2009 Sustainability Report

Unearthing Potential

Teck

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Our Approach

Message From the CEO

This report's theme – *Unearthing Our Potential* – is about gaining a deeper understanding of how Teck can best contribute to a more sustainable future while creating value for our shareholders. Over the long-term, we believe our success and competitiveness will depend on our ability to anticipate, understand and collaborate to address the needs and priorities of people who are our neighbours in areas where we operate, or who may enjoy an improved quality of life as a result of the products we produce.

Our Approach

We recognize that we have the responsibility to mitigate risks and to work with communities and host governments to create sustainable benefits from our operations for present and future generations. Our approach to sustainability has been informed through our participation with associations focused on fostering progress on sustainability, including the International Council on Mining and Metals and its Sustainable Development Principles, the United Nations Global Compact, and the Mining Association of Canada's Towards Sustainable Mining initiative.

Our Progress

In late 2009 we established a sustainability leadership initiative that would help us to create a culture where everyone considers people, the environment and communities, now and in the future, with every decision we make. With this in mind, in 2010 we convened an internal cross-functional working group composed of leaders from each business unit and functional area in the company tasked to gain a deeper understanding of sustainability, how Teck can contribute to it and how we can embed consideration of sustainability into our day to day decisions.

Safety and Health

The safety and health of our employees, our contractors and their families is a core value. We believe that everyone should go home safe and healthy every day. In 2009, each operation implemented Courageous Safety Leadership (CSL), which is a safety philosophy that challenges existing beliefs, values and attitudes towards safety and outlines the change required to instill a true culture of safety. To date, over 10,000 Teck employees and contractors have experienced phase one of the CSL journey – an intensive one day training session – representing a significant step forward in aligning our organization around a common vision for safety.

Despite our efforts, we did not achieve our goal of "Zero Incidents" and are saddened to report three fatalities occurred at our sites in 2009. We will continue to focus on Courageous Safety Leadership – working to enhance personal leadership and commitment around safety – so that everyone goes home safe and healthy every day.

Environment

Biodiversity conservation is an integral part of how we operate. We progressively reclaim disturbed lands throughout the mining life cycle, maintain active habitat management programs and are committed to creating positive legacies through the responsible management of closed and dormant mines.

Energy use and greenhouse gas (GHG) emissions management is a key focus given the energy-intensive nature of our operations. Improvements in energy efficiency for 2009 were highlighted by target-setting at a number of our operations, improvements to our coal-drying systems and reductions in engine idling. We also continue to pursue and implement renewable energy projects.

Water quantity and quality remain sustainability challenges and in 2009, as part of our efforts towards sustainable water management, we developed a Water Management Policy which is undergoing internal review. Water use

monitoring at operations assist us in advancing water conservation programs and through mitigation and application of treatment methods, our operations improve the quality of water entering local receiving environments.

Working with Communities

The Environment, Health, Safety and Community Management Standards were expanded in 2009 to include new standards on Community and Indigenous Peoples and on Human Rights. We also developed a Social Management and Responsibility Toolkit (SMART) to help business functions manage social risks and opportunities, trained over 130 people in effective dialogue, revised our project review process to consider social and community aspects and developed a company-wide, sustainability data management system to track and report on sustainability data.

Outlook

We recognize society's need for our products – our major products, steelmaking coal, copper, and zinc are essential to improving the quality of life for people around the world. We collaborate with the International Zinc Association and UNICEF on the Zinc Nutrient Initiative, which aligns with the Millennium Development Goals and utilizes one of our core products to help eradicate zinc deficiency, a major health challenge worldwide. As we look forward, we recognize that society's reliance on energy produced from oil will continue for the foreseeable future and we will carefully assess how we, as an owner of significant resources in the Alberta oil sands, can utilize those resources responsibly. We will work to promote resource stewardship through continuous improvements in efficiency and recycling, believing that if we are to achieve a truly sustainable world in the face of a growing global population, we need to be leaders in resource efficiency through our own example.

Donald R. Lindsay

President and Chief Executive Officer

About Our Report

Thank you for reading our ninth annual Sustainability Report. This report outlines our performance in respect of sustainability issues during 2009. Our printed summary report provides a more general overview of the issues we face and our approach to each issue including our policies, management processes and our performance. Our Annual Report and Financial Statements provide further detail on economic and operating information.

Throughout this report you will see references to our Communities of Interest (CoIs). CoIs are any individual or groups that may be affected by, have an interest in, or have the ability to influence, an operation or project. The audience for this sustainability report is broad and includes our primary Community of Interest groups including:

- Academic and thought leaders
- Employees
- Governments and regulatory staff
- Indigenous Peoples
- Industry associations
- Investment communities
- Local communities
- Non-governmental organizations
- Peers and business partners
- Suppliers

Scope

This report is prepared in accordance with the Global Reporting Initiative (GRI) Third Generation (G3) Guidelines, based on which we disclose sustainability data from January to December 2009. Information relating to subsequent periods that is determined to be material may also be included. Our 2009 performance data presents numerical data using the metric system and Canadian dollars, unless otherwise noted. We aim to align our approach with AccountAbility's AA1000 standards and its principles of inclusivity, materiality and responsiveness. The GRI Reporting Principles, Technical Protocols, Indicator Protocols and the Mining and Metals Sector Supplement (January-April 2009 Draft) guided the development of this report.

Comparative historical data from two previous years (2007 and 2008) is included where available and appropriate to demonstrate trends in certain indicators. However, historic information from 2007 pertaining to Compañía Minera Carmen de Andacollo, Compañía Minera Quebrada Blanca S.A. and Duck Pond Operation were excluded at times, as these facilities were acquired by Teck in 2007 and information relating to prior periods was not always available or tracked.

Guided by the GRI Boundary Protocol, we have included performance data on all of our managed operations. We have provided local information, figures and commentary from the following when appropriate:

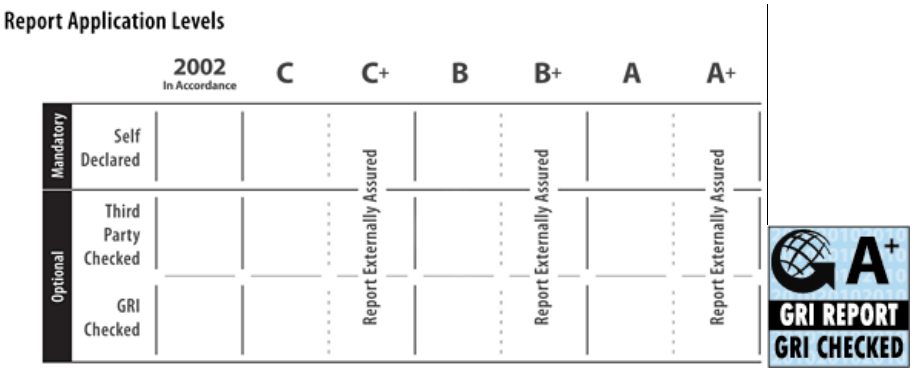
- Antamina, an independently-managed mine in which we have a 22.5% economic interest
- Exploration and technology activities

Changes to Reporting

During 2009, we sold our 50% interest in the Hemlo mines, our 40% interest in the Pogo mine, our 60% interest in the Lobo-Marte project in Chile, and our 78.8% interest in the Morelos project in Mexico. They are therefore no longer included in our reporting scope.

Assurance

We resumed our verification program and for the first time, progress in both GRI reporting and the alignment of our practices with the International Council on Mining and Metals' (ICMM) Ten Sustainable Development Principles was reviewed by Environmental Resources Management (ERM), an independent consulting firm, using the ICMM Assurance Framework.



In accordance with the Guidelines and the Report Application Levels grid shown above, we have clearance to declare our report to be GRI checked at the A+ Application Level. Please refer to the GRI Finder to view a full list of indicators and responses.

The matters discussed in this report may include forward-looking statements that involve risks and uncertainties. These forward-looking statements are based on estimates and assumptions made by our management team and are believed to be reasonable, though inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements. We do not accept responsibility to update any forward-looking information.

For more information, please contact us at sustainability@teck.com.

Sustainability Report Review Panel

Our belief in the value of engagement extends to our sustainability reporting. For the second year, we reconvened our Panel representing a diversity of interests and expertise to review our 2008 report so that we could learn how to improve our reporting for 2009 and beyond. We are extremely grateful to all the Panel members for giving us the benefit of their experience. For the complete Panel Report and for our response to the Panel's recommendations, see our website. Below is a summary of how we have included their recommendations in this year's report.

Panel Structure – How we did it

We selected Panelists based on their experience, perspective and ability and willingness to frankly share their constructive feedback with us. Most of the Panel members participated in the Review of the 2007 Sustainability Report and were able to comment on changes. All of the Panelists, with the exception of the Highland Valley Copper employee, were external to Teck. The Panel included the following people:

- Chris Ballance, Northwest and Ethical Investments, Senior Sustainability Analyst
- Karen Campbell, Pembina Institute, Director of Strategy and Staff Counsel (attended part of meeting)
- Salvatori (Sam) Costa, Highland Valley Copper, Senior Training Foreman
- Dan Jepsen, consultant, formerly with AME BC
- James Morin, BC Institute of Technology, Aboriginal Minerals Training Program
- Richard Prokopanko, RioTinto Alcan, Director of Corporate Affairs and Sustainability
- Caroline Rossignol, Barrick, Manager, Corporate Social Responsibility
- In addition, the Panel considered written input from:
- Uwafiokun Idemudia, York University, Professor with research interests in natural resource conflict and international development
- Stephen Kibsey, Caisse de dépôt et placement du Québec

- Carol Murray, ESSA Technologies

Panel Results – What We Learned and How We Have Included Their Recommendations

The Panel provided comments and suggestions regarding the review process itself, report content and report presentation. The Panel commended Teck for its openness in inviting external review of its reporting. One Panelist wrote that the "whole idea of a Panel review is excellent and fits in well with the concept of sustainability by engaging stakeholders." The willingness of the volunteer Panel to return for a second year indicates to us that they believe their efforts are making a difference. Some of the recommendations from the Panel that we included in the 2009 report include:

- We have further developed our sustainability strategy by creating a cross-functional working group with a mandate to develop a sustainability leadership initiative and develop both long term goals and action plans while enhancing the sustainability culture in the company.
- We structured our report around six material issue categories and provide a summary of these issues and how they are being managed in the Materiality Table.
- We returned to a designed printed report format including diagrams, illustrations and pictures and we once again resumed our assurance process to ICMM's Assurance framework.
- A plan to develop and integrate social management through our Management Standards and associated Social Management And Responsibility Toolkit (SMART) has been initiated which will take place over a multi-year timeframe. Ultimately more detailed social reporting will be available.
- We provided more accessible language, summaries and illustrations to help communicate difficult and technical terminology.
- Although detailed reporting data is not available for our projects, we provided further reporting on our Oil Sands projects as seen in the *Your Concerns Our Response section on Oil Sands*.
- A case study on Pend Oreille mine was provided on the topic of mine closure.

About Teck

Teck is a diversified resource company committed to responsible mining and mineral development with major business units focused on copper, steelmaking coal, zinc and energy. We are headquartered in Vancouver, Canada. We own, or have an interest in, 13 mines in Canada, the USA, Chile and Peru, as well as one metallurgical complex in Canada. We have expertise across the full range of activities related to mining and minerals processing and stewardship, including exploration, development, smelting, refining, safety, environmental protection, product stewardship, recycling and research. Teck is actively exploring in the Americas, Asia Pacific, Europe and Africa.

We are committed to creating value for our shareholders and to creating products that have utility for society while continually improving our performance as a responsible corporate citizen and a leader in our industry. We pursue development of new technologies that make mining and resource stewardship more economically and environmentally sustainable and strive to be a Partner of Choice wherever we operate and with whomever we are associated.

The Mining Life Cycle

We work with our host communities through meaningful dialogue to achieve mutual benefits throughout the mining life cycle, providing communities with the basic knowledge they need to participate in each stage of the mining activity decision-making process. The five stages in the mining life cycle and the community engagement activities we undertake at each stage are outlined below:

Stage 1 — Mineral Exploration

Mineral exploration is the search for valuable mineral resources in the earth's crust, and can require several years of exploration and research. Stage 1 activity does not dictate that a mine will be developed. In fact, very few grass roots projects eventually become a mine. During exploration, geologists review maps and reports, and use satellite imagery, sensors and computers to survey large areas of land. If the results are encouraging, trenching, exploratory drilling (obtaining rock samples from within bedrock), sampling and mineral assays are undertaken. If warranted, larger, more intensive drill programs are conducted. Early identification of communities, engagement and dialogue are performed to ensure that information is exchanged with all relevant CoIs.

Stage 2 — Deposit Evaluation

Stages 2 and 3 can span five to ten years incorporating a range of studies to determine mine feasibility, as well as engagement with governments, local communities, Indigenous groups and citizen groups.

Deposit evaluations or pre-feasibility activities include social and environmental baseline studies, advanced geological and metallurgical studies through increased drilling, evaluating the preliminary design and engineering and assessing of the economic feasibility of the resource.

Deposit evaluations usually involve on-site geologists and drill rig operators. Typically a camp is set up with support staff and a community relations team. This stage presents opportunities for the exploration team to engage host communities in participatory processes related to project design by:

- Providing information on the mining cycle;
- Sharing possible mine development scenarios and timing;
- Sharing information on social, environmental and development socio-economic needs and priorities; and
- Understanding local concerns.

Stage 3 — Mine Planning

The feasibility study phase involves more detailed design, engineering and economic evaluations and decisions as to whether the mine will be open pit or underground, the infrastructure required, location of related facilities, and thorough impact and mitigation assessments of any facility. Throughout the feasibility study and mine planning stage engagement with CoIs continues to ensure opportunities and concerns are identified and addressed early and considered and incorporated during mine planning.

We engage with, seek feedback from, and incorporate CoI input. This engagement process contributes to the understanding of the social and environmental impact assessments and is incorporated into operating, closure and reclamation plans. After analyzing these studies, a decision as to whether development should proceed is made in conjunction with local and government authorities.

Stage 4 — Mine Construction and Operation

Mine construction and operation can last from ten to 100 years. Construction employs the greatest number of people in the mining cycle, utilizing numerous trades associated with building infrastructure, for example: trades helpers (carpenters, electricians, pipe fitters), heavy equipment operators, housekeeping personnel, warehouse technicians, safety coordinators, environmental technicians, managers, engineers, geologists, scientists and accountants.

Mine operation involves extracting, processing, producing and transporting the mineral product. This stage employs professionals, management and skilled trade persons in four main work areas: excavation, processing plants, waste storage and support services. Aspects such as water quality and quantity, biodiversity, human rights, wildlife conservation, wastewater management, air quality, fisheries, etc. are also considered in order to minimize/mitigate social and environmental impacts. Typically, there are opportunities to implement long-term community investment programs focused upon locally-identified needs and resources, CoI participation and partnerships in program design, implementation and monitoring.

Stage 5 — Mine Closure

Mine closure spans from two to ten years and post-closure water treatment and control may require monitoring and funding in perpetuity. The process of converting an operating mine to a closed operation involves three main phases:

- Decommissioning – dismantling of site infrastructure (e.g. facilities, buildings) and rehabilitation of any contaminated areas of the site (eg. historical fuel spills).
- Final Reclamation – completion of the restoration of disturbed areas (e.g. re-vegetating).
- Post-closure care and maintenance – monitoring the success of reclamation works, long-term water capture and treatment.

Material Issues

The volume of the GRI Guidelines and the wide range of reportable topics therein can lead to very large reports and the danger that the most important information may be lost to the reader. This is why determining materiality is a critical part of reporting in accordance with the Guidelines. For the purposes of this report, we regard materiality as information that has the potential to influence the perception of Communities of Interest (CoIs) and more specifically those who intend to make decisions and assessments about our commitment to sustainability. Materiality, in this context, is the threshold at which an issue or indicator becomes sufficiently important that it should be reported. In other words, we ask ourselves, "does the issue reasonably reflect our environmental, social and economic impacts and would it make a difference if our CoIs knew?" Once again, this year we completed a materiality review for the report to help form the reporting structure around our material issues.

Materiality Analysis

We used AccountAbility's Five-Part Test to identify material issues, modifying it to add a test for recurring operation level issues. Our analysis covered:

Policy – Issues covered by major Teck codes, policies and standards

Financial – Issues relevant to financial, risk and governance performance

- Minutes of relevant corporate committees
- 2009 Annual Report – Management's Discussion and Analysis
- Annual General Meeting media and issues analysis

Peers – Issues identified as material by peer companies

Communities of Interest (CoIs) – Issues of concern to CoIs or affecting CoI behaviour

- Previous reports from Teck's Sustainability Report Review Panel
- Issues reported in the media
- Criteria of Socially Responsible Investing (SRI) analysts
- Industry issues identified by environment, social or human rights organizations

Societal Norms – Issues relevant to standards, codes or regulatory frameworks

- Global Reporting Initiative (GRI) Aspects

- United Nations Global Compact (UNGC) Principles
- International Council on Mining and Metals (ICMM)Sustainable Development Principles
- Towards Sustainable Mining (TSM) Performance Indicators
- International Finance Corporation (IFC) Performance Standards
- ISO 26000 (Corporate Responsibility) Core Issues
- Prospectors & Developers Association of Canada (PDAC) E3+ Principles for Responsible Exploration

Operations – Issues identified in operation level sustainability reports or by corporate sustainability team in respect of each of our operations

Our Sustainability and External Affairs team members reviewed and summarized the issues identified through these tests. The material issues were subject to further review by senior management.

The issues we identified as material within six major categories are:

- Safety and Health
  - Safety and health of workers and communities
- Employee Practices
- Environment
  - Biodiversity and ecosystem impacts
  - Energy and climate change
  - Environmental management
  - Water
- Product Stewardship
- Economic Development
  - Business ethics and governance
  - Distribution of economic costs & benefits
  - Land use and access
- Society
  - Human rights
  - Indigenous Peoples
  - Involving people affected by our activities
  - Social management
  - Sustainable community development

Please find below a table which summarizes what is covered in each material issue, why each issue is important, what our communities of interest expect of us for each issue, and what actions we are taking for each issue.

Material Issues

Safety and Health

Safety and Health

What does it cover?

- Worker Safety (employees and contractors)
- Worker health and wellness
- Community safety and health

Why is it important?

The mining business can carry inherent risks that can affect the safety and health of our workers and neighbouring communities.

What do our Communities of Interest expect of us?

Make safety and health the top priority in any situation. Build, maintain and continuously improve safety and health systems. Fix problems promptly and notify anyone who could be affected.

What are we doing?

Over 2009, Teck embarked on implementing Courageous Safety Leadership (CSL) with the goal of developing a stronger culture of safety. Safety has been firmly established as a core value. Our vision is "Everyone Going Home Safe and Health Everyday." See our CSL case study for more information.

Employee Practices

Employee Practices

What does it cover?

- Workforce
- Diversity and equal opportunity
- Employee engagement, retention and attraction
- Labout management relations

Why is it important?

Our employees have a diverse set of high value skills and many work in physically demanding environments. Teck must be seen as a good employer to attract and retain highly skilled employees and contractors.

What do our Communities of Interest expect of us?

Adhere to international labour codes and national workplace standards. Support employees and help them transition when a mine site closes. Health and safety policies and training should apply to contractors.

What are we doing?

We continued employee recognition programs across the company. Our Olympic Going for Gold program identified employees who made positive contributions to their communities while the Excellence Awards program recognized individuals who made a significant contribution to Teck. The Pend Oreille case study describes how we assisted employees in transitioning careers when the mine was put on care and maintenance. We continue to train contractors in policies and practices as well as in Courageous Safety Leadership.

Environment

Environmental Management

What does it cover?

- Overall environmental management practices, structure and systems
- Continuous improvement
- Environmental compliance
- Permitting
- Environmental audit process
- Materials, Spills, Compliance, Dust Management

Why is it important?

We operate in environments that may be highly valued for reasons beyond mining. Our business is highly regulated and our success depends on consistently demonstrating a high standard of care for the environments we work in.

What do our Communities of Interest expect of us?

Apply the precautionary principle in decisions affecting the environment. Design and implement strong and effective environmental management systems wherever we operate. Comply with environmental regulations.

What are we doing?

We are committed to the certification of all operating facilities to ISO 14001. By July 2010, 11 of our facilities had attained or maintained certification. To assure that our environmental management systems are effective and to promote continual improvement, each operation that is certified to the ISO 14001 standard receives an annual audit by an external, accredited ISO 14001 audit service provider. In addition to management system audits through our ISO 14001 program, we routinely conduct compliance audits at our operations. Each operation receives a 3rd party compliance audit on a three-year cycle.

Energy and Climate Change

What does it cover?

- Energy use
- GHG emissions
- Energy efficiency innovations
- Climate change impact

Why is it important?

Mining is an energy intensive business with a significant carbon footprint. Our operations may also be affected by changing climate patterns.

What do our Communities of Interest expect of us?

Consider climate impacts in our business decisions. Operate energy efficiently, reducing our carbon footprint per unit of production. Plan to reduce net emissions, even as output grows.

What are we doing?

With our commitment to the efficient use of energy, we have begun to develop, and at some sites implement, energy and GHG emissions targets. A number of initiatives to reduce GHG emissions have also been undertaken, including programs aimed at reducing vehicle idling and research into fuel switching in product dryers at some of our operations. We are also disclosing our GHG emissions more broadly through a number of avenues, including the Dow Jones Sustainability Index, the Carbon Disclosure Project, and the Mining Association of Canada's Towards Sustainable Mining program.

Water

What does it cover?

- Water use
- Water quality
- Historic water pollution
- Tailings, effluents, spills and leaks
- Impacts on other water users
- Impacts on aquatic ecosystems

Why is it important?

Some mining processes require significant amounts of water, which can affect other water users. Unplanned discharges from mines have the potential to affect the health of people and ecosystems.

What do our Communities of Interest expect of us?

Respect the needs of other water users. Plan and operate to minimize the mine's water demands. Operate to the highest standard of care in relation to tailings and effluents.

What are we doing?

We are developing a water standard with the objective of minimizing upstream and downstream impacts of our operations. This will be accomplished by maximizing water conservation, re-use and efficiency measures as well as adapting best practices to local conditions for water diversion, use, re-use, storage, treatment and decommissioning over the life cycle of the operation.

Biodiversity and Ecosystem Impacts

What does it cover?

- Effects on biodiversity
- Cumulative effects
- Ecosystem and landscape impacts
- Land reclamation
- Dormant property management
- Tailings management

Why is it important?

Mining has an impact on the landscape until the time that the lands and roads are reclaimed. Some mines are located in places with high biodiversity values. Mine reclamation is a requirement of operation. Preparing for eventual closure rehabilitates the landscape and minimizes disruption to local economies.

What do our Communities of Interest expect of us?

Participate in land use planning processes that are sensitive to other users of the landscape, including subsistence users. Consider the cumulative effects of all the industrial users and associated roads on the ecosystem. Plan and operate to minimize impacts on vulnerable species and ecosystems. Plan and fund the restoration of the local landscape and ecosystem. Where possible, clean up historical pollution and continue to work towards preventing future negative legacies.

What are we doing?

As part of the development and implementation of our progressive mine reclamation plans, we consider and incorporate biodiversity management principles and activities, such as the appropriate selection of site-appropriate species for planting during reclamation. The latter includes (among other practices) the use of native, indigenous tree and shrub species, which support appropriate habitat for locally-important wildlife, and which are consistent with the biogeoclimatic landscape. As our biodiversity practices and activities evolve and become more formalized, Operation-specific biodiversity management plans are being developed and used across the company.

Product Stewardship

Product Stewardship

What does it cover?

- Materials management
- Supply chain responsibility
- Solid waste management
- Recycling
- Materials recovery and commercialization
- Products for sustainability (e.g. zinc)

Why is it important?

Many of the products of mining are in great demand in a sustainable economy. Some of these can be effectively recycled.

What do our Communities of Interest expect of us?

Ensure the safe handling of mining products throughout the supply chain and life cycle. Leverage our technical expertise to increase the recycling of metals.

What are we doing?

Teck continues to manage its product stewardship activities by means of a corporate Product Stewardship Committee (PSC). The PSC is a cross-functional team, overseeing existing product information through the application of risk management principles. The PSC provides guidance and direction on new products and other related business ventures, conducting ongoing reviews aimed at assessing the safety and sustainability of our products. The PSC reviews new applications, uses and potential new sales jurisdictions for our products in order to assess transportation and handling, packaging and labeling, safety and health, and life cycle stewardship aspects.

Economic Development

Land Use and Access

What does it cover?

- Access to land
- Land tenure

Why is it important?

Exploration is the first stage in the mining life cycle which requires access to large tracts of land in order to find minerals, considered a hidden resource. It is also the first point of contact with communities. CoIs are curious to know who we are and what we are doing. If valuable resources are discovered, secure mineral tenure to maintain access is essential to justify the large investments of time and money needed to advance mine development. When we explore where people are living, or in an area they are actively using or have tenure rights, our presence could have an impact on those people.

What do our Communities of Interest expect of us?

Ensure our geologists and other employees who have contact with communities engage with CoIs early in the exploration cycle.

What are we doing?

The impression that we make early on sets the tone for all future interactions with the local CoIs. Building on good practices in community engagement, we continue to train exploration teams on how to approach communities during exploration from a collection of tools and guidelines based on the Social Management and Responsibility Toolkit (SMART), which are designed to help Teck staff manage social issues around projects.

Business Ethics and Governance

What does it cover?

- Ethical business practices
- Legal compliance
- Corruption/business integrity
- Transparency
- Governance practices (including executive remuneration, board independence, etc.)

Why is it important?

Sound governance systems protect the interests of investors and other CoIs and ensure Teck is well managed. Strong, well communicated systems of business ethics help staff and management make ethical decisions, which is essential to preserving trust in Teck.

What do our Communities of Interest expect of us?

Adhere to best practice in corporate governance and business ethics such as the Extractive Industries Transparency Initiative (EITI).

Communicate consistently and strongly about ethics. Support staff and management to practise ethical decision-making at all levels.

What are we doing?

We continue to support the EITI and report on our activities affiliated with this initiative where we have operations in participating countries (Peru).

Distribution of Economic Costs/Benefits

What does it cover?

- Revenue sharing with communities
- Procurement and local hiring
- Wages and salaries, pension plans
- Taxes

Why is it important?

Mining will be a valued economic activity where its costs and benefits are seen to be fairly distributed.

What do our Communities of Interest expect of us?

Pay a fair share of taxes and royalties in the jurisdictions where mines are located. Create opportunities for long term, sustainable economic development. Train and employ local people, including for management positions. Buy supplies locally. Ensure that mine operations do not damage fisheries, other resources, or other economic uses.

What are we doing?

As part of Teck's SMART tool, we developed a Guideline on Local Content and Facilitating Local Access (local employement, goods and services) for our community relations practitioners to help build a consistent approach to local content programs.

Society

Social Management

What does it cover?

- Overall social management practices, structures and systems, social impacts, capacity building

Why is it important?

Company actions have impacts on social and political structures and relationships in communities. The more unstable the society, the more likely that external actors who enter these societies negatively impact (exacerbate instability and conflict) or positively impact (support systems and promote stability) communities.

What do our Communities of Interest expect of us?

Engage with communities at early stages of mining and throughout the mining life cycle to gain a social license. Design and implement strong and effective social management systems wherever we operate. Comply with regulations and demonstrate broad community support. Leave communities better off when we leave than when we first arrived.

What are we doing?

Like environmental management, to ensure we are identifying, managing and mitigating social risks and capitalizing on opportunities, we must have management systems in place. Ensuring positive benefits requires the right policies and processes and people with the right skills and abilities in social management.

Indigenous Peoples

What does it cover?

- Indigenous rights
- Government negotiations
- Agreements with First Nations and indigenous economic development offices
- Employment opportunities
- Impacts on traditional lands
- Cultural and social effects
- Pinchi Lake Legacy Fund

Why is it important?

Some mines are located on the traditional lands of Indigenous Peoples. Operations can affect the homes, culture and livelihood of Indigenous Peoples.

What do our Communities of Interest expect of us?

Respect the rights of Indigenous Peoples. Involve Indigenous Peoples in decisions that could affect them. Work with Indigenous People to create opportunities for economic involvement and long term development.

What are we doing?

Recognizing Indigenous groups as an essential partner in our exploration work, our North America and Australia exploration groups undertook training on working with Aboriginal groups this year.

Involving People Affected by Our Activities

What does it cover?

- Social impacts
- Involuntary resettlement
- Community engagement
- Engagement with other stakeholders (e.g. around oil sands development)
- Building dialogue and community relations capacity in Teck

Why is it important?

The neighbours of mining operations are those most likely to be affected by its operations. They provide the mine with its social license to operate.

What do our Communities of Interest expect of us?

Engage honestly and transparently with CoIs, including people directly affected by operations. Consider local concerns at the earliest possible stage of the mining cycle. Ensure fair negotiations by leveling the playing field in respect of the knowledge, power and resources needed to engage. Ensure traditionally vulnerable members of local societies can participate in the engagement process.

What are we doing?

Currently, all operations and projects are involved in engagement with CoIs. Teck has been developing a more robust social management program to support our external commitments, our internal policies and commitment to sustainability and to leaving communities better off after we leave. Since 2009, we continued to develop the Social Management and Responsibility Toolkit (SMART), a set of tools and guidelines to help our staff manage social risk and performance.

Sustainable Community Development

What does it cover?

- Community partnerships and investment
- Donations
- Community capacity building

Why is it important?

The boom and bust cycle that frequently accompanies mining creates social impacts in both boom and bust times. Mining should create net positive legacies for surrounding communities.

What do our Communities of Interest expect of us?

Plan operations so as to minimize disruption to local culture and demand on local social services. Engage local communities in prioritizing community needs throughout the mining cycle and work with communities to support the transition to a sustainable post-closure economy.

What are we doing?

We are moving towards more strategic community investment focused on good practice principles including: strategic, aligned, multi-CoI-driven, sustainable and measureable. This will be a multi-year project for us beginning with guidance and capacity building at our sites through SMART tools and training, staff dedicated to community development and investment, and changes in reporting to better reflect impacts, value and change.

Human Rights

What does it cover?

- Human rights as set out in the United Nations Declaration and other internationally recognized codes.

Why is it important?

Human rights have been explicitly codified by national governments and international institutions.

What do our Communities of Interest expect of us?

Identify threats to human rights at the earliest stages of the mining cycle. If human rights cannot be assured, reconsider investing in the region. Ensure that all staff, management, security personnel and local community members know how to respect human rights. Avoid involuntary resettlement. Establish a safe and effective grievance procedure, monitor it closely and follow up fairly with affected people.

What are we doing?

We reviewed our human rights management against our standards, leading best practice and the UN Special Representative on Human Rights (Ruggie) framework for business and human rights. Moving forward, we will build on identified strengths and use recommendations from the review to guide us.

Your Concerns, Our Response

We hear and understand a number of your concerns and every year we choose a few key issues to highlight in this section of the report. Each *Your Concerns, Our Response* piece outlines the context of the issue and our transparent and balanced response to CoI concerns using questions and answers to communicate the nature of the issue, our stance and the actions we are taking now and in the future to resolve or mitigate the issue.

Your Concerns, Our Response: Oil Sands

What is the issue?

The Alberta oil sands are a significant investable resource base. At present, Teck holds 20% ownership in the Fort Hills Oil Sands project, as well as a 50% interest in two additional oil sands projects, Frontier and Equinox and several oil sands leases. The Fort Hills project is in the feasibility study stage, while all the other projects and leases are currently in earlier phases.

The main environmental issues associated with oil sands mining include use of local water resources, sustainability of tailings management strategies and greenhouse gases emissions (GHG) produced by the mining and upgrading process. Reclamation, non-GHG air emissions and land disturbance are also important issues for consideration. A number of Communities of Interest (CoIs)—have expressed concern that production of oil from oil sands is inherently irresponsible, or that companies carrying out activities in the Alberta oil sands are not operating in a responsible way.

We identified four overarching issues in relation to oil sands development: water management (What can we do to minimize the draw of water from the Athabasca River?), water quality (What can we do to protect the quality of the water in the Athabasca River?), tailings management (What can we do to improve and speed up reclamation?) and greenhouse gas emissions (What can we do to reduce our emissions?).

What actions have we taken to address the issues?

On the issue of water management, we participate with other industry members, government agencies, Indigenous Peoples, and NGOs through the Cumulative Environmental Management Association in the formation of the Athabasca Water Management Framework. This Framework established guidelines to protect the river's ecosystem and caps the water use allowed for the oil sands mines during low flow periods. We are also evaluating "off-stream" water storage schemes to avoid removing water from the Athabasca River during winter low flow periods. Water would be stored in ponds during high flow periods in summer months when withdrawals from the river are not as critical.

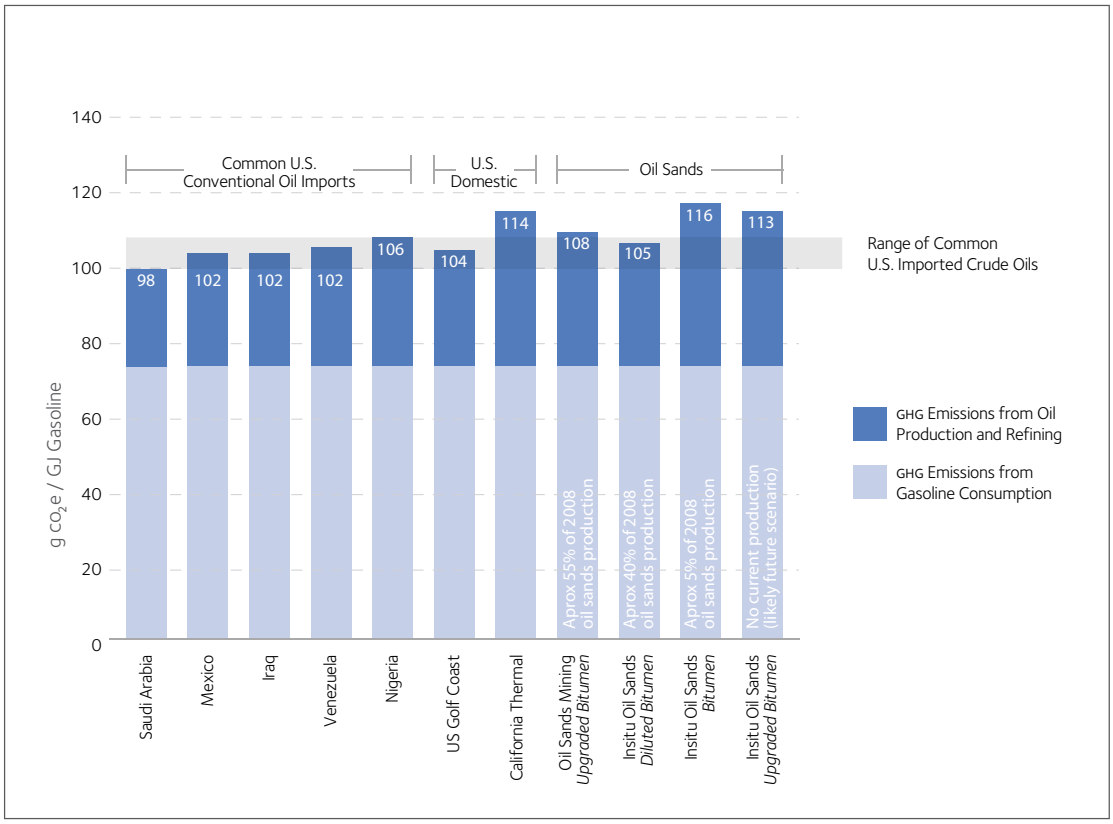
To address the issue of water quality, operating oil sands companies participate in the Regional Aquatics Monitoring Program. This program provides independent scientific testing of local waterways upstream and downstream of the oil sands region. These reports are made available to the public, government and industry all at the same time to reduce the potential for any perception of bias. We will be closely watching results of forthcoming reports and expect to use these findings as part of our community engagement.

Operating oil sands mines produce fluid tailings, which can take decades to become ready for reclamation. To manage this concern, the Energy Resource Conservation Board (ERCB) recently released Directive 074, which requires that 50% of fluid tailings be captured in dedicated disposal areas after 2013. We are committed to achieving this requirement at our proposed mines so that our tailings impoundments are ready to be reclaimed within five years after active deposition has stopped.

One of the major concerns about oil sands is the perception that they are a dirty source of oil. As shown in the graph below, no oil source is "clean." Current life cycle GHG emissions from Alberta's oil sands are quite close to certain other conventional oil sources (like Mexico, Venezuela, and Nigeria). Although oil sands production emits greater emissions than conventional oil and gas production, when we consider life cycle GHG emissions which include emissions from consumption, the life cycle GHG emission difference drops significantly. Our belief is that the oil sands industry must strive to bring this gap as close to zero as possible. In fact, energy efficiency improvements in oil sands production have reduced the average GHG emissions per barrel of oil from oil sands by 38% since 1990[1].

[1] Source: 2006 Technical Report, Regional Aquatics Monitoring Report available here.

Life Cycle GHG Emissions of Various Crude Oils



Source: Life Cycle Assessment Comparison of North American and Imported Crudes, prepared for Alberta Energy Research Institute, Jacobs Consultancy, July 2009

What is the focus of current and future efforts?

Substantive long-term consultation with our CoIs is an essential part of our oils sands strategy. We have identified locally impacted groups and are engaging them in dialogue to ensure that we understand and carefully consider their needs and concerns. This process has been on-going for several years and we anticipate working with our local partners on community engagement throughout each phase of development.

As we move through the exploration and development phase and approach production, we are working hard to ensure that we implement the most effective technology for managing our natural resources. For example, the Fort Hills project is being designed to maximize water recycling and we are currently working to improve our tailings management technologies.

Your Concerns, Our Response: Carmen De Andacollo Water Strategy

What is the issue?

We acquired Carmen de Andacollo (CDA) in Chile and the associated Hypogene expansion project in 2007. This expansion will effectively triple the mining output of CDA, but has caused friction with the local community over water issues, as water is a scarce resource in this water-stressed region. We have learned valuable lessons about the importance of on-going dialogue and engagement with our local partners and community members as a consequence.

The original environmental approval application for the Hypogene Project was approved in 2007 and called for water to be supplied from Quebrada de Talco wells. This application process included community participation as well as involvement from the Chilean Water Authority. However, a late amendment to the application by the former owners changed the water source from Quebrada de Talco to the El Culebron aquifer, where we were already drawing water for our current production. The water source change was made without adequate community involvement or notification, resulting in many local community members feeling excluded from the process and expressing their feelings in negative media reports and public protests. In response, the local government stopped pending environmental permits for CDA, farmers in the area initiated legal action against CDA, and local CoIs staged a protest. The anger originated from fears that this additional strain on the El Culebron aquifer would have a negative impact on the quantity and quality of the water and could leave as many as 30,000 people without clean drinking water. It was not required by legislation to consult CoIs for an amendment of this kind and the prior owner of CDA chose not do this. When we acquired CDA, we inherited this decision.

What actions have been taken to address the issue?

As soon as we knew there was a problem we publicly apologized and sought to engage our CoIs, gain an understanding of their concerns and find new solutions. As a result, we established a third option for the Hypogene project water supply, specifically the construction of a 27 km pipeline to extract water from the Lower Elqui aquifer. Under this alternative plan, the Hypogene project would use El Culebron water for 18 months, but once the new pipeline was in place, the Lower Elqui aquifer would satisfy our water needs for the remaining 19.5 years of mine life.

Understanding that this problem went beyond the water source, we worked with the local multi-CoI water group designed to foster dialogue and look for solutions in water-stressed areas. Working in partnership with this group, we developed an early alert plan to anticipate and prevent negative impacts from water extraction and established a participative water monitoring program. We also agreed to exchange our current extracted El Culebron water with the water supply of the local drinking water company because the water from our aquifer was of higher quality and would be more beneficial to the community.

What is the focus of current and future efforts?

Effective water management is critical at all of our operations and our commitment to the issue is long-term. At CDA, we will continue the water exchange arrangement with the drinking water company for the duration of the Hypogene project. This means continued higher quality drinking water for the community as well as improving the recharge of the El Culebron aquifer. We are also currently working to establish a fund to improve existing canals and implement advanced irrigation technology, leveraging an existing government program. We will maintain our participation in the multi-CoI water group, performing monitoring duties, training other participants and collaborating with the community on water planning, while maintaining open lines of communication and transparency.

The CDA water strategy taught us a valuable lesson in the importance of engagement with CoIs and as a result we implemented policy changes across the board. We recognized the need to adopt a rights-based, multi-disciplinary approach to water, rather than viewing it as a commodity. We also realized the importance of an approach to water risk identification and management that considers not only financial or engineering considerations, but also social, environmental, cultural, human rights and economic considerations for all users. Most importantly, we understood that there must be more CoI engagement, more transparency and more open lines of communication. These policies will help us identify issues and opportunities early on, keep CoIs involved in collaboratively looking for ways to maximize the benefits and to avoid or mitigate any adverse impacts of our activities. As one member of the CoI water group expressed recently “doing things wrong has led to doing many things right.” We aspire to keep doing the right thing.

Your Concerns, Our Response: Water Quality Permitting at Red Dog Operations

What is the issue?

Although Red Dog Operations' water discharge permit was renewed in January 2010, two Non-Governmental Organizations filed an appeal of the permit in February 2010. As a result, the Environmental Protection Agency (EPA) withdrew five of the challenged permit conditions while leaving the remainder of the permit in place. Until the appeals of the 2010 water discharge permit are resolved, Teck will be subject to the applicable limits in its 1998 permit. As previously disclosed, these limits include a limit on total dissolved solids (TDS) which cannot be feasibly met through any existing treatment technology at the volumes being discharged to maintain the facility's water balance.

What is the background of water quality permitting at Red Dog?

Red Dog Operations' first water discharge permit was issued in 1985 and had no limits for TDS. When this permit expired in 1990, and was subsequently up for renewal, new regulatory standards required "water quality based limits" for TDS and other parameters. These limits were unattainable using existing treatment technology and it was agreed that developing site-specific criterion was the most reasonable solution. The EPA issued a renewed permit in 1998 along with annual compliance orders authorizing discharges of TDS at levels higher than allowed by the permit, while working with Teck and the State of Alaska to develop site-specific TDS water quality standards for Red Dog Creek. Following this arrangement, our water discharge permit was renewed, modified and subsequently appealed by external groups several times since 2003, with the latest appeal occurring in February 2010.

Are Teck's water discharges harmful to the environment?

We will continue to operate so that our treated water discharge levels do not adversely affect the ecosystem's water quality or the environment. We discharge water in accordance with court-approved interim discharge limits contained in a 2008 settlement agreement, which correspond to limits which were found to be protective of the environment in the Supplemental Environmental Impact Statement (SEIS) for Aqqaluk. Annual biological monitoring studies conducted by the Alaska Department of Fish and Game have not detected any impacts within the stream ecosystem. Sound science studies conducted by the EPA through its SEIS show that the operation is not harmful to aquatic life. In fact, the watershed ecosystem is more robust than it was pre-mining (Scannell – 2005)[2] because of metals removal and benefits from the increased alkalinity contributed by TDS from the water treatment process. Red Dog Creek, which is downstream of the mine discharge, is healthy and supports productive aquatic life, which was not present before due to the natural toxicity of the creek's water.

What actions have we taken to manage water quality at Red Dog Operations?

We have consistently worked collaboratively with the EPA, local communities and other CoIs to manage water quality at Red Dog Operations, including taking action to treat TDS in effluent and supporting biological studies to monitor ecosystem health and function and potential impacts of TDS levels. We have investigated and implemented measures to reduce the formation of TDS, remove TDS from site water, implement operational upgrades and engage in studies related to TDS treatment and source control. In conjunction with the Alaska Department of Fish and Game, we conduct regular biological monitoring in the creeks downstream from our operation, monitoring the health and productivity of the aquatic system. We were recognized for our work by the Alaska Department of Fish and Game in the 2009 Aqqaluk SEIS report. Addressing TDS has been a continuous improvement process at Red Dog Operations and since 1989 a conservative estimate of over $27 million has been spent on TDS prevention and treatment.

What effect does the development of the Aqqaluk deposit have on water quality at Red Dog?

Mining Aqqaluk will not affect our ability to continue to maintain a water discharge that protects the environment. We carefully considered the environment, our employees and local communities in deciding to proceed with Aqqaluk. We have the permits and authorizations necessary to develop Aqqaluk and the appeal and five withdrawn conditions of the water discharge permit do not affect the deposit's development.

[2] Source: Report entitled "Comparison of Mainstem Red Dog Creek Pre-Mining and Current Conditions" (Available here) .

What have we learned?

We have learned that engagement with local communities is a must and that outreach and an integrated approach is necessary on matters that can potentially affect a community. We have learned that we should not accept a permit that contains limits that are unattainable. Rather the approach should be to work diligently with the governing agency and develop concrete solutions to permit challenges.

What is the focus of future efforts?

We remain committed to working with the State of Alaska, EPA, and other local regulatory agencies and CoIs as we move forward.

Your Concerns, Our Response: Selenium Management

What is the issue?

Selenium is a naturally-occurring element, and is essential and beneficial to all animals, including humans. However, if present in elevated concentrations, it can be toxic. Increased concentrations of selenium have been observed downstream of coal mining operations in many parts of the world. This has also been observed at our coal operations in Alberta and British Columbia.

What actions are we taking to address the selenium issue?

We have been working proactively and cooperatively with provincial and federal regulators to better understand and address the issue of elevated selenium concentrations, investing considerable time and resources into selenium research over the past decade. With that knowledge base, we have shifted our focus to selenium management. Given the complexity of the issue, we thought it important to obtain expert advice, review our approach to date and develop an over-arching management strategy upon which effective plans could be built. We thought it equally important that our actions should be prioritized and guided by the concerns and views of the many parties with an interest in this issue. To this end, Teck commissioned an independent panel of world class experts to investigate the issue and provide appropriate recommendations. Led by the Chair, Dr. Stella Swanson, the Strategic Advisory Panel on Selenium Management has identified three major objectives:

- Develop a selenium strategic management plan integrating environmental, social and business opportunities and the risks associated with selenium management by June 30, 2010;
- Develop a conceptual implementation plan for the strategy by June 30, 2010; and
- From June to the end of 2010, further advise Teck on the implementation of the strategic plan at its individual operations.

The Panel met its first two objectives on June 30th with the release of its report "The Way Forward: A Strategic Plan for the Management of Selenium at Teck Coal Operations." The Panel's recommendations are based on research conducted during site visits to our coal operations and input from a broad cross-section of CoIs including government, community members, environmental organizations and First Nations representatives.

"The combination of the highly-qualified Panel members' expertise and the knowledge and insight of stakeholders in the Elk Valley and Yellowhead County produced a solid foundation for this strategic document," wrote Dr. Swanson in the report's covering letter.

Teck recognizes that it is our responsibility to put in place effective measures aimed at managing selenium over the long term and reducing observed trends as soon as possible. To this end, we are now putting together a dedicated team who will work with the Panel to develop a detailed implementation plan for each affected operation, communicating our action plan to CoIs as we move forward.

We are now one step closer to achieving sustainable selenium management strategy.

Our Strategy

Sustainability at Teck – Yesterday, Today and Tomorrow

Historically, we have managed the interconnection of sustainability issues through both company-wide policy and assurance programs and locally adapted, operation-specific measures. These policies are outlined in the *Management Systems* and *Assurance* sections of our report. The sustainability issues we manage fall under the categories of environment, society and communities of interest (CoI), safety and health, employees, economic development and product stewardship. In addition to ensuring compliance with regulations we also pursue voluntary sustainability initiatives such as working with the International Zinc Association's fertilizer and zinc supplementation program, our electronics recycling program at Trail and a range of activities highlighted in case studies throughout our report.

Our efforts are based on management standards and are managed across the company through our Environment, Health, Safety and Community (EHSC) Assurance Program. We use both task management and data management systems. In addition, our Stage Gate process is designed to ensure that projects do not proceed until they pass an extensive set of checks and balances at each stage of their development, ensuring compliance with company policy and EHSC Management Standards. We continue to improve our management systems, assurance programs and voluntary initiatives to maintain high performance standards and effective risk management.
We are constantly seeking out new opportunities for growth, ever mindful that our operations can have social and environmental consequences if not managed properly. While we cannot completely eliminate our impacts, we are fully committed to identifying and implementing best practices to minimize and mitigate any negative effects of our actions. In this decision-making process we are influenced by the Precautionary Principle and the Reversibility Principle-both of which emphasize that decisions must take into account potential harmful effects, even when the outcome is not certain.

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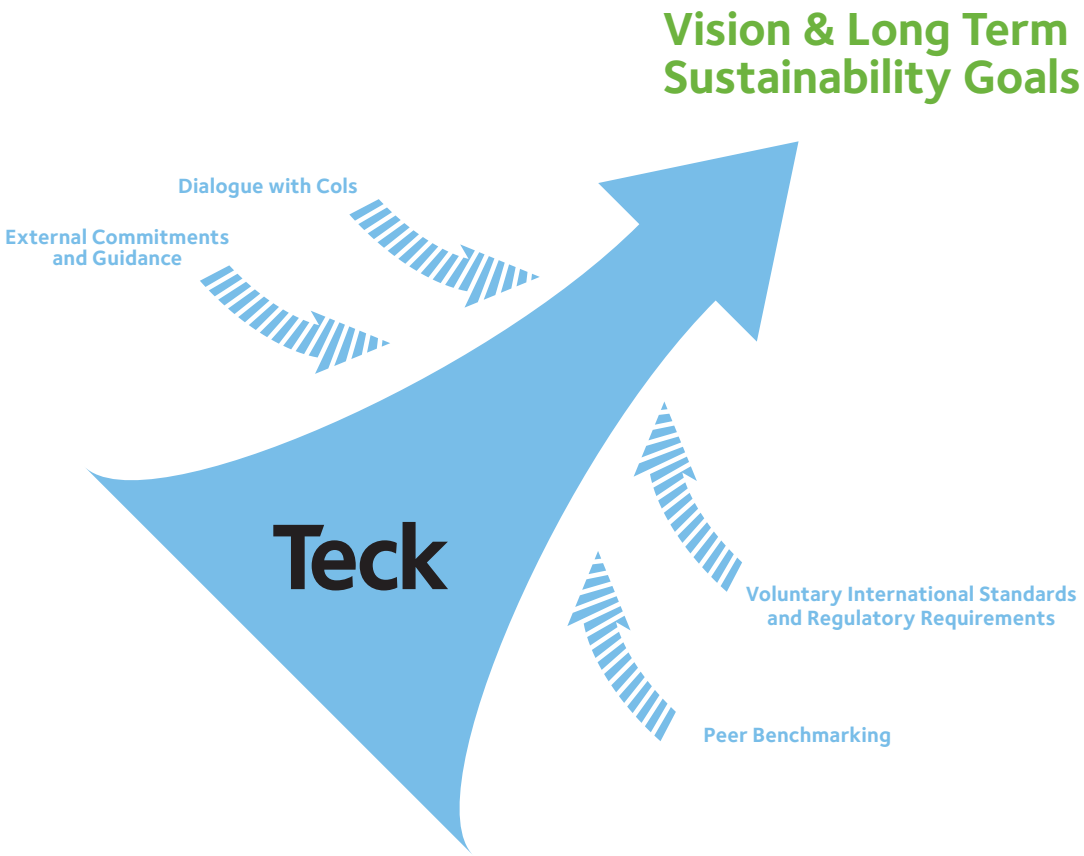
Looking to the future, we see the sustainability landscape continuing to evolve with the escalating expectations of society. This presents us with challenges and opportunities which must be responsibly managed in order to maintain our social license to operate. In a world that demands increasing transparency, third party verification as well as collaboration, our commitment to external organizations has increased. *Appendix B* contains a complete list of our memberships, alliances and resources. Some of the external sustainability-related initiatives we follow or are involved with include:

- International Council on Mining and Minerals (ICMM) Sustainable Development Framework;
- Dow Jones Sustainability Index (DJSI);
- Global Reporting Initiative (GRI);
- International Standards Association (ISO 14001);
- Mining Association of Canada's Towards Sustainable Mining Initiative (TSM); and
- United Nations Global Compact initiative, including pursuit of the Millennium Development Goals.

Our participation in these initiatives allows us to evolve with the best sustainability practices in our industry. Our commitments to external initiatives provide us with the tools and guidance we need to reach the sustainability future we envisage. We aim to define a clear vision of our destination based on sound sustainability science, our strategic business interests and dialogue with our CoIs. To achieve our sustainability vision, we are guided by our external commitments, dialogue with CoIs, voluntary international standards and regulatory requirements and peer benchmarking. With our sustainability vision in mind, we evaluate our current challenges and opportunities and implement actions that bring us closer to our envisioned future. Please see below for a diagram which visually illustrates our sustainability strategy and movement towards our vision and long term sustainability goals.



In our 2008 sustainability report we outlined our progress towards developing a shared sustainability vision for our company. Our mission was described as finding, extracting and providing natural resources to society for the benefit of present and future generations – "Resource Stewardship for Generations." The long term goals and associated targets we are currently formulating will be monitored and discussed in future reports and this year's report tracks our progress in respect of last year's goals. In 2009 we built on our progress by developing our internal capacity and beginning an employee and CoI engagement process to systematically consider how best to define and apply sustainability at Teck. Throughout the year we received input from the following:

- Staff from environment, community and operating roles provided their understanding and perspective on sustainability through a workshop;
- An external panel reviewed our sustainability reporting and encouraged us to set direction through goals, strategies and widespread staff engagement;
- A leadership group that is part of our succession planning advocated widespread empowerment and the application of the sustainability lens; and
- Senior leaders provided their advice on a prospective sustainability leadership initiative.

In late 2009, our President and CEO, Don Lindsay, identified the launch of our sustainability leadership initiative as a corporate priority for 2010, to both enhance and maintain our social license to operate. Our employees are our most important source of energy and innovation and we will engage them. Our goal is to focus on sustainability as a source of value creation for the benefit of our company and society, today and in the future. We believe there is an imperative to respond to sustainability challenges and opportunities in a more systematic and proactive manner by both setting direction and by empowering our people to demonstrate leadership in their day-to-day work.

Recognizing the vital role of cross-functional teams for the successful development and coordination of sustainability strategies, we convened an internal group of cross-functional managers from across the company, including employees from operations, human resources, environment, communications and more. This group, supported by the

expertise of our Sustainability and External Affairs (SEA) team and other sustainability experts, will play a pivotal role in integrating and embedding improved sustainability performance across Teck.

Our goal is to define, embed and integrate consideration of Sustainability Performance in all employee decisions, deepening the culture of sustainability at Teck by 2012 or sooner. We will create a culture at Teck where everyone considers people, the environment and our Communities of Interest, now and in the future, with every decision they make. We will create a culture where everyone is encouraged and empowered to look at their decisions through a sustainability lens, instilling a mindset that continuously considers sustainability in everyday actions. Some specific objectives of the cross-functional group include to:

a) Foster the understanding, knowledge and capabilities of employees to understand how sustainability relates to the business activities of the company;

b) Encourage individual initiative, responsibility and accountability in decision-making, creating a culture of personal leadership committed to maximizing sustainability performance;

c) Identify opportunities and analyze and develop action plans to improve sustainability performance at Teck; and

d) Monitor and provide advice to senior management, identifying long-term trends, opportunities, risks and threats in areas related to sustainability performance.

2010 will be a year of direction-setting, planning and testing. We will expand and deepen our cross-functional integration of sustainability thinking throughout the company. In 2011 and beyond, the cross-functional group, supported by the facilitation and expertise of the SEA group will continue to lead the company-wide sustainability leadership initiative.

Our Progress in 2009

Our Progress on 2009 Objectives and Actions

Achieved	
Partially Achieved	
Not Achieved	

Issues	Objectives and Actions for 2009	2009 Performance	Our Progress
Safety and Health	1. No fatalities in 2009.	1. We had no fatalities with our full time employees however we had three contractor fatalities in 2009.	
	2. Achieve a 25% reduction in total recordable injury frequency compared to the previous year, i.e. TRIF <0.99.	2. Our TRIF was marginally lower at 1.25 compared to 1.27 in 2008.	
	3. Deliver Courageous Safety Leadership training to all employees. Courageous Safety Leadership is a process that challenges people's beliefs and values and puts into context how important personal commitment and leadership are in reducing incidents.	3. Courageous safety leadership was a major initiative for 2009 with over 10,000 Teck employees and contractors participating in Phase 1 of the CSL journey. In addition Teck's Board of Directors, Senior Executive and General Managers have also participated in the CSL experience.	
	4. Improve methods to share learnings from incidents across operations.	4. High potential incidents were documented and shared across the organization through the expansion of our Flash Reports Flash Reports are issued on events that have potential learning or corrective actions that can be applied at other locations with similar risk exposures.	
	5. Develop focused safety and health regulatory compliance audit protocols for B.C. and Chile and conduct safety and health audits at Fording River, Elkview and Carmen de Andacollo (CDA).	5. Regulatory compliance audit protocols were developed and third party audits were conducted at Fording River and Elkview. Reviews were conducted at 5 additional sites to ensure actions resulting from 2006 audits were implemented and effective. CDA will be audited in November 2010.	

Issues	Objectives and Actions for 2009	2009 Performance	Our Progress
Environmental Management	1. Implement SiteLine at Elkview and Duck Pond. SiteLine is a proprietary electronic EHSC information management system. In previous reports this was referred to as an Environmental Management Information System or EMIS.	1. SiteLine at Elkview and Duckpond is fully implemented. Completed in 2010.	●
	2. Develop a plan for the implementation of SiteLine at all remaining coal operations.	2. SiteLine implementation plan for Teck Coal prepared and initiated. By end of 2010, all Teck Coal Operations besides Coal Mountain will be using SiteLine. CMO will come on board by the end of the 1st quarter 2011.	●
	3. Prepare Highland Valley Copper, Elkview, and Cardinal River for ISO 14001 certification in 2010	3. EVO, HVC and CRO completed their ISO 14001 certification audits and received certification by the end of the first quarter 2010.	●
	4. Develop focused environmental regulatory compliance audit protocols for B.C. and Chile.	4. B.C. Protocols completed in 2009. Protocols for Chile deferred until the 4th quarter 2010.	●
Environment: Air - Energy and Greenhouse Gas Emissions	1. Improve ratings on the Mining Association of Canada's Towards Sustainable Mining criteria for energy use and GHG emissions management at all Canadian sites.	1. For TSM three of our Canadian operations improved their overall energy/GHG rating due to improvements in their management systems while one operation saw a reduction following the external verification process.	◐
	2. Establish short-term targets at an operations level for energy use & GHG emissions.	2. Total Energy Use and direct GHG Emissions decreased in 2009, by approximately 8% and 11% respectively. Some of our operations, such as Trail and Highland Valley Copper, have set Energy Use and GHG Emission intensity targets that are operation specific. In 2009, we also began tracking our GHG emissions for some of our Scope 3 sources, such as business travel. At an operations level, a number of projects have been initiated or completed over the past year aimed at reducing energy use and/or GHG emissions.	◐
	3. Evaluate renewable energy opportunities for possible implementation.	3. Teck continues to explore renewable energy projects, primarily in the area of wind power, though we have also undertaken a solar photovoltaic project in the Kimberley, BC area.	●
	4. Continue efforts of Energy/GHG task force including: • Develop energy conservation/ efficiency projects; • Transfer knowledge from successful projects to other operations; and • Establish energy-related communities of practice to share ideas & learnings.	4. Improvements have been both supported, driven and coordinated by an emerging corporate Business Improvement Team and include idle reduction programs in haul trucks and improvements to dryer efficiencies at our coal sites, two of our largest sources of GHG emissions.	●

Issues	Objectives and Actions for 2009	2009 Performance	Our Progress
Environment: Water - Quantity	1. Establish a water policy for the company.	1. Total water use decreased by approximately 5% from 2008 to 2009 due primarily to the closure of the Lennard Shelf mine and increased use of recycled water at Highland Valley. A water policy for the company has been drafted and is undergoing internal review before being issued.	
	2. Evaluate use of salt water in metallurgical processes.	2. Significant effort went towards identifying and implementing a more sustainable supply of water for the Carmen de Andacollo operation. This was done in an open and constructive manner with the local communities and stakeholders. For the Quebrada Blanca Hypogene project, which is in the prefeasibility phase, salt water and desalinated water have been extensively tested for possible use in the metallurgical process. If successful this water would displace the need for a considerable amount of fresh water but would also require a great deal of power to pump it to the mill-site.	
Environment: Water - Quality	1. Achieve 100% permit compliance.	1. Permit compliance continued to be at a very high level (estimated to be >99%. Note: We no longer track the total number of compliance measurements, however, we continue to track the number of permit non-compliance events. We did not meet our goal of 100% compliance. Significant permit non-compliance events are described in greater detail in the body of the report.	
	2. Engage in development of future regulatory standards and requirements.	2. We continued to participate in the development of regulatory standards on many fronts including: the development and revision of water quality guidelines in B.C. and Alberta for selenium, sulphate and nitrate; supporting fundamental scientific research aimed at the development of aquatic criteria and guidelines for zinc and copper through the International Zinc and Copper Associations, respectively.	
	3. Continue pilot projects to improve our understanding of selenium releases, effects and treatment options at coal properties.	3. With respect to selenium at our coal mines, extensive work continues to better understand releases, effects and mitigation and treatment options. Work has progressed significantly on modeling releases and loadings for the entire watershed, pilot work on treatment continues at our coal sites and further work at an expanded scale is planned for Line Creek and Elkview Operations.	

Issues	Objectives and Actions for 2009	2009 Performance	Our Progress
Environment: Water - Quality	4. Improve performance of sediment ponds at coal sites.	4. Several improvements were made to the sediment ponds at our coal mines: increased capacity, improved maintenance and erosion control and installation of turbidity curtains in order to decrease total suspended solids.	
	5. Complete effluent/spill risk assessment process at Trail.	5. The effluent/spill risk assessment process at Trail made good progress in 2009 and 2010. To date 67 of 100 Phase 1 improvement projects have been completed with almost $1 million expended. A further $2.3 million in improvements are planned for the remainder of 2010 and Phase 2 projects are now being defined for 2011.	
	6. Initiate feasibility study for water discharge pipeline to ocean at Red Dog.	6. A prefeasibility level study and cost estimate was completed for the water pipeline in 2009 and a scoping level study and cost estimate was completed for concentrate and diesel pipelines. Current work on the project is a geotechnical drilling program along the length of the port road.	
Environment: Land - Impacts & Reclamation	1. Formalize corporate biodiversity program.	1. The formalization of Teck's corporate biodiversity program is very close to completion, with the inclusion of biodiversity conservation principles, procedures and activities: (i. as an element in Teck's Code of Sustainable Conduct, (ii. integrated into sections of EHSC Management Standards #4 and #12, (iii. the completion of the biodiversity guidance manual and (iv. the commitment (by Canadian operations) to working towards conformance with the new TSM Biodiversity Conservation Protocol.	
	2. Complete biodiversity guidance manual.	2. The biodiversity guidance is now complete, and will be rolled out in late 2010.	
	3. Develop biodiversity community of practice.	3. The biodiversity conservation community of practice has not yet been initiated.	

Issues	Objectives and Actions for 2009	2009 Performance	Our Progress
Social – Internal capacity	1. Develop sustainability vision and strategy and integrate material issues.	1. We launched the Sustainability Working Group, a cross functional company group that are working to develop a sustainability vision and strategy.	
	2. Implement Community Engagement and Development Management Standards (CEDMS), protocols and tools across all operations and exploration projects.	2. EHSC Management Standards have not yet been implemented across the company. This is a goal for 2011 and was deferred due to other business priorities during the economic downturn.	
	3. Integrate sustainability aspects into Stage-gate process.	3. Achieved.	
	4. Establish internal professional practice groups related to community engagement and development, indigenous relations, human rights and reporting.	4. Achieved. An Indigenous Peoples Working Group was established with representatives from across the company. A web-based Community of Practice was established in 2009 (the e-CoP) for issues related to social responsibility such as communities, human rights, Indigenous peoples and reporting.	
	5. Initiate gap analysis of current activities against CEDMS.	5. The gap analysis was developed but will not be launched until the EHSCMS implementation beginning in Q4, 2010.	
	6. Carry out People Centered Dialogue and Development training for community engagement and development staff.	6. Achieved. To date, over 100 personnel have participated in the training.	
	7. Revise sustainability reporting to include quantitative key performance indicators for social and community aspects.	7. Achieved. Community and social indicators were developed and integrated into Streamline. All sites report quarterly.	

Issues	Objectives and Actions for 2009	2009 Performance	Our Progress
Social – Stakeholder Engagement	1. Develop CEDMS protocols.	1. Achieved. Protocols have been developed as part of the EHSCMS implementation gap analysis and inclusion of community requirements into Siteline. These will be launched as part of the EHSCMS implementation plan in 2011.	●
	2. Establish roles and responsibilities for communities staff.	2. Achieved. Training on communities roles and responsibilities received by all communities personnel. A tool on developing a communities team in currently in draft form. Standardized job descriptions have been developed for use across the company.	●
	3. Carry out pre-planned periodic engagement with stakeholders, formally record key dialogue and track our actions and response.	3. In progress at all sites. An enterprise wide system for CoI tracking is currently in development and will be launched Q1, 2011.	◐
	4. Establish formal grievance mechanism at all operations and projects.	4. In progress. All sites are currently contextualizing their grievance mechanism to the local environment based on a corporate-produced template and guide.	◐
Social – indigenous peoples	1. Adopt indigenous peoples engagement policy.	1. An indigenous policy statement outlining Teck's broad objectives for indigenous engagement was developed, and is awaiting Board review and approval. More detailed guidelines on subjects such as consultation, managing impacts of activities, are in various stages of development. Guidelines for exploration have seen the most progress, and a toolkit to aid Teck employees engaged in exploration is near completion.	◐
	2. Develop models for shared decision making and resource revenue sharing.	2. Research on shared decision making and resource revenue sharing models is on-going. British Columbia recently released new resource revenue sharing agreements with First Nations, and Teck is currently reviewing these agreements, and attempting to gain greater understandings of how these resource revenue sharing arrangements are structured, and what role project proponents are intended to fill in this new context.	◐
	3. Complete Pinchi Mine Legacy Fund Agreement.	3. The Tl'azt'en Nation and the Nak'azdli Band Nations have been working to determine how to utilize the funds provided pursuant to the Agreement, and expect to finalize and implement a plan in the near future.	◐
	4. Implement archaeological chance find procedure.	4. Teck Archaeology chance find procedure created and distributed to all sites.	●

Issues	Objectives and Actions for 2009	2009 Performance	Our Progress
Social – Sustainable Community Development	1. Introduce community development skills into operations and begin training communities staff in community development techniques.	1. Achieved. People centered development training being conducted annually. This will be enhanced with SMART Community investment tool and training in 2011.	
	2. Introduce Millennium Development Goals (MDGs) as guidance and as metric to guide community investment.	2. Achieved. Integrated into our quarterly reporting.	
	3. Create and provide guidance to sites on measuring and reporting on the direct and indirect socioeconomic impacts of their activities.	3. In progress. Will be part of SMART toolkit in 2011.	
	4. Complete roll-out of community investment and donations policy.	4. In progress. Community investment policy drafted and under review.	
	5. Adopt policy to promote and track employee volunteerism.	5. In progress. Employee volunteering policy drafted and under review. Volunteering reporting has been added to quarterly reports on Streamline.	
Social – Human Rights	1. Implement Human Rights Management Standard (HRMS) and develop protocol.	1. Achieved. Human Rights Management Standard launched in Q4, 2009. protocols developed and will be distributed with EHSMC implementation in 2011.	
	2. Initiate self assessment and gap analysis of HRMS with all operations.	2. Achieved for corporate. Gap analysis at sites will be conducted as part of EHSCMS implementation plan in 2011.	
	3. Participate in the United Nations Global Compact Business Leaders Initiative pilot on human rights impact assessments.	3. In progress. We are currently investigating alternative processes and evaluating which is most appropriate for Teck. Human Rights Impact Assessments have been integrated into all new SEIAs.	

Issues	Objectives and Actions for 2009	2009 Performance	Our Progress
Product Stewardship	1. Improve the energy storage capacity and functionality of our battery technologies.	1. PTC continues research on the development and commercialization of new materials and manufacturing methods aimed at better battery performance and less environmental impact. Work over the past year on zinc and lead battery technologies included: Developed a method to make advanced zinc fibers for higher performance zinc electrodes; Completed preliminary lab scale work to evaluate the use of zinc air batteries for large scale energy storage; Initiated joint research on better air cathode design; Initiated commercial trials to evaluate advanced lead grid designs and manufacturing methods for batteries used in hybrid vehicles; Established a demonstration facility for building batteries using advanced manufacturing methods in order to greatly reduce the potential for human exposure and reduce overall waste and energy usage for the battery industry.	
	2. Achieve design production performance at CESL plant in Brazil.	2. Vale has constructed a 10,000 tonne per year CESL copper plant that is operating in the Carajás region of Brazil. The plant is intended to be a prototype, supporting construction of a much larger plant to process nearby concentrates from future Vale projects.	
	3. Initiate electronic waste expansion feasibility study.	3. The electronic waste expansion feasibility study is underway and is scheduled for completion in March 2011.	

Our Management Systems

Our Core Values - safety, integrity, excellence, discipline, commitment, teamwork, innovation and respect - guide the company's decisions and actions.

Our commitment to sustainability is integrated throughout our company and is embodied in four interrelated documents:

- **Charter of Corporate Responsibility** is a set of principles related to business ethics, environment, safety, health and community that governs all operating practices and provides the overarching sustainability governance commitments.
- **Code of Sustainable Conduct** outlines our commitments to sustainable development.
- **Code of Ethics** sets out the company's dedication to upholding high moral and ethical standards, and specifies basic business conduct and behavior.
- **Safety and Health Policy** fortifies a corporate commitment to providing leadership and resources for entrenching core values of safety and health.

Together, these documents express our commitment to sustainability. Teck's Charter of Corporate Responsibility, Code of Sustainable Conduct, Code of Ethics and Safety and Health Policy provide a foundation for our Environment, Health, Safety and Community (EHSC) Management Standards – a set of standards that guide our commitment to 'doing the right thing' when conducting our business activities around the globe.

The original set of EHSC Management Standards was formally established in 2002 and sites have been audited for conformance with the standards as a component of our overall assurance program. They were most recently updated in September 2009 to: reflect changes that were made to the Code of Sustainable Conduct to integrate biodiversity considerations and promote the efficient use of energy, and; add standards for Community and Indigenous Peoples and for Human Rights, which emphasize our commitment to transparent and open dialogue and engagement, and respect for the interests of the communities in which we operate.

The updated document was posted to Teck's global intranet in September 2009 in English and Spanish, followed by an announcement included under the *What's New* section of our intranet. The updated standards and policies were the subject of the December 2009 Communiqué, an employee newsletter. Further communications and training is required to ensure all sites are familiar with the two new standards. A list of our 20 EHSC Management Standards is available on our website.

Policy Implementation

Our Charter, Codes and the Safety and Health Policy provide a foundation and a framework for the Environment, Health, Safety and Community (EHSC) Management Standards comprised of 20 standards that guide all business activities and form an integral part of management decision-making. These standards are based on the International Organization for Standardization (ISO) 14001:2004 standard for Environmental Management Systems and Occupational Health and Safety Assessment Series (OHSAS) 18001:2007 for standards on Health and Safety, incorporating additional social sections.

Governance and Management Structure

The Safety and Sustainability Committee (SSC) of the Board of Directors provides policy direction and monitors our environmental, social and safety performance. The Corporate Environment and Risk Management Committee (CERMC) is a senior management committee that, among other things, sets priorities and direction for EHSC programs, tracks performance and measures results.

Reporting to the Senior Vice President of Sustainability and External Affairs:

- Vice President of Environment, who oversees compliance with environmental standards and regularly reviews performance risks and strategic issues;
- Vice President of Sustainability, who leads community engagement and activities, relations with Indigenous Peoples, community investment and external reporting; and

- Vice President of Health and Safety Leadership, who provides strategic guidance in the development of a culture of safety, assists with the development of health and safety programs, regularly reviews key performance indicators and assists in the transfer of best practice across the organization.

The three Vice Presidents set goals and objectives approved by the Board of Directors to manage sustainability performance in areas such as water management, biodiversity, community relations, human rights and climate change.

Our management systems encompass all aspects of the Code of Sustainable Conduct, including compliance with EHS legislation, water protection, emissions and effluents management, material use, energy conservation, land stewardship and reclamation, waste and product stewardship. Due to the diversity of requirements applying to individual facilities across the company, such as country-specific legislative requirements, binding codes of practice, industry and technical standards etc., each operation is responsible for developing site-specific safety and health and environmental management systems guided by corporate policies.

The General Manager at each operation is accountable for site EHSC management systems, conformance and certification to ISO 14001 where applicable, and continual progress towards annual environmental and safety management targets and long-term goals.

These systems measure and drive continual improvement in environmental and safety performance across operations. We seek to continually improve our systems by updating policy, operational controls and environmental targets.

Management Systems and Assurance

We use four management system-driven steps to manage Environment, Health, Safety and Community (EHSC) risks. As well, we integrate EHSC into mainstream business processes and decision-making. The steps are:

- Environment, Health, Safety and Community Management Standards (EHSC MS), applied to all life phases of an Operation;
- An audit and assessment process designed to improve sustainability performance by evaluating operations according to the standards, legislation and best management practices and identifying gaps or weaknesses and determining opportunities for improvement;
- Planning, decision-making and implementation processes that link to existing business systems; and
- Management review and improvement appraisals.

As all steps are driven by our management systems, operating sites are working towards certifying their environmental management processes to ISO 14001, which requires external verification through audits. Additionally, a corporate program which is described below exists to conduct internal audits of our EHSC MS and jurisdictional regulatory compliance at all operations on a three-year schedule.

External Certification of ISO Management Systems

We have worked towards external certification of environmental management systems since 2002, choosing to conform to the internationally recognized ISO 14001 Standard. By July 2010, 11 of our facilities had attained or maintained certification:

- Antamina Mine Facilities, Peru, certified since 2009
- Antamina Port Facilities, Huarmay, Peru, certified since 2005
- Cardinal River Operations, B.C., certified in 2010
- Coal Mountain Operations, Alberta, certified since 2005
- Elkview Operations, B.C., certified in 2010
- Fording River Operations, B.C., certified since 2001
- Greenhills Operations, B.C., certified since 2005
- Highland Valley Copper, B.C., certified in 2010
- Line Creek Operations, B.C., certified since 2008

- Red Dog Operations, Alaska, certified since 2004
- Trail Operations, B.C., certified since 2005

All remaining operations are working towards certification with the exception of operations with less than three years to closure. By mid- 2011 all North American operations are expected to be certified. Our Chilean operations are scheduled for certification in 2013.

Corporate Audit Program

We have a formal EHSC audit program to ensure that all sites operate in accordance with our policies, management standards, permits and other legal requirements. The outcomes inform management of risks and opportunities to be addressed in order to fulfill our environment, safety and social obligations (including legal and contractual obligations), as well as meet our voluntarily-imposed standards of practice and behavior as defined by the EHSC Management Standards. Audit results also highlight any material deficiencies or identified risks which may significantly impact our business reputation or financial strength from a social, safety and, environmental responsibility perspective. We conduct audits at our operations on a three-year schedule. In addition to these audits, mid-term reviews are conducted to verify the comprehensiveness of completed action items arising out of previous audits. Audits and reviews are led by certified auditing professionals. Upon completion, the operations develop and implement action plans to address each audit finding, and action plan progress is reported to CERMC quarterly.

In 2009, the following operations underwent a third party audit to assess EHS regulatory compliance:

- Elkview Operations
- Fording River Operations

The following operations underwent third party ISO14001 certification audits:

- Coal Mountain Operations
- Elkview Operations
- Fording Operations
- Greenhills Operations
- Line Creek Operations
- Red Dog Operations
- Trail Operations

Towards Sustainable Mining

Towards Sustainable Mining (TSM) is an initiative developed by the Mining Association of Canada to improve the industry's sustainability performance. TSM is based on a set of guiding principles that are in turn supported by performance elements and indicators. Companies report against the indicators each year in MAC's Towards Sustainable Mining Progress Report. Criteria exists for each indicator to help MAC members assess their TSM performance. The criteria follow a five-level performance rating scale. The levels generally represent the degrees of activity where 1 is the lowest score on meeting the criteria and 5 is the highest score in meeting the criteria. For a complete view of out profile and of our 2009 results, please see MAC's website.

Safety and Health

Safety is a core value of our company. Each of our operations face a multitude of potentially significant hazards such as high voltage electricity, operation and maintenance of heavy duty equipment and risks associated with working in large industrial mineral and metallurgical processing facilities. As such, we work hard to ensure that our employees and contractors have the necessary training and skills to recognize and manage safety hazards. We encourage and positively recognize the reporting of "Near Hits" and those circumstances which could expose our people to harm. View the Safety and Health Policy.

At Teck safety is more than a priority; it is an unchanging value and an inherent part of who we are. We strive to be a company where "Everyone Goes Home Safe and Healthy Every Day." Courageous Safety Leadership (CSL) is a safety philosophy which challenges existing values, beliefs and attitudes towards safety and outlines the changes required to instill a true culture of safety. CSL requires personal leadership and emotional connections to drive the change.

In 2009 our Senior Executives and General Managers all participated in a full day CSL session, designed to examine our current safety performance and culture and to determine where we could be. One year later, over 10,000 Teck employees and contractors had experienced the CSL journey. Our commitment to this company-wide safety initiative during uncertain economic times underscores the emphasis we place upon safety at Teck.

Performance

We use a variety of indicators for our safety performance and saw continued improvement in total recordable injury frequency, lost time injuries and lost time injury frequency from 2008 and 2009. We work continuously to achieve our goal of Zero Incidents. Despite our efforts, we are saddened to report three fatalities at our sites in 2009. Two of these incidents occurred at the Carmen de Andacollo Hypogene project in Chile and one at the Antamina mine in Peru. We wish to express our heartfelt condolences to the family, friends and colleagues of the deceased.

Please see our Glossary for definitions of the safety indicators.

Safety Statistics (1)

	2009	2008	2007
Total Recordable Injury Frequency (TRIF)	1.25	1.30	2.58
Lost Time Injuries (LTI)	72	88	158
Lost Time Injury Frequency (LTIF)	0.39	0.4	0.97
Severity	115.02	39.27	59.86
Fatalities	3	1	1

(1) Safety statistics include employee and contractor performance. Frequencies are based upon every 200,000 hours worked.

We are pleased to report that three of our operations received prestigious awards in 2009 for their safety performance in 2008-2009:

- Line Creek won the Edward Prior award from the British Columbia Ministry of Energy Mines and Petroleum Resources for the lowest lost-time accident frequency for open-pit mines in B.C. with 200,000 to 1 million person-hours worked. This award was earned in 2008 but presented at the 54th Provincial Mine Rescue and First Aid competition held on June 6, 2009.
- Greenhills won the John Ash award for the lowest lost-time accident frequency for open-pit mines in B.C. with greater than 1 million person-hours worked. This award was earned in 2008 but presented at the 54th Provincial Mine Rescue and First Aid competition held on June 6, 2009.
- The Pend Oreille mill won a Certificate of Achievement in Safety from the U.S. Mine Safety and Health Administration Sentinels of Safety Program. The award recognizes facilities recording the most worker hours in a calendar year without a single lost-time injury.

In addition to these awards, Greenhills Operations won the overall champion in the B.C. Zone and Provincial Surface Mine Rescue competitions and Highland Valley Copper won the overall Western Regional Mine Rescue competition. Other operations placed in various individual categories demonstrating the teams' passion for mine rescue and the company's commitment to emergency preparedness.

Occupational Health

Occupational Health Systems and procedures at our operations comply with regulatory requirements and our Code of Sustainable Conduct which states that we will:

- Promote a culture of safety and health and recognize safety as a core value;
- Continually reinforce company-wide efforts to achieve zero safety or health incidents; and
- Ensure that programs addressing workplace hazards are applied to monitor and protect worker safety and health.

Our Environment, Health, Safety and Community Management Standards provide operations with guidance on implementing the Code of Sustainable Conduct and our Safety and Health Policy. Each operation must align their operating policies, procedures and management systems with the Code and the Management Standards, and are audited against these standards.

Our operations have education, training, counseling, prevention and risk-control programs and committees in place for managing and minimizing potential occupational exposures and diseases. These may include:

- Dust monitoring;
- Noise testing;
- Audiometric testing;
- Medical surveillance programs;
- Annual voluntary flu shots;
- Voluntary blood pressure monitoring;
- Employee & Family Assistance Programs;
- Preventative measures related to stress, repetitive strain injury and HIV/AIDS;
- Silica sampling program;
- Hepatitis A/B vaccinations; and
- Biological monitoring programs for potential exposures to lead, arsenic, cadmium, thallium, mercury and fluorine.

Our operations report on occupational diseases according to their jurisdictions. Statistics on occupational diseases are not collected or presented at the group level as systems are not in place to do so. We will look at ways to incorporate this into our reporting, if possible. We would report on this in the long term.

Employee Practices

Attracting and retaining employees is a challenge throughout the industry. Our employees have a diverse set of valued skills and many of them work in physically demanding environments, often for long periods of time, frequently away from their families. To retain our employees we compete with other companies, both within and outside our industry who also seek the same specialized skill-sets. Different age groups pose different challenges. For example, there is a risk that employees close to retirement will retire with specialized knowledge gained from years of experience. On the other hand, younger generations are more willing to leave positions if they are offered more favourable working conditions elsewhere.

The programs below outline our approach to managing these challenges. The attraction, engagement and retention of our employees is critical to the success of our business and this section provides information on our workforce, diversity in the workplace, employee engagement and labour relations.

Workforce

As of December 31, 2009, there were approximately 8,500 full-time, active employees, including students and temporary employees, working at Teck-operated mining and metallurgical operations and offices. In early 2009, we implemented a global workforce reduction of 825 regular, full-time and temporary positions, as well as 300 contractor jobs. The largest reduction in employees was in the exploration group and the largest contractor groups affected were in our Chilean operations and at Teck Coal. We engaged a career transition service to support and provide counseling to employees who were impacted by the workforce reduction. The main two elements of career transition support are helping employees decide what new career to pursue and helping them market themselves effectively to prospective employers.

Global Workforce (as at December 31, 2009)

Business Unit	Operation	Employees
Coal	Cardinal River Operations	343
	Coal Mountain Operations	211
	Elkview Operations	873
	Fording River Operations	996
	Greenhills Operations	496
	Line Creek Operations	363
Copper	Carmen de Andacollo	586
	Duck Pond Operations	235
	Highland Valley Copper	1,116
	Quebrada Blanca	754
Corporate	Global locations	443
Gold	Pogo mine	5
Technology	CESL	56
	Product Technology Centre	40
Zinc	Pend Oreille Operations	29
	Red Dog Operations	399
	Trail Operations	1,534
Total		**8,479**

Diversity and Equal Opportunity

The demand for young leaders in the mining industry exceeds available supply. In a historically male dominated industry, the imbalance is even greater for women who aspire to be future leaders. We became a participating company of the United Nations Global Compact in 2007 and support the Millennium Development Goals (MDGs) through this commitment. The MDGs are eight global goals developed by the United Nations in 2000 and committed to by countries all over the world to combat some of the world's most critical issues by 2015, including poverty, hunger, disease, illiteracy, environmental degradation and gender inequality. These goals can only be achieved with full participation by women and equal opportunity. In fact, one of the MDGs is to promote gender equality and empower women. We have the ability to create opportunities for women in the workplace and in communities.

Teck's diversity policy is reflected in the Human Rights section of the Code of Ethics, which states: Teck supports and promotes a work environment where individuals are treated with respect, provided with equality of opportunity based on merit and kept free of all forms of discrimination.

To monitor our progress in this area, we track the percentage of women in the workforce and the percentage of women in management and governance positions. The mining industry has historically employed a greater proportion of men than women. However, women are increasingly assuming roles traditionally held by men including both management and frontline operational vocations.

Consistent with the Global Reporting Initiative Guidelines, we also track the number of Indigenous Peoples in the workforce where possible. We continue to promote the hiring of local Indigenous Peoples. For example, Teck operates the Red Dog mine through agreements with NANA Regional Corporation, Inc. (a corporation wholly owned by the Inupiaq People of NW Alaska), covering preferential hiring, contracting and revenue sharing. As a result, over 56% of the workforce is composed of shareholders of NANA Regional Corporation. For more information on Indigenous Peoples in the workforce, please go to the *Indigenous Peoples* section.

Percentage of Women in the Workforce

Operation	2009(%)	2008 (%)	2007 (%)
Cardinal River Operations	7	6	2
Carmen de Andacollo	11	12	
Coal Mountain Operations	13	15	14
Duck Pond Operations	10	11	
Elkview Operations	9	10	11
Fording River Operations	8	10	9
Greenhills Operations	9	8	8
Highland Valley Copper	7	7	6
Line Creek Operations	12	10	9
Pend Oreille Operations	14	16	14
Quebrada Blanca Operations	4	5	
Red Dog Operations	10	13	13
Trail Operations	7	7	8

In our corporate offices in 2009 we had the following percentage of women in the workforce:

- Calgary: 31%
- Chile: 21%
- Spokane: 62%
- Toronto: 49%
- Vancouver:48%

Percentage of Women in Management, Governance, Professional and Administrative Positions as at December 31, 2009

Job Level	Percentage (%)
Executive	2
Senior Management	10
Management	7
Professional	15
Professional Support	16
Administration	30

Employee Remuneration

Employees' remuneration depends on the salary band (jobs based on similar knowledge and level of responsibility required are placed in the same band) the employee's job is in within the organization. An employee's remuneration is based on a combination of base pay and variable pay. The employee's base pay within the salary range (from 80% of the midpoint of the salary band to 120% of the midpoint) is based on the employee's experience and personal performance. The employee's variable pay is based primarily on the employee's personal performance with part of it being based on the company and business unit financial results. All jobs in the same salary band have the same midpoint or job rate, based on market data and the same target bonus, again based on market data. All components are heavily influenced by individual performance. We do not analyze wage differentials between male and females. Therefore as per the explanation above GRI indicator LA14 is currently not applicable.

Employee Engagement - Retention and Attraction

Despite our workforce reductions in early 2009, we recognize that employee retention and attraction will continue to be a challenge felt across the industry. The table below outlines turnover rates by gender and age group. As part of our efforts to improve employee retention and attraction, professional and career development is a priority, with a focus in four key skill areas: technical, operational, business acumen and leadership.

All of our management employees receive regular performance and career development reviews. Turnover rates are tracked for planning purposes and to help us develop strategies for recruitment, retention and diversity. Part of our employee attraction and retention strategy is to deliver programs that assist personnel by enhancing skills in order to help them advance their careers. Our human resources programs seek to differentiate us from our competitors and drive our success. Our goal is to attract and retain skilled employees in all facets of our business providing them with the training and resources required to achieve our goals and objectives.

Employee Turnover Number by Age and Gender

	Female						Male					
Region	< 30	30 - 39	40 - 49	50 - 59	> 60	Total	< 30	30 - 39	40 - 49	50 - 59	> 60	Total
Canada	21	46	16	14	11	**108**	62	57	73	109	87	**388**
USA	8	6	14	5	2	**35**	59	37	64	56	20	**236**
Chile	0	11	4	0	0	**15**	6	35	57	42	3	**143**

Employee Turnover Percentage by Age and Gender (%) [(1)]

	Female (%)						Male (%)					
Region	< 30	30 - 39	40 - 49	50 - 59	> 60	Total	< 30	30 - 39	40 - 49	50 - 59	> 60	Total
Canada	14	22	8	6	29	**13**	9	5	5	4	14	**6**
USA	42	40	42	23	25	**36**	46	32	40	32	35	**37**
Chile	0	18	18	0	0	**14**	3	9	11	18	11	**10**

(1) Employee turnover percentage is calculated for each gender, age category and region as:

$$\frac{\text{Employee turnover number}}{\text{(number of employees at year end + employee turnover number)}}$$

Recruitment and Training

As more employees become eligible for retirement, attracting graduating engineers and offering them comprehensive development programs becomes increasingly important. We hire engineering and geology graduates from around the world and actively recruit at all major universities in Canada and four universities in Chile. We have established Engineer-in-Training (EIT) and Geologist-in-Training programs at most of our operations and a formal program of EIT rotations to various operations is being introduced this year.

Data on training hours was collected on a company wide basis; however, the results indicated that the methodology for tracking training was inconsistent across Operations. It was determined that operations do collect this information; however, the results cannot be reported at the corporate level as there is too much variance. We intend to report on this in the medium term.

Employee Recognition Programs

The CEO Awards recognize exceptional contributions towards our success. Twenty individuals were recognized in 2009. See the *Celebrating Excellence* case study for more information.

Leadership and Development

We provide leadership and management skills training to our supervisors through several development programs. We also continue to offer graduate-level business courses through our Business Education Program, in partnership with Simon Fraser University (SFU). This program was recently recognized by the Canadian Council on Learning for providing excellence in learning.

In September 2008, we launched our first internal MBA program, in co-operation with SFU. The first group of 25 employees is working towards graduation in 2011, while continuing to work full-time.

In 2007 we developed an Emerging Leader Program (ELP). This program focuses on developing future leaders for key senior positions in the company and aims to:

- Broaden understanding and knowledge of our business;
- Deepen understanding and commitment to our business strategies and values; and
- Enhance leadership capabilities.

The program is now well established, with 29 employees in two groups having completed it over the past two years. Plans are under way for a third group of employees to begin the Emerging Leader Program in 2010.

Performance Management

Building Strength with People is our performance management program, encouraging discussion between employees and supervisors about performance, development and career planning. We are pleased to report that the program has now been successfully implemented in our Chilean operations and offices.

Scholarship Programs

We have established several scholarship programs to support students pursuing academic excellence and encourage studies in fields that lead to challenging careers in the mining industry. The Teck Scholarship Program offers annual support to students who are pursuing post secondary studies and are dependants of Teck's Canadian and American employees and retirees. These students can apply for the Teck Scholarship Program and receive support for up to four years, being awarded $1,750 or $1,250 for each year of their studies, depending on their scholastic achievement.

We give scholarships to students at selected universities around the world in the areas of mining engineering, mineral processing, geoscience, metallurgy and related disciplines. We work in partnership with universities to award the scholarships to students who have high potential and have achieved academic excellence while demonstrating a strong commitment to giving back to their community. In Chile we are currently involved in a project that promotes careers in the mining sectors to students of local schools in Andacollo, with the goal of offering job opportunities to young people in the community and providing scholarships for students with limited means to support their studies beyond high school. We are working on a strategy to engage educational institutions in Chile to offer practicum and scholarship programs for students. Teck Scholarships have been created to support unique programs at a variety of institutions.

Labour/Management Relations

We work with all employees to achieve employee engagement and good employee relations. We aim to provide employees with reasonable periods of notice. However, as practice and legislation on minimum notice periods varies considerably between operations there is no common minimum notice period.

We fully recognize the rights of employees to freely associate and join trade unions. Approximately 60% of the workforce is unionized while the balance is covered by individual agreements. Health and safety topics are typically included in collective bargaining agreements. Health and safety topics differ by region based on practice and legislation; therefore there is no common set of topics.

Line Creek Operations ratified a five-year collective agreement in February 2010, replacing a prior agreement which expired on May 31, 2009. The new agreement provided a 3% annual wage increases and will expire on May 31, 2014.

There were no strikes or lockouts in 2009. There was a strike at Coal Mountain Operations in 2010 and we will report on this in our 2010 Sustainability Report.

There were no operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk.

We measure the number and percentage of employees covered by collective bargaining agreements; however, this indicator is only relevant for operations with union representation.

Number and Percentage of Employees Covered by Bargaining Agreements

Location	2009 (Number)	2009 (%)	2008 (Number)	2008 (%)	2007 (Number)	2007 (%)
Cardinal River Operations	278	81	275	81	264	81
Carmen de Andacollo	383	65	294	90	236	80
Coal Mountain Operations	155	73	162	72	135	73
Elkview Operations	668	77	664	82	614	81
Fording River Operations	836	84	821	84	771	84
Highland Valley Copper	916	82	898	82	868	83
Line Creek Operations	266	73	252	78	237	79
Quebrada Blanca	584	77	650	85	551	81
Red Dog Operations	53	13	106	21	83	22
Trail Operations	1286	84	1243	74	1232	83

Environment

Environmental Management

Compliance and Spills

Operations report regularly to our corporate office on a wide variety of environmental parameters including, but not limited to:

- program development activities;
- permit compliance;
- incident information (spills);
- air and water quality;
- energy consumption and GHG emissions;
- material use and recycling information;
- biodiversity programs including land reclamation; and
- other GRI indicators.

Our operations collect significant amounts of air, water, terrestrial and biological data to evaluate performance with respect to permit conditions and other regulatory and voluntary requirements and to assess environmental conditions. Our goal is to operate in compliance with all environmental regulatory requirements and permits. However, on occasion, spills, upset conditions, weather or other events can result in us exceeding our permitted limits.

On an annual basis, more than 100,000 measurements are taken to monitor compliance with permit conditions and compliance rates across all of our operations are well above 99% for both air and water. There were a total of 112 incidents that resulted in permitted threshold limits being exceeded during 2009, a decrease of 19% in comparison with 2008. This represented the fourth consecutive year in which our performance in this area has improved.

Controls are in place at all our operations to minimize the likelihood of spill events and to mitigate potential impacts to the environment. In addition to facility design considerations, additional control measures include: spill containment, meters, alarms, standard operating practices, training, regular inspections and the identification of potential issues through internal and corporate risk assessments and audits. The vast majority of spills are confined on-site within primary or secondary containment and are immediately controlled, reported and cleaned up.

In 2009, there were a total of 225 spills at all our operations, of which 86% were under 500 L in volume. Larger spills (>1,000 L) accounted for 10.2% of spillages and typically related to the malfunction or failure of pipes and hoses on mobile equipment in work areas. This represents a significant improvement when compared to the 287 spills in 2008 and 306 spills in 2007. Thorough investigations are conducted whenever these incidents arise, to identify root causes, implement remedial measures and prevent future occurrence of similar events. During 2009, no long-term consequences to people or the environment resulted from any of these spills and no fines were levied.

Four environmental incidents were considered significant in 2009, based on a severity index scale that considers location (i.e., on-site vs. beyond the boundaries of operations), type (i.e., nature of material spilled), or volume (amount of materials spilled). These significant incidents are summarized in the table below.

Significant Environmental Incidents in 2009

Operation	Substance	Amount	Remedial Action
Quebrada Blanca	Sulphuric Acid	28,410 kg to Soil	See below for detail.
Trail Operations	Diesel	370,000 L to Soil	An extensive system of wells for ground water monitoring and oil recovery were established. The section of buried line was replaced with an above ground system. Investigation findings and key learnings from the incident were shared across the company.
Trail Operations	Return Acid	4,000 L to Soil	Improvements to the secondary containment and leak detection systems. Replacement tank will be constructed using materials with improved corrosion resistance.
Trail Operations	Spent Electrolyte	15,000 L to Soil	Vacuum truck used to remove most of the spent electrolyte and limestone spread on area. Improvements made to alarm system. Investigating replacing key section of pipe.

The sulphuric acid spill at Quebrada Blanca was considered to be more significant relative to the others, primarily due to the fact that the release occurred off-site. The spill accident involved the transporting of sulphuric acid to the Quebrada Blanca operation, where the tractor trailer ran off the road and rolled over, dumping 28,410 kg of sulphuric acid onto a 500 m^2 area of soil that was free of vegetation. Environment, Risk Prevention and QB Rescue Brigade staff attended the scene immediately, along with representatives of the trucking company and members of the Chilean police force. Once the driver had been attended to an environmental contingency plan was implemented. To mitigate any further risk to the environment, the affected area was covered with inert material prior to the implementation of a more comprehensive clean-up operation. Residual wastes were disposed of in the operation's landfill. To help prevent a future recurrence, retaining railings were installed along the section of the road where the incident occurred.

Fines

Trail Operations was fined $115,000 for a May 2008 lead spill caused by cracks inside a Lead Refinery heat exchanger, resulting in the company exceeding permitted discharges into the Columbia River. $110,000 of the fine was paid to the Habitat Conservation Fund with a recommendation by the Crown and Teck to divide that amount equally between two local environmental protection organizations – the Upper Columbia White Sturgeon Recovery Initiative – Technical Working Group and the Columbia River Integrated Environmental Monitoring Program

The spill was caused by three cracked pipes inside a two-year-old heat exchanger which resulted in the release of electrolyte, an acid solution containing lead, to the Columbia River. A subsequent report endorsed by the B.C. Ministry of Environment said high river flows at the time of the spill resulted in the overall environmental impact to the Columbia River being 'minimal'. Teck Metals Ltd. undertook a full system assessment in the Lead Refinery following the incident and all recommendations have been implemented with the view to preventing a similar incident for the refinery heat exchanger systems.

The company also completed an extensive property-wide systems assessment to review systems throughout all the operating plants in light of the Lead Refinery incident. This broader assessment process identified a number of improvements, which Teck Metals Ltd. is in the process of implementing at a cost of $3 million.

Environment Awards

In 2009, our operations received two major environment awards, both from the British Columbia Technical Research Committee on Reclamation (TRCR).

Teck Highland Valley Copper Partnership was the recipient of the 2008 British Columbia Jake McDonald Mine Reclamation Award. This award was given for outstanding achievements in reclamation at the Highland Valley Copper Mine (HVC) near Logan Lake, BC. HVC has demonstrated leadership in the mining industry by taking an ecosystem approach to mine reclamation. Through its work, HVC has been successful at establishing various habitats that enhance biodiversity. More information regarding details of the award can be viewed at the TRCR website.

Coal Mountain Operations (CMO) received the 2008 Coal Mining Citation for outstanding reclamation achievement. The reclamation program was undertaken between 2006 and 2008 on a windswept southwest-facing waste rock pile. Extra effort was expended to create a diversity of habitats, including large rock piles, rolling terrain and several small knolls. More information regarding details of the award can be viewed at the TRCR website.

Air Quality

A significant environmental issue for a number of our operations is local air quality with respect to particulate matter or dust. Dust can be generated by a number of activities including blasting, trucking, ore crushing and conveyor systems as well as from wind erosion of stockpiles and tailings impoundments. Minimizing the amount of dust that is released from activities such as these is critical. The management of dust can be particularly challenging in arid climates such as at our operations in Chile. Efforts and activities undertaken to minimize dust levels at our operations and in nearby communities include:

- Adjusting blasting practices when winds are unfavorable;
- Applying sealants to material piles and roadways;
- Using water sprays on roadways and while handling dusty materials;
- The use of road sweepers and washing;
- Cover systems for trucks and rail cars;
- Storing and handling materials in buildings where feasible;
- Cover systems (domes) over coarse ore stock piles; and
- Ventilated conveyor systems and buildings with dust capture.

Air quality is regularly monitored at all of our operations. This can include advanced, real-time, computerized particulate monitors, high-volume monitors which sample air over a 24-hour period, or dust fall jars which are a simple and effective means of assessing dust levels over longer time periods. In addition, weather stations are also typically in place and allow us to determine the relationship between dust levels and winds and precipitation. All of this data is used to assess air quality and to help identify improvement opportunities and to assess the effectiveness of those improvements.

Air Emissions

Each year, our Canadian sites report to the National Pollutant Release Inventory (NPRI). Air emissions by type are listed in the table below:

Air Emissions by Type (tonnes)

Location	PM-10	PM-2.5	SOx	NOx	Carbon Monoxide (CO)	VOC	Mercury (Hg)
Cardinal River Operations	739	73	10	78	3	0	0
Carmen de Andacollo	0	0	0	0	0	0	0
Coal Mountain Operations	454	43	17	82	11	0	0
Duck Pond Operations	8	1	1	9	27	0	0
Elkview Operations	4527	366	26	192	25	1	0
Fording River Operations	2728	233	32	223	27	1	0
Greenhills Operations	1650	149	19	90	22	1	0
Highland Valley Copper	6900	3413	20	138	541	10	0
Line Creek Operations	910	70	0	11	15	1	0
Quebrada Blanca	64	0	237	7	44	3	0
Red Dog Operations	228	0	145	2757	243	98	0
Trail Operations	121	82	4137	0	0	0	0

Energy and Climate Change

Energy Use and Emissions

Our operations require energy for the recovery and production of minerals, metals and coal. As part of our sustainability initiatives, we are committed to the efficient use of energy and the responsible management of associated greenhouse gas (GHG) emissions.

Energy costs continue to be one of our most significant operating expenditures and emerging regulatory fees, GHG constraints, energy and carbon costs have prompted us to refine our energy use strategies. Our long-term goal is to achieve a reduction in GHG emissions through energy efficiency improvements, the increased use of renewable energy, fuel switching and if necessary, the use of credits and offsets. We will achieve this challenging goal with ingenuity, creativity and the investment of time and resources.

Our short-term efforts continue to focus on:

- Enhancing our efforts to identify, assess and implement opportunities to improve energy efficiency, reduce GHG emissions and increase the share of energy derived from renewable sources;
- Investing in research and development of low-carbon technology for mining and smelting;
- Improving processes for monitoring and reporting energy use and GHG emissions;
- Establishing operation-specific energy use and emissions targets; and
- Advancing the use of our products, particularly metals, in applications that result in a net reduction in society's carbon footprint.

We have tracked and reported on company-wide energy use and GHG emissions for several years across all operations. Our energy and carbon accounting practices are moving towards alignment with the rigorous standards set by regulators in the USA, B.C. and Alberta. The most significant of these is the verification of our GHG emissions to a "reasonable level of assurance", as is now required for facilities in B.C. emitting greater than 25,000 kt CO_2e under the provincial Greenhouse Gas Reduction (Cap and Trade) Act Reporting Regulation (GGRCTA).

To address the growing rigour associated with carbon accounting, our seven B.C.-based operations will undergo a full third-party assessment of their energy and carbon accounting practices during 2010. These assessments will strengthen our current practices and ensure that they are in compliance with regulatory requirements.

The GHG accounting methodology applied in this report utilized the application of emission factors for the estimation of GHG emissions. Please see *Appendix C - Greenhouse Gas Emission and Conversion Factors*. Emission factors for Scope 1[3] and Scope 2[4] sources have been drawn from Environment Canada's National Inventory Report submission to the United Nations Framework Convention on Climate Change, with the exception of emission factors for electricity drawn from the Chilean grid(s). Scope 1 and 2 emissions are fully represented in this report, while Scope 3 emissions, optional under the World Business Council for Sustainable Development (WBCSD)/World Resources Institute (WRI) Greenhouse Gas Protocol, are only partially reported as their tracking is a new initiative in the company in 2009. This methodology is consistent with IPCC, WBCSD/WRI Greenhouse Gas Protocol, Canadian Federal and US EPA guidelines for GHG Emissions Accounting.

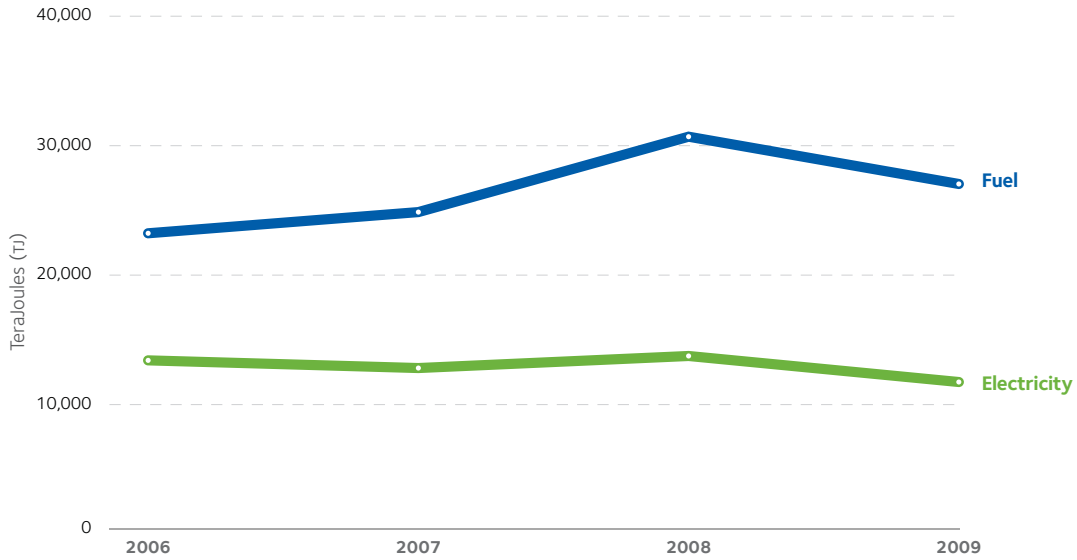
Direct Energy Consumption

In this year's report, data pertaining to energy use and GHG emissions include our six coal mines, four copper mines, two zinc mines and our Trail Smelter operations. Emissions and Energy Conversion Factors are based on the B.C. GGRCTA Reporting Regulation and the Canadian Federal Government's 2009 National Inventory Report. Energy and GHG data are presented on a 100% basis, as opposed to ownership percentage, to allow for more meaningful comparisons over time. Data for Antamina is not included.

[3] According to the World Business Council for Sustainable Development and World Resources Institute, Scope 1 emissions "occur from sources that are owned or controlled by the company."
[4] According to the World Business Council for Sustainable Development and World Resources Institute, Scope 2 emissions occur "from the generation of purchased electricity consumed by the company. Purchase electricity is defined as electricity that is purchased or otherwise brought into the organization boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated."

Trends in fuel and electricity consumption for the past 4 years are shown in the chart below. In 2009, all operations consumed a total of 38,065 TJ (terajoules) of energy, including electricity and fuels, as compared to 43,728[5] TJ in 2008. The three largest factors in this reduction were decreased electricity consumption at the Trail Smelter due to reduced zinc production, decreased coal production at most of the coal operations, and the sale of the Hemlo and Pogo gold mines.

Energy Consumption (TJ) Company Roll Up



Changes in Energy Use 2008 – 2009 (TJ)

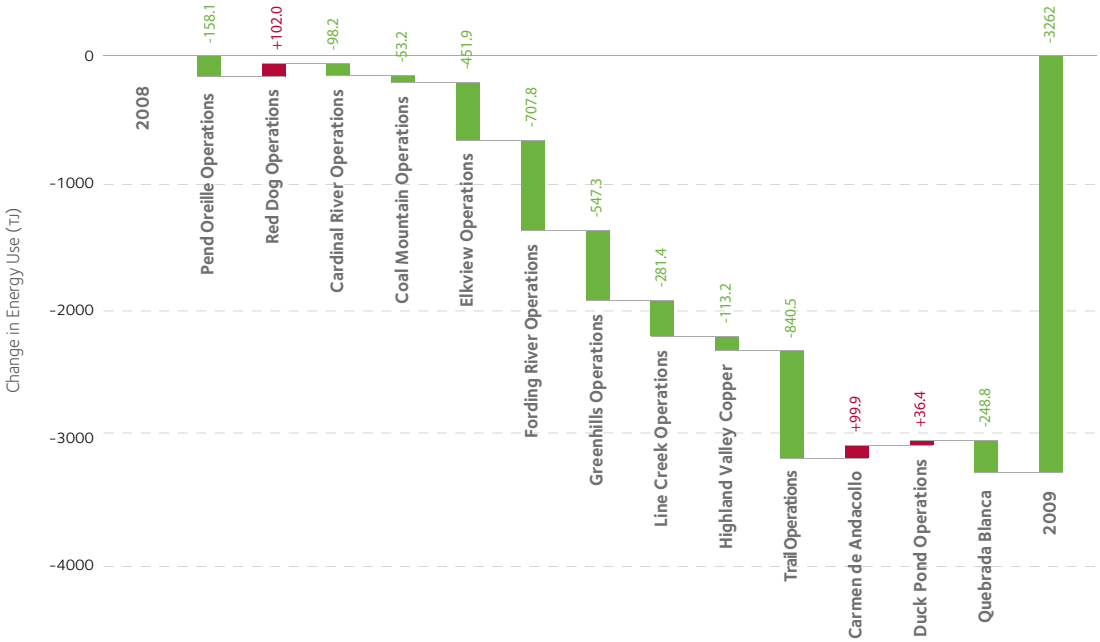


Figure 1 – This figure above demonstrates the cumulative change in energy use across Teck's operations from 2008 to 2009. Green bars represent a net decrease in energy use at an operation, while red bars represent a net increase in energy use at an operation.

[5] Excluding Lennard Shelf, Hemlo, and Pogo Operations, our 2008 energy consumption, including electricity and fuels, was 41,237 TJ.

Indirect Energy Consumption

Our products are transported to market in third-party trucks, trains and ocean-going vessels. At present, the tracking of energy consumption or emissions associated with the transport of feed materials and products to and from our operations is limited. It has however been possible to estimate GHG emissions through published sources and we provided an estimate for Highland Valley Copper in our 2006 Sustainability Report. Over time, we intend to expand the scope of our indirect energy consumption estimates to other operations and activities. For example, we began tracking our energy consumption for the transportation of some of our products by rail in 2009.

Greenhouse Gas Programs and Performance

Our direct GHG emissions from all operations (as CO_2 equivalent) were 2,350 kilotonnes (kt) in 2009 as compared to 2,649[6] kt in 2008. This reduction in emissions was driven largely by reduced coal production at several of our coal mines. Changes in emissions from 2008 to 2009 are illustrated in the 'waterfall' chart below for each operation. Direct GHG emissions for each operation for 2009 are shown in the accompanying chart.

Changes in Direct GHG Emissions 2008–2009 (CO_2 equivalent kt)

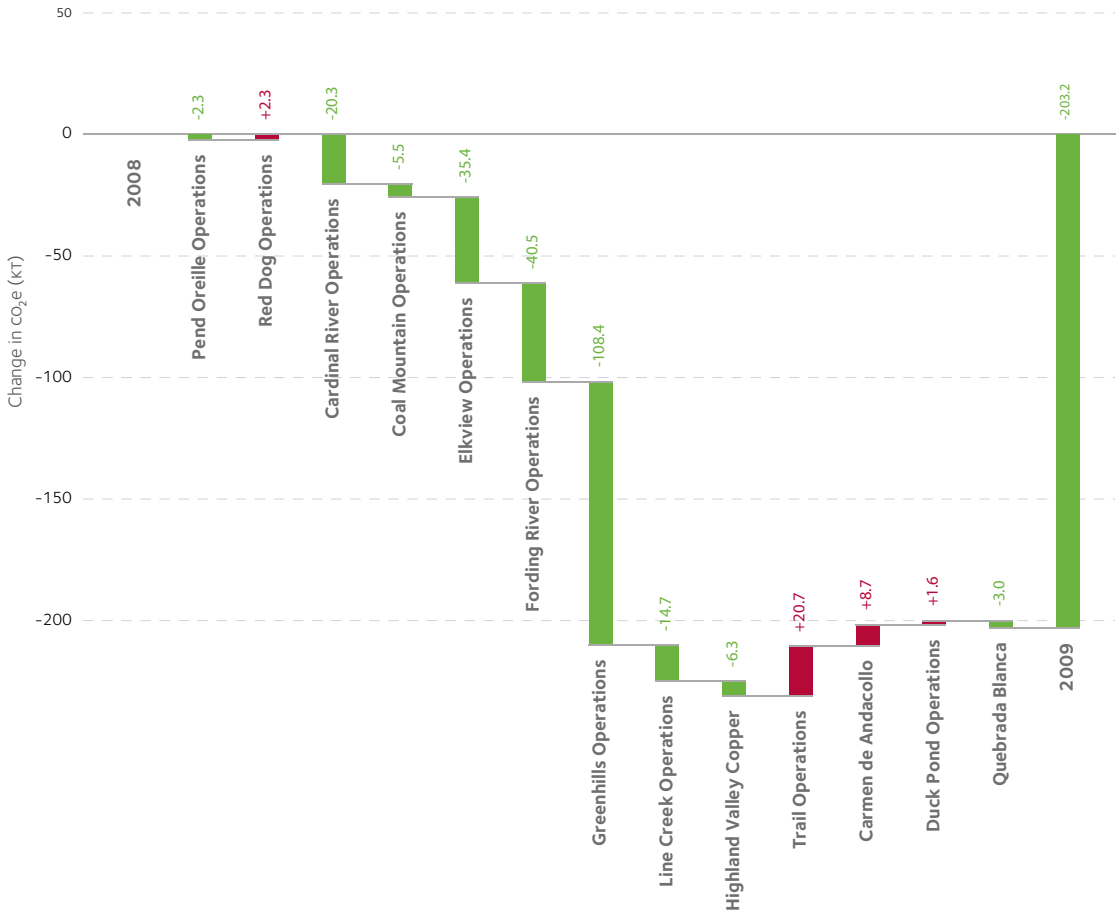
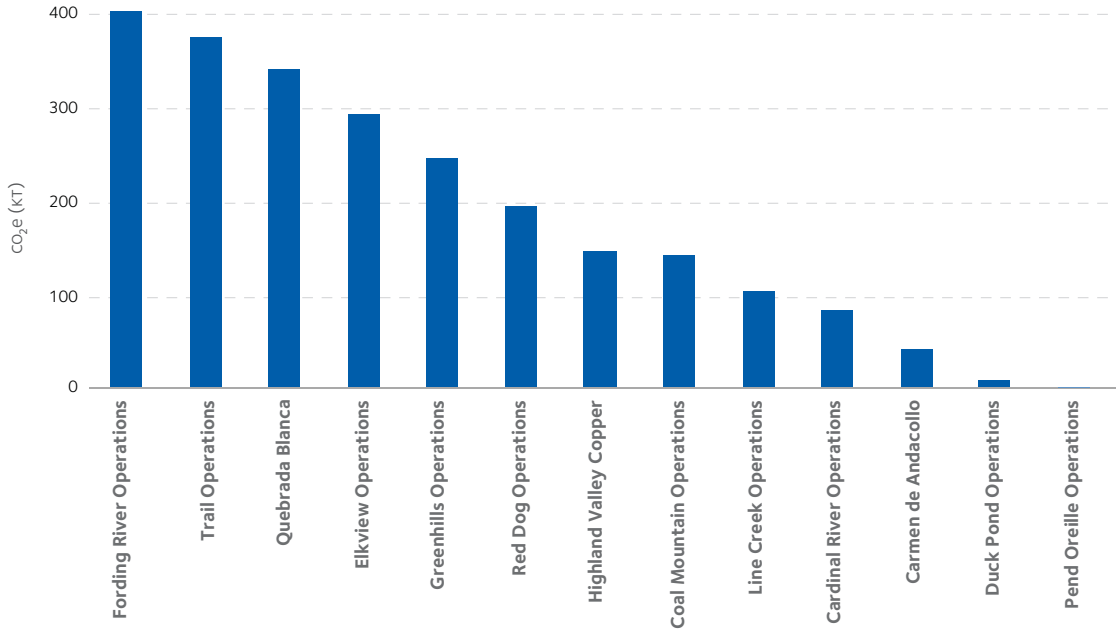


Figure 2 - This figure above demonstrates the cumulative change in direct (Scope 1) GHG emissions across Teck's operations from 2008 to 2009. Green bars represent a net decrease in direct (Scope 1) GHG emissions at an operation, while red bars represent a net increase in direct (Scope 1) GHG emissions at an operation.

[6] Excluding Lennard Shelf, Hemlo and Pogo Operations, our 2008 direct GHG emissions was 2,556 kt.

Direct GHG Emissions 2009 (CO_2 equivalent kt)



The key drivers for direct GHG emissions vary significantly by operation. For example, in our Coal Operations, the coal and natural gas used for the drying of coal product, diesel for mobile equipment and fugitive methane each account for roughly one third of total emissions. Emissions from the Trail Smelter are dominated by the use of coal in the furnaces and natural gas to produce steam for heating process solutions. At Red Dog Operations, the diesel used to produce electricity and fuel for mobile equipment is the key source of GHG emissions. The primary source at Highland Valley Copper, which receives electricity from the grid, is the use of diesel for mobile equipment. As such, the options for reducing emissions vary significantly across our different operations. Further details pertaining to our initiatives to reduce energy use and emissions are provided in the *Initiatives to Reduce Energy Consumption, Improve Energy Efficiency and Reduce GHG Emissions* section.

Indirect GHG emissions associated with electricity use for 2009 are estimated to be 104 kt, or less than 5% of our direct emissions. Our indirect emissions are relatively small as many of our operations are in regions obtaining a significant proportion of their electricity from hydro generation, i.e., British Columbia and Newfoundland.[7]

We also report on GHG emissions and energy consumption in the Mining Association of Canada's Annual Progress Report. Reports on facilities emitting more than 50 kt CO_2e/annum under Canada Federal requirements are available at the Government of Canada's Greenhouse Gas Reporting website.

It is our intention to develop energy and emissions intensity targets at each of our sites. In 2009 we began this process with Highland Valley Copper and the Trail Smelter, which both established intensity targets for their major energy inputs.

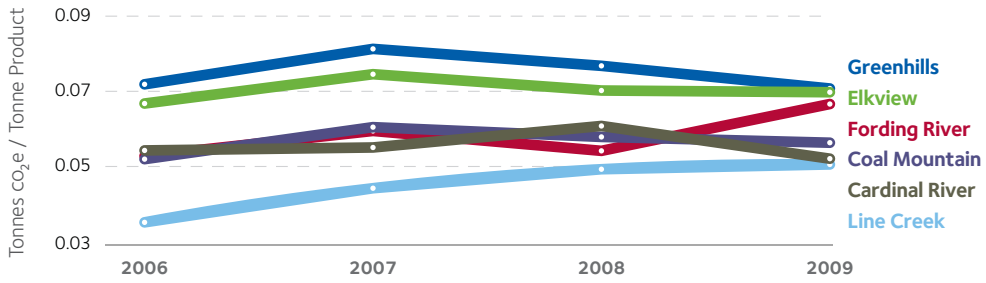
During 2009, 7 of 12 operations saw a slight decrease in their carbon intensities (one measure of efficiency based on tonnes of direct CO_2e emissions per tonne of product), indicating an improvement in our performance. The most significant exceptions to this were Trail and Carmen de Andacollo, both of which saw an increase in intensity due to increased emissions and reduced production.

[7] Note that in 2008 we revised our methodology for estimating indirect GHG emissions from some sources of electrical power. The Trail Smelter and the Pend Oreille Operations receive their electrical power exclusively from hydroelectric generation facilities. While we recognize that emissions from hydroelectric sources are greater than 0, we believe that they are sufficiently immaterial to consider them to be 0. This is the basis on which we've applied our calculations. This practice has also been adopted by others, such as major hydropower producers in British Columbia and Washington State and the Pacific Carbon Trust, the Crown Corporation in British Columbia responsible for the acquisition of carbon offsets within the province. We previously applied an emissions factor for these hydro sources based on a weighted average of all electrical power in B.C., i.e., 0.02 kg CO_2e / kWh. Historical data has been updated accordingly.

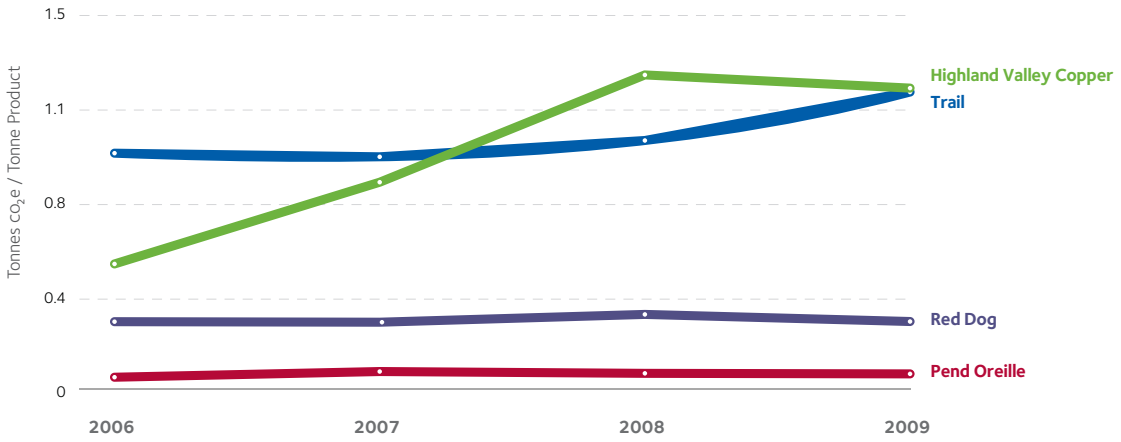
Carbon Intensity in Product (t/tonne) (Direct Emissions)

	2009	2008	2007	2006	2005	2004
Smelter						
Trail Operations	1.18	0.99	0.92	0.94	0.87	0.9
Large Open Pit Metal Mine						
Highland Valley Copper	1.2	1.25	0.82	0.5	0.43	0.39
Large Open Pit Coal Mines						
Cardinal River Operations	0.052	0.061	0.055	0.054		
Coal Mountain Operations	0.056	0.058	0.06	0.052		
Elkview Operations	0.069	0.07	0.074	0.066		
Fording River Operations	0.066	0.054	0.059	0.053		
Greenhills Operations	0.07	0.076	0.08	0.071		
Line Creek Operations	0.051	0.05	0.045	0.036		
Open Pit and Underground Mines						
Duck Pond Operations	0.24	0.21				
Red Dog Operations	0.27	0.3	0.27	0.27	0.29	0.27
Open Pit Mines Producing Final Metal						
Carmen de Andacollo	2.3	1.54				
Quebrada Blanca	3.86	3.99				

Carbon Intensity in Coal (t/t)



Carbon Intensity in Metal (t/t)



Similar to carbon intensity in product, we also track our carbon intensity in materials moved. We believe that this provides a better representation of operational eco-efficiency, as it relates emissions to the total amount of work performed on site (e.g. the removal of overburden and waste rock as well as processing of ore/coal).

Carbon Intensity in Materials Moved (t/tonne) (Total Scope 1 and Scope 2 Emissions)

	2009	2008	2007
Large Open Pit Metal Mine			
Highland Valley Copper	0.0015	0.0014	0.0014
Large Open Pit Coal Mines			
Cardinal River Operations	0.0063	0.0076	0.0077
Coal Mountain Operations	0.0051	0.0049	0.0057
Elkview Operations	0.0027	0.0027	0.0033
Fording River Operations	0.0023	0.0023	0.0024
Greenhills Operations	0.0024	0.0045	0.0046
Line Creek Operations	0.0039	0.0029	0.0034
Open Pit and Underground Mines			
Duck Pond Operations	0.0174		
Red Dog Operations	0.0199	0.0248	0.0274
Open Pit Mines Producing Final Metal			
Carmen de Andacollo	0.026		
Quebrada Blanca	0.0074		

We will continue to explore metrics that are able to provide the most accurate and representative perspective of our use of energy and its associated carbon emissions.

Other GHG Emissions (Scope 3) [8]

Transportation

Emissions attributable to transportation stem from three principal activities: transportation of materials on-site, receiving materials from suppliers and distributing products to market. Emissions from the transportation of materials on-site are currently captured within our GHG accounting practices. We have not thoroughly evaluated indirect transport emissions associated with the receiving of materials or the distribution of products in the past other than a preliminary assessment of distributing products from Highland Valley Copper in 2006. This work indicated that the largest contributor to GHG emissions associated with the transportation of copper concentrates from the mine to key customers is from marine vessels as opposed to truck and rail activities. In 2009, with the aid of one of our rail transportation providers, we have begun to track our emissions from the transportation of materials to and from some of our sites by rail.

Business Travel

In 2009, we also began to track our emissions from business travel. Working with one of our travel service providers, we have accounted for the majority of emissions associated with our corporate business travel. In 2009, corporate business travel emitted an estimated 1,292 tonnes of CO_2e, or 0.05% of our overall emissions (including both direct [Scope 1] and indirect [Scope 2] emissions). For 2010, we are exploring the possibility of tracking our emissions from vehicular business travel and travel accommodations.

Information Technology

For the sharing of business documents, the use of Secure File Transfers (SFT) is able to reduce GHG emissions that would otherwise be attributed to the shipping of physical documents. According to our SFT provider, Teck's use of SFTs has prevented 2.36 tonnes of CO_2 emissions.

Climate Change Economics

In 2009, we continued to evaluate the impact of climate change and associated regulations on the company. Given the on-going evolution of climate change issues, our assessment of the potential impacts, including risks and opportunities, continues to be reviewed through a risk assessment process. Where clear and certain price signals are present (e.g. British Columbia's Carbon Tax) we have begun integrating the cost of carbon into our decision making processes. Discussion on related regulatory developments can be found in the *Regulatory Developments Regarding Climate Change* section.

For the past four years, we have participated in the Carbon Disclosure Project (CDP), an independent not-for-profit organization holding the largest database of corporate climate change information in the world. On behalf of participants, CDP seeks and obtains information from the world's largest companies on the business risks and opportunities posed by climate change, as well as greenhouse gas emissions data.

Risks

There appears to be general consensus regarding shifts in climate and weather patterns on a global scale. As part of our on-going business planning we must consider the potential impact of long-term changes in temperature and precipitation levels. Predicting potential climate changes on a local level, however, is challenging, making it particularly difficult to predict how changing weather patterns might affect our operations. We will continue to explore advances in climate forecasting at the local level to ensure that our current and future facilities are designed and operated with the anticipated future climate in mind.

We believe that governments will continue to develop legislation to constrain carbon and regulate emissions, albeit at a somewhat slower pace than was initially apparent. We continue to participate in the development of climate change regulations with various governments. This includes working with industry associations to guide the development of regulations, mining and smelting industry policies and practices on energy use and GHG emissions at national and provincial levels.

In 2010, we will conduct a workshop to further identify and monitor our exposure to risks associated with climate change.

[8] According to the World Business Council for Sustainable Development and World Resources Institute, Scope 3 emissions are "a consequence of the activities of the company, but occur from sources not owned or controlled by the company."

Regulatory Developments Regarding Climate Change

International and domestic policy efforts are creating incentives for investment in abatement technology and energy efficiency in the private sector by way of emissions control regulations, i.e., Cap and Trade and carbon taxation. Consequently, we anticipate and respond to regulatory risks by investigating site-appropriate projects and through continued engagement with governments on policy development. We continue to assess the consequences of regulatory changes on our business.

In January 2008, the Government of Alberta announced a plan to reduce carbon emissions intensity to 50% below 1990 levels by 2020. Major emitters (those emitting over 100,000 tonnes of CO_2e per year) are required to reduce their emissions intensity by 12% as compared to their established baseline.

Also in 2008, the government of British Columbia introduced a carbon tax applicable to virtually all fossil fuels. The tax is imposed on fossil fuels used in B.C. and as of July 1, 2009, is based on a calculation of $15 per tonne of CO_2-equivalent emission, increasing by $5 per tonne each year until it reaches $30 per tonne in 2012. For 2009, our seven B.C.-based operations paid $16 million in provincial carbon tax, primarily from our use of coal, diesel fuel and natural gas. We anticipate that this will increase to approximately $35-40 million per year in carbon tax by 2012 as the tax rate increases to $30/tonne of CO_2- equivalent emission.

The B.C. government has also initiated the creation of a cap and trade mechanism to further reduce greenhouse gas emissions. Trading is expected to begin in 2012. In the interim, a reporting regulation has been put into place to ensure that emissions are being accounted for with the utmost precision. It has been indicated that the carbon tax and the cap and trade system will be integrated to avoid double taxation. We continue to monitor and participate in the development of this legislation to the fullest extent possible.

In response to the regulatory actions taken by the government of British Columbia, our B.C.-based operations will strive to minimize costs through site-specific energy efficiency projects. In addition, we now have a more certain basis on which to incorporate the estimated cost of carbon into projects and improvement initiatives.

In late 2009, the US Environmental Protection Agency (EPA) promulgated a Greenhouse Gas Mandatory Reporting Regulation, applicable to Red Dog Operations. Facilities emitting 25,000 tonnes or more of carbon dioxide equivalents (CO_2e) per year will henceforth need to submit annual reports to the EPA.

In early 2010, the Canadian Federal Government announced new national targets for greenhouse gas emission reductions as part of the Copenhagen Accord. Details of how these new targets would be achieved and how they might apply to individual facilities, companies and industries are yet to be announced. We will continue to assess the effect of these regulatory developments on our current and future projects.

Our advances into various Alberta oil sands projects require significant risk management efforts with respect to climate change regulations. In conjunction with our project partners, we continue to evaluate provincial, federal and international regulatory proposals for the oils sands industry and examine technical options to minimize emissions and capture and store carbon.

Climate Change Opportunities

Climate change presents us with several process and product-oriented commercial opportunities. We have an opportunity to leverage research and development and on-going technological advances in areas that might help to reduce GHG emissions or to mitigate the effects of climate change. These include zinc-air fuel cell applications for the green energy sector and the CESL hydrometallurgical method for recovering copper (an alternative to the smelting process). The first commercial hydrometallurgical facility is currently being tested at a 10,000 tonne per year prototype at Vale's CESL Hydrometallurgical Plant in Brazil. This new CESL Technology provides several environmental benefits including:

- Zero gas emissions from the CESL process, except for a small amount of pure steam. The production of sulphur dioxide, a precursor to acid rain, is also avoided in this hydrometallurgical process.
- Innovative CESL design virtually eliminates all effluents. All liquids are recycled through the plant and impurity levels are controlled prior to the process.
- An on-site process that eliminates the intensive shipping requirements associated with traditional smelting methods and concentrate sales. In turn, emissions are significantly reduced.

Initiatives to Reduce Energy Consumption, Improve Energy Efficiency and Reduce GHG Emissions

Energy, in its many forms, but particularly diesel, electricity and natural gas, is one of our most significant cost items. As a result, we have always focused upon improving our energy efficiency for the benefit of our financial and environmental performance. In recent years, we have pursued these activities in a more systematic fashion. In 2008 a new corporate working group was established to assist our operations in the identification and implementation of energy conservation and energy efficiency projects. In 2009, this team was able to realize a number of improvements in our energy use practices. Successful initiatives will also bring improvements in carbon intensity and/or reductions in GHG emissions at our operations. Efforts initiated in late 2008 continued into 2009 and are focused upon identifying and implementing energy conservation and efficiency projects at an operations level. We continue to share information on such initiatives and on best practices across the company.

The use of diesel for vehicles such as large haul trucks and shovels form a significant component of our energy use and GHG emissions. Consequently several initiatives, aimed at reducing GHG emissions through improved fuel efficiency or by shifting to low-carbon forms of energy such as hydroelectricity, continue to be evaluated at several operations. At an operations level, a number of other projects have been initiated or completed over the past year aimed at reducing energy use and/or GHG emissions. Selected highlights include:

Reduced Engine Idling at Multiple Sites

Efforts to reduce vehicle idling time through awareness programs, mandatory shutoff programs and the evaluation of engine heaters in cold climates were put into effect in 2009. At Red Dog Operations, we have installed electronic systems on all mobile production heavy equipment to start and stop an engine as needed to maintain engine temperatures and keep batteries charged. This technology has significantly reduced idle engine time on the production fleet at the mine, thus reducing fuel consumption and maintenance requirements. In 2009, Line Creek Operations estimated a $28,000 savings over one quarter as a result of their reduced idling practices. While not rigorously quantified, these savings are due in part to reduced fuel use which, in turn, reduces GHG emissions.

Improved Coal Drying at Coal Sites

At our coal sites the drying of coal during the processing stage utilizes a large amount of fossil fuel energy (coal and/or natural gas) and produces a significant proportion of each site's GHG emissions. Strategies to improve the efficiency of the drying process lead to both financial and carbon savings, including:

- At Cardinal River Operations a large centrifuge is being installed to reduce the dewatering demands of the dryer, potentially eliminating the need for conventional dryers altogether in the summer time; and
- At Elkview Operations the amount of coal burned in the dryer was reduced in 2009 by improving the feed system. Dryer efficiency was anticipated to improve by up to 5%.

Exploration into Renewable Energy Projects: Wind Energy

Red Dog Operations is currently evaluating the use of wind generated power to supplement and reduce the amount of diesel generated power required to run the port and mine. This project is in the data gathering stage. Information on wind speed direction and frequency will be collected throughout 2010. Once sufficient data is collected, the information will be reviewed to determine the viability of the sites for wind power generation.

Adoption of a Gravity Water Collection System at Highland Valley Copper

An 18" gravity pipeline was installed at Highland Valley Copper. With this collection system the energy previously required to deliver surface and seepage water between various locations is no longer needed.

Improved Haul Truck Efficiency at Elkview Operations

Haul trucks reaching the end of their working lives at Elkview Operations are being progressively replaced with larger haul trucks. The new fleet moves greater quantities of material per unit of energy expended.

Solar Powered Fog Lights at Greenhills Operations

Greenhills Operations is affected by extreme amounts of fog between October and June. Historically, flare pots consisting of steel barrels containing burning diesel and straw were placed every 50 meters along affected roads to improve visibility for the truck drivers. Solar powered LED lights placed on stands are now being evaluated to replace the flare pots. If the trial leads to a successful implementation of this technology, we estimate the resulting savings to be:

- A 640,000 litre reduction in the annual consumption of diesel;
- 1,785 fewer tonnes of CO_2e emissions; and
- Estimated savings of $480,000.

Improved Energy Monitoring at Trail Operations

In 2009, Trail Operations completed the installation of an improved electricity use monitoring system. The system accurately monitors electricity use at all plants, as well as key load areas including the electrolytic cellhouse, the oxygen plant, water pumping, air compression and gas handling fans. This system will allow Trail Operations to accurately measure the results of electricity conservation efforts in these key focus areas.

Highmont Pit Shop Lighting Upgrade at Highland Valley Copper

This shop is used intermittently depending on requirements of the operation. However, the high bay lighting was always even when not needed. Lighting controls were implemented to turn the lights off when the building is not in use. It is estimated that this improvement will reduce electricity use by approximately 475,000 kWh.

Reduced Emissions from Travel at Duck Pond Operations

Duck Pond Operations established a bussing system to transport employees to and from site, five days a week. This has eliminated the emissions associated with approximately twenty-five vehicles a day making the 250 km round trip.

Improved Energy Efficiency at Fording River Operations

At Fording River Operations a capacitor bank was installed to improve the power factor for the electrical system. This will allow savings resulting from a decreased demand for reactive power.

Water

We require water for our mining and smelting processes and potable water for employee use. In 2009, our total water withdrawal from ground, surface and other sources was just over 119 million cubic metres (m3) and nearly the same total quantity was recycled. This represents a reduction of approximately 5% in total water withdrawal as compared to 2008 due primarily to the closure of the Lennard Shelf mine and increased use of recycled water at Highland Valley Copper.

A variety of our programs ensure that water use is appropriately monitored and that operations investigate and implement conservation opportunities where appropriate and feasible. Water is extensively recycled throughout all of our industrial processes, to minimize the amount of freshwater intake. For example, Red Dog Operations is permitted to discharge the same quantity of water as the net-precipitation collected by the site. To minimize the volume of water withdrawn from sources the site utilizes the collected precipitation in the processing circuit to the greatest extent possible.

We recognize that water is a precious natural resource, one that is subject to growing stresses with respect to use and quality. We have placed additional emphasis on assessing the risks posed by these stresses and upon managing and minimizing our potential impact on sources, particularly in locations and regions that have generally limited water availability. We fully consider water supplies and needs when planning new projects, including cumulative impacts to surface and groundwater sources. Designs are modified to minimize water use and stress on supplies, while maximizing water reuse and recycling. All viable water use and supply options are considered when planning major

projects. In some instances a broad range of scenarios are considered, e.g. the hypogene expansion project at Carmen de Andacollo.

Water sources are regularly monitored and water quantity and quality data provide the basis for ground and surface water models to determine potential impacts during the planning, design, operating and closure stages. Particular emphasis is given to ground water sources in order to determine rates of drawdown, ensuring the long term protection of these sources. Forecasts of future availability and use are developed to guide decision making and to ensure aquifers are protected for the benefit of local water users in the future.

In light of growing concerns over water in 2009 we began to develop a corporate water management policy, which we expect to adopt in 2010. To augment this process a water issues and policy workshop was held by our Chilean operations and projects, representing our most water-stressed areas. Water quantity and quality were also primary themes of our annual environmental conference in 2009 and will again be featured prominently on the agenda for the 2010 conference.

For more information on issues related to water, see the discussion in the *Your Concerns – Our Response* section of this report.

Biodiversity and Ecosystem Impacts

Biodiversity and Land Status

We strive to be a responsible steward of the lands that we manage. Our aim is to minimize our impacts, protect and enhance wildlife habitat and leave behind land that will support productive uses for future generations once our mining operations have ceased.

Our Code of Sustainable Conduct includes a specific principle focused on biodiversity, stating our commitment to "integrate biodiversity conservation considerations through all stages of business and production activities." We continue to develop and enhance our corporate biodiversity strategy for land slated for development, as well as lands adjacent to our facilities. Characteristics underpinning the long-term health, function and viability of the natural environment are identified, analyzed and evaluated prior to any disturbance. When rare or scarce natural resources are identified during environmental baseline studies and impact assessments, relevant areas may be avoided, mitigation plans put into place, or efforts are undertaken to offset the disturbance by conserving resources elsewhere in the vicinity of our operations.

As part of the development and implementation of our progressive mine reclamation plans, we consider and incorporate biodiversity management principles and activities, such as the appropriate selection of site-appropriate species for planting during reclamation. The latter includes (among other practices) the use of native, indigenous tree and shrub species supporting appropriate habitat for locally-important wildlife, consistent with the biogeoclimatic landscape. As our biodiversity practices and activities evolve and become more formalized, operation-specific biodiversity management plans are being developed and used across the company.

The most recent activities in support of our biodiversity strategy include:

- Addition of biodiversity-specific policies into our Environment, Health, Safety and Community Management Standards;
- Finalization of a guidance manual to support operations in their implementation of biodiversity protection and conservation practices; and
- Conforming with industry best practice guidance/protocols relating to biodiversity conservation (specifically, International Council on Mining and Metals and the Mining Association of Canada's Towards Sustainable Mining Initiative).

The rest of this section is divided into three subsections: the first, highlighting management initiatives undertaken at specific properties to support biodiversity goals during different stages of the mining life cycle; the second, summarizing our on-going support of biodiversity conservation partnerships associated with several of our operations; and finally, reclamation and land status.

Management of Known Biodiversity Impacts

Three of our operations are adjacent to protected areas and areas of high biodiversity value. These are:

- Red Dog Operations in Alaska (Cape Krusenstern National Monument)
- Antamina in Peru (Huascaran National Park)
- Cardinal River Operations in Alberta (Whitehorse Wildland Park and Jasper National Park)

In all three instances, the operations work with local community groups and government agencies to ensure responsible care and protection of these lands. Our operations mitigate known, identified biodiversity impacts throughout the mining life cycle, encompassing all stages of mining, from pre-development baseline studies through to post-closure activities. Conservation and mitigation activities are utilized to ensure that biodiversity is protected. Such strategies allow for the protection of valued ecosystem components and the creation of wildlife habitats necessary for future ecosystem integrity. The long-range objective of our reclamation programs is to re-establish previously-existing land uses on a property-average basis. This includes planting and re-vegetation programs that result in a biologically-diverse, self-sustaining, vegetation mosaic compatible with end land use objectives.

The following are two specific examples:

Elkview Operations

Elkview Operations' strategy is consistent with our overall vision of biodiversity conservation, featuring: minimizing our ecological footprint, mitigating known impacts, reclaiming lands for use by future generations and continually researching and monitoring surrounding environments. A number of specific activities include:

- Development of diverse wildlife habitat areas (e.g., rock and woody debris pile, planted snags, native trees and shrubs);
- Progressive reclamation using the most recent research and techniques (e.g., bioengineering, rough surface site preparation treatment);
- Annual winter wildlife surveys and trail cameras used to document and manage for a variety of wildlife species;
- Participation in a regional Bighorn sheep radio-collaring study;
- Aerial seeding of high wall benches;
- Development of a wildlife tracking database to monitor rare and/or unusual wildlife sightings and reported wildlife mortalities; and
- Avoiding/protecting sensitive environments for certain species (e.g., Great Blue Heron Rookery at Goddard Marsh).

Trail Operations

Trail Operations' biodiversity related conservation work is aimed at identifying areas of high (or potentially high) biodiversity/ecological value, and developing restoration, enhancement or protection plans. Trail is currently completing an assessment of land holdings in the region surrounding the facility and is developing land management plans for those holdings. Some of this biodiversity conservation work has addressed potential impacts on certain species. For example:

- Trail Operations has developed a powerline right-of-way management plan to address the protection of bird habitat (yellow-breasted chat); and
- Teck's 66 2/3%-owned Waneta hydroelectric dam provides enhanced river flows for White Sturgeon during spawning period and participates in the Upper Columbia River White Sturgeon Recovery Initiative, aimed at developing and executing a recovery strategy for this species.

Partnerships

Some recent examples of our on-going partnerships in support of conservation are described below.

- Fort Shepherd Conservancy Area – Trail Operations (Trail, B.C.)

  In 2006, we eco-gifted a 950 ha property in the vicinity of our Trail Operations to The Land Conservancy of British Columbia (TLC). TLC protects important habitat for plants, animals and natural communities, as well as properties with historical, cultural, scientific, scenic or compatible recreational value. The transfer also included a $1 million ecological gift. TLC has contracted with the Trail Wildlife Association to manage and protect the site. Overall, this has resulted in the creation of the Fort Shepherd Conservancy Area to preserve this important ecological area. We continue to participate on the Stewardship council for the management of that property and established a $400,000 endowment fund for the future management of this area. This initiative is a direct result of several decades of environmental improvements undertaken by Trail Operations. For more information, please see TLC's website.

- Southern Interior Weed Management Committee – Highland Valley Copper (Logan Lake, B.C.)

  To improve weed management at the mine site, Highland Valley Copper has entered into a partnership with the Southern Interior Weed Management Committee (SIWMC). The SIWMC is a not-for-profit organization comprised of members from public agencies, clubs and organizations, as well as private industry. The SIWMC takes a "no borders" approach to noxious weed control, since weed management must be coordinated with surrounding areas to eliminate the untreated pockets of weeds that will provide the seed sources to re-infest new sites and/or previously treated areas. The SIWMC also has representatives on the Invasive Plant Council of British Columbia and, as such, plant invasion can be viewed from a province-wide perspective. This larger scope on weed management allows the SIWMC and the mine to plan and coordinate effective measures to deal with invasive species. For more information, please see SIWMC's website.

- Canadian Intermountain Joint Venture

  We are an industry partner in the Canadian Intermountain Joint Venture (CIJV), a partnership of government agencies, Aboriginal groups, non-governmental organizations, industry, universities and landowners. The CIJV operates under the umbrella of the North American Bird Conservation Initiative, advocating bird conservation through regional partnerships. The CIJV provides regional implementation of: The North American Waterfowl Management Plan, The Canadian Shorebird Plan, Partners in Flight (Landbirds) and Canada's Conservation Program for Seabirds and Waterbirds (Wings over Water). The CIJV complements, augments and facilitates existing conservation initiatives, conserving habitat for the benefit of wildlife and people. For more information, please see CIJV's website.

Land Status

Reclamation (or closure) plans are developed for each of our mine sites and are followed through to closure. Our practice is to progressively reclaim lands during operations, once those lands are no longer required for mining. We plant native species of grasses, shrubs and trees, some of which are sourced locally or are grown at on-site nurseries. At the closure stage, we conduct the following activities to return the remaining disturbed land to a stable state for post-mining land uses:

- Remove, relocate, demolish or transfer ownership of buildings and physical infrastructure;
- Close pits and shafts;
- Open pits;
- Stabilize underground workings;
- Treat tailings and waste water appropriately; and
- Slope, contour, cap or cover and vegetate our waste rock dumps and tailings impoundments.

We have won a number of industry and government awards for our innovative approaches to reclamation.

About one-third of the lands that we have disturbed have been progressively reclaimed. During 2009 alone, we reclaimed 214 hectares of land.

Product Stewardship

Our approach to product stewardship and improving the utility and value of our products is directed by our corporate Product Stewardship Committee (PSC). The PSC is a cross-functional team, overseeing existing product information through the application of risk management principles. The PSC provides guidance and direction on new products and other related business ventures, conducting on-going reviews aimed at assessing the safety and sustainability of our products.

Health and Safety Aspects of our Products

The PSC reviews new applications, uses and potential new sales jurisdictions for our products in order to assess transportation and handling, packaging and labeling, safety and health and life cycle stewardship aspects. A Material Safety Data Sheet (MSDS) for each product is prepared and provided to our customers. Each MSDS is periodically reviewed and updated, as required. Where we are importing products into a sales jurisdiction, or when special circumstances warrant, MSDSs are translated into the customer's primary language.

We track and manage compliance with regulations and voluntary codes concerning the health and safety aspects of our products using a Product Stewardship System. In 2009, we fully complied with all Safety and Health regulatory codes related to the use of our products with one minor exception (labeling deficiency by one of our contractors who re-packages cupric sulphate). Health and safety aspects of products are assessed during each of the following life cycle stages:

- Concept development of product
- Research and development
- Approval by Product Stewardship Committee
- Manufacturing and production
- Marketing and promotion
- Storage, distribution and supply
- Use and service
- Disposal, reuse or recycling

Product Labeling, Marketing and Communications

New products and new uses for existing products are subject to an evaluation process to assess safety, health and life-cycle stewardship aspects, based on our Product Stewardship System. We are fully compliant with the REACH initiative (**R**egistration, **E**valuation, **A**uthorization and Restriction of **Ch**emicals) promulgated in the European Union in June, 2007 to "improve the protection of human health and the environment through the better and earlier identification of the intrinsic properties of chemical substances." We are also on track to comply with the "Globally Harmonized System of Classification and Labelling" as it is being introduced via domestic legislation by most countries in the world.

Our procedures for product information and labeling encompass the following information:

- Sourcing of components of the product or service;
- Content, particularly with regard to substances with potential environmental or social impact;
- Safe use of the product or service; and
- Disposal methods and environmental/social impacts.

In 2009, we were not involved in any incidents of regulatory non-compliance (i.e., incidents resulting in court judgment or fines) with respect to product information or labeling. Moreover we did not incur any fines or notices of non-compliance with laws and regulations concerning the provision and use of our products.

Our marketing initiatives focus on being our customers' supplier of choice by providing quality products, technical and marketing support and dependable on-time delivery at competitive prices. We deal directly with customers in most cases, although agents and brokers are used in some situations. Public comment in the form of advertising and

publications is reviewed by senior management to ensure compliance with corporate governance and to ensure that overall branding guidelines are met. In general, advertising, promotion and sponsorship are directed to customer-related industries. In 2009, we believe that we have had no incidents of non-compliance with regulations or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.

Materials Stewardship

We are committed to the responsible management of materials. The vast majority of our products are commodities such as concentrates, coal and metals that are sold in bulk rather than in packages. For those that are sold in packages most can be recycled up to 100%.

In addition to our own products (ore), we use a wide range of supplier goods and materials to aid in the production process. Some of these are recyclable and reusable and are therefore diverted from the waste stream. The key materials used, which are not recyclable/reusable, are explosives, sulphuric acid, lime and grinding media. Other typical materials include sulphuric acid, flocculant, chlorine, hydrochloric acid and fuel oil. Quantities will be provided in the 2010 Sustainability Report. This was the first year we collected data in these categories. We did not feel the data is completely reliable; therefore we intend to improve reporting and report on the data in the short term.

A variety of hazardous and non-hazardous wastes are generated each year at our operations. While they differ by location, non-hazardous wastes typically consist of scrap metal, absorbents, paper/cardboard, wooden pallets and heavy equipment tires. Operations recycle these wastes where possible, however non-hazardous waste that cannot be recycled is either disposed of on-site or land filled. Hazardous wastes typically consist of batteries, antifreeze, paint/solvent, oil filters and fluorescent bulbs and are disposed of or recycled according to applicable legislation in each jurisdiction.

Economic Development

Creating long-term value for our employees, local communities, governments, suppliers, aboriginal groups and other Communities of Interest (CoIs) is an integral component of our approach to sustainability.

Land Use and Access

There is a social or community relations dimension to almost all exploration activities. Our presence has an impact on people who live near our exploration activities. People who are not used to seeing exploration activities near their communities and homes may be curious or concerned to know who we are and what we are doing. To help our exploration staff navigate these issues and provide a consistent approach to managing social issues, we developed an Exploration Toolkit. This Toolkit is intended to provide specific guidance for our staff out in the field during both early and advanced exploration, providing practical guidance on how to approach communities during exploration. The Exploration Toolkit draws on the collection of tools and guidelines from the Social Management and Responsibility Toolkit (SMART). Our geologists will be trained in the Exploration Toolkit in 2010/2011. Additionally in 2010, we provided people-centered development dialogue training and training on working with Indigenous Peoples to our North American and Australian geologists.

Business Ethics and Governance

Sound governance systems protect the interests of investors and other CoIs, ensuring we are well managed. Strong, well communicated governance systems guide staff and management to understand personal performance expectations and make ethical decisions which are essential to the preservation of trust in Teck.

Anti-Corruption

We continue to support the Extractive Industry Transparency Initiative (EITI). The EITI aims to strengthen governance by improving transparency and accountability in the extractives sector. We are a supporting company and disclose payments to EITI participating countries as required. Antamina is the only operation that is presently active within an EITI participating country. Antamina is committed to reporting on official payments and taxes which will be reviewed by independent auditors. Transfers to the Antamina Mining Fund are not reported here but are available on the Antamina website.

95% of our business units have been analyzed for risks related to corruption. Management has identified numerous fraud scenarios, one of which is "Management violates the Canadian Corruption of Foreign Public Officials Act or the U.S. Foreign Corrupt Practices Act." Management assesses the risk level for each fraud scenario annually. At each individually important location Teck Internal Audit, on behalf of management, tests the effectiveness of the internal controls that have been mapped to applicable fraud scenarios. In 2009, individually important locations accounted for approximately 95% of the company's consolidated annual expenditures.

100% of our Canadian and U.S. non-hourly, non-union staff has been trained in anti-corruption policies and procedures (other than employees at Duck Pond Operations). Despite technical issues, which prevented electronic training, 100% of the Duck Pond employees certified compliance with the Code of Ethics in 2009. Certain senior employees in non-Canadian jurisdictions have undergone Code of Ethics training, which includes training regarding anti-corruption, but we do not have the data to reasonably estimate what percentage of our non-Canadian employees this represents. It would be a relatively small percentage.

There were no incidents of corruption identified in 2009.

GRI Governance Indicators

Indicator number	G3 Governance Performance Requirements (2009)	Teck Performance (2009)
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. *Describe the mandate and composition (including number of independent members and/or non-executive members) of such committees and indicate any direct responsibility for economic, social, and environmental performance.*	The Board of Directors is responsible for the stewardship of the company and ensures that an appropriate corporate governance structure and system is in place. The Mandate of the Board of Directors is described in detail in our Management Proxy Circular, which accompanied the Notice of the 2009 Annual Meeting and is available on the Teck website. Key committees - Audit, Compensation, Safety and Sustainability, Corporate Governance and Nominating, are entirely comprised of independent directors.
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	The Chair of the Board is not an executive officer, nor determined to be independent. The Board has appointed an independent Lead Director who is also the Deputy Chairman of the Board and Chairman of the Corporate Governance and Nominating Committee.
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or are non-executive members. *State how the organization defines 'independent' and 'non-executive'. This element applies only for organizations that have unitary board structures.*	11 of 14, or 79%, of the members of the Board are independent and/or are non-executive. An independent director of the board is: (a) non-executive, or not a member of management and is free of any interest and any business, family or other relationship which could reasonably be perceived to interfere with the Director's ability to act with a view to the best interests of the company other than interests and relationships arising solely from share holdings in the company; and (b) not considered to have a direct or indirect material relationship with the company.

Indicator number	G3 Governance Performance Requirements (2009)	Teck Performance (2009)
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Shareholder proposals and/or resolutions and other mechanisms allow shareholders to convey their opinions to the Board. As provided in the Canada Business Corporation Act, registered shareholders are entitled to notice of the Annual Meeting of Shareholders and to vote at the Meeting; further details are provided in the company's Management Proxy Circular.
	Include reference to processes regarding: • The use of shareholder resolutions or other mechanisms for enabling minority shareholders to express opinions to the highest governance body; and • Informing and consulting employees about the working relationships with formal representation bodies such as organization level 'work councils', and representation of employees in the highest governance body.	Investors have the opportunity to provide feedback to the company via the investor relations group through: a) e-mail to the company's website; b) direct or telephone contact with the investor relations officer (a contact person is identified in each press release); and c) regular mail service. The company also communicates with analysts and investors through regular quarterly conference calls. Several "Let's Talk" sessions throughout the year with the President and Chief Executive Officer allow employees to ask questions to senior management and provide recommendations.
	Identify topics related to economic, environmental, and social performance raised through these mechanisms during the reporting period.	There were no shareholder proposals or resolutions filed in 2009. Topics raised during quarterly conference calls and direct communications with the company's investor relations officer pertaining to environmental and social performance primarily related to Red Dog Operations and the water supply situation at Carmen de Andacollo. More information on these topics can be found in the *Your Concerns Our Response* section.

Indicator number	G3 Governance Performance Requirements (2009)	Teck Performance (2009)
4.5	Linkage between compensation for members of the highest governance body, senior managers and executives (including departure arrangements) and the organization's performance (including social and environmental performance).	The Compensation Committee is responsible for reviewing and approving the CEO's corporate goals and objectives, evaluating CEO performance in light of those goals and objectives and making recommendations to the Board with respect to the CEO's compensation as well as non-CEO officer and director compensation, incentive compensation plans and equity-based plans. Incentive compensation of the CEO and that of senior officers is all performance-based. Environment, health, safety (EHS) and social performance are taken into consideration in the annual review of base salary. EHS is also specifically addressed in the bonus plan with 20% of the CEO's bonus related to this area. Specific objectives related to EHS and any social performance objectives may also be covered in the personal component of the bonus plan. This component makes up 30% of the CEO's bonus. For other executives with EHS responsibilities, bonus weighting is 12-15% plus what is included in the personal component related to this performance area as well as the social area. Like the CEO, the personal component also makes up 30% of the bonus for these executives.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	The Canadian Business Corporations Act contains rules dealing with directors' conflicts of interest. The Board has adopted a Code of Ethics for directors, officers and employees to maintain the highest ethical standards of behaviour while conducting company business. Employees must annually review the Code, affirm compliance and advise the General Counsel of any infractions. The company conducts a web-based compliance and ethics training program to refresh and enhance employee awareness. Concerns can be reported through an anonymous hotline operated by an independent service provider. Policies to address our employee trading practices and avoidance of conflict of interest are referred to in 4.8.
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental and social topics.	It is the responsibility of the Corporate Governance and Nominating Committee to identify the appropriate competencies and skills considered necessary for Board members. Social and environmental experience is part of the selection criteria. A skills matrix is reviewed annually to assist in identifying skills deficits for succession planning.

Indicator number	G3 Governance Performance Requirements (2009)	Teck Performance (2009)
4.8	Internally-developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation. *Explain the degree to which these:* • *Are applied across the organization in different regions and department/units; and,* • *Relate to internationally agreed-upon standards.*	The Charter of Corporate Responsibility, the Code of Ethics and the Code of Sustainable Conduct are internally-developed corporate statements on our environmental and social commitment. The Environment, Health, Safety and Community (EHSC) Management Standards for Sustainable Conduct guide our operations and exploration projects to meet the Charter and the Codes. The Standards' content is based on the internationally agreed-upon ISO 14001 and OHSAS 18001 management systems. We audit operations and exploration projects against these Standards and apply the Standards through all regions and departments. Formerly the Environment, Health and Safety Committee, our Safety and Sustainability Committee (SSC) of the Board of Directors oversees management's implementation of the safety and sustainability practices throughout our company. The 20 EHSC Management Standards form the basis for corporate audits which are reported to and overseen by the Corporate Environment and Risk Management Committee (CERMC). In addition to the company's employee Code of Ethics, the primary codes and policies in place across the organization pertaining to governance, economic, environmental and social performance include: • Charter of Corporate Responsibility • Code of Sustainable Conduct • Health and Safety Policy • Health and Safety Guide for Exploration • Competition & Anti-trust Law Compliance Policy • Complaint Procedure (to address accounting, internal accounting controls or audit-related matters) • "Doing What's Right" Program • Whistle Blower Hotline • EHSC Management Standards • Corporate Disclosure Policy (to provide the public with timely, factual and accurate information on the affairs of the company, consistent with legal and regulatory requirements) • Policy on Employee Trading (outlines restrictions on trading, investments in companies associated with Teck, serving as a director of a related company and conflicts of interest) These standards and codes are applied across the organization.

Indicator number	G3 Governance Performance Requirements (2009)	Teck Performance (2009)
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities and adherence or compliance with internationally agreed-upon standards, codes of conduct and principles. *Include frequency with which the highest governance body assesses sustainability performance.*	The Safety and Sustainability Committee (SSC), which is a committee of our board of directors, reviews and monitors environmental, social and safety performance (which includes our adherence to international standards such as ISO 14001, OHSAS 18001, the Global Reporting Initiative and World Bank IFC Performance Standards) and reviews management performance and makes recommendations to the Board of Directors. The SSC report to the company's Board of Directors and meets with them at least quarterly. The Committee is composed of five Board members. The **Corporate Environment and Risk Management Committee (CERMC)** chaired by our President and CEO, consists of corporate officers and senior managers which, among other things, establishes priorities and directions for environmental, health and safety programs, as well as tracks results. Direct, job-site accountability for environment, health and safety performance rests with operations' management across the company. The **Product Stewardship Committee**, composed of corporate officers and senior managers, assesses risks associated with the production, transport, handling, sale and stewardship of products and materials. The Committee monitors conformance to legal and regulatory requirements, company policies and sound management practices.
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Annual surveys and director self-assessments are conducted to measure the performance of the Board, that of individual directors and the committees on which members serve. Reliance is placed on self-appraisals as well as follow-up interviews with the Deputy Chairman and Lead Director.

Distribution of Economic Costs/Benefits

As outlined in our Charter of Corporate Responsibility, we are committed to creating "value for our stakeholders, while continually improving our performance as a good corporate citizen." Our Code of Sustainable Conduct also outlines a number of guiding principles governing our sustainable economic performance, including:

- Obeying the law and conducting business in accordance with our Code of Ethics ;
- Supporting local communities and their sustainability through measures such as development programs, locally sourcing goods and services and employing area residents; and
- Conducting regular audits to ensure compliance with the Code.

Economic Performance and Contributions

In 2009, our net earnings were $1.831 billion. More information on our financial performance is available in our 2009 Annual Report and our 2009 financial statements.

We contribute to our CoIs wealth and prosperity at local, national and global levels via tax and royalty payments, direct and indirect employment and the creation of broader economic opportunities. This is defined by GRI as direct economic value generated, distributed and retained. The table below illustrates how we create wealth for CoIs according to these GRI defined criteria.

Economic Value Generated and Distributed in 2009 (Cdn$ in millions)

	2009	2008	2007
ECONOMIC VALUE GENERATED			
Revenue [1]	7,674	6,655	6,189
ECONOMIC VALUE DISTRIBUTED			
Operating Costs [2]	4,248	4,091	3,399
Payments to providers of capital			
Dividends paid per statement of cash flows	-	442	426
Interest paid	585	135	90
Taxes paid (recovered) [3]	-594	645	1,283
Community Investments	16	15	17
Total Economic Value Distributed	4,255	5,328	5,215
ECONOMIC VALUE RETAINED			
Economic Value Generated Minus Economic Value Distributed	**3,419**	**1,327**	**974**

(1) Per income statement (fiscal year).
(2) Per income statement (fiscal year). Operating costs include operating expenses at our mining and processing operations and our general and administration, exploration and research and development expenses. Employee wages and benefits are included in the total.
(3) This figure reflects income and resource taxes paid. Other taxes (property, payroll, royalty, etc.) are not included, but some taxes may be reflected in operations' operating costs. Breaking this figure down to reflect all components is beyond the scope of this report. We recovered taxes in 2009 related to tax benefits resulting from our acquisition of Fording Canadian Coal Trust's assets in October 2008.

Income and Resource Taxes Paid by Country (Cdn$ in millions)

	2009	2008	2007
Canada	-699	277	725
US	27	76	274
Peru	76	180	253
Chile	2	112	31
	-594	**645**	**1,283**

Pension Plans

We provide defined benefit pension plans to union and non-union employees in Canada and to some employees in the United States, as well as defined contribution and 401k plans in Canada and the US. In addition, we participate in defined benefit and defined contribution plans through our joint ventures and partnerships. At the end of 2009 there were approximately 10,000 members in defined benefit plans of whom 3,800 were active members (3,250 active union members and 550 non-union). Approximately 6,100 retirees receive pension benefits from the defined benefit pension plans. More information on our pension plans is available in our 2009 Annual Report.

Defined Benefit Pension Plans

Defined benefit pensions are paid through trust funds held and maintained separately from the company. Legislation for defined benefit pension plans requires actuarial valuations to be filed for each separate plan every three years in Canada and annually in the United States.

The plans are assessed on the basis of their estimated solvency liability and actual market values of the plan assets at the valuation date. These indicators measure a plan's capacity to provide future pensions if the plan was wound up at the valuation date. In Canada, solvency deficiencies are amortized over five years based on the last valuation filed with the regulatory authorities. In the US, defined benefit plans fund deficiencies over seven years and pay a flat $34 per plan member for Pension Benefits Guarantee Fund premiums and US$9 per US$1,000 where the plan is less than 100% funded. According to these evaluations, the estimated solvency funded ratios for the defined benefit pension plans at December 31, 2009 range from 77% to 90% and average 86%.

Generally employees do not contribute to our defined benefit plans. Employer contributions to the defined benefit plans are based on the solvency and going concern actuarial valuations of the plans' obligations. Annual contributions are made in accordance with pension legislation. However voluntary contributions may also be made from time to time.

Procurement and Local Hiring

By maximizing local purchasing and local employment whenever possible, we contribute to sustainable development and demonstrate the direct benefits we bring to local communities. This policy also supports our operations and projects by helping us gain community support and facilitating access to the resources. Local employment and sourcing of goods and services is known collectively as "local content." Our commitment to supporting local economies is guided by our Code of Sustainable Conduct which states that when appropriate, we will "support local communities and their sustainability through measures such as development programs, locally sourcing goods and services and employing local people." Accordingly, we have developed a "Guideline on Local Content and Facilitating Local Access" as part of our SMART Tool, designed to help our community relations practitioners build a consistent approach to local content programs.

We currently track the number of employees and senior managers from the local community. However, there is variance in how we track this data and therefore it is not comparable across operations. We will improve definitions so operations are better able to track this information for future reports.

Percentage of Spending on Locally-Based Suppliers[1]

Operation	2009 (%)	2008 (%)	2007 (%)	Definition of Local
Cardinal River Operations	16	36	22	Regional
Carmen de Andacollo	6	6		Regional
Coal Mountain Operations	35	36	36	Regional
Duck Pond Operations	51	48		Province-wide
Elkview Operations	35	36	60	Regional
Fording River Operations	35	41	41	Regional
Greenhills Operations	35	45	45	Regional
Line Creek Operations	35	60	60	Regional
Highland Valley Copper Partnership	13	40	50	Regional
Pend Oreille Operations	90	10	13	Regional
Quebrada Blanca	12	8		Regional
Red Dog Operations	47	30	52	State-wide
Trail Operations	9	15	16	Regional

(1) We currently do not have consistent reporting and definitions for local spending across the company but we will look at ways at improving this indicator in future reports.

Closure Planning

All our operations have closure or reclamation plans developed in accordance with local legislation and may be informed by international guidance such as the International Council on Mining and Metals (ICMM) Mine Closure Toolkit. These plans provide an advanced assessment of the potential impacts in the years leading up to closure. As previously stated in our 2008 Sustainability Report, we are striving to include further social considerations in our mine closure planning process and will share the best practices from our past experiences, including the Pend Oreille Operations suspension and the Red Dog Operations mine closure planning process involving engagement with our CoIs in 2006. Please see our 2006 case study entitled *Mine Closure Planning at Red Dog Mine* for more information.

The social implications of the unprecedented volatility seen in the global economy in 2009 continues to resonate with our CoIs. In response to the decline in commodity prices and the changing economic climate, all our operations adjusted by controlling costs and optimizing operational efficiencies.

Unfortunately, these actions were not sufficient to maintain the current viability of our Pend Oreille Operations. Pend Oreille Operations were suspended indefinitely and put on care and maintenance in February 2009. More information on how Pend Oreille Operations worked with the community during the suspension can be found in the Pend Oreille case study.

Society

Social Management

Over the last few years, we have heard from our Communities of Interest (CoIs), including our sustainability report review panel, of the need for enhanced reporting on social and community issues. Reflecting on this as a core value, we have further focused our attention and energy upon social management and performance throughout 2009.

Our Code of Sustainable Conduct states our commitment to dialogue and engagement, sustainable community development, local content and the respect for human rights. To ensure we clearly communicate our responsibilities and provide guidance across the company, we adopted two new Community Management Standards in September 2009, one on Communities and Indigenous Peoples and another on Human Rights. Our next steps in 2010 and 2011 will be to effectively disseminate the standards across the company, enabling business functions to conduct a gap analysis of their existing practice and formulate action plans to improve performance where required.

Why Does Social Management Matter? Community impacts of mining

Our activities across the project life cycle result in a range of positive and adverse social impacts on our CoIs. In this context, we define social impacts as any positive or adverse consequences experienced by CoIs and their members resulting from the existence of or changes to a project or operation.

The identification and management of such impacts poses both challenges and opportunities and is key to successful risk assessment, decision-making, project development and promotion of social well-being. Since 2009, we have been developing a set of tools and guidelines to help our staff manage social risk and performance known as ***SMART*** – Social Management and Responsibility Toolkit. SMART includes guidance and tools on developing community profiles, conducting social impact assessments and implementing social management plans. (See the *Capacity Building* section and the *SMART case study* for more information).

Social impact assessments follow the same stages as environmental assessments:

- Scoping;
- Baseline studies;
- Identification of impacts and significance;
- Development of mitigation and enhancement measures;
- Social management planning; and
- Monitoring and reporting.

Fundamental at every stage of social assessment is CoI engagement and participation to ensure studies, findings and programs are based on accurate data and result in meaningful and realistic outcomes. The identification of issues and impacts begins in exploration and continues to project closure, assessing changes in effects as the project progresses.

The types of social issues and impacts associated with a mining project are now well-documented. These impacts vary in scale, extent and nature and can be both positive and adverse. With the development of social baseline studies and assessments, we are now better placed as a sector and a company to understand and predict some of these impacts.

We provide below some examples which are not specific to any Teck project or operation, but which demonstrate some of the potential issues and associated impacts that are often related to the development of a mining project and which guide us in our analysis of project impacts.

Population and Demographics

New projects can often move workers into an area or attract people looking for employment, pursuing livelihoods and other economic benefits, changing local population structures and dynamics. Seasonality can also influence the movement of residents and workers. Outward-migration upon closure of a facility must also be considered.

Economic Development and Livelihoods

Many different factors must be considered when assessing economic and livelihood impacts including direct and indirect effects. Opportunities include employment and income creation, local sourcing of goods and services and tax and royalty contributions. Other potential changes to consider are boom-bust cycles and the potential for the project to foster increased dependency among local populations. Some potential changes that seem positive in the outset may also have negative effects. For example, wage injections may improve purchasing power, trade in consumer goods and entrepreneurial opportunities, but at the same time raise inflation, exacerbate inequalities and facilitate health-threatening behaviors such as drug and alcohol abuse. In poorer and land-based communities, it is particularly important to understand how operations might impact local production systems and traditional livelihoods.

Education, Skills and Training

Education, skills and training access for employees are important in preparing workers and community members for project opportunities. Low levels of literacy or relevant skills may restrict some community members from accessing and participating in opportunities.

Health

An influx of newcomers seeking opportunities during the construction of an operation can introduce health risks, such as the exposure of the local population to transmittable diseases. There is also the risk of newcomers over-stressing community health services and infrastructure. Environmental impacts such as dust and noise may cause health problems and require programs and actions to mitigate impacts.

Community, Family Life and Social Conflict

Mining projects can enhance community and family life through improvements to infrastructure, increased purchasing power and access to goods and services. However, where a shift-system is in operation, family separation can have a negative effect on relationships and children. Increased incomes and population changes in a community can lead to increased inequalities and social problems. An influx of outsiders to local communities may create social conflict and rivalry.

Land Use and Natural Resources

Changing access to land uses and natural resources, such as water, hunting, fishing, gathering, recreation and culturally and spiritually significant operations, can have both positive and adverse affects. Improved accessibility may for example enhance land uses and improve safety; however, it may also lead to increased competition for a resource such as water.

Governance, Social Services and Infrastructure

The development of a project can bring new infrastructure and services to an area such as roads and health services. However, a sudden increase in population may mean that the demands for infrastructure and services such as education, health, sanitation, transportation, power and housing may exceed the available supply. An increased population may adversely or positively impact the quality of the services available.

Vulnerable and Disadvantaged Groups

It is important to consider groups who may be affected differently by a project as a result of characteristics that make them vulnerable, traditionally excluded from opportunities or most at risk from adverse effects. These groups may include Indigenous Peoples, women, children, elders, ethnic or religious minorities, resettled groups or land users.

Human Rights

The scope of human rights considerations is still often focused on a few aspects such as security and labour rights. However, human rights covers many issues relevant to a mining company such as ours, including health and safety, discrimination, poverty alleviation, Indigenous Peoples' rights, access to natural resources and human health. As such, companies have the potential to affect human rights through their relationship to employees, the environment and communities.

Capacity Building

The implementation of our Environment, Health, Safety and Community (EHSC) Management Standards on the ground and adaptation to local contexts is always challenging. Over the past year we have continued to build internal capacity and professional competence, developing guidance tools to translate our requirements into practical steps.

Since September 2009, we have been developing a set of tools and guidelines to help our staff manage social risk and performance, known as ***SMART*** – Social Management and Responsibility Toolkit. SMART provides relevant, practical tools across five key areas:

- Social risk management
- Engagement
- Social impact assessments
- Community investment
- Local content

It also contains a series of over-arching guidelines in areas such as gender, resettlement, human rights and Indigenous Peoples. Recognizing the often unique situation of the exploration group, we decided to create a specialized SMART tool for exploration, to meet their specific needs across the exploration life cycle. We will be delivering SMART training across all our operations globally during 2010 and 2011.

To complement SMART, we have continued our commitment to dialogue training throughout 2009 and 2010. Our dialogue training is delivered by the Center for Social Response, which is an Australian organization that engages all sectors, including the government, the private sector and the community, to educate people on good community development and deliver courses and training for those who work with communities. Please see our 2008 case study entitled *Q&A With Centre For Social Response Trainer Tony Kelly* for more information on dialogue training. Building on the successful training of our communities staff and senior executives, we expanded this paradigm-shifting training with the development of a two-day course for middle management and specialized groups such as our cross-functional working group for our sustainability leadership initiative. We also held the first exploration-only training with our Australia group in February 2010. In total, the training has been completed by over 130 people across the company, creating a common language and new ways to better integrate communities and social performance into our business.

As the demands of social management and performance grow, so does our need to effectively resource this area with new staff. Our copper and exploration groups in Chile have piloted a new communities team model, with a new regional position in Santiago dedicated to social responsibility. We have also committed social and community-specific resources to the exploration and projects groups. Superintendents of Communities and External Affairs were appointed at Carmen de Andacollo and Quebrada Blanca, where they will lead our communications, public and government relations, community relations and community development efforts at the two operations.

Communications and Reporting

A key challenge in any global organization is internal communications and support. Our staff told us they wanted to be more connected to one another in order to share best practice, build internal support and facilitate learning networks. In December 2009, we launched our web-based Community of Practice (e-CoP) for staff across business functions responsible for areas of social responsibility such as communities, Indigenous Peoples, human rights and sustainability reporting. Available in both English and Spanish to 52 members, the web-based site allows staff to share information, source documents, seek support and guidance, ask questions and contact one another. Our intention from 2010 onwards is to supplement this initiative with quarterly webinars and periodic conferences.

Enhancing social reporting is an on-going objective for us. This year, with the implementation of our new data management system we now have a centralized sustainability reporting database to improve our data collation and help us use and report on that data more effectively. Our improved data collection process presents us with an opportunity to collect new data and supplement our existing GRI indicators. For the first time in 2010, all of our operations and exploration groups will start reporting against new community indicators focused on engagement, impacts and benefits, grievances, feedback and community investment. This will enhance our quarterly reporting to the Corporate Environment and Risk Management Committee (CERMC) and the Board, as well as enhancing our annual reporting through the sustainability report and updates to our local CoIs.

Indigenous Peoples

Indigenous Peoples are an integral part of some of the communities in which our activities take place. We believe it is important to develop long-lasting, mutually beneficial relationships with Indigenous Peoples that contribute to their aspirations, while allowing us to meet our strategic goals. By doing this, we advance our efforts on several key objectives:

- Meet our commitments to corporate responsibility and sustainable development;
- Apply our standards on communities and Indigenous Peoples and human rights;
- Ensure compliance with international and jurisdiction legal requirements respecting indigenous rights; and
- Create activities that allow us to meet our strategic and business objectives.

The new Community and Indigenous Peoples and Human Rights Management Standards set out our responsibilities and provide guidance on how our employees are to conduct themselves and the company's business in an ethical manner, respectful of communities and Indigenous Peoples and supportive of fundamental human rights. Our standards articulate our commitment to transparent consultation, open dialogue and engagement with Indigenous Peoples. We specifically recognize that Indigenous Peoples and communities have unique interests and concerns related to development and are committed to ensuring that consultation fosters respect for their legal rights and aspirations, including the pursuit of their social, economic, cultural and environmental well-being.

Operations and Traditional Indigenous and Aboriginal Territories

In 2009, eight of our operations were within or adjacent to Indigenous and Aboriginal Peoples' traditional territories. Formal agreements are in place or are currently being negotiated for all these properties (see table below).

Operations Within or Adjacent to Aboriginal and Indigenous Traditional Territories

Operation within or adjacent to Indigenous Peoples territory	Name of the indigenous group(s)	Formal agreements in place between indigenous group(s).	Significant disputes if applicable, under the existing agreements, and any steps taken to resolve the disputes.
Cardinal River Operations (CRO)	Cardinal River Reserve of the Alexis Nakota Sioux Nation.	CRO and Alexis Nakota Sioux Nation have a Memorandum of Understanding (MOU) which has been in place since 1997. The MOU provides a framework for employment opportunities, economic development opportunities, education and training, monitoring, economic development trust fund, environmental impacts and traditional use.	There are no unresolved significant disputes.

Operation within or adjacent to Indigenous Peoples territory	Name of the indigenous group(s)	Formal agreements in place between indigenous group(s).	Significant disputes if applicable, under the existing agreements, and any steps taken to resolve the disputes.
Coal Mountain Operations Elkview Operations Greenhills Operations Fording River Operations Line Creek Operations	Ktunaxa Nation's asserted Traditional Territory.	The Ktunaxa Nation Council Society, as the representative body of the Ktunaxa, and Teck Coal Limited formalized their relationship with the signing of the joint Working Protocol Agreement on November 1, 2007. Teck Coal has a draft procurement and employment strategy with the Ktunaxa to promote business and employment opportunities for the Nation.	There are no unresolved significant disputes.
Highland Valley Copper	Nlaka'pamux First Nation	We are in the process of negotiating Participation Agreements with the Nlaka'pamux Nation and have a Negotiation Agreement in place with one segment of the Nation.	There are no unresolved significant disputes.
Red Dog Operations	Inupiaq	The Inupiaq people around Red Dog are shareholders of the NANA Regional Corporation. NANA is the landowner for the Red Dog mine. In 1982 Teck and NANA signed an Operating Agreement governing the operation. The Agreement provides for several committees. A management committee, comprised of senior members of the respective corporations, decides on all activities that are of operational significance. The following committees have been established: • Subsistence Committee – to protect subsistence • Employment and Training Committee – to ensure employment and training • Environmental Committee – to oversee environmental issues Teck Alaska Incorporated, NANA Regional Corporation, the Northwest Artic Borough and five plantiffs from the Village entered into an agreement in 2008 settling litigation that was before the U.S. Federal District Court for the District of Alaska under the Citizen's Suit provisions of the Clean Water Act. Among the terms of settlement were the following: Memorandums Of Understanding (MOU) signed with the Kivalina Tribal Government and the Kivalina City Council. The MOU with the tribal government requires quarterly meetings to foster communications. The MOU with the city required Teck to provide reverse osmosis units for each household. These units are to address concerns over water quality, athough, repeated water quality testing has shown the water is safe to drink before being treated with reverse osmosis.	There are no unresolved significant disputes.

Working with Indigenous Peoples Guidelines

To support projects and operations in implementing the new Standards, this year we started developing guidelines in the SMART toolkit on working with Indigenous Peoples. These guidelines have identified the following broad areas as holding substantial opportunities for Teck and Indigenous Peoples to develop successful relationships. They provide guidance on:

- Dialogue
- Internal Understanding and Awareness
- Managing Impacts
- Education and Training
- Employment and Contracting
- Business Relationships
- Resource Revenue Sharing
- Agreements
- Specific Legal Rules and Regulations

Recognizing indigenous groups, as an essential partner in our exploration work, our North American and Australian exploration groups undertook training on working with Indigenous Peoples this year. Creating transparent relationships in these very early stages is crucial to our long term success and we plan to continue this training in other relevant areas of the world such as Chile.

Free Prior and Informed Consent (FPIC)

At Teck, we do not currently use the word "consent" as part of our approach to consultation due to concerns over how the term is politicized and used to convey a right of unilateral veto. Our approach to community engagement supports free, prior and informed consultation and participation in shared decision making processes. In Canada, where we have many of our operations, the rights of Aboriginal Peoples of Canada are enshrined in the Canadian Charter of Rights and Freedoms. Under Canadian laws, governments have a duty to consult and accommodate Aboriginal Groups in accordance with their Aboriginal rights and titles. As is common practice in Canada, we consult and accommodate the interests of Aboriginal Groups within whose traditional territories we are operating. Our personnel are professionally trained through the Centre for Social Response in community engagement and dialogue and have a responsibility to identify and engage CoIs, understand their interests, concerns and information requirements. By providing timely and appropriate information about our business activities, we enable informed consultation, participation and decision-making.

Personnel responsible for identification and engagement of CoIs must ensure that engagement is culturally appropriate, that traditional indigenous representatives, such as elders or village councils have opportunities to be engaged and allow sufficient time for traditional decision-making processes to take place. Appropriate guidance on these activities is provided in the SMART toolkit.

International Labour Organization (ILO)-169 (Indigenous and Tribal Peoples Convention)

Chile's ratification of ILO-169 (Indigenous and Tribal Peoples Convention) in 2009 and the implementation of a 'Reliable Code of Conduct' may have implications for the mining sector in Chile and the way in which Indigenous interests and participation are considered. This is an important change for the Indigenous groups of Chile and we are committed to respectful collaboration with them to avoid adverse impacts and foster sustainable benefits for Indigenous Peoples. Our standard practice aligns with the requirements of ILO-169. SMART provides guidance to our staff on working with Indigenous Peoples and in 2010 we will be facilitating the exchange of experiences and lessons learned from our staff in North America to our Chilean colleagues.

Indigenous Employment and Contracting

We believe that the primary direct mutual benefits for both Indigenous Peoples and Teck are the employment and contracting opportunities that we provide.

We therefore pursue the following initiatives:

- We engage indigenous communities regarding employment and contracting;
- We notify indigenous community members of employment and contracting opportunities;
- We create employment and contracting targets; and
- We monitor employment and contracting.

The number and percentage of Indigenous Peoples in the workforce is detailed in the table below. Note that in many jurisdictions in which we operate it is illegal to inquire about an employee's ethnicity, therefore the indigenous employment and contracting information is not always available and is not tracked for privacy and other reasons. Moving forward, where applicable, operations will be expected to track indigenous employment and seek opportunities to create employment. We are working towards tracking this indicator more carefully through self-identification.

Number and Percentage of Indigenous Peoples in the Workforce

Operation	2009 (Number)	2009 (%)	2008 (Number)	2008 (%)	2007 (Number)	2007 (%)
Highland Valley Copper	61	5	55	5	47	5
Red Dog Operations	229	57	209	54	207	56

Indigenous Suppliers and Contractors

Where appropriate, we enter into business relationships with indigenous communities. Such business arrangements may allow indigenous communities and Teck to meet our respective development goals and objectives. The structure of any business relationship between Teck and an indigenous community will be determined by specific circumstances and negotiations between the parties. Additionally, we support indigenous community members or businesses seeking to enter business relationships with non-indigenous businesses or members.

Although the guidelines we have developed governing local content and working with Indigenous Peoples have yet to be fully implemented company-wide, our operations have long been working with indigenous suppliers and contractors. For example, the Memorandum of Understanding between Cardinal River Operations and the Alexis Nakota Sioux Nation includes terms for economic development. Cardinal River uses these terms to choose suppliers affiliated with the Alexis Nakota Sioux Nation. Some of the affiliated businesses provide services including tree clearing, exploration and reclamation work. At Red Dog Operations US$77 million was spent on locally acquired goods and services in 2009.

Involving People Affected by Our Activities

Engagement is a process of developing and deepening the relationship and trust between operations/projects and Communities of Interest (CoIs) through meaningful interaction and dialogue. By doing this well and in compliance with both our own policies and international standards, we not only build trusting relationships with CoIs, we protect our reputation and manage the social risks related to the human environment.

Specifically, engagement is about:

- Disclosing accurate information and ensuring that it has been understood by the CoIs;
- Engaging CoIs in dialogue and gathering information from them, so that we can understand their way of life and consider their views and concerns; and
- Involving them, as far as practical, in decision making around the operation/project.

The engagement process should always be taken in a timely, respectful and culturally-appropriate manner.

Currently, all operations and projects are involved in engagement with CoIs. Over the last few years, we have developed a more robust social management program to support our external commitments, internal policies, sustainability objectives and commitment to attempt to leave communities better off after we leave than when we arrived. This is a multi-year program where many capacity building tools have been developed and are starting to be implemented. A number of capacity development mechanisms were initiated in 2009 and continue to be developed in order to help business functions manage this area. For more information, see the *Capacity Building* section.

Our engagement approach is outlined in SMART. The relevant section includes guidelines and tools that help practitioners manage the following areas:

- The Area of Influence Tool - to help determine and assess the physical location and factors in which an operation/project's impacts are currently or are expected to be experienced;
- The CoI Identification and Mapping tool - to identify and evaluate each CoI's relationship to the project and to other CoIs;
- The Engagement Planning Tool –to help business functions develop an overarching strategy and action plan in a systematic manner, discuss methods of engagement and know how to track and manage the engagement process; and
- The Grievance Mechanism Tool - to develop a formal process to receive and effectively organize a response to feedback from CoIs on matters of interest to the related operation or project.

Results from engagement will be reported to senior management in the Corporate Environment and Risk Management Committee (CERMC) on a quarterly basis.

Artisanal Mining

Carmen de Andacollo (CDA) in Chile is our only operation where artisanal miners are active within and adjacent to the operation. Small scale gold and copper mining has been a key activity in this area for centuries and the town of Andacollo itself has developed around abandoned tailings. According to the Union of Artisanal Miners, there are currently around 200 artisanal miners in the local community. To support small scale mining, CDA accepts applications for lease agreements to mine within our property. These applications are submitted to CDA every two years through the Union of Artisanal Miners and Small Miners Association of Andacollo before being sent to the National Service of Geology and Mining (NSGM) to be assessed for any health and safety risks. In 2007, 15 applications were submitted and all were approved by NSGM, while in 2009, 25 applications were submitted, of which 21 applications were rejected by NSGM and 4 were accepted by NSGM. On average, production capacity is 10 to 15 tonnes of ore per day and traditional extraction and process methods are still employed. The safety of the small scale operations are supervised by the Regional Ministerial Secretariat of Mining and Energy. Resources to support small scale miners have been established by CDA through the funding of the Technological Transfer and Strengthening of the Metallic and Non-Metallic Small Mining of the Coquimbo Region Project.

Resettlements

Our goal is to avoid the displacement of individuals, groups or communities where possible and mitigate displacement by exploring alternative options for mine design. Where resettlement is unavoidable, our Environment, Health, Safety and Community (EHSC) Management Standards require that every operation applies practices consistent with the World Bank Operating Procedure 4.12- Involuntary Resettlement and IFC Performance Standard 5, Land Acquisition and Involuntary Resettlement in addition to local laws. Activities will be carried out in collaboration with affected individuals and communities and to the extent practical, their concerns, needs and interests will be solicited and considered in developing and carrying out a resettlement plan. There were no resettlements in 2009.

Community Grievance Mechanisms and Procedures

What is a Grievance Mechanism? A Grievance Mechanism, sometimes known as a Feedback Mechanism or a Complaints Process, is a process which allows us to receive and effectively organize our response to, feedback from CoIs on matters of interest to them related to our operation/project. These may be questions, issues, ideas, concerns or complaints. It specifically allows us to deal effectively with issues arising outside of our standard and formal consultation process by providing the communities with an alternative way of communicating with the company, anonymously if necessary and ensuring that those communications receive a suitable response within an appropriate timeframe.

We encourage the opening and maintaining of dialogue with all CoIs. We aim to prevent complaints arising by managing impacts and engaging with CoIs on a regular basis so that they understand who we are and what we are doing and feel that they can talk to us about their concerns. The Grievance Mechanism is a means by which to capture and respond to comments and issues as and when they arise. Implementing these mechanisms will help us meet international standards, identify risks early and monitor them, be transparent and consistent, minimize conflict and legal disputes and build and maintain our social license to operate.

In 2009 our operations started to develop and implement Grievance Mechanisms with a goal to have them active by the end of 2010.

One significant grievance occurred at our Carmen de Andacollo mine in Chile regarding water sources and use. The issue is described in the *Your Concerns, Our Response* section.

Dusting Grievance at CDA

On July 15 2010, we received a grievance regarding dusting issues at our Carmen de Andacollo (CDA) site in Chile from a local environmental NGO. The NGO provided video and photographs alleging dusting events in the surrounding community. Dust has been a recognized material issue at CDA and the site has been implementing mitigation measures in the last year such as the use of dust suppressant on roads and the construction of a cover for the stockpile. To better understand the exact concerns of the July grievance, representatives of our Corporate office and CDA met with the NGO. As a result of the meeting and an analysis of our dust monitoring data, it was established that the NGO is correct in asserting that the site has notable lapses in dust control. In response, an hourly monitoring program was introduced to capture more precise data on the timing of dusting events and a commitment to improve internal compliance and dust control measures. Discussions with the NGO will continue and we hope to establish a joint monitoring program and an aerial spraying program with the NGO's participation. In addition, CDA is in the process of establishing a formal grievance process.

Emergency Preparedness

Emergency preparedness is a top priority in the mining industry and all our operations have management systems in place to address incidents that occur on-site, as well as broader management plans triggered if/when there is a risk of sudden and widespread impacts affecting employees, communities or the environment. Community-specific plans developed in conjunction with local authorities and activities such as mine blasting are communicated locally and to all land users to ensure that public risks are mitigated. Medical support is available at all operations, with those that are most remote having the highest level of self-sufficiency. For example, Red Dog Operations maintains a fully-functional medical clinic staffed with physician assistants affiliated with the Local Emergency Planning Committee for the NANA Region and has several plans covering emergencies such as oil spills, airport security and port security.

An operation's Emergency Response Team often includes employees who are part of the local community's emergency response organizations such as Search and Rescue or volunteer Fire Departments and this close connection supports integration with the community's emergency planning capability and training. In many settings, these teams support local emergency response capacities and a great number of Mine Rescue Teams compete and win top honours in regional and provincial emergency response and rescue competitions. GRI Indicator MM11 covers incidents affecting employees, CoIs or the environment in which emergency preparedness procedures were activated, with all emergencies Level 2 and above being reportable:

Level 1 (Minor)

a) Involving a single plant and its area or a specific area. Controllable with low probability of extending beyond.

b) No threat to peoples or environment

Level 2 (Serious)

a) Impacting more than one plant with limited probability of extending beyond operation boundaries.

b) Potential threat to human life or environment

Level 3 (Major)

a) Potential or actual catastrophic event that exposes people or property inside or outside the perimeter fence to immediate or severe risk.

b) Serious injury or loss to human life. Significant release, spill or discharge to the environment.

For the purposes of this report, we further define the scope of MM11 as being restricted to incidents occurring on Teck-operated operations and/or under a Teck-managed process. Incidents occurring when external actors are the managing party (i.e. spills by transportation companies responsible for handling concentrates or employee movement) will not be counted here.

Also for the purposes of this report, we gave the indicator's keywords "sudden and widespread impacts" particular weight: only complex incidents with emergent and widespread impacts requiring a broad-reaching response are detailed in the table below.

Incidents in 2009 Affecting Employees, Communities or the Environment Which Required the Activation of Broad Emergency Preparedness Procedures

Operation	Incident	Details
Red Dog Operations	A concentrate truck went off the road, flipping its rear trailer unit and dumping 5000 kg of concentrate to the ground.	The spill was effectively cleaned up and no watercourses were affected.
Elkview Operations	A powerful windstorm created a cloud of dust from the tailings disposal area, affecting the local community.	Immediate response was made during the windstorm and hydro seeding crews stabilized the windblown surface. Several stabilization mitigations were completed, affected properties were clean up and discussions were undertaken with the Town Council.
Trail Operations	Sulphuric acid leaked from a railcar and contacted two individuals in a rail yard in Laurel, Montana.	The Hazardous Materials Emergency Response Team from Trail responded to this situation.

Pandemic Plan

Our Pandemic Plan was established as part of the process administered by the Crisis Management Team in 2001. The plan was first used during the Severe Acute Respiratory Syndrome (SARS) health crisis in 2002 and was amended following the SARS situation. The plan was activated again for the Influenza A (H1N1) "Swine Flu" in 2009 and was restructured following the Swine Flu outbreak. The plan, like all crisis plans, is a living document. Our Crisis Management Team has been well established over the years and the plan can be activated quickly and smoothly whenever the need arises. The plan covers our entire global footprint and includes third party medical experts where required.

Sustainable Community Development

Community Investment

Community Investment (CI) is a voluntary action or contribution by a company, beyond the scope of its normal business operations, intended to benefit local communities in their area of operation. At Teck, we embrace the move towards strategic community investment and good practice principles identified by the International Finance Corporation: strategic, aligned, multi-CoI-driven, sustainable and measureable. This will be a multi-year project for us beginning with the revision of our Community Investment Policy, guidance and capacity building at our operations through SMART tools and training, the introduction of staff dedicated to community development and investment and changes in reporting to better reflect impacts, value and change. This presents a significant opportunity for us to meet business objectives while benefitting our CoIs in a sustainable way, often targeting the most vulnerable members of those communities.

Our approach to CI is rooted in the strategic overlap between three key themes:

- CI directly linked to fundamental business needs such as obtaining and maintaining a social license to operate, managing social risks and improving our reputation and project legacy;
- CI aligned to mitigate specific social risks faced by the operation/project; and
- CI strategically empowering CoIs to achieve their long-term development goals.

When based on these three pillars, CI has the potential to be a very valuable results-based investment for both our company and the communities affected by our operations.

We may also invest in local infrastructure when our operations are found in remote locations where roads, community facilities and other facilities related to health and well-being may not be present. We may invest in the development of these facilities to support both the operation as well as the well-being of the community. Some of the projects we invested in include the construction of water tanks and a sewage system.

Corporate Community Giving

In mid-2009, we announced our intention to honour prior corporate giving commitments, despite the global economic downturn. Including our corporate community giving and community investment we maintained our goal of donating 1% of annual earnings before interest and taxes (EBIT) on a five-year rolling average basis. Our goal excludes our share of earnings for Antamina and we do not include Antamina's contribution in our corporate community giving and investment numbers. For example, in 2009 Antamina contributed USD$ 43.9 million, or 3.75% of operating profits (our 22.5% share was USD $ 9.9 million), to the Fondo Minera Antamina (FMA) sustainability fund, to help improve living conditions throughout the Ancash region where the mine is located. Maintaining our 1% goal under these difficult economic circumstances was a bold statement that emphasized the value we place upon supporting community organizations at a time when these organizations were most in need of our support.

We provide support to numerous organizations in the communities in which we operate worldwide. In British Columbia, some of the larger commitments to organizations during 2009 included the Vancouver General Hospital and University of BC Hospital Foundation, the St. Paul's Hospital Foundation, the University of British Columbia School Of Mining, the Nature Conservancy of Canada, YMCA, the Mineral Resources Education Program of BC and the United Way. We also respond to global disasters which require humanitarian aid. In 2010 we encouraged employees to donate towards relief for the earthquakes in Haiti and Chile which occurred in January 2010 and February 2010 respectively. We matched all donations dollar for dollar, with Teck and its employees donating $80,000 to Haitian earthquake relief and $10,000 to Chilean earthquake relief. With the Government of Canada matching all donations to the Haiti earthquake, every dollar that employees donated was effectively quadrupled.

One of our primary community investment partnerships in British Columbia is the B.C. Children's Hospital Foundation. We are one of three founding members of the Mining for Miracles Campaign supporting BC Children's Hospital, a program that has now been running for over 20 years. During that time, employees and companies in mining and related industries have contributed approximately $14 million, with our company and our employees directly contributing over $5.5 million.

Aligning our Community Investments and Corporate Community Giving with UN Millennium Development Goals

As a United Nations Global Compact (UNGC) participating company, the UN Millennium Development Goals (MDGs) are central to our community investment decision-making. (Please see the *Human Rights* section for more information on the UNGC and the MDGs.) Our participation in the International Zinc Association's (IZA) fertilizer and zinc supplementation program and in particular the Zinc Saves Kids partnership between UNICEF and the IZA to address zinc deficiency in children globally, is one example of corporate community giving which is aligned with the MDGs. We focus our direct investments in community development aimed at poverty alleviation, including programs creating access to clean water, improving nutrition, education and facilitating economic development. In 2010 the UNGC recognized us as a Global Compact Leader for our commitment to responsible business practices in human rights, labour practices, environment and anti-corruption.

Community Investment and Corporate Community Giving

Community investments and corporate community giving in 2009 totaled $16 million. In the future infrastructure investments and associated potential impacts will be tracked with more detail at the local level as part of community investments.

Total Community Investment and Corporate Community Giving (Cdn$)

Operation	2009	2008	2007	2006
Carmen de Andacollo Operations	425,000	101,000		
Duck Pond Operations	36,000	191,000		
Teck Coal	254,000	1,900,000	215,000	
Highland Valley Copper Partnership	426,000	344,000	860,000	265,000
Pend Oreille Operations	4,000	24,000	25,000	32,000
Quebrada Blanca Operations	28,000	40,000		
Red Dog Operations	415,000	946,000	1,252,000	156,000
Trail Operations	603,000	303,000	464,000	169,000
Corporate Offices[1]	13,849,000	10,330,000	14,076,000	3,254,000
Total [2][3]	**16,040,000**	**14,179,000**	**16,892,000**	**3,876,000**

(1) For 2009 this includes our Vancouver, Spokane and Toronto offices.

(2) For historical data, totals will be different than previously reported due to the new ownership or closure of certain operations.

(3) These totals do not include our share of contributions made by Compania Minera Antamina.

Human Rights

Human rights have become one of the most significant challenges for mining companies globally. The business benefits of managing human rights risks and their potential impact on project development, company reputation and relationships with Communities of Interest are now widely recognized in the sector and our company. More importantly and fundamentally, we also see respect for human rights as simply 'the right thing to do'.

Our new Human Rights Standard in our Environment, Health, Safety and Community (EHSC) Management Standards set out our standards of conduct to carry out our business activities in an ethical manner that supports the fundamental principles of human rights. We support the protection of human rights in all our business activities and adhere to the principles set out in the United Nations Universal Declaration of Human Rights, the Voluntary Principles on Security and Human Rights, the United Nations Global Compact, our Code of Sustainable Conduct and our Code of Ethics. We support and respect the protection of internationally proclaimed human rights in the workplace and within our sphere of influence and we will ensure that we are not complicit in human rights abuses.

We recognize that respecting and fulfilling our responsibility to human rights in a proactive and positive manner, from our workplace to our communities and out to our supply chain, is complex and challenging. In 2007 we first formalized our commitment to human rights by joining the United Nations Global Compact (UNGC). A voluntary leadership initiative, UNGC seeks to align businesses with ten universally accepted principles on human rights, labour, environment and anti-corruption and to catalyze action in support of UN goals, such as the Millennium Development Goals. Since then, we have been incorporating the UNGC principles into our business activities and advancing our commitment to human rights. We have learned and grown from our participation in the initiative and in 2010 were honored to participate in the Global Compact Leaders Summit.

In 2009 we embarked on a strategic review of our human rights practices with the goal of enhancing our management systems and practices on human rights issues. In April 2010, Business for Social Responsibility provided their assessment of our human rights management against our own standards, leading best practice and the UN Special Representative on Human Rights (Ruggie) framework for business and human rights – the four elements being:

- Development of a human rights policy;
- Assessing impacts;
- Integrating human rights into the company; and
- Measuring and reporting on performance.

The review showed us that we are advancing in all of these areas and integrating aspects of human rights management across our activities and decisions. In particular, the report highlighted our recent progress in the development of human rights guidance, implementation of requirements for grievance mechanisms, establishment of an internal Indigenous Affairs Working Group and integration of human rights risk and impact assessments to new projects. Moving forward, we will build on these strengths and use recommendations from the review to guide us.

To date we have not been active in areas with significant human rights risks but we are responding to the possibility of this changing as we grow. We have made a commitment to human rights but we have not implemented human rights clauses and screening as a standard. Currently, sites integrate their own human rights clauses related to site-specific potential human rights concerns (for example, Red Dog Operations would include the consideration of subsistence issues factored into partnership agreements). Therefore, data on investment agreements that include human rights clauses or screening is not available from all operations but we will look to report on this in the medium term.

We are committed to integrating human rights and expect suppliers to align with our policies and Management Standards. We currently do not screen our suppliers on human rights; therefore the data is not available but we will look to report on it as we develop and implement a more robust human rights strategy in the medium term.

Non-discrimination

In accordance with our Code of Ethics, we support and promote a work environment where individuals are treated with respect, provided with equality of opportunity based on merit and kept free from all forms of discrimination.

The Code of Ethics provides further guidance on the company's opposition to discrimination in areas of employment such as recruitment, promotion, training opportunities, salary, benefits and terminations. Employees will be treated as individuals and given opportunities based on merit and ability to do the work.

Employees are entitled to freedom from sexual and all other forms of personal harassment. Our Anti-Harassment Policy clearly defines these rights and outlines the procedures governing the associated complaint process.

We have a toll-free 24-hour Whistleblower hotline administered by an independent company to provide an anonymous mechanism for reporting violations. Incidents are managed in accordance with our complaints processes. In 2009 there were four incidents in which allegations of discrimination were reported:

- One is still pending;
- One is still pending but proceeding through legal process; and
- Two incidents were investigated in accordance with our Human Rights Policy. Both are now resolved.

Security Practices

Where security personnel are required, we ensure that all security personnel have training and apply the Voluntary Principles on Security and Human Rights. Periodic reviews are conducted.

In Canada, where employees generally perform security duties as part of their other duties, many are aware of human rights issues and those related to privacy, labour, etc., but may or may not have specific human rights training per se. However in the United States, primarily at Red Dog Operations, employees who perform security duties at the airport undergo human rights awareness training as part of the instruction for Homeland Security/Airport Screening.

Third-party security personnel working for Teck at any of our global operations undergo human rights training. In areas of higher risk, human rights training is included in the security workshops hosted by our Risk Management Group.

Performance Overview

		2009	2008	2007	2006
Social	Community Investment (CAD$) [1]	16,040,000	14,179,000	16,892,000	3,876,000
	Local Procurement - Percent of Spending on Local Suppliers (%)	18			
Safety and Health [2]	Total Recordable Injury Frequency (TRIF) [3]	1.25	1.3	2.58	2.91
	Fatalities	3	1	1	4
	Lost Time Injury (LTI)	72	88	158	125
	LTI Frequency (LTIF)	0.39	0.4	0.97	0.94
	Severity [3]	114	39	61	204
Energy and GHG Emissions	Fuel (TJ)	26,681	30,334	24,510	22,874
	Electricity (TJ)	11,383	13,394	12,463	13,056
	Total Energy Use (TJ)	38,065	43,728	36,973	35,930
	CO2e (Direct) (kt)	2,350	2,649	2,266	1,985
	CO2e (Indirect) (kt)	104	210	159	153
	CO2e (Total) (kt)	2,455	2,859	2,425	2,138
	Energy intensity data are provided for each operation in the *Greenhouse Gas Programs & Performance* section of our online report				
Materials	Waste rock (kt)	528,875	555,151	459,257	455,155
	Tailings (dry) (kt) [4]	52,885	57,859	61,591	61,178
Environmental Compliance	Permit Non-compliance [5]	83	139	145	160
	Regulatory Non-compliance [6]	29			
Reportable Spills	Number of spills	225	287	306	274
	Volume of spills (L) [7]	653,755	987,684	11,625,612	1,396,991
	Weight of spills (kg)	33,573	4,522	4,686	4,752
Biodiversity [8]	Land reclaimed during the current year (ha)	214	164	281	85
	Land reclaimed to date (ha)	6,929	6,715	6,240	5,993
	Total land disturbed (ha)	18,076	18,043	17,728	17,381
	Land reclaimed / land to be reclaimed (%)	38%	37%	35%	34%
Waste Management & Recycling [6]	Hazardous Waste sent off site but not recycled (t)	5,084			
	Hazardous Waste treated/disposed of on-site (t)	23,871			
	Hazardous Waste recycled (t)	23,915			
	Non-Hazardous Waste sent off site but not recycled (t)	668			
	Non-Hazardous Waste treated/disposed of on-site (t)	103,866			
	Non-Hazardous Waste recycled (t)	42,573			
Water	Groundwater withdrawal (m3)	13,133,494	18,733,539	12,380,410	10,401,839
	Surface water withdrawal (m3) [9]	105,923,084	112,597,333	112,463,175	113,118,022
	Other water withdrawal (m3)	261,000			
	Water recycled/reused (m3) [10]	118,079,269	123,040,137	133,925,155	124,090,808
	Water recycled/reused (%) [10]	101	106.7	93.2	99.5

(1) For historical data, totals will be different than previously reported due to the new ownership or closure of certain operations.

(2) Safety statistics include both employees and contractors. Frequencies are based upon 200,000 hours worked.

(3) Total Recordable Injury Frequency and Severity values for 2008 (1.30 and 39.27, respectively) are slightly different from those reported in our 2008 Annual Report (1.32 and 39.28, respectively) due to injury upgrading/downgrading, claim denial by medical professionals, or investigative results.

(4) The implementation in 2009 of a centralized Environment, Health, Safety and Community (EHSC) database, uploaded with historical data, enabled site personnel to review and refine previous years' data where warranted. This resulted in a restatement of the 2008 and 2007 tonnages for Tailings (dry)(kt) from 58,304 kt and 60,038 kt to 57,859 kt and 61,159 kt, respectively.

(5) Permit non-compliance significantly decreased over the previous year, due to increased settling pond capacity, improved maintenance and erosion control and installation of turbidity curtains in order to decrease Total Suspended Solids (TSS).

(6) The statistics reported for 2009 were modified from those reported in previous years in order to more closely follow the GRI guidelines and provide a more meaningful measure.

(7) The 2007 total is comprised mainly (approximately 95%) of one very large volume spill of tailings slurry at the Hemlo mine in 2007. This spill and the substantial improvements made in response, is described in our 2007 Sustainability Report under the heading "Significant Environmental Incidents."

(8) The amount of "land reclaimed to date" does not always reconcile with the total of "land reclaimed during the current year" added to the "land reclaimed to date" from the previous year. This is because the total number of hectares disturbed in addition to those available for reclamation may change year after year.

(9) A significant portion of the surface water withdrawn (approximately 80%) is cooling water used by Trail Operations. This water does not come into contact with chemicals or reagents. The only change it undergoes is a slight increase in temperature.

(10) The implementation in 2009 of a centralized EHSC database, uploaded with historical data, enabled site personnel to review and refine previous years' data where warranted. This resulted in a restatement of the 2008 volume for Water Recycled/Reused (m^3) from 131,780,065 m^3 to 123,040,137 m^3. The Water Recycled/Reused (%) was restated from 100.3% to 106.7%. This percentage calculation is based on the volume of water used (withdrawn from source) divided by the total volume of water recycled/reused. The GRI formula for calculation of Total Percentage of Water Recycled/Reused (total volume used/total volume recycled) is inconsistently applied within the the industry. We continue to work toward standardizing the methodology. Additional flow monitoring equipment will be installed at some operations in 2011 in a continuing effort to ensure more accurate flow measurements.

Case Studies

In this section of the sustainability report you will find case studies where we share stories and examples that demonstrate how we live out our values in our sustainability work and performance.

A Sustainable Solution to Zinc Deficiency

Zinc is required in trace quantities in the human diet, essential to many aspects of our health, including growth, skin, eyesight, bones, digestion, reproduction and the immune system. One-third of the world's population is estimated to be at risk from zinc deficiency and the related disorders result in the deaths of up to 800,000 people annually. Children in the developing world are particularly vulnerable and up 450,000 children under the age of five die each year as a consequence.

As one of the world's largest producers of zinc, we have the resources to help address the problem of global zinc deficiency. Our efforts are primarily directed through the International Zinc Association (IZA), an organization dedicated to the growth and protection of global zinc markets. As an active member of the IZA, we are helping to implement a sustainable solution to the problem of zinc deficiency. Our CEO and current IZA Chairman Donald Lindsay, has encouraged and promoted the IZA's long term strategy of combating zinc deficiency through the use of zinc fertilizers to improve the yield and nutritional status of crops, coupled with a short term strategy of making therapeutic zinc treatments and zinc dietary supplements directly available to those most in need.

We are committed to using our resources to contribute to both strategies. One of our employees is currently on secondment to the IZA as the Director of the Zinc Nutrient Initiative. The Zinc Nutrient Initiative promotes the global use of zinc fertilizers with the aim of increasing crop yields and improving the health of the people eating those crops. Greg Brouwer, Director of the Zing Nutrient Initiative said, "The combination of increased yields and increased nutritional status makes the use of zinc fertilizers a sustainable, long-term solution to global zinc deficiency. Farmers benefit from the increased crop yields, governments benefit from enhanced food security, zinc producers benefit from an expanded market and people benefit from improved human health, which will in turn save hundreds of thousands of lives."

In order to achieve these goals, farmers need to embrace the use of zinc fertilizers globally. Engagement with a wide variety of Communities of Interest (CoIs) is required, including farmers, fertilizer producers and distributors as well as government agencies. Collaboration among these CoI groups is also essential for the success of the initiative, one example being government agricultural subsidization to encourage the use of zinc fertilizers.

In order to help address zinc deficiency in the short term, the IZA has also formed a unique partnership with UNICEF, a humanitarian and developmental assistance organization for children. The Zinc Saves Kids initiative is focused upon fundraising for global UNICEF programs providing zinc supplements for children. We kicked off the Zinc Saves Kids fundraising campaign with a $1.66 million donation in January 2010.

Collaboration Leads to a Successful Health and Environment Program at Trail

On May 9, 1988, a Trail, B.C. mother phoned our Manager of Environment to request soil testing. Who could have guessed this call would spark two decades of successful collaboration between our company, community and governments to protect people's health and the environment in the Trail area? Today, the Trail Area Health & Environment Program is still going strong.

As a result of that first phone call, soil lead levels near the Trail smelter were checked and discussions commenced with provincial officials about blood lead levels in local children. A UBC health researcher was contracted to study blood lead levels in children under 6 years old in Trail, revealing an average blood lead level of 13 micrograms per deciliter of blood (µg/dL), compared to 5 µg/dL in children of similar age in Vancouver.

Lead exposure can affect children's intellectual development and behavior, hence the Trail Community Lead Task Force was formed in 1990, mandated to reduce children's blood lead levels. The Task Force was chaired by the Mayor of Trail and included representatives from the provincial and municipal governments, our company, the United Steelworkers, the public, the School District and a network of environmental groups. The Task Force members shared costs and forged a collaborative style from the outset. Lead exposure pathways were studied and test actions were subsequently developed, aimed directly at reducing blood lead levels, using a science-based and results-focused approach.

In 2000, the Task Force conducted major public consultations before issuing its recommendations for on-going programs. The Task Force subsequently evolved into the community-led Trail Health & Environment Committee, with much the same representation. We now pay the bulk of program costs, amounting to over $1 million per year. The Committee continues to monitor emissions and blood lead levels, directing programs and budgets accordingly. The activities started by the Task Force now represent a comprehensive, integrated program supporting Family Health, Home and Garden, Air Quality, Parks and Wildlands and Property Development.

Over the past 20 years, the Program has achieved significant results. Today, the average blood lead level in children of a comparable age in Trail is just over 5 µg/dL, a reduction of over 60% from 1989 levels. This means that 90% of Trail's youngsters test below the 'level of concern' of 10 µg/dL, as defined by several international organizations. Many actions contributed to this success, the biggest factor being the huge reduction in emissions achieved by the new state of the art, low emission KIVCET lead smelter installed in the late 1990s, as recommended by the Task Force. This investment was the final piece in a $1 billion program of upgrades at the Trail facility.

Over the past 20 years we have learnt that successful collaboration doesn't come easily. Longtime Committee member Dr. Nelson Ames, retired Medical Health Officer, states "a lot of trust has been built. There's a constant tension between collaborating and playing our individual roles such as, in my case, making sure the health risk priorities are addressed." A key strength of the Committee is that its decisions are honoured by all parties and lead to actions on the ground. We appreciate this on-going, detailed public accountability and take community direction on health and environment investments. As Dr. Ames states "despite changes in personnel and ownership, Teck has been a concerned and active participant since the beginning."

Twenty years of success could lead to complacency, but the Committee regularly renews its goals and will be conducting further public consultations in 2010. The on-going challenge is to further reduce air emissions and blood lead levels. Public accountability requires informed decision makers, so the Committee continually seeks ways to retain high levels of public participation through its accessibility to laypeople. Teck's representative on the Committee says, "The Trail experience has shown how to directly involve the community in understanding and managing a crucial environmental issue. We owe it to the world to sustain this effective approach."

A Partnership Built on Trust at Pend Oreille Operations

Our relationship with our employees and neighbouring communities at Pend Oreille Operations in the United States is characterized by trust and mutual goodwill. When Pend Oreille operations was suspended in February 2009, 225 miners, mill-workers, technicians and assistants consistently met production quotas and operated without a single lost-time incident during their sixty day notice period. Their loyalty provides a testament to the strength of the partnership forged during the mine's permitting, development and operation, demonstrating the value of employee and community engagement.

When we acquired Pend Oreille in 1996, the facility had been closed for almost thirty years. It was our goal from the outset to gain community acceptance and approval. To achieve this we based our approach on one simple idea – "If I lived here, what would I expect a mining company to do?" Utilizing a partnership approach, we focused on closely aligning the needs of the company to the needs of the community. For example, we provided an ambulance which was beneficial to both the community and the company. We supported the establishment of the Selkirk Community Cominco Planners, a committee representing a broad constituency of community members providing a forum for open dialogue on community goals, post-mining aspirations and feedback for our planning processes. When the mine reopened in 2004, we maintained our community dialogue through regular updates from our General Manager in the local newspaper. We became an active member of the community, providing financial support and encouraging employees to participate in local community organizations.

When prevailing economic conditions and the global downturn in commodities forced suspension of operations at the mine, General Manager Mark Brown and his senior staff were faced with the difficult task of telling their friends and neighbors that their jobs were being lost. Mark personally met with each work crew to explain the reasons for the operation's suspension, detailing the company and government benefits that would be provided to help workers with their employment transition. Severance, including benefits, was provided to all employees. Assistance with job placement, both internal to Teck and externally, was provided. An office was provided during the weeks prior to the layoff so that State employment officers could meet and develop future plans with over 170 employees. We applied for Trade Adjustment Assistance on behalf of employees, allowing for improved benefits and retraining for those laid off. On the day of the announcement, Employee Assistance Counseling was available and employees were sent home so that they could personally inform their families. A visiting academic from The University of Queensland noted community feedback that we were "always respectful of the town" and that community sentiment was that "never once did we feel abandoned by Teck." The broader community's response to the mine's suspension was one of sadness, not anger.

There are many salient lessons in the story of Pend Oreille. What did we do right? We listened and empowered rather than commanded, following the principles of partnership, transparency and respect at all times. What could have been done better? With hindsight greater efforts could have been made to encourage the community to engage more consistently with mine closure planning. Moving forward, we are currently undertaking an exploration program to identify additional resources and working with the State of Washington to develop reclamation plans for the mine's tailings basins. We will work with the community to determine land uses beneficial to the community at large, while continuing to build on our community partnership.

Picking Low Hanging Sustainability Fruit Around the Office

We have formed a grass roots Sustainability Initiatives Group (SIG) in our Vancouver office to identify and implement "low hanging sustainability fruit" projects that are fast and easy to implement. Starting with a handful of employees, some bright ideas and the support of senior management, the SIG has rapidly implemented some big changes that benefit the environment while engaging our employees. Some examples of the group's initiatives include the reduction of plastic water bottle usage in our head office, applying sustainability related procurement criteria when we source our office supplies, introducing composting to the head office, recycling office light bulbs and participating in sustainability related challenges and fairs. While these initiatives also have a positive sustainability impact, their real value is the opportunity for our employees to become involved and interested in sustainability. This allows us to work towards our goal of creating a true culture of sustainability at Teck, where all employees, both at operations and in our offices, apply a sustainability lens to their work, which is a mindset that continuously considers sustainability in everyday actions.

Some of the achievements the SIG has made with these projects include:

- Being the first out of over 200 companies in our office complex to implement composting. Within 4 months of composting at our head office, we have diverted 1.2 tonnes of waste that would have ended up in a landfill.

- Participating in our office complex Monitor Shut Down Challenge, where we encouraged employees to turn off their computer monitors at the end of the day and winning against our competitor company.

- Encouraging our office complex to purchase a Bulb Eater which crushes fluorescent light bulb tubes without discharging mercury. More than 10,000 light bulbs will be recycled in this manner over the next ten years at our office complex.

One of our main initiatives is to increase the use of social enterprises at Teck. Social enterprises are organizations which imbed social and environmental goals into their business model. Since August 2009 we have created 36 contracts with social enterprises and look forward to continuing our support. Our future plans include developing a central website to share sustainability related news and resources. By creating a medium for employees to engage in sustainability related activities at our head office, we are working towards our goal of imbedding a culture of sustainability at Teck.

Closed and Dormant Properties

A critical element of our sustainability vision is to create positive legacies through our dedication to properties and operations under care and maintenance and the proper closure of mines that have reached the end of their useful life. With this in mind, the major objective of our Closed and Dormant Properties Program is to eliminate or minimize public safety risks (e.g., potential hazards such as mine openings, tailings areas) and environmental impacts (e.g., the impairment of downstream water quality). Meeting our obligations to both public safety and the environment will in turn reduce the likelihood of us incurring future financial liabilities from our past operations.

We comply with all applicable regulations, regulatory decisions and our own Environment Health Safety and Community (EHSC) Management Standards. We also work to develop and maintain positive relationships with local Community of Interest (CoIs). Through these endeavours, we strive to both enhance and maintain our social license to operate.

In 2009, this program made significant progress and three examples are provided below.

Polaris Mine, Little Cornwallis Island, Nunavut, Canada

The Polaris Mine was located on Little Cornwallis Island, Nunavut. The mine operated from 1981 through September 2002. Decommissioning and reclamation work was completed in September 2004 in a manner protective of both the public and the environment. The operation has since been actively monitored to ensure compliance with Water License permit requirements, related to both effluent discharge and the operation's physical stability. By the time Polaris' Water License expires in 2011, we are confident that our commitment to the reclamation and long-term stability of the operation will have been amply demonstrated.

Warm Springs Operations, Montana, USA

The Warm Springs Operations, comprised of a number of underground phosphate mines located near Missoula, Montana, operated from the early 1930's to 1993. Our objective at this operation was to remove contaminated soil in accordance with the Voluntary Cleanup Plan (VCP) agreed with the Montana Department of Environmental Quality (MDEQ) and satisfied landowners. The critical success factors for the plan included project safety, maintaining good relationships with the MDEQ and landowners, good communication within the project team, meeting regulatory requirements and VCP objectives, defensible clean-up documentation and timely and cost-effective completion of the work. The MDEQ provided final approval of the VCP in a letter to Teck in August of 2009. A draft Construction Completion Report is in progress.

Pend Oreille Mine, Pend Oreille County, Washington, USA

- Please see the Pend Oreille case study.

Partnerships in Support of Environment and Health Protection

Our management of sustainability issues has evolved over the past decade in line with regulatory requirements and Community of Interest (CoI) expectations. As traditional barriers among the mining industry, regulatory bodies, non-governmental organizations (NGOs) and CoIs have faded, "CoI partnerships" have emerged; these partnerships take the form of committees, working groups and task forces. These partnerships are consensus-driven, multi-CoI efforts whose purpose is to bridge gaps between science, policy and community relations. We participate in a number of partnerships. A few examples of our partnerships are provided below.

Elk Valley Selenium Task Force. The Elk Valley Selenium Task Force (EVSTF), was established in 1998 to investigate the potential environmental effects of selenium in the Elk River watershed. The Task Force comprises representatives from the B.C. Ministries of Environment (MoE) and the Ministry of Energy, Mines and Petroleum Resources (MEMPR), Environment Canada, Teck and a Secretariat. The EVSTF initiates, assesses and manages studies on the ecological effects of selenium discharges, research and development on selenium treatment and mitigation and communicates with CoIs, in particular, through annual Selenium Status reports and the EVSTF website. During 2009, work focused on biomonitoring trend studies, selenium geochemical behaviour and modeling, treatment research and the development and establishment of operation-specific thresholds and management triggers.

Find more information on selenium management at Teck Coal, in *Your Concerns Our Response*.

Mining Association of British Columbia (MABC) Environment Committee. We maintain active participation, through our expertise, financial contributions to research and regulatory liaison efforts, on two MABC subcommittees:

- The Science Sub-Committee works with MoE and MEMPR to support the development and application of water quality guidelines in a regulatory framework. The sub-committee has focused on collaboration and utilizing science to support revisions to environmental quality guidelines. An associated Technical Forum involving collaboration between government and industry was established in early 2010.
- The Climate Action Task Force works with the MEMPR and MoE to brief the BC Cabinet Committee on Climate Action, promoting energy efficiency and technology, alternative fuels, electricity generation and transmission and carbon sequestration. Recommendations have included tax credits for research on low-emission mining practices and a technology fund to support new technologies.

Teck-First Nations Technical Working Group. As part of our rehabilitation and closure planning activities at the Pinchi Lake Mine, we work closely with the neighbouring Tl'azt'en Nation and the Nak'azdli Band. Teck and First Nation representatives have participated in this joint working group and in 2009 recommended, designed and reviewed numerous environmental studies that formed the foundation for the Pinchi Lake Mine Closure Plan.

The Trail Health and Environment Program. Please see the detailed case study of this program.

Courageous Safety Leadership (CSL): Creating a Culture of Safety at Teck

At Teck safety is more than a priority; it is an unchanging value and an inherent part of who we are. We strive to be a company where "Everyone Goes Home Safe and Healthy Every Day." CSL is a safety philosophy which challenges existing values, beliefs and attitudes towards safety and outlines the changes required to instill a true culture of safety. CSL requires personal leadership and emotional connections to drive the change. From our first safety and health conference in 2005, to benchmarking best practices across other companies in 2008, to launching and implementing a company-wide CSL Program in 2009, imbedding safety in our culture has been a progressive journey.

The company-wide launch of our CSL Program is a pivotal point in this safety journey. In 2008 we gathered a group of six people to learn from best practices , meet some of the safest mining companies in the world and determine the keys to their success. Recommendations were then presented to our Senior Executives and Board of Directors and there was strong enthusiasm to move forward with a CSL program. We identified key leaders to develop the CSL program and further refine our safety strategy and vision.

In 2009 many of our Senior Executives and General Managers experienced the full one day CSL, designed to identify where we are in our safety performance and where we could be. Participants explored themes such as the "ripple effect", highlighting how injuries affect many more people than those who are hurt. Benchmarking against leading companies demonstrated that it is possible for us to be safer. The importance of courageous personal leadership in ensuring that safety is a responsibility for each individual was also explored. After experiencing CSL firsthand, there was enthusiasm to move forward with implementing CSL at each operation at Teck. Our commitment to this massive safety initiative during uncertain economic times is a testament to the value we put in safety at Teck.

Now over 10,000 Teck employees and contractors have experienced Phase 1 of the CSL journey – the one day training session. But CSL is an on-going process instilling a state of mind where we all know that we play an essential part in ensuring that Everyone Goes Home Safe and Healthy Every Day. Phase 2 of the journey is currently being implemented and revisits the CSL topics through monthly communications with all our operations and offices, presented in team meetings. We harness the power of storytelling, gathering and sharing stories from around the company of how CSL has impacted each person, both at work and at home. What began as a vision for being safer has turned into a process which has changed the very culture of our organization, influencing the mindset and heart of each employee as they consider what courageous safety leadership means to them. We see a future for Teck where we never have a fatality and everyone goes home safe and healthy every day.

HR Innovation: A Look at Highland Valley Copper's Modified Work Centre

In 2010 Highland Valley Copper was one of four finalists in the B.C. Human Resources Management Association's Award of Excellence for innovation. The nomination was based on the development of a unique disability management program for employees. Teck collaborated with the United Steelworkers Local 7619 to develop a Modified Work Center (MWC) which is part of a comprehensive claims management program developed in 1992. The goal of the program was to support employees and provide employment and rehabilitation opportunities even when employees are unable to perform their regular duties.

The MWC allows employees undergoing rehabilitation as a result of injury or illness to continue contributing and potentially learn new skills in modified work environments. The MWC provides employees with the opportunity to perform tasks which do not require specialized skills and support other operating departments. Our General Supervisor of Employee Relations at HVC describes the 6000 square foot modified work center as "a very open space where several work stations are set up and each work station is designated for a specific task." As these tasks do not require specialized skills, HVC is able to provide temporary employment to all employees regardless of the nature of their injury or illness. Through the MWC employees are able to return to work, receive their base salary, meet their rehabilitation needs and prepare for a successful return to their regular job. The MWC reduces the frequency of absenteeism due to both workplace and non-workplace related injuries or illnesses and promotes early recovery while preserving a skilled workforce.

Sustainability also forms an important principle in the MWC. We achieve performance goals at the MWC based on the three "R"s of Reduce, Reuse and Recycle. For example, the MWC supports other departments by repairing and refurbishing items such as ladders, shovels, picks and wheelbarrows. When these recycled items are sent back to the department, they are painted bright orange or marked with "MWC", allowing employees to recognize their work and feel a sense of pride about their contribution. The MWC boosts employee morale and is also cost-efficient and self-sustaining. When departments receive refurbished items from the MWC, the Centre receives a dollar value credit for each recycled item, which is usually around one-third of the market cost to refurbish the item. As of December 31, 2009, the total credits accrued to the MWC amounted to approximately $336,000.

In 2009, a total of 100 employees participated in the MWC, each staying for an average of five weeks in the MWC. This translated to 18,951 hours of productive work and sick leave and disability savings of approximately $350,000. Employees who go through the MWC are usually the biggest ambassadors for the program once they return to their regular departments. Another big supporter of the program is the Workers' Compensation Board of British Columbia whom we worked with in order to develop a DVD featuring the Modified Work Centre which will serve as a best practice example for the construction industry. We are continuously improving the MWC by re-organizing and renovating the workstations and the layout of the space so that we can provide this innovative facility to all of our employees well into the future.

From Recycled Electronic Waste to Symbols of Excellence

Recycling metals is an important aspect of our commitment to responsible materials stewardship. Metals can be recycled indefinitely with no inherent degradation in their properties and recycling metals promotes the efficient use of our world's natural resources. We were proud to be the exclusive supplier of metals used in the production of over 1000 medals awarded at the Vancouver 2010 Olympic and Paralympic Winter Games. Traditionally metals for Olympic medals were sourced entirely from mined resources, but we were committed to providing some recycled metal content for the Olympic medals. We became the first metal supplier in Olympic history to include metals recovered from E-waste in the Olympic medals. E-waste consists of end-of-life electronics such as computers and keyboards.

Our smelter and refinery in Trail, B.C. has been recycling E-waste since 2006, diverting it from many landfills. Trail developed an E-waste recycling process which maximizes metal recovery. Metals are recovered from cathode ray tube (CRT) glass, computer parts and circuit boards through separation, segregation and smelting. In order to maximize metal recycling, some components such as circuit boards and aluminum are separated and sent to specialty refiners. Other components such as CRT glass are processed at Trail Operations into metal ingots, a process which involves heating the glass with other feeds, separating the impure molten metal and electrolytic refining into pure metal. To maximize recycling efficiency, we sent some of our E-waste to Umicore facilities in Belgium in order for them to process our E-waste and provide us with metals that were then used in the Olympic medals. We believed that it was important to have recycled metals in the medals of the 2010 Olympic Games in order to send a message that responsible solutions do exist to meet the sustainability challenge.

Over the past four years Trail has processed over 27,000 tonnes of E-waste and as the program grows, we expect Trail to process up to 15,000 tonnes of E-waste per year. As Christa Ford, Business Development Chemist, from our Trail Operations says "By diverting recyclable materials from the landfill, we can extend the life of our natural resources by using what we have already mined once." Every tonne of recycled electronics reduces waste, decreases the need for new landfills and saves energy that would be needed to generate mined resources. Recycling E-waste and turning them into Olympic medals that are symbols of excellence is one step in our journey towards sustainability at Teck. Olympic Athlete Kelly VanderBeek, whom we sponsored, said, "Teck's foresight with the metals and medal connection was perfect - this metal that may have ended up in a landfill will now be cherished for all time."

Our Commitment to Sustainable Winter Games

Teck was a member of VANOC's 2010 Carbon Partner Program which aimed to make the 2010 Winter Games carbon neutral. We offset all of our corporate travel for the three month period prior to and during the Winter Games, offsetting approximately 550 tonnes of carbon dioxide. The offsets included British Columbia-based clean technology projects as well as global projects meeting the Gold Standard, a certification scheme that accepts only renewable energy and end-use energy efficiency projects that promote sustainable development.

Celebrating Excellence

Recognizing and celebrating the significant achievements and contributions from our workforce is a strategy used to enhance employee engagement at Teck. Two company-wide programs to highlight in this regard are the Excellence Awards and the Going for Gold Challenge. The Going for Gold Challenge was introduced in 2007 and encouraged employees to get involved in their community and at work – getting active, being safe, acting sustainably and giving back. Some of the recognition that employees received as a result of the Going for Gold Challenge are highlighted in a 2007 case study entitled *Going for Gold Challenge: Corporate*. The Teck Excellence Awards Program, also initiated in 2007, was designed to celebrate employees who embody the values of Teck and have made a significant contribution to the company. Since 2008, we have recognized employees throughout the company who made significant contributions in the areas of Productivity and Innovation, Safety in the Workplace and Environment and Sustainability. In 2009, the "Unsung Hero" award category was established to provide the opportunity for co-workers to nominate employees who tirelessly go "above and beyond" the call of duty. Our people and their dedication to our goals are the foundation of our success at Teck. In the future, we plan to continue to reward our employees for their achievements and contributions.

SMART, the Social Management and Responsibility Toolkit; and SMART-Exploration, a Toolkit Especially For Exploration!

There is a "social" or "community relations" dimension to all our activities. Whether we are exploring a potential area, designing a new project, constructing a road, expanding an existing mine or rehabilitating a closed facility, our presence has an impact on the people who live in and use the affected area.

SMART

Social risk refers to any project risks arising from actions by people and groups (other than government regulators); social performance is about managing our local, national and international impacts and our relationships with our Communities of Interest (CoIs). CoIs are defined as those individuals or groups who may be affected by, or have an interest in, or have the ability to influence an operation or project.

Since September 2009, the Social Responsibility Team has been working with Environmental Resources Management (ERM) consultants to develop a set of tools and guidelines to help us manage these social risks and monitor performance at all of our operations and projects, throughout the entire project cycle. Together, these tools and guidelines make up SMART (Social Management and Responsibility Toolkit).

SMART's tools are relevant across the project lifecycle in five key areas: social risk management, engagement, social impact assessments, community investment and local content. In addition, we will have a set of overarching guidance documents on themes such as human rights, gender, Indigenous Peoples, resettlement and local conflict. Some of these tools and guidelines are already in circulation in draft form and we hope to publish our first full set of tools by the end of 2011. SMART Training for our exploration groups, projects and operations teams will commence in September 2010.

Why are we developing SMART now?

Unmanaged social issues are now widely recognized as posing a major risk to resource sector business as well as a lost opportunity. Many resource companies have been faced with multi-million dollar project delays as a result of issues raised by CoIs while financial intuitions, shareholders and investors increasingly view management of social performance as key criteria in their financial decision making. As a result, we recognize the need to professionalize the management of social or community related issues, so that we better understand and manage those risks and opportunities.

SMART- Exploration

SMART-Exploration has been specially developed to provide specific guidance during each stage of exploration. It provides practical guidance and checklists for geoscientists and support staff on how to approach and manage relationships with communities, including indigenous groups. The toolkit is currently being piloted by our North American group.

Geographic Information System (GIS) Wildlife Tracking Database at Elkview Operations

Elkview Operations is an open pit coal mine located approximately three kilometres east of Sparwood in south-eastern British Columbia, comprising 27,054 hectares of coal lands of which approximately 4000 hectares have been mined or are scheduled for mining. Coal has shaped the developments of the communities of Fernie, Sparwood and Elkford in the Elk Valley in British Columbia and the Crowsnest Pass in Alberta. Several generations of families have made their living from the coal mines in the region, while taking advantage of the many recreational activities that the valley has to offer such as hiking, snowmobiling, ATVing, hunting, trapping and fishing. The mine is also located within the asserted traditional territory of the Ktunaxa First Nation. To ensure that these lands are maintained and enjoyed by future generations, we endeavour to progressively restore sustainable wildlife habitats to areas where mining activities have ceased.

Recognizing the need to better understand the species present on the property and the types of natural and reclaimed habitats used by those species, Elkview developed a GIS Wildlife Tracking Database. The database facilitates accurate and efficient data collection, replacing an observation card based reporting system with no links to GIS. Elk, mule deer and white-tailed deer are abundant and found throughout the majority of Elkview lands, so sightings of these species are not typically recorded. The database was primarily designed to document rare, unusual and mortality sightings. Species of special interest include grizzly bear, black bear, cougar, wolf, badger, moose and bighorn sheep. The database stores information on each sighting such as sex, number of animals within the group, age class, geographical description, cause of death (if applicable), observer and additional comments. The database also records the location of significant habitat features including bear rub trees, mineral licks, wallows, dens and nests and has recently incorporated the location of wildlife monitoring motion detection cameras.

Overall, the database has raised employee environmental awareness on the property through participation and communication. Since its inception in April 2009, a total of 142 wildlife sightings have been reported and recorded, along with 19 identified habitat features. For example, our GIS system has raised awareness of a Great Blue Heron rookery in Goddard Marsh and we strive to limit our activities in the area during the Great Blue Heron's breeding and nesting periods. The permanent record of habitat features allows mine planners and environmental staff to avoid or mitigate the loss of these features and in some cases plan for them to be duplicated in future reclamation projects. Another example of the database's value is the data gathered on bighorn sheep locations. As bighorn sheep sightings in proximity to the property become more frequent, the data we gather will help us incorporate critical sheep escape and foraging habitats in our mine reclamation plans. Our GIS system helps us efficiently maintain the natural habitat and biodiversity of the lands that we operate in.

Independent Assurance Report to the Board of Directors and Management of Teck Resources Limited

Introduction

Environmental Resources Management (ERM) was engaged by Teck Resources Limited (Teck) to provide limited assurance on selected sustainability subject matters presented in Teck's 2009 Sustainability Report (the Report). The Report includes both the published hard copy "Summary Report" and the information and data published on the sustainability section of www.teck.com.

Selected Subject Matters

The following subject matters were selected based on the requirements of the International Council of Mining & Metals (ICMM) Sustainable Development Framework Assurance Procedure and in consultation with Teck management:

- Teck's alignment of its sustainability policies to ICMM's 10 Sustainable Development (SD) Principles and any mandatory requirements set out in ICMM's Position Statements ("ICMM Subject Matter 1").
- Teck's approach to identify and prioritise its material sustainability risks and opportunities ("ICMM Subject Matter 2").
- The existence and status of implementation of systems and approaches used by Teck to manage the following sustainability risks and opportunities ("ICMM Subject Matter 3"):
  - Fatalities among contractor staff;
  - Emerging climate change legislation;
  - Water supply in Chile;
  - Water quality in Alaska and Elk Valley;
  - Engagement with indigenous people and local communities; and
  - Staff retrenchments.
- The following performance data related to the material sustainability risks identified under ICMM Subject Matter 3 ("ICMM Subject Matter 4"):
  - Total direct and indirect greenhouse gas emissions by weight;
  - Total water withdrawal by source;
  - Percentage and total volume of water recycled and reused;
  - Total water discharge by quality and destination;
  - Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region; and
  - Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.
- Teck's alignment to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines application level A+ ("Subject Matter 5").

Assurance Standards and Criteria

We delivered our work in accordance with ERM's assurance methodology which is based on recognized international assurance audit standards including ISAE 3000, ISO 14064:3 and ISO 19011. Further, the assurance engagement was planned and performed in accordance with the ICMM's Sustainable Development Framework Assurance Procedure.

In providing assurance on the selected subject matters, we applied the following assurance criteria:

- ICMM's 10 Sustainable Development (SD) Principles and any mandatory requirements set out in ICMM's Position Statements;

- Teck's approach to materiality as presented in the Report;
- Teck's management systems and approaches for the selected subject matters as presented in the Report;
- Teck's performance data definitions as presented in the Report; and
- The reporting requirements stipulated by the GRI Sustainability Reporting Guidelines application level A+.

Respective Responsibilities

The management of Teck is responsible for collecting, preparing and presenting the selected subject matters in accordance with the criteria and for maintaining the internal controls and systems designed to support the management and reporting of its sustainability performance. ERM's responsibility is to express its assurance conclusions on the selected subject matters presented in the Report.

Our Approach

Our assurance engagement consisted of the following activities:

- A media analysis and an Internet search for references to Teck during the reporting period;
- Interviews with senior Teck management and relevant staff at corporate and business unit levels to understand sustainability strategies, policies and management systems for material issues and their implementation across the operations;
- Interviews with Teck corporate personnel to understand the materiality process used to determine which sustainability issues to include in the Report;
- An evaluation of the StreamLine data management tool used to collect, process and aggregate sustainability performance data, including its conformance to the data compilation requirements and definitions specified by the GRI Indicator Protocols;
- Review of Teck sustainability policies, charters and standards to assess their alignment with ICMM's 10 Sustainable Development Principles and mandatory requirements of the ICMM Position Statements;
- Visits to the Carmen de Andacollo, Red Dog and Elkview sites to (i) develop an understanding of the degree to which, and how, relevant material SD risks are identified, ii) understand the systems and mechanisms used to manage material SD risks and opportunities, and (iii) assess site-specific mechanisms for the collation, processing and reporting of sustainability information and data. The sample of sites was selected to obtain a cross section of significant contributors to sustainability and financial performance and to provide coverage across business units, commodities, type of operations, geographic regions and languages;
- Testing of the corporate data collection, aggregation and disclosure processes for GRI sustainability indicator data;
- Sample testing of reported GRI performance indicator data for reliability;
- Review of the Report to determine the level of consistency between our understanding of how Teck manages the subject matters and the statements made in the Report;
- Review of the Report, including the GRI Finder, to determine the validity of Teck's self-declaration of the GRI (G3) A+ application level in the Report; and
- Preparation of this Assurance Statement.

Teck gave ERM full access to the information and personnel that we believe were necessary to gather sufficient evidence to provide a basis for our assurance conclusions.

ERM Independence and Competence

During 2009, ERM has worked with Teck on other assurance and consulting engagements. ERM operates strict conflict of interest checks and we have confirmed the independence of our team to Teck for delivering this assurance work.

Our team includes environmental, health and safety, social, economic, business administration and assurance specialists who have performed similar engagements with a number of multi-national companies. Our assurance team has the required combination of education, experience, training and skills for this engagement.

Inherent limitations

The reliability of sustainability information is subject to inherent limitations given their nature and methods for determining, calculating or estimating such information. It is important to understand the sustainability information and related statements in the Report in the context of these limitations.

Assurance Conclusions

Based on our limited assurance activities, as described above, we conclude that in all material respects, the above selected sustainability subject matters are appropriately reported within the Report; i.e. nothing has come to our attention that causes us to conclude that the selected subject matters are materially misstated (limited assurance).

Observations and Recommendations

Based on our work set out above, we have provided Teck management with a confidential report describing our findings and suggestions for further improvement. Without affecting our assurance conclusions, some of our key observations and recommendations include:

Observations:

- Significant efforts have been made to improve the safety leadership and culture throughout the company through initiatives such as Courageous Safety Leadership and Visible Felt Leadership.
- The new StreamLine tool for collecting, processing and reporting of sustainability data has been effectively implemented at all levels of the organisation.

Recommendations for Improvement:

- We welcome the sustainability strategy development process that was commenced in 2009. The process will provide an excellent opportunity to align and integrate Teck's sustainability reporting (internal and external) with its broader processes for defining sustainability priorities and targets, managing sustainability risks and opportunities, and monitoring performance. In the coming years, it is recommended that the sustainability report be composed to reflect Teck's strategic approach to sustainability management and the performance that has been achieved through the application of this deliberate approach and strategy.

ERM	Environmental Resources Management Vancouver, Canada, 29 October 2010

ERM is a global provider of environmental, social and corporate responsibility consulting and assurance services. Over the past 5 years we have worked with over half of the world's 500 largest companies, in addition to numerous governments, international organizations and NGOs.

GRI Finder

We support the United Nations Global Compact (UNGC) and the International Council on Mining and Metals (ICMM) Sustainable Development Framework. The GRI Finder table below shows where you can find more information on each GRI Indicator and how they relate to principles from the UNGC and ICMM.

●	Indicators Fully Reported
◐	Indicators Partially Reported

Summary	Where to Find (pages)	ICMM Principle	UNGC Principle
Strategy and Analysis			
1.1 Statement from the most senior decision maker.	2-4 ●	2, 10	●
1.2 A description of key impacts, risks and opportunities.	2-30 ●	4	
Organisational Profile			
2.1 Name of the organization.	Annual Information Form ●		
2.2 Primary brands, products, and/or services.	Annual Information Form ●		
2.3 Operational structure.	Annual Information Form ●		
2.4 Location of organization's headquarters.	Annual Information Form ●		
2.5 Operations	Annual Information Form ●		
2.6 Nature of ownership and legal form.	Annual Information Form ●		
2.7 Markets served.	Annual Report Annual Information Form ●		
2.8 Scale of the reporting organisation.	Annual Report Annual Information Form ●		
2.9 Significant changes during the reporting period.	4-5 ●		
2.10 Awards received in the reporting period.	43; 33 ●		
Report Parameters			
3.1 Reporting period for information provided.	4-5 ●		
3.2 Date of most recent previous report.	4-5 ●		
3.3 Reporting cycle	4-5 ●		
3.4 Contact point for questions.	4-5 ●		
3.5 Process for defining report content.	4-5; 8-13; 69-82 ●		
3.6 Boundary of the report.	4-5 ●		
3.7 Limitations on the scope.	4-5 ●		
3.8 Basis for reporting.	4-5 ●		
3.9 Data measurement techniques and the bases of calculations.	4-5 ●		
3.10 Explanation of the effect of any re-statements.	83-85 ●		
3.11 Significant changes from previous reporting periods.	4-5 ●		
3.12 Location of the standard disclosures.	100-105 ●		
3.13 External assurance.	4-5; 97-99 ●		

Summary	Where to Find (pages)	ICMM Principle	UNGC Principle
Governance, Commitments and Engagement			
4.1 Governance structure.	60-68	1,2	
4.2 Indicate whether the Chair of the highest governance body is also an executive officer.	60-68	1	
4.3 How the company defines 'independent' and 'non-executive'.	60-68	1	
4.4 Mechanisms for recommendations to the highest governance body.	60-68	1	
4.5 Linkage between compensation /social and environmental performance.	60-68	1,2	
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	60-68	1	10
4.7 Qualifications and expertise of the highest governance body.	60-68	1,2	
4.8 Internally developed statements of values, codes, and principles.	60-68	1,2	
4.9 Procedures of the highest governance body.	60-68	1,4	
4.10 Processes for evaluating the highest governance body's performance.	60-68	1	
4.11 Precautionary approach or principal.	19-21		7
4.12 Externally developed charters, principles, initiatives endorsed.	109-111		
4.13 Memberships in associations.	109-111		
4.14 List of stakeholder groups engaged by the company.	69-82; 106-108	10	
4.15 Basis for identification and selection of stakeholders with whom to engage.	69-82	10	
4.16 Approaches to stakeholder engagement.	69-82	10	
4.17 Key topics and concerns that have been raised through stakeholder engagement.	69-82; 14-18	10	

Summary	Where to Find (pages)	ICMM Principle	UNGC Principle
Environment			
Disclosure on Management Approach: Goals and performance, policy, and other contextual information.	2-32 ●		8
EN1 Materials used by weight or volume.	60 ●	6	8, 9
EN2 Percentage of materials used that are recycled input materials.	Percentage quantification of recycled input materials to new input materials is not a material (significant) number for Teck since our key input materials are not recyclable so are not available as recycled.	6, 8	8
EN3 Direct energy consumption by primary energy source.	45-54 ●	6	8
EN4 Indirect energy consumption by primary source.	45-54 ●	6	8
EN5 Energy saved due to conservation and efficiency improvements.	45-54 ●	6,8	8, 9
EN6 Eco-efficient products and services.	45-54 ●	6,8	8, 9
EN8 Total water withdrawal by source.	83-85; 53-54 ●	6	8
EN10 Percentage and total volume of water recycled and reused.	83-85; 53-54 ●	6, 8	8, 9
EN11 Location and size of land adjacent to areas of high biodiversity value.	55 ●	7	8
EN12 Impacts on biodiversity.	55 ●	7	8
EN13 Habitats protected or restored.	55 ●	7	8
EN14 Strategies for managing impacts on biodiversity.	55 ●	7	8
EN16 Total direct and indirect greenhouse gas emissions by weight.	45-54 ●	6	8
EN17 Other relevant indirect greenhouse gas emissions by weight.	45-54 ●	6	9
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	45-54 ●	6, 8	7, 8, 9
EN19 Emissions of ozone-depleting substances by weight.	We have been phasing out products that contain ozone-depleting substances at our sites for many years in accordance with provincial and federal legislation. These products are typically in air conditioning or refrigeration equipment (Halon 1301 is employed primarily in automatic fixed systems for computer rooms etc). We do not emit ozone-depleting substances except in emergencies (fire) or due to an accidental malfunction of Halon 1301 system. Materiality assessment shows this topic is not sufficiently important to our stakeholders to include in our reporting. ●	6	8
EN20 NO, SO, and other significant air emissions by type and weight.	44 ●	6	8
EN21 Total water discharge by quality and destination.	Operations' Sustainability Summary Reports; All destinations are surface water. We have yet to determine an accurate way to summarize and report on total water quality at the corporate level. ◐	6	8
EN22 Total weight of waste by type and disposal method.	83-85; 59 ●	6, 8	8

Summary	Where to Find (pages)	ICMM Principle	UNGC Principle
Environment			
EN23 Total number and volume of significant spills.	41-53; 83-85; 42 ●	6	8
EN26 Mitigation of environmental impacts of products and services.	58-59 ●	6, 8	7, 8, 9
EN27 Products sold and their packaging materials that are reclaimed by category.	60 ●		8, 9
EN28 Monetary value of significant fines.	41-43; 83-85; 41-43 ●	6	8
MM1 Amount of land disturbed or rehabilitated.	55 ●		
MM2 Sites identified as requiring biodiversity management plans, sites with plans in place	55 ●		
MM3 Total amounts of overburden, rock, tailings, and sludges presenting potential hazards.	83-85, 8-13 ●		
Economic Development			
Disclosure on Management Approach: Economic performance, goals, policies and other contextual information.	2-32; 60-68; 69-82 ●		
EC1 Direct economic value generated and distributed.	Annual Report; 60-68 ●		
EC2 Financial implications and other risks and opportunities due to climate change.	44-56 ●		7
EC3 Coverage of defined benefit plan obligations.	60-68 ●		
EC4 Significant financial assistance received from government.	No financial assistance received from the government. ●		
EC6 Spending on locally-based suppliers.	67-68 ●	2	
EC7 Local hiring.	67-68 ◐	9	6
EC8 Impacts of infrastructure investments.	60-68, 65-68 ●	9	
Product Responsibility			
Disclosure on Management Approach: Goals and performance, policy, and other contextual information.	2-32; 109-111; 57-58 ●		1
PR1 Health and safety impacts of products.	58-59 ●		1
PR2 Total number of incidents of non-compliance.	58-59 ●		1
PR3 Product and service information required by procedures.	58-59 ●	8	8
PR4 Total number of incidents of non-compliance with regulations.	58-59 ●		8
PR6 Programs for adherence to laws, standards, and voluntary codes related to marketing.	58-59 ●	8	
PR9 Significant fines.	There were no significant fines. ●		
MM12 Programmes and progress related to materials stewardship.	58-59 ●		

Summary	Where to Find (pages)	ICMM Principle	UNGC Principle
Labour Practices and Decent Work			
Disclosure on Management Approach: Goals and performance, policy, and other contextual information.	2-32; 35-40 ●		1, 3, 6
LA1 Total workforce.	53 ●		
LA2 Total number and rate of employee turnover.	37-39 ●		6
LA4 Employees covered by collective agreements.	39-40 ●	3	1, 3
LA5 Minimum notice period(s) regarding operational changes.	39-40 ●		3
LA7 Rates of injury, occupational diseases, lost days, and number of work related fatalities.	33-34 ◐	5	1
LA8Education, training, counseling, prevention, and risk-control programs regarding serious diseases.	33-34 ●	5	1
LA9 Health and safety topics covered in agreements with trade unions.	39-40; For a list of topics from different operations, see our 2006 Sustainability Report, available online. ●	5	1
LA10 Average hours of training per year per employee by employee category.	37-39 ◐	2	6,
LA13 Composition of governance bodies and employees according indicators of diversity.	35-40; 72-75 ●	3	1, 6
LA14 Ratio of basic salary of men to women by employment category.	37 ◐	3	1, 6
MM4 Number of strikes and lockouts.	39-40 ●		
Human Rights			
Disclosure on Management Approach: Goals and performance, policy and other contextual information.	2-32; 69-82 ●		1, 2, 3, 4, 5, 6
HR1 Significant investment agreements that include human rights clauses or that have undergone human rights screening.	81-82 ◐	1, 3	1, 2, 3, 4, 5, 6
HR2 Percentage of significant suppliers and contractors have undergone screening on human rights and actions taken.	81-82 ◐	1, 3	1, 2, 3, 4, 5, 6
HR4 Incidents of discrimination and actions taken.	69-82, 81-82 ●	3	1, 2, 6
HR5 Operations where the right to exercise freedom of association and collective bargaining may be at significant risk.	39-40 ●	3	1, 2, 3
HR6 Operations having significant risk for incidents of child labour.	None ●	3	1, 2, 5
HR7 Operations having significant risk for incidents of forced or compulsory labour.	None ●	3	1, 2, 4
HR8 Security personnel trained in the organization's policies or procedures concerning human rights.	81-82 ●		1, 2
HR9 Incidents of violations involving rights of Indigenous Peoples.	None ●	3	1, 2
MM5 Operations in or adjacent to Indigenous Peoples' territories.	72-75 ●		

Summary	Where to Find (pages)	ICMM Principle	UNGC Principle
Society			
Disclosure on Management Approach: Goals and performance, policy and other contextual information.	2-32; 69-82; 95 ●		10
SO1 Impacts of operations on communities.	69-82 ●	2, 4	
SO2 Business units analyzed for risks related to corruption.	60 ●	1	10
SO3 Employees trained in anti-corruption policies and procedures.	60 ●	1	10
SO4 Actions taken in response to incidents of corruption.	60 ●	1	10
SO5 Public policy positions and participation in public policy development and lobbying.	In 2009, we informed public policy debates on several sustainability issues that relate to our business. Some examples include: input into the development of greenhouse gas regulations for the mining sector; the environmental review process for new and existing mineral exploration sites; and emission standards and energy efficiency initiatives for industrial facilities. We currently do not have the systems and data to disclose complete information, however, we will fully report on this indicator in the short term. ◐	1	
SO6 Financial and in-kind contributions to political parties.	$150,000 to the BC Liberal Party ●		10
SO7 Legal actions for anticompetitive behaviour, anti-trust, and monopoly practices.	None ●		
SO8 Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	None ●		
MM6 Land use, customary rights of local communities and Indigenous Peoples, and the use of grievance mechanisms.	69-82 ●		
MM7 Artisanal and small-scale mining (ASM).	75-78 ●		
MM8 Resettlements.	75-78 ●		
MM9 Closure plans.	60-68 ●		
MM10 Incidents involving communities in which grievance mechanisms have been invoked.	75-78 ●		
MM11 Incidents in which emergency preparedness procedures were activated.	75-79 ●		

Appendix A — Our Communities of Interest (CoIs)

We identified the need to build the internal capacity and knowledge required to effectively manage Communities of Interest (CoIs) as an on-going priority in 2009. Exercises to map our current personnel and resources dedicated to community engagement and development highlighted a desire for capacity building and support from across operations. For more information see the *SMART* case study.

CoIs and Approaches to Engagement

CoI group	Description	Interests and concerns	How we engage with them
Indigenous Peoples	Indigenous Peoples whose lands or traditional territory is located on or adjacent to our operations and associated infrastructure.	In addition to sharing the more general community issues and concerns, the protection of indigenous interests and rights such as hunting, fishing and gathering are a priority for Indigenous Peoples. Other interests include access to benefits, the cultural and spiritual significance of an area, the maintenance of traditional activities and practices and the stewardship of lands.	The engagement process between Teck and Indigenous Peoples is often agreed upon in a Memorandum of Understanding or Impact and Benefits Agreement. In addition, we engage with Indigenous Peoples at both an operational and corporate level through the Indigenous Affairs Working Group.
Academic and thought leaders	These CoIs include universities, researchers, students and subject matter experts.	Universities are interested in developing capacity and opportunities for students and for associated research. Experts are generally interested and concerned with issues relating to their research and expertise.	We look for opportunities to collaborate in relevant programs and projects.
Peers and business partners	Customers and business partners (organizations) with whom we have joint ventures. Customers include: purchasers of concentrates, refined metals, fertilizers, chemicals, advanced materials, applied technology and equipment marketed by Teck.	Our business partners need assurance that our operations are profitable, demonstrate good governance and mitigate risk. Customers are primarily concerned with product quality, a secure supply, and technical innovation.	We engage with our business partners through joint venture boards and operating committees. Teck is committed to providing the highest quality products, ensuring that we meet our customers' most critical requirements. As a full-service supplier, we provide in-depth technical support and marketing assistance to our customers. Our Technology Division incorporates three world-class R&D centres to support mining, refining and smelting, customer service and product development activities.

CoI group	Description	Interests and concerns	How we engage with them
Employees	We have approximately 8,500 employees globally.	A broad range of employee concerns and interests include: remuneration, safety, positive labour relations, career development and enhancement.	• Excellent health and extended benefits plans • Regular performance reviews • President and CEO's "Let's Talk" information sessions with employees • Safety intranet • "Whistle Blower" hotline • Profit-sharing incentives • Employee focus groups • Corporate newsletters • Teck intranet • Operation visits and workshops on sustainability reporting • Code of Ethics online training • Company-wide Environment, Health and Safety Committee conference for best practice sharing and learning, • Olympic "Going for Gold" Program • Empowerment and Health and Wellness Program
Governments and regulatory staff	CoIs include government regulators at local, national and international levels.	Governments are interested in a number of different aspects of our operations including proactive measures (ie: pollution prevention), meeting regulatory requirements (mainly permits and assessments), policy formation and working with host governments who are part of the Extractives Industry Transparency Initiative to disclose payments.	Involvement with local, national and international regulatory staff through regular dialogue, meetings, workshops, operation visits and conferences.
Industry associations	We are members of: commodity-specific associations, sustainability-specific associations and industry sector associations.	Industry association concerns generally relate to aspects that affect our sector, from sustainability to commodity- or economically-based topics.	Teck employees with specific expertise are members of related associations such as the International Council on Mining and Metals, the International Zinc Association and the Mining Association of Canada, among others. We participate in council meetings and provide direct input for working groups and task forces.

CoI group	Description	Interests and concerns	How we engage with them
Investment community	Comprised of shareholders, potential investors and financial analysts (both mainstream and socially-responsible investors (SRIs).	Shareholders are primarily concerned with the company's financial returns through good performance and governance. Corporate social responsibility is also a key concern, as reputational risk can significantly impact financial success. Socially-responsible investors also examine environmental, social, governance, safety performance and progress as part of their investment strategy.	We engage with numerous individuals and institutions, often acting as a resource to individual investors to provide basic shareholder information and shareholder services. We provide institutions with publicly-available operational/corporate and market information. We hold regular phone calls and meetings with investment groups and we respond to reports and questionnaires from investors who are specifically interested in the sustainability aspects of our business.
Local communities	These CoIs include residents, leaders and members of remote, rural localities where we often work.	The impacts and benefits of our operations, and in turn the interests of surrounding communities, are broad and considerable, ranging from financial to social and environmental. Community interests include economics, employment and business creation, environmental safety and health, support for social/community programs and access to information.	We engage to understand, prevent and mitigate our impacts, as well as ensure long-term benefits and success for both the local people and our company. Levels of engagement include: community and council meetings, focus groups, Operation Performance Reports, media communications, workshops, open houses, operation tours, family days, community giving and participation in other company activities. We also ensure that copies of our Sustainability Report are available and distributed in the communities in which we operate, translated into Spanish where appropriate.
Non-governmental organizations	Organizations that focus on environmental and social issues at local, regional, national and international levels.	NGOs are predominantly interested in our social and environmental performance, our sustainability values and how we demonstrably act on these values. Some are interested in our human rights record, as well as the commitments and contributions we make as a responsible corporate citizen.	We engage with NGOs through meetings, on-going dialogue, participation in workshops and programs and through the communication and follow up on our sustainability report.
Suppliers	Vendors of materials as well as energy, transportation and a range of services.	Core interests are mutually-acceptable terms and conditions for continued business relationships.	We maintain good relationships and communications with all suppliers.

Appendix B – Our Memberships, Alliances, and Resources

The concepts and tools of sustainable development are constantly evolving; therefore we regularly review and modify our sustainability strategy as new best practices and issues emerge.

Memberships

To share best practices with our peers, we maintain formal membership in the following sustainability-related organizations:

- **Business for Social Responsibility (BSR)** – BSR helps member companies integrate sustainability into their business strategy and operations through consulting, research and events. We have drawn upon BSR's extensive knowledge of the challenges and opportunities faced by the extractives industries to enable us to assess and address emerging sustainability issues.
- **Canadian Business for Social Responsibility (CBSR)** - Founded in 1995, CBSR is a non-profit, member-led organization mobilizing Canadian companies to make better-informed business decisions, improve performance and contribute to a better world. We participate in CBSR's Extractives Expert Series with other oil and gas and mining companies.
- **International Council on Mining & Metals (ICMM)** - This CEO-led initiative, formed in October 2001, represents leading international mining and metals companies. We are committed to implementing the ICMM Sustainable Development Framework.
- **Mining Association of Canada (MAC)** - Towards Sustainable Mining (TSM) is a program for improving industry performance through the alignment of actions with the priorities and values of Canadians. As a MAC member, we conducts self-audits at our Canadian operations and are subject to third-party verification audits in accordance with TSM standards for social and environmental responsibility.
- **Mining Association of British Columbia (MABC)** - MABC represents the collective needs and interests of B.C.'s mining industry, promoting its future growth and development. MABC promotes the economic and social value of mining by liaising with government, regulators and the industry. We are active in MABC committees and work with MABC members to discuss issues of common concern.
- **United Nations Global Compact (UNGC)** – UNGC provides a framework for businesses committed to aligning their operations and strategies with 10 universally-accepted principles spanning human rights, labour, the environment and anti-corruption. We became a participating company in April 2007.
- **Leadership Council of the Research Network for Business Sustainability (RNBS)** - Comprised of representatives from the federal government, non-governmental organizations and Canada's key industrial sectors, the RNBS meets annually to discuss pertinent sustainability issues. We are a corporate member representing the mining industry and work in collaboration with other Canadian industry leaders to discuss important sustainability issues.
- **Excel Partnership** - Excel concentrates on helping organizations improve business performance supported by management systems covering Quality, Environment, Health and Safety and Information Security.

Alliances

We are actively committed to working with and participating in activities related to the following organizations:

- **Extractive Industry Transparency Initiative (EITI)** – The EITI aims to strengthen governance by improving transparency and accountability in the extractives sector. We are a supporting company and disclose payments to EITI countries as required. Antamina is our only operation that is presently active with EITI. Antamina is committed to reporting official payments and taxes for review by independent auditors. Transfers to the Antamina Mining Fund are not reported here but are available on the Antamina website.

Resources and Certifications

Our sustainability report has been developed in accordance with Global Reporting Initiative (GRI) indicators as well as the 2009 Draft GRI Mining and Metals Sector Supplement. Our policies and practices are informed by the following standards, resources and certifications:

- AA1000 - AccountAbility's standards, the AA1000 Series, are principles-based standards that provide the basis for improving sustainability performance. We adhere to AA1000 standards to guide our process of sustainability reporting.
- AA1000 Stakeholder Engagement Standards - The AA1000 SES advances the right of stakeholders to be heard and an organisation's commitment to adequately respond to their concerns. We use AA1000 SES as one of several standards guiding the development of our corporate-wide stakeholder engagement program.
- Carbon Disclosure Project (CDP) - CDP provides a coordinating secretariat for institutional investors with a combined $57 trillion of assets under management. On behalf of investors, CDP obtains information on business risks and opportunities presented by climate change, as well as greenhouse gas emissions data from the world's largest companies.
- Environmental Excellence in Exploration (e3 Plus) - Developed by the Prospectors and Developers Association of Canada (PDAC), e3 Plus is a framework for responsible exploration. The framework integrates exploration with social responsibility, environmental stewardship and health and safety. We incorporated the PDAC framework into the development of our Environment, Health, Safety and Community (EHSC) Management Standards and the Social Management and Responsibility Toolkit (SMART) for Exploration.
- Greenhouse Gas (GHG) Protocol for Calculating Emissions - The GHG Protocol for emissions inventory calculations is derived from the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The Mining Association of Canada has developed worksheets for GHG calculations using these protocols. We use the MAC spreadsheets to calculate GHG emissions, ensuring that our accounting is conducted in accordance with international standards.
- Global Reporting Initiative (GRI) - The GRI pioneered what is now the world's most widely-used sustainability reporting framework, based on a balance of economic, environmental and social issues. We apply GRI's "G3 Guidelines" and the Mining and Metals Sector Supplement (2009 G3 draft version) to ensure that our sustainability report presents a complete and accurate picture of our operations.
- International Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability - IFC applies social and environmental performance standards to all projects financed by the IFC and Equator Principle Finance Institutions in order to minimize impacts on the environment and on affected communities. The Performance Standards help define our Management Standards and associated Guides and Tools.
- International Standards Organization (ISO) 14001 - The ISO 14000 environmental management standards exist to help organizations manage impacts to air, water or land. As at July 2010, 11 out of 13 operations had attained or maintained ISO 14001 certification. All remaining operations are working towards certification with the exception of operations with less than three years to closure.
- ISO 26000 – Now published in their final form, the ISO 26000 standards seek to establish common guidance on corporate social responsibility concepts, definitions and methods of evaluation for voluntary use by organizations in both developed and developing areas of the world. The standards help define our social responsibility strategies.
- Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) Initiative - has performance indicators on Tailings Management, Energy and Greenhouse Gas Management, External Outreach and Crisis Management. TSM is a strategy for improving the mining industry's performance by aligning its actions with the priorities and values of the mining industry in Canada under the guidance and advice of the Community of Interest Advisory Panel, an independent external advisory committee representing various communities

of interest. Our Canadian operations undergo annual self-verification and external verification against the performance areas every three years.

- Millennium Development Goals (MDGs) – Targeted for 2015, eight different MDGs range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education. The goals form a blueprint agreed to by all United Nations Member States and the world's leading development institutions; we use the MDGs as a guide for our sustainable development vision and have tied our community investment program to measurable progress on MDGs.
- Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises - These voluntary principles and standards for responsible business conduct address a variety of issues including: employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition and taxation. We apply the OECD Guidelines to inform our research on international best practices.
- International Labour Organization (ILO) – The ILO is a tripartite UN agency uniting member governments, employers and workers in common pursuit of social justice and internationally recognized human and labour rights. We incorporate several ILO standards (e.g. child/forced labor, indigenous and tribal peoples' issues, minimum wage, overtime and working ages) into our labour standards and practices.
- United Nations Declaration of Human Rights – 30 articles outline the view of the General Assembly on human rights for all people, which we publicly support and apply to guide our business practices. This informed the development of our Human Rights Management Standard in the Environment, Health, Safety and Community (EHSC) Management Standards.
- Voluntary Principles on Security and Human Rights - These Voluntary Principles assist companies in maintaining the safety and security of their operations within a framework that ensures respect for human rights. Teck ensures that all security personnel have appropriate training and apply the Voluntary Principles.

Appendix C – Greenhouse Gas Emissions and Conversion Factors for Fuel

	CO_2	CH_4	N_2O	GJ
Diesel	2.663 kg/L	0.133g/L	0.4 g/L	38.68 GJ/m^3
Gasoline	2.289 kg/L	2.7 g/L	0.05 g/L	34.66 GJ/m^3
Natural gas	1.916 kg/m^3	0.037 g/m^3	0.033g/m^3	0.03723 GJ/m^3
Propane	1.51 kg/L	0.024 g/L	0.108 g/L	25.53 GJ/m^3
Light Fuel Oil	2.725 kg/L	0.006 g/L	0.031 g/L	38.68 GJ/m^3
Coal	2.07 kg/kg	0.03 g/kg	0.02 g/kg	27.7 GJ/t
Coke	2.48 kg/kg	0.03 g/kg	0.02 g/kg	28.83 GJ/t

Emissions Factors Source: Environment Canada National Inventory Report on Greenhouse Gases and Sinks, 1990-2007

Conversion Factors Source: Mining Association of Canada Greenhouse Gas Emissions Data Sheet

Glossary

Aquifer[9]: an underground geological formation that contains sufficient permeable material from which significant quantities of groundwater can be extracted. The material can consist of water-bearing permeable rock or other materials such as gravel, sand, silt or clay.

Area of Influence: The geographic space within which change, both real and perceived, takes place that is the direct or indirect consequence of development or operation of a project.

Artisanal Mining (Small-Scale Mining)[10]: A form of subsistence mining which is generally labour intenstive rather than capital and mechanization intensive. Artisanal mining is a source of direct or indirect livelihood for over 100 million people in the developing world. It is a component of the local economy, while often occurring outside regulatory frameworks and conducted in poor and unsafe working conditions. Challenges associated with artisanal mining include issues of security, human rights and environmental, health and safety practices.

Biodiversity: Short for "biological diversity", the concepts of biodiversity include the variety of living organisms, genetic diversity, habitat diversity and the processes that create and sustain variation in the environment. Different species –plant, animal, fungal and microbial—interact with each other in a variety of ecological processes to form ecosystems. Biodiversity is valuable because the combination of a diversity of life forms has made Earth a uniquely habitable place for humans; it sustains human livelihoods and life itself.

Cap and Trade System: A mechanism designed to limit and reduce greenhouse gas emissions by setting a decreasing limit on their emissions (the "Cap") and then allowing entities within the system to trade their excess/debt in order to meet the overall reduction target.

Carbon Accounting: The practice of measuring and quantifying greenhouse gas emissions, accounting for both emitting sources (e.g. fossil fuel combustion) and "sinks" which remove greenhouse gases from the atmosphere (e.g. forests).

Carbon Dioxide Equivalents (CO_2e): A unit of measure that converts different greenhouse gases (GHG) into their carbon dioxide equivalent. This allows easier comparison of GHG emissions by using carbon dioxide as a standard unit of reference.[11]

Carbon Sequestration: The practice of capturing and storing carbon for long periods of time.

Charter of Corporate Responsibility: A set of principles related to business ethics, environment, safety, health and community that governs all operating practices and provides the overarching sustainability governance commitments.

Closure Plan: A plan for a specific facility to establish procedures for the closure of the site. A closure plan is usually required in order to be issued an operating license and typically lays out a timetable for remediation stages, a re-vegetation or soil stabilization program and proposals for post-closure monitoring, maintenance and use.

Code of Ethics: sets out the company's dedication to upholding high moral and ethical standards and specifies basic business conduct and behavior.

Code of Sustainable Conduct: outlines our commitments to sustainable development.

Community Investment: A voluntary action or contribution by a company, beyond the scope of their normal business operations, intended to benefit local communities in their area of operation.

Communities of Interest (CoIs): Any person or group of people that may be affected positively or negatively by the financial, environmental (including health and safety) and social aspects of our operations or projects and those who have an interest in, or have the ability to influence our activities. These include: academic and thought leaders, employees, governments and regulatory staff, Indigenous Peoples, industry associations, investment communities, local communities, non-governmental organizations, peers and business partners and suppliers. Please see *Appendix B* for more information.

[9] Source: http://www.eoearth.org/article/Aquifer
[10] Source: http://www.icmm.com/page/37364/artisanal-and-small-scale-mining
[11] Source: http://www.skepticalscience.com/Carbon-dioxide-equivalents.html

Corporate Environment and Risk Management Committee (CERMC): A senior management committee that, among other things, sets priorities and direction for Environment, Health, Safety and Community programs, tracks performances and measures results.

Cost of Carbon: The shadow price of carbon (SPC) is used to value the increase or decrease in emissions of greenhouse gas emissions resulting from a proposed policy. Put simply, the SPC captures ("prices") the damage costs of climate change caused by each additional tonne of greenhouse gas emitted, expressed as carbon dioxide equivalent (CO_2e) for ease of comparison.

Cyanide: A chemical species containing carbon and nitrogen used to dissolve gold and silver from ore. In cyanidation, exposed gold or silver grains from crushed or ground ore are extracted by dissolving it in a weak cyanide solution. This process may be carried out in tanks inside a mill or outside in heaps.

Direct Energy Use: The consumption of primary energy sources owned or controlled by Teck.

Environmental, Health, Safety and Community Management Standards (EHSC MS): Established in 2002, the EHSC MS are a set of 20 standards which guide our commitments towards environment, health, safety and community. They are established and maintained at both the corporate and operational levels. We are committed to ensuring that the intentions of the Policy are fulfilled.

Engagement: A process of contact, dialogue and interaction that ensures all parties of interest are informed and participating in decisions that affect their future.

Environmental Management System (EMS): Framework developed by an organization to help improve its environmental performance by taking environmental considerations into account when making decisions and managing risks.

Greenhouse Gases (GHG): Gases in an atmosphere that absorb and emit radiation within the thermal infrared range. This process is the fundamental cause of the greenhouse effect. The major greenhouse gases accounted for within this report and as identified under the Kyoto Protocol are carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6).

Grievance/Feedback Mechanism: A process which allows us to receive, and effectively organize our response to, feedback from Communities of Interest (CoIs) on matters of interest to them related to our operation or project. These may be questions, issues, ideas, concerns or complaints from CoIs.

Global Reporting Initiative (GRI): [12] The world's most widely used sustainability reporting framework, consisting of principles and indicators to measure and report on an organization's economic, environmental and social performance. Teck uses the third generation GRI Guidelines, known as the G3 Guidelines, for this report.

Hydrometallurgy: Part of the field of extractive metallurgy involving the use of aqueous chemistry for the recovery of metals from ores, concentrates and recycled or residual materials.

Human Rights: Human rights refer to the concept of human beings having universal rights, or status, regardless of legal jurisdiction or other localizing factors, such as ethnicity, nationality and sex. Human rights covers many issues relevant to a mining company, including health and safety, discrimination, poverty alleviation, indigenous rights, access to natural resources and human health. As such, companies have the potential to affect human rights through their relationship to employees, the environment and communities.

Indigenous Peoples: Cultural groups and their descendants who have a historical association with and continuity in a particular region or part of a region. They have a cultural identity, and as minorities may be vulnerable to current social and economic systems. Indigenous Peoples is the globally used term and Aboriginal People is the term used in Canada. There are three Aboriginal groups in Canada: First Nations, Inuit and Metis. Indigenous Peoples are one of our Communities of Interest (CoIs).

Indirect Economic Impacts: As defined by the GRI Economic Indicator Protocols Set, they are the result, often non-monetary, of direct economic impacts (the transactions between the organization and its stakeholders).

[12] Source: http://www.globalreporting.org/AboutGRI/WhatIsGRI/

Indirect Energy Use: The energy used by Teck but generated by sources owned and controlled by another company (imported electricity, heat or steam).

Impact (in terms of Environment, health safety and community): Any change to the environment or to the health, safety and well-being of people, whether adverse or beneficial, wholly or partially resulting from Teck's activities or products.

ISO 14000: A management tool enabling an organization of any size or type to: identify and control the environmental impact of its activities, products or services; improve its environmental performance continually; and implement a systematic approach to setting environmental objectives and targets, to achieving these and to demonstrating that they have been achieved.

ISO 14001[13]: Provides a framework for a strategic approach to an organization's environmental policy plans and actions, outlining the requirements for environmental management systems which are environmentally sustainable.

Life-cycle Analysis: A full assessment of a product's lifespan, from mining the product to process and function, sales and distribution and end of life management.

Lost Time Injury: An injury where the individual cannot perform his/her duties on the day following the initial date of the injury. Lost time is days lost beyond the day of the injury.

Materiality: For the purposes of this report, we regard materiality as information that has the potential to influence the perception of Communities of Interest (CoIs) and more specifically those who intend to make decisions and assessments about our commitment to sustainability. Materiality, in this context, is the threshold at which an issue or indicator becomes sufficiently important that it should be reported.

Non-Governmental Organization (NGO): A non-profit group largely funded by private contributions and operating outside of institutionalized government or political structures. NGOs focus on environmental and social issues at local, regional, national and international levels.

The National Pollutant Release Inventory (NPRI): Canada's legislated, publicly-accessible inventory of pollutants released, disposed of and sent for recycling by facilities across the country.

OHSAS 18001: An Occupational Health and Safety Assessment Series for health and safety management systems.

Oil Sands[14]: An unconventional petroleum deposit, where the sands contain a mixture of water, clay, sand and a dense form of petroleum called bitumen. Bitumen is processed and upgraded to resemble light crude oil. Surface mining removes bitumen deposits close to the surface and in situ production recovers underground deposits.

Product Stewardship Committee: A committee composed of corporate officers and senior managers, who assess risks associated with the production, transport, handling, sale and stewardship of products and materials. The Committee monitors conformance to legal and regulatory requirements, company policies and sound management practices.

Reclamation: The restoration of a site after mining or exploration activity is completed. Reclamation initiatives are used to create diverse environments that are similar to the pre-mining landscape which will be attractive to a variety of wildlife species and function in ways that will sustain biodiversity over time. Developing an inventory of animals using reclaimed sites is an important first step towards understanding wildlife responses to reclamation efforts.

Safety and Health Policy: Fortifies a corporate commitment to providing leadership and resources for entrenching core values of safety and health.

Safety and Sustainability Committee: A committee of the Board of Directors that oversees management's implementation of safety and sustainability practices throughout our company.

[13] Source: http://www.iso.org/iso/iso_catalogue/management_standards/iso_9000_iso_14000/iso_14000_essentials.htm
[14] Source: http://www.canadasoilsands.ca/en/overview/index.aspx

Severity: A measure of safety performance that illustrates the number of days lost due to injuries. Severity is a frequency measure based on every 200,000 hours worked and is calculated as follows:

$$\text{Severity} = \frac{\text{\# of days missed due to lost-time injuries X 200,000}}{\text{actual \# hours worked}}$$

A fatality is defined as 6,000 days lost.

Site/Project: Teck's planned, existing or dormant assets across all phases in the project cycle from pre-scoping through operations to closure and beyond.

Social and Environmental Impact Assessment (SEIA): An assessment of a project's likely significant positive and negative impacts, in quantitative terms to the extent possible. The SEIA examines global, cumulative impacts, as appropriate. Impact assessment includes baseline data, alternatives analysis and management program evaluation.

Social License to Operate[15]: The on-going approval and broad social acceptance of an organization's activities. Gaining a social license to operate involves establishing legitimacy, credibility and trust in order to gain acceptance of our activities. A social license to operate is granted by Communities of Interest (CoIs) on a site or operation-specific basis.

Social Management: A management approach which identifies and manages social impacts, which are any positive or adverse consequences experienced by Communities of Interest (CoIs) resulting from the existence of or changes to a project or operation. Aspects of social management include our practices, capacity building, structures and systems.

Socially Responsible Investing (SRI): An investment strategy which assesses an organization's financial, environmental, social and governance performance.

Sustainability[16]: Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

Tailings: Material rejected from a mill after the recoverable valuable minerals have been extracted.

Tailings Impoundment: The area consisting of a tailings pond and the corresponding retaining structure containing the pond.

Tailings Pond: A low-lying depression used to confine tailings, the prime function of which is to allow enough time for heavy metals to settle out or for cyanide (used in dissolving gold and silver from ore) to be destroyed before water is discharged into the local watershed. A tailings impoundment consists of the tailings pond and the dam.

Total Recordable Injury Frequency (TRIF): A key measure of safety performance that demonstrates the total number of recordable injuries per 200,000 hours worked. Recordable Injuries include fatalities, lost-time injuries and injuries requiring medical aid. The types of incidents that are not included in the TRIF calculation include first aid injuries, high potential incidents, non-injury property damage or non-injury mobile equipment events. TRIF is calculated as follows:

$$\text{TRIF} = \frac{\text{(\# of medical aid injuries + \# of lost time injuries + \# of fatal injuries) x 200,000}}{\text{Total \# of hours worked}}$$

The factor 200,000 is derived from the average number of hours worked by 100 people in a 1 year period (50 working weeks * 40 hours per week * 100 people). This factor is frequently used in North America.

Toxics Release Inventory (TRI): A publicly available US Environmental Protection Agency database that contains information on toxic chemical releases and waste management activities reported annually by certain industries as well as federal facilities.

Universal Declaration of Human Rights (UDHR): A declaration adopted by the United Nations General Assembly, describing the human rights guaranteed to all people.

[15] Source: http://socialicense.com/definition.html
[16] Source: The World Commission on Environment and Development (Bruntland Commission), 1987.

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