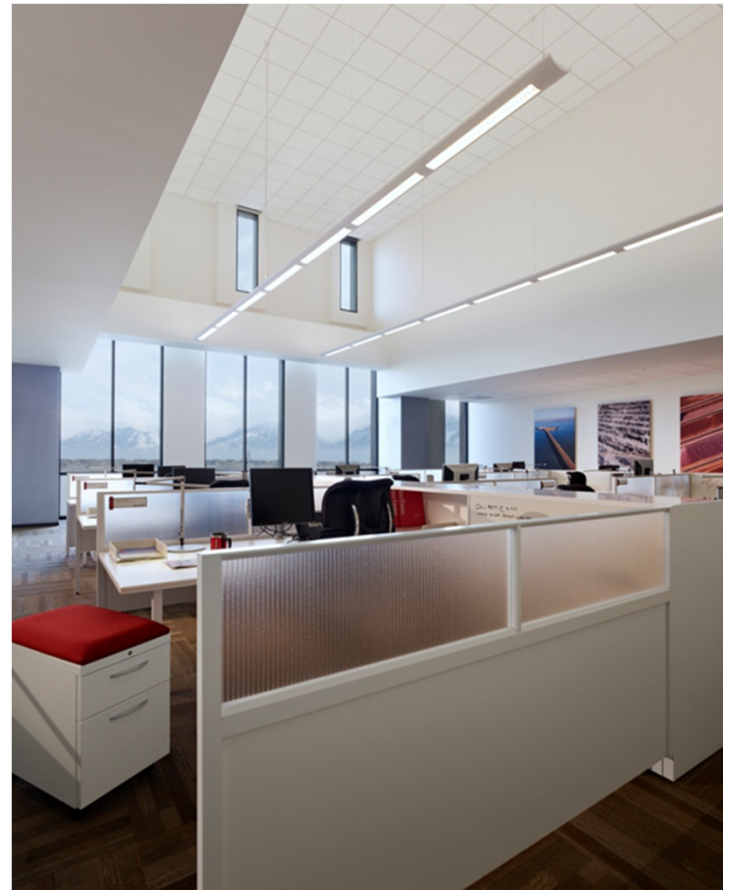
Meet-out



Ante



Workspace



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Regional Center



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Regional center



Ways of Working

Traditional	Emerging
Focus on place	Focus on work
Performance based on input (time spent)	Performance based on output (results)
Supervise	Mentor/coach
Team members together	Virtual and mobile teams
Status assignments	Functional assignments

Global trends influencing work and the workplace

Information technology

Ever accelerating pace of change
Arrival of true “always on” mobility – decreasing relevance of time and place
Virtual collaborative technologies replacing direct interaction

People, behaviour & expectations

Simultaneous challenge of generation Y and aging population
Requirement for more for less from employees
Increasing importance of wellbeing and health
Competition for talent



Management culture & workstyle

Globalization
Increasing awareness of how to manage dispersed teams
Increasing requirement for access to management
Mandated flexible working
Career ladder becomes the career “lattice”
Demands for more choice over where/when to work
Growth of developing world, with different approaches

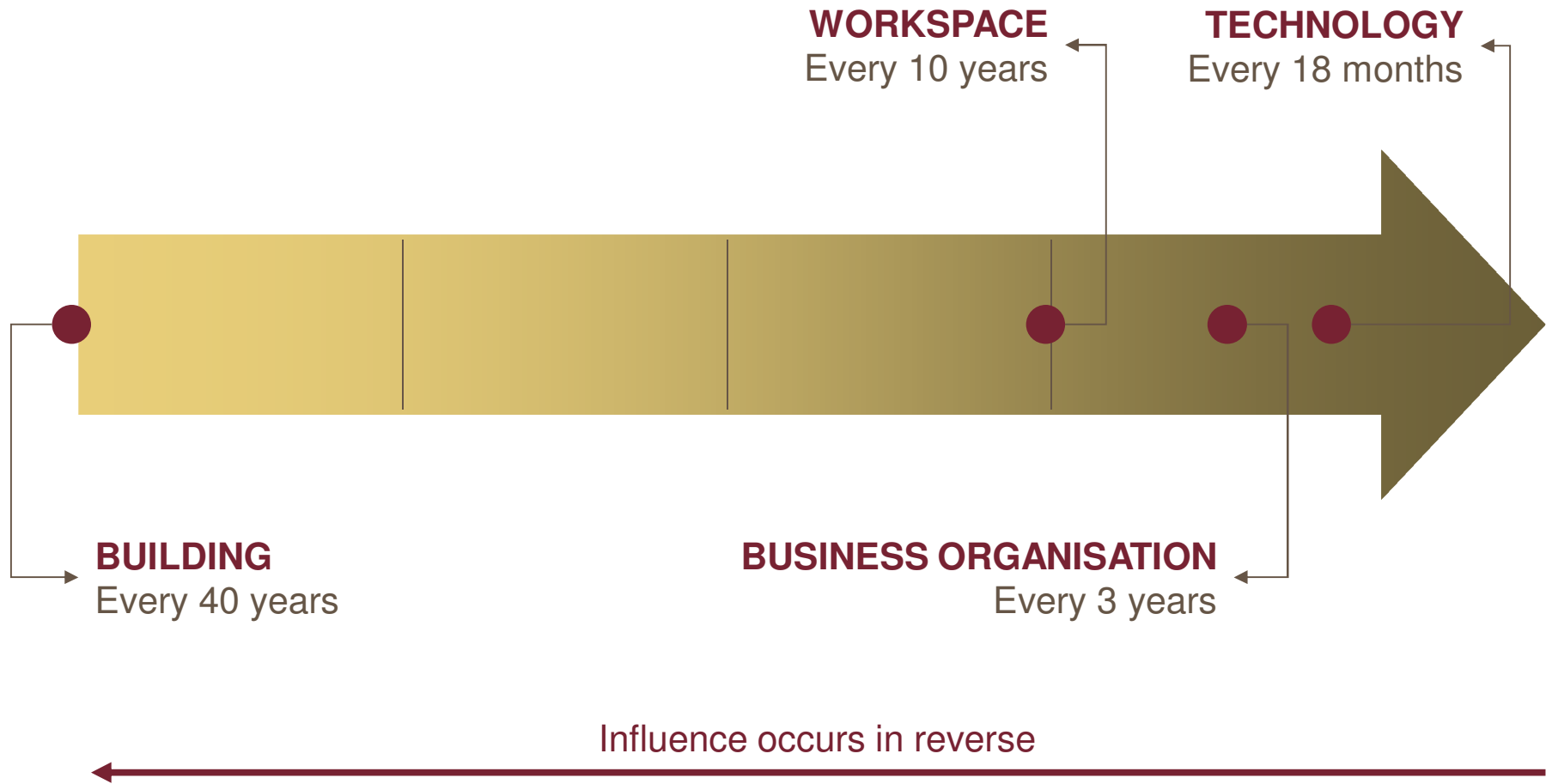
Commercial

Ever-increasing need to reduce and flex costs – and to drive out waste from under-utilized space
Increasing globalization and “follow the sun” demands
Increasing importance of corporate governance and responsibility

Sustainability

Pressure on urban infrastructure challenging commuting culture/need
Impacts of carbon pricing on commercial buildings – will demand greater productivity from the workplace

Recognizing the pace of change



Technological change, and its impact on the nature of work

- “The office” can be anywhere with connectivity - the erosion of “time & attendance” culture and practice
- Work at home or in “third spaces” happening by default – no longer a perk, but a necessity and reality
- Miniaturization of hardware – less space required
- Importance of extra-corporate social and business networks
- Enabling virtual communities or “tribes”
 - Skype
 - YouTube
 - Twitter
 - Facebook
 - Iphone
 - Ipad

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 - Skype (2003)
 - YouTube (Feb 2005)
 - Twitter (July 2006)
 - Facebook (Sept 2006 – public)
 - Iphone (June 2007)
 - Ipad (April 2010)

How the workplace has responded to changes in the nature of work

- Recognition that an effective workplace drives organizational productivity
- Greater emphasis on supporting modern business assets – ideas, information and expertise – recognizing the demands and social nature of knowledge work
- Open workplace design a response to leadership theory that transparency fosters organizational effectiveness
- Support for emerging flexible work cultures
- Equal support for collaboration and focus
- Fewer space standards
- Evolution from hierarchy- to function- to experience-based workspaces

Smarter is better



Strategy



Strategy

- Know your business
- Know your customers (employees)
- Alignment of both business strategy AND workplace culture (existing or desired)
- Flexibility best response to pace of change and technology
- Be clear about performance objectives (i.e., productivity)
- Space still matters (hierarchy- to function- to experience-based)

“Office buildings are a pattern of communication supported by structure”

Strategy

- Understand the implications of the business strategy
- Own the entire property lifecycle
- Understand that workplaces are multi-cultural (country, city, building, demographic)
- There is a cost to flexibility (make sure value increases at a faster rate)
- Distinguish between building performance and business performance
- Despite what others think, you DO know more about RE strategy and performance
- Even in today's world, good ideas endure much like good art

“Office buildings are a pattern of communication supported by structure”

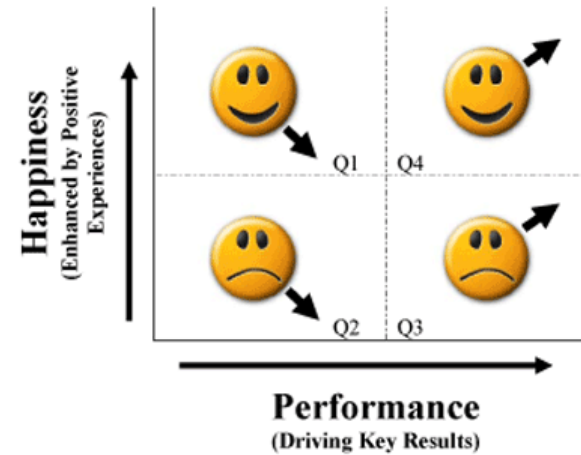
Challenges/Opportunities

- Size
- Fluctuations in Headcount
- Flexibility
- Diversity
- Distributed Leadership
- Speed of Technology
- Change Management
- Globalization
- Economy



Measures of Success

- Attraction & Retention
- Self-Assessment Indicators (commitment, understanding, motivation)
- Satisfaction
- Increase in Desired Behaviors
- Productivity



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Qualifications



Key Learnings

- Be fearless
- Trust your instincts
- Remember what is really important (that perspective thing again)
- Listen to your mother (or someone else who believes in you)



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