

Relationships with Indigenous Peoples



Relationships with Indigenous Peoples

Building relationships and trust with Indigenous Peoples is not only an important aspect of sustainable resource development, but is also an integral part of the process to advance reconciliation with Indigenous Peoples. Standards such as the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Sustainability Framework of the International Finance Corporation (IFC) guide companies across all industries in creating such relationships.

Industry context

The majority of mining industry operations and many development projects are located within, or immediately adjacent to, Indigenous Peoples' traditional territories. This makes it vital to establish and maintain strong relationships with Indigenous Peoples and to mitigate impacts throughout the mining life cycle.

Teck context

Teck recognizes and respects the rights, cultures, interests and aspirations of Indigenous Peoples, and we are committed to building strong and lasting relationships. We work to achieve the free, prior and informed consent of Indigenous Peoples for our activities and we support self-defined community goals that provide lasting benefits. We continue to rely on the negotiation of mutually beneficial agreements as a foundation for strong and positive relationships, and we are proud to have signed 14 new agreements with Indigenous communities in 2019, bringing the total number of agreements to 75.

GRI Indicators and Topic Boundary

204-103, 411-103, 411-1, G4-MM5, G4-MM6

This topic is considered one of the most material by Indigenous Peoples, regulators and society in the context of all Teck sites located within or adjacent to Indigenous Peoples' territories.

How Does Teck Manage This Topic?

Information about how we manage relationships with Indigenous Peoples, including relevant policies, management practices and systems, is available for download on our website.

2019 Highlights

\$225 million

spent on Indigenous businesses through procurement

14

new agreements and **75** total agreements with Indigenous Peoples

Our Performance in Relationships with Indigenous Peoples in 2019

Our Targets and Commitments Teck is committed to responsible resource development and we recognize that building strong relationships with Indigenous Peoples that help us understand each other’s perspectives and priorities is fundamental to our success, as outlined in our Indigenous Peoples Policy. The following table summarizes our performance against our 2020 sustainability goals for relationships with Indigenous Peoples, and introduces our new strategic priority and goals.

2020 Sustainability Strategy Goals	Status	Summary of Progress in 2019
Refine our business policies and practices based on results of our social risk assessments, our work in human rights, and developments in the rights of Indigenous Peoples.	On track	<p>Completed a review of our Social Management and Responsibility at Teck (SMART) Framework and updated SMART tools on resettlement and influx management.¹⁰</p> <p>Developed and piloted a new feedback management effectiveness tool and continued our implementation of the new version of the data collection system.</p> <p>Improved social risk management through professional development and collaboration models for internal practitioners and developed new content to incorporate social management and human rights considerations into workplace training.</p>
Work with Indigenous Peoples to identify and participate in initiatives to support the self-defined goals of Indigenous communities.	On track	<p>Advanced development of Teck’s Reconciliation Action Plan, which includes our current actions and future commitments to build strong relationships and enhance respect between Indigenous Peoples and non-Indigenous peoples, organizations and communities in Canada.</p> <p>Continued to implement collaborative processes established with Indigenous Peoples to support their goals, in accordance with agreements with Indigenous Peoples at our sites including Red Dog, Highland Valley, Elk Valley and Quebrada Blanca Phase 2 (QB2).</p>

2020 Sustainability Strategy Goal	Status	Summary of Progress in 2019
Develop metrics for monitoring Indigenous training, employment and procurement to establish baselines and drive progress.	On track	Defined a set of verifiable common measures for Indigenous training, employment and procurement for collection and reporting by sites beginning in 2020.

New Strategic Priority and Goals

Strategic Priority	Goals
<ul style="list-style-type: none"> Collaborate with communities and Indigenous Peoples to generate economic benefits, advance reconciliation efforts and improve community well-being 	<ol style="list-style-type: none"> 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. <p>Details about the context, definitions and key performance indicators related to this strategic priority and these goals are available on our website at www.teck.com/responsibility.</p>

Key Performance Indicators

<p>2019: \$225 million (3%)</p> <p>2018: \$209 million (4%)</p> <p>2017: \$138 million (3%)</p>	<p>2019: 14 new agreements</p> <p>2018: 22 new agreements</p> <p>2017: 23 new agreements</p>	<p>2019: 3 significant disputes^{(1),(2)}</p> <p>2018: Zero significant disputes</p> <p>2017: Zero significant disputes</p>
<p>Indicator Procurement spend with Indigenous suppliers</p> <p>Target Increase procurement spend with Indigenous suppliers relative to total spend</p>	<p>Indicator Number of agreements with Indigenous Peoples</p> <p>Target Negotiate agreements with Indigenous Peoples affected by our activities</p>	<p>Indicator Significant disputes⁽¹⁾ relating to land use and the customary rights of local communities and Indigenous Peoples</p> <p>Target Zero significant disputes</p>

(1) Disputes are conflicts between the company and the impacted community related to land use and the customary rights of local communities and Indigenous Peoples. "Significant community disputes" are those disputes that cannot be resolved jointly within a reasonable time frame, are repeated or widespread, or represent potentially significant or long-term financial, legal or reputational consequences for the community or company.

(2) See page 43 in the Relationships with Communities chapter for description of disputes.

Recognizing and Respecting the Interests and Rights of Indigenous Peoples

We continue to engage with Indigenous Peoples early in our planning processes and work to achieve their free, prior and informed consent when proposing new or substantially

modified projects, as outlined in our Indigenous Peoples Policy, which is available at teck.com/media/Indigenous-Peoples-Policy.pdf.

Table 10: Summary of Engagement with Indigenous Peoples in 2019

Site	Major Activities
Cardinal River Operations	Engagement focused on the regulatory approval process for the MacKenzie Redcap extension project in early 2019. Later in the year, it was determined that this extension would not proceed and that planning would begin to close the operation in 2020. Subsequently, engagement shifted to address the implications of this decision with Alexis Nakota Sioux Nation, Ermineskin Cree Nation, Whitefish Lake First Nation, O’Chiese First Nation, Sucker Creek First Nation and Mountain Cree.
Frontier project ⁽¹⁾	Initiated implementation of 14 agreements with Indigenous groups potentially impacted by the project. These groups were provided the opportunity to review and provide input into the draft conditions for project approval established through government review processes. In addition, provided significant capacity support to Indigenous groups involved in discussions with federal and provincial governments.
Highland Valley Copper Operations	Engagement activities focused on implementation of agreements with 17 Indigenous communities. Agreement topics discussed included Indigenous business opportunities, employment, and environmental and land use interests. Collaboration also focused on developing a review framework for joint decision-making and collaboration on a project review for a major mine extension and reclamation and closure planning. Implementation of UNDRIP and reconciliation were two topics that framed the discussion at many tables.
Quebrada Blanca Phase 2 (QB2) project	Engagement was conducted as set out in the agreements established with Indigenous communities in relation to QB2. This engagement supported implementation of social and economic development initiatives, addressed commitments established in the QB2 Environmental Qualification Resolution, and served as a forum for inquiries and updates regarding QB2 construction.

(1) As of February 2020, we have withdrawn the Frontier project from the regulatory review process. However, active engagement with Indigenous Peoples and communities, among other activities, took place in 2019.

Site	Major Activities
Red Dog Operations	Conducted community meetings in all 11 Indigenous communities near Red Dog Operations. Meetings were also held with Indigenous organizations and governments, which included Indigenous leadership from nearby communities, NANA Regional Corporation, the Northwest Arctic Borough and Assembly, Regional Elders Council, Village Improvement Commission and Economic Development Council. Subsistence Committee meetings were also held quarterly as well as quarterly Siŋgaqmiut Working Group meetings. Significant engagement was conducted regarding exploration activities. Engagement activities included negotiations with two Indigenous governments, meetings with community leadership, helicopter tours and community meetings.
Steelmaking coal operations in the Elk Valley	Ongoing engagement was conducted with the Ktunaxa Nation through our joint Environment and Cultural Working Groups as well as the Procurement and Employment Task Groups. Key engagement topics included mine development and water treatment projects, ongoing development of a Cultural Management Plan, sharing business opportunities and enhancing our employment-related communication. We also participated in a number of cross-cultural exchanges, including haul truck ride-alongs, a tour of mine operations for youth, community presentations, participation in a Ktunaxa Culture Camp, and a May Mining Event at the Tobacco Plains community for Ktunaxa and other regional Indigenous learners.
Trail Operations	Focused on community investment and engagement with Circle of Indigenous Nations Society (COINS) and Kootenay South Métis Society. We also held an engagement session (which is an annual session) with COINS as general outreach and hosted Ktunaxa Economic Development members at Trail Operations to discuss potential opportunities.

Incidents and Significant Disputes

Of the three total significant community disputes reported in 2019, there were two significant disputes for Teck involving Indigenous Peoples in 2019. Please see page 43 in the Relationships with Communities section for a full description of these disputes. In this section we also report on incidents involving Indigenous Peoples.

Cultural Awareness Training

We regularly deliver training on Indigenous Peoples' rights and cultural awareness for exploration, operations and management staff. In 2019, approximately 1,150 people at our sites attended cultural awareness training, which supports understanding and appreciation for cultural diversity and encourages maintaining a safe and respectful work environment in alignment with Teck's culture, values and beliefs.

Action on Reconciliation

Teck is committed to playing a role in reconciliation with Indigenous Peoples, particularly in Canada, and continues to work in partnership with Reconciliation Canada to support

their vision of revitalizing the relationships among Indigenous Peoples and all Canadians. As part of this effort in British Columbia, Teck continues to support the implementation of the Memorandum of Understanding on economic reconciliation between the Business Council of British Columbia and the BC Assembly of First Nations. Teck's Indigenous Peoples Policy will also continue to provide a framework for our work with Indigenous Peoples. In addition, we are continuing to proactively engage in government-led initiatives to improve the lives of Indigenous Peoples in several jurisdictions through their participation in mining-related activities.

Negotiating and Implementing Agreements

In 2019, there were 75 active agreements in place with Indigenous Peoples, including 14 new agreements, ranging from exploration agreements to impact benefit agreements.¹¹ For a full list of our active agreements with Indigenous Peoples for projects and operations, see our 2019 Sustainability Performance Data spreadsheet.

¹¹ An agreement typically made with Aboriginal or Indigenous Peoples that outlines the potential impacts of a project, the commitment and responsibilities to mitigate these impacts and the economic and other benefits that will be shared with the Aboriginal or Indigenous party.

Case Study: Supporting Centro Originarias, the First Indigenous Women’s Empowerment Centre in South America

In 2019, Indigenous community members joined representatives from local government, Teck and UN Women to celebrate the opening of *Centro Originarias* in Iquique, Chile — a unique facility that will help to empower Indigenous women. The first of its kind in South America, the *Centro Originarias* provides Indigenous women with tools and training to develop

skills, build networks and improve their well-being through economic opportunity. To date, more than 180 women from communities throughout the region have received training, and 25 Indigenous women have been trained as economic development facilitators. Read the full case study at teck.com/news/stories/.

Sharing Economic Benefits

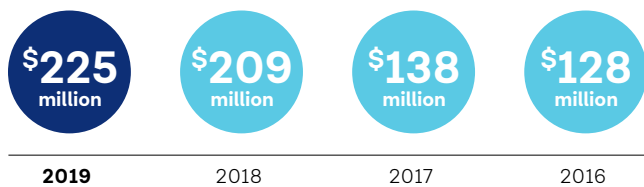
Employment is one way in which local communities can benefit from our operations, and we work with local Indigenous communities to increase the number of Indigenous Peoples employed at Teck. As part of our ongoing efforts to improve our performance with regard to Indigenous employment, we have collected data on the number of applicants for employment who self-identify as Indigenous. In 2019, we had a total of 7,564 applicants across the company who self-identified as Indigenous, which represents 8% of the total applicants received. In 2019, there were 108 Indigenous new hires at Red Dog Operations, which represents 66% of the total new hires at Red Dog and 302 employees were NANA shareholders, representing 57% of the total number of employees at Red Dog Operations.

We continue to work on our data-collection and analysis processes in order to support efforts towards strengthening our relationships with Indigenous communities by ensuring we are effectively sharing the benefits of mining, including employment and procurement opportunities.

Procurement from Indigenous Suppliers

In 2019, our operations spent approximately \$225 million with suppliers who self-identified as Indigenous; this represents a small increase compared to 2018. In 2019, 48% (\$155 million) of spending at Red Dog Operations was with Indigenous suppliers — where Indigenous procurement is one of the cornerstones of our operating agreement with NANA Regional Corporation.

Figure 6: Procurement Spend on Suppliers Who Self-Identified as Indigenous



Case Study: Sustainable Mining through Collaborative Shared Governance at Red Dog Operations

The success of Teck’s Red Dog Operations, one of the northernmost mines in North America, is the result of a unique and innovative operating agreement between a mining company and Indigenous Peoples. Since 1986, this agreement between Teck and the landowner NANA, a Regional Alaska Native corporation owned by the Iñupiat people of northwest Alaska, has governed the

activities at Red Dog. The Red Dog Management Committee, made up of six representatives each from Teck and NANA, is an integral part of this governance, ensuring operations are environmentally sustainable, and that they bring economic and social benefits to the region and support the Iñupiat way of life. Read the full case study at teck.com/news/stories/.

Procurement with Indigenous businesses is critical in sharing the economic benefits of mining. Many of our agreements with Indigenous Peoples contain commitments to support our shared interest in ensuring Indigenous businesses are able to provide goods and services to our sites at reasonable cost. In 2019, we developed site-based tools to enhance procurement with Indigenous businesses, including a review of procurement processes and documents and developing best practice guidance.

Community Investment Focused on Indigenous Peoples

In 2019, \$2.4 million of our community investment went towards Indigenous-specific investments, compared to \$2.9 million in 2018. A noteworthy investment in this area was our support for Noatak Hasty Crew, which is a volunteer emergency first responder team based in the remote village of Noatak, Alaska. Total community investment by Teck in 2019 is reported on page 46.

Outlook for Our Relationships with Indigenous Peoples

As we move forward with the implementation of our existing agreements with Indigenous Peoples, we will continue to engage early and effectively at all stages of the mining life cycle. We will advance Teck's actions for reconciliation, in support of working with Indigenous Peoples, to identify and execute initiatives and sustainable development projects that support the self-defined goals of their communities. In 2020, we will continue to focus on the development and implementation of agreements with Indigenous Peoples impacted by our sites. We will also continue to develop and evolve our approaches to consultation, as legislative initiatives in Canada and elsewhere change and advance our work on performance management and improve our baseline indicators to track the performance of our commitments as outlined in agreements.

Moving forward, we will work towards our strategic priority of collaborating with communities and Indigenous Peoples to generate economic benefits, advance reconciliation efforts and improve community well-being. We have set new goals related to Indigenous Peoples, which include achieving greater representation of Indigenous Peoples across our business by 2025 by increasing employment and procurement through business development, capacity-building, education and training opportunities. We will also 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. Our focus in 2020 will be on concluding the final steps of our 2020 goals within our previous sustainability strategy, and on making progress towards achieving our new goals.