

Iron Ore Company of Canada

# Sustainable Development Report

# 2023

RioTinto | IOC



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# About this Report

At the Iron Ore Company of Canada, we hold to the principles of open communication and transparency. We understand the importance of fostering trust and maintaining meaningful relationships with our partners and members of the communities in which we operate, which is why we prioritize clear and accurate reporting.

Committed to the ideals of sustainability, environmental stewardship, social responsibility, and strong governance practices, we acknowledge that our operations can have multiple impacts and strive to keep our stakeholders informed about our progress and achievements.

In this report, we offer a comprehensive overview of our sustainability initiatives throughout 2023. We aim to provide valuable insights into our performance, demonstrating our adherence to responsible business practices and ongoing improvement.

**Thank you for your continued interest and support as we navigate the path toward a more sustainable future together.**



## A Message from our President and CEO



Our commitment to truth and reconciliation guides us at IOC as we strive to forge a brighter future for all. It is with deep respect that I acknowledge the traditional lands of the Innu, Inuit, and Naskapi people, where IOC operates within the provinces of Newfoundland and Labrador and Quebec. We hold ourselves accountable as responsible users of these lands, honouring the rich cultures, languages, and traditions of all who call them home.

As we approach our 70<sup>th</sup> year in operation, it is a time for reflection on the milestones we have achieved together and the invaluable lessons learned since making our first shipment of iron ore in 1954.

Thanks to our consistent focus on safe production, we reached a historic milestone in 2023: achieving the best safety performance in our company's history for the second year in a row. This remarkable achievement was the result of our people working together to drive safe production practices across our business.

At IOC, our greatest asset is our people. Their ingenuity, dedication, and commitment to innovation drive our progress in safe production, as well as research, development, and environmental stewardship.

In 2023, our decarbonization initiatives yielded tangible results, with a notable 6% reduction in annual emissions attributed to a significant decrease in heavy fuel oil usage during the iron ore pellet production process.

The Labrador Trough, where our mine operations are located, is host to some of the highest-grade iron ore products in the world – a product forecasted to be in high demand as steel producers look for low carbon intensive alternatives. We applaud the provincial government of Newfoundland and Labrador for adding high grade, low impurity iron ore to its list of critical minerals in 2023, and as well to the provincial government of Quebec for doing the same in early 2024. We look forward to continuing our work with all levels of government to find better ways to provide the materials the world needs.

Our commitment to preserving biodiversity is an integral part of our working methods, whether it's in Labrador West, along the QNS&L railway, or at our terminal in Sept-Îles, Quebec. This commitment fills me with pride, and I was pleased this was recognized in the fall of 2023 by the Newfoundland and Labrador branch of the Canadian Institute of Mining, Metallurgy, and Petroleum (CIM) by honouring us with two prestigious awards: Miner of the Year and Environmental Stewardship.

Over the span of the last 70 years, IOC has navigated myriad challenges and seized countless growth opportunities. Our commitment remains unchanged: to continually improve our methods and uphold our responsibility to deliver high-grade, low-impurity iron ore sustainably, ensuring a legacy that endures for generations to come.

With your well-being and safety in mind,

**Mike McCann**  
President and Chief Executive Officer

# 2023 Highlights



## **All-injury frequency rate 0.34 per 200,000 hours worked**

lowest in IOC history for the second consecutive year.

## **Signing of the Aganow agreement**

with the Naskapi Nation.

## **New collective bargain agreement ratified**

with United  
Steelworkers Union.

## **Signing of an innovative \$4 million partnership**

with Cégep de Sept-Îles.

## **Re-opening**

of the St. John's office.

## **Awards**

Mining Company of the  
Year and Environmental  
Stewardship' awards.

## **Signing of a commercial agreement**

between Rio Tinto and  
H2 Green Steel involving  
the use of our products.

## The Purpose, Values, and Sustainability Commitments of Our Majority Shareholder, Rio Tinto

**Finding better ways to provide the materials the world needs.**

Rio Tinto's approach to sustainability is guided by its purpose: finding better ways to provide the materials the world needs. It's about driving innovation and continuous improvement to produce the minerals and metals used in everyday life in the safest and most sustainable way possible.

Sustainability considerations are deeply embedded in the way Rio Tinto's business units operate, and IOC is no exception.

To meet our goals, we are focusing on developing the right mindset and culture, encouraging our people to work together to find new solutions and building partnerships with those who share our ambition.

### Rio Tinto's key sustainability targets and objectives

15% reduction in Scope 1 & 2 carbon emissions

**by 2025**

50% reduction in Scope 1 & 2 carbon emissions

**by 2030**

Net zero carbon from our operations

**by 2050**

Rio Tinto has put the net zero transition at the heart of our Group strategy: combining investments in commodities that enable the energy transition with actions to decarbonize our operations and value chains.

# Projects for a Sustainable Future

In line with our commitment to decarbonizing, IOC has launched a series of initiatives aimed at reducing the carbon footprint of our iron ore processing operations in Labrador West. A notable milestone in 2023 was the installation of a 40-megawatt steam boiler, marking a significant step towards replacing heavy fuel oil boilers. This innovative addition enhances efficiency and reduces our consumption of heavy fuel oil.

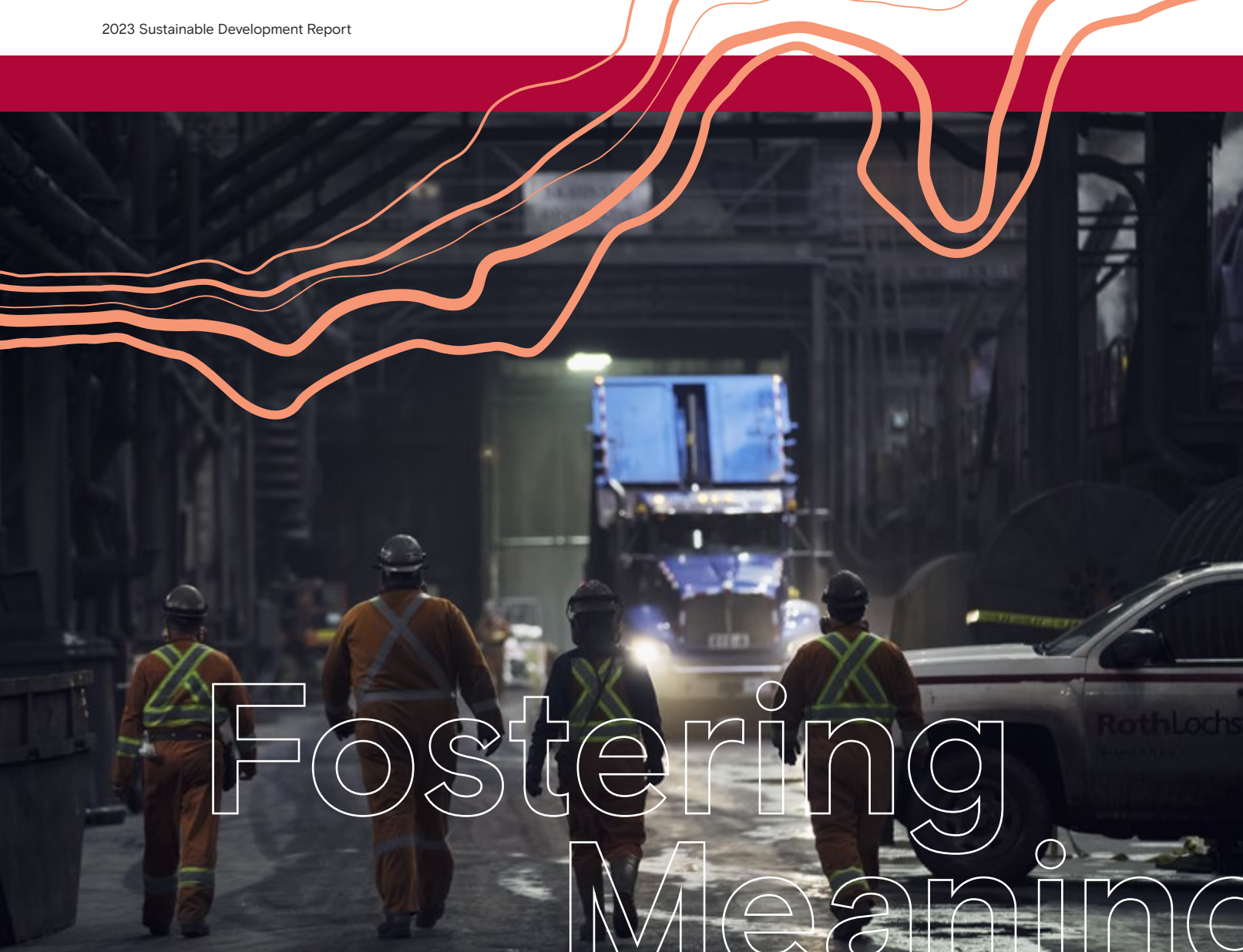
We are electrifying segments of our heavy fuel oil boiler usage and fine-tuning our induration machines for optimal efficiency. These advancements have led to substantial reductions in heavy fuel oil consumption during iron ore pellet production. Moreover, these cutting-edge technologies hold promise beyond our operations, offering scalable solutions that can be adopted by other high-emitting industrial sectors across Canada.

The 40 MW steam boiler project represents phase one of our comprehensive steam plant electrification plan. It serves as a demonstration that the full steam demand of large-scale iron ore processing operations can be met with electric boilers alone, significantly reducing the need for heavy fuel oil.

Furthermore, the implementation of an airflow management system has boosted the overall efficiency of our induration machines at the pellet plant and elevated health and safety standards within our workplaces.

As we progress, we are not only advancing towards a more sustainable future but also creating meaningful employment opportunities in the communities where we operate.

The global landscape is changing, as are the needs of our customers. Amidst this evolving terrain, IOC is strategically positioned to capitalize on the burgeoning global green steel market. Our ongoing projects are not just about meeting increased demand. They are integral to our overarching strategy of achieving long-term net-zero emissions.



# Fostering Meaningful Connections

**Community and Stakeholder Engagement**



We strive to nurture enduring relationships that uplift local communities and stakeholders, fostering positive regional economic growth. We recognize the importance of collaborative partnerships in achieving outcomes that stand the test of time, and we actively engage with our stakeholders to ensure our operations leave a lasting, positive legacy.

In both Labrador West and Sept-Îles, we participate in a variety of community forums, taskforces, and planning meetings. These platforms provide invaluable opportunities to address shared concerns and adapt to evolving priorities in the regions where we operate. Such engagement is not only integral to maintaining our social license to operate but also crucial for advancing sustainable regional economic development.

At IOC, our commitment extends beyond mere presence. It is about actively listening, collaborating, and collectively shaping a better future for all.



IOC President Mike McCann and Labrador City Mayor Belinda Adams at the land donation to the municipality.

## Empowering Communities: Meaningful Partnerships and Agreements

**In 2023, IOC took significant strides toward building sustainable and thriving communities surrounding our facilities through the signing of impactful agreements with local partners.**

In January, for example, we donated 17 parcels of land spanning an area equivalent to 48 football fields to the Town of Labrador City. This donation holds the promise of enriching the lives of residents. This is illustrated by one of the parcels being designated as a green space for seniors, reflecting our shared dedication with the town to foster wellness and inclusivity.

We proudly announced the historic socio-economic participation agreement signed with the Naskapi Nation of Kawawachikamach, entitled “Aganow”. This agreement is about transformation. It signifies a deep-rooted commitment to dialogue, collaboration, and mutual respect over the long haul. “Aganow” honours Naskapi society and culture, offering pathways for meaningful participation.

From training and employment opportunities to environmental stewardship and financial benefits, this agreement is a testament to our shared vision of prosperity and empowerment and stands as another milestone in a decade long journey of progress that has seen the creation of an internal Indigenous relations team and the signing of agreements with all five of the Indigenous communities present in the regions where we operate.



Signing of the Aganow Agreement with the Naskapi Nation and its Chief Theresa Chemaganish, and IOC President Mike McCann and his team.

## Preserving Cultural Heritage and Fostering Reconciliation

Our operations are deeply entwined with lands that hold profound significance, especially for Indigenous communities.

Recognizing the enduring impact of the Residential School System and the rich history of Indigenous peoples in Canada, we stand committed to embarking on a genuine journey of reconciliation.

**Our reconciliation efforts are rooted in three fundamental pillars:**



# 01

## Promoting

meaningful employment, talent development, and training opportunities.

# 02

## Championing

environmental stewardship.

# 03

## Nurturing

mutually beneficial business partnerships with Indigenous communities.

Through these endeavours, we work to cultivate stronger bonds, mitigate adverse impacts, and responsibly safeguard cultural heritage while advancing economic reconciliation.

Central to our commitment is the genuine engagement and consultation with Indigenous peoples in the regions where we operate. We are deeply honoured to collaborate with and learn from various communities with distinct cultures including:

- Innu of Matimekush-Lac John (Quebec).
- Innu of Uashat mak Mani-Utenam (Quebec).
- Labrador Innu (Sheshatshiu and Natuashish, Labrador, as represented by Innu Nation).
- Naskapi Nation of Kawawachikamach (Quebec)
- NunatuKavut Community Council (Labrador)

As we commemorate National Indigenous History Month each June, we pay tribute to the heritage, diverse cultures, and invaluable contributions of Indigenous peoples to Canada.



**In 2023, our commitment to the Truth and Reconciliation Commission's Call to Actions found expression through tangible and meaningful initiatives such as:**

### Engaging

educational content on Indigenous Cultural Awareness shared weekly via our internal communication platform, IOC Connex.

### Site-based

activities and craft workshops.

### Information

on our partnership agreements with Indigenous communities during management conference calls.

### Distribution

of awareness materials including "Every Child Matters" vehicle stickers.

### A colouring contest

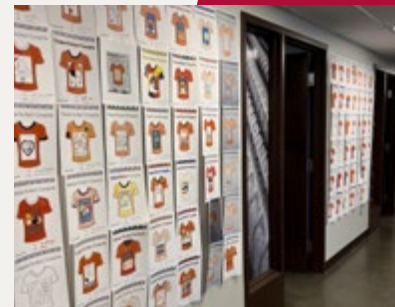
for children to instill pride in Indigenous culture and heritage.

### Panel discussions

on Indigenous resilience and the enduring impact of residential schools.

### A new orange water truck

in honour of National Day for Truth and Reconciliation with "Every Child Matters" painted on the side. The truck is operational on site in Labrador City, reminding our employees and contractors of the importance of this day.



**On September 30, National Day for Truth and Reconciliation and Orange Shirt Day, we took time to reflect meaningfully on the history of Indigenous peoples in Canada, the negative impacts of residential schools, and our individual and collective responsibilities in the healing process.**

**Together, we continue on the path of reconciliation.**





## Championing Sustainable Procurement

**We are committed to having a significant positive impact in the communities where we operate.**

## Advancing Social and Economic Development

**Our commitment to social and economic development is ingrained in our ethos and actions.**

As part of this mission, we prioritize sustainable procurement practices that prioritize local products and engage local services. Recognizing that our mining operations comprise a diverse ecosystem, we understand the importance of fostering a broad and inclusive supplier network. From Indigenous businesses to local and small enterprises, we actively seek partnerships that reflect the rich tapestry of our communities and support their growth and prosperity.

Our payments to Newfoundland and Labrador and Quebec suppliers constitute nearly 80 percent of our annual operational spend. This increases to over 90 percent if all Canadian suppliers are included. Through sustainable procurement, we not only fulfil our operational needs but also catalyze local economic vitality and resilience.

**We believe that by fostering vibrant and resilient local communities, we contribute to a brighter future for all.**

Our economic footprint extends across multiple channels, including tax contributions to local, provincial, and federal governments, the generation of direct and indirect job opportunities, procurement endeavours, and investments in community initiatives. Together, these pillars underpin our enduring commitment to fostering social and economic prosperity.



In 2023, IOC pledged \$200,000 in support for Hope Haven's Second-Stage Housing Project with a contribution toward the construction of a new seven-unit, second-stage housing project in Labrador City. This partnership between federal, provincial and community funding streams is a promising initiative that will cater to the housing needs of women and children who experience domestic or intimate partner violence in the Labrador West region. The project is a significant step towards addressing the housing challenges faced by vulnerable groups. Construction began in spring 2023 and is expected to finish in 2024.



In September we shared the exciting news of a major donation of \$4 million over two years to the Cégep de Sept-Îles in Quebec, for the construction of its new pavilion for training, research, and innovation in the railway, industrial maintenance, and energy intelligence industries. The initiative is part of a long-standing collaboration between IOC and the local college, notably through the RAIL Centre of Expertise. The new partnership aims to strengthen Sept-Îles' position as a centre of excellence for specialized training in the railway and Industry 4.0 sectors. Another important goal is to increase the visibility and promotion of these training programs in local Indigenous communities. To this end, a special cohort of IOC students will be formed to provide participants with employment opportunities immediately after graduation, fostering the full inclusion of all the region's talent.

**By investing in infrastructure, education, and community partnerships, IOC is not only creating tangible opportunities for growth and prosperity but also nurturing a legacy of social and economic resilience that will endure for generations to come.**

# Environment



## Biodiversity

**Biodiversity protection is part of our environmental stewardship efforts and we are committed to conservation in the areas in which we operate.**

Recognizing the interconnectedness between our operations and the surrounding ecosystems, we prioritize the preservation of biodiversity for several reasons. Firstly, it reflects our commitment to environmental responsibility, ensuring that we minimize our ecological footprint and safeguard delicate habitats. Secondly, compliance with stringent environmental standards aligns with our dedication to operating ethically and in harmony with nature.

Beyond environmental standards requirements, our commitment to biodiversity reflects a long-term vision of sustainability, recognizing the invaluable ecosystem services that healthy environments provide. Biodiversity conservation is not just an obligation for IOC; it is a fundamental aspect of our values, guiding our actions toward a more sustainable future.



## Biodiversity Initiatives

### Bank Swallows on Site

We conduct annual site-wide surveys to monitor the presence of Bank Swallows or their nests. Recognized as a Species at Risk and listed as threatened under the Species at Risk Act (2017), Bank Swallows hold special significance in our conservation efforts. During our surveys in 2023, we identified two areas as nesting colonies, prompting immediate action from IOC. Upon identification, we swiftly delineated these nesting areas and adjusted our operations to minimize disturbance. Intense activities in these areas were temporarily suspended to ensure the safety and protection of the nesting Bank Swallows during their breeding period.

### Short-Eared Owl

IOC concluded a comprehensive tracking program for the Short-Eared Owl, a protected species under the NL Wildlife Act and listed under the Species at Risk Act. Recognizing the importance of safeguarding this vulnerable owl population, we conducted a thorough study comprising habitat suitability mapping and ground truthing surveys. Through meticulous observations, we assessed the habitat preferences of Short-Eared Owls, identified key vegetation types conducive to their habitat, and mapped out potential locations for their habitation across IOC's mine site. This detailed study allowed us to gain valuable insights into the ecology of these majestic birds and their habitat requirements.

### Wabush Lake – Fish Habitat Compensation Monitoring Program

We concluded the final year of our Wabush Lake Fish Habitat Compensation Monitoring program (WHCMP), marking a significant milestone in our ongoing efforts to restore and improve the ecological health of Wabush Lake. Since 2006, when we initiated flocculation activities in the Wabush Lake System, we have witnessed notable improvements across various environmental indicators. Our comprehensive monitoring program evaluated key aspects such as water quality, clarity, fish populations, benthic communities, and littoral zones. Through rigorous assessment and analysis, we have demonstrated measurable enhancements in these critical areas. The Department of Fisheries and Oceans and Environment and Climate Change Canada has released IOC from further WHCMP monitoring, recognizing our successful efforts in meeting all regulatory requirements.



# Land

Producing the materials society needs requires access to land. However, mine lives are finite and as responsible land users, we need to plan and operate with the future in mind. Caring for the land is also essential to the protection of biodiversity and the natural heritage of the environments where we live and work.

We have progressive rehabilitation programs in place, which are reviewed every year, and dedicated land management teams that are active throughout the life of the operation. Our engineers, environmental scientists and cultural heritage experts work with academic institutions, civil society organizations, Indigenous peoples and other members of the community to make sure rehabilitation is done in ways that ensure a successful, sustainable outcome in line with the expectations of regulators and host communities.

## Enhanced Sustainable Rehabilitation Initiative – Comprehensive Site-wide Approach

In recent years, IOC has undertaken a significant endeavour in the progressive rehabilitation of several hectares (ha) of waste rock dumps on our mine site. This initiative goes beyond mere restoration, encompassing a holistic approach to environmental excellence.

The rehabilitation process involves re-sloping of the land, the application of organic substrates, and the careful seeding of diverse vegetation to kickstart the ecological succession process. By fostering successful vegetation growth, we not only mitigate erosion but also reintroduce vital nutrients into the soil, facilitating the resurgence of local flora and fauna, thus restoring a natural landscape.

IOC rigorously assesses the effectiveness of our rehabilitation efforts. Through comprehensive agronomic assessments, we evaluate the coverage, diversity, and height of vegetation, along with the overall soil health. This monitoring ensures that our rehabilitation efforts are not only effective but also sustainable in the long term.

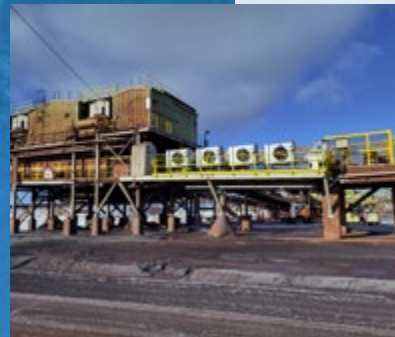
**IOC is dedicated to maintaining this proactive approach, regularly assessing and fine-tuning our rehabilitation strategies to ensure that disturbed lands reintegrate into the ecosystem, fostering biodiversity and ecological balance once more.**



# Water

Water is a shared resource critical to sustaining biodiversity, people, and economic prosperity. Climate change, chronic deforestation, extreme weather events, and a growing world population mean efficiently managing water is more important than ever.

We share water with the communities and nature surrounding our operations, so we aim to minimize impacts on water resources, including lakes, streams and groundwater aquifers, by carefully managing the quality and quantity of the water we use and return to the environment.



## Luce Pit Water Treatment Plant Upgrades

To improve efficiency and reliability of our treatment system, IOC has done extensive work to upgrade systems and develop procedures to deal with potential water quality issues. One issue that we have identified is an increase in the level of unionized ammonia (UIA) in mining effluent discharging from the sediment pond that is used to treat water from sumps and wells throughout Luce Pit.

We recognize that treatment measures are just the first part of sustainable operations, and we have also delved into our blasting practices, surface water management methodologies, and dewatering infrastructure, with the aim to pinpoint the sources of ammonia and implement preventative measures at the root level.

## Conveyor System Advancement

In 2023, we proceeded with the installation of equipment that utilizes ambient air for cooling, eliminating the need for water consumption. This innovative approach not only reduces our environmental footprint but also reduces operational costs associated with water usage.

Furthermore, the modernization effort entailed replacing the refrigerant gas R-22 with other halocarbons that are less harmful to the environment.

Beyond environmental benefits, these upgrades have bolstered the reliability and efficiency of our cooling system equipment. By enhancing operational resilience and facilitating smoother workflows, we are better positioned to meet production demands and deliver consistent results.

Additionally, the adoption of new technology has facilitated easier access to replacement parts for maintenance purposes, further optimizing the performance and longevity of our conveyor systems.

# Air

We prioritize the importance of air quality for the well-being of our host communities and the surrounding ecosystems. Our approach focuses on proactive prevention, employing operational discipline and continuous process improvement to manage air quality effectively.



## Air Quality Monitoring

We monitor and manage air quality across our mining and processing facilities through a network of real-time air quality monitoring stations strategically positioned throughout Labrador West. This data is made accessible to the public through the Local Air Quality Health Index on the Government of Canada website.

In our efforts to mitigate dust emissions, we have implemented a multifaceted approach. This includes the application of dust abatement products on our pellets at the loadout area, the deployment of water trucks on roads within the mine and tailings areas, and the implementation of extensive rehabilitation and revegetation programs to minimize dust lift-off from tailings and waste rock dumps. Continuously striving for improvement, we conduct ongoing studies and trials to explore additional fugitive dust mitigation options. Plans are underway to expand our infrastructure for monitoring air quality with the installation of additional monitoring stations. Quality assurance is critically important in our operations. Our environmental staff rigorously review air quality data daily, ensuring its accuracy and reliability. Additionally, independent third-party assessments provide an extra layer of assurance regarding data integrity.

Furthermore, we maintain open lines of communication with community members through a dedicated feedback email, fostering a culture of engagement and responsiveness. Collaborating closely with municipal governments, we address community concerns promptly and adjust operational planning as necessary to minimize potential impacts on air quality.

## Dust Reduction Project – Port Terminal

At the Sept-Îles terminal, the unloading of iron ore pellets can occasionally lead to dust emissions at various transfer points along the conveying system. The configuration of these transfer points can generate impacts between the unloaded material and the transfer infrastructure, causing abrasion wear to the equipment and turbulence that could generate dust.

To address this, we have undertaken a series of projects and initiatives. Most recently, we completed a comprehensive design review and refurbishment of the transfer points between conveyors 23 and 40A. This involved reprofiling the chutes to optimize material flow, minimizing impacts and consequently reducing dust and abrasion wear. The new design reduces dust emissions and the required maintenance of equipment.







# Waste

We comply with provincial environmental regulations related to waste management and water discharge. We also apply our own standards, which set the minimum requirements to define, monitor and manage emissions at all our managed operations to prevent harm to people and the environment. These standards also require us to set performance requirements for resource efficiency, particularly relating to mineral and non-mineral waste management.



## Waste Management

We use a variety of products during our business activities. It is our responsibility to manage them properly, right up to the end of their useful life. When it comes to hazardous materials and hazardous waste, it is essential to store them safely and manage them properly to prevent any impact on the environment.

At Ross Bay Junction, a key location on our railroad, there was a lack of space for the storage of various hazardous materials and hazardous wastes, as well as for emergency response equipment. Employee access to these storage areas was not ergonomic, and storage areas lacked adequate signage. We therefore proceeded with the installation of a 40-foot container, including an integrated retention basin capable of containing a leak or spill of hazardous material, four garage doors and signs identifying the different storage areas for easier access. Access is now fast, clear, and safe to the various products, as well as to emergency response equipment in this area of the track.

The container has made the area compliant for the storage of hazardous materials, making them easier to manage for our personnel.





### Environmental Restoration Efforts

In collaboration with the First Nations of Quebec and Labrador Sustainable Development Institute (FNQLSDI) and the Uashat Mak Mani-Utenam Indigenous community, we have been actively engaged in a program aimed at rehabilitating abandoned sites on Nitassinan, the ancestral territory of the Innu First Nations.

For several years, IOC has been a key partner in this innovative project. Spearheaded by FNQLSDI environmental specialists and members of the Uashat Mak Mani-Utenam community, the program involves the dismantling of decommissioned buildings and infrastructure, as well as the cleanup of abandoned sites and illegal dumpsites, often former outfitting establishments. The ultimate objective is to restore the land to its original state as closely as possible.

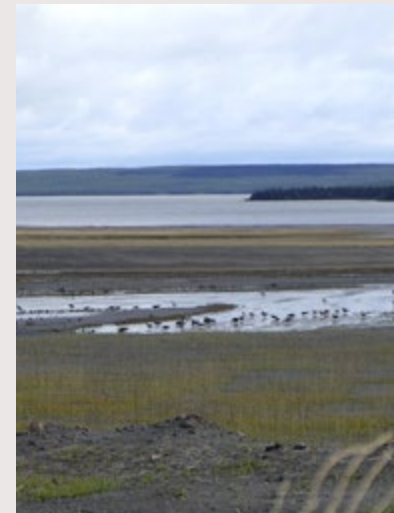
During the cleanup process, piles of scrap metal, hazardous waste materials, waste from buildings, and other materials are carefully sorted and deposited near the railway. Subsequently, IOC's subsidiary, the QNS&L Railway, assumes responsibility for logistics and transportation, using the necessary equipment to load the materials onto railway cars for shipment to Sept-Îles.

Ensuring compliance with applicable laws and regulations, IOC's Environment Department oversees the safe transport and disposal of materials, providing collection containers as needed. IOC covers the costs of transporting and disposing of the residual hazardous materials.



### Landfill Design

IOC owns and operates its own landfill in Labrador City for the disposal of domestic and construction wastes. To use best practices and reduce IOC's operating footprint, IOC has mandated a consultant to provide updated landfill design and operations procedures. This will allow IOC to make more efficient use of the space available for the future of our operation.

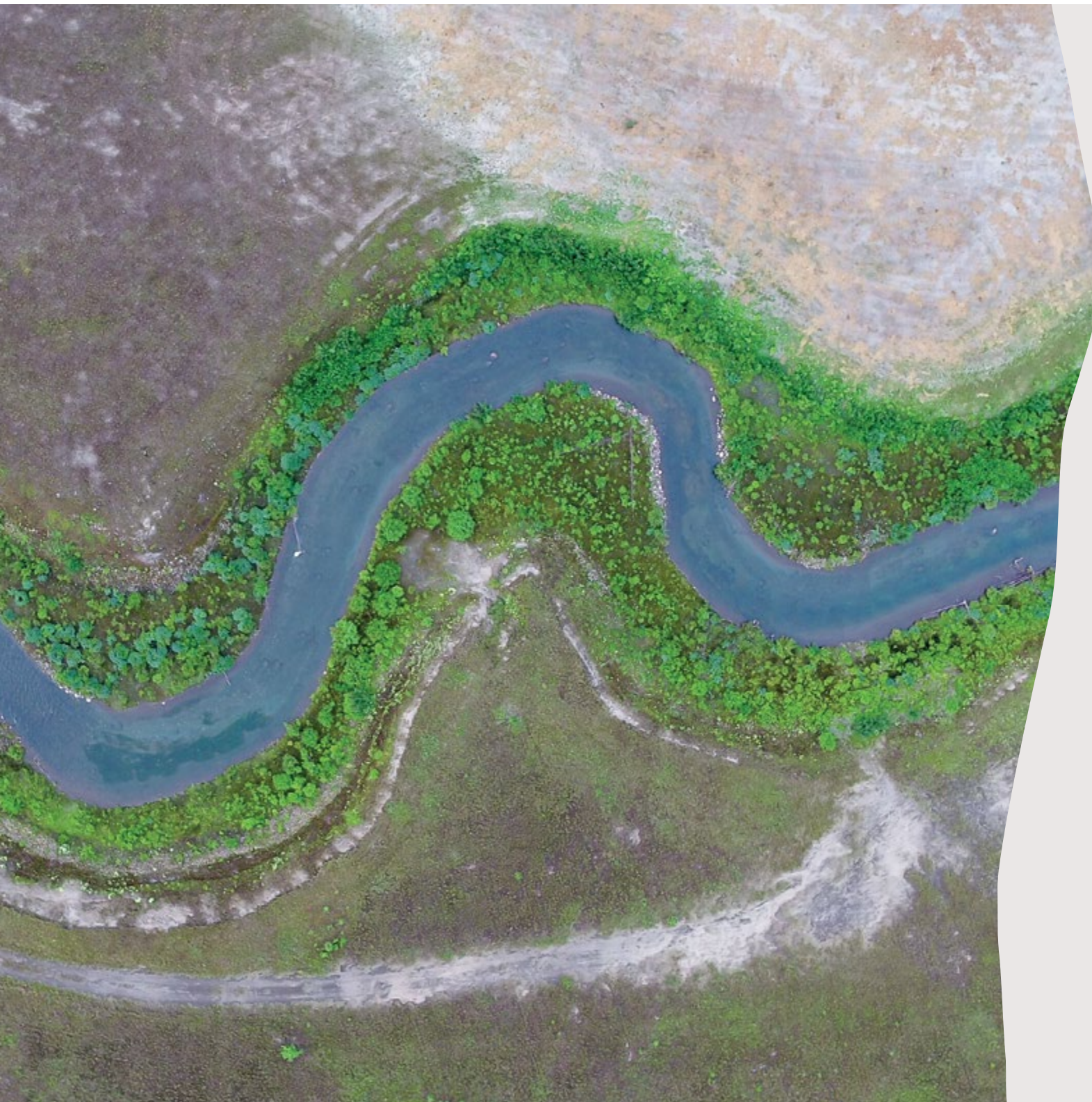


### Tailings Management

Responsibly managing waste from mining operations is essential, as is being transparent with our stakeholders about our tailings facilities and how we manage them.

We strive to protect the health and safety of people and to protect the surrounding environment, in the best way we can, everywhere we operate. Our tailings facilities are regulated, hold the necessary permits and licenses, and have been managed for many years to comply with the applicable laws and regulations and meet other local requirements for our facilities.





### **Global Industry Standard for Tailings Management**

Since 2020, IOC has been committed to implementing the Global Industry Standard for Tailings Management (GISTM) for our tailings management facilities in Sept-Îles and Labrador West.

The new international standard aims to prevent major industrial incidents and improve the safety of tailings facilities around the world. As part of the GISTM compliance process, IOC worked closely with the City of Sept-Îles in 2023 to develop a joint emergency response plan (ERP) in the unlikely event of an incident related to the tailings management facility. Several information sessions were held with community stakeholders and Indigenous partners as part of this initiative.

Rio Tinto made public disclosure in 2023 regarding the level of risk and the level of compliance of its facilities and systems with the GISTM standard, in compliance with International Council of Mining and Metals (ICMM) requirements.



## Climate Change

At IOC, climate change is an integral part of our strategic planning and investment decisions. We recognize the importance of understanding and mitigating the risks associated with climate change, which is why we have embarked on a comprehensive risk analysis process to develop a robust climate change adaptation plan.

**Aligned with Rio Tinto's Good Practice Handbook, our risk analysis follows a rigorous five-step process:**

01

### Acquire

relevant climate change projection data

02

### Identify

physical risks related to climate change

03

### Prepare

technical analyses

04

### Assess

physical climate risks

05

### Evaluate

risk management response

As of February 2023, we have successfully completed steps 1 and 2. Moving forward, steps 3, 4, and 5 are slated for completion by the end of 2024. Our climate projections, sourced from CLIM systems, encompassed a vast range of 60 different climate variables, projecting their potential effects up to the year 2100.

This meticulous exercise serves a crucial purpose: to gain insight into the future impacts of climate change and identify appropriate responses at both project and operational levels. By understanding the evolving climate landscape, we can proactively adapt our strategies and practices to ensure resilience and sustainability in the face of changing environmental conditions.

We also recognize the role we can play in the global energy transition. As the world looks to access low-carbon materials, IOC is positioned to play a pivotal role in the green steel supply and production chain. IOC has a plan to decarbonize and to produce one of the lowest carbon-intensity high-grade iron ore products in the world.

The best quality iron ore pellets that IOC produces have the potential to reduce the carbon intensity of each tonne of steel by more than two thirds with current smelting and furnace technology. With future technology such as hydrogen conversion, net-zero steel is within reach with the iron ore products produced by IOC.



# Economy



# Economic Breakdown for 2023

## Financial Contribution and Economic Impact

In 2023, IOC demonstrated its commitment to sustainable development by contributing significantly to the financial well-being of communities and governments. Through various channels, IOC contributed a total of \$384 million into federal, provincial, and local government budgets. These contributions were primarily composed of corporate income tax, municipal taxes, payroll taxes, and customs duties.

**\$2,830 million**

Net Ore  
Sales Revenue

**\$590 million**

Wages and Salaries  
(including benefits)

**\$3,123 million**

Total  
Revenue

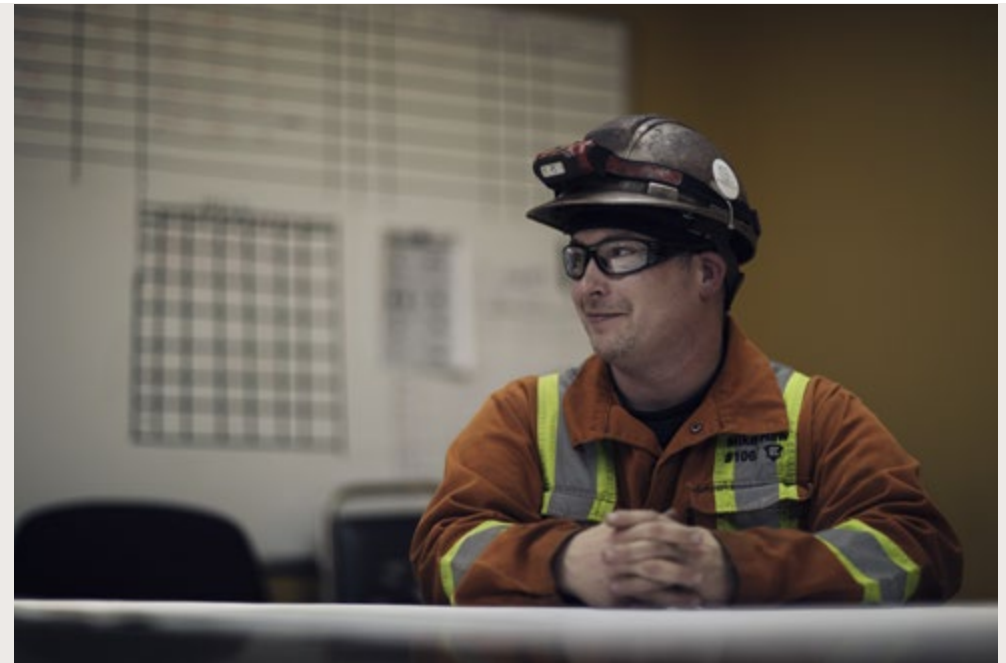
All values are represented in Canadian dollars (C\$).

## Health, Safety and Well-being

**Breaking records in safety:**  
IOC achieved its lowest ever  
All-Injury Frequency Rate.

Our commitment to safety shines through in leadership, risk management, work execution, and continuous improvement. Safety is our top priority.

In 2023, IOC achieved its best safety performance. This remarkable feat underscores the power of teamwork and collaboration. As a company, we're growing and maturing in our sector, thanks to our employees' engaged participation in Courage to Care and the Rio Tinto Safe Production System. This achievement marks a significant milestone of which we can all take pride.



### Courage to Care

In 2019, IOC initiated Courage to Care, a program to transform our safety culture aimed at identifying and addressing the risks and hazards inherent in our daily operations. Unlike conventional approaches, Courage to Care empowers employees at all levels to actively contribute ideas and solutions for mitigating these risks, fostering a culture of risk awareness and proactive

safety measures. By harnessing the collective insights of those directly engaged in the work, we not only enhance safety protocols but also cultivate a sense of ownership and accountability among our workforce. Through collaborative efforts across all levels of the organization, we implement targeted improvements tailored to each individual work area, ensuring that safety remains a priority in every facet of our operations. Courage to Care not only shapes our safety mindset but also reinforces our commitment to the well-being of our employees and the communities we serve.

In 2023, Courage to Care took home an award for being the program with the greatest impact on an organization's safety culture across all of Rio Tinto Minerals.

### Health, Safety, Environment and Communities (HSEC)

In 2023, we embarked on the HSEC Transformation Program aimed at simplifying and standardizing our HSEC tools. This initiative marked a significant milestone in our safe production journey, promising to reshape our work processes and how we interact with HSEC data. By making tasks more user-friendly and efficient, we aimed to free up valuable time that could be redirected towards meaningful safety engagement in the field, thereby enhancing overall safety across our operations.

## Rio Tinto Safe Production System

Our ambition is to lead the mining industry by embracing innovation and operational excellence. In pursuit of this goal, we are working to implement a transformative system with immense potential to streamline our processes, enhance operational stability, foster collaboration, and facilitate the exchange of best practices.

The Rio Tinto Safe Production System (RTSPS), represents a pivotal step forward for our organization in improving how we operate our assets, manage performance and help our people innovate.

Through RTSPS, we are drawing on data more efficiently to understand asset health, maintenance scheduling and bottleneck solutions, and in areas where the system is already operational, we have started to see improved production efficiency, safety and engagement.

At IOC our dedicated RTSPS team is continuing their site-wide deployment efforts. Following successful implementation at the concentrator, pellet plant, and loadout facilities, SPS will extend its coverage to encompass the mine, ore delivery system, and railway areas in 2024.



## Focus on wellness

In 2023 we aligned with Rio Tinto to have one service provider (Manulife) for health and wellness benefits, making it easier for people to access the services they need.

**In addition, several program enhancements were introduced that will continue to support the overall well-being of our employees, including:**

- Launch of the Care Hub through the Business Conduct Office, which also manages our confidential reporting program myVoice, to support people who may be impacted by disrespectful and harmful behaviours. This addition is a part of our ongoing work spurred on by Rio Tinto's Everyday Respect report published in February 2022.
- Ongoing Everyday Respect online training for all employees, which will help our people to become better 'upstanders' who will intervene, speak up, or step in to stop harmful behaviours.
- Introduction of 'Nudge' to our employee and family assistance program (EFAP) services, which is a tool designed to help simplify personal finance, thereby reducing stress that can come from managing finances and supporting overall well-being.
- Establishment of a Joint Benefits Committee, which is a partnership between IOC, union leaders, and representatives from our benefits programs, as a forum to raise issues relating to benefits program, discuss enhancements and changes, and communicate related issues.



## Talent, Diversity, and Inclusion

**IOC is an employer of choice in the Labrador West and Sept-Îles communities.**

We rely on our employees' expertise to face the challenges of the future with confidence. We are proud of the nearly 3,000 people who work in Newfoundland and Labrador and Quebec to keep our operations running smoothly.



# Number of Employees

**Total: 2,948**



## Where Our Employees Come From

### New Employees 2023

Newfoundland and Labrador	43.5%
Quebec	44.0%
Other Provinces	10.9%
Outside Canada	1.6%

\*Of those from NL, 67.86 % from Labrador West  
Of those from Quebec, 61.18% from the Sept-Îles area

### % of positions held by women

Newfoundland and Labrador	21.5%
Quebec	9.7%
Overall IOC	18.5%

## Career Opportunities

In 2023, we advanced our recruitment plan for talent crucial for the future of IOC. This included bolstering our workforce with heavy equipment operators, skilled tradespeople, and individuals in technical and leadership roles, essential for driving our operations forward.

Moving forward, we are dedicated to enhancing diversity within our workforce, striving to create workplaces that reflect the rich tapestry of the communities we serve. To achieve this, we will place increased emphasis on recruiting and nurturing the talents of women and Indigenous peoples, ensuring that our team is inclusive, representative, and empowered to thrive in a dynamic work environment.

## Salary and Benefits

IOC offers a full range of wage conditions and benefits, including a pension plan, a health plan and short- and long-term incentive programs.

## Summer Student Employment Program:

During the summer of 2023, IOC once again enthusiastically welcomed students to our operating sites in Labrador City and Sept-Îles, assigning them to various operational support roles for the summer months. From driving haulage trucks to executing tasks in our processing plants and port terminal, as well as fulfilling numerous staff roles, students helped ensure the smooth functioning of our operations.

Our summer student program not only contributes to the continuation of safe production throughout the busy summer months but also serves as a significant platform for attracting future talent, all while providing students with a valuable source of income.

**We take great pride in the fact that 58% of the students welcomed over the summer were women.**





## Partnership with College of the North Atlantic:

In 2023, IOC advanced its Memorandum of Understanding (MOU) with the College of the North Atlantic (CNA), which outlines the collaboration in areas of mutual interest, particularly in the realm of workforce development, experiential learning opportunities, and applied research in the mining sector.



CNA, a distinguished community and technical college, boasts over 55 years of history and operates across 17 campus locations throughout Newfoundland and Labrador. With a wide array of educational programs and courses serving over 8,000 students annually, CNA is committed to producing skilled individuals capable of meeting the demands of the labor market and contributing to societal and economic prosperity.

One notable initiative, the Skills of the Future Program, which aims to equip IOC personnel with the necessary skills and competencies to thrive in an evolving mining landscape, trained employees in specific areas of focus for our electricians and supervisors.

The strategic partnership between CNA and IOC is driven by a shared commitment to excellence in education, workforce development, and technological innovation. Through collaborative efforts, both entities endeavour to create lasting impacts that benefit our organizations, employees, and the broader community.

## Skills of the Future

The flagship component of our partnership with the CNA is the college's new Future Workforce – Electrical program—an essential lever for ensuring IOC electricians have the skills they need for our future operations in Labrador City. Program participants got to learn more about automation technologies and practice repairing complex electrical systems.

We also established a partnership with Cégep de Sept-Îles to support the RAIL Centre of Expertise, with a focus on research and training in the rail industry.

## Supervisor Development Program

Our Supervisor Development Program continues to hold importance as we cultivate and prepare supervisors for careers within IOC. It stands as a cornerstone of our leadership development initiatives, nurturing capable leaders throughout our organization.

## Partnership with Unions

IOC continues to partner with our unions to improve engagement, transparency, and issue resolution processes. In April 2023, the company and the union reached a five year, mutually beneficial collective bargaining agreement.

## Everyday Respect at IOC

IOC is committed to ensuring that our people feel safe, respected, and included at work. The Everyday Respect report, an external independent review of employee experiences globally across Rio Tinto published in 2022, highlighted the need to address bullying, sexual harassment, and racism at our workplaces. As part of the Rio Tinto Group, we are committed to addressing all the recommendations in the Everyday Respect report in a way that will be impactful and sustainable for our people at IOC.

## The initiatives we've been working on this year include:

### Training

---

for our leaders and employees so that our people are empowered and encouraged to speak freely when they see behaviours that do not align with our values

### Enhancing

---

the support of our people at the early stages of their career

### Reviewing

---

and upgrading our facilities so they are inclusive and meet the needs of our workforce

### Promoting

---

independent reporting channels for people to raise issues of disrespectful behaviour

### Better understanding

---

the contractor partner experience

### Councils

---

for our camps as a forum for residents to give feedback and suggestions on camp life







# Indigenous Peoples

## Working Together

**In 2023, 15 Indigenous employees (self-identified) were hired (10 in Labrador City and 5 in Sept-Îles).**

In addition, we continue to foster relationships with our Indigenous partners through:

## Creating

different employment committees with IOC representatives and employment and education representatives from the different communities.

## Including

an Indigenous relations advisor to enhance the onboarding process during their first week at work.

## Offering

scholarships to Indigenous students graduating and continuing their studies at cegep/college or university.

## Updating

the minimum academic hiring criteria depending on the role.

## Participating

in various job fairs in collaboration with Indigenous communities.

## Promoting

a variety of activities to raise awareness of IBA agreements among IOC employees.

## Visiting schools

to present IOC, the types of roles, and the academic requirements.

## Brainstorming

with the various Indigenous employment committees to identify the blocks and barriers to employment at IOC.

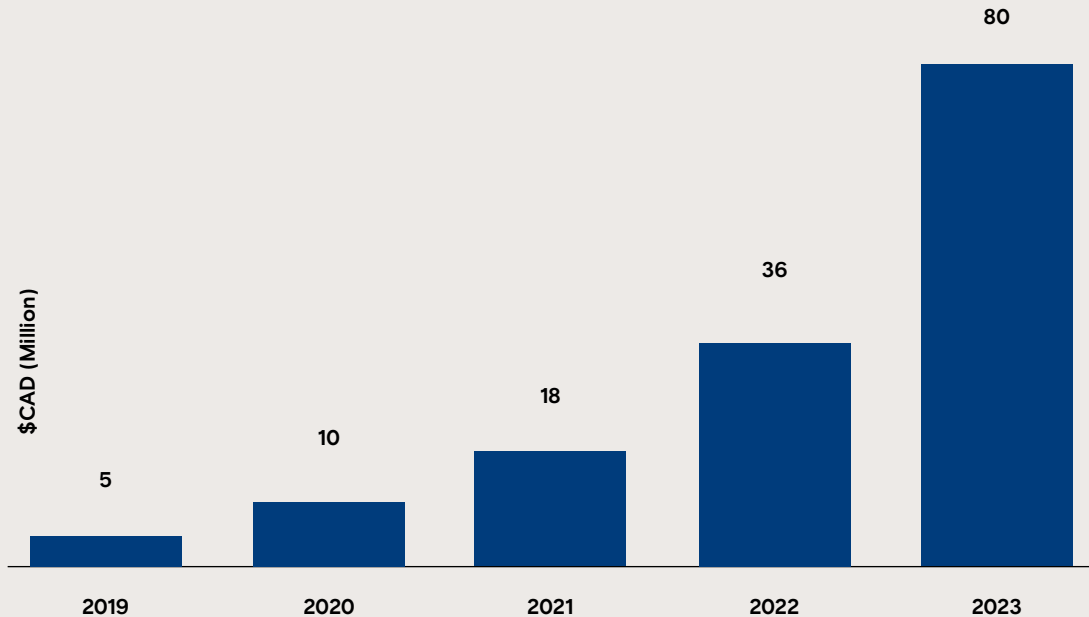
## Establishing

a communication channel between the employment agencies in the different communities to facilitate the application of candidates on vacant roles at IOC and offer jobs to Indigenous candidates.



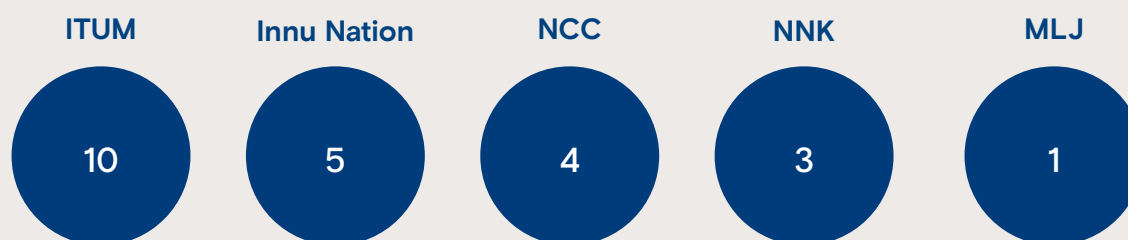
## Creating Opportunities

# IOC Indigenous Spend 2019-2023



2023 objective: Increase by 10% (vs 2022 baseline)

## Origins of Indigenous Vendors – 2023



## Initiatives to increase Indigenous participation

### Transparent Communication

We hold regular procurement meetings with partners to discuss upcoming opportunities to:

- Pursue discussions with interested businesses and provide support to navigate processes (e.g., Ariba guidebook)
- Provide bid feedback post-award (if unsuccessful)
- Encourage non-Indigenous vendors to play active role in increasing Indigenous participation
- Progress discussions with vendors around partnerships and sub-contracting opportunities

### Develop familiarity between Indigenous suppliers and end-users

Acquaintance meetings between Indigenous suppliers, Procurement and end-users occur for:

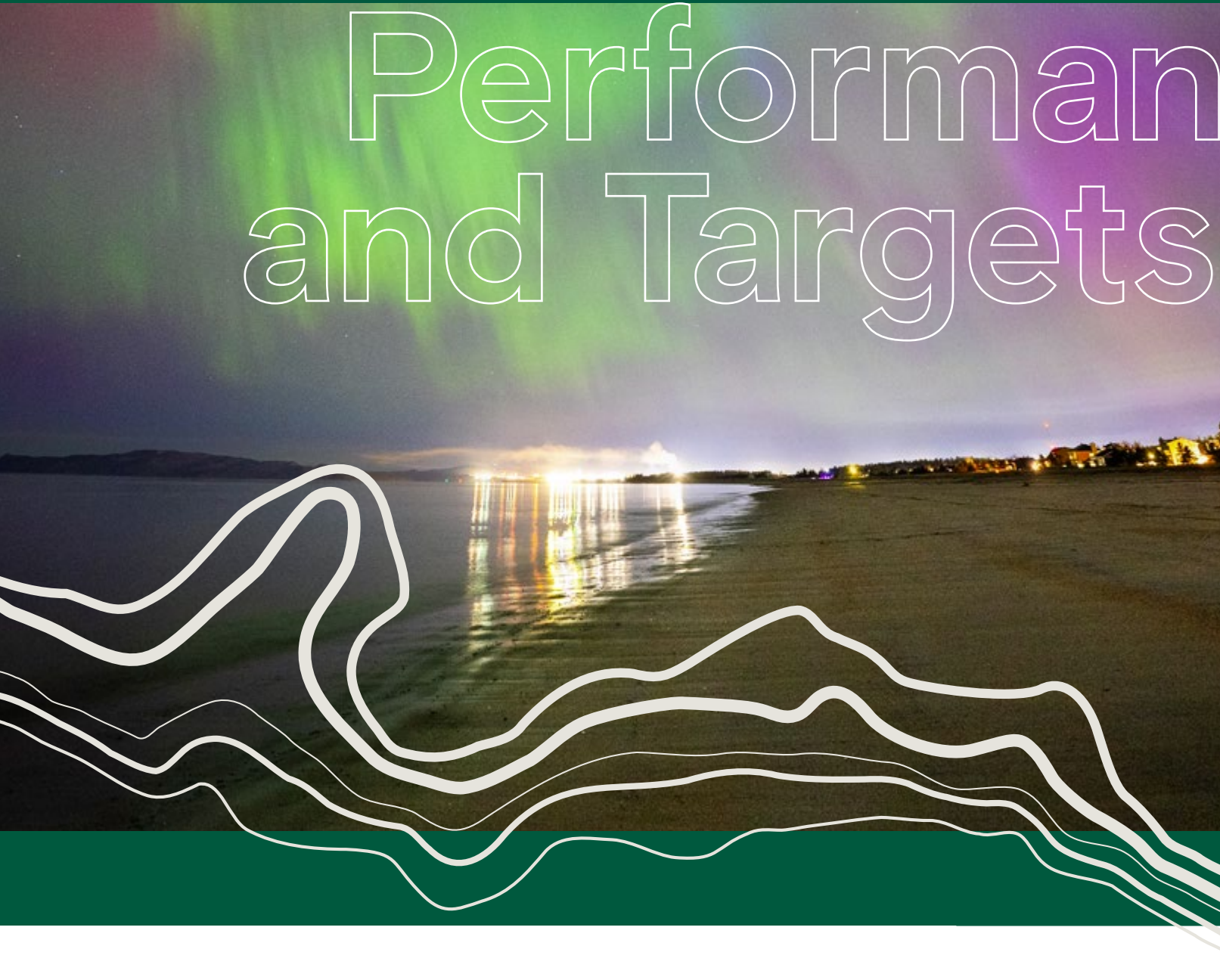
- Indigenous suppliers to introduce their company, services and aspirations
- End-users and Procurement team representatives to discuss opportunities and ask questions

### Work with Internal stakeholders to accommodate change

We collaborate to encourage engagement toward corporate commitments

We work through issues and challenge resistance with tactful resolve

# Greenhouse Gas Performance and Targets





## Energy and Greenhouse Gas (GHG) Dashboard

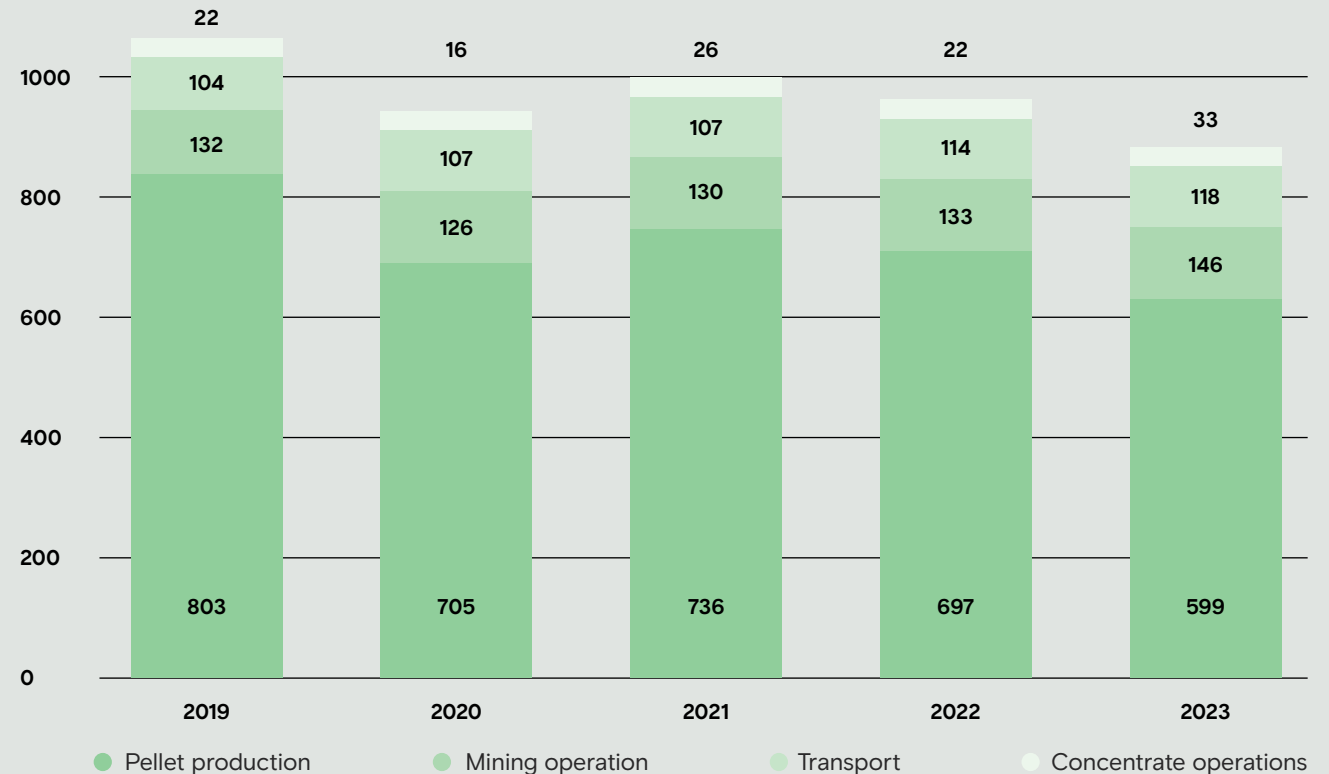
In 2022, IOC developed a detailed energy and GHG dashboard to track the results of our energy efficiency program. The dashboard displays information on past and current performance compiled from multiple data sources, providing a consolidated overview of our GHG performance and KPIs.

To raise awareness among operators and help them understand the factors that influence GHG performance, special pages were created in collaboration with employees from different sectors, including induration machine, grinding mill, and haul truck operators.

## GHG Emissions Intensity in 2023

Product	Unit	Target	Results	Variance
Mining operation	kg CO <sub>2</sub> eq/kt	1,313	1,341	+2.09%
Concentrate	kg CO <sub>2</sub> eq/kt	1,100	813.0	-35.30%
Pellets	t CO <sub>2</sub> eq/kt	55.9	58.5	+4.49%

## IOC's Total GHG Emissions





# 2023 Performance Data

Table 1

<b>Environmental Stewardship</b>	
Energy use (MWh)	4,145,000
Absolute greenhouse gas emissions (Scope 1 and 2) t CO <sub>2</sub> equivalent	895,954
Emission intensity t CO <sub>2</sub> eq/tonnes of total saleable product	0.0539
Land rehabilitated ha	0
<b>Social Well-being</b>	
All-injury frequency rate (per 200,000 hours worked)	0.34
Lost time injuries	6
Medical treatment cases	9
New cases of occupational illness	1
Number of employees exposed to an 8-hour noise dose above 85 dBA	352
Community advisory panel or similar community meetings	7
<b>Economic Prosperity</b>	
Number of employees	2 948
Community Investments and Sponsorships	\$1, 120, 000
Municipal, provincial and federal taxes	\$384 million
Sales	\$2,830 million
Sales (including QNS&L railway)	\$3,123
Salaries and benefits	\$590 million



Towards  
Sustainable  
Mining

Towards Sustainable Mining (TSM) is a program developed by the Mining Association of Canada (MAC) to improve the industry’s social and environmental performance. As a member of MAC, IOC adheres to its guiding principles and is committed to the implementation of extensive management processes in the MAC’s TSM performance areas.

TSM Performance Indicators

Table 2

Aboriginal & Community Outreach	Score
Community of Interest (COI) Identification	AAA
Effective COI Engagement & Dialogue	AA
Effective Indigenous Engagement & Dialogue	AAA
Community Impact & Benefit Management	AAA
COI Response Mechanism	AAA
Climate Change	
Corporate Climate Change Management	A
Facility Climate Change Management	B
Facility Performance Targets & Reporting	B
Tailings Management	
Tailings Management Policy & Commitment	AA
Tailings Management System & Emergency Preparedness	AA
Assigned Accountability & Responsibility	AA
Annual Tailings Management Review	AA
Operations, Maintenance and Surveillance	AA
Safety & Health	
Commitment and Accountability	AA
Planning, Implementation	AA
Training, Behaviour & Culture	AAA
Monitoring & Reporting	A
Performance	AA

**AAA**

Excellence  
and leadership

**AA**

Integration into management  
decisions and business functions

**A**

Systems/processes are  
developed and implemented

**B**

Procedures exist but are not fully  
consistent or documented

**Biodiversity****Score**

Corporate Biodiversity Conservation Policy, Accountability & Communications  
Biodiversity Conservation Planning & Implementation  
Biodiversity Conservation Reporting

AA  
AAA  
AA

**Water Stewardship**

Water Governance  
Operational Water Management  
Watershed Scale Planning  
Water Reporting & Performance

A  
A  
AA  
B

**Crisis Management**

Preparedness  
Review  
Training

Yes  
Yes  
Yes

**Equitable, Diverse & Inclusive Workplaces**

Leadership & Strategy (Corporate Criteria)  
Advancing Equity, Diversity & Inclusion (Facility Criteria)  
Monitoring Performance & Reporting (Facility Criteria)

AA  
A  
A

**In November 2023, IOC was honoured with two prestigious recognitions by the Newfoundland and Labrador branch of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM): ‘Miner of the Year’ and ‘Environmental Stewardship’.**



The Environmental Stewardship award was for IOC’s Biodiversity Conservation Strategy.

The awards were presented at the annual Mineral Resource Review (MRR) conference in St. John’s, NL.



# Awards and Recognition



# Acknowledgments

The achievements discussed in this sustainable development report would not be possible without the commitment and outstanding work of our people. IOC would like to thank all its employees for their commitment to health, safety, environmental and communities and social performance standards every day. We also wish to thank all our stakeholders, in particular the contractors, citizens and municipal councils of Labrador West and Sept-Îles, the federal and provincial governments, and our partners in Indigenous communities.

**Thank you!**



# We want to hear from you

Please feel free to email us at **feedback\_IOC@riotinto.com** to provide us with feedback about our social, economic and environmental performance. Your ideas, questions and comments will help us improve our practices.

**RioTinto | IOC**

