

Relationships with Indigenous Peoples



2018 marks 11 years since the adoption of the United Nations Declaration on the Rights of Indigenous Peoples by the United Nations General Assembly, and six years since the International Finance Corporation (IFC) adopted its Sustainability Framework, including Performance Standard 7. Both of these provide guidance for government and private sector interaction with Indigenous Peoples. Developing strong partnerships with Indigenous Peoples — within the mining industry and beyond — is fundamental to the mining industry and a strong economy.

Building relationships and trust with Indigenous Peoples helps provide the foundation for dialogue to ensure the impacts of mining-related activities are mitigated appropriately. The majority of our operations and most of our development projects are located within, or immediately adjacent to, Indigenous Peoples' territories. That makes establishing and maintaining strong relationships throughout the mining life cycle essential to our success.

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 were proud to sign 22 new agreements with Indigenous communities in 2018.

Our Performance in Relationships with Indigenous Peoples in 2018

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 targets and 2020 sustainability goals for relationships with Indigenous Peoples.

2020 Sustainability Strategy Goal	Status	Summary of Progress in 2018
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	All operations completed social risk assessments and human rights assessments, which are contributing to operational risk planning.
Work with Indigenous Peoples to identify and participate in initiatives to support the self-defined goals of Indigenous communities.	On track	Continued to develop Teck's reconciliation actions, which includes our commitment and actions towards building strong relationships and enhancing respect between Indigenous and non-Indigenous peoples, organizations and communities in Canada.
Develop metrics for monitoring Indigenous training, employment and procurement to establish baselines and drive progress.	On track	Completed surveys of sites, operations and exploration on current metrics, and identified a preliminary set of verifiable metrics to be collected to allow for company-wide reporting and the development of measurement systems.

2018 Key Performance Indicators

2018: \$209 million	2018: 22 new agreements	2018: 0 significant disputes
2017: \$138 million	2017: 23 new agreements	2017: 0 significant disputes
Indicator Procurement spend with Indigenous suppliers Target Increase procurement spend with Indigenous suppliers relative to total spend	Indicator Number of agreements with Indigenous Peoples Target Negotiate agreements with Indigenous Peoples affected by our activities	Indicator Significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples Target Zero significant disputes

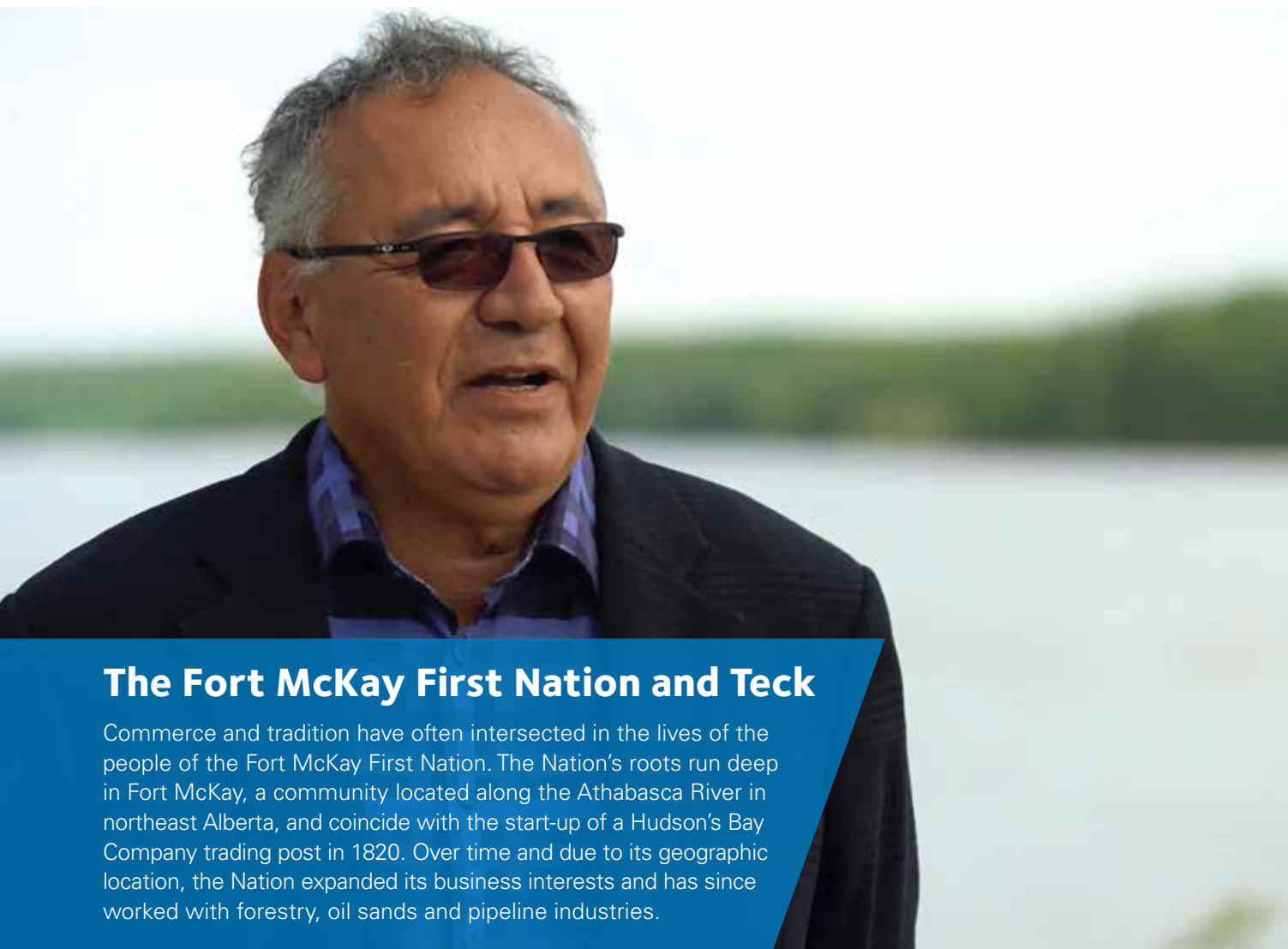
Recognizing and Respecting the Interests and Rights of Indigenous Peoples

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.

Table 21: Summary of Engagement with Indigenous Peoples in 2018

Site	Major Activities
Cardinal River Operations	Engagement was focused on the amendment application for the MacKenzie Redcap project, which if approved will extend operations from 2020 to 2028. For this project, Cardinal River is engaging with Alexis Nakota Sioux Nation, Ermineskin Cree Nation, Whitefish Lake First Nation, O'Chiese First Nation and the Mountain Cree. Cardinal River was also invited to a Sundance ceremony celebrating the Mountain Cree community's 50th anniversary.
Frontier project	We concluded consultation and signed 14 agreements with Indigenous groups potentially affected by the project. Engagement efforts also focused on Indigenous participation in the Joint Review Panel hearing for the project, which ended in December 2018. Additionally, we continued to implement agreements that were signed in 2016 and 2017.
Highland Valley Copper Operations	Engagement activities were focused on the negotiations and implementation of agreements with 17 Indigenous communities. Agreement topics that were discussed included Indigenous business opportunities, employment, and environmental and land use interests. Collaboration was also focused on developing an engagement framework for joint decision-making for a pending mine extension, and reclamation and closure planning.
Quebrada Blanca Phase 2 (QB2) project	QB2 completed the Indigenous Consultation Process as part of our permitting application, which resulted in agreements with seven of the eight Indigenous communities that were part of the engagement. Following this process, additional engagement was held, which resulted in the eighth agreement also being finalized.
Red Dog Operations	We 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 with the Siġgaqmiut Working Group were held quarterly.
Steelmaking coal operations in the Elk Valley	Ongoing engagement was held with the Ktunaxa Nation through our joint Environment and Cultural Working Groups as well as the Procurement and Employment Task Force Groups. Key engagement topics included major regulatory applications, ongoing development of a Cultural Management Plan, sharing business opportunities within capital projects and enhancing our employment-related communication. We also participated in a number of cross-cultural exchanges including haul truck ride-alongs, a tour of reclamation activities by youth, community presentations and Ktunaxa Culture Camp.
Trail Operations	Engagement continued with the Ktunaxa Nation, which focused on cultural awareness training and relationship building, as well as meetings with the Regional Manager for the B.C. Ministry of Indigenous Relations and Reconciliation. In addition, meetings were held with the Okanagan Nation Alliance to hear about their priorities for the region.



The Fort McKay First Nation and Teck

Commerce and tradition have often intersected in the lives of the people of the Fort McKay First Nation. The Nation's roots run deep in Fort McKay, a community located along the Athabasca River in northeast Alberta, and coincide with the start-up of a Hudson's Bay Company trading post in 1820. Over time and due to its geographic location, the Nation expanded its business interests and has since worked with forestry, oil sands and pipeline industries.

In 1986, the Fort McKay Group of Companies (FMGOC) — an oil sands construction and services company 100% owned by the Fort McKay First Nation — was established. The FMGOC, along with numerous joint venture companies, aim to preserve the Nation's cultural values while providing the framework for progressive economic, industrial and social developments in the region.

Strong Leadership

Fort McKay First Nation Chief Jim Boucher's powerful leadership has driven the Nation's economic growth while keeping the Nation's feet firmly planted in its relationship with nature and the environment. Chief Boucher, who has been the Fort McKay First Nation Chief since 1986, was named 2018 Canadian Energy Person of the Year by the Energy Council of Canada, and was recognized by *Report on Business* magazine as one of the 50 most powerful people in Canadian business.

The Fort McKay First Nation and Teck

Teck's proposed Frontier oil sands project is located in the traditional territory of the Fort McKay First Nation. From the earliest stages of the project in 2008, we have engaged with Indigenous communities in the region, including the Fort McKay First Nation, to understand their priorities and to integrate their perspectives and traditional knowledge into our decision-making.

In 2017, Teck reached a participation agreement with the Fort McKay First Nation, outlining the economic and social benefits connected with the Frontier project. "Our Nation always strives to find the appropriate balance between economic development and the protection of our natural environment, our culture and our traditional ways of life," said Chief Jim Boucher.

[View our video profile on Chief Jim Boucher and the Fort McKay First Nation.](#)

Significant Disputes and Litigation

There were zero significant disputes for Teck involving Indigenous Peoples in 2018.

Cultural Awareness Training

We regularly deliver training on Indigenous Peoples' rights and cultural awareness for exploration, operations and management staff. This training is particularly important for those who have extensive contact with Indigenous Peoples in their day-to-day roles and for other business leaders. In 2018, approximately 115 people at our operations 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. In addition, more than 40 people from our Vancouver head office participated in cultural awareness training.

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 is supporting the implementation of the Memorandum of Understanding on economic reconciliation between the Business Council of British Columbia and the BC Assembly of First Nations. Additionally, 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.

Our plan for reconciliation provides a framework for our work with Indigenous Peoples. It brings together our existing Indigenous policies and initiatives, and outlines practical actions we are taking to build a shared future with Indigenous Peoples that is built on four pillars: respect, relationships, responsiveness and reporting.

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.

Negotiating and Implementing Agreements

In 2018, there were 66 active agreements in place with Indigenous Peoples, including 22 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 [2018 Sustainability Performance Data spreadsheet](#).

In order to ensure that the obligations in agreements are understood, tracked and fulfilled, Teck incorporates commitments into SiteLine, our internal commitments tracking tool. This helps to ensure that agreements with Indigenous Peoples continue to be integrated into our business management systems at all levels, which will result in better outcomes for both Teck and Indigenous Peoples, particularly in areas such as Indigenous procurement, employment and training.

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. Commitments related to employment are an important consideration within many of our impact benefit agreements. Commitments in these agreements reflect the priorities of the local community and can include offering specific roles exclusively to qualified Indigenous Peoples,

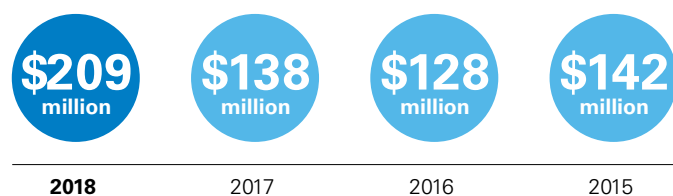
offering internship opportunities for Indigenous students, establishing employment processes and related key performance indicators, and supporting local apprenticeship and training programs. We also pursue company-wide approaches to increasing Indigenous employment, training and retention through the implementation of our Indigenous Peoples Policy and our sustainability strategy.

We report on the number of our Indigenous employees, who are NANA shareholders, at our Red Dog Operations, and in 2018, 53% of the workforce was Indigenous. In 2018, as part of our 2020 goal to develop metrics for monitoring Indigenous training, and employment, we began collecting data on new hires who self-identify as Indigenous at our Highland Valley Copper and Elk Valley operations, in addition to the number of NANA shareholders employed at Red Dog. In 2018, 189, or 9%, of our 2,029 total hires were either NANA shareholders or self-identified as Indigenous. We are working towards improving our data-collection processes on self-identified hires from all operations moving forward.

Procurement from Indigenous Suppliers

In 2018, our operations spent approximately \$209 million with suppliers who self-identified as Indigenous; this represents an overall increase compared to 2017. In 2018, 46% (\$144 million) of Red Dog Operation's spending was with Indigenous suppliers — where Indigenous procurement is one of the cornerstones of our operating agreement with NANA Regional Corporation.

Figure 19: Procurement Spend on Suppliers Who Self-Identified as Indigenous



Community Investment Focused on Indigenous Peoples

In 2018, \$2.9 million of our community investment went towards Indigenous-specific investments, compared to \$2.3 million in 2017. One of the most significant Indigenous-specific investments in 2018 was our support for a [program with UN Women](#) and the Government of Chile on a collaborative project to promote the empowerment, leadership and economic participation of Indigenous women in northern Chile.

One of the most significant Indigenous-specific investments in 2018 was our support for a program with UN Women and the Government of Chile on a collaborative project to promote the empowerment, leadership and economic participation of Indigenous women in northern Chile.

Outlook for Our Relationships with Indigenous Peoples

As we move forward in 2019 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 2019, we will focus on implementing indicators to track the performance of our commitments as outlined in agreements. In particular, we will continue to improve Teck's collection and management of Indigenous data. In 2019, we will also focus on the implementation of the new agreements established for our Frontier project and our Quebrada Blanca Phase 2 project.

GRI Indicators and Topic Boundary

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

This topic is considered 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](#).