

# Community Engagement



## What is in this Topic?

Achieving support from local communities, community disputes, community engagement, positive and negative impacts (e.g., employment, inflation, and infrastructure), grievance mechanisms for impacts on society.

## Performance Highlights

### 887 responses

received through our feedback mechanism. Common topics were related to environmental questions and concerns, Indigenous-related concerns or concerns originating from Indigenous COIs, opportunities related to community investment, and our mining activities.

## Learn More

[Understanding Company-Community Relations Toolkit — ICMM](#)



## Why was Community Engagement a Material Topic in 2015?

**Global Context:** In response to increasing expectations for business involvement in addressing global challenges such as climate change and access to water, communities increasingly question business activities and, at times, withhold support. In addition, technology and connectivity is reshaping how communities engage with the broader world, which is creating new risks and opportunities. Through technology, communities can readily organize and respond to business activities and they are often faster than government or civil society in effecting change.

Maintaining trust through effective community engagement is critical to long-term business viability. In the 2015 PwC survey of CEOs, 55% surveyed reported that they are concerned about the lack of trust in business today — compared with 37% just three years ago. With the growing importance of building trust between communities and business, it is essential to build effective and long-lasting relationships with communities of interest (COIs).

### Industry Context

While community engagement can be considered a normal part of doing business for mining companies, the importance of building trust and support for projects and operations continues to increase and evolve. Conflicting interests between communities and companies can result in project delays, operational disruption and increased costs. A 2015 International Council on Mining and Metals (ICMM) stakeholder perception survey showed that only 25% have positive perceptions of the mining industry's progress towards sustainable development. In their 2016 *Tracking the Trends* report, Deloitte reported that mining projects with capital expenditures of between US\$3 and US\$5 billion can incur weekly losses of roughly US\$20 million due to delayed production caused by community opposition.

Communities may be affected by the potential environmental and social impacts of mining, such as competition for water and energy, emissions to air, and stress on public services. At the same time, there can be significant opportunities when these impacts are understood and well managed in collaboration with communities.

Relationships that are built upon trust, transparency and mutual benefits are fundamental for mining companies to secure access to land during exploration and attain regulatory approvals throughout the mining life cycle.

### Teck Context

Many of our operations are located immediately adjacent to local communities, such as our Carmen de Andacollo Operations, Trail Operations and Elkview Operations located next to Andacollo, Trail and Sparwood, respectively. Even our operations that are located a significant distance from settlements, such as Red Dog Operations in the Northwest Arctic, have the potential to both positively and negatively impact communities across the region. While specific opportunities and concerns about the impacts of our activities vary among communities in the areas where we operate, one of the common expectations of communities is meaningful engagement throughout the mining life cycle.

In 2015, we took a number of measures to reduce costs across our operations in response to persistent challenging market conditions. These measures included workforce reductions and reductions in capital spending, some of which impact local hiring and procurement. Given these circumstances, we worked to increase our engagement with local COIs to keep them informed of the challenges we faced and the steps we took to address them. Similarly, we engaged with communities specifically on tailings management in 2015, in response to the tailing dam breaches at the Mount Polley and Samarco mines, operated by other companies.

## How Does Teck Manage Community Engagement?

Our vision is to build strong relationships with communities and create lasting mutual benefits based on respect for what communities value through engagement. Community engagement is an iterative and ongoing process of developing and deepening the relationship between our sites and COIs.

Community engagement is guided by our Health, Safety, Environment and Community (HSEC) policies and Management Standards as outlined on page 12, our Human Rights and Indigenous Peoples Policies, and the Social Management and Responsibility at Teck (SMART) Framework. These standards, policies and management tools inform all activities across Teck and across the mining life cycle. Through meaningful engagement and collaboration, we build trusting relationships with COIs to manage social risks, impacts and opportunities, and comply with HSEC Management Standards and international commitments.

At Teck, we begin engagement with communities at the earliest phase of the mining life cycle in order to achieve and maintain community trust and support for our activities. We work to engage communities and continuously demonstrate our ability to effectively manage environmental and social impacts while providing opportunities and mutually defined benefits throughout the mining life cycle. Engagement to develop an understanding and earn early support for our activities has the potential to reduce costs, increase the predictability of project development timelines and budgets, and generally strengthen long-term relationships with COIs.

### Social Management and Responsibility at Teck (SMART) Framework

The SMART toolkit provides guidance to achieve conformance with our community-related HSEC Management Standards.

The SMART tools and guides are categorized into:

- **Thematic guides**, which provide a definition and explanation of relevant themes throughout the mining life cycle; these themes include human rights, the rights of Indigenous Peoples, gender and vulnerable groups
- **Process tools**, which provide direction on understanding and managing the social impacts of our activities; these tools include engagement planning, social risk assessment and managing social impacts
- **Phase-specific tools**, which provide guidance on thematic and process activities specific to a phase in the mining life cycle, such as during the exploration or closure stage

Learn more about our approach to managing community engagement through SMART [on the Community Engagement section of www.teck.com](http://www.teck.com).



### Our Targets and Commitments

Our goal is to engage with communities to identify social, economic and environmental priorities and to mutually define outcomes and measures of success.

We recognize that the strength of our relationships with communities is determined by how effectively we:

- Achieve and maintain effective and meaningful communications with local communities
- Manage our impacts on local communities
- Create sustainable benefits for local communities

# How Does Teck Manage Community Engagement?

## Implementing the SMART Framework

We have Communities teams at all our operations who are focused on implementing these tools to build and strengthen trust-based relationships with our local COIs. At our exploration and development projects, exploration geologists and project managers are provided with the tools and training they need to effectively and appropriately engage with local COIs through all stages of their activities. These

exploration and development personnel are supported by country-based communities specialists. Teck's corporate community team provides guidance and reviews performance related to understanding and managing our impacts on, and relationships with, COIs across operations, projects and exploration activities. The SMART tools are implemented in a "Plan-Do-Check-Act" cycle, which uses planning, implementation, monitoring, and review processes to drive improvements in managing social risks and opportunities as outlined in the table below.

Table 18: **Implementing Social Management Activities**

Management Actions	Implementation Detail
	<b>Plan</b>
<b>Understand the broad socio-economic context, undertake a social risk assessment, and plan risk management activities</b>	<p>We conduct social baseline studies to understand existing socio-economic conditions in the region. We have conducted social baseline studies at the majority of our operations and at key development projects to identify opportunities for improvements to community well-being. The baseline information also enables Teck to measure socio-economic performance.</p> <p>We conduct social impact assessments to help us understand how our activities might positively and negatively impact local communities, and as required by regulatory approval processes. For example, we completed social impact assessments for the Baldy Ridge Expansion Project in the Elk Valley. We also initiated a social impact study in support of the Quebrada Blanca Phase 2 project in Chile.</p> <p>We also conduct social risk assessment to help us understand how and why impacts from our activities are relevant to our COIs and how external factors can affect COI acceptance of our activities, and, ultimately, our ability to conduct business.</p>
	<b>Do</b>
<b>Engage with COIs and manage risks</b>	<p>Starting from early exploration, we conduct COI mapping and "Area of Influence" exercises in order to help define local COIs that we then seek to engage with. Early engagement gives communities an opportunity to learn about Teck, who we are, how we operate, and the details of our proposed exploration long before any activities begin. This allows the community to develop an understanding of our activities and an early opportunity to express their concerns and interests. Teck also benefits from establishing these early relationships. When this occurs, we are more likely to develop exploration projects that can incorporate community feedback and secure their support. We conduct Area of Influence and COI identification exercises at all our operations, development and exploration projects.</p>
<b>Maximize positive impacts and minimize negative impacts through proactive management actions that are informed by community consultation</b>	<p>We minimize our negative impacts primarily through stringent and comprehensive environmental management systems and through engagement to understand and manage issues of importance to COIs. We maximize positive impacts by seeking ways to improve the socio-economic well-being of local communities through local employment and procurement opportunities, taxation and payments to governments, and direct voluntary investments into communities. Please see the Economic Performance and Contributions section starting on page 23 for detailed discussions on how we accomplish this goal.</p>
	<b>Check and Act</b>
<b>Monitor and evaluate performance to understand the effectiveness of management actions and improve on them where necessary</b>	<p>Our primary means for measuring the effectiveness of our management approach is through the information we receive via feedback mechanisms and engagement, including surveys, workshops, town hall meetings, and grievance mechanisms. Our feedback mechanisms are designed to enable our COIs to ask questions, to express concerns and provide feedback about any area of our activities, and to receive a timely response. Through direct engagement with local COIs, we can gauge the success of our management approaches and determine how we need to adjust them to improve results.</p>
<b>Recognize and adapt to changes in impacts throughout the mining life cycle</b>	<p>Operations routinely update their social risk assessments to ensure the impacts of our activities are avoided or minimized and, where unavoidable, rehabilitated or rectified. This process of continual improvement is embedded in our system and helps us to respond to changing conditions or priorities of COIs where we operate. Building on engagement and assessment activities, we analyze the results and, incorporating our past experiences and industry knowledge, can reasonably foresee issues that will need management, as well as opportunities for the realization of benefits.</p>

## Case Study

### Evaluating Effectiveness of Social Management Systems to Maintain Community Support for Exploration Projects in Turkey

Exploration teams are sometimes the first contact with local communities, so it is critical that we get it right at the beginning. In northwestern Turkey, geologists in Teck's exploration team first engaged with local communities in 2006 as we built a portfolio of projects.

Turkey is home to one of our largest exploration drilling programs for gold and copper. As project activities advanced through to drilling and resource estimation, our capability and capacity to engage with the community expanded to include dedicated community professionals on the exploration team to address the risks and opportunities of mining. For example, they identified an opportunity to raise awareness of mining for one community that was previously unfamiliar with mining. Community members were taken to see a modern active zinc mine to demonstrate responsible management of mining activities including, mitigation of environmental impacts, as well as the positive impacts on the local economy and community well-being.

More recently, the community team engaged with potentially vulnerable groups in the local community, the women and children, through health and educational seminars, initiatives with schools and additional mine tours.

In 2015, we took the opportunity to evaluate the effectiveness of the SMART tools currently in use. The goal of the evaluation was to update and strengthen the exploration team's skills to authentically and transparently engage with local community members, so that ultimately we obtain the community's support to proceed with geological investigations and maintain support through mapping, technical reviews and drilling.

The review brought together 20 key members of the Turkey exploration team including, senior geologists, communities professionals, project managers and the country manager over five days.

The workshop and training helped identify areas for improvement, such as an anonymous feedback mechanism

for vulnerable members of one local community, and opportunities to facilitate development partnerships. An engagement strategy developed in the workshop provided a scalable process for the exploration teams to consider on other projects. In the months following the workshop, the training and guidance tools have been used to update community engagement strategies implemented by exploration geologists and community professionals at other key projects in the broader district in support of early engagement.



## Encouraging Community Feedback

In order to build strong relationships with communities based on trust and mutual respect, it is essential that the interests of communities are heard and that their concerns are addressed. Teck staff at all sites undertake frequent and, at times, significant engagement activities with communities to bring these interests and concerns to light. These activities include regular disclosure about site activities, direct consultation on significant changes in mining activities, and the creation of formal processes with community members to address issues in an ongoing and cooperative way.

Teck also provides direct feedback mechanisms at every site to specifically ensure that those who want to submit

any kind of feedback — be it a comment, question, concern or complaint — are able to do so easily and, if they choose, anonymously. Our SMART Feedback Mechanism Tool guides the process of developing and implementing a feedback mechanism appropriate to the scale of mining activity. These mechanisms may include dedicated phone lines, in-person or online platforms to provide feedback. To date, all of Teck's operations, projects and exploration sites have implemented feedback mechanisms. Feedback items that are received are recorded using our TrackLine system and categorized into four levels:

1. Feedback/donation request
2. Question or concern

# How Does Teck Manage Community Engagement?

3. Issue, concern or grievance
4. Repeated and ongoing concern, or an issue, concern or grievance that is major in nature and may include a breach of law or company policy

Levels 3 and 4 feedback items are referred to as “grievances,” recognizing that they are often specific issues of concern to community members that require a response and potential further action from the company.

We investigate all grievance-type feedback to determine the root cause and to implement appropriate actions, and we communicate this information in a timely manner back to the concerned party. Our aim is to resolve and close out any grievance to the satisfaction of all parties, and as applicable, recommend and/or implement changes to our practices, procedures and activities to prevent future grievances.

## Case Study

### Project Corridor: Partnering to Create Value in Chile

In August 2015, Teck and Goldcorp announced an agreement to combine their respective Relincho and El Morro projects, located approximately 40 kilometres apart in the Huasco Province in the Atacama Region of Chile, into a single project with the interim name of Project Corridor.

**“Combining these two neighbouring assets is a commonsense approach that allows us to consolidate infrastructure to reduce costs, reduce the environmental footprint and provide greater returns over two stand-alone projects,”**

Don Lindsay, President and CEO

Community concerns associated with environmental protection of watersheds contributed to the decision to combine the projects. Combining these two projects is expected to provide a number of benefits, including:

#### Reduced environmental footprint

Project Corridor will reduce infrastructure requirements, including using a single desalination plant, a single port, a single transmission line, a single concentrator and a common tailings facility. As a result, the environmental footprint of Project Corridor will be significantly less than the combined footprint of the stand-alone projects. The use of a common tailings facility located at the Relincho

site responds to concerns expressed by local communities regarding the location of the previously proposed El Morro tailings facility within the agriculturally important Huasco River watershed.

#### Lower cost, improved capital efficiency

Common infrastructure will significantly reduce project capital costs and ongoing operating costs. Further, the Preliminary Economic Assessment contemplates a phased development approach that will allow future expansions to be funded from project cash flows, which will significantly reduce the initial funding requirement.

#### Optimized mine plan

The integrated project is one of the largest undeveloped copper-gold-molybdenum projects in the Americas. Project Corridor allows for the optimization of both resources, resulting in a longer mine life of at least 32 years, based on existing proven and probable reserves, with the scope for further extensions, given the significant exploration potential across the combined property.

#### Enhanced community benefits

Project Corridor is expected to provide significant economic benefits to the local region. An estimated 4,000 jobs will be created during the construction

phase and 1,400 jobs during operation. The increased mine life will also provide longer-term employment opportunities and community investment.

#### Community engagement

Project Corridor will continue to undertake extensive engagement with communities, Indigenous Peoples and other communities of interest to help guide the project’s development. In the months ahead, project staff will be meeting with the community and Indigenous Peoples to explain the Project Corridor concept and will work collaboratively to define the project’s engagement model. This process will be facilitated by two independent organizations with expertise in community engagement and experience in enhancing social performance and socially sustainable outcomes for resource projects.





## What was Our Performance in Community Engagement in 2015?

All operations, projects and exploration sites continue to demonstrate a high level of performance on engagement with key COIs to address current and emerging issues and maximize opportunities that provide strategic value for both Teck and those communities.

We demonstrate our performance in community engagement by reporting on dialogue training, impact management, general feedback received, grievances and disputes. For a detailed discussion on our 2015 performance in creating sustainable benefits for local communities, please turn to page 23 in the Economic Performance and Contributions section of this report.

### Progress on Implementing the SMART Framework

In 2015, we continued to support work on the Frontier Project and Quebrada Blanca Phase 2 social and environmental impact assessments using SMART tools. We used the SMART framework to provide early guidance for Project Corridor. The SMART framework and training were also used to guide completion of social risk assessments at all of our operations and key development projects.

In addition, we focused on continuous improvement in engagement including dialogue training for Communities staff and other key members at our Quebrada Blanca and Carmen de Andacollo Operations, Santiago office and Project Corridor. This approach to engagement helps strengthen our mutual understanding of priorities and concerns.

### Engagement on Actual or Potential Impacts

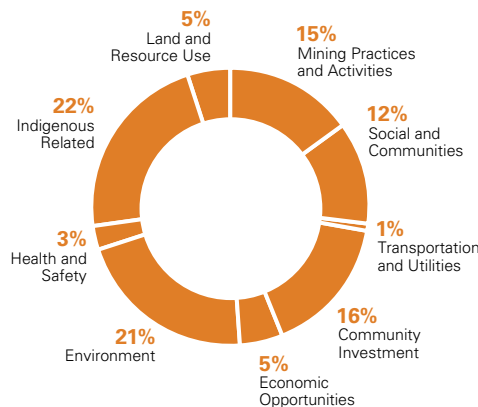
Activities across the mining life cycle may result in a range of social, economic and environmental impacts. Examples of specific impacts experienced at our operations in 2015 and how we responded are discussed in Table 19. Please refer to [the Engaging with Communities of Interest section of our website](#) for a detailed discussion on how we engage our COIs to understand their concerns and avoid, minimize and mitigate issues.

### Feedback Mechanism Activity in 2015

In 2015, we received 887 feedback responses through direct feedback

mechanisms established across our sites. Figure 13 below illustrates a breakdown of feedback received through those mechanisms by category. Common topics included environmental questions and concerns, Indigenous-related concerns, opportunities related to community investment, and our mining activities.

Figure 13: 2015 Total Feedback Received Through Feedback Mechanism by Topic Category



In 2015, we received less community feedback through our mechanisms than we did in 2013 and 2014. Having analyzed data over three years, we believe this is largely attributed to shifts in project permitting and exploration activities that resulted in higher quantities of feedback through our mechanisms in those previous years. We also believe that continued proactive engagement with our communities has created more opportunities for COIs and individuals to provide feedback directly to company representatives without using formal feedback mechanisms. Nevertheless, Teck will continue to monitor the performance of feedback mechanisms and engagement processes across sites to ensure that communities continue to have diverse opportunities to engage with and provide feedback to all our operations, major projects and key exploration projects.

### Perspective on Community Engagement

“The relationship between companies, especially those in the extractives industry, and communities is evolving from a focus on social responsibility to defining and achieving shared value. In many cases, financial contributions designed with the best intentions did not respond to the priorities and expectations of the community. The challenge today is for both sides to identify a shared development strategy and work collaboratively in its implementation.”

Ximena Abogabir,  
Founder and Board Member,  
Casa de la Paz, a civil society organization

### Sustainability Strategy Spotlight

#### Progress Against Our 2015 Goals

Continued work towards implementation of community aspects of our HSEC Management Standards and expanded our use of Social Management and Responsibility at Teck (SMART) tools to 100% of operations, including integration of social considerations into closure planning.

For a full list of 2020 and 2030 community goals, see page 18.

## What Was Our Performance in Community Engagement in 2015?

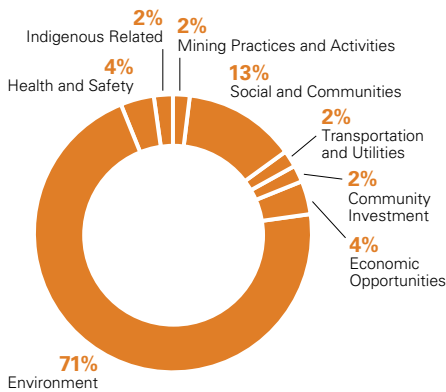
Table 19: **Actual and Potential Impacts from Our Activities and Major Engagement Activities**

Actual or Potential Impacts on Communities from Our Activities	Sites	Major Engagement Activities
Community: Concerns about Red Dog Operations (RDO) activities related to subsistence resources, traditional land use, and community health	Red Dog Operations in Northern Alaska	We supported an independent process for the community of Kivalina to evaluate changes of traditional use resulting from the presence of RDO. We are working with NANA and the Kivalina IRA Council to establish a formal working group with the community of Kivalina. The objective of the working group is to develop an independent and collaborative process for the community to investigate and address their concerns related to the mine's activities.
Socio-economic: Socio-economic impacts on the District of Sparwood from the development of the Baldy Ridge Extension (BRE) project	Elkview Operations (EVO) Operations in the Elk Valley of British Columbia	In collaboration with the District of Sparwood, we developed a community engagement plan focused on local COIs to ensure potential impacts of the BRE project are minimized and mitigated.
Environmental: Potential impacts on aquatic or human health from selenium levels	Steelmaking coal operations in the Elk Valley of British Columbia	We facilitated community consultation on the first year of implementation of the Elk Valley Water Quality Plan to communicate progress and solicit feedback on continuous improvement.
Socio-economic: Potential impacts on relationships with Indigenous Peoples as a consequence of lack of awareness of customs, culture or manners		With the support and participation of the Ktunaxa Nation, we completed cross-cultural training to educate employees on cultural awareness and sensitivity at all Elk Valley operations.
Environmental/socio-economic: Actual and potential impacts on agricultural livelihoods and community well-being due to dust from blasting	Carmen de Andacollo Operations (CdA) in Northern Chile	At CdA in Chile, we are working closely with the community and regulators to address concerns associated with dust related to blasting and mining activities. In late 2014, the Chilean government established requirements aimed at improving air quality (particulate dust levels) in the community of Andacollo. The plan, which came into force on January 1, 2015, sets out commitments, terms and responsibilities for Teck, for another local mining company and for local government towards improving air quality in the Andacollo region. In response to these requirements and as part of ongoing efforts to improve air quality and reduce dust in the Andacollo region, senior management from Carmen de Andacollo, representatives from Chile's Ministry of Environment and municipal government officials announced the launch of the operation's detailed Atmospheric Decontamination Plan. The plan's objective is to lower dust emissions by 65% over the next two years.
Economic/human rights: Balancing land use and access with the right to a livelihood from artisanal and small-scale mining (ASM)		In 2015, there were 25 ongoing contracts with small-scale miners, of which 15 are active. The purpose of the contracts is to improve the health, safety, and environment and community aspects of small-scale mining extraction in areas of CdA. These efforts help strengthen the livelihoods of the small scale miners by providing guidance on occupational safety and health and best practices in collaboration with the government of Chile. The contracts also form an agreement between the small-scale mines and the government on security, mining and rehabilitation.
Environment: Impacts on water	Exploration in Canada	Exploration conducted pre-drill and post-drill water surveys on a number of sites to build an understanding of water chemistry and monitor potential impacts. Through engagement with COIs, this effort helps to build trust as well as enhance understanding of mineral exploration. In 2015, Teck tested a semi-closed diamond drilling system to manage water use and capture drill cuttings from drilling.
Human Rights: Impact on livelihood	Exploration in Canada	Helicopter transportation to remote sites has the potential to impact the livelihood of guide outfitters. To avoid disruption, we engage early with guide outfitters to discuss our proposed exploration activities and work closely with them to plan our programs respecting their guiding activities.  In 2015, we had an unplanned interaction in the field with a guide outfitter. We received their feedback and engaged with them early in the year to work with us during planning stages to ensure we did not disrupt their activities again.

## Grievances and Disputes

In 2015, of the total feedback received, 66 were considered grievances (classified as level 3 or level 4 feedback). Some disputes may be related to the rights of Indigenous Peoples. Please refer to page 63 in the Engaging with Indigenous Peoples section of this report for more detail.

Figure 14: 2015 Total Grievances Received Through Feedback Mechanisms by Topic Category



It is important to note that the specific topics of grievances are determined by the individuals who file the grievances. They may be reflective of either perceived or actual events taking place as a result of company activities, and therefore do not necessarily constitute an actual negative impact or non-conformance event by the company. Teck’s practice is that all feedback is acknowledged, assessed and a response is communicated to the complainant with the goal of providing a satisfactory reply or resolution for that complainant.

Disputes are considered significant when they cannot be resolved jointly with the complainant, are repeated or widespread, are breaches of law or company policy, are accusations related to human rights or the rights of Indigenous Peoples, or are related to death or serious illness. In 2015, two of

Teck’s operations — Carmen de Andacollo and Red Dog — experienced significant disputes summarized below:

### Carmen de Andacollo Operations

A significant community dispute occurred at Carmen de Andacollo (Operations CdA) in 2015. Two blockades occurred in July 2015 on a highway near the mine. The dispute was primarily related to ongoing grievances associated with dust. CdA is actively updating its engagement strategy in response to this incident and working to better understand the root cause of these disputes with the goal of engaging proactively with all communities of interest.

### Red Dog Operations

At our Red Dog Operations, two significant disputes occurred. The first dispute was a petition from the Kivalina IRA Council to the Environmental Protection Agency (EPA) to commence a Preliminary Assessment and determine if activities at Red Dog pose a human health or environment risk. Teck collaborated with NANA to engage with the Kivalina IRA Council to develop a Memorandum of Agreement to create an independent and collaborative process to investigate and address concerns. As a result, the Kivalina IRA Council requested the EPA withdraw their petition for a Preliminary Assessment.

A second dispute was related to subsistence hunting. In September 2015, Red Dog briefly closed access to the road between the port and mine site in response to concerns of the Red Dog Subsistence Committee, who stressed the importance of ensuring mining activities do not impede caribou migration. Although efforts were made to communicate the reason for the closure, several calls and emails were received from Iñupiat residents alleging this action impeded their right to subsistence hunting. Red Dog and the Subsistence Committee are examining options to improve approaches and communications with Iñupiat residents for 2016.

### Update From Our Subject Matter Experts

“Teck has implemented a range of cost reduction measures in order to remain competitive, including a workforce reduction and overall spending cuts. Some of these measures have had an impact on local communities through the decline in local procurement and hiring. This underscored the importance of continuing to engage with communities on the challenges we are facing, the measures we are taking to address them and how we can work together to mitigate impacts wherever possible.”

Amparo Cornejo, Director, Social Responsibility and Corporate Affairs.

### Outlook for Community Engagement

The slowdown in the global mining industry will continue to have impacts on Teck and communities, as we implement further measures to reduce costs and improve competitiveness. As such, we will continue to be transparent around the economic issues we are facing and how we are responding. By continuing to integrate these activities across the mining life cycle — from exploration to projects to operations — and engaging with communities to identify social, economic and environmental priorities and mutually define outcomes, we will work towards our vision of building strong relationships and creating lasting mutual benefits.