Our Approach to Relationships with Indigenous Peoples

Which Teck sites does this document apply to?
All Teck sites located within or adjacent to Indigenous Peoples’ territories. This does not include operations in which Teck has/had an ownership interest but is not the principal operator.

Governance and Accountability

Background
Ten of our 12 operations1 in Canada, Chile and the United States and the majority of our exploration and development projects are located within or adjacent to Indigenous Peoples’ territories. As such, we recognize that respecting the rights, cultures, interests and aspirations of Indigenous Peoples is fundamental to our business and to meeting our commitment to responsible resource development.

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 following senior leaders are involved in implementing the management of relationships with Indigenous Peoples:

• 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, Community and Government Relations leads activities related to social management and responsibility, community engagement, community investment, and Indigenous affairs.

Teck’s executive Indigenous Affairs Steering Committee includes our CEO and senior management representatives of our business units, our project and exploration group, and other functional groups such as human resources and legal. This committee provides oversight and guidance on major initiatives with Indigenous Peoples, including the negotiation of agreements. Our engagement with Indigenous Peoples is conducted primarily by our Communities teams at each of our operations, project and exploration sites, and is supported by our corporate Indigenous Affairs team.

Policies and Standards
Teck’s Indigenous Peoples Policy reaffirms our commitment to respect the rights, cultures, interests and aspirations of Indigenous Peoples. The policy was developed with input and guidance from Indigenous Peoples in our local communities, as well as with leading local and international groups with expertise in Indigenous and mining policy. Other policies that guide our approach to relationships with Indigenous Peoples include our Human Rights Policy, Inclusion and Diversity Policy and Expectations for Suppliers and Contractors.

Last Updated March 2019

1Includes Cardinal River, Highland Valley Copper, Quebrada Blanca, Red Dog, Trail and our five steelmaking coal operations in the Elk Valley. This does not include operations in which Teck has/had an ownership interest but is not the operator, e.g., Antamina and Fort Hills.
Memberships, Partnerships and External Commitments

We work with various local, national and international organizations and programs to support Indigenous Peoples and communities:

- **Reconciliation Canada**: Engages Canadians in dialogue around the relationships among Indigenous Peoples and all Canadians

- **Indspire Awards**: We sponsor the Teck Canadian Aboriginal Bursary in partnership with Indspire, helping Indigenous youth achieve their potential

- **CAPE Fund**: A $50 million investment fund, of which Teck is a founding member, created to support Indigenous entrepreneurs or communities in Canada in pursuing economic opportunities

- **Champions Table**: Teck is a founding member of the Champions Table, a formal and ongoing opportunity to foster dialogue between Indigenous and business leaders in British Columbia

- **UN Women**: Teck provides financial support to a UN Women initiative to create opportunities for skills development of Indigenous women in northern Chile

Approach to Managing Relationships with Indigenous Peoples

The foundation of our approach is recognizing and respecting the rights of Indigenous Peoples, which starts with acknowledging these rights and interests as enshrined in regional, national and international law. Building on the foundation of recognizing and respecting Indigenous rights, Teck seeks to build strong, lasting relationships with Indigenous Peoples in the areas where we operate. Through engagement, we aim to share economic benefits including hiring, procurement or community investment, and to ensure that we have effective channels of communication for ongoing dialogue.

Recognizing and Respecting the Rights of Indigenous Peoples

The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the International Labour Organization Convention No. 169 (ILO No. 169) and the International Finance Corporation Performance Standard 7 provide guidance for government and private sector interaction with Indigenous Peoples. Reconciliation with Indigenous Peoples is an important societal process taking place around the world that involves governments, Indigenous communities, non-Indigenous communities and the business community. While UNDRIP and ILO No. 169 provide an important framework and guidance for reconciliation, every post-colonial nation with Indigenous populations has unique circumstances that require a unique path forward.

Negotiating Agreements

Agreements create a framework for greater cooperation and clarity on topics such as consultation and engagement, the environment and land stewardship, employment and business opportunities, and typically include a financial component. Our agreements with Indigenous Peoples traditionally address the full range of our activities, from early stages of exploration through to closure. Agreements can cover short-term, seasonal work as well as long-term operations and projects.
Our approach in negotiating agreements focuses on:

- Recognizing the importance of building trust, mutual respect, cooperation and open communication of interests and concerns
- Improving community well-being
- Working with Indigenous Peoples in innovative and collaborative ways
- Reducing business risk through effective consultation and other processes
- Increasing project and operational certainty

Although we recognize that agreements are important milestones, a strong and positive relationship is itself the true indicator of success.

Consultation

Consultation plays an important role in our regulatory approval processes and project development, and helps to advance projects in a timely, cost-effective manner. As required by international conventions and typically by domestic law, many governments recognize various duties to consult with Indigenous Peoples. In certain situations, some or all aspects of consultation activities may be delegated to us. When our activities have the potential to affect Indigenous Peoples’ rights or traditional access to land, we seek opportunities for meaningful consultation, including sharing information on our activities, understanding the interests of Indigenous Peoples and developing measures to address impacts on those interests.

Sharing Traditional Knowledge and Supporting Land Use Studies

For Indigenous communities, the landscape and its features provide sustenance and spiritual attachment. To minimize our impacts, Teck consults with Indigenous Peoples to promote mutual understanding and decision-making. At every stage of the mining life cycle, we support the integration of traditional knowledge and Indigenous perspectives into project planning, including, for example, through the development of traditional knowledge and land use studies to help us better understand the impacts of our activities on how Indigenous Peoples interact with the land around them.

Engagement with Indigenous Peoples

We work to engage with Indigenous Peoples and achieve their free, prior and informed consent, also known as FPIC, when proposing new or substantially modified projects. We aim to foresee any interruptions or complications to our projects by proactively integrating the perspectives of Indigenous Peoples into company decision-making throughout the mining life cycle, and by creating lasting benefits that respect their unique interests and aspirations.

Sharing Economic Benefits

Most of our agreements with Indigenous Peoples include principles and goals related to employment, such as agreement on the principle that Indigenous citizens should have a standard of living comparable to the non-Indigenous population. In addition, agreements often include commitments to training and employment processes. For example, at our Red Dog Mine in Alaska, we have an operating agreement with the landowner NANA Regional Corporation, Inc., a Regional Alaska Native corporation owned by the Iñupiat people of northwest Alaska. Under the agreement, NANA receives a portion of the mine’s profits, and a majority of Red Dog’s employees and contractors are NANA shareholders.

In British Columbia, in addition to resource revenue sharing established directly through agreements with Teck, the province negotiates Economic and Community Development Agreements (ECDAs). ECDAs with Indigenous Peoples are for sharing the direct mineral tax revenue on new mines and major mine expansions. Specific to Teck’s operations, the Ktunaxa Nation has entered into an ECDA regarding Teck’s Elk Valley steelmaking coal operations, and Nlaka’pamux communities have entered into an ECDA regarding Teck’s Highland Valley Copper Operations.

Procurement and Hiring Practices and Indigenous Peoples

In accordance with our Health, Safety, Environment and Community (HSEC) Management Standards, part of our selection of suppliers considers possible representation from Indigenous or traditionally excluded groups, within each supplier’s ownership structure. Where we have formal agreements with Indigenous Peoples, we identify local Indigenous suppliers and develop processes to share information on procurement opportunities and our supplier qualification requirements. In some situations, we work directly with Indigenous suppliers to help them meet our requirements, or provide them with training and business development support.
Community Investment and Indigenous Peoples

To support our relationships with Indigenous Peoples, Teck invests in a wide range of initiatives and programs that benefit Indigenous Peoples at a local, regional and national scale. This includes investments that support Indigenous language and cultural training, youth education and development, health and wellness programs, and various environmental initiatives. Our aim is to ensure these community investments align with needs and opportunities identified in collaboration with Indigenous Peoples.

Cultural Awareness Training

To enhance our capacity to engage with Indigenous communities, we conduct cultural awareness training for Communities teams at a number of our operations including, for example, at Red Dog Operations, where a significant number of our employees self-identify as Indigenous.

Grievances

There are a number of processes through which Indigenous Peoples and communities can inform us of concerns, including formal grievance mechanisms, dispute resolution clauses in agreements, and ongoing engagement. Additionally, agreements with Indigenous Peoples often establish processes to work through grievances and other areas of concern, and help to fulfill our commitment to improving community well-being in self-defined ways while gaining the broad support of the community.

Our Targets and Commitments

Our sustainability strategy guides our long-term approach to forming relationships with Indigenous Peoples as well as all of our stakeholders and communities across Teck.

By 2020, we will:

• 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 to 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

By 2030, we will:

• Fully integrate social risk and opportunity, human rights and the rights of Indigenous Peoples into how we do business and into our individual actions and behaviours
• Create lasting mutual benefits through collaboration on social, economic and environmental initiatives
• Collaborate with Indigenous communities to consistently create lasting benefits that respect their unique interests and aspirations
Relationships with Indigenous Peoples Audits

**Table 1: Relationships with Indigenous Peoples Audits**

<table>
<thead>
<tr>
<th>Type</th>
<th>Organization</th>
<th>Items Audited</th>
</tr>
</thead>
</table>
| External   | Mining Association of Canada: Towards Sustainable Mining audit | • Community of interest (COI) identification  
              |                                                                         | • Effective COI engagement and dialogue  
              |                                                                         | • COI response mechanism  
              |                                                                         | • Reporting  |
| External   | International Council on Mining and Metals: Sustainability Report assurance | • 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 |

Following each of these audits, 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 management goals in our relationships with Indigenous Peoples on an annual basis in our sustainability report.