

Our Approach to Relationships with Communities

Which Teck sites does this document apply to?

This document summarizes our approach to managing relationships with communities. This document applies to all Teck-controlled sites and projects, inclusive of contractor activities. This does not include operations in which Teck has had an ownership interest but is not the principal operator.

Relationships with communities performance information: See our [Annual Sustainability Report](#), available for download on our website.



Community member, Andacollo, Chile, 2017.

Background

Maintaining strong relationships with local communities and other communities of interest (COIs) is essential to facilitating responsible mining and generating economic benefits, advancing reconciliation efforts and improving community well-being. Conflicting interests between communities and companies can result in disputes, project delays, operational disruption and increased costs. Management of these relationships focuses on exploring and advancing opportunities for shared benefits and sustainable development, as well as managing and mitigating potential socio-economic, environmental, and community health and safety impacts.

Governance and Accountability

Accountability and Resourcing

The Board of Directors, through its Safety and Sustainability Committee, broadly oversees health, safety, environment and community policies, systems, performance and auditing, including implementation of Teck's sustainability-related standards (Sustainability Standards). The following senior leaders at the corporate level are involved in implementing the management of relationships with communities:

- The Senior Vice President (SVP), Sustainability and External Affairs reports directly to the President and Chief Executive Officer and is responsible for sustainability, health and safety, environment, communities, and Indigenous relations

- The Vice President, Communities, Government Affairs and HSEC Systems reports to the SVP, Sustainability and External Affairs and leads activities related to social performance and responsibility, community engagement and investment, Indigenous affairs and human rights

The Community Investment Committee oversees our community investment program to ensure that contributions are made in a manner that benefits our communities of interest, and that contributions are aligned with our business objectives. It is chaired by the SVP, Sustainability and External Affairs.

At each of our operations, we have a designated team leading Teck's work in building relationships with communities. We have a Communities team at each of our operations, along with exploration geologists and project managers who work to build and strengthen trust-based relationships with local communities and stakeholders. Teck's corporate Indigenous relations and social performance teams provide support and guidance to sites in their efforts.

See [Our Approach to Business and Sustainability](#) for more details on our sustainability governance structure.

Policies and Standards

Our [Code of Sustainable Conduct](#) outlines our commitment to continually improve our environmental and social performance practices, including community and Indigenous engagement, and to ensure they are fully integrated into each of our activities.

Teck's Sustainability Standards outline the framework for the identification and effective management of sustainability risks and opportunities, including those related to community engagement, and define a process for continual improvement.

Our [Human Rights Policy](#), [Indigenous Peoples Policy](#), [Equity, Diversity and Inclusion Policy](#), [Code of Ethics](#) and [Expectations for Suppliers and Contractors](#) also provide guidance on building and managing relationships with communities.

Our policies and other commitments such as our sustainability goals are communicated internally to our employees and the broader workforce through internal announcements, intranet newsletters, regular training and onboarding activities. These are communicated to communities, business partners and other COIs such as government and regulatory bodies, industry associations and strategic partners as part of regular engagement, and through our participation in industry and multi-stakeholder committees.

Memberships, Partnerships and External Commitments

We work with various local, national and international organizations and programs to support improvements in best practices for social performance across the industry, including, for example:

- **International Council on Mining and Metals (ICMM):** A global industry association that represents leading international mining and metals companies who are required to implement the ICMM Principles, the Position Statements and the Performance Expectations, which include criteria for mining partnerships for development.

- **Mining Association of Canada (MAC):** A Canadian industry association that promotes the development of the country's mining and mineral processing industry, works with governments on policies applicable to the sector, and promotes the value that mining brings to the economy and daily life of Canadians while operating responsibly using the Towards Sustainable Mining Protocols. This criteria includes the Indigenous and Community Relationships Protocol.
- **The Copper Mark:** A multi-metals assurance framework developed by the International Copper Association to promote responsible practices and to demonstrate the contribution of the transition minerals industry to the United Nations Sustainable Development Goals. The Copper Mark criteria includes criteria related to community health and safety and to community development.
- **United Nations Global Compact (UNGC):** Provides a framework for businesses committed to aligning their operations and strategies with 10 principles spanning human rights, labour, the environment and anti-corruption.

In addition, Teck partners with a number of local, regional, national and international organizations for the delivery of community investment programs. See the Community Investment section on page 5 for further details.

Approach to Managing Relationships with Communities

We work to ensure that Teck's business is welcomed and that it creates value through interactions with COIs. We employ community development and engagement professionals at all of our operations to enable a dialogue

Figure 1: Teck's Social Performance Standard





Community of Andacollo, Chile, 2017.

on topics of mutual interest such as procurement and employment opportunities, community investment and development, and resolution of issues related to the impacts of mining.

In 2023, we continued to implement our new Social Performance Standard, which replaced our Social Management and Responsibility at Teck Framework. The standard defines the expectations and processes for the effective management of Teck’s social performance and relationships with COIs at our sites through all stages of the mining life cycle. It reflects and integrates our compliance obligations and evolving performance expectations informed by voluntary commitments and industry memberships, investors and society. Specifically, the standard is designed to enable Teck to:

- Understand the social context in which we operate
- Identify, assess and manage impacts and social risks
- Meaningfully engage COIs on a regular and inclusive basis on what matters to them and maximize their input into decision-making
- Respect human rights, and the inherent rights of Indigenous Peoples
- Support COIs in achieving self-determined community goals

In 2023, we continued developing and updating our Social Performance Procedures to guide the practical implementation of the standard. Aligned with the plan, do, check and act approach of the Sustainability Standards, each procedure includes a monitoring and evaluation component to assess effectiveness and support continual improvement.

Identifying Communities of Interest (COIs)

Identifying COIs begins with evaluating the geographic area in which a site’s direct and indirect impacts are likely to be experienced, followed by developing an area of influence (AOI) map. COIs are individuals or groups who may be affected by, or who may influence, Teck’s activities within the AOI. COIs may include, but are not restricted

to, Indigenous Peoples, community members, under-represented groups, employees, contractors, suppliers, local environmental organizations, non-governmental organizations (NGOs), local governments and institutions. Other COIs may include regional or national environmental organizations and other NGOs, governments and shareholders. During the COI identification process, individuals belonging to specific groups or populations who may be at heightened risk of vulnerability or marginalization, and individuals or populations facing a particular risk of being exposed to discrimination and other adverse impacts, are also identified. Vulnerability can depend on context; we regularly review and update socio-economic profiles to inform our work.

Assessing Social Risk

Teck is committed to mitigating social risks through risk assessments at sites and at the corporate level. A social risk assessment is the process of identifying, assessing, mitigating and controlling potential or actual social risks. We assess the risks to communities that may be created from the impacts of mining as well as the risks to our business. We conduct social risk assessments annually or when significant changes occur. As part of our risk management process, risks of higher magnitude are added to operational risk registers, and controls and accountabilities are identified. Examples of social risks include environmental concerns contributing to erosion of community trust, and disputes around land rights affecting local livelihoods or cultural practices.

Managing Engagement

Those responsible for engagement are trained to take a people-centred approach to dialogue that is focused on genuine relationships. This helps enable constructive engagement that directly contributes to the building and maintenance of long-term, trust-based relationships.

Engagement with COIs and other stakeholders helps us understand the positive and negative impacts of our business within the local context, as well as the risks and

opportunities associated with those impacts. It enables us to manage impacts and understand the effectiveness of our management actions.

Guided by our Sustainability Standards and Procedures, our operations, exploration sites and projects identify and prioritize local and regional COIs, and engage COIs to collaboratively develop engagement plans and design appropriate mechanisms for inclusive and regular engagement, as well as for monitoring and evaluating the effectiveness of engagement processes.

Managing Impacts

Wherever possible, Teck seeks to avoid any negative impacts and maximize positive impacts. Our sites and activities can have significant economic, social, environmental and cultural impacts for COIs. Impacts are any change to the environment or to the health, safety and well-being of individuals or communities, whether adverse or beneficial, from our activities.

Where negative existing or potential impacts are identified, mitigation strategies are developed, and their implementation is monitored through dedicated impact management plans. Sites prioritize any impacts, real or perceived, that are identified as being of highest significance to COIs.

Operations seek to find opportunities for positive impact. This includes ongoing efforts to contribute to the well-being of host communities and countries by generating economic and social value through tax and royalty payments, local hiring and procurement, and direct community investments.

See the Relationships with Communities chapter of our [Sustainability Report](#), as well as [Our Approach to Human Rights](#) for our activities and approach to managing artisanal and small-scale mining.

Managing for Closure and Beyond

Responsibly closing our sites and managing our legacy properties means following our closure principles, including promoting socio-economic transition. We conduct regular monitoring against closure-related legal requirements and regulatory, stakeholder and internal commitments and success criteria, and use these results to continually update our closure and post-closure management.

A key aspect of our planning for closure throughout the mining life cycle is to work with COIs, including Indigenous Peoples, communities, governments, and employees, to develop a closure vision with specific objectives. This closure planning process includes identification of opportunities for post-mining land use such as ecosystem stewardship, alternative energy generation, recreational use or other uses. We also collaboratively establish post-mining land use objectives.

Managing Community Feedback

Teck has response mechanisms at every site to specifically ensure that those who want to provide feedback—whether it's positive or negative, including a question, concern or request for information—can do so easily and, if they wish, anonymously.

Response mechanisms may include dedicated phone lines and in-person or online platforms. Responses received are recorded using an enterprise-wide electronic database system and categorized by type of engagement, topic and severity. This system allows for the tracking of feedback management performance and trends over time, and supports operational continuous improvement efforts. Communities teams are trained to use the database system, including procedures to implement operational response mechanisms.

Negative feedback, sometimes called grievances, are specific issues of concern to community members that require a response and potential further action, investigation or remediation from the company. Grievances that result in significant disputes¹ are tracked and reported on annually. Operations are required to evaluate any negative feedback, to identify and implement appropriate improvement actions as necessary, and to communicate this information in a timely manner back to the individual. Significant negative feedback is subject to further analysis or investigation. Corporate guidance and tools and the sharing of best practices support the feedback mechanism at each operation.

Through opinion surveys conducted periodically, along with other mechanisms, community residents are able to provide feedback on Teck's activities. Opinion survey results are used as a check on our efforts to improve our social management activities while continuing to address our most significant social risks.

Operations work to continually improve feedback mechanisms by participating in an effectiveness review of existing feedback mechanisms against [United Nations Guiding Principle \(UNGP\) 31](#). This process is a formal review of UNGP criteria for legitimacy, accessibility, predictability, equitability, transparency and rights compatibility. Improvement actions are identified for operations to align with the UNGP effectiveness criteria.

We also provide a response mechanism to our employees, to contractors and suppliers, and to workers in our supply chain to bring their concerns to our attention through our anonymous and confidential *Doing What's Right* program. *Doing What's Right* is designed to maintain an ethical workplace and to uphold the moral and ethical principles within our Code of Ethics. It includes the Employee Concerns Disclosure Program, which deals with concerns from employees involving such issues as accounting and auditing irregularities, threats to personal safety and health, environmental violations and personal harassment.

¹ Disputes are issues between the company and the potentially impacted community that are related to land use and customary and other rights of communities and Indigenous Peoples. "Significant disputes" are disputes that are longer term (greater than two years) and are assessed as Level 4 or 5 severity on Teck's risk management consequence matrix (spanning from Level 1 to 5, with 5 being highest), which includes environmental, safety, community, reputational, legal and financial aspects.

Our *Doing What's Right* program accepts complaints in the languages of all regions where Teck is active (see [Our Approach to Business Conduct](#) for more information). Our *Doing What's Right* program prohibits retaliation against any person reporting a concern in good faith or participating in an investigation relating to a concern. This program also serves as a practical measure to prevent intimidation of union representatives or workers. Individuals making a claim as part of this program are not required to waive any rights. We encourage community members to bring forward concerns and feedback, including those related to human rights, through our site-level feedback mechanisms.

Managing Incidents

Teck defines an incident as an “undesirable event arising from company activities that is both unplanned and uncontrolled, regardless of the severity of consequences”. Company-wide criteria have been established for sites to identify, report and evaluate the severity of consequences with respect to community incidents. Sites are expected to follow up on all incidents to understand the impacts and to implement corrective actions, with more significant incidents potentially subject to root cause investigation, with sites required to conduct effectiveness reviews of corrective actions.

Providing Benefits

Teck works to generate value from the extraction, processing and sale of metals, minerals and steelmaking coal to ensure the long-term sustainability of our operations and their contribution to communities. This value is largely represented through economic contributions to the countries, regions and communities where Teck operates in the form of benefits such as taxation and payments to governments, procurement of goods and services, and employment at operations or on capital projects.

These benefit streams result in meaningful overall contributions to the gross domestic product, labour income, government revenue, and job creation and sustainment. We disclose our accounting of these contributions in our annual [Economic Contribution Report](#). Additionally, Teck endeavours to provide benefits directly to communities through local hiring and procurement, community investments and agreements with Indigenous peoples.

Local Hiring and Procurement

Local hiring is a priority at Teck operations. We define local employees and suppliers as those based in the host provinces and states and, in the case of Chile, the region of the site. This definition is further divided into two subcategories: Local-Localized and Local-Provincial/State. To ensure that local hires have the skills necessary for employment and advancement, we support access to relevant training opportunities at or near Teck's sites.

Where possible, our sites also utilize local suppliers,

providing that they meet our health, safety, environmental and community requirements, and provide cost-competitive goods and services. Commitments regarding procurement and hiring practices are also often included in agreements between Teck and Indigenous communities.

It is our goal to increase local employment and procurement opportunities by 2025 to deliver direct economic benefits to communities.

Community Investment

Teck recognizes that the well-being of our communities is fundamental to the long-term success of the company. Teck is committed to maximizing its investments in communities to foster trusted relationships and resilient, thriving communities in collaboration with the people who live in the areas where we operate. Through Teck's Community Investment Program, we invest in organizations and initiatives that create shared value, support sustainable development, and focus on shared strategic outcomes that help advance the achievement of the UN Sustainable Development Goals.

Our Community Investment Program is guided by best practices from the International Finance Corporation and the London Benchmarking Group. We aim to contribute, at a minimum, 1% of our pre-tax earnings on a five-year rolling average basis to community investment. We have also set a sustainability goal to deliver positive social, economic and environmental outcomes for communities and Indigenous Peoples by contributing \$100 million to community organizations and global initiatives, including our Zinc & Health and Copper & Health programs, by 2025.

Teck's investment approach focuses on three types of investment categories:

- **Charitable Donations:** Contributions in response to the needs and appeals from community organizations, including disaster relief or events
- **Community Development:** Investments into programs and partnerships that address broader social and environmental issues aligned with our community investment strategy and that have longer-term objectives
- **Commercial Initiatives:** Contributions that directly support the success of the company, its corporate brand or its licence to operate and/or advance the reputation of mining and metals while also delivering social or environmental benefits

Investments within these categories are directed within four areas of focus: Nature and Climate, Community Wellness, Indigenous, and Education and Equity at the local, regional, national and global levels, with an additional prioritization on programs that support youth, Indigenous Peoples and diversity (specifically, gender).

See the [Community Investment](#) page on our website for further information and case studies of our community investment partnerships.

Our Targets and Commitments

Our sustainability strategy guides our long-term approach and goals related to relationships with communities and Indigenous Peoples across the organization.

Strategic Priority:

- Collaborate with communities and Indigenous Peoples to generate economic benefits, advance reconciliation efforts and improve community well-being

Goals:

- Increase local employment and procurement opportunities by 2025 to deliver direct economic benefits to communities
- Achieve greater representation of Indigenous Peoples across our business by 2025 by increasing employment and procurement through business development, capacity-building, education and training opportunities
- Deliver positive social, economic and environmental outcomes for communities and Indigenous Peoples by contributing \$100 million to community organizations and global initiatives, including our Zinc & Health and Copper & Health programs, by 2025

For more information on our sustainability strategy goals, see the [Sustainability Strategy](#) section of our website.

We report on our performance against indicators and goals related to Relationships with Communities on an annual basis in our [Sustainability Report](#).

Assurance Related to Relationships with Communities

Teck takes an effective, efficient, risk-focused and integrated approach to assurance activities, which ensures internal controls are appropriately designed and operating effectively. These assurance activities include:

- Risk assessments and control verification at sites and in business units
- Sustainability internal audits and mid-term effectiveness reviews conducted at sites by Teck’s Sustainability Assurance team
- Corporate annual internal audits conducted by Teck’s Assurance and Advisory team
- External assurance by independent auditors for relevant regulatory and voluntary membership requirements

Following each of these processes, applicable management teams use the results to inform future actions and Teck’s five-year planning process.

Assurance Related to Relationships with Communities

Type	Organization	Items Reviewed
Internal	Teck (risk-based sustainability audits)	<ul style="list-style-type: none"> • Adherence to regulatory and permit requirements • Effectiveness of controls based on risk profile • Sustainability Standards
Internal	ISO 14001 internal audits	<ul style="list-style-type: none"> • Components of the environmental management system at each certified site including communities
External	Mining Association of Canada: Towards Sustainable Mining assurance	<ul style="list-style-type: none"> • TSM Indigenous and Community Relationship Protocol
External	International Council on Mining and Metals: Sustainability Report Assurance and Performance Expectations	<ul style="list-style-type: none"> • Total number of new significant disputes • Principle 3: Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities (Performance Expectations 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9) • Principle 9: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities (Performance Expectation 9.1, 9.2, 9.3, 9.4)
External	ISO 14001 external audits	<ul style="list-style-type: none"> • Components of the environmental management system at each certified site, including communities
External	The Copper Mark	<ul style="list-style-type: none"> • Issue area 3: Stakeholder engagement • Issue area 23: Community Health & Safety • Issue area 24: Community Development • Issue area 28: Indigenous Peoples Rights • Issue area 30: Cultural Heritage