2018 Sustainable Development Report
Fer et Titane
Sorel-Tracy Metallurgical Complex
Havre-Saint-Pierre Mining Facilities
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MESSAGE FROM MANAGEMENT

Here is the 2018 Sustainable Development Report, which presents highlights of Rio Tinto Fer et Titane’s programmes in the economic, social and environmental spheres.

The year was marked by a tragic event that occurred on April 26, 2018. A contractor’s employee lost his life while working on one of the reduction furnaces. This tragedy prompted an in-depth discussion about our safety culture and led us to initiate a shift, in collaboration with all the stakeholders concerned. To this end, we held workshops to engage in an earnest thought process about safety with RTFT managers and employees, in addition to key contractors who work at our facilities on a daily basis. The main goal of these meetings was to raise awareness and engage in an individual and group focus on safety.

I am proud of the work we have done to position our facility for its future, for us, for future generations and for the community. The tireless involvement and collaboration of our employees are essential to accomplishing Our Project. So, we are continuing on this path.

The following pages present our key environmental indicators, as well as an overview of the programmes put in place to provide a safe and healthy environment where everyone can thrive. We encourage you to share this information. Please let us know your comments and questions.

Enjoy your reading and stay safe.

Guy Gaudreault
Managing Director

Early in the fall, the company adopted a 5-year strategy: Our Project. Based on 6 strategic levers, the project was implemented to coordinate the company’s efforts to reach our target to operate at $430 per tonne by 2023. We aim to do so by optimising and improving asset performance by 20% throughout RTFT.
In recent years, RTFT stepped up its efforts to remain competitive and maintain its market position. Although 2018 was marked by a tragic event that had a significant impact on the production rate, we have resumed our trajectory toward increased production.

Despite a difficult six months, the company remains well positioned in the markets thanks to the quality of our products. Nevertheless, we need to rebuild confidence by demonstrating our stability and improving our financial performance. The company’s RONA (return on net assets) in 2018 was just 2.5% compared to the target of 20%.

To meet this essential challenge, the company has adopted an ambitious plan and is channeling all our efforts to position the plant for its future and for the future of the entire community: Our Project.

### OUR PROJECT
Position our facility for its future, for us, future generations and the community.

### OUR TARGET
- Operate at $430 per tonne from now until 2023 across RTFT.
- Optimize and improve asset performance by 20% ($200M).

### OUR CHALLENGES
- SAFETY – RETENTION – ENGAGEMENT – COST PER TONNE
- GROWTH IN CHINA – CUSTOMERS – POSITIONING – OPERATIONAL EXCELLENCE
- RELIABILITY – INNOVATION – INVESTMENTS – REPUTATION – ECONOMIC CYCLES

### SUPPORTED BY OUR LEVERS
1. INNOVATION
2. SAFETY
3. ENGAGEMENT
4. RELIABILITY
5. COMPETITIVENESS
6. COMMUNITIES

Because we all have a role to play

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**BUSINESS PERFORMANCE**

2019–2023 Production Forecast

Financial Health | Business Performance

<table>
<thead>
<tr>
<th>RONA (return on net assets)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
</tr>
<tr>
<td>-0.6%</td>
</tr>
</tbody>
</table>

Current Forecast

Current
Forecast
» Sorel-Tracy Metallurgical Complex
Labour Shortage
RTFT finds it particularly challenging to fill technical positions such as electrical technicians, plant mechanics and second-class stationary equipment mechanics.

To address this labour shortage, the Recruitment Department has introduced new initiatives to meet with industrial electronics technology students, including our participation in events at Cégep de Sorel-Tracy. The demand for electrical technicians is so strong at RTFT that students who were finishing their technical studies in May 2019 were already part of the hiring process at the Metallurgical Complex. If they received job offers, they were conditional on graduating.
Manager Participation in Recruitment
RTFT employees are the best ambassadors in terms of recruitment. In this era of managerial accountability, recruiting candidates is becoming one of their functions, beyond posting available positions on Facebook and LinkedIn. Managers are now involved in hiring their team members, with the support of the Human Resources Department.

Highlight: New Recruitment Initiatives Introduced!
Being proactive in its recruitment initiatives, the Human Resources Department held its introductory Career Day at the Marché des arts Desjardins on February 24, 2018.

Over 200 candidates attended the event to meet with the Recruitment Department and try their luck at joining a world-renowned company.

Along these same lines, and with the goal of further promoting the positions available in Sorel-Tracy, the Communications Department launched the RTFTcarriere.com website in collaboration with the Recruitment Department. Designed for recruitment, this platform promotes the company and its involvement in the community, the Sorel-Tracy region, and the jobs currently available at the Metallurgical Complex.

The data indicate that the RTFTcarriere.com website has logged high target-audience traffic since its launch in December.

Highlights: The Powder Plant’s 50th Anniversary Celebration
The organizing committee planned creative, community-building activities around the Mine-to-Market theme throughout 2018, counting down to the Powder Plant’s 50th anniversary celebration.

A dinner cruise on the St. Lawrence River aboard the Cavalier Maxim closed out the year of festivities. Nearly 500 guests, current and retired employees, participated in the event on September 29, 2018. During that evening, builders and employees of the powder plant had the opportunity to share anecdotes about the plant. Honorary plaques were given to representatives of all sectors to mark their contributions and ongoing collaboration at the powder plant.
SKILLS DEVELOPMENT

Highlight: On-the-Job Learning for the OHSE DEC
In collaboration with Cégep de Sorel-Tracy and five other major companies in the Sorel-Tracy region, RTFT is participating in on-the-job learning for the DEC (diploma of college studies) in Occupational Environment, Health and Safety. Over three years, students from the 2018 cohort will complete 569 person-hours of their specific training, for a total of 1,905 person-hours, as part of an on-the-job learning project.

Highlight: Partner for Rêver la métallurgie
Through an initiative of the Comité sectoriel de la main d’œuvre de la métallurgie du Québec (CSMO-M) and the mobilisation of area participants, 350 third-year secondary students from the Fernand-Lefebvre school in Sorel-Tracy were immersed in a new experience called Rêver la Métallurgie. For fourteen weeks, the students were able to develop their taste for the technical field at a decisive moment in their schooling and career planning.

In practical terms, this project was integrated with mandatory educational activities, giving these young people experience in a business situation: they had to come up with and implement a new pedal design for high-end bicycles. The community rallied around this project. It aimed at sparking the students’ interest in the field of science and technology, contributing to the development of the next generation in the technical-sector trades and professions, and encouraging young people to stay in school.

Several partners rallied around the “Rêver la Métallurgie – Pédale vers ton avenir” project

<table>
<thead>
<tr>
<th>employees in training</th>
<th>training hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,326</td>
<td>45,878</td>
</tr>
</tbody>
</table>

© Philippe Munnig
Following a serious incident at the reduction plant where a contractor’s employee lost his life, RTFT initiated a necessary shift with respect to safety. All our actions in 2018 focused on safety.

We completed the implementation of the CRM programme, which achieved an advanced stage of maturity in 2018. When the implementation began in 2016, the critical risk management (CRM) programme sought to eliminate fatalities by identifying risks, effectively managing execution, and continuously improving compliance with standards.

The terrible tragedy vividly reminds us how important it is to engage everyone. Consequently, the management team and all of the managers stressed compliance with the rules and procedures and the accountability of employees and managers, setting in motion the shift to safety. Each and every situation presenting a risk where appropriate controls are not available must be analysed and managed. The company conducted numerous risk analyses and workshops with employees during the year to propose solutions. The work continues today.
OCCUPATIONAL SAFETY (continued)

The organisation aims to provide a safe environment for our employees through a balanced approach between the management of fatality risk and total injury management and process safety.

The quality of the interactions between the employees and managers in the field meets management’s primary objective: constant coaching to guide and give meaning to our activities.

Operational Safety

In 2018, we continued our actions to implement PSM (Process Safety Management) with critical control management.

In doing so, we conducted over 1,500 critical control verifications.

The purpose of PSM is to improve management of the risks generated by our operations and processes, so we can protect people, the community and the environment.

The implementation team, made up of managers from each plant, identifies and defines critical controls and ensures that critical control verifications are completed. We continued and completed these activities with respect to the hazards of CO gas, molten material, hydrochloric acid, hydrogen and natural gas.

Implementing this approach with respect to hazards led to proposing necessary improvements and creating dedicated teams:
- Team Zero Water Leaks at the Reduction Furnaces;
- Team Zero Acid Leaks at the UGS Plant;
- Team Zero Molten Material Spills at the Reduction Furnaces.

Safety Performance Indicators

Recordable Injury Frequency Rate
(number of lost time, work restriction and medical follow-up incidents x 200,000/number of hours worked)
HEALTH AND INDUSTRIAL HYGIENE

In 2018, the Occupational Health team continued its medical surveillance and occupational exposure-prevention activities. Two health risks were added to the company’s critical risk monitoring (CRM) programme: thermal stress due to heat and chronic substance exposure. As a result, we improved the monitoring and surveillance programme for these hazards.

The organisation also implemented the new Workplace Hazardous Materials Information System (WHMIS) requirements to identify hazardous materials. It now complies with the Globally Harmonized System (GHS), a hazard classification system used worldwide.

In addition, activities to identify and assess exposure to noise, dust and gas have led to the launch of various projects to improve the working environment:
- Eliminating or substituting products
- Improving ventilation and extraction systems
- Installing acoustic insulation
- Changing working methods

The Health Service saw the number of consultations rise by close to 13%, caused in large part to the increase in production and hiring. Consultations are predominantly for injuries, follow-ups for non-work-related absences, periodic health surveillance exams and pre-hire examinations. These programmes help employees who work in a demanding work environment stay in good physical and mental health. For example, the hearing-monitoring programme helped in the early detection of 21 cases of the initial stages of hearing loss and improved targeting prevention activities to avoid occupational deafness.

The increase in the occupational illness rate in 2018 is mainly attributable to cases related to mental health. Many mental health risk factors may be linked to interactions between the type of work, the organisational framework, the employee’s abilities and skills in managing change and stressful situations, as well as the support available to them to perform their work.

Health Performance Indicators

<table>
<thead>
<tr>
<th>Year</th>
<th>Occupational Illness Frequency Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.43</td>
</tr>
<tr>
<td>2017</td>
<td>0.65</td>
</tr>
<tr>
<td>2018</td>
<td>0.9</td>
</tr>
</tbody>
</table>

The OBP | Safe Spaces Programme Moves Forward
The OBP | Safe Spaces programme essentially involves the relocation of spaces where employees assemble to locations further away from high-risk operations. These include control rooms, meeting rooms, canteens and offices, among others. We orchestrated consecutive moves to put this programme into motion. The first move took place at the end of 2018, with all the teams from the major offices and from 13 George Street moving to Place Fer et Titane, located at 1350 Chemin Saint-Roch.
ENVIRONMENT AND RESOURCES

Each year at RTFT, we continue to improve our processes to limit our environmental footprint and persist in our determination to be a responsible citizen.

WATER MANAGEMENT

Water is crucial to RTFT’s operations. Most of our water is pumped from the St. Lawrence River. In 2018, we used 48.3 million cubic metres of H2O—a volume proportionate to production. As an environmentally responsible organisation, RTFT uses water only for processes and cooling operations, which has little impact on the City of Sorel-Tracy’s volume of potable water. Our water treatment plant takes care of the main pollutants. Once water has been used, it is recycled and treated for recirculation or to be returned to the St. Lawrence. The average annual volume of suspended solids was considerably lower in 2018 than in 2017. Our efforts in this area in recent years have been successful and we are keeping up these initiatives.
AIR QUALITY

Air quality depends on numerous factors, ranging from simple wood fires, which emit particulate matter, to transportation and agriculture.

Although it is impossible to distinguish the source of particulate matter, RTFT fastidiously measures annual changes in ambient air quality.

Highlight: Dust-Reduction Programme at the Reduction Plant
In connection with our depollution attestation, we completed a dust-reduction project at the reduction plant. The goal was to reduce particulate emissions through skylights. This involves increasing the capacity to capture the gases collected in the reduction plant’s hoods. We will also modify the capture system for the furnaces at a rate of one per year. The hood for furnace 5 was the first to be completed in 2018.

Six dust exceedances were observed in 2018, down significantly compared to the previous year. These exceedances were observed when handling piles, venting the furnaces or on days with strong particulate-bearing winds.

The SO₂ Recovery Plant
Since its start-up in July 2015, the SO₂ recovery plant’s efficiency reflects a greater than 60% reduction in gas emissions. The quantity of SO₂ emitted is directly related to operations.
Additional Information about Noise
The values presented in this report come from computer simulations (modelling) based on the noise contribution of each of the fixed sources of noise at the RTFT site. Using this method, we can assess a scenario in which all of the fixed noise sources in the modelling are operating simultaneously and the wind is carrying the noise to each of the receptor points. It should be noted that weather conditions, including wind direction, influence sound propagation. This method also allows us to compare similar parameters, with a view to assessing possible changes in noise contributions from one year to the next. The Ministère du Développement durable, de l’Environnement et de la Lutte contre les changements climatiques (MDDELCC) recommends using modelling to assess noise contributions for noise impact studies conducted as part of the certificate of authorisation application process.

The following table shows the modelling results. There was no change in noise levels in 2018 compared with the previous years.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behind houses on Moreau Street in Saint-Joseph-de-Sorel</td>
<td>57</td>
<td>57</td>
<td>57</td>
</tr>
<tr>
<td>Corner of Du Souvenir Street and Bonin Street in Sorel-Tracy</td>
<td>55</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>298 Rang Saint-Joseph, in Saint-Ignace-de-Loyola</td>
<td>51</td>
<td>51</td>
<td>51</td>
</tr>
</tbody>
</table>

Residual Materials Management
All industrial operations generate by-products and residual materials. RTFT wants to reduce its residual materials to a minimum. With this in mind, it reuses the greater part of these materials during other operations at its sites or has external firms recycle them for new uses.

In 2018, major refurbishing was done on the reduction furnaces, generating residual materials (iron, concrete), most of which are recycled for other purposes.

Residual Materials Assessment for 2018

<table>
<thead>
<tr>
<th>Indicators</th>
<th>tonnes/year</th>
<th>% recycled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-hazardous residual materials</td>
<td>10,037</td>
<td>56%</td>
</tr>
<tr>
<td>Refractories</td>
<td>8,472</td>
<td>51%</td>
</tr>
<tr>
<td>Hazardous residual materials</td>
<td>710</td>
<td>88%</td>
</tr>
</tbody>
</table>
ENERGY AND GREENHOUSE GASES

Gases present naturally in the atmosphere contribute to the creation of a greenhouse effect by reflecting heat back to the surface of the planet. Certain human activities produce additional gases and thereby contribute to an increase in the greenhouse effect.

Energy consumption and greenhouse gas emissions are proportionate to production rates, particularly reduction furnace operations. The furnaces produce CO gas that, once recovered, is flared and becomes CO₂.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit of measure</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production rate</td>
<td>% total production capacity</td>
<td>53</td>
</tr>
<tr>
<td>Energy consumption</td>
<td>Gigawatt-hour GWh</td>
<td>2,392</td>
</tr>
<tr>
<td>Greenhouse gas production</td>
<td>kilotonnes CO₂ equivalent - ktCO₂</td>
<td>800</td>
</tr>
</tbody>
</table>

OTHER ENVIRONMENTAL INDICATORS

The Metallurgical Complex covers 148 hectares.

The number of environmental incidents is declining thanks to sustained efforts by the project and production teams. In 2018, the company received and handled seven complaints about events related to noise or dust in addition to its regular dust management programme in the community. This is an improvement compared to previous years. Each event is analysed and measures are put forward to reduce the impacts of these activities as much as possible.

In 2018, RTFT renewed the 10-year order for dredging the bottom of the St. Lawrence River near its port facilities in order to ensure safe port operations.

During the year, internal and external audits monitored the management system so as to maintain the ISO 14001 – 2015 certificate and target potential improvements.

Highlight: Recovery of a Boat Anchor

While we were sampling and checking fish for the study monitoring environmental impacts near our facilities, the team recovered an old boat anchor that could be about 100 years old. RTFT donated it to the Musée maritime du Québec in L’Islet-sur-Mer, which will display the find in its River Park with other anchors already on exhibit.
COMMUNITIES

CONTRIBUTIONS PROGRAMME

The application review committee was expanded in 2018. It includes management and unionised employees committed to the company’s involvement in the community who discuss the applications and the amounts to be paid out. The review committee bases its decisions to allocate funds to organisations and respond to donation and sponsorship requests on four established strategic focuses: community development, economic development, the environment and education.

Electrical technician Emmanuel Franche felt it was important to be able to share his ideas, have a say and note how RTFT supports young people through the donation and sponsorship programme.

The same is true for Frédéric Benoit, senior executive adviser; to him, it is essential that the company invest in education and the young people in the Sorel-Tracy region.

The committee members’ involvement becomes even more meaningful when they are asked to represent the company at events where RTFT is a partner.

Direct Financial Contributions to Communities in 2018

- Health and safety 6%
- Environment 3%
- Education 4%
- Recreation* 77%
- Culture 1%
- Business development 4%
- Other 5%

* Major partner of Statera Experience in regional economic diversification
INVolVEMENT

Cultivating a sense of belonging and pride in its community, RTFT gets involved at various levels to support organisations, projects and events.

Statera Expérience
With the aim of boosting the economic diversification of the regional fabric in practical terms and generating a sense of pride, RTFT became a key partner of the Statera Expérience tourist attraction through a one-million-dollar investment to be spread over ten years.

Located on Quai du Traversier in Sorel-Tracy along the St. Lawrence River, Statera’s unique immersive experience will generate significant economic benefits in the region and promote Sorel-Tracy throughout Quebec.

The Rio Tinto Education Awards
In 2018, Rio Tinto Fer et Titane awarded seven scholarships to shine a light on the next generation of students in the Sorel-Tracy region, while helping secondary school and Cégep students in their schooling.

Operation Red Nose
For the third year in a row, RTFT served as honorary chair of the 2018 Red Nose campaign. Again this year, the company awarded $250 to each team of RTFT employee volunteers to donate to the non-profit organisation of their choice in the region. With the involvement of 19 teams totalling more than 60 employees, $4,750 was donated to various organisations in the Sorel-Tracy region.

Arbre de joie and the GEST
Participating in the “soirée de Noël” Christmas event on November 30 at Cabaret Les Années Folles, managers, staff employees and their spouses donated $10 when they registered. As a result, we donated $2,860 to Arbre de joie, an organisation that allows more than 500 children in the Sorel-Tracy region to receive gifts when they may not have had them otherwise.

As always during the holiday season, the company supported the Groupe d’entraide Sorel-Tracy (GEST). This support helped to assemble 1,200 boxes of food for 230 families in need.
City of Saint-Joseph-de-Sorel
Rio Tinto Fer et Titane is a long-standing partner in the Saint-Joseph-de-Sorel community, organising several community activities with our financial participation, employee involvement and project-development expertise. In 2018, the company made it possible to offer free summer day camp, among other activities, to some 100 young participants by boosting our partnership in the municipality’s recreational activities. RTFT also helped to maintain and provide surveillance for the outdoor skating rink at the Martel School.

ECONOMIC IMPACT

In 2018, expenditures at the Sorel-Tracy Metallurgical Complex totalled $584 million, with $109 million of this amount spent on goods and services in the Sorel-Tracy area. Under its Community Contributions Policy, RTFT has always favoured local procurement at equal cost. This real economic impact is no doubt even greater, since the data are based on the geographical location of our suppliers’ administrative centres.
» Havre-Saint-Pierre Mining Facilities
MINING FACILITIES

Various events at the Sorel-Tracy Metallurgical Complex had an impact on the operational performance of the mining facilities in 2018.
Nevertheless, the slowdown gave us the opportunity to perform major work on the railway. We also held Réaliser le plein potentiel workshops to help us identify several sources of waste and implement optimisation actions accordingly. In particular, the mine plan was reviewed in the light of new mixing strategies.

Our safety performance remained constant in 2018 with only one lost-time injury. We are constantly improving employee engagement in various programmes and continue to raise awareness and provide education about safety. Our priority remains the safety transformation in order to achieve zero injuries.

In terms of production, improving the mining strategy will help maximise resource utilisation and implement better strategies to maintain heavy equipment and provide maximum availability. Maintaining good operational and financial discipline will help us reduce costs and revisit our business practices. The company also prioritises maintaining employee engagement.

Furthermore, we look forward to sustaining harmonious relationships with all our internal and external stakeholders. We believe that these various actions will keep our people safe, our facilities profitable, and our activities sustainable.
Our employees are particularly important to us. We are committed to developing open dialogue built on mutual trust.

Highlight: June 2018 Mine Tour
On June 9 and 10, 2018, employees and their family members toured the mine and terminal facilities as part of Family Day. The four organised train tours of the mine attracted 538 visitors who were able to enjoy the activities organised by their colleagues.

The initiative was motivating for our employees, as their children so enjoyed getting a first-hand look at their parents’ workplace.
538 people participated in the tour of the facilities
OCCUPATIONAL SAFETY

One highlight of 2018 was our progress in implementing the critical risk management (CRM) programme in all areas of the company. We set up daily management meetings, which have improved the quality of safety management for supervisors, as well as the quality and frequency of discussions about safety.

We are taking advantage of the safety transformation to share what we have achieved in this area with employees. We also held various workshops on how to improve safety.

Between September 2017 and September 2018, RTFT had a one-year sequence with no accidents. In November 2018, one incident set the 2018 AIFR at 0.43.

OCCUPATIONAL HEALTH AND HYGIENE

Each year to help protect and, if applicable, improve occupational health, a team conducts employee medical consultations.
- 87% of scheduled periodic employee medical examinations were completed.
- 81% of employees exposed to noisy situations underwent hearing fit testing.
- The team met its annual industrial hygiene target of taking 179 samples of contaminant (dust, welding fumes and/or noise).
- Asbestos sampling at the crusher electrical substation showed that concentrations were below the recommended limit under the Regulation respecting occupational health and safety.
- In recent years, RTFT has invested in new, more efficient dust filtration equipment. As a result, no exceedances for dust were recorded in 2018.
- Noise maps at the mining facilities were updated.

To support physical activity among our employees, Rio Tinto offers a reimbursement programme for physical and sports activities. In 2018, 51 employees took advantage of this programme.

Highlights: Lighting Level Measured in the Mine’s Exterior Pedestrian Passageways

The goal of this project was to define low-light areas in the mine’s exterior pedestrian passageways and to determine the gap between current conditions and the standard. Then, we planned the work to add lights. This project initiated in 2018 will continue in 2019.
At Lac Tio, near Havre-Saint-Pierre, our open-pit mine sits on one of the world’s largest massive ilmenite deposits. Mining can affect soil, water and air, as well as wildlife and plants. These effects are monitored by government bodies such as Environment and Climate Change Canada (ECCC) and the Ministère du Développement durable, de l’Environnement et de la Lutte contre les changements climatiques (MDDELCC). RTFT is committed to meeting and exceeding requirements and anticipating consequences.

**WATER MANAGEMENT**

Using and recycling water and returning it to nature pose risks and RTFT has made water management a priority. Improving the water treatment of the RHEO waste rock principal mining effluent has been a priority at the Tio mine for the last several years. The RHLEO waste rock facility automation project was completed in the fall, and we can already see seepage stabilising and a reduction in the consumption of treatment products. The water discharge point from the pit to the buffer basin was redirected, significantly reducing the variability at the outlet.
The principles of continuous improvement are fully implemented when it comes to water management. We constantly strive to improve the efficiency of water treatment, add better controls and innovate with new technologies.

We maintained nickel (Ni) levels in 2018, not only below required standards, but also within our target for mining effluents. We continue to reduce our environmental impact by keeping our main effluent to an annual average of 0.19 mg/L, compared with the required monthly standard of 0.50 mg/L (monthly average).

**AIR QUALITY**

Since 2016, RTFT has been equipped with an air quality station to continuously record concentrations of metals and dust particles. The results were similar to those for previous years, with values below the applicable standards under the Clean Air Regulation. We are continuing toward our goal of ensuring air quality through technological improvements that gradually reduce the impact on citizens.

**RESIDUAL MATERIALS MANAGEMENT**

In 2017, the Ministère du Développement durable, de l’Environnement et de la Lutte contre les changements climatiques (MDDELCC) notified us that we needed to clean up our storage site, which contained a wide variety of non-toxic waste, from metal to wood pallets and plastic pipes.

In the fall of 2017, RTFT recovered a large volume of scrap metal and committed to reusing and recycling everything possible. The project was rolled out in 2018 and will be fully operational in 2019. The quantity of residual materials generated in 2018 is higher than in previous years due to the significant replacement of ties during major work on the railway.

<table>
<thead>
<tr>
<th>Type of materials</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residual materials (from cafeteria, building materials)</td>
<td>785 8,1%</td>
<td>2,020 60%</td>
<td>1,159 57%</td>
</tr>
<tr>
<td>Hazardous materials</td>
<td>155 78%</td>
<td>175 82%</td>
<td>183 97%</td>
</tr>
</tbody>
</table>
ENERGY AND GREENHOUSE GASES

The majority of the greenhouse gas emissions at RTFT’s facilities are generated by operating mobile equipment (drills, locomotives, mine trucks, loaders, shovels, light vehicles, etc.). Emissions are also generated by operating fixed equipment (boilers and generators). In 2018, all sites (railway, mine, railway terminal and port) and CO₂ emissions were considered.

Reduced truck use and rationalised train use are among the ongoing efforts by RTFT to improve energy efficiency and reduce greenhouse gas emissions.

WASTE ROCK MANAGEMENT

Highlight: Rehabilitation of the Petit-Pas Waste Rock Pile

The rehabilitation of the Petit-Pas waste rock pile got under way in 2017, according to the plan submitted to Environment and Climate Change Canada (ECCC). The goal for 2017 was to remove 400,000 tonnes of waste rock and low-content ore from the site.

We outperformed our target by removing 550,000 tonnes. In 2018, we rehabilitated close to 18% of this volume in ore. This sustainable development solution makes it possible to rehabilitate the resource while putting a permanent solution in place to promote water quality in Lac Petit-Pas. This project should continue until 2029.

ENVIRONMENTAL INCIDENTS

Highlight: Recovery Work

In 2018, we recorded four environmental incidents. One of them was due to a momentary exceedance of suspended solids at one of the mine effluents. Two of them had to do with minor hydrocarbon spills (diesel fuel, oil). During the summer, RTFT began recovering soil contaminated with diesel fuel near the oil facilities at the terminal. All of the contaminated soil that was recovered was sent to an authorised treatment site. The Ministry was kept informed of the progress of the work. This decontamination work will continue in 2019.
RTFT respects existing communities and is committed to cooperating with the people who live in them and use land near its facilities.
COMMUNITIES

Dialogue and exchanges with communities are fundamental in maintaining our relationships with citizens and local players. Our operations are intimately linked with the region, and support from the local population is essential.

We organised a tour of the mine for our employees’ families. The event was a great success and we will repeat the experience as part of the mine’s 70th anniversary celebrations in 2020.

Members of the organisation participated in several activities with economic players in the region. These lunches and meetings helped to improve our relationships and dialogues by defining our respective expectations and needs. We are also working with the prefecture to set up an economic diversification structure in Minganie.

EKUANITSHIT

The information and consultation process with the community was implemented as part of the new operating scenario at the Tio Mine facilities, located north of Havre-Saint-Pierre. The company received its certificate of authorisation (CA) from the government. This authorisation calls for the extension of the current Puyjalon South low-content ore accumulation area to enable ongoing mine operations. Concerns persist in the community, and RTFT is continuing the dialogue.

Discussions about the implementation of a bilateral agreement also took place during the year.
CONTRIBUTIONS PROGRAMME

At RTFT, we place great importance on our region’s vitality and, above all, on its citizens. Our contributions in areas as wide ranging as health, culture and education are proof of our interest in our host community.

As a dynamic local player, we have included entrepreneurship and economic diversification in our approach to boosting the region’s impact. Through new job creation, we encourage new talent to move to the Minganie region and contribute to its development.

Direct Financial Contributions to Communities in 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and safety</td>
<td>19%</td>
</tr>
<tr>
<td>Environment</td>
<td>21%</td>
</tr>
<tr>
<td>Education</td>
<td>1%</td>
</tr>
<tr>
<td>Recreation</td>
<td>32%</td>
</tr>
<tr>
<td>Culture</td>
<td>8%</td>
</tr>
<tr>
<td>Business development</td>
<td>19%</td>
</tr>
</tbody>
</table>

ECONOMIC IMPACT

In 2018, expenditures at the Havre-Saint-Pierre mining facilities totalled $43 million. An estimated $8 million was spent in the Havre-Saint-Pierre area, and $1.2 million was spent in the Ekuanitshit area.
Breakdown of RTFT Expenditures at the Havre-Saint-Pierre Mining Facilities in 2018

Total purchases in 2018: $43M

- Purchases in Canada (outside Quebec): $10M
- Purchases in Quebec (excluding local): $15M
- Local purchases: $7M
- International purchases: $745,000
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