

Teck Trail Operations Engaging with Our Community Fall 2019

Engagement Report

September –
December 2019

teck.com/engagetrail

The background of the cover features a scenic landscape. In the foreground, a wide river flows with gentle ripples. In the middle ground, a multi-arched bridge spans the river. The background is composed of rolling hills and mountains, some with patches of snow, under a clear blue sky with a few wispy clouds.

Teck

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1. About Teck

Teck is a diversified resource company committed to responsible mining and mineral development with business units focused on copper, zinc, steelmaking coal and energy.

Trail Operations is one of the world's largest fully integrated zinc and lead smelting and refining complexes. We source mine concentrates from all over the world and convert them into products that support modern day life. Our operation is an integrated part of Teck's broader zinc business, and the primary refiner for concentrates from our Red Dog mine in northwest Alaska.

Trail Operations is proud to be a part of the local community. We have approximately 1,400 employees living in Trail, Castlegar, Warfield, Fruitvale, Montrose, Rossland and the surrounding areas.

Examples of How our Products are Used

Trail's integrated metallurgical processes produce such products as:



Zinc

Coating to prevent rust in cars and other steel products



Fertilizer and Sulphur Products

Agriculture and industrial applications



Lead

Vehicle batteries



Specialty Metals

Computing infrastructure such as LCD screens, fibre optic cable, and semiconductors

These products are integral to the homes we live in, the cars we drive, and the electronics that power our lives.



2. Fall 2019 Community Engagement

2.1 Purpose

In fall 2019, we shared information about Teck Trail Operations and gathered feedback from our community. The community engagement process was designed to provide an opportunity for participants to hear directly from our team and give us input on what they are interested in and how they want to engage with us in the future.

2.2 Participation

There were a total of 203 participant interactions during the community engagement:

- 60 people attended four Small Group Community Meetings
- 37 elected officials and municipal staff attended six presentations to the Mayors and Councils of Trail, Castlegar, Rossland, Fruitvale, Montrose and Warfield
- 98 feedback forms were completed (76 online and 22 hard copy)
- 8 mail and email submissions were received

2.3 Engagement Materials and Topics

Trail Operations provided information about our facility and Teck through a discussion guide, which was provided to meeting attendees and available online at teck.com/engagetrail.

Topics covered in the discussion guide included:

- Health and Safety
- Environmental Responsibility
- Community Investment
- Workforce Development
- Planning for the Future

A feedback form sought input regarding what topics participants would like to learn and provide feedback about in the future and how they would like to receive information and provide feedback going forward. There was also an opportunity in the feedback form for participants to provide additional comments, interests or issues regarding Trail Operations.

2.4 Notification

Notification activities to inform the community about the opportunity to participate in the engagement process were broad:



Postcards: Mailed to 16,273 residents and businesses in Trail, Rossland, Warfield, Montrose, Fruitvale and the surrounding rural areas in Regional District of Kootenay Boundary Areas A and B



Social media: Facebook ads reached 6,034 people in Trail, Rossland, Castlegar and Fruitvale between September 19 and October 30, 2019



Print and online advertisements:

- West Kootenay Advertiser: September 19, 2019
- Trail Times: September 24 – 26, 2019
- Trail Champion, Castlegar Source, and Rossland Telegraph: September 19 – 30, 2019



Emails to Communities of Interest (COIs):

21 local community organizations were emailed an invitation to attend a meeting or participate online

2.5 Engagement Methods



2.5.1 Small Group Community Meetings

Members of the community were invited to register for one of four Small Group Community Meetings held at the Best Western Plus Columbia River Hotel in Trail:

- Tuesday, October 1, 2019
1:00 pm – 3:00 pm
- Tuesday, October 1, 2019
6:00 pm – 8:00 pm
- Wednesday, October 2, 2019
10:00 am – 12:00 pm
- Wednesday, October 2, 2019
6:00 pm – 8:00 pm

At these meetings, representatives from Trail Operations briefly presented the information in the discussion guide, and participants were invited to provide comments and ask questions.

Key themes from these meetings can be found starting on page 4.



2.5.2 Municipal Meetings

As part of the engagement process, representatives from Trail Operations met with Mayors, Councillors, Chief Administrative Officers (CAOs) and staff of the following municipalities:

- City of Rossland
Friday, October 18, 2019 – 6 attendees
- Village of Montrose
Monday, October 21, 2019 – 5 attendees
- Village of Fruitvale
Monday, November 4, 2019 – 5 attendees
- Village of Warfield
Wednesday, November 6, 2019 – 7 attendees
- City of Trail
Monday, December 9, 2019 – 6 attendees
- City of Castlegar
Tuesday, December 10, 2019 – 8 attendees

Key themes from municipal meetings can be found starting on page 5–6.



2.5.3 Feedback Form and Submissions

Engagement participants were encouraged to read the discussion guide and complete the feedback form in hardcopy or online at teck.com/engagetrail.

Submissions were also received through mail and email.

Results from the feedback form and submissions can be found starting on page 7–11.



3. What We Heard

3.1 Summary

Overall, here is what we heard through this engagement process:

- Participants wanted to learn more about Trail Operations, what we do, how we do it, and how we're planning to be viable in the long term.
- All of the topics presented by our team were of interest for future engagement, with environmental performance and career opportunities topping the list.
- Participants were generally pleased with the progress we've made to address environmental and community impacts, but want us to continue our efforts, particularly around air quality, noise and climate change.
- Participants were interested in how we partner with economic development organizations and educational institutions to develop and increase awareness of the skills and training required to work at Trail Operations, particularly to increase diversity in our workforce and to ensure local residents have an opportunity to work with us.
- Participants appreciated the chance to engage with us and want more opportunities to continue the conversation.

3.2 Small Group Community Meetings – Key Themes

The following are key themes from the discussions that occurred at the small group community meetings:

Tuesday, October 1, 2019, 1:00 pm – 3:00 pm

- Participants asked about Teck Trail Operations' financial performance, productivity, longevity, and prosperity.
- Participants raised questions about Trail Operations' community and environmental impacts, including noise, sulphur dioxide (SO₂) and greenhouse gas emissions, and requirements for transportation providers following the 2018 acid spills.
- Participants were interested in training for the local workforce given the increased sophistication of roles, and ways to improve the diversity of the workforce at Trail Operations.

Tuesday, October 1, 2019, 6:00 pm – 8:00 pm

- Participants sought information regarding training opportunities for local students, and Teck's collaboration with institutions to ensure the community is aware of the skills and training required to work at Trail Operations.
- Participants discussed local innovation opportunities for partnership with institutions in the Kootenays.

Wednesday, October 2, 2019, 10:00 am – 12:00 pm

- Participants asked questions about environmental impacts on the community, including spill response, new processes for suppliers as a result of the acid spills in 2018, noise monitoring, and light emitted from the new acid plants.
- Participants sought information about workforce diversity, and Teck's work with local institutions on curriculum to assist students in obtaining the education required to pursue jobs at Trail Operations.
- Participants discussed Trail Operations' positive impact resulting from local community investment.

Wednesday, October 2, 2019, 6:00 pm – 8:00 pm

- Participants asked about Trail Operations' environmental initiatives, including the soil management plan, the Groundwater Treatment Plant, and sulphur dioxide capture rate.
- Participants suggested beautification measures, including continuing to plant coniferous trees along the smelter boundaries.
- Participants sought information about training opportunities for local students who would want to work in the area, and workforce diversity.

3.3 Municipal Government Meetings – Key Themes

The following are key themes from the discussions that occurred at the presentations to municipal governments:

City of Rossland, Friday, October 18, 2019

- Participants asked about environmental initiatives, including the Trail Area Health and Environment Committee yard remediation program, the possibility of carbon capture, the reduction of sulphur dioxide emissions, and the Effluent Treatment Plant.
- Participants sought information about the acid spills, and any changes in emergency response protocols and training.
- Participants sought information about Trail Operations' community investment process, and whether Trail Operations is contributing to the Lower Columbia Initiatives Corporation circular economy initiative.
- Participants sought operations-related information, including the use of revenue from the Waneta Dam sale, research and development, environmental policies for contractors, e-waste recycling, and workforce development.

Village of Montrose, Monday, October 21, 2019

- Participants sought information about Teck and Trail Operations, including e-waste recycling, Teck's steelmaking coal operations and the Waneta Dam sale.
- Participants asked about health and safety, including acid spill prevention and response, blood lead levels of employees and community members, and personal protective equipment on site.
- Participants asked about Trail Operations' workforce development, including increasing the number of female applicants for jobs, and noted that Trail Operations is a leader in trades apprenticeships.
- Participants complimented Teck Operations on environmental improvements.

Village of Fruitvale, Monday, November 4, 2019

- Participants sought information about Teck and Trail Operations, including participating in the circular economy, global competitiveness, the Waneta Dam sale, and whether Trail Operations is impacted by Teck's steelmaking coal operations facing low prices.

- Participants asked about workforce diversity, in particular increasing the number of female applicants by reducing barriers for entry and engaging with local schools to promote women in roles at Trail Operations.
- Participants sought information about environmental components, including water use from the Columbia River, carbon taxes and offsets.
- Participants asked about community investment for a potential museum in the Village of Fruitvale.

Village of Warfield, Wednesday, November 6, 2019

- Participants asked about Trail Operations' economic performance following Teck's cost reduction initiatives, including global layoffs, and in the emerging lithium battery and electric vehicle market.
- Participants sought more information about community safety considerations related to property near an elementary school, fire risk related to fuel use, wildfire mitigation, and emergency response.
- Participants asked about the transportation of Teck's products and waste, including train container contents and the use of trucks instead of trains. They also requested information about acid shipments to the United States.



City of Trail on Monday, December 9, 2019

- Participants asked about global competitiveness as it relates to products, investing in technology that reduces environmental impacts, and Teck's steelmaking coal business unit.
- Participants sought more information about technology and initiatives to improve environmental performance, including sulphur dioxide capture and soil management.
- Participants asked about Trail Operations' workforce demographics.
- Participants sought more information about the community engagement process and encouraged information sharing beyond the Greater Trail Area.

City of Castlegar on Tuesday, December 10, 2019

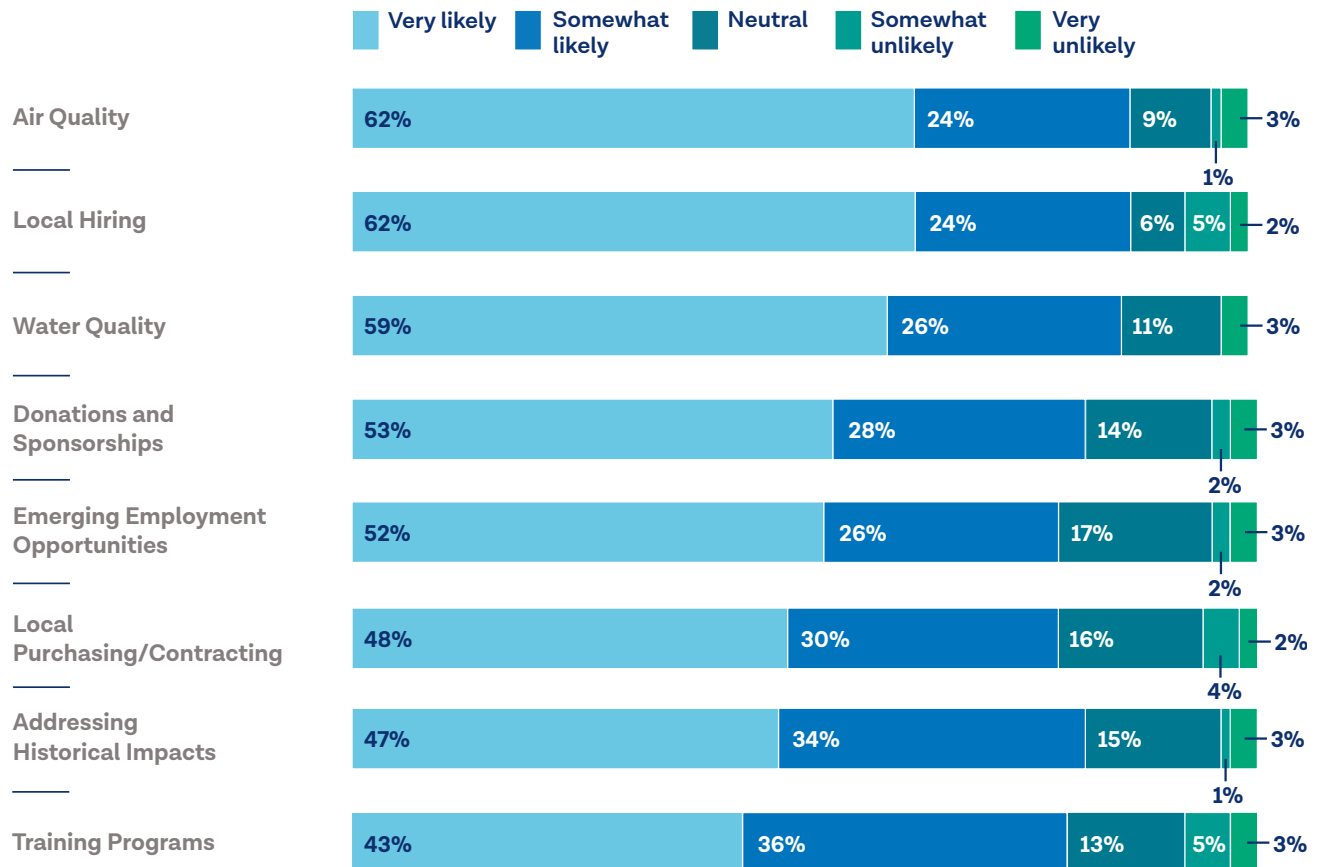
- Participants asked about competitiveness given Trail Operations' geographic location, the market for products and capital investments.
- Participants sought more information about transportation requirements in light of the 2018 acid spills and about sulphur dioxide emissions.
- Participants asked about Trail Operations' longevity in terms of the Waneta Dam sale, Red Dog Mine's expected lifespan and Teck's announcements about layoffs related to steelmaking coal prices.
- Participants asked about Trail Operations' human resources response and practices in relation to workplace harassment, and training and education to increase workforce diversity at Trail Operations.
- Participants sought information about Trail Operations' community investment process. They also suggested increasing community engagement opportunities and education on what Trail Operations does.

3.4 Feedback Form

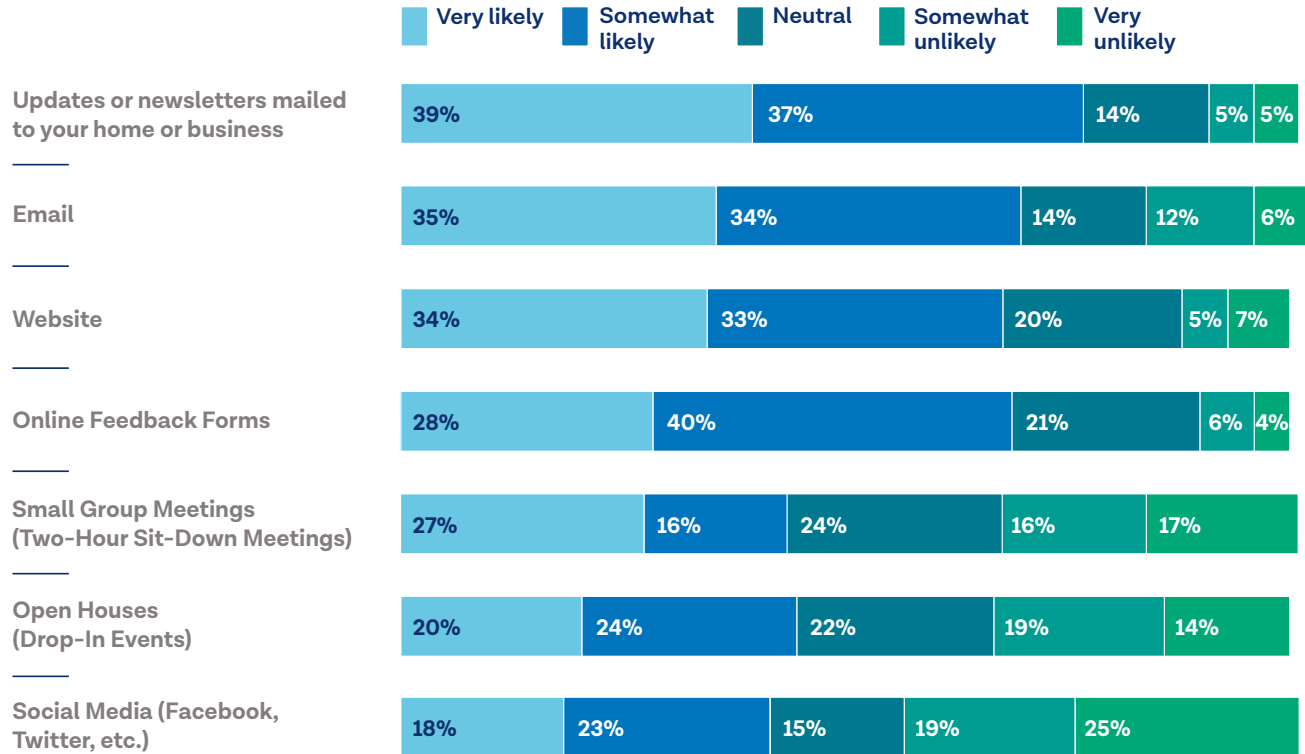
The following are the results from the 98 feedback forms and 8 submissions.

These results reflect the views of engagement participants, but may not be representative of the community as a whole as participants self-selected into the engagement process and are not a random sample. The number of people responding to each question ranged from 93 to 96. Some totals may not add to 100% due to rounding.

1. How likely would you be to read information or provide feedback regarding the following topics?



2. How likely would you be to read information or provide feedback through the following methods in subsequent years?



3. Are there any comments, interests or issues you would like to provide regarding Trail Operations?

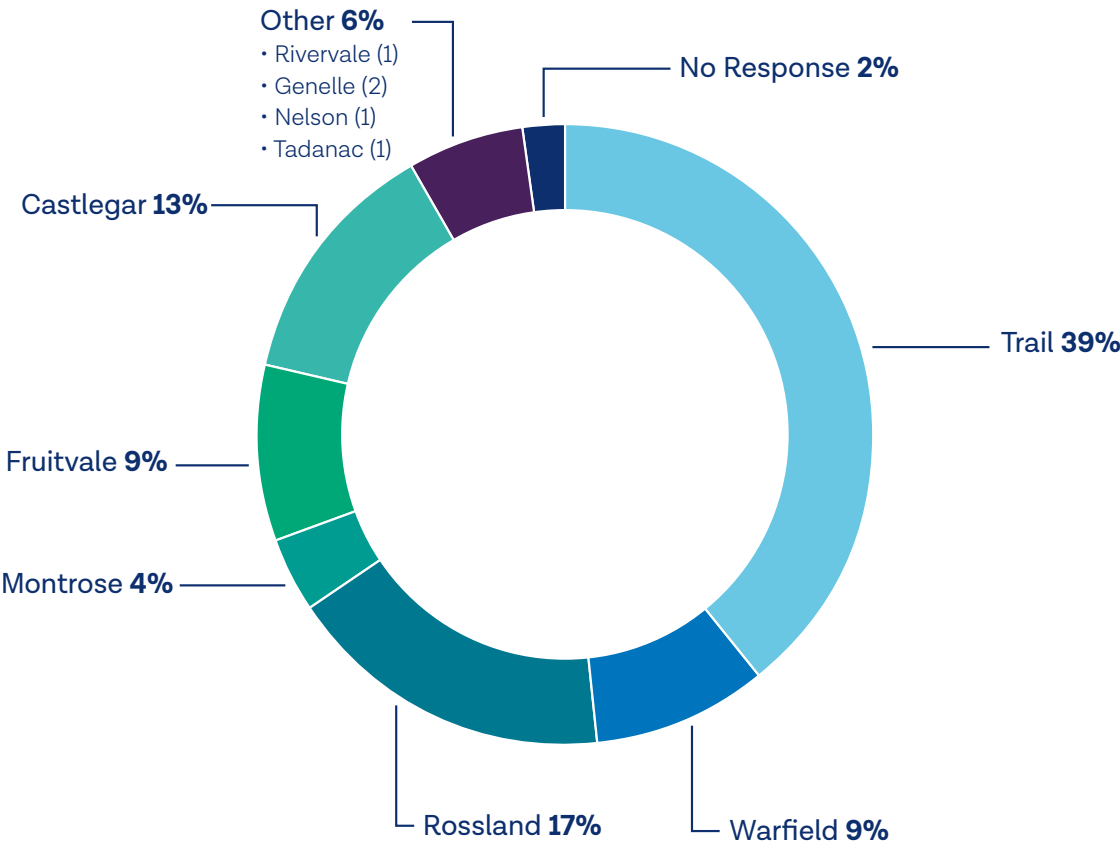
The following are the most frequently mentioned themes from the 59 respondents who provided comments in the feedback form, as well as the eight submissions received by email. It should be noted that some respondents may have provided comments on more than one topic.

Themes	#
Support for Trail Operations' role in the community, including: <ul style="list-style-type: none"> • Operating as responsible corporate citizens and community supporters • Contributing to the economic viability of the region • Employing many local residents • Appreciation for the opportunity to engage with Teck through this consultation process • Donating to local institutions, such as the Kootenay Boundary Regional Hospital 	11
Suggestions for Trail Operations' communications and information sharing with the community, including: <ul style="list-style-type: none"> • Radio broadcasts and a community website/app to provide real-time information related to Trail Operations • Hosting a public open house • Reporting any spills to the authorities and the public in a timely manner • Ensuring transparency with future plans so both Trail Operations and the community can be successful • Clarifying Trail Operations' financial position • Offering more opportunities to read information and give feedback on noise pollution • Communications related to safety should be a priority between Teck and the community 	10
Requests for more information about Teck Trail Operations, including: <ul style="list-style-type: none"> • Products • Innovation • Financial reports • Competitiveness globally • Aesthetic initiatives (visual impact mitigation) • Hiring processes • Climate change offsetting efforts • Contract awarding processes • The Waneta Dam sale 	10
Suggestions for community initiatives for Trail Operations to consider, including: <ul style="list-style-type: none"> • Continuing and/or increasing support of local non-profits • Creating procurement policies that encourage using suppliers that provide living wage employment • Supporting development of low-income housing • Installing decommissioned machinery and/or components in downtown Trail as public art/historical artifacts • Increasing signage in Trail that explains what Teck Trail Operations does • Focusing on beautification, including planting coniferous trees 	8

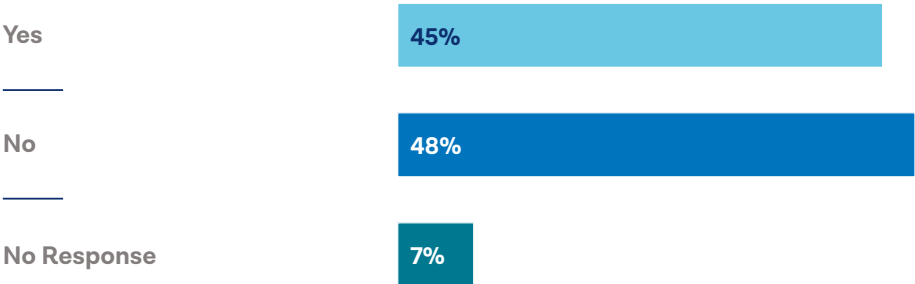
Themes	#
<p>Concern regarding the community impacts from Trail Operations, including:</p> <ul style="list-style-type: none"> • Noise from Trail Operations, in particular in Tadanac, East Trail and West Trail, at night and related to rail operation • Emissions from Trail Operations' stacks • The health of residents of Trail and the surrounding areas 	8
Concern regarding Trail Operations' financial sustainability and impact on the region's economic well-being.	7
Appreciation to Teck for involving the community and giving people an opportunity to offer feedback.	6
<p>Support for Trail Operations' improvements, including:</p> <ul style="list-style-type: none"> • Efforts to continue reducing air emissions • The maintenance and improvement of the health of the Columbia River • Reduced noise levels from Trail Operations 	5
<p>Suggestions to improve Trail Operations' employment practices and benefits, including:</p> <ul style="list-style-type: none"> • Providing more information on apprenticeships and career-related opportunities • Eliminating systemic barriers to workplace diversity • Supporting extended-hour child care and increasing the number of child care spaces • Increasing trade groups to support modernization • Offering employment opportunities for those living with mental illness • Providing personal bus passes to employees 	6
Concern about the impacts of Trail Operations on air, soil and water quality.	4
<p>Concern regarding Trail Operations workforce development, including:</p> <ul style="list-style-type: none"> • The need for educational programs for advancement, specifically from operations union jobs to management • The hiring process for summer students at Trail Operations • Teck's use of private contractors rather than union employees 	3
<p>Suggestions to improve Trail Operations' financial sustainability, including:</p> <ul style="list-style-type: none"> • Planning for near-future events, such as a potential recession and the shift to an e-industry (e.g. lithium, solar) • Further developing Teck's recycling program 	3

4. Tell us about you (optional)

Where do you live?



Are you a Teck employee?



4. Next Steps and Consideration of Input

We appreciate the time and effort that members of the community took to participate in this engagement process and to provide thoughtful feedback. We'll take the input received during the engagement process and incorporate it into our strategic planning at Trail Operations. It will also inform our community engagement plans in 2020 and beyond. We also received specific input related to current operations that we have addressed directly with community members who are affected.

Here are a few examples of how we're addressing topics that were of interest to engagement participants:

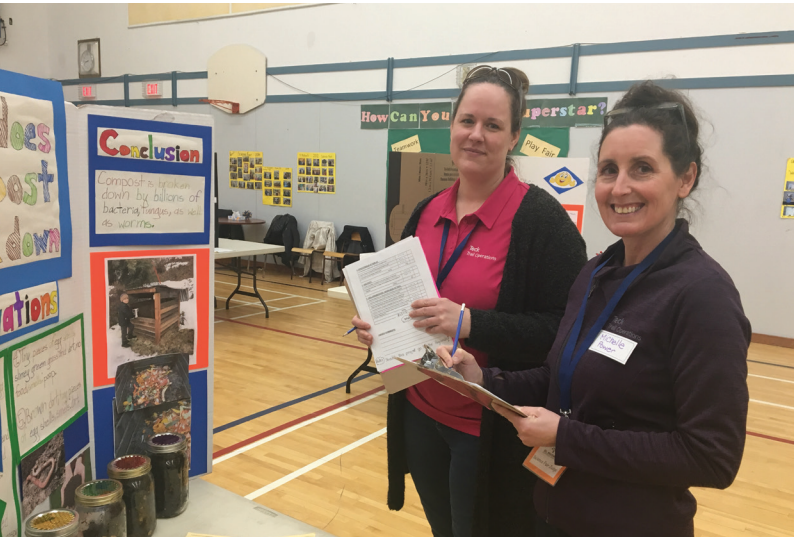
- **Addressing climate change:** Participants care about climate change and carbon emissions and want to know how Trail Operations is addressing our impacts. As a company, Teck is a signatory to the Paris Accord and is committed to acting on climate change, advancing renewable energy development and supporting the global transition to a low-carbon economy, including a commitment to achieving carbon neutrality across all operations and activities by 2050.

All the electricity used to power Trail Operations is from the Waneta Dam, a clean, renewable resource. Replacement of blast furnaces with the KIVCET lead furnace in 1997 also had a significant carbon emissions benefit. However, the current smelting process for metallurgy is a high-heat, carbon-based chemical reaction. Non-fossil fuel chemical processes for large-scale production are not yet commercially viable, but we continue to work on operational efficiencies to further enhance our environmental performance while assessing potential new technologies.

- **Continuing our efforts to reduce our environmental footprint:** We heard that participants want us to continue to reduce our impacts on the environment and the community. In partnership with the Trail Area Health and Environment Committee, we continue to focus on improving our environmental performance and working with the community to improve our community air quality. This includes further reducing fugitive dust, building on the record-low ambient lead levels reached in 2019, 2018 and 2017. Lead in community ambient air has been reduced by 53% since 2016. We have also set a goal to further decrease ambient sulphur dioxide (SO₂) by 50%, with an anticipated \$50 million investment to reduce onsite emission sources.
- **Reducing community noise:** We operate within industry standards to manage noise and endeavour to ensure our activities are conducted in a manner that minimizes disruptive noise; however, a large, modern facility such as Trail Operations will generate some noise as part of regular operations. We conduct community noise surveys every two years, and annually survey key sources of noise to identify significant changes. To help address unusual noise, we are working with a consultant to review noise sources and update our models to identify nuisance activities. In addition, we are reviewing our troubleshooting response to more quickly identify the source of abnormal noise that carries to surrounding neighbourhoods.

We appreciate feedback from the community as it helps us pinpoint nuisance noise sources that are often of an infrequent nature. With the information from our consultant and public feedback, we will identify priority actions in 2020 to further prevent or mitigate nuisance noise sources. Community members are welcome to call our Environment and Community Feedback Line at 250-346-4817 with any noise concerns and we'll work to resolve the issue.





• **Developing the next generation:** Participants wanted us to work with local educational organizations on programs to set up students for careers in the sciences, operations and trades, including positions at Trail Operations. Here's a look at some of our initiatives with local schools and Selkirk College designed to engage and support students interested in these fields:

- We have a long-standing partnership with Selkirk College that has included community investment support of major initiatives such as:
 - the recent renewals of the Nelson Trades Campus, the Aboriginal Student Gathering Place, and the Geospatial Research Centre;
 - the annual TeckServ internship program that supports Selkirk students in undertaking community-based research projects benefiting local communities; and
 - annual scholarships supporting students in business administration and metal-based trades.
- We have also partnered with Selkirk College on the development of education programs and work experience opportunities, such as the Process Operators program. Since 2010, 128 graduates, 41 of whom are female, have joined the workforce at Teck Trail Operations.
- Our engagement with elementary and secondary schools includes classroom presentations, science fair judging, participating in the annual Youth Action Summit, supporting career fundamentals through mock job interviews and resume writing, and trades tours and work experience opportunities.

- Over 130 tradespersons have graduated from our Apprenticeship Program since the program's inception in 2006, representing 45% of our current trade workforce. There are nine male and one female apprentices in the program currently. Six women have participated in the program since 2006. Approximately 95% of graduates and current apprentices were hired locally. Our partners in the program include Selkirk College, the Industry Training Authority and School District 20. Our Trades group has also supported the Selkirk College Trades Discovery for Women Program.



- **Building local business opportunities:** Participants highlighted the need to continue economic development and diversification in the region. Teck Trail Operations is a partner in Metal Tech Alley, the Lower Columbia Community Development Team Society, the Lower Columbia Initiatives Corporation and other local and international organizations that are driving innovation and business development, particularly in industrial technology and metallurgical product development. Through our local purchasing policy, we support local businesses to supply goods and services to our operation where it makes strong business sense to do so.

We look forward to future engagement with our community.