

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 sites and projects. 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.

Governance and Accountability

Background

Many of our operations are located immediately adjacent to local communities, such as our Carmen de Andacollo Operations in Chile, and our Trail and Elkview operations in Canada. Even our operations that are located a significant distance from communities have the potential to positively or negatively affect communities in the region. While specific opportunities and concerns about the impacts of our activities vary among the communities where we operate, one of the common objectives is that Teck will work to maintain positive and productive relationships with communities throughout the mining life cycle.

Maintaining strong relationships with our communities and stakeholders 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.

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 are involved in implementing the management of relationships with communities:

- The Senior Vice President, Sustainability and External Affairs reports directly to our CEO and is responsible for sustainability, health and safety, environment, community, and Indigenous affairs
- The Vice President, Communities, Government Affairs and HSEC Systems leads activities related to social management and responsibility, community engagement, community investment, and Indigenous affairs

Policies and Standards

Teck's [Code of Sustainable Conduct](#) commits Teck to engaging with communities. Our [Human Rights Policy](#), [Indigenous Peoples Policy](#), [Inclusion and Diversity Policy](#), [Code of Ethics](#) and [Expectations for Suppliers and Contractors](#) also provide guidance on building and managing relationships with communities.

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
- **Prospectors & Developers Association of Canada (PDAC):** Represents the interests of the Canadian mineral exploration and development industry; we incorporated PDAC's Environmental Excellence in Exploration framework into the development of our HSEC Management Standards and into the Social Management and Responsibility at Teck (SMART) Exploration Tool
- **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 Aboriginal and Community Outreach protocol, which aids in improving industry performance
- **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

Approach to Managing Relationships with Communities

We engage with communities and provide opportunities to participate in decisions that impact them while providing mutually defined benefits.

Social Management and Responsibility at Teck (SMART) Framework

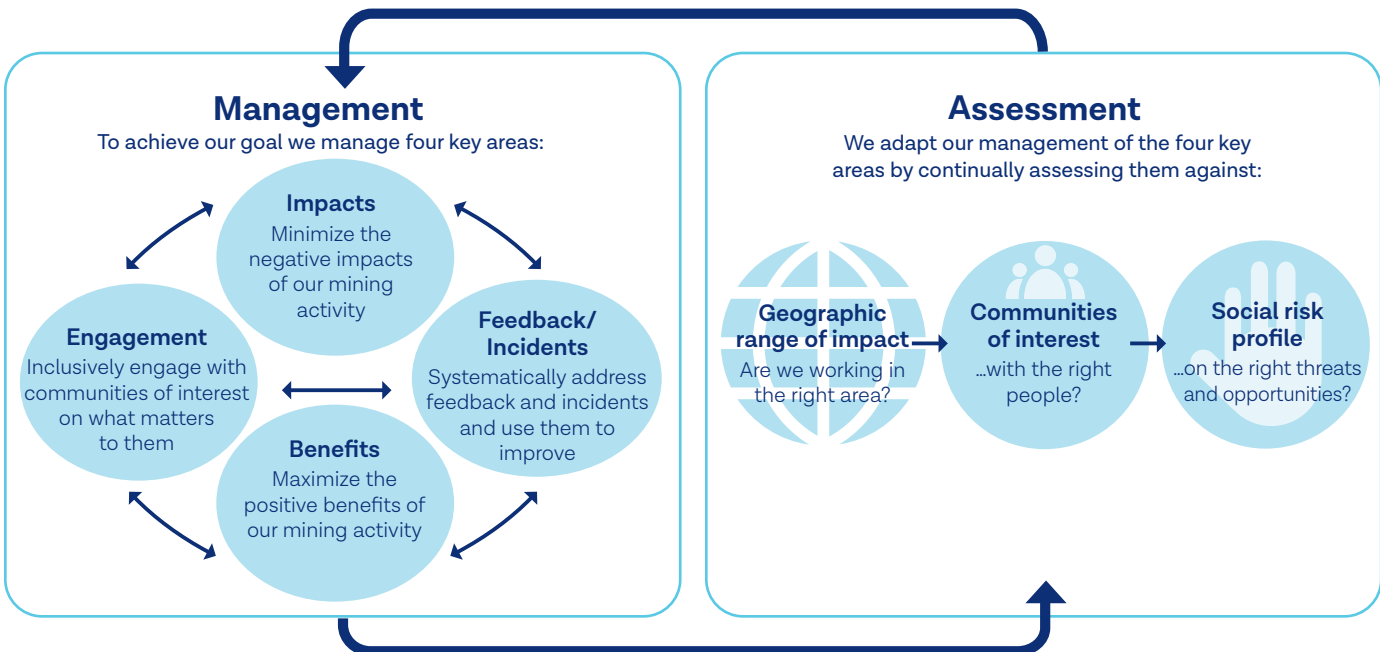
Teck's SMART Framework is our approach to improving our social performance across Teck's sites while also recognizing the unique context and circumstances of each region. Based on a comprehensive and regular assessment of our social context and risk, we focus on four core social management areas that 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
- **Benefits:** Identifying opportunities to maximize the positive benefits of our activities

We have Communities teams at each of our operations who operationalize the SMART Framework to build and strengthen trust-based relationships with local communities and stakeholders. At our exploration and development projects, exploration geologists and project managers are responsible for implementing the SMART Framework with local communities through all stages of their activities. Teck's corporate Community and Indigenous Affairs team provides site support and guidance to sites in implementing the SMART Framework, and in regularly reviewing their performance. The Communities team members are provided the training and skills necessary to fulfill their responsibilities in connection to the SMART Framework.

Teck's SMART Framework

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





Community of Andacollo, Chile, 2017.

Assessing Social Risk

Teck is committed to proactively managing social risks. A social risk assessment is the process of identifying, evaluating and recommending an appropriate course of action to address these social risks.

Teck's social risk assessments begin with evaluating the geographic range of impact of a site's or project's activities and developing a tailored social risk profile. We then systematically identify and evaluate risks and opportunities that Teck and our Communities of Interest (COI) can pose to one another, while seeking feedback from the COI. 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

Engagement with our COIs and other stakeholders helps us to ensure we understand the positive and negative impacts of our business, as well as the risks and opportunities associated with those impacts. It enables us to manage impacts in a responsible and effective manner, and understand the effectiveness of our management actions.

We organize our engagement with COIs into three levels: information disclosure, dialogue and participation. Guided by our HSEC Management Standards and our SMART Framework, our operations, exploration sites, projects and closed properties identify and prioritize local and regional stakeholders, undertaking broad, inclusive and regular engagement activities.

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 ensure that engagement is productive and constructive, and that it directly contributes to the building and maintenance of long-term, trust-based relationships. In response to the emerging need to conduct engagement with COIs remotely due to COVID-19, training practices have evolved to additionally include building skills for

virtual engagement, including use of new technologies and engagement practices.

Managing Impacts

Our sites and activities can have significant economic, social, environmental and cultural impacts on our COIs. Impacts are understood as an influence or an effect from our company's activities on a community's or stakeholder's well-being. Wherever possible, Teck seeks to anticipate and avoid any negative impacts and maximize any positive impacts.

Where negative existing or potential impacts are identified, mitigation strategies are developed and their implementation is consistently monitored. Sites prioritize any impacts, real or perceived, that are identified as being of highest significance to COIs. Regular, effective COI mapping, engagement and operational feedback mechanisms also support impact management efforts, as well as helping the company identify any vulnerabilities and potential human rights risks related to our activities.

Operations equally seek to leverage existing opportunities for positive impact, identified through impact assessments, social baselines and annual social risk assessments. 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 [2020 Sustainability Report](#), as well as [Teck's Approach to Human Rights](#) for our activities and approach to managing Artisanal and Small-Scale Mining.

Managing Community Feedback

Teck provides direct feedback mechanisms at every operation and project and in every exploration region to specifically ensure that those who want to provide feedback—whether it's a comment, question, concern, complaint or compliment—are able to do so easily and, if they wish, anonymously.

Feedback mechanisms may include dedicated phone lines and in-person or online platforms. Feedback received is recorded using a database system called TrackLine and categorized by topic and severity. This system allows for the tracking of feedback management performance and trends over time, to support operational continuous improvement efforts. Negative feedback items, sometimes called grievances, are specific issues of concern to community members that require a response and potential further action from the company.

Grievances that result in significant disputes¹ are tracked and reported on annually. Operations are required to follow up 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 complainant. Significant negative feedback items may be subject to further analysis or investigation. Corporate guidance, tools and the sharing of best practices supports the feedback mechanism at each operation.

Through annual opinion surveys, community stakeholders are also 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.

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 identified to understand the impacts and implement corrective actions wherever possible, with more significant incidents potentially subject to root cause investigation.

Providing Benefits

Teck works to generate value from the extraction, processing and sale of mineral, steelmaking coal, oil and metal resources to ensure the long-term sustainability of our operations and their contribution to communities. Benefits may include training, employment and procurement opportunities, capital investments, payments to governments and Indigenous Peoples, and shareholder dividends. Our corporate office, operating sites, exploration teams, legacy properties and development projects engage with communities, governments and non-governmental organizations to align activities with local, regional, national and international development planning where appropriate.

Local Hiring and Procurement

Local hiring is a priority at Teck operations. We define “local community” as persons or groups of persons living and/

or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organization's operations. To ensure local hires have the skills necessary for employment and advancement, we support access to relevant training opportunities at or near Teck's sites. For example, our Carmen de Andacollo Operations in Chile contributed to the first mining training facility in the region and provided micro-grants as well as training to help businesses grow.

Whenever 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

Community investment is a key pillar of our company's overall commitment to the communities where we live and work. Our internal community investment framework guides how we align business drivers with community priorities, and guides our approach to providing sustainable community benefits. Our enterprise-wide community investment approach ensures we consider local community development plans and objectives in the development of site-level strategies that support thriving communities and socio-economic development outcomes.

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 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. In 2020, in response to COVID-19 we also dedicated \$20 million in community investment funds specifically to address local and global impacts due to COVID-19.

We focus our contributions on ensuring positive community development outcomes, consistent with the objectives of the UN Sustainable Development Goals (SDGs). Our main areas of emphasis include SDG 3 on good health and well-being (including programs that use zinc and copper to advance global health outcomes), SDG 5 and SDG 8 on inclusion and sustainable livelihoods (including Science, Technology, Engineering and Math [STEM] education and scholarships that enable local students to position themselves for mining employment opportunities), and SDG 6, 13 and 15 on environmental stewardship (including the conservation of lands and at-risk species in the broader regions near our operations).

See the [Community Investment page](#) on our website for further information.

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

Our Targets and Commitments

Our Sustainability Strategy guides our long-term approach to relationships with communities across the organization. In 2019, we conducted broad engagement with employees and external stakeholders to identify and prioritize global trends and issues and set a new sustainability strategy, including new goals related to communities.

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

Throughout 2020, we focused on making progress towards our new goals and concluding final steps on the 2020 communities goals within our previous sustainability strategy. These goals, which concluded December 31, 2020, were:

By the end of 2020:

- 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
- Engage with communities to identify social, economic and environmental priorities and mutually define outcomes and measures of success
- Work with Indigenous Peoples to identify and participate in initiatives to support the self-defined goals of Indigenous communities
- Develop metrics for monitoring Indigenous training, employment and procurement to establish baselines and drive progress

For more information on our existing and new sustainability strategy goals, see the [sustainability strategy](#) section of our website.

Assurance Related to Relationships with Communities

Following each of these types of assurance, applicable management teams use the results to inform future actions and Teck's five-year planning process.

We report on our performance against these indicators and our progress towards our social management and responsibility goals on an annual basis in our [sustainability report](#).

Assurance Related to Relationships with Communities

Type	Organization	Items Reviewed
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