

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

Many of our operations are located adjacent to local communities. Maintaining strong relationships with local communities and other communities of interest (COIs) is a strategic business priority across all of our operations, as 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 shared benefit opportunities 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 our Health, Safety, Environment and Community (HSEC) Management Standards. 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 Senior Vice President, Sustainability and External Affairs.

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 our Chief Executive

Officer and is responsible for sustainability, health and safety, environment, community, 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 management and responsibility, community engagement, community investment and Indigenous relations

At each of our operations, we have a designated team leading Teck's work in building relationships with communities. 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 practices, including community and Indigenous engagement, and to ensure they are fully integrated into each of our activities.

Teck's HSEC Management Standards outline the framework for the identification and effective management of HSEC 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 management and responsibility 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 10 Principles, including Principle 9 on social performance and Principle 3 on human rights, including Performance Expectations 3.1–3.8 and 9.1–9.4
- **Mining Association of Canada (MAC):** Promotes the development of Canada’s mining and mineral processing industry; through MAC, we are required to implement the Towards Sustainable Mining program, including the Indigenous and Community Relationships Protocol, which aids in improving industry performance

- **The Copper Mark:** An assurance framework developed by the International Copper Association in 2019 to promote industry-wide responsible copper production practices and to demonstrate the industry’s commitment to green transition
- **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.

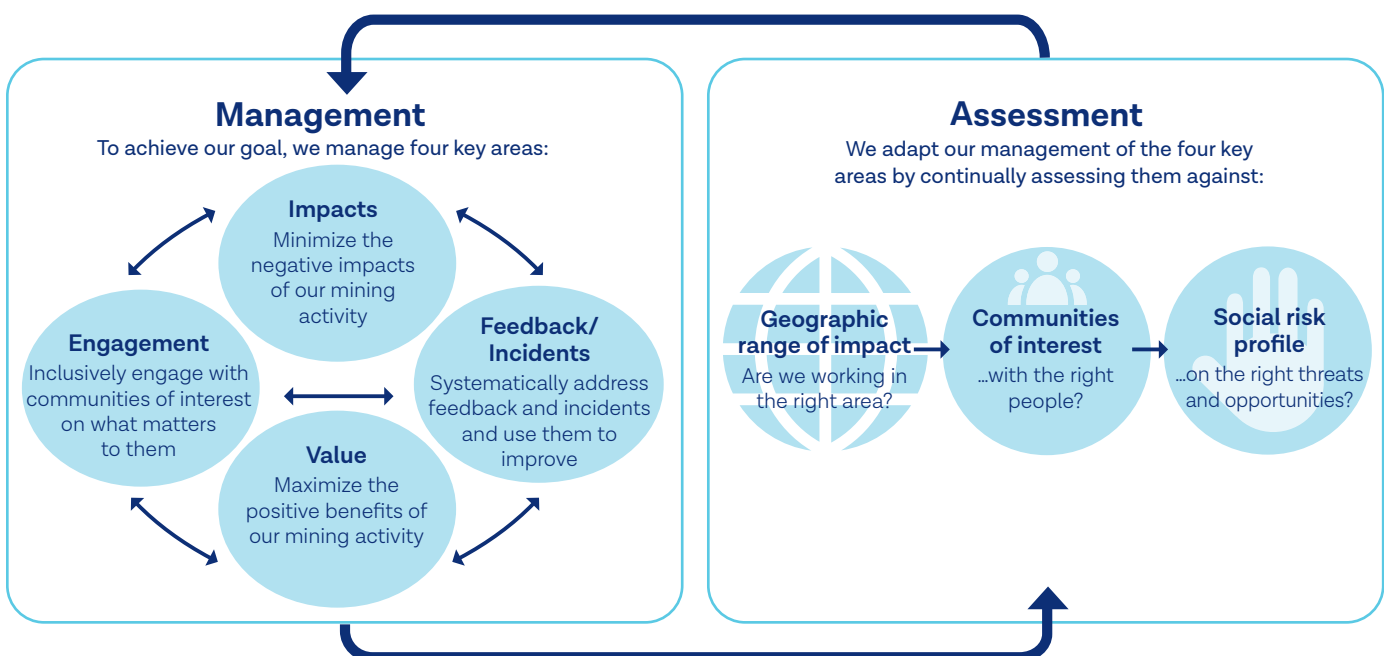
Approach to Managing Relationships with Communities

We share the benefits of mining with our communities. We employ community development and engagement professionals at all of our operations to enable a dialogue that delivers procurement and employment opportunities, community investment and development, and resolution of issues related to the impacts of mining.

Since 2009, Teck has been utilizing our Social Management and Responsibility at Teck (SMART) Framework as our approach to improving our social performance across Teck’s sites, while also recognizing the unique context and circumstances of each region. In 2021 and 2022, we updated our HSEC management standards to align with external commitments and requirements for social performance. We are in the process of developing a Social Performance Standard, which will replace our current SMART Framework across Teck in 2023.

Teck’s Social Management and Responsibility at Teck (SMART) Framework

Goal: Facilitating responsible mining activity by maintaining good relationships with our communities of interest





Community of Andacollo, Chile, 2017.

Based on a comprehensive and regular assessment of our social context and risk, we focus on four core social management areas that are essential for establishing and maintaining strong positive relationships:

- **Engagement:** Engaging with people on what matters to them while identifying opportunities to maximize their input into decision-making
- **Impacts:** Working to mitigate or minimize the negative impacts of our activities
- **Feedback and Incidents:** Systematically addressing and learning from feedback received and incidents that occur
- **Adding value:** Identifying opportunities to maximize the positive benefits of our activities

We have communities teams 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, and in regularly reviewing performance. Communities team members are provided training to build the skills necessary to fully engage with us and participate in decision-making wherever practical.

Identifying Communities of Interest (COIs)

Identifying COIs begins with evaluating the geographic range of impact of a site's or project's activities by developing an area of influence (AOI) map, which includes direct and indirect impacts that are assessed. As such, 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; therefore, ensuring a socio-economic profile is developed, reviewed and updated is an important step in the identification of COIs.

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. Teck assesses both the social risks that may be created from the impacts of mining as well as the risks to Teck's business as a result of social grievances. Teck's social risk assessments are conducted annually or when significant changes occur. As part of Teck's risk management process, risks of higher magnitude are added to operational risk registers and reviewed quarterly. We then systematically identify and evaluate challenges that Teck and identified COIs can pose to one another. 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, rather than on issues management. 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, as well as the threats and opportunities associated with those impacts. It enables us to manage impacts and understand the effectiveness of our management actions.

Guided by our HSEC Management Standards and our SMART Framework, our operations, exploration sites and projects identify and prioritize local and regional COIs, undertaking broad, inclusive and regular engagement activities.

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. 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 maximize mining activities 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 Teck's [Our Approach to Human Rights](#) for our activities and approach to managing artisanal and small-scale mining.

Managing Community Feedback

Teck has response mechanisms at every operation and project and in every exploration region to specifically ensure that those who want to provide feedback— whether it's positive or negative, including a question, concern or request for information—are able to 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 response items, 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 annual opinion surveys, community residents are able to provide feedback on Teck's activities. This information is 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 the 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, contractors and suppliers, and 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 ensure that our moral and ethical principles within our Code of Ethics are upheld. 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.

This program accepts complaints in the languages of all countries where Teck is active (see [Our Approach to Business Ethics](#) 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 implement corrective actions, with more significant incidents potentially subject to root cause investigation.

¹ Significant disputes are those that cannot be resolved within a reasonable time frame, that are repeated or widespread, or that represent potentially significant financial, legal or reputational consequences for the community or company.

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 annually disclose our accounting of these contributions in our annual [Economic Contribution Report](#). Teck additionally 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 province(s) and state(s) 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.

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 three pillars of good health and well-being; inclusion and sustainable livelihoods and environmental stewardship 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

At Teck, we conduct four types of assurance:

- Audits of operations and business units
- Corporate annual HSEC assurance and mid-year effective checks conducted by Teck's HSEC 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 types of assurance, 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 Health, Safety and Environment audits)	<ul style="list-style-type: none"> • Adherence to regulatory and permit requirements • Effectiveness of controls based on risk profile
External	Mining Association of Canada: Towards Sustainable Mining assurance	<ul style="list-style-type: none"> • Community of interest (COI) identification • Effective COI engagement and dialogue • COI response mechanism • Reporting
External	International Council on Mining and Metals: Sustainability Report assurance	<ul style="list-style-type: none"> • Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples • Principle 3: Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities • Principle 9: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities
External	International Council on Mining and Metals: Performance Expectations	<ul style="list-style-type: none"> • Performance Expectations 3.1–3.8: Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities; 9.1–9.4: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and 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