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# 2010 Sustainability Report

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**Teck**

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Reclaimed lands at our Cardinal River  
Operations in Alberta.

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# Overview

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## About Our Report

2010 marks our tenth year of annual reporting on our sustainability issues, our approach to managing these issues and our performance. Our [2010 Annual Report](#) and 2010 financial statements provide further detail on economic and operating information.

### Audience

Throughout this report you will see references to our communities of interest (COIs). COIs are any individuals 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 report is broad and includes our communities of interest, including our shareholders and investment communities, employees, academic leaders, government and regulatory staff, Indigenous Peoples, industry associations, local communities, non-governmental organizations, peers, business partners, suppliers and contractors.

### Report Format

This is our full Sustainability Report, which provides in-depth 2010 performance data on each of our key sustainability areas. It is available as a PDF on our website or on our [2010 Sustainability Report website](#). Full details of the scope and Global Reporting Initiative application level for this report are found in the sections that follow.

Our 2010 Sustainability Review, available in hard copy and as a PDF on our website, highlights our commitment to integrating sustainability into our core business strategy. In 2010 we convened the Sustainability Working Group (SWG), a group of employees from across the company, including operations, human resources, environment, communications and more. This group, supported by our Sustainability and External Affairs department, played a pivotal role in our sustainability strategy development. Our 2010 Sustainability Review focuses on the work of this group. It provides an overview of the key sustainability issues we face, as well as our vision, goals and direction for managing some of the greatest challenges in our industry.

### Scope

This report covers all operations under Teck's direct control. Where appropriate, we also include the Antamina Mine in Peru, in which we have a 22.5% interest. In the Performance Overview table on [pages 72-73](#), the safety statistics include Antamina Mine's data. Senior Teck management sit on Antamina's Board and relevant committees, and monitor Antamina's compliance with the standards set by our codes and policies. When appropriate, we also provide information on other business functions such as exploration, project development and technology activities.

### Data

This report discloses sustainability data for the year ended December 31, 2010. Information relating to subsequent periods that is determined to be material may also be included. Comparative historical data is included, where available, to demonstrate trends in certain indicators. Consolidated data in our report is from all operations under Teck's direct control. Where appropriate, we also include data and commentary from Antamina, such as critical safety incidents. We report data on a 100% ownership basis, unless otherwise stated. All of our operations provide data through our centralized database. Projects and exploration activities also provide some data; this is reported where appropriate. The data is reviewed for completeness and accuracy at the operations level and at the corporate office. The consolidated data for key parameters can be found in our Performance Overview on [pages 72-73](#).

Some historical data has been restated due to changes in ownership, closure of certain operations, changes in calculation methodologies to improve accuracy, or to correct previous errors in recording or calculating data. Unless otherwise noted, our 2010 performance data uses the metric system and Canadian dollars.

### GRI Application Level and the International Council on Mining and Metals

This report is prepared in accordance with the [Global Reporting Initiative \(GRI\) Sustainability Reporting Third Generation \(G3\) Guidelines](#). 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 guided the development of this report. This report meets application level A+ of the GRI, including the Mining and Metals Sector Supplement. The GRI Finder can be found on [pages 77-82](#).

We are members of the International Council on Mining and Metals (ICMM) and are committed to implementing the ICMM Sustainable Development Framework. We have incorporated elements of that framework in our external review criteria, providing an independent analysis of our work towards meeting the ICMM commitments.

### Changes to Reporting

There were no acquisitions or sales in 2010 that affected our reporting scope.

### Assurance

Deloitte & Touche LLP independently reviewed our application of the GRI G3 Guidelines and the alignment of our practices with the ICMM 10 Sustainable Development Principles, guided by the [ICMM Assurance Framework](#). See the signed assurance letter on [pages 75-76](#).

For more information, please contact us at [sustainability@teck.com](mailto:sustainability@teck.com).

## Message From Our CEO

### Ten Years of Sustainability Reporting

Our first Sustainability Report was published 10 years ago. However, with over 100 years of operating experience, the seed of sustainability was planted much earlier at Teck. Today, sustainability is deeply rooted in our company, and we continue to push ourselves to further embed sustainability into our culture.

With 10 years of sustainability reporting behind us, 2010 marks a natural point in time to reflect on the progress we have made and where we can improve on our sustainability performance. At Teck, sustainability is about considering people, communities and the environment, now and in the future, in every decision we make.

In our first report, the message was simple: sustainability matters. And while much has changed in the world and across our company since that time, this simple truth has not. Sustainability matters – to our employees, our shareholders and the communities where we live and operate.

The 2001 Sustainability Report was the result of our commitment to the then newly adopted Charter of Corporate Responsibility. The same Charter still guides us today. Also guiding our approach is our participation in sustainability-focused associations, including the International Council on Mining and Metals and its 10 Sustainable Development Principles, and the Mining Association of Canada's Towards Sustainable Mining initiative, which we have applied across all our operations.

Since 2001, Teck has experienced tremendous growth – through investment and the employment of thousands of people – which brings both new challenges and new opportunities to our sustainability efforts.

To examine these challenges, in 2010 we established a Sustainability Working Group, composed of employees from across the company, to gain a better understanding of our long-term sustainability challenges and opportunities. This group evaluated the most significant challenges and opportunities facing our company and identified six key areas on which we would focus our sustainability strategy: Community, Water, Ecosystems and Biodiversity, Energy and Climate Change, Materials Stewardship, and Our People.

### Community

Our efforts to develop open, honest and respectful relationships with communities continue to be the foundation for our sustainability initiatives. Aiding us in this respect is our Social Management and Responsibility toolkit, which is helping us manage social risks and monitor social performance. We have also had many experiences working collaboratively with communities. For instance, we provided the use of site infrastructure as part of a pilot solar energy project at the former Sullivan Mine in Kimberley, BC, which is allowing us to further support the transformation of Kimberley many years after the operation's closure.

### Water

We recognize that water is a precious resource and that mining processes require significant amounts of water, which can affect other water users. The success of a pipeline construction and water intake project and a water monitoring program in the Elqui region of Chile illustrate that community engagement and water stewardship can overcome these challenges.

### Ecosystems and Biodiversity

Our exploration and mining activities have the potential to affect ecosystems and biodiversity. We are committed to integrating biodiversity considerations into all stages of our business and minimizing the effects of our activities on ecosystems and biodiversity. For example, we have transformed a mined pit into a thriving trout habitat at our Cardinal River Operations and quickly completed the reclamation of our Lennard Shelf Pillara Mine in Australia.

### Energy and Climate Change

Mining is an energy-intensive business, making energy and climate change a natural focus for sustainability at Teck. In 2010, the introduction of new technologies at our operations supported our goal of continuously increasing our energy efficiency and reducing greenhouse gas emissions. For example, at Highland Valley Copper we replaced our copper concentrate dryer with a new system that uses pressure filtration technology, allowing us to switch energy sources from natural gas to hydroelectricity. We also partnered with Suncor Energy to develop the Wintering Hills wind power project in Alberta, providing us with the opportunity to develop our understanding of wind power generation and supporting our commitment to contribute to the sustainable production and use of energy.

## Materials Stewardship

Responsibly producing products is an integral part of our materials stewardship practices. More than 13,000 tonnes of e-waste and cathode ray tube (CRT) glass – or over 1,300 truckloads of material – were processed at our Trail Operations in 2010. Trail Operations recycles post-consumer e-waste and CRT glass found in old television sets. This urban ore is received from recycling depots in BC and suppliers across Western Canada.

## Our People

As always, the safety of our people is a top priority. In 2010, we continued training new employees and contractors in Courageous Safety Leadership (CSL), a safety philosophy based on “Everyone Going Home Safe and Healthy Every Day”. These individuals join the more than 12,000 Teck employees and contractors already trained in CSL. We also launched the visible, felt leadership program, among other initiatives, to actively engage all employees to adopt safety – their own and that of others – as a core value.

We believe we can operate without fatalities or serious injury. Despite this belief and our best efforts, I am saddened to report that we did have one fatality at our Carmen de Andacollo operation during 2010. This is an unhappy reminder that we must renew our safety commitments every day.

## Commitment to Sustainability

In 2011, we were invited to be members of the United Nations Global Compact (UNGC) LEAD, a sustainability leadership platform with some 50 participant companies from around the world committed to achieving higher levels of sustainability performance, impact and collective action. We are committed to improving our sustainability performance and increasing collaboration. Actions we will take as a member of Global Compact LEAD will include participating in regular symposiums and reporting on our progress towards implementing the UNGC Blueprint, a model for corporate sustainability leadership.

As one of the world’s largest producers of zinc, we recognize the role we can play in finding solutions to the global issue of zinc deficiency in humans and in soils. Throughout 2010, we worked with the international community to develop zinc treatment and zinc nutritional programs that help save and sustain the lives of children in developing countries. Organizations we are working with include the International Zinc Association, UNICEF, the Micronutrient Initiative, the Government of Canada and others.

We were honoured to provide the gold, silver and copper used to produce the medals awarded at the Vancouver 2010 Olympic and Paralympic Winter Games. By incorporating recycled metal into the medals, we sent a message to a global audience that the life of our products extends far beyond their original use. We will continue our efforts to create awareness of the importance of metals and recycling with our commitment to supply metals for the medals awarded in amateur sport in Canada’s Summer and Winter Games.

## Outlook

Our overall performance in sustainability was highlighted in 2010 with our appointment to the Dow Jones Sustainability World Index, indicating that our sustainability practices rank in the top 10% of companies in the resource industry worldwide. This appointment helps to confirm that we are doing the right things. However, we will not rest on our laurels. We will continually strive to do better.

With over a century of operating experience behind us, we have learned many valuable lessons – some of them learned the hard way – and we will continue to apply these lessons and our own core values to the decisions we make as we move forward, keeping in mind the generations still to come.

This 2010 Sustainability Report highlights our vision and goals for sustainability – but it is only the beginning. We rely on people to deliver our commitments to sustainability and I would like to thank the many people at Teck who work each day to ensure we move closer to our sustainability goals. We are committed to engaging our communities of interest in our journey toward a future where we leave every community touched by our operations better than we found it.



**Donald R. Lindsay**

President and Chief Executive Officer

## Legend

- Teck customers
- Copper
- Steelmaking coal
- Zinc
- Energy
- Corporate office
- Exploration office
- Technology office
- Marketing office



## Operations

- 01 Carmen de Andacollo
- 02 Antamina
- 03 Duck Pond
- 04 Coal Sites in BC and Alberta
- 05 Highland Valley Copper
- 06 Pend Oreille
- 07 Quebrada Blanca
- 08 Red Dog
- 09 Trail

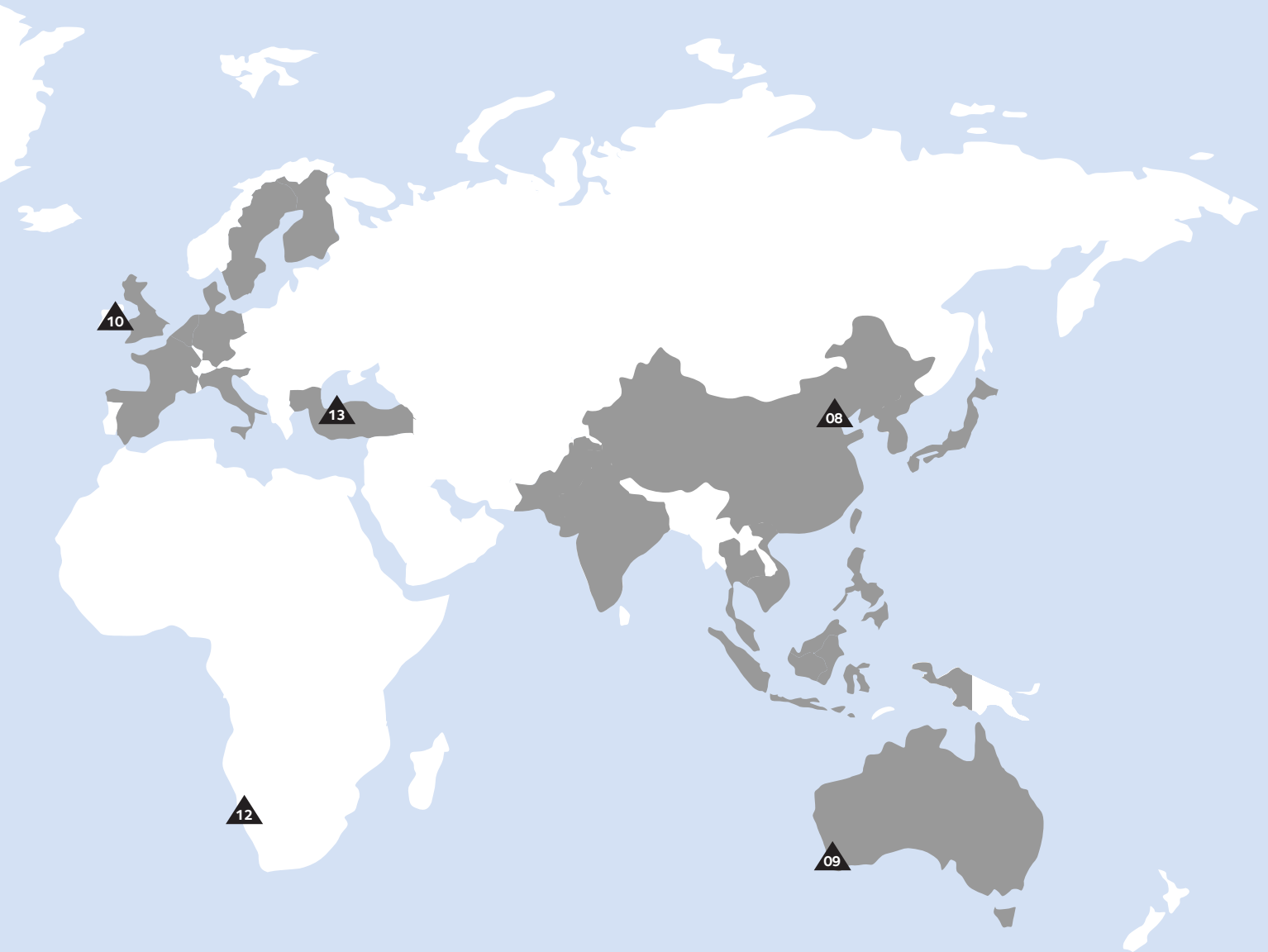
## Projects

- 10 Fort Hills
- 11 Galore Creek
- 12 Mesaba
- 13 Relincho
- 14 Wintaring Hills
- 15 Quintette
- 16 Frontier
- 17 Equinox

## Global Offices

- 01 Vancouver, British Columbia\*\*
- 02 Calgary, Alberta+
- 03 Santiago, Chile\*\*
- 04 Toronto, Ontario+◇
- 05 Spokane, Washington+◇
- 06 Anchorage, Alaska+
- 07 Lima, Peru\*
- 08 Beijing, China+
- 09 Perth, Australia\*
- 10 Wicklow, Ireland\*
- 11 Guadalajara, Mexico\*
- 12 Windhoek, Namibia\*
- 13 Ankara, Turkey\*
- 14 Richmond, British Columbia□
- 15 Trail, British Columbia□





## About Teck and Our Operations

Teck is a diversified resource company committed to responsible mining and mineral development with business units focused on copper, steelmaking coal, zinc and energy. We are also a significant producer of specialty metals such as germanium and indium.

We are actively exploring for copper, zinc and gold in the Americas, Asia Pacific, Europe and Africa.

We are headquartered in Vancouver, Canada. We own, or have an interest in, 13 mines in Canada, the US, Chile and Peru, as well as one metallurgical complex in Canada. We have expertise across a wide range of activities related to mining and minerals processing including exploration, development, smelting, refining, safety, environmental protection, product stewardship, recycling and research.

# The Cycle of Mineral Use in a Sustainable Society

The mining industry has an important role to play in a sustainable society.

We need minerals and natural resources to live – for food, water, shelter, clothing and the pursuit of a better quality of life.

Ensuring that minerals are produced and delivered in a responsible way allows us to play a positive role in our society's transition to a sustainable future.

## A Sustainable Society

A world where people have the opportunity to meet their basic needs and improve their quality of life, in harmony with natural systems – air, water, land – for many generations to come.



### Legend

Society



Teck

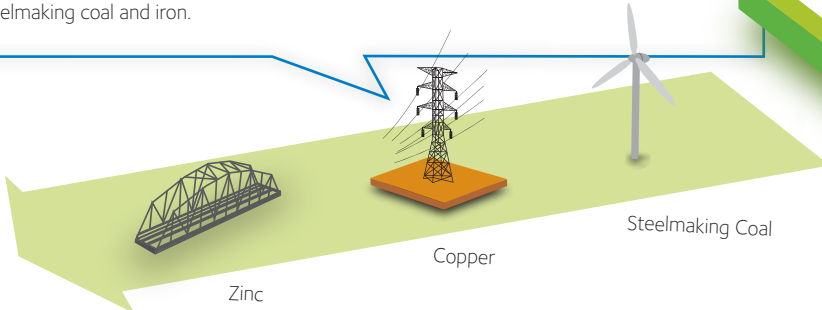
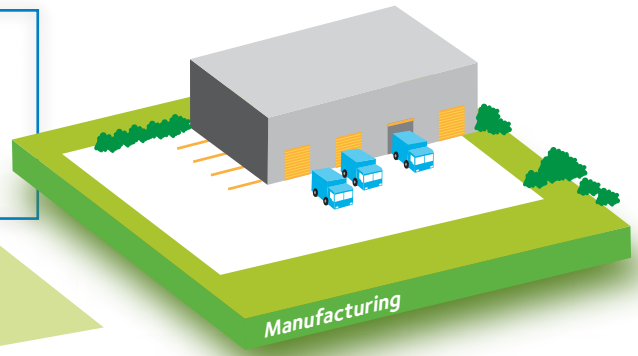


## The Mining Life Cycle



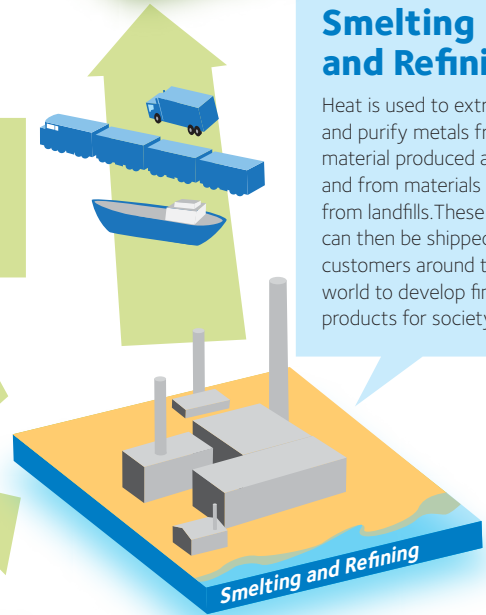
## Delivering Value

Products of mining are essential to improving the quality of life for societies around the world. Manufactured metal products include copper wires to supply electricity, zinc-coated steel to protect vehicles from rust, and wind turbines made from steelmaking coal and iron.



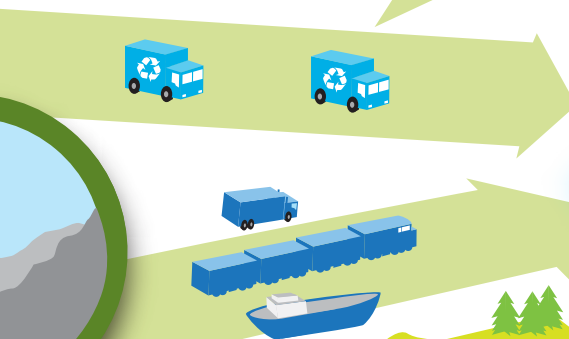
## Smelting and Refining

Heat is used to extract and purify metals from material produced at mines and from materials diverted from landfills. These metals can then be shipped to customers around the world to develop finished products for society.



## Recycling Loop

Metals can be 100% recyclable. After they are used by society, they can be recycled at smelters. Recycling reduces waste and increases the lifespan of mineral products.



## Economic Performance and Contributions

We are committed to creating value for our communities of interest while continuously improving our performance as a good corporate citizen, as outlined in our Charter of Corporate Responsibility. Our Code of Sustainable Conduct outlines guiding principles governing our sustainable economic performance, including:

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

Our 2010 net earnings were \$1.975 billion. More information on our financial performance is available in our [2010 Annual Report](#) and our 2010 financial statements.

We contribute to the wealth and prosperity of our communities of interest (COIs) at local, national and global levels through tax and royalty payments, direct and indirect employment and the creation of broader economic opportunities. This is defined by the GRI as direct economic value generated, distributed and retained. The tables to the right illustrate how we create wealth for COIs according to these GRI-defined criteria. Note that we do not currently publicly disclose employee wages and benefits, as it is not part of the Canadian financial reporting standards that we comply with. However, we will be moving towards international financial reporting standards in 2011, where we will look into the possibility of reporting on wages and benefits.

**Table 1: Economic Value Generated and Distributed in 2010  
(CDN\$ in millions)**

	2010	2009	2008
<b>Economic Value Generated</b>			
Revenue <sup>(1)</sup>	\$ 9,339	\$ 7,674	\$ 6,655
<b>Economic Value Distributed</b>			
Operating Costs <sup>(2)</sup>			
Payments to providers of capital	\$ 5,184	\$ 4,248	\$ 4,091
Dividends paid per statement of cash flows	\$ 118	\$ –	\$ 442
Interest paid	\$ 533	\$ 585	\$ 135
Income and Resource Taxes paid (recovered) <sup>(3)</sup>	\$ 612	\$ (594)	\$ 645
Community Investments <sup>(4)</sup>	\$ 20	\$ 16	\$ 15
	<b>\$ 6,467</b>	<b>\$ 4,255</b>	<b>\$ 5,328</b>
<b>Economic Value Retained</b>	<b>\$ 2,872</b>	<b>\$ 3,419</b>	<b>\$ 1,327</b>

(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.

(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 primarily due to tax benefits resulting from our acquisition of Fording Canadian Coal Trust's assets in October 2008.

(4) We define community investments as a voluntary action or contribution beyond the scope of our normal business operations.

**Table 2: Income and Resource Taxes Paid by Country  
(CDN\$ in millions)**

	2010	2009	2008
Canada	\$ 251	\$ (699)	\$ 277
US	139	27	76
Peru	113	76	180
Chile	109	2	112
	<b>\$ 612</b>	<b>\$ (594)</b>	<b>\$ 45</b>

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# Our Approach

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## Sustainability at Teck

### Our Strategy for Sustainability

Over our long history, we have developed a strong approach to managing sustainability, guided by our commitments to external sustainability-related initiatives and our Environment, Health, Safety and Community Management Standards. We have managed sustainability issues through both company-wide policy and assurance programs and locally-adapted, operation-specific measures. In recent years we have seen the need to clearly articulate our sustainability strategy and develop and communicate our vision to further embed sustainability at Teck.

We recognize that global sustainability requires long-term foresight and collaboration across society. Key trends and drivers of change continue to impact sustainability issues and action is required to transition society to a sustainable future. For example, the World Business Council for Sustainable Development has reported that 1.2 billion people live in regions experiencing water scarcity, making the efficient use of water and maintenance of water quality more important than ever. Societal expectations continue to escalate as public scrutiny over businesses and awareness of sustainability issues increases. The number of active non-governmental organizations is on the rise and telecommunication technologies continue to advance, increasing the wealth of information available to the public.

Our activities and actions today will potentially be drastically different from what we do tomorrow. Long-term planning beyond our day-to-day management of sustainability issues is required now – to accelerate progress, to manage risks and to seize opportunities. In doing so we will improve our sustainability performance, which will position us to meet future regulatory requirements, societal expectations and maintain access to resources, ensuring our company is well situated for future growth.

### Our Journey Towards Sustainability

In 2009 we began an engagement process to receive feedback from our employees and other communities of interest about how best to define and apply sustainability at Teck. We recognized that although we have developed a strong approach to managing sustainability issues, we lacked a common language and mandate for sustainability. Our communities of interest wanted to see a strong vision that responded to the challenges we face and a plan of action to get us there.

In late 2009, our President and CEO, Don Lindsay, identified leadership in sustainability as a corporate priority for 2010. Our employees are our most important source of innovation, and in 2010 we convened the Sustainability Working Group, a group of employees from across the company, including employees from operations, human resources, environment, communications and more, each bringing a unique perspective.

### Building our Sustainability Strategy

Our Sustainability Working Group (SWG) contributed to the development of our sustainability strategy by leading a strategy development process that has three main components:

- Identifying and anticipating key trends
- Envisioning a desired sustainable future
- Creating goals to bring us closer to our vision

With guidance from senior leaders and operations' employees, the SWG has led the process and met with business units and functional groups throughout the company to gain an understanding of the key issues facing us. They have also participated in three multi-day training and dialogue sessions to develop their knowledge in sustainability principles.

### Identifying and Anticipating Key Trends

The SWG conducted a scan of the key global trends emerging in our industry, including macroeconomic and commodity trends, ecological trends and constraints, and competitor- and industry-related trends. Developing a clear understanding of broader societal and ecological trends allowed us to anticipate our future operating environment. Systems thinking formed the foundation of our process, recognizing the interconnectedness of our company and the broader society and environment that we operate in. We also analyzed Teck's strengths, weaknesses, opportunities and threats to understand the implications of these trends on our business.

Some of the key long-term trends we identified include:

- Increasing community expectations
- Increasingly limited access to lands and minerals
- Increasing costs and decreasing availability of fresh water
- Increasing energy costs
- Pressure to reduce greenhouse gas emissions
- Tightening regulations for both our products and operations
- Increasing expectations to influence performance on human rights and materials stewardship across our supply chain
- Loss of biodiversity and the resulting cumulative effects on an ecosystem
- Shortages of skilled people

## Envisioning the Future

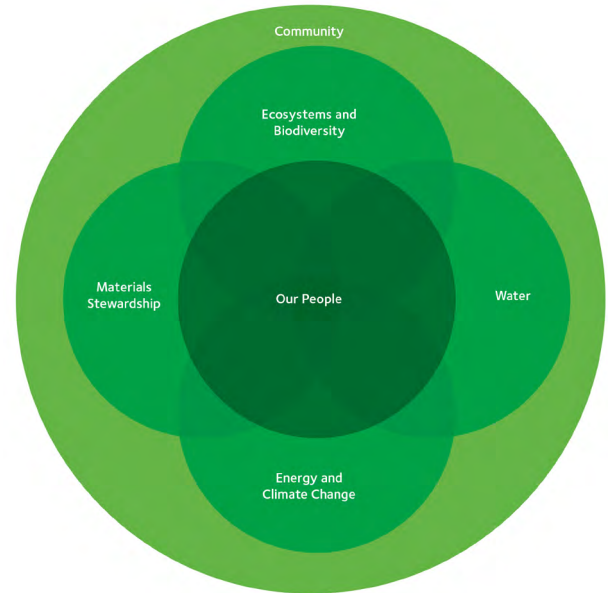
The SWG evaluated the most significant challenges and opportunities facing our company and identified six key areas to focus our sustainability strategy. They are:

- Community
- Water
- Ecosystems and Biodiversity
- Energy and Climate Change
- Materials Stewardship
- Our People

The key focus areas identified by the SWG aligned with the materiality analysis conducted by our Sustainability and External Affairs (SEA) department for our full Sustainability Report. A materiality analysis helps identify key issues that we want to communicate with our communities of interest, recognizing information that has the potential to influence the perception of communities of interest who make decisions and assessments about our commitment to sustainability. The SEA department's materiality analysis guides our sustainability reporting and represents issues that are part of our day-to-day management; more details about the SEA department's materiality analysis can be found in the material issues section on [pages 29–30](#). The key focus areas identified by the SWG represent areas of strategic importance, upon which we focus our long-term sustainability strategy. The overlap between the SEA department's materiality analysis and the key focus areas identified by the SWG validate the importance of the issues identified by the SWG.

Each focus area is deeply interconnected. For example, energy is essential to improving the standard of living for communities and there are significant social impacts for communities without access to energy. Another example is our stewardship of water, which has a direct impact on ecosystems and biodiversity. The fair allocation of water also impacts communities. Each focus area is so interconnected that there will have to be trade-offs. For example, reducing our fresh water intake may require more energy-intensive technologies. Using more energy-intensive technologies increases our need for energy, which can contribute to climate change. The effects of climate change can have impacts on ecosystems and biodiversity. Collectively, all of these choices have impacts on our people and the communities in which we operate. The community focus area is the foundation that guides us as we make these choices to build a more sustainable future. (See Figure 1).

After identifying these key focus areas, the SWG envisioned the role that we can play in society's transition to a sustainable future by building a vision for each focus area. We engaged in robust discussions about what sustainability means to us, why it is important, and how we define success. Envisioning the desired future for each focus area added clarity to where we want to be as a company and has enabled us to plan the path forward.



**Figure 1: This diagram illustrates the interconnectedness of each key focus area.**

## Creating Goals that Bring Us Closer to Our Vision

With our vision for each sustainability focus area in mind, we identified long-term and short-term goals that will bring us closer to our envisioned future.

## Vision and Goals

On the following pages we have summarized our vision and goals in a table, organized by each key focus area. We provide information on which material issues are covered within each key focus area, as well as descriptions of why each key focus area is important. These key focus areas represent the most significant challenges and opportunities facing our company. Following the Vision and Goals table is a section on the actions we plan to take in order to achieve our short-term goals.

For more information, please see our 2010 Sustainability Review, available in hard copy format and as a PDF on our website. It provides an overview of each key focus area, outlining the key trends impacting the focus area, our vision and description of success for each focus area, and the long-term and short-term goals that provide the pathway for actions to work towards our sustainability vision.



Tree planting at Line Creek Operations. We plant approximately 300,000 trees a year across all of our operations.

**Table 3: Vision and Goals**

	<b>What Material Issue is Included?</b>	<b>Why is This Focus Area Important?</b>	<b>Vision</b>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Social management</li> <li>• Distribution of economic costs and benefits</li> <li>• Human rights</li> <li>• Indigenous Peoples</li> <li>• Involving people affected by our activities</li> <li>• Sustainable community development</li> </ul>	<ul style="list-style-type: none"> <li>• Our actions have impacts on social and political structures and relationships in communities.</li> <li>• Some mines are located on the traditional lands of Indigenous Peoples.</li> <li>• Engaging honestly and transparently with our communities of interest helps achieve broad community support for our activities.</li> <li>• Maximizing community benefits helps us leave communities better off as a result of their interactions with us.</li> </ul>	<p>We collaborate with communities so they genuinely benefit in a self-defined and sustainable manner from our activities and products. Communities consider themselves better off as a result of their interactions with us and offer broad support for our efforts.</p>
<b>Water</b>	<ul style="list-style-type: none"> <li>• Water quantity, quality and allocation</li> </ul>	<ul style="list-style-type: none"> <li>• Mining processes can require significant amounts of water.</li> <li>• Water use can affect water quality, quantity and allocation, which affects other water users, including people and the environment.</li> </ul>	<p>We contribute to the ability of present and future generations to enjoy a balance between the social, economic, recreational and cultural benefits of water resources, within ecologically sustainable limits.</p>
<b>Ecosystems and Biodiversity</b>	<ul style="list-style-type: none"> <li>• Environmental management</li> <li>• Biodiversity and ecosystem impacts</li> <li>• Closed and dormant properties</li> </ul>	<ul style="list-style-type: none"> <li>• Mining has an impact on the landscape until the time that the lands are reclaimed.</li> <li>• Some mines are located in areas with high biodiversity values.</li> <li>• Minimizing impacts requires sound environmental management systems.</li> </ul>	<p>We achieve a net positive impact on biodiversity by maintaining or re-establishing self-sustaining landscapes and ecosystems that lead to viable long-term and diverse land uses in the areas in which we operate.</p>



Focus	Our Long-Term Goals: 2030	Our Short-Term Goals: 2015
<b>Social Performance Metrics</b>	Ensure social risk and performance are assessed and used to guide decision making as readily as financial and operational data.	Establish uniform measures to assess social risk and performance, and manage activities.
<b>Indigenous Peoples</b>	Be recognized for innovative and collaborative work with Indigenous Peoples.	Implement policies and frameworks to guide our interactions with Indigenous Peoples.
<b>Sustainable Community Development</b>	Be known as an innovative and values-based leader in sustainable community development.	Put processes in place to maximize community benefits and collaboration.
<b>Broad Community Support</b>	Achieve broad community support demonstrated through well-established dialogue, collaboration and engagement.	Build our internal capacity.
<b>Human Rights</b>	Be recognized for respecting and supporting human rights where we are active.	
<b>Water Quality</b>	Work within an informed understanding of ecological limits, regional issues and the collective demands on water resources at each operation to address water quality, water quantity and fair use of water: Water quality – Keep clean water clean, minimize water quality deterioration, and restore affected water resources. (“Keep clean water clean” is a water quality management strategy that avoids “dirtying” the water if possible, e.g., keeping it clean by diverting around operations.)	Establish baseline for water use intensity and water quality at current operations by 2013.  Implement measures to achieve operation-specific goals for improvements in water use intensity and water quality.
	<b>Water Quantity</b>	Water quantity – Minimize water use intensity.
<b>Water Allocation</b>	Fair use of water – Participate in water use planning in our areas of influence.	Implement Teck’s water management standard by 2013.
<b>Net Positive Impact</b>	Achieve a net positive impact on biodiversity in all regions where we operate.	Develop comprehensive biodiversity management plans including targets and actions, to minimize impacts at all operations and advanced projects, in accordance with our Biodiversity Guidance Manual and corporate standards.
	Contribute to the rehabilitation of ecosystems and biodiversity in our areas of influence.	Develop plans at our operations to offset ecosystem impacts that cannot be fully mitigated or rehabilitated, by enhancing or protecting similar habitat areas of equal or greater ecological value, in the affected regions.
<b>Biodiversity Conservation</b>	Achieve operation-specific biodiversity conservation targets, based on biodiversity baseline studies, at all operations by 2020.	Identify and implement biodiversity improvement and conservation opportunities that would seek to create a net positive impact in our areas of influence.
	Be a partner of choice through consistent and responsible environmental performance, biodiversity conservation and reclamation practices.	Enhance our contributions to biodiversity conservation knowledge.

**Table 3: Vision and Goals (continued)**

	<b>What Material Issue is Included?</b>	<b>Why is This Focus Area Important?</b>	<b>Vision</b>
<b>Energy and Climate Change</b>	<p>Energy and climate change, including:</p> <ul style="list-style-type: none"> <li>• Energy use</li> <li>• Greenhouse gas (GHG) emissions</li> <li>• Carbon regulations and economics</li> </ul>	<ul style="list-style-type: none"> <li>• Mining is an energy-intensive business.</li> <li>• Efficient energy production, use and delivery, as well as shifts towards renewable energies and technologies will be required to meet global energy demand.</li> </ul>	<p>We are a catalyst for introducing new energy and management systems that make a positive contribution to society's efficient use of energy.</p>
<b>Materials Stewardship</b>	<p>Product stewardship, including:</p> <ul style="list-style-type: none"> <li>• Process stewardship</li> <li>• Supply chain responsibility</li> <li>• Materials recovery and commercialization</li> <li>• Recycling</li> <li>• Waste management</li> </ul>	<ul style="list-style-type: none"> <li>• The products of mining are in great demand in a sustainable society.</li> <li>• Extended producer responsibility and increasing expectations are making product life cycle management increasingly important.</li> <li>• Enhancing product and process stewardship is a way to create value while minimizing our impacts.</li> </ul>	<p>We offer a range of products and services that create maximum value for society with minimal impact to people and the environment.</p>
<b>Our People</b>	<ul style="list-style-type: none"> <li>• Safety and health</li> <li>• Employee attraction, training and development</li> <li>• Labour and management relations</li> </ul>	<ul style="list-style-type: none"> <li>• The mining business can carry inherent risks that can affect the safety and health of our people and neighbouring communities.</li> <li>• Our employees have a diverse set of high value skills and many work in physically demanding environments. We must work to attract, train and develop our people.</li> </ul>	<p>We attract, retain and develop people whose passion, skills and motivation lead our journey to a successful and sustainable future.</p>

Focus	Our Long-Term Goals: 2030	Our Short-Term Goals: 2015
<b>Energy Consumption</b>	Implement projects that reduce energy consumption by a cumulative 6,000 terajoules (TJ) at existing operations.	Implement projects that reduce energy consumption by 1,000 TJ at existing operations.
		Carry out the following for our new projects: <ul style="list-style-type: none"> <li>• Conduct an analysis of currently available energy sources and evaluate opportunities to develop new energy sources.</li> <li>• Based on best practices, establish energy design criteria.</li> <li>• Complete comprehensive project energy maps to facilitate design options, identify opportunities, and determine incremental capital and operating costs for energy reduction projects.</li> </ul>
<b>Greenhouse Gases</b>	Implement a cumulative 450 kilotonnes (kt) of CO <sub>2</sub> -equivalent GHG reductions at existing operations.	Implement 75 kt of CO <sub>2</sub> -equivalent GHG reductions at existing operations.
<b>Alternative Energy Generation</b>	Develop or source a cumulative 100 megawatts (MW) of alternative (non-carbon-emitting) energy generation. This goal will be reviewed as additional projects are approved for development.	Commit to 30 MW of alternative (non-carbon-emitting) energy generation.
<p>(Note: Cumulative indicates that the long-term goals are inclusive of the respective targets in the short-term goals. The 100 MW and 30 MW alternative energy generation goals refer to average power production, not nameplate or rated capacity. For example, a wind farm with an installed capacity of 30 MW may have a capacity factor of 30% and would yield approximately 10 MW of average power production. The difference between installed capacity and average power production varies depending on the energy generation technology and available resource.)</p>		
<b>Product Stewardship</b>	Ensure that our products are selected first, or substituted last, based on their quality and the relationships we have developed with our customers and our communities of interest.	Use our materials stewardship activities to enhance our customers' use of our key products and services.
<b>Materials Stewardship</b>	Be recognized for our leadership in developing sound materials stewardship practices and policies, and in our support of appropriate regulations associated with materials stewardship.	Communicate materials stewardship throughout our company and in our business dealings with our customers, primary feed material suppliers and governments.
	Maximize the value of our products and minimize their harm through ongoing materials stewardship efforts.	Promote effective, efficient and economic metals use and recycling in the mining industry through our technology and know-how.
		Conduct life cycle assessments of key products.
<b>Process Stewardship</b>	Enhance the benefit of our materials stewardship by developing and applying select proprietary metallurgical processes that have demonstrated environmental benefits.	
<b>Safety and Health</b>	Achieve zero fatalities and injuries so that everyone goes home safe and healthy every day.	Reduce overall total reportable injuries.
<b>Employee Attraction, Training and Development</b>	Establish a high degree of respect between our people and our communities of interest so that our people are trusted to always take care of the environment, communities and each other.	Retain existing employees and skills.
		Increase employee training and development opportunities.
		Enhance recruitment programs.
		Embed sustainability principles throughout our company and ensure that they are routinely considered in decision making.

## Actions Towards Our Short-Term 2015 Goals

We have created actions that will bring us closer to achieving our short-term goals for each key focus area. These actions are listed under each short-term goal below. In future years, we will report on our progress in implementing these actions and working towards our goals.

### Community

#### 1. Establish uniform measures to assess social risk and performance and manage activities.

- Conduct social baselines, assessments and risk analyses for advanced exploration, projects and operations by 2013.
- Conduct human rights assessments for all operations by 2014.
- Fully implement our community-related Environment, Health, Safety and Community Management Standards at all operations by 2014.
- Create and implement community engagement plans for all sites.
- Ensure all mine closure plans include social considerations.

#### 2. Implement policies and frameworks to guide our interactions with Indigenous Peoples.

- Implement company-wide policies and tools related to working with Indigenous Peoples that consider the United Nations Declaration on the Rights of Indigenous Peoples.
- Track and report on relationships with Indigenous Peoples through measurable objectives.
- Set operation-specific objectives for training, employment and procurement opportunities for Indigenous Peoples, where applicable.

#### 3. Put processes in place to maximize community benefits and collaboration.

- Adopt a community investment framework by 2012.
- Develop multi-year local, strategic community investment plans at each operation by 2014.
- Implement mechanisms to ensure that communities in our areas of influence have the capacity to engage with us.
- Emphasize local employment and procurement opportunities.
- Implement community feedback mechanisms at each operation by 2013.
- Participate in locally appropriate initiatives that contribute to the socio-economic development of communities, consistent with the Millennium Development Goals.

#### 4. Build our internal capacity.

- Expand community dialogue development training for communities, key exploration and operations employees.
- Roll out our Social Management and Responsibility at Teck (SMART) toolkit and training across operations.
- Conduct training on Indigenous Peoples' rights, cultural awareness and human rights for communities staff and for key exploration, operations and management staff.

### Water

#### 1. Establish baseline for water use intensity and water quality at all current operations by 2013.

- Establish water management teams.
- Enhance existing flow monitoring systems.
- Update water balances.
- Develop comprehensive water management plans.

#### 2. Implement Teck's water management standard by 2013.

- Complete the integration of water management into our existing Environment, Health, Safety and Community Assurance programs.
- Continue to train and educate our employees on the increasing importance and value of water to our company, people and communities.
- Pursue opportunities to work with communities of interest to address broader community water issues.
- Continue to support research and technology development in water-related issues and develop strategic partnerships to help address water issues in our areas of influence.

#### 3. Implement measures to achieve operation-specific goals for improvements in water use intensity and water quality.

- Set operation-specific goals for water use intensity and water quality at all current operations by 2013.

### Ecosystems and Biodiversity

#### 1. Develop comprehensive biodiversity management plans, including targets and actions, to minimize impacts at all operations and advanced projects, in accordance with our Biodiversity Guidance Manual and corporate standards.

- Determine data requirements and measurement methods for biodiversity monitoring by 2012 at operations, projects and exploration sites.
- Inventory baseline biodiversity at each operation by 2013 through a systematic data collection program.
- Identify and evaluate operational practices to avoid and mitigate potential biodiversity impacts (such as land disturbances, air/dust emissions and water utilization).

#### 2. Develop plans at our operations to offset ecosystem impacts that cannot be fully mitigated or rehabilitated, by enhancing or protecting similar habitat areas of equal or greater ecological value in the affected regions.

- Engage with communities of interest to prioritize offset projects.
- Expand on collaborations with Indigenous Peoples, communities, governments and non-government organizations (NGOs) on biodiversity and ecosystem conservation opportunities.

### **3. Enhance our contributions to biodiversity conservation knowledge.**

- Invest in research and partnerships at a pace that is commensurate with the growth of our company.

### **4. Identify and implement biodiversity improvement and conservation opportunities that would seek to create a net positive impact in our areas of influence.**

- Continue to assess and implement the full closure and rehabilitation of our dormant mine properties on a prioritized basis.
- Identify potential opportunities and partners to contribute to the rehabilitation of ecosystems and biodiversity in our areas of influence.

## **Energy and Climate Change**

### **1. Carry out the following at our existing operations:**

- Implement projects that reduce energy consumption by 1,000 terajoules (TJ) at existing operations.
- Implement 75 kilotonnes (kt) of CO<sub>2</sub>-equivalent greenhouse gas (GHG) reductions at existing operations.

### **2. Commit to 30 megawatts (MW) of alternative (non-carbon-emitting) energy generation<sup>1</sup>.**

### **3. Carry out the following for our new projects:**

- Conduct an analysis of currently available energy sources and evaluate opportunities to develop new energy sources.
- Based on best practices, establish energy design criteria.
- Complete comprehensive project energy maps to facilitate design options, identify opportunities, and determine incremental capital and operating costs for energy reduction projects.

## **Materials Stewardship**

### **1. Conduct life cycle assessments of key products.**

- Analyze and develop an understanding of key aspects of our products, including utility, use and value, potential hazards and risks, end of use, end of life, and the value of recycling or reusing our products.
- Develop a materials stewardship framework and programs that include concentrates, intermediate products, products, by-products and coal.
- Develop metrics and scorecards on our materials stewardship performance.

### **2. Promote effective, efficient and economic metals use and recycling in the mining industry through our technology and know-how.**

- Establish new recycling programs and enhance existing programs at select operations and share best practices throughout the company.
- Build on our recycling experience at our Trail Operations (with lead, electronic materials, germanium and indium) to develop appropriate new recycling streams to supplement our primary metal and mineral businesses.
- Develop engagement programs with governments, downstream manufacturers, recyclers and users of our products to demonstrate effective and efficient use and recycling of metals in the mining industry.

### **3. Use our materials stewardship activities to enhance our customers' use of our key products and services.**

- Further develop relationships with users of minerals and metals to understand their stewardship requirements as they relate to our products.
- Implement a system to analyze the activities of our primary material suppliers and then work with those suppliers with acceptable human rights, labour, health and safety, and environmental practices, with the aim of improving the quality of our supply chain.

### **4. Communicate materials stewardship throughout our company and in our business dealings with our customers, primary feed material suppliers and governments.**

- Educate our employees on materials stewardship as a way to reduce cost and improve market access.
- Establish positions on key committees and in leading industry association groups to effect regulatory change.

## **Our People**

### **1. Reduce overall total reportable injuries<sup>2</sup>**

- Roll out subsequent phases of Courageous Safety Leadership. This includes monthly communications on safety topics and the visible, felt leadership initiative, which engages management and employees in safety discussions.
- Investigate and implement new technological advances such as simulator- and games-based training and vehicle- and fatigue-monitoring systems.

<sup>1</sup> The 30 MW goal refers to average power production, not nameplate or rated capacity. For example, a wind farm with an installed capacity of 30 MW may have a capacity factor of 30% and would yield approximately 10 MW of average power production. The difference between installed capacity and average power production varies depending on the energy generation technology and available resource.

<sup>2</sup> Reportable injuries include fatalities, lost-time injuries, and injuries requiring medical aid. We track all injuries and at the corporate level we track total reportable injuries. We aim to reduce all injuries.

## 2. Retain existing employees and skills.

- Conduct targeted employee engagement surveys to better understand employee satisfaction, and develop and implement recommendations based on survey results.
- Fully implement Building Strength with People, a program designed to engage employees and their supervisors in conversations about performance and career development.
- Roll out a phased retirement program to facilitate knowledge transfer.
- Communicate and roll out Teck's values through training and educational programs.

## 3. Increase employee training and development opportunities.

- Develop programs that create cross-training opportunities across disciplines and operations to develop the skills and experiences of our employees.
- Implement an International Assignment policy that encourages employee transfers, which will enhance leadership and skills development in our employees.

## 4. Enhance recruitment programs.

- Implement systems to enable more efficient and effective recruitment and sharing of job applications across all operations.
- Conduct research to better understand our employment value proposition with the objective of enhancing and improving our recruitment strategies.
- Develop a strategy to go beyond our traditional recruiting profile to find and attract under-represented groups – such as women and Indigenous Peoples – to our company.

## 5. Embed sustainability principles throughout our company and ensure that they are routinely considered in decision making.

- Integrate sustainability training into existing programs such as our Emerging Leaders program and Front-Line Leaders Development program – both designed to develop future leaders in our company.
- Integrate social and environmental considerations into individual employees' performance objective setting.
- Communicate sustainability principles to employees and potential new employees to enhance their awareness and involvement in sustainability.
- Enhance our culture of giving back to the community by encouraging involvement in employee-led community investment programs.

## Our Management Approach

### Sustainability Governance

Our management approach is guided by our commitments and put into practice by our Environment, Health, Safety and Community (EHSC) Management Standards. We have a strong governance, audit and management structure that continuously monitors our sustainability performance throughout the mining life cycle.

### Our Commitments

Our commitments are shaped by external sustainability-related initiatives, regulatory requirements, and internal policies and procedures that outline our approach to sustainability and sustainable development.

In a world that demands increasing transparency, accountability and collaboration, our commitments to external organizations have increased. We work to comply with all regulatory requirements, and strive to go beyond them by committing to voluntary international standards and sustainability-related initiatives such as contributing to the International Zinc Association's fertilizer and zinc supplementation program for human health. Some of our commitments to external sustainability-related initiatives include:

- The International Council on Mining and Minerals (ICMM) Sustainable Development Framework
- The International Organization for Standardization (ISO 14001)
- The Mining Association of Canada's Towards Sustainable Mining (TSM) initiative
- The United Nations Global Compact initiative, including pursuit of the Millennium Development Goals

In early 2011, our participation in the United Nations Global Compact (UNGC) extended to include Global Compact LEAD. We were one of approximately 50 companies invited to be members of Global Compact LEAD, which challenges leading companies to pave the way for new efforts aimed at improving sustainability performance to meet today's challenges in human rights, labour, the environment and anti-corruption. As a member of Global Compact LEAD, we have committed to implementing the UNGC's Blueprint for Corporate Sustainability Leadership, a model for corporate sustainability leadership developed in collaboration with a variety of stakeholders, including business, governments and civil society. Membership in Global Compact LEAD is a platform for strengthening our commitment to continuous improvement in our sustainability performance.

As part of our membership with the Mining Association of Canada, we participate in Towards Sustainable Mining (TSM). Through TSM, member companies report on their performance against indicators such as Tailings Management and Energy Use and Greenhouse Gas Management. In addition, our TSM results are evaluated and reflected in our management compensation structure. All of our Canadian operations have participated in TSM since 2008 or earlier, while our international operations committed to participate by the end of 2010, with the first results to be reported in 2012. Building on our commitment to progress in TSM, in 2011 our focus is on our TSM Improvement Plan, a strategy to develop knowledge, capacity and accountability around the TSM protocols, to identify gaps and opportunities, and to drive improvement across the company.

Our commitment to sustainability is integrated throughout our company and is embodied in the following policies, which provide a foundation and framework for our actions:

- **Charter of Corporate Responsibility** – A set of principles related to business ethics, environment, health, safety and community that governs all operating practices and provides our overarching sustainability governance commitments.
- **Code of Sustainable Conduct** – Our commitments to sustainable development, focusing on aspects such as community, environmental performance, efficiency and research.
- **Code of Ethics** – Our dedication to upholding high moral and ethical standards, specifying basic business conduct and behaviour.
- **Safety and Health Policy** – Our commitment to providing leadership and resources for entrenching core values of safety and health.

There are other codes and policies applied across the organization pertaining to governance and to economic, environmental and social performance, including:

- Health and Safety Guide for Exploration
- Competition and Anti-Trust Law Compliance Policy
- Anti-Corruption Compliance Policy and Manual
- Complaint Procedure (to address accounting, internal accounting controls or audit-related matters)
- “Doing What’s Right” Program (ethics training)
- Whistle-Blower Hotline
- EHSC Management Standards
- Corporate Disclosure Policy (to provide the public with timely, factual and accurate information on the affairs of our company, consistent with legal and regulatory requirements)
- Policy on Employee Trading (outlines restrictions on trading, on investments in companies associated with Teck, and on serving as a director of a related company, as well as conflicts of interest)

## Putting Our Commitments into Practice – Our Environment, Health, Safety and Community Management Standards

Our Environment, Health, Safety and Community (EHSC) Management Standards are a set of 21 standards that guide all our business activities and form an integral part of our decision making. They outline how we put our commitments into practice. For example, they include our requirements for general management processes such as planning, training and contractor management, and management processes that relate to a particular aspect of our activities such as water, human rights, and community and Indigenous Peoples. These standards are reviewed annually by our Corporate Environment and Risk Management Committee (CERMC), a senior management committee that, among other things, sets priorities and direction for EHSC programs, tracks performance and measures results. This ensures that the standards fully reflect the expectations of society at large and our external commitments.

### EHSC Audit and Evaluation Program

We manage EHSC risks by integrating EHSC considerations into our business processes and decision making. Our four-step management-driven system includes:

- Application of EHSC Management Standards into all life phases of our operations.
- An audit and assessment process designed to evaluate operations according to our policies, management standards, permits and legal requirements. The process also identifies best management practices, which determine gaps and opportunities for improvement.
- Planning, decision-making and implementation processes that link to existing business systems.
- Management review and improvement appraisals.

Our stage gate process is designed to ensure that projects only proceed when they pass an extensive set of checks and balances at each stage of their development. This process is one way we integrate our EHSC Management Standards into our business. It helps us ensure that each phase of a project complies with our company policies and with EHSC Management Standards.

Internal and external audits and reviews, led by certified auditing professionals, highlight any material deficiencies or identified risks that could significantly impact our business activities from a social, safety and environmental responsibility perspective. Operating facilities then develop and implement action plans to address each audit finding. Progress on these action plans is assessed in mid-term reviews and reported quarterly to CERMC.

In our decision-making processes, 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.

In 2010, the following operations underwent a third-party audit to assess EHS regulatory compliance:

- Cardinal River Operations
- Greenhills Operations
- Carmen de Andacollo
- Red Dog Operations
- Trail Operations

The following operations underwent third-party ISO 14001 certification audits:

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

### External Certification of ISO Management Systems

Since 2002, we have worked towards external certification of our environmental management systems, conforming to the internationally recognized ISO 14001 Standard, which requires external verification through audits. This certification is recognized worldwide as the international standard for environmental management systems. To date, 11 of our 14 operations have attained or maintained ISO 14001 certification<sup>3</sup>:

- Antamina Mine, Peru, certified since 2009
- Cardinal River Operations, BC, certified since 2010
- Coal Mountain Operations, Alberta, certified since 2005
- Duck Pond Operations, Newfoundland, certified in 2011
- Elkview Operations, BC, certified since 2010
- Fording River Operations, BC, certified since 2001
- Greenhills Operations, BC, certified since 2005
- Highland Valley Copper, BC, certified since 2010
- Line Creek Operations, BC, certified since 2008
- Red Dog Operations, Alaska, certified since 2004
- Trail Operations, BC, certified since 2005

All remaining operations are working towards certification, with the exception of operations with less than three years to closure.

### Our Sustainability Governance and Management Structure

In addition to CERMC, our Board of Directors has a Safety and Sustainability Committee (SSC) that monitors our environmental, social and safety performance and reports to the Board with recommendations for action as required.

Our Senior Vice President of Sustainability and External Affairs is responsible for sustainability, safety, environment, investor relations, communications, government relations and community affairs. Among the direct reports to the Senior Vice President of Sustainability and External Affairs are the:

- 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 sustainability reporting.
- Vice President of Health and Safety Leadership, who provides strategic guidance in the development of a culture of safety and assists with the development and monitoring of health and safety programs.

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

In addition, the Vice President of Environment and Public Affairs for Teck American has responsibility for oversight of sustainability for activities in the US and leads the environment and community engagement dimension for new projects and dormant properties in the US. Our Vice President of Human Resources is responsible for Teck's human resources management, which includes labour and employee aspects from the GRI Guidelines such as employee retention and attraction.

General Managers at each of our operations are accountable for operation-specific EHSC management systems, conformance and certification to ISO 14001 where applicable, and for continual progress towards annual environmental and safety management targets and long-term goals. Each General Manager reports to either a Vice President or a Senior Vice President.

### Environmental Management

We are committed to designing and implementing strong and effective environmental management systems wherever we operate, and complying with environmental legislation while mitigating our impacts.

Our overall environmental management practices, structure and systems include an environmental audit program that helps drive continual improvement and ensures compliance with environmental regulations. More information on external certification of our environmental management systems to ISO 14001 and on our corporate audit program is available on [pages 19-20](#).

<sup>3</sup> Our 2011 Management Proxy Circular reports that 10 of our 13 operations attained or maintained ISO 14001 certification at the end of 2010; the total count of operations did not include Pend Oreille, which is currently not operating and is not certified, and it did not count Duck Pond Operations as ISO certified, which occurred in 2011.



We compile air, water, terrestrial and biological data to assess environmental conditions and evaluate our performance with respect to permit conditions and other regulatory and voluntary requirements. Operations collect data, monitor performance and 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 greenhouse gas (GHG) emissions
- Material use and recycling information
- Biodiversity programs (including land reclamation)
- Other GRI indicators

### Environmental Compliance, Spills, Fines and Awards

#### Environmental Compliance

Compliance across all of our operations remains above 99% for both air and water permits. In 2010, 102 incidents resulted in exceeding a permit or other regulatory requirement. This is a decrease of 10% in comparison with 2009, and represents the fifth consecutive year in which our performance in this area has improved. Please see the Performance Overview table on [pages 72-73](#) to find a breakdown of permit and regulatory compliance.

#### Spills

Control measures are in place at all of our operations to minimize the likelihood of spill events and to mitigate potential impacts to the environment. These include facility design considerations, spill containment measures, meters, alarms, standard operating practices, training, regular inspections and the identification of potential issues through internal 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. For more significant incidents, we conduct investigations to identify root causes and implement remedial measures in order to prevent future occurrence of similar events.

In 2010, there were a total of 215 spills at our operations, 79% of which were under 500 litres (L) in volume. This represents an improvement compared to 228 spills in 2009 and 287 spills in 2008. Spills that were greater than 1,000 L in volume accounted for 12% of spills, and typically related to the malfunction or failure of pipes and hoses on mobile equipment in work areas. In 2010, there was no evidence that indicated potential long-term impacts to people or the environment as a result of these spills. Please see the Performance Overview table on [pages 72-73](#) to find a more detailed breakdown of spill data.

### Significant Environmental Spills

We classify environmental spills based on a severity index that considers:

- The location of the spill, with spills beyond the boundaries of the operation considered more severe
- The substance spilled
- The amount spilled

There were seven significant environmental spills in 2010, as outlined below:

**Table 4: Significant Environmental Spills in 2010**

Operation	Substance	Amount	Remedial Action
Quebrada Blanca	Sulphuric acid	28,000 kilograms (kg) to soil (approximately 15,225 L)	These sulphuric acid and diesel spills all occurred on separate occasions during the transport of these substances to Quebrada Blanca (QB). Tractor trailers ran off the road and rolled over, dumping sulphuric acid or diesel onto areas of soil that were free of vegetation. In all instances, Environment, Risk Prevention and QB rescue brigade staff immediately attended the spills, along with members of the trucking company and the Chilean police force. To mitigate any further risk to the environment, the affected areas were covered with inert material prior to the implementation of a more comprehensive cleanup operation. Residual wastes were disposed of in the operation's landfill. To help prevent future recurrences, the road was regraded and retaining railings were installed along the section of the road where the incidents occurred. We also conducted safe driving training.
Quebrada Blanca	Sulphuric acid	28,000 kg to soil (approximately 15,225 L)	
Quebrada Blanca	Sulphuric acid	24,000 kg to soil (approximately 13,050 L)	
Quebrada Blanca	Diesel	27,000 L to soil	
Trail Operations	Sulphuric acid	9,500 L to soil	A sulphuric acid spill to bare ground and the employee parking lot occurred when a flange failed on an acid transfer pipeline. The flange was immediately repaired and the acid was cleaned up. Lime was applied to the soil to neutralize any remaining acid.
Trail Operations	Sulphuric acid	2,000 L to soil	A flange on a pipe failed. To prevent reoccurrence, all of the mild steel components of the pipeline will be replaced with stainless steel piping in 2011.
Trail Operations	Mercury	12 kg to the Columbia River	There was an off-site spill of contaminated water to the Columbia River, which occurred while the pipes at the effluent treatment plant were being reconfigured in order to reduce the risk of future spills. In 2011, Teck Metals agreed as a result of a <a href="#">community justice forum</a> associated with the spill to pay \$325,000 toward various community environmental initiatives.

## Fines

In February 2010, the Alaska Department of Environmental Conservation (ADEC) issued an Air Compliance Notice of Violation to Red Dog Operations for exceeding their ammonia emissions limit in April 2008 and in October 2009. Both incidents resulted from operating the main generator at a 100% load during source testing (the generator typically operates at a 90% load). The 2008 event was caused by a broken urea injection lance, and the 2009 event was caused by deactivation of the catalyst blocks. Red Dog was subsequently fined \$20,000 for these exceedances. At the end of 2010, Red Dog Operations had completed all operational changes required by ADEC, and the generator successfully passed source testing.

In 2010, Red Dog Operations paid \$118,750 to the US Environmental Protection Agency (EPA) pursuant to a prior settlement agreement for issues related to its National Pollutant Discharge Elimination System (NPDES) permit. The NPDES permit program controls water pollution in the US by regulating sources of water that discharge pollutants into US waters. An appropriate limit for total dissolved solids is being developed by regulatory agencies. More information on water quality permitting at Red Dog Operations can be found on pages 17-18 of our 2009 [Full Sustainability Report](#).

## Environmental Litigation

We and our affiliates are involved in environmental proceedings in connection with Red Dog Operations in Alaska and Trail Operations and the Upper Columbia River.

### Red Dog Operations

At Red Dog Operations in Alaska, two non-profit law firms representing local tribal and environmental groups have commenced proceedings in connection with various matters relating to the renewal of Red Dog's main water discharge permit. As a result of appeals of the renewal of the Red Dog water permit in 2010, the US Environmental Protection Agency ("EPA") has withdrawn certain effluent limitations in the new permit. Until a permit with new and attainable limits is issued, the corresponding provisions in Red Dog's existing water discharge permit will remain in effect. The existing permit, which was issued in 1998, contains an effluent limitation for total dissolved solids that the mine cannot meet. The mine is currently operating in compliance with the TDS limits in a consent decree issued in respect of the settlement of a complaint previously filed by the village of Kivalina in connection with water discharges from the mine and in accordance with limits found in the supplemental environmental impact statement for the mining of the Aqaluk deposit to be fully protective of the environment. Teck Alaska continues to work with regulators to finalize a renewed water discharge permit for Red Dog. We believe that the regulatory process has been appropriate and robust, and that a permit with appropriate effluent limitations will ultimately be issued.

## Trail Operations and the Upper Columbia River Basin

Prior to our acquisition in 2000 of a majority interest in Cominco Ltd. (now Teck Metals Ltd.), the Trail smelter discharged smelter slag into the Columbia River. These discharges commenced prior to Teck Metals' acquisition of the Trail smelter in 1906 and continued until 1996. Slag was discharged pursuant to permits issued in British Columbia subsequent to the enactment of relevant environmental legislation in 1967. Slag and other non-slag materials released from the Trail smelter in British Columbia have travelled down river, as have substances discharged from many other smelting and industrial facilities located along the length of the Upper Columbia River system in Canada and the United States.

Slag is a glass-like compound consisting primarily of silica, calcium and iron, and also contains small amounts of base metals including zinc, lead, copper and cadmium. It is sufficiently inert that it is not characterized as a hazardous waste under applicable Canadian or US regulations. Slag is sold to the cement industry and to other industrial users.

While slag has been deposited into the river, further study is required to assess what effect the presence of metals in the river has had and whether they pose an unacceptable risk to human health or the environment.

A large number of studies regarding slag deposition and its effects have been conducted by various governmental agencies on both sides of the border. The historical studies of which we are aware have not identified unacceptable risks resulting from the presence of slag in the river. In June 2006, Teck Metals and its affiliate, TAI, entered into a Settlement Agreement (the "EPA Agreement") with the US Environmental Protection Agency ("EPA") and the United States under which TAI is paying for and conducting a remedial investigation and feasibility study ("RI/FS") of contamination in the Upper Columbia River under the oversight of the EPA.

Two citizens of Washington State and members of the Confederated Tribes of the Colville Nation have commenced an enforcement proceeding under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") to enforce an EPA administrative order against Teck and to seek fines and penalties against Teck Metals for non-compliance. In 2006, an amended complaint was filed in District Court adding the Colville Tribe as a plaintiff and seeking natural resource damages and costs. Teck Metals sought to have the claims dismissed on the basis that the court lacked jurisdiction because the CERCLA statute, in Teck Metals' view, was not intended to govern the discharges of a facility in another country. That case proceeded through US Federal District Court and the Federal Court of Appeals for the 9th Circuit. The 9th Circuit found that CERCLA could be applied to Teck Metals' disposal practices in British Columbia because they may have resulted in a release of toxic materials to a facility in Washington State.

The litigation continues. The hearing of the plaintiffs' claims for natural resource damages and costs has been deferred until the RI/FS has been substantially advanced or completed and a decision on liability is rendered. Trial on the liability issue is scheduled for early 2012.

## Environmental Awards

Between 2002 and 2005, Elkview's reclamation program undertook a stream cleanup program to remove historical mining debris, to reduce erosion of the stream bank and to revegetate an area on Michel Creek near Sparwood, BC. This reclamation work has remained successful to date and was recognized in 2010 when our Elkview Operations received the 2009 Coal Mining Citation for outstanding reclamation achievement from the British Columbia Technical Research Committee on Reclamation (TRCR).

## Waste

Mining, by its very nature, requires the movement and processing of large quantities of materials to produce the metal and coal products demanded by society. Key waste streams generated through these processes comprise waste rock and overburden from mining as well as tailings produced from our processing plants. Our operations also produce smaller quantities of non-mineral wastes including both hazardous and non-hazardous waste.

We work to reduce the production of wastes wherever possible, to develop and utilize opportunities to reuse or recycle such materials, and to properly manage and dispose of all remaining wastes to avoid environmental impact. Waste management plans and procedures incorporating the requirement to reduce, reuse, recycle and responsibly dispose of waste are in place at all our operations.

In 2010, our operations generated 639 million tonnes of mineral waste. As mentioned, the vast majority of our waste is made up of mineral waste from the extraction and processing of ore and coal. Please see the Performance Overview table on [pages 72-73](#) for a detailed breakdown of waste information.

### Mineral Waste Management

In 2010, mineral waste produced by our operations was characterized as follows:

- Waste rock removed to access metal containing ores and coal – 571 million tonnes.
- Tailings and fines from the processing of ore and raw coal – 57 million tonnes.
- Coarse coal reject from the handling of raw coal – 11 million tonnes.

Waste rock typically contains trace amounts of metals and must be properly managed to prevent impacts on local water bodies and other environmental receptors. The bulk of the waste rock generated from our operations is used to backfill open pits and underground workings or is placed in engineered waste rock dumps. Waste rock that is not prone to acid generation and metal leaching is also used for reclamation activities and to construct dams and roads. Long-term disposal of waste rock occurs in accordance with approved closure plans involving contouring, covering and vegetating to achieve established land use objectives.

Tailings and fines from the processing of metal containing ores and coal are discharged to specifically designated tailings storage facilities enclosed by dams. Maintaining the integrity of our tailings dams is of paramount importance to our operations and to the local communities and the environment that we depend on. To this end, formal tailings management programs guided by the Mining Association of Canada (MAC) are in place at all of our operations. The programs include monitoring of leachate and groundwater to identify potential environmental impacts and regular inspections of tailings structures by internal and external specialists. In addition, our participation in the MAC Towards Sustainable Mining (TSM) initiative involves regular self-assessments and external verification audits of our tailings management systems against the TSM Performance Indicators for tailings. Over the last four years, external verification audits against the MAC tailings management criteria have been conducted on a rotational basis at our Canadian mining operations.

Waste rock, tailings, ore stockpiles, leach piles and other exposed rock surfaces containing sulphide minerals can generate acid and metal containing drainage when exposed to air and water. In response to this risk, management strategies and monitoring programs are in place at all of our operations where characterization and prediction results indicate that there is a risk of acid drainage or metal leaching. Examples of strategies applied by our operations to prevent and control acid rock drainage include separation of potentially acid-generating or metal-leaching materials from other materials, encapsulation of acid-producing materials, capping and covering, and active water management.

### Non-Mineral Waste Management

We recognize that reducing and recycling waste minimizes the volumes of waste disposed to landfills, conserves resources and represents good business practice. Our waste minimization and reuse/recycling practices are guided by the Code of Sustainable Conduct, which states that we will: "Promote the efficient use of energy and material resources in all aspects of our business."

Key hazardous waste streams produced at our operations include waste oil, solvents, antifreeze, paint, batteries, fluorescent tubes and electronic waste. This waste is predominantly disposed off-site using licensed contractors. Non-hazardous waste is either recycled or disposed of in permitted landfill sites. In some locations, incineration is also undertaken. Examples of non-hazardous waste generated by our sites include scrap metal, wooden waste, glass, tires, cardboard and paper. Hazardous and non-hazardous wastes are segregated and disposed of in accordance with operation-based waste management plans.

## Recycling

Our commitment to waste management and recycling extends beyond our own operations. Using existing furnace capacity at our metallurgical complex in Trail, BC, we have established a new business that diverts discarded electronic equipment, or e-waste, from landfills in western Canada and in the United States. Over the past five years, Trail has processed over 41,000 tonnes of e-waste. More information about our e-waste recycling activities can be found in our case study on [page 63](#).

## Air Quality and Air Emissions

At a number of our operations local air quality can be affected by particulate matter (i.e., dust) and its constituents, which is generated by activities such as blasting, transporting products, ore crushing and conveyor systems, as well as by wind erosion of stockpiles and tailings. 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 Chile, where two of our operations are located.

We minimize dust levels at our operations and in nearby communities through a variety of efforts and activities, including:

- Adjusting blasting practices when winds are unfavourable.
- Applying sealants and dust suppressants to material piles and roadways.
- Using water sprays on roadways and while handling dusty materials.
- Using road sweepers and washing roads.
- Using cover systems for trucks and railcars.
- Storing and handling materials in buildings where feasible.
- Use of cover systems (domes) over coarse ore stockpiles.
- Using ventilation systems for conveyors and buildings.

Air quality is regularly monitored at all of our operations. This may include real-time computerized particulate monitors, high-volume monitors that sample air over a 24-hour period or dust fall jars, a simple and effective way of assessing dust levels over long time periods. In addition, weather stations allow us to determine the relationship between dust levels, winds and precipitation. This data is used to assess air quality, help identify improvement opportunities, and assess the effectiveness of those improvements.

## Air Emissions

Each year, our Canadian sites report to the [National Pollutant Release Inventory](#) and our US sites report to the [Toxic Release Inventory](#). Air emissions by type are listed below:

**Table 5: 2010 Air Emissions by Type (Tonnes)<sup>(1)</sup>**

Location	Particulate Matter (less than 10 microns)	Particulate Matter (less than 2.5 microns)	Sulphur Oxides (SOx)	Nitrogen Oxides (NOx)	Carbon Monoxide (CO)	Volatile Organic Compounds	Mercury (Hg)
Cardinal River Operations	1,237	116	2	61	3	0.10	0
Carmen de Andacollo	806	0	0	0	0	0	0
Coal Mountain Operations	599	44	17	82	12	0.56	0
Duck Pond Operations	18	2	0.44	9	30	0	0
Elkview Operations	6,476	358	26	192	46	2.91	0
Fording River Operations	7,417	529	126	253	40	2.17	0
Greenhills Operations	1,942	169	9	46	17	0.71	0
Highland Valley Copper	7,193	3,558	22	168	665	7.90	0
Line Creek Operations	986	71	0.05	9	16	1.04	0
Quebrada Blanca	13	6	333	1,167	15	1.26	0
Red Dog Operations	228	0	80	2,722	241	140.6	0.005
Trail Operations	149	116	4,640	360	67	0	0.143

(1) Requirements and methods for determining emissions to air can vary widely. In most cases measured emissions from point sources such as stacks are included while in others estimated diffuse (fugitive) emissions from sources such as stockpiles and roads may be included. Not all sites have monitoring equipment in place to measure releases from all sources and activities, and not all sites estimate fugitive emissions. We are working towards more consistent monitoring across all of our operations.

## Social Management

Over the last few years, our communities of interest (COIs), including our sustainability report review panel, have emphasized the need for us to enhance our reporting on social and community issues. Because these are core values, we have focused even more attention and energy on social management and performance throughout 2010.

Our Code of Sustainable Conduct states our commitment to dialogue and engagement, to sustainable community development, to respect for human rights, and to local content, which includes local employment and procurement. To ensure we clearly communicate our responsibilities and provide guidance across our company, we adopted two new Community Management Standards in September 2009: one on Communities and Indigenous Peoples, and the other on Human Rights. In 2010 we began disseminating these standards across our company. This enabled business functions to begin conducting a baseline analysis of their existing practices and, where required, formulate action plans to improve performance.

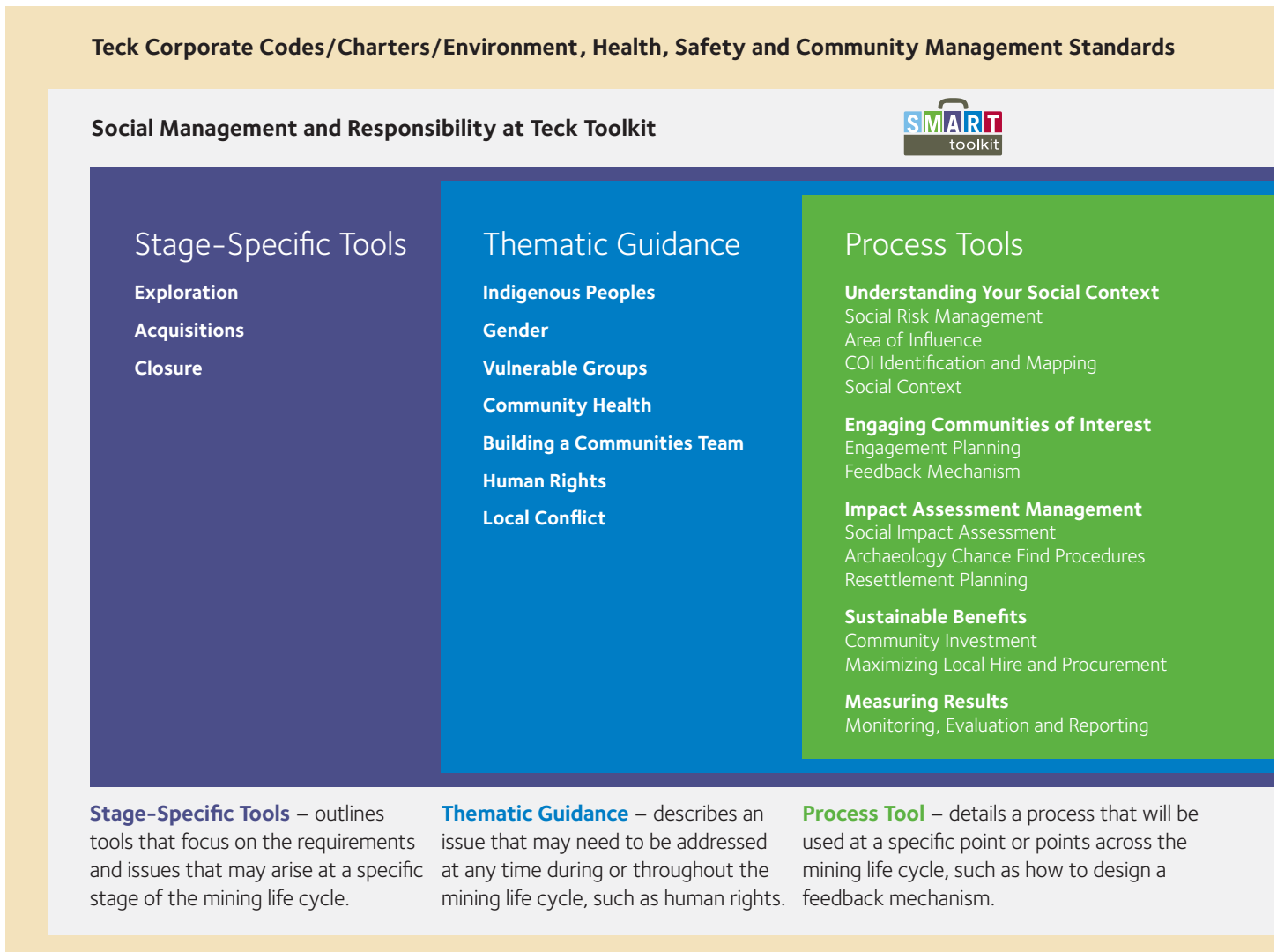
## Why Does Social Management Matter? Community Impacts of Mining

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

The identification and management of these impacts poses both challenges and opportunities and is key to successful risk assessment, decision making, project development and promotion of sustainable benefits. Since 2009, we have been developing our Social Management and Responsibility at Teck (SMART) toolkit, a set of tools and guidelines to help our staff manage social risk and performance. Figure 2 below presents an outline of the stage-specific tools, process tools, and thematic guidance that make up SMART.

For more information, see the Capacity Building section on [page 27](#) of this report and the SMART case study on page 95 of our 2009 Full Sustainability Report.

**Figure 2: Social Management and Responsibility at Teck (SMART) Toolkit**



Part of managing social risk includes conducting a social impact assessment, which is a process used to analyze the socio-economic or human environment around a proposed project, mine or associated infrastructure.

Community of interest engagement and participation is fundamental to understanding the community impacts of mining and to ensuring that studies, findings and programs are based on accurate data and result in meaningful, realistic outcomes. The identification of issues and opportunities begins in exploration and continues to project closure, assessing changes in effects as the project progresses.

The types of social issues and impacts that can be associated with a mining project are now well documented in literature. With the development of social baseline studies and assessments, we are now better placed as a sector and as a company to understand, predict and most effectively address some of these impacts.

While not specific to any of our projects or operations, provided below are some examples of potential issues and associated impacts that are often related to the development of a mining project, and that guide our analysis of project impacts.

### **Human Rights**

The scope of human rights considerations for extractive companies often focus on aspects such as security and labour rights. While both of these issues are important, human rights covers many issues relevant to a mining company, including health and safety, discrimination, poverty alleviation and access to natural resources. As such, companies have the potential to affect human rights through their relationship to employees, governments, the environment and communities.

### **Indigenous Peoples**

Indigenous Peoples hold a variety of rights and interests related to their traditional lands, which are enshrined to varying degrees in regional and national laws. Our operations, new projects and exploration areas are often within Indigenous Peoples' traditional land.

Indigenous Peoples are also considered a vulnerable group because of their status outside of society's mainstream, and because they may have unique approaches to land rights and natural resource management that need consideration.

### **Population and Demographics**

New projects can attract individuals and companies to employment and economic opportunities in the area, which can result in an influx of people. This change may affect local population structures and dynamics, such as community health services and local infrastructure. This can be perceived as both positive and negative by local communities and government. Seasonality and the closure of a facility can also influence the movement of people.

### **Economic Development and Livelihoods**

Projects can have direct and indirect effects on economic development and livelihoods. Opportunities that a project brings to the community include employment and income creation, local sourcing of goods and services, and tax and royalty contributions. At the same time, projects also have the potential to create boom and bust cycles, and to foster increased dependency among local populations. Assessing the economic impacts of a project can also be complex. For example, wage injections may improve purchasing power, trade in consumer goods and entrepreneurial opportunities, while simultaneously raising inflation and increasing income inequality. Communities that are poor or land-based are particularly sensitive to impacts that an operation may have on local production systems and traditional livelihoods.

### **Education, Skills and Training**

Throughout the life of an operation, large-scale long-term employment opportunities have the potential to increase access to education, skills and training. In communities with low levels of literacy or relevant skills, there are opportunities for mining companies to enable the community to access these opportunities.

### **Health**

The development of infrastructure around a mine or operation often improves access to health care for local communities. At the same time, an influx of people to the local community can introduce health risks or overstress community health services.

### **Community, Family Life and Social Conflict**

Mining projects can enhance community and family life through improvements to employment opportunities and infrastructure, community investment, increased purchasing power and increased access to goods and services. In projects where a rotation system is in operation, this can require employees to be away at work for several weeks, resulting in family separation.

### **Land Use and Natural Resources**

Changing access to land use and natural resources can have both positive and adverse effects on resources and activities such as water, hunting, fishing, gathering and recreation, as well as culturally and spiritually significant operations. For example, improved accessibility may enhance land uses and improve safety while also increasing the use of resources such as water.

### **Governance, Social Services and Infrastructure**

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

## Vulnerable and Disadvantaged Groups

It is important to consider how a project can specifically affect groups that are vulnerable and those that are 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.

## Capacity Building

Over the past year we have continued to build internal capacity and professional competence, developing guidance tools to translate our requirements into practical steps. Our Social Management and Responsibility at Teck (SMART) toolkit translates our standards into relevant and practical tools across four key areas:

- Social risk and performance management
- Engagement
- Impact management
- Sustainable benefits

We recognize that contexts and impacts can vary across a project life cycle, including during exploration, acquisitions and closure. We are in the process of developing specialized tools to guide our staff through these phases. We recently issued our SMART Exploration tool, which draws directly from the overarching set of SMART tools and is tailored specifically for geologists and exploration staff who are our first representatives on the ground and are central to building positive relationships from the outset. SMART Exploration was launched in 2011 and we have had a two-day training session for geologists and exploration staff. We consider SMART Exploration to be a significant achievement. In 2011 we will continue delivering SMART training across all of our operations and training on the International Finance Corporation's (IFC) Performance Standards.

SMART provides the toolkit for our employees to manage social risk and performance, and our ongoing dialogue training provides employees with the skills necessary to build positive relationships with our communities of interest. We have continued our commitment to building a people-centred approach to community engagement through dialogue training. We train communities' staff as well as exploration geologists and company managers in dialogue training. At the end of 2010, 170 Teck employees and 81% of our site-level communities' staff had participated in dialogue training. Our dialogue training is delivered by the Centre for Social Response (CSR), an Australian non-governmental organization that engages all sectors – including government, industry and communities – to educate people on dialogue and participative community development. Please see our 2008 case study entitled [Q&A With Centre For Social Response Trainer Tony Kelly](#) for more information on dialogue training.

## 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 to share best practices, build internal support and facilitate learning networks. In December 2009, we launched our internal Community of Practice (e-CoP) Intranet 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 over 180 members, e-CoP ensures staff can share information, source documents, seek support and guidance, ask questions and contact one another. We now supplement this initiative with in-person Community Leads meetings throughout the year.

We are also committed to enhanced social reporting. As of 2010, with the implementation of our new data management system, StreamLine, we now have a centralized sustainability reporting database. This improves our data collation, and makes it easier to use and report on our findings. It also presents us with opportunities to collect new data and supplement our existing GRI indicators, and to improve reporting guidance.

In 2010, we reviewed all social and community indicators, and improved the questions and guidance on StreamLine to enhance the quality of our social data. We also held training to help our staff understand the improved questions and guidance. In 2011 we will continue to improve our reporting by focusing on areas that are challenging to report on such as community investment.

In 2010, all of our operations and exploration groups began reporting against new community indicators focused on engagement, impacts, benefits, grievances, feedback and community investment. This is a phased implementation process that is currently being applied with priority at operations, then extending to exploration projects. Improved reporting has been instrumental in enhancing our quarterly reporting to the Corporate Environment and Risk Management Committee (CERMC) and the Board, as well as improving our annual reporting through our sustainability report and updates to our COIs.

In 2010, we also initiated the internal development of a centralized database to track and report on our engagement activities with communities of interest. The system, TrackLine, will be available to all Teck sites in multiple languages by the end of 2011 and will significantly enhance our engagement management.

## Business Ethics and Governance

Sound governance systems protect the interests of investors and other COIs, and ensure we are well managed. When well communicated, these governance systems guide staff and management about performance expectations, and help them make ethical decisions essential to the preservation of trust in our company.

### Anti-Corruption

There were no incidents of corruption identified in 2010.

We continue to support the [Extractive Industries Transparency Initiative \(EITI\)](#). The EITI aims to strengthen governance by improving transparency and accountability in the extractives sector. As a supporting company, we disclose payments to EITI-participating countries as required. Antamina is the only operation that is presently active within an EITI-participating country. They are 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](#).

We have analyzed 95% of our business units for corruption-related risks. Our management has identified numerous fraud scenarios, one of which is “Management violates the Canadian *Corruption of Foreign Public Officials Act* or the US *Foreign Corrupt Practices Act*”. We annually assess the risk level for each fraud scenario. Our internal audit department, on behalf of management, also tests the effectiveness of the internal controls that have been mapped to applicable fraud scenarios at each individually important location. In 2010, individually important locations accounted for approximately 95% of our company’s consolidated annual expenditures.

100% of our Canadian and US non-hourly non-union staff has been trained in anti-corruption policies and procedures, except employees at Duck Pond Operations. Technical issues prevented electronic training at Duck Pond Operations; however, 100% of our Duck Pond employees were certified for compliance with our Code of Ethics in 2010. Certain senior employees in non-Canadian jurisdictions have also undergone Code of Ethics training, which includes training on anti-corruption, but we do not have the data to reasonably estimate what percentage of our non-Canadian employees this represents. It would, however, be a relatively small percentage.

### Public Policy Initiatives

In 2010, we engaged directly and indirectly – through our participation in various industry groups – in several public policy initiatives related to our business. These initiatives included:

- Advocacy for efficient and effective permitting processes in Canada that expedites responsible mining projects and brings benefits to the communities where we live and operate. This includes the harmonization of federal and provincial environmental assessment processes.
- The promotion of corporate social responsibility best practices for the Canadian mining industry, through workable standards and policies.

- Discussions with the Canadian International Development Agency regarding its policies and objectives on child health, nutrition and partnerships. The objective of this initiative was to establish a public-private-civil society alliance, with a mandate to develop and sustain zinc treatment programs aimed at improving child health in developing countries.
- Support for the timely advancement of provincial First Nations resource-revenue sharing agreements in British Columbia – agreements that provide opportunities for jobs and investment in social infrastructure in local communities.

### Governance Structure

Our Board of Directors is responsible for the stewardship of our company and ensures that an appropriate corporate governance structure and system is in place. Their mandate is described in detail in our Management Proxy Circular, which is available on [our website](#). Key committees – Audit, Compensation, Safety and Sustainability, Corporate Governance and Nominating – are entirely made up of independent directors. The Safety and Sustainability Committee reviews social and environmental performance. However, the Board is directly responsible for social and environmental performance, as well as our economic performance.

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.

Eleven of the 14 members of the Board, or 79%, are independent and/or non-executive. An independent director of the Board is:

- Non-executive, or not a member of management and free of any interest or of a business, family or other relationship that could reasonably be perceived as interfering with the director’s ability to act with a view to the best interests of our company, other than interests and relationships arising solely from shareholdings in our company.
- Not considered to have a direct or indirect material relationship with our company.

### Shareholder and Employee Feedback to the Board

Shareholder proposals, resolutions and other mechanisms allow shareholders to convey their opinions to the Board. As provided in the *Canada Business Corporations Act*, registered shareholders are entitled to notice of the Annual Meeting of Shareholders and to vote at the meeting. In 2010, there were no shareholder proposals or resolutions presented at the shareholders meeting. For more details, see our company’s Management Proxy Circular. Investors have the opportunity to provide feedback to our company via the investor relations group by:

- Email to our company’s website
- Direct or telephone contact with the investor relations officer (a contact person is identified in each press release)
- Regular mail service
- Quarterly conference calls



Through our “Let’s Talk” sessions, held several times a year with our President and CEO, employees can ask questions in an open forum with senior management. Topics covered ranged from operations to social and environmental issues.

### Remuneration

The Compensation Committee is responsible for reviewing and approving the CEO’s corporate goals and objectives, evaluating CEO performance in these areas and making recommendations to the Board about the CEO’s compensation. They also review and approve non-CEO officer and director compensation, incentive compensation plans and equity-based plans.

Incentive compensation of the CEO and senior officers is performance-based. Environment, health, safety and community (EHSC) and social performance are taken into consideration in the annual review of base salary. EHSC is also specifically addressed in the bonus plan, with 12.5% of the CEO’s bonus related to this area. Specific objectives related to EHSC and any social performance objectives may also be covered in the personal component of the bonus plan. This makes up 30% of the CEO’s bonus. For other executives with EHSC responsibilities, bonus weighting is 17% plus what is included in the personal component related to this performance area. Like the CEO, the personal component also makes up 30% of the bonus for these executives.

### Conflicts of Interest

The *Canada 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. Our 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 the Sustainability Governance section.

### Board Qualifications and Expertise

It is the responsibility of the Corporate Governance and Nominating Committee to identify the 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.

## Material Issues

The volume of the GRI Guidelines and its wide range of reportable topics can lead to very large reports, and to the danger that important information may be lost to the reader. This is why determining materiality is a critical part of reporting in accordance with GRI Guidelines. For the purposes of this report, we regard materiality as information that reflects our key issues and may influence our business activities, and has the potential to influence the perception of communities of interest (COIs), including those who 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?” Every year we complete a materiality review to help form the reporting structure around our material issues.

### Materiality Analysis

In 2010, we used [AccountAbility’s](#) Five-Part Materiality Test to identify material issues. It is designed to identify potentially material issues that arise through five test areas. We also added a sixth test, Operations, to help us identify recurring operation-level issues. Our analysis covered:

- Policy – issues covered by our codes, policies and standards
  - Charter of Corporate Responsibility
  - Code of Sustainable Conduct
  - Code of Ethics
  - Safety & Health Policy
  - Environment, Health, Safety, Community Management Standards
  - Social Management and Responsibility at Teck toolkit
  - The goals of the Sustainability Working Group
- Financial – issues relevant to financial, risk and governance performance
  - Minutes of relevant corporate committees and working groups
  - 2010 Annual Report – Management’s Discussion and Analysis
  - Interview notes from executive interviews, conducted as part of the 2009 Full Sustainability Report assurance
  - Issues identified in our risk registers
  - Annual General Meeting media and issues analysis

- Peers – issues identified as material by peer companies
- COIs – issues of concern to COIs or affecting COI behaviour
  - Previous reports from our Sustainability Report Review Panel
  - Issues reported in the media
  - Criteria of Socially Responsible Investing analysts
  - Industry issues identified by environment, social or human rights organizations
- Societal Norms – issues relevant to standards, codes or regulatory frameworks
  - Global Reporting Initiative aspects
  - United Nations Global Compact Principles
  - International Council on Mining and Metals Sustainable Development Principles
  - Towards Sustainable Mining Performance Indicators
  - International Finance Corporation Performance Standards
  - ISO 26000 (Corporate Responsibility) Core Issues
  - Prospectors & Developers Association of Canada (PDAC) e3 Plus – A Framework for Responsible Exploration
- Operations – issues relevant to operations and management
  - Operation-level sustainability reports
  - Operational-level management reports resulting from last year's Sustainability Report assurance process
  - Corporate sustainability teams in each of our operations

Our Sustainability and External Affairs department reviewed and summarized the issues identified through these tests. The material issues we identified were:

- Biodiversity and ecosystem impacts
- Business ethics and governance
- Closure and dormant properties
- Distribution of economic costs and benefits
- Economic performance and contributions
- Employee attraction, training and development
- Energy and climate change
- Environmental management
- Human rights
- Indigenous Peoples
- Involving people affected by our activities
- Labour and management relations
- Product stewardship
- Safety and health
- Social management
- Sustainable community development
- Water quantity, quality and allocation

These material issues drive our day-to-day management activities, and the key focus areas identified by the Sustainability Working Group represent areas of strategic importance, upon which we have focused our long-term sustainability strategy. Where appropriate, these material issues have been grouped according to our key focus areas. The remaining sections of this report are organized according to our six key focus areas of community, water, ecosystems and biodiversity, energy and climate change, materials stewardship and our people.

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# Community

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**Vision:** We collaborate with communities so they genuinely benefit in a self-defined and sustainable manner from our activities and products.

Communities consider themselves better off as a result of their interactions with us and offer broad support for our efforts.

Our products are essential to improving the quality of life for people around the world. However, both our products and activities can affect – positively and negatively – the communities we interact with. Our activities, such as building new projects and, of course, producing our major products – steelmaking coal, copper and zinc – can have a dominant economic influence in the regions where we operate. This economic influence can help drive community development but, if not managed well, can also result in dependency and inequality. Communities include the local and Indigenous communities in the areas of influence where we operate and explore.

Community expectations and influence on our business continue to escalate. People expect to participate more directly in decision making and benefit sharing. In addition, as regulatory, investor and non-governmental organization (NGO) scrutiny increases, so does the demand for increased transparency and more information on social performance. Scarce mineral and human resources also make our community interactions more complex. We understand that building and maintaining our community relationships is essential, not only to our success, but also to the sustainable future of communities.

For over a century, to ensure the well-being of communities where we operate, we have demonstrated a strong commitment to collaborating with government, NGOs, multi-lateral agencies and, most importantly, local communities themselves. Since 2007, we have pledged our support to the United Nations Global Compact and to the Millennium Development Goals, which focus on areas such as human rights, health and the elimination of poverty and corruption. In 2011, we accepted the invitation and challenge to become a member of Global Compact LEAD. We also have a Charter, codes and management standards that set out our responsibilities and provide guidance on how Teck employees are to conduct themselves and the company's business in a manner that is respectful of communities.

We have developed internal tools to improve our performance. See the Our Management Approach and Social Management sections on [pages 18–27](#) for more information.

## Distribution of Economic Costs and Benefits

### Infrastructure Investment

Large economic drivers such as mines have historically also resulted in substantial investment in public infrastructure near project sites or operations. Some communities of interest have viewed these investments as positive, while others point to some of the challenges that such infrastructural projects have brought. Therefore, it is important to understand potential impacts associated with these projects. When appropriate, we will 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. Infrastructure investments refer to facilities (water supply facility, road, school or hospital) built primarily to provide a public service or good, rather than a commercial purpose, and from which we do not seek to gain direct economic benefit. We will invest in the development of these facilities to support both the operation and the well-being of communities. Some of the projects we have invested in include the construction of water tanks and a sewage system. We track infrastructure investments, whether or not they were identified through a needs assessment and whether or not an impact assessment was undertaken prior to the start of the initiation of the project. There were no infrastructure investments reported in 2010.

### Procurement and Local Hiring

Our commitment to supporting local economies is guided by our Code of Sustainable Conduct. This Code 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”. By maximizing local purchasing and employment whenever possible, we contribute to sustainable development, and demonstrate the direct benefits we bring to local communities. This also supports our operations and projects by helping us gain community support and facilitating access to local resources. In addition, our SMART tool on local content, which collectively describes local purchasing and employment, is designed to help our community relations practitioners facilitate and maximize opportunities for local employee and procurement.

To track our progress towards maximizing local purchasing whenever possible, Table 6 on the following page shows the percentage of spending on locally based suppliers by operation. In 2010 our company-wide percentage of spending on local suppliers was 20% compared to 18% in 2009.

**Table 6: Percentage of Spending on Locally Based Suppliers<sup>(1)</sup>**

Operation	2010 <sup>(2)</sup>	2009	2008	Definition of Local
Cardinal River Operations	24	16	36	Regional
Carmen de Andacollo	5	6	6	Regional
Coal Mountain Operations	24	35	36	Regional
Duck Pond Operations	55	51	48	Province-wide
Elkview Operations	24	35	36	Regional
Fording River Operations	24	35	41	Regional
Greenhills Operations	24	35	45	Regional
Line Creek Operations	24	35	60	Regional
Highland Valley Copper Partnership	15	13	40	Regional
Pend Oreille Operations	51	90	10	Regional
Quebrada Blanca	9	12	8	Regional
Red Dog Operations	58	47	30	State-wide
Trail Operations	9	9	15	Regional

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

(2) Materials is a shared service for Teck Coal and local procurement is reported collectively for all Teck Coal sites; this includes Cardinal River Operations, Coal Mountain Operations, Elkview Operations, Fording River Operations, Greenhills Operations and Line Creek Operations.

We currently track the number of employees and senior managers from local communities. However, there is variance in how each operation defines local and tracks this data, so it is not directly comparable across operations. Moving forward, we will improve definitions to better enable our operations to track this information for future reports.

### Closure Planning

All of our operations have closure or reclamation plans, developed in accordance with local legislation, which provide an advanced assessment of the potential impacts in the years leading up to closure. Some operations are informed by international guidance, including the International Council on Mining and Metals (ICMM) Mine Closure Toolkit. We are also developing a SMART tool on closure, which will assist our teams in understanding the socio-economic implications of closure and how to develop a plan that takes these into account. As stated in our 2008 Sustainability Report, we are striving to include more 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. For an example of our closure practices, please see the case study on the Pend Oreille Operations suspension on page 87 of our 2009 Full Sustainability Report.

## Human Rights

Managing human rights risks has become a significant challenge for mining companies globally. The responsibility for managing human rights risks and their potential impact on project development, company reputation and relationships with COIs are now widely recognized in the sector and at our company. More importantly, we believe that respecting human rights is simply the right thing to do.

We support the fundamental principles of human rights in all our business activities including our decision-making processes, engagement and relationship building with communities. We are supportive of the evolution of the UN Human Rights 'Protect, Respect, Remedy' Framework, and adhere to the principles set out in the United Nations Universal Declaration of Human Rights and the Voluntary Principles on Security and Human Rights, in addition to the United Nations Global Compact.

Our Human Rights Standard in our Environment, Health, Safety and Community (EHSC) Management Standards states that we should carry out business activities in an ethical manner, and in a way that supports the fundamental principles of human rights. We support and respect the protection of internationally proclaimed human rights in the workplace and within our sphere of influence, and we will strive to ensure that we are not complicit in human rights abuses.

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 expanded our commitment to human rights by joining the UNGC. A voluntary leadership initiative, UNGC seeks to align businesses with 10 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 begun to ensure that we are incorporating the UNGC principles into our business activities and continue to advance our commitment to human rights. We have learned and grown from our participation in the initiative and in 2010 were honoured to participate in the Global Compact Leaders Summit.

While it is clearly understood that protecting and fulfilling human rights is the duty of governments, companies have a responsibility to respect human rights in their operations and ensure that they do not infringe on the rights of others. In 2009, we embarked on a human rights strategic review with the goal of enhancing our management systems and human rights practices. In April 2010, Business for Social Responsibility (BSR) provided their assessment of our human rights management against our own standards, best practices and the UN Human Rights 'Protect, Respect, Remedy' framework. The four elements for assessment were:

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

The review indicated we are advancing in all of these areas and that we are 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 through SMART, implementation of requirements for community feedback (grievance) mechanisms, establishment of an internal Indigenous Peoples Working Group, and integration of human rights risk and impact assessments to new projects. We are currently developing a detailed human rights assessment tool with BSR and it will be piloted at our development projects in Chile. Moving forward, we will build on these strengths and use recommendations from the review to guide us.

There were no significant acquisitions or investments that occurred in 2010. If specific potential human rights issues are identified during the due diligence phase of an investment evaluation, human rights clauses may be inserted in an investment agreement.

We do screen suppliers and contractors for environmental and health and safety policies and compliance. We do not currently specifically screen all of our suppliers or contractors on human rights compliance, although in the case of formal tender processes for certain large contracts we do ask for information on their policies, procedures and commitments to promote and respect human rights. We also have procedures in place with respect to human rights screening and training for contractors providing security services. We are currently evaluating how we might assess and evaluate suppliers and contractors against our Standards.

### **Non-Discrimination**

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

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

Employees are entitled to freedom from all 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 Whistle-Blower hotline administered by an independent company to provide an anonymous mechanism for reporting violations. Incidents are managed in accordance with our complaints processes. In 2010, there were eight incidents in which allegations of discrimination were reported. Two are still pending and six incidents were investigated in accordance with our Human Rights Policy, and have since been resolved.

### **Security Practices**

We ensure that all security personnel have training and adhere to 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 (as well as those related to areas such as privacy and labour) but may not have specific human rights training. However, in the US, 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 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.

### **Indigenous Peoples**

Indigenous Peoples are an integral part of many of the regions and 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 and enable us to meet our strategic goals. We focus on several key objectives:

- Ensure compliance with jurisdiction legal requirements respecting Indigenous rights.
- Support the aspirations of Indigenous Peoples as reflected in guidance documents such as the United Nations Declaration on the Rights of Indigenous Peoples.
- Apply our standards on communities, Indigenous Peoples and human rights.
- Create activities that allow us to meet our strategic and business objectives.

We have developed internal guidance and policies on human rights and on our work with communities and Indigenous Peoples. Our Community and Indigenous Peoples and Human Rights Management Standards, introduced in 2009 as part of our EHSC Management Standards, formally set out our responsibilities and provide guidance on how our employees are to conduct themselves and our 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. For example, our Management Standards state that consultation should facilitate respect for the aspirations of communities and the legal rights of Indigenous Peoples, including the pursuit of their social, economic, cultural and environmental well-being. We integrate these considerations into our decision making, engagement and relationship building with communities.

### **Free Prior and Informed Consent**

In recent years, the concept of seeking and obtaining free, prior and informed consent (FPIC) from Indigenous groups when conducting work on their traditional lands has gained a higher profile. In light of the guidance provided by the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), we are working to address evolving law, policy and expectations, including the expectation that resource companies will seek and obtain the free, prior and informed consent of Indigenous Peoples prior to embarking on development that impacts their Indigenous rights or land title. While we continue to assess the implications of a commitment to FPIC in all circumstances, we recognize that Indigenous Peoples have unique interests and concerns related to development.

Indigenous Peoples hold a variety of rights and interests related to their traditional lands that are enshrined to varying degrees in regional and national laws. These lands are also frequently within or adjacent to our operating, project and exploration areas. Building on our early experiences in Canada and Alaska, we consult with and strive to accommodate the interests of Indigenous Peoples, and we have developed numerous productive working relationships. In Canada, where we have many of our operations, we have acknowledged and respected the assertion of Aboriginal rights and title, and pursued the objective of earning support through relationship building and agreement making with Indigenous Peoples in connection with many mining projects. In Canada, governments have a duty to consult (and in certain circumstances accommodate) Aboriginal groups in accordance with the *Constitution Act, 1982* and Canadian common law. As is common practice in Canada, we seek to consult with and accommodate the interests of Aboriginal groups within whose traditional territories we are operating.

### **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 to avoid adverse impacts and foster sustainable benefits for Indigenous Peoples. Our standard practice aligns with the requirements of ILO-169.

### **Operations and Traditional Indigenous and Aboriginal Territories**

Our operations typically take place in areas that are part of one or more Indigenous Peoples' traditional territories. Some are located near Indigenous Peoples' communities and in core parts of traditional territory, while others are located in areas less frequented by Indigenous Peoples and further away from established Indigenous communities (see Table 7 on the following page). Formal agreements are in place or are currently being negotiated and/or the need for agreements is being assessed for all these properties. Teck strives to create win-win relationships and agreements with Indigenous Peoples in the areas of influence of our operations and activities. In 1982 Teck and NANA Regional Corporation, an organization fully owned by Indigenous Peoples in Northwest Alaska, signed an Operating Agreement governing the operation of the Red Dog mine. The Iñupiat people around Red Dog are shareholders of the NANA Regional Corporation, and NANA is the landowner in the area of the Red Dog mine and holds mineral rights for the area. A management committee, made up of senior members of the respective corporations, decides on activities that are of operational significance. The following joint committees have also been established:

- Subsistence Committee – to protect subsistence
- Employment and Training Committee – to ensure employment and training
- Environmental Committee – to oversee environmental issues
- Communications Committee – to oversee communications issues
- Other ad hoc committees as deemed necessary

**Table 7: Operations Within or Adjacent to Aboriginal and/or Indigenous Traditional Territories**

Twelve out of our 14 operations are located within or adjacent to Indigenous Peoples' territories. Of these 12 operations, eight have formal agreements in place with Indigenous Peoples' communities.

Operation Within or Adjacent to Indigenous Peoples' Territory <sup>(1), (2), (3), (4)</sup>	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 Mountain Cree First Nation	The Memorandum of Understanding (MOU) between Teck and Alexis Nakota Sioux Nation, which has been in place since 1997, is in the process of being updated. The existing MOU provides a framework for employment and economic development opportunities, as well as education and training, monitoring, economic development trust fund, environmental impacts and traditional use.  There is no formal agreement in place with the Mountain Cree First Nation. Teck is planning to engage this small, remote community in the coming year.	None.
Coal Operations (5 operations including Coal Mountain, Elkview, Greenhills, Fording River and Line Creek Operations)	Ktunaxa Nation Traditional Territory	The Ktunaxa Nation Council Society (as the representative body of the Ktunaxa) and Teck formalized their relationship with the signing of the joint Working Protocol Agreement on November 1, 2007. Teck has a draft procurement and employment strategy with the Ktunaxa to promote business and employment opportunities for the Nation.	None.
Highland Valley Copper (HVC)	Nlaka'pamux First Nation Secwepemc First Nation	HVC operations lie within the traditional territory of the Nlaka'pamux First Nation, which comprises 15 bands.  We recently signed an agreement to conduct a Nlaka'pamux traditional use study, with a portion of the Nlaka'pamux First Nation, the Nlaka'pamux Tribal Council. Currently HVC and several of the bands are working to create agreements that contemplate capacity building, jobs, business opportunities, environmental and cultural protection and a financial component that addresses past impacts of the operation.	None. However, the bands generally do not feel their concerns around Aboriginal rights, including title, have been adequately addressed by the provincial and federal governments or by Teck.
Pend Oreille Operations	Kalispel Tribe of Indians	No formal agreement is in place. Recent consultation involved a plan to remediate old pre-existing tailings ponds on our property. Ongoing discussions and open dialogue have been maintained.	None. There are currently no agreements in place.
Red Dog Operations	Iñupiat	The Iñupiat people 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 that assist with the management of the mine. In addition to the existing working committees, a new Communications Committee was created in 2010.	None.
Trail Operations	Overlapping territory of various First Nations including, but not limited to, Ktunaxa Nation, Shuswap Nation Tribal Council and Okanagan Nation Alliance	No formal agreement is in place. There are relatively few Aboriginal Peoples residing directly in the Trail community and area. A strategy for engaging with Aboriginal Peoples in the region, recognizing the complexity of the interests, will be developed in 2011.	None. There are currently no agreements in place.
Quebrada Blanca (QB) and Quebrada Blanca expansion (QBII)	Community of Ollague and possibly other family and community groups	No formal agreement is in place. In early 2011, the QBII team initiated an academic study, led by a local university, to identify potential Indigenous Peoples in the region of the Quebrada Blanca mine. Until this time, only the community of Ollague, a Quechua community, was considered to be in QB's indirect area of influence. The university study is in draft form at the time of writing, but has identified four or five additional small groups and communities that identify as Indigenous Peoples. A strategy for engagement with these families and groups will be developed in 2011.	None. There are currently no agreements in place.

(1) Antamina Mine is included in our total of 14 operations. We do not report on this indicator for the Antamina mine as we are not the operators.

(2) Duck Pond Operations and Carmen de Andacollo Operations currently report that they are not within or adjacent to Indigenous Peoples territories.

(3) This table includes territorial claims by Indigenous Peoples that have been asserted but not legally established.

(4) Table 7 does not include the numerous activities we undertake in exploration and new project development. Teck has agreements with Indigenous Peoples' groups related to exploration and new project development. Exploration and project development both strive to include Indigenous employment and contractors in their activities to provide local Indigenous Peoples with direct economic benefits from our presence.

## Guidelines for Working with Indigenous Peoples

To support projects and operations in implementing our new standards, we continued 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 draft guidance on:

- Internal understanding and awareness
- Education and training
- Cross-cultural dialogue
- Consultation planning
- Understanding and managing impacts
- Employment and contracting
- Business relationships
- Resource revenue sharing
- Agreement development
- Specific legal rules and regulations

Recognizing and working with Indigenous groups is essential to our exploration work. In 2009, our North American and Australian exploration groups undertook training on working with Indigenous Peoples and managing impacts, and began to work toward early exploration agreements with Indigenous groups in many regions where we are active. Creating transparent relationships in these very early stages is crucial to our long-term success in building strong, mutually beneficial relationships. Our SMART Exploration tool also includes working with Indigenous Peoples, and training on this tool occurred in 2011 for our geologists and exploration staff. Plans for 2011 include adding a full-time leader of Community and Aboriginal Relations to the Canada and US Exploration group; our exploration group in Australia has recently filled this position. This person will be responsible for ensuring the Indigenous groups are notified and aware of our exploration activities, and will focus on building relationships, creating opportunities, and understanding and resolving concerns.

## Indigenous Employment and Contracting

We believe that our employment and contracting opportunities provide direct mutual benefits to both Indigenous Peoples and our company.

We pursue the following initiatives:

- We engage Indigenous communities in employment and contracting.
- We notify Indigenous community members of employment and contracting opportunities.
- We create employment and contracting targets with consideration for capacity building and cultural difference.
- We monitor employment and contracting.

The number and percentage of Indigenous Peoples in our workforce is detailed below. Note that, in many of our jurisdictions, it is illegal to inquire about an employee's ethnicity. Therefore, the Indigenous employment and contracting information is often not tracked, for privacy and other reasons, and so is not always available. Moving forward, we will work towards tracking this indicator more carefully through voluntary self-identification. Red Dog Operations is the only operation where we have a formal tracking system in place, as part of our agreement with NANA to work towards the goal of 100% NANA shareholder hire.

**Table 8: Number and Percentage of Indigenous Peoples in the Workforce**

Operation	2010 (Number)	2010 (%)	2009 (Number)	2009 (%)	2008 (Number)	2008 (%)	2007 (Number)	2007 (%)
Highland Valley Copper	80	7	61	5	55	5	47	5
Red Dog Operations	245	55	229	57	209	54	207	56
Other operations	Data is currently not available.							

## Indigenous Suppliers and Contractors

Where appropriate, we enter into business relationships with Indigenous communities. Such business arrangements may allow Indigenous communities and our company to meet respective development goals and objectives. The structure of any business relationship between our company 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. In addition, we have developed guidelines governing local suppliers and contractors and our work with Indigenous Peoples. These guidelines have yet to be fully implemented company-wide.



Our operations have long-term relationships 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. As part of our new Galore Creek project and exploration work in the Tahltan Territory in British Columbia, Tahltan contract employees and service providers make up a significant portion of our workforce and subcontract expenditures. In 2010, we spent US\$90 million on locally acquired goods and services at Red Dog Operations. We are working towards developing a consistent methodology to more thoroughly track and report on Indigenous suppliers and contractors at all of our operations for future reports.

## 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 in compliance with our policies and international standards, we not only build trusting relationships with COIs, but we also protect our reputation and manage the social risks related to the human environment.

Specifically, engagement is about:

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

The engagement process should always be done 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 for which many capacity building tools have been developed and are starting to be implemented. In 2010, a number of capacity development mechanisms were initiated, which continue to be developed to help business functions manage this area. For more information, see the Capacity Building section on [page 27](#).

Engagement is a central pillar in our approach to social responsibility and management. Our SMART toolkit provides guidance and direction on engagement through the following tools and guidelines:

- Area of Influence Tool – to determine and assess the physical location and factors in which an operation or project's impacts are currently or are expected to be experienced.
- Community of Interest Identification and Mapping Tool – to identify and evaluate each COI's relationship to an operation or project and to other COIs.
- Community Baseline Tool – to understand the social, economic, cultural, health and political context in the areas in which we are active.
- Engagement Planning Tool – to develop and implement an overarching strategy and action plan for COI engagement, including appropriate methods, approaches and systems to track and manage the engagement process.
- Feedback Mechanism Tool – to develop a formal process to receive and effectively organize a response to feedback from COIs on matters of interest relating to the operation or project.

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

In 2010 we began developing TrackLine – a comprehensive system to track and report our engagement activities and implement a clear procedure to register and evaluate feedback and grievances. TrackLine is a web-based portal that allows users to easily track all engagement and communications, including those for regulatory requirements, due diligence, permitting requirements and risk management.

### Artisanal Mining

Artisanal and small-scale mining (ASM) ranges from informal, subsistence mining by individuals to small formal commercial mining operations. In many countries, small-scale mining operates informally and is deemed illegal, but formal permits or titles are awarded by the state in some countries. Artisanal miners, known locally in Chile as *pirquineros*, exist in two areas where we are active in Chile – our Relincho project and Carmen de Andacollo (CdA) operation.

Relincho is a project at the pre-feasibility stage of development, and artisanal miners are currently mining on the property. We are currently conducting baseline studies to develop a better understanding of the miners, including the approximate number that are active on the property and some of the key socio-economic characteristics and issues related to the miners. As the project advances, the current activities and their need for access to resources on mine property will be included in project planning.

Artisanal miners are active within and adjacent to our Carmen de Andacollo 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 2010 CdA reported five companies of artisanal miners present on or adjacent to the operation. Each company had approximately four miners, for a total of 20 miners. The safety of small-scale operations is 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

While we try to avoid or minimize the need for physical and economic resettlement, we believe that when managed with meaningful consultation and fair negotiation it can represent an opportunity for economic development and an improvement in the quality of life for communities of interest. Where resettlement is unavoidable, our Environment, Health, Safety and Community (EHSC) Management Standards require that every operation applies practices consistent with IFC Performance Standard 5, *Land Acquisition and Involuntary Resettlement*, in addition to local laws.

In 2010, two households were relocated at our Carmen de Andacollo (CdA) operations in Chile. These relocations occurred in the El Sauce community, which is located along a bypass road used by mines in the area. We began engagement activities around resettlement in 2008 and 2009. There are nine households in El Sauce and in community meetings, seven households wanted to continue living in El Sauce, regardless of the impacts resulting from the bypass road. These households were made up of elderly people and they felt that they could not re-establish the same quality of life elsewhere. The remaining two households were relocated. There were no significant disputes related to resettlement.

The IFC's Resettlement Handbook was used to guide the development of CdA's Resettlement Action Plan, including activities associated with engagement, compensation and physical resettlement. We are currently in the process of completing a needs assessment to identify key development priorities with affected people and this will lead to the development and implementation of a Vulnerable People's Program and Community Development Plan, which will include both the resettled families and the families that continue to live in El Sauce. We continue to monitor impacts of the bypass road, informing residents of any activity or development along the bypass road. We are in the process of providing ongoing support for the health, well-being and education of resettled households, as well as training and access to credit as appropriate in order to ensure that the livelihoods of our communities of interest

are restored or improved. We will continue to consult with local residents to monitor planned actions and assess if they continue to meet the needs of resettled households.

Our experiences at CdA have shed light on the complexities of resettlement and will inform our corporate policy. For example, we are now in the process of developing a database for social monitoring and evaluation for economically or physically displaced populations and this will be incorporated into our new social management system, currently under development.

We understand the importance of dialogue with COIs, and the need to fully inform them of our plans and the options available before any decisions are made. It is essential that our COIs understand the potential impacts of resettlement, both positive and negative. We believe that activities must be carried out in collaboration with affected individuals and communities. When practical, their concerns, needs and interests are solicited and considered in developing and carrying out a resettlement plan. We are committed to working closely with affected households to find suitable new areas to live and work, and to ensure that relocation provides opportunities for long-term development.

### Community Feedback Mechanisms and Procedures

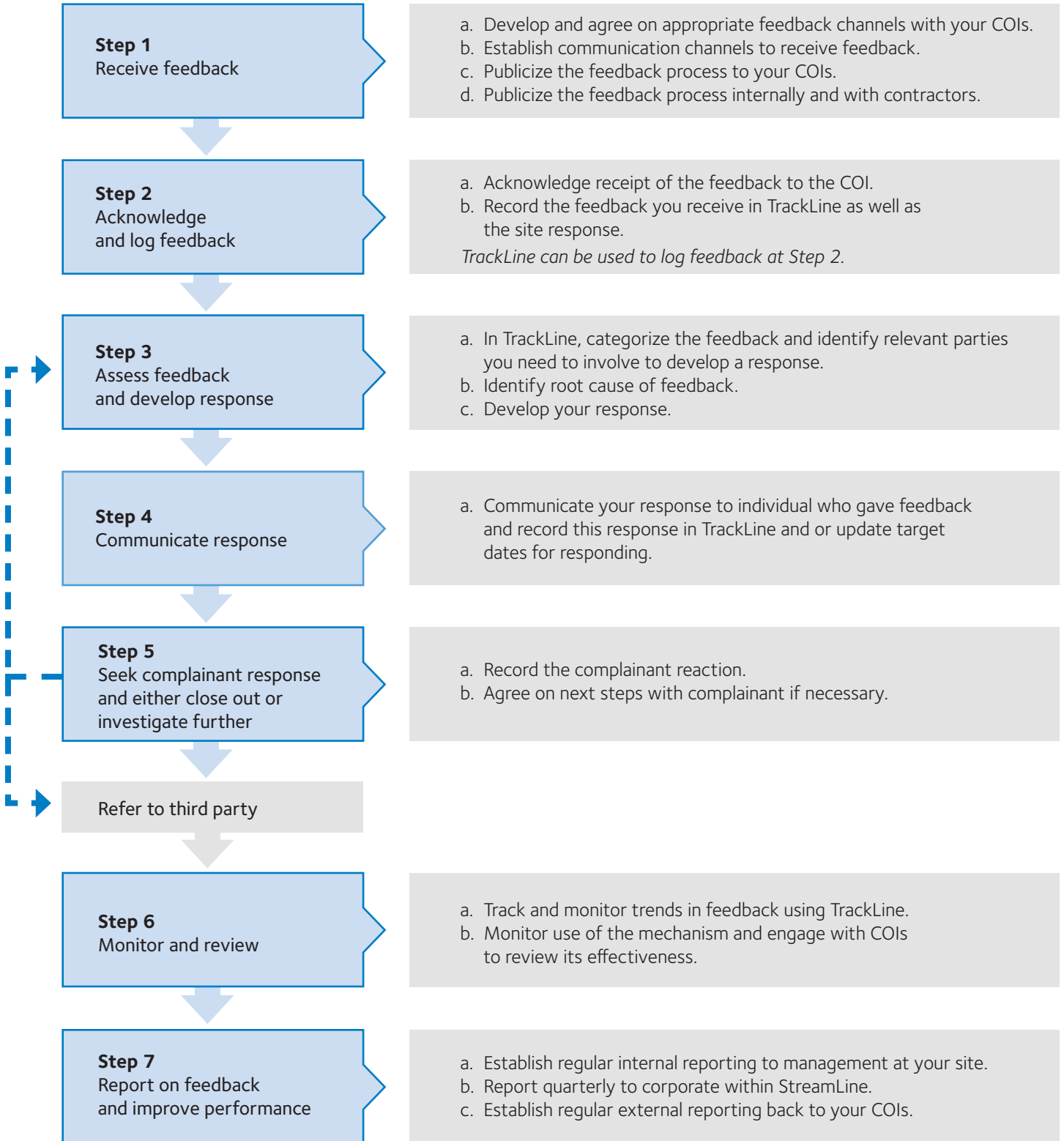
A Feedback Mechanism allows us to receive and effectively organize our response to feedback from COIs related to our operations or projects. This feedback may be in the form of questions, issues, ideas, concerns or complaints. Specifically, our Feedback Mechanism allows us to effectively deal with issues arising outside of our standard and formal consultation process. It provides COIs with an alternative way of communicating with our company (anonymously if necessary) and ensures that those communications receive a suitable response within an appropriate time frame.

We encourage dialogue with all COIs. We aim to prevent complaints by managing impacts, and by engaging with COIs on a regular basis so that they understand our company and operations and can discuss any concerns they have with us. Our Feedback Mechanism helps us capture and respond to comments and issues as they arise. Implementing this mechanism helps us meet international standards, identify and monitor risks early, be transparent and consistent, minimize conflict and legal disputes, and build and maintain our social licence to operate.

Currently, formal feedback mechanisms are not in place at all of our operations. However, we are in the process of implementing mechanisms at all of our operations, as well as exploration activities, projects and corporate offices. Figure 3 on [page 39](#) outlines our key steps in the feedback mechanism process. COIs submit feedback directly, anonymously, or through third parties such as community leaders or local NGOs. Feedback mechanisms are as inclusive as possible: communication channels are free of cost to all users, accessible to all traditionally excluded or vulnerable groups, and available in oral and written form. Examples of feedback mechanisms include telephone numbers, email addresses, project or operation websites and contact cards, as well as drop boxes at operations, project entrances and recognized community institutions.

### Figure 3: The Feedback Mechanism Process

When feedback is received, we categorize the feedback to determine the type of response necessary and actions required. Grievances are classified from a level one (less significant) to level four (more serious grievance). The following table outlines our criteria for feedback levels and the actions required for each level.



**Table 9: Feedback Categories and Relevant Parties for Response**

Term	Response Activity and Party
<b>Level 1a Feedback</b> – Positive feedback that requires thanks and acknowledgement	<ul style="list-style-type: none"> <li>• Assessment and response by Feedback Coordinator</li> </ul>
<b>Level 1b Feedback</b> – Feedback that is not related to the site or Teck and needs to be directed elsewhere	<ul style="list-style-type: none"> <li>• Sign off by Community Relations (CR) Manager/person with responsibility for CR (this may be the same as the Feedback Coordinator)</li> </ul>
<b>Level 1c Feedback</b> – Feedback that is a specific donation request	<ul style="list-style-type: none"> <li>• Sign off by Community Relations (CR) Manager/person with responsibility for CR (this may be the same as the Feedback Coordinator)</li> </ul>
<b>Level 2a Feedback</b> – A question or request for information	<ul style="list-style-type: none"> <li>• Assessment and response by Feedback Coordinator with involvement of specialist departments to collect or provide information requested</li> <li>• Sign off by Community Relations Manager/person with responsibility for CR</li> </ul>
<b>Level 2b Feedback</b> – A suggestion or recommendation with regard to practices or performances	<ul style="list-style-type: none"> <li>• Assessment and response by Feedback Coordinator with involvement of specialist departments to collect or provide information requested</li> <li>• Sign off by Community Relations Manager/person with responsibility for CR</li> </ul>
<b>Level 3 Feedback</b> – A grievance that is not a breach of law or company policy and is not related to death or serious illness or a recurrent question/request for information	<ul style="list-style-type: none"> <li>• Investigation by Feedback Coordinator and Representative of relevant specialist department</li> <li>• Sign off by Community Relations Manager/person with responsibility for CR and Specialist Department Head</li> </ul>
<b>Level 4 Feedback</b> – A repeated or widespread grievance, or a grievance that is a breach of law or company policies, is a direct accusation of breach of human rights, or relates to death or serious illness	<ul style="list-style-type: none"> <li>• To be investigated by Feedback Coordinator, representative of relevant specialist department and mine manager as required</li> <li>• Sign off by Community Relations Manager/person with responsibility for CR, mine manager and corporate personnel</li> </ul>

Significant issues, complaints or disputes can be categorized as level 3 or 4 feedback. We request information on the nature of the issues or complaints, including: the parties involved, key issues and points of disagreements, any ongoing programs or efforts to resolve the disputes, and the mechanisms and approaches used to resolve the issues, complaints or disputes. By recording and assessing the details of such grievances across operations and over time, we will be able to identify areas of significant social risk to our business, and in doing so, learn about the approaches that can best work to resolve them.

### **Dusting Grievance at Carmen de Andacollo**

In 2010, we received one significant grievance from a local environmental NGO regarding dusting issues at our Carmen de Andacollo (CdA) site in Chile. The NGO provided video and photographs alleging dusting events in the surrounding community. Dust is a recognized material issue at CdA and they have been implementing mitigation measures in the last year, including dust suppressant on roads and the construction of a stockpile cover. To better understand the exact nature of the grievance, representatives of our corporate office and CdA met with the NGO. As a result of that meeting and an analysis of our dust monitoring data, it was determined the NGO was correct in their assertion that the site had notable lapses in dust control. In response, we introduced an hourly monitoring program to capture more precise data on the timing of dusting events, and made a commitment to improve internal compliance and dust control measures. Discussions with the NGO continued throughout 2010 and we have fully implemented a formal feedback mechanism at CdA to respond to any community suggestions, comments or concerns.

Our proactive approach with the local NGO has transformed our relationship into a strong working alliance. CdA and the NGO were able to meet several times following the initial grievance, which established the shared basis of a common concern for the environment. Once both organizations realized the mutual support that could be gained by working together, they developed three key initiatives:

1. The NGO was a key partner in an Andacollo-wide project sponsored by CdA to certify all schools as environmentally sound. Through this project, the 2000 children were given trees to plant, an effort shared by the NGO.
2. We supported the NGO's proposal to the Chilean government to win grant funds to further local environmental initiatives.
3. One member of the NGO will participate in an upcoming course sponsored by CdA at the local university on environmental management in mining.

The evolution of our relationship with the NGO demonstrates our commitment to community engagement, and confirms that an open, transparent, proactive relationship leads to value created for the company and community.

### **Emergency Preparedness**

Emergency preparedness is a top priority in the mining industry. All of our operations have management systems in place to address incidents that occur on-site, as well as broader management plans to address any risk of sudden and widespread impacts affecting employees, communities or the environment. We have also developed community-specific plans in conjunction with local authorities. 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 the most remote locations 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 organization such as search and rescue, or volunteer fire departments. This close connection supports integration with the community's emergency planning capability and training. In many settings, a great number of mine rescue teams compete and win top honours in regional and provincial emergency response and rescue competitions.

### **Pandemic Plan**

Our Pandemic Plan was established as part of the process administered by the Crisis Management Team in 2001. This Plan was first used during the Severe Acute Respiratory Syndrome (SARS) health crisis in 2002 and was amended following the SARS situation. It was reactivated for the Influenza A (H1N1) Swine Flu in 2009, and restructured accordingly. The Plan, like all crisis plans, is a living document. Our Crisis Management Team has been well established, so we can quickly and smoothly activate the Plan whenever the need arises. This Pandemic 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 CI and the good practice principles identified by the International Finance Corporation (IFC), a member of the World Bank Group that fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing capital in the international financial markets, and providing advisory services to businesses and governments. The IFC describes strategic CI as aligned with business objectives, multi-COI-driven, sustainable and measurable. Strategic CI presents a significant opportunity for us to meet business objectives while benefiting our COIs in a sustainable way, often targeting the most vulnerable members of those communities. In 2011, we will begin revising our Community Investment Policy, release our SMART Community Investment tool and adapt our reporting systems to incorporate the London Benchmarking Group model, which is an internationally recognized standard for measuring the impact of community investment.

Our approach to CI is rooted in the strategic application of three key themes:

- CI directly linked to fundamental business needs such as obtaining and maintaining a social licence to operate, managing social risks, improving our reputation and enabling project legacies that contribute to sustainability.
- CI aligned to mitigate specific social risks faced by an operation or project.
- Collaborative and strategic CI to achieve long-term development and social goals, either where we operate or globally through the use of our products.

When based on these three pillars, CI has the potential to be a valuable results-based investment for both our company and the communities affected by our operations. One example of our commitment to sustainable community development can be found in our Sullivan Mine case study on [page 44](#). An example of strategic and collaborative CI is our zinc and health initiative, which is described in our case study on [page 44](#).

### Corporate Community Investment

In 2010, we donated \$20 million in CI-related funding, and our total in-kind donations amounted to \$72,400. This amount met the standard set by Imagine Canada of donating 1% of annual earnings before interest and taxes (EBIT) on a five-year rolling average basis. We provide support to numerous organizations in the communities in which we operate worldwide.

**Table 10: Corporate Community Investment**

	2010	2009	2008
Carmen de Andacollo Operations	\$ 1,195,000	\$ 425,000	\$ 101,000
Duck Pond Operations	179,000	36,000	191,000
Coal Operations <sup>(1)</sup>	1,694,000	254,000	1,900,000
Highland Valley Copper	763,000	426,000	344,000
Pend Oreille Operations	5,000	4,000	24,000
Quebrada Blanca Operations	526,000	28,000	40,000
Red Dog Operations	919,000	415,000	946,000
Trail Operations	411,000	603,000	303,000
Corporate Offices <sup>(2)</sup>	14,322,000	13,849,000	10,330,000
<b>Total <sup>(3) (4)</sup></b>	<b>\$ 20,014,000</b>	<b>\$ 16,040,000</b>	<b>\$ 14,179,000</b>

(1) Coal operations include: Cardinal River Operations, Coal Mountain Operations, Elkview Operations, Greenhills Operations, Fording River Operations and Line Creek Operations.

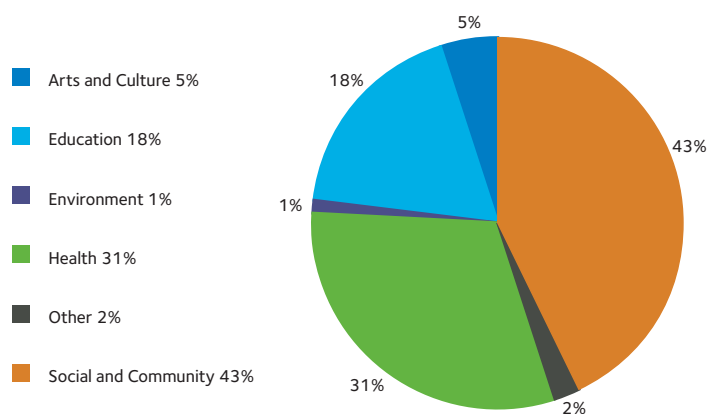
(2) For 2010 and 2009, this includes our Vancouver, Spokane and Toronto offices.

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

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

The following figure provides a breakdown of funding by category:

**Figure 4: Funding by Category**



Corporate Community Investment is a multi-year project for our company and includes:

- A rollout of our new Community Investment Policy.
- Ongoing guidance and capacity building at our operations through SMART tools and training.
- Employment of staff dedicated to community development and investment
- Continued development of our zinc and health initiatives including: partnering with UNICEF and the International Zinc Association on the Zinc Saves Kids program; development of the Zinc Alliance for Child Health – a partnership of Teck, the Micronutrient Initiative and the Government of Canada through the Canadian International Development Agency; and support for the International Zinc Association's Zinc Nutrient Campaign to increase awareness as well as the use of zinc in fertilizers to enhance crop productivity and nutritional value.

Antamina, in which we are a 22.5% shareholder, also contributes to the Fondo Minera Antamina (FMA) sustainability fund. Our EBIT goal excludes its share of Antamina and we do not include Antamina's contribution in our corporate community giving and investment totals. From 2006 to 2010, our 22.5% share of Antamina's contributions to the Antamina Mining Fund (AMF) was US\$46.8 million. In 2010, Antamina contributed US\$59 million or 3.75% of operating profit (Teck's 22.5% share was US\$13.3 million) to the AMF sustainability fund to improve health and nutrition, education and economic opportunities throughout the Ancash region in Peru, where the mine is located. Antamina donated an additional US\$4 million for school computer purchases, with our 22.5% share being US\$900,000.

### **Emergency Relief**

Our company and employees have a proud history of responding to disasters that require humanitarian aid. In 2010, our employees made relief donations for the earthquakes in Haiti and Chile (January and February 2010, respectively). We matched all donations dollar for dollar. Donations totalled more than \$77,000 for the Haiti Relief Fund. In Chile, our company and employees were responsible for a total of \$1.3 million worth of support in areas affected by the earthquake and tsunami. Some of the organizations supported included the Chile ayuda Chile (Chile Helps Chile) Telethon, Food Support Baskets Campaign for the Caritas Chile Foundation, and Costa Sur, a non-profit group that organized the rebuilding of an anti-seismic house for a family whose home was lost in Pullay Village (VIII Region). Other initiatives included distribution of survival kits and the reconstruction of three municipal schools (VI Region). In 2010, in addition to disaster relief, our employees around the globe continued to demonstrate their desire to give back to the communities where they live and work, at all sites and locations.

### **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 part of our community investment decision making. Across our company, we track MDG-supported programs and organizations that we invest in. (Please see the Human Rights section for more information on the UNGC and the MDGs.) Our participation in the International Zinc Association (IZA) fertilizer and zinc supplementation program (in particular, the Zinc Saves Kids partnership between UNICEF and the IZA to globally address zinc deficiency in children) is one example of corporate community giving aligned with the MDGs. We focus our direct investments in community development aimed at poverty alleviation, including programs that create access to clean water, improve nutrition and education, and facilitate 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.

## Case Study: Sustainable Community Development at the Sullivan Mine

At Teck, we want to leave communities better off, even after we have closed operations. The Sullivan Mine in Kimberley, BC is a powerful example of a mine's legacy of social and economic benefits continuing well beyond mine closure.

The Sullivan Mine operated for almost 100 years, and employed nearly 3,500 people at its peak – more than half the town's population. When the mine closed in 2001, many people thought the loss of jobs and tax revenue would mark the end of Kimberley. However, 10 years later, through strong community leadership, collaboration, dialogue and planning, the community is still thriving.

How did it happen? As early as the late 1960s, we began developing plans in partnership with the community to diversify the economy and sustain the area after mine closure. Over time, discussions focused on broadening the city's tax base, diversifying employment and transitioning from mining to a tourism-based economy.

Discussions led to action. Working with the community, we began to use our landholdings in the region to facilitate investment in recreational infrastructure and resort development. This led to the construction of the Northstar Mountain Village ski resort, the Trickle Creek and Bootleg Gap golf courses, and Forest Crowne Estates, a resort community. These developments helped transform Kimberley from a mining town to a resort destination famous for its golf, outdoor activities and skiing.

The transformation of Kimberley and the partnership with Teck continues. In December 2010, the City of Kimberley announced its plan to collaborate with Teck and the EcoSmart Foundation to launch the SunMine project, a solar energy test program. The project, which has been built on the Sullivan Mine site, will make use of Sullivan's roads, substations, security fencing and transmission lines, substantially enhancing the economics of the project by taking advantage of the mine's infrastructure. The project will produce 1.6 gigawatt hours (GWh) of clean electricity, enough to power 160 homes.

"This project is a double win because it provides benefits to both Teck and the community," says David Parker, Vice President of Sustainability. "We'll be able to study solar energy and the role it can play in increasing the use of renewable energy. The community can also use this project to reinforce its reputation as both an ecotourism destination and an emerging player in the clean energy industry."

Through ongoing partnership, Teck and the community are ensuring that the Sullivan Mine continues to build a positive legacy.

## Case Study: Zinc and Health

Teck is a significant producer of zinc. We know a lot about zinc and recognize the significance of zinc and health. Zinc is an essential micronutrient that activates growth as well as physical and neurological development for children. Unfortunately, approximately one-third of the world's population is at risk of zinc deficiency. Zinc deficiency is typically the result of inadequate dietary intake of zinc. The problem is particularly profound in the developing world, where many people have plant-based diets that are low in zinc. Diseases such as diarrhea can also contribute to zinc deficiency. Zinc deficiency results in the deaths of almost 450,000 children under the age of five each year.

As one of the world's largest producers of zinc, we have a lot of knowledge about zinc and recognize the role we can play in finding solutions to zinc deficiency. "The challenge the world faces is not producing more zinc. It is getting zinc into the diets of people suffering from zinc deficiency," said Don Lindsay, our President and CEO. We have committed to several initiatives that help combat zinc deficiency in children and see this as one way we can contribute to United Nations Millennium Development Goal number four, which calls on the global community to reduce the mortality rate of children under age five by two-thirds between 1990 and 2015.

We support Zinc Saves Kids, a program created through a partnership between the International Zinc Association (IZA) and UNICEF to provide inexpensive zinc supplements to children. Zinc Saves Kids was recognized by former US President Bill Clinton, who stated, "There is no other strategy on earth where you can save that many lives for that little money." In 2011, we partnered with the Micronutrient Initiative and the Canadian International Development Agency to develop the Zinc Alliance for Child Health (ZACH), which is committed to ensuring that zinc is universally available by improving awareness about zinc deficiency and enhancing distribution systems in order to save children's lives.

We also launched an employee awareness program in 2011 to educate our employees on the importance of zinc as a micronutrient and raise awareness of zinc deficiency. Representatives at each of our operations and offices have been identified to lead the program and educate others locally.

As Chairman of the IZA, Don Lindsay has encouraged and promoted the IZA's Zinc Nutrient Initiative (ZNI), which is focused on combating zinc deficiency through the use of zinc fertilizers. Using zinc fertilizers increases both a crop's yield and its nutritional status. This improves human health, as there is a direct connection between soil zinc deficiency and human zinc deficiency. The ZNI is a long-term approach to ensure zinc-rich foods become part of the staple diets of people in developing countries.

Zinc is essential for improving human health. We are deeply committed to the work we do to promote the use of zinc fertilizers that improve the nutritional status of crops, and to collaborate with international agencies to deliver zinc treatment and supplements to children in need.



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# Water

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**Vision:** We contribute to the ability of present and future generations to enjoy a balance between the social, economic, recreational and cultural benefits of water resources, within ecologically sustainable limits.

Mining relies heavily on water: we use large volumes of water to process and transport minerals. Our activities also affect water use: we return it to the environment in different ways and our operations could impact other water users in our areas of influence.

Water is a valuable resource, one that is subject to growing stress related to scarcity and quality. Less than 3% of the world's water is fresh and of this, 83% is in glaciers<sup>4</sup>. This leaves only 17% potentially available for fresh water use across the globe. Further, water is often not available in sufficient quantities where it is needed. In addition, demand for fresh water is increasing. The world's population is growing, and as people become more affluent and urbanized they tend to consume more water and foods that require water-intensive agricultural production. Over 1.2 billion people don't have enough water<sup>4</sup>, so ensuring water is fairly allocated is a critical issue, particularly in regions of water scarcity. People and governments are also increasingly engaged in the development of water policies, and there is a growing debate over the role of markets in delivering water.

Water-related issues affect the way we do business at Teck. Therefore, it is essential that we manage water-related issues to maintain our access to water, and to ensure that our business grows and thrives. We are increasingly moving from compliance-based water management to a sustainable and restorative approach. For example, at our Carmen de Andacollo mine in Chile, we participate in a multi-stakeholder water group that collaborates with the community on water planning. We have also reclaimed Trojan Pond, a former tailings pond at Highland Valley Copper, into a premier trophy-fishing site that supports vibrant aquatic life.

We manage and minimize our potential impact on sources and downstream watersheds. When planning new projects, we fully evaluate all viable water supplies and needs, including cumulative impacts to surface water and groundwater sources. New projects are optimized to minimize water use, while maximizing water reuse.

In 2009, as part of our efforts towards embedding the responsible use and management of water, we began to develop a corporate water management policy. The policy was finalized in 2010 and has been incorporated into our Environment, Health and Safety, and Community (EHSC) Management Standards as a new water

management standard. This water standard outlines our company's approach to managing water, including elements such as:

- Ensuring diverse watershed interests are considered
- Implementing site-specific water management systems
- Training employees in water management
- Collaborating with local and international organizations to contribute to effective water management

More information on our EHSC Management Standards is available on [pages 18-19](#).

In 2010, we shared our water policies, practices and performance through our first response to the Carbon Disclosure Project's (CDP) Water Disclosure program. The CDP Water Disclosure program started in 2009 to help institutional investors better understand the business risks and opportunities associated with water scarcity and other water-related issues by increasing the availability of company-specific information. Our response can be found online at [www.cdproject.net](http://www.cdproject.net).

We believe it is possible for everyone – both present and future generations – to have enough water for their needs. We will use water responsibly in consideration of other water users in our areas of influence, implement effective water management techniques, and help develop productive secondary uses for water that improve its efficient use.

## Water Quality

We regularly monitor discharge water quality for compliance with applicable standards, regulations and permits. Our efforts focus on our goals of keeping clean water clean, minimizing water quality deterioration and restoring impacted water resources. As an example, the mining of steelmaking coal has been found to increase the levels of selenium in surface waters. Selenium is an essential element beneficial to animals and humans, but can be harmful if present in elevated concentrations. We have identified an increasing trend in selenium concentrations in the Elk River, near five of our open pit steelmaking coal operations in southeastern British Columbia. In recognition of this, we commissioned an independent advisory panel to assist in developing a strategic plan for the sustainable management of selenium at our coal operations. The Strategic Advisory Panel on Selenium Management began its work in January 2010, and released a report in June 2010 and an addendum in May 2011, following extensive community consultation. These reports are both available on our [website](#).

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<sup>4</sup> World Business Council for Sustainable Development, Water Facts and Trends, 2009

We have followed up on the Panel's recommendations with the implementation of operation-specific mitigation measures and the expansion of research and development of technological solutions for selenium reduction. We also continue a long-term commitment to the Elk Valley Selenium Task Force, a joint committee of government and industry representatives evaluating selenium monitoring and management in the Elk River Watershed, as well as the Alberta Working Group, a parallel committee of government and industry representatives working towards similar goals in Alberta. More information on our selenium management is available in our case study on [page 47](#).

## Water Quantity

In 2010, our total water withdrawal from ground, surface and other sources was approximately 125 million cubic metres (m<sup>3</sup>), as compared to approximately 119 million m<sup>3</sup> in 2009. This increase in water withdrawal was largely driven by the changes in production processes at our Carmen de Andacollo (CdA) operations in Chile. To minimize the amount of freshwater intake, water is recycled throughout all of our industrial processes. In 2010, the total quantity of recycled or reused water within our operations was approximately 113 million m<sup>3</sup>, compared to 118 million m<sup>3</sup> in 2009. The majority of this water is recovered from tailings facilities for reuse in the mill. We continue to work towards better understanding and management of our water consumption, reuse and discharge. Please see the Performance Overview table on [pages 72-73](#) to find a more detailed breakdown of water withdrawal and usage information.

## Water Allocation

We are committed to using water responsibly and implementing effective water management techniques in consideration of other water users. Through our experience at CdA we have developed a greater appreciation for the importance of ongoing dialogue and engagement with our local partners and community members regarding water supply issues. This experience continues to influence our efforts in community engagement at our other operations, as well as the water supply considerations for our development projects. For more information on our experiences at CdA, please see our case study on [page 47](#) in this report and further discussion on page 16 in our 2009 Full Sustainability Report.

## Case Study: Managing Selenium to Protect Water and Aquatic Life

Selenium is a naturally occurring element essential to humans and animals. However, when present in increased concentrations – which can happen through coal mining when selenium is released from waste rock – it can impact ecosystems.

Water quality monitoring in the Elk and McLeod rivers near our coal mines in southeastern British Columbia and west-central Alberta detected increased selenium concentrations downstream from our operations. This is a key management concern due to the potential for elevated selenium concentrations to cause population-level effects on fish and wildlife.

In addition, increasing societal and regulatory pressure highlighted the importance of selenium management to our communities of interest. To address this issue, we commissioned an independent panel of world-class experts to help forge a strategic plan for the sustainable management of selenium at our coal operations. Led by risk assessment expert and aquatic toxicologist Dr. Stella Swanson, the Strategic Advisory Panel on Selenium Management was formed in January 2010. The panel visited our coal mines, met with employees, and held extensive one-on-one meetings and workshops with First Nations, regulators, local government and community representatives.

“Our overarching strategy was to adopt objectives for selenium management consistent with the goals and ambitions of our communities of interest for watershed protection, social well-being and a healthy economy,” said Dr. Robin Johnstone, General Manager, Environmental Affairs, Teck Coal.

After six months of engaging with communities of interest, the panel released its report, which contained key recommendations designed to assist us in the management of selenium at our coal operations. The adoption of these recommendations is in progress and immediate actions aimed to reduce selenium loadings within three years are also underway. These include: testing and planning for construction of a full-scale active water treatment facility at West Line Creek; constructing a large water diversion at Fording River Operation’s Kilmarnock Creek; redesigning the next phase of our Line Creek Operation to incorporate selenium management options; an analysis of selenium management options at all coal operations; and overhauling our monitoring, research and development programs to help demonstrate success and identify areas and methods for improving selenium management.

“It is our responsibility to implement effective and sustainable measures aimed at managing selenium over the long term while reducing observed trends as quickly as possible,” said Dr. Johnstone.

## Case Study: Engagement Builds Relationships in Chilean Communities

When we acquired Carmen de Andacollo mine (CdA) in 2007, there was considerable community concern over the mine’s proposed water use. We quickly discovered that we had not fully appreciated the spectrum of water use needs and requirements by local communities and other water users, as well as the extent of community concern, when we acquired the mine. We recognized that we needed to more fully engage and understand community concerns and interests related to water. We apologized to the community, listened to their concerns and came forward with a new proposal: a 27-kilometre pipeline to supply water to the mine from a different aquifer. We also agreed to exchange water from the El Culebron aquifer 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.

“This experience provided us with important lessons about the need to collaborate with the community on water management issues,” says Mauricio Gómez, Superintendent, External Relations. “We recognized that while the proposed pipeline may have addressed immediate community concerns, there was a need for ongoing community consultation.” Given the potential for concerns about both the construction process and long-term water management, the CdA team worked with communities of interest throughout the region to provide project information, address concerns and establish a feedback mechanism.

To start with, each Community of Interest – which included neighbourhood associations, businesses, community leaders, Rural Water Committees (APRs) and farm representatives – was contacted in writing with an outline of the project. Project information was also sent to local media.

Next, the CdA team held meetings to personally share information about the project with those who were interested and might be impacted. They also met with each family and business along the route to coordinate start and end times for construction as it passed through or near their property. Everyone along the pipeline route was also provided with the names and contact information of the on-duty supervisor and the community staff at CdA. This provided a forum to ensure residents’ concerns were heard and addressed promptly.

To address long-term water management concerns, a water monitoring committee in the community of Alfafares (the location of the new water intake point) was created. Local government representatives, water authorities and community leaders were invited to participate in both the monitoring table and water management discussions, providing a forum for stakeholders to share concerns and find solutions.

The team also worked with local farmers to improve access to water by deepening their wells and establishing a Water Resource Efficiency Program, which included funding to improve water production, efficiency and irrigation.

“Through ongoing dialogue and collaboration, there is now recognition that water is a finite, shared resource,” says Gómez. “Continual investment and dialogue about water sustainability will be necessary to ensure both CdA’s and the community’s long-term viability. And, as part of our overarching water strategy, we’re prepared to do just that.”

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# Ecosystems and Biodiversity

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**Vision:** We achieve a net positive impact on biodiversity by maintaining or re-establishing self-sustaining landscapes and ecosystems that lead to viable long-term and diverse land uses in the areas in which we operate.

Ecosystems are communities of living organisms, their habitats and their interactions, while biodiversity is the variety of living organisms and ecosystems. Biodiversity conservation is the practice of protecting the abundance and variety of species of organisms on the planet.

Growing human populations, coupled with the continued desire for a higher standard of living, result in rising demand for the earth's resources, in turn increasing the pressures on ecosystems and biodiversity. We explore and operate in many regions representing a variety of natural habitats, including tropical and arctic areas, boreal forests, and deserts. We recognize that our activities affect ecosystems and biodiversity.

Our business can directly affect ecosystems through land disturbance and can influence the adjacent environments through air and noise emissions, water utilization and other factors. As such, we establish environmental performance measures applicable at each of our operations, ensuring we conduct our planning, development, operations and reclamation activities in a manner that demonstrates responsible environmental stewardship.

We are committed to the use of responsible and effective biodiversity conservation practices in all phases of the mining life cycle. At each of our operations, we strive to minimize environmental impacts and to maintain, or re-establish, safe and self-sustaining landscapes that can support healthy, stable and robust ecosystems for present and future generations. We conduct our planning, development, operations and reclamation activities in a manner that is intended to contribute to responsible environmental stewardship. In addition, we establish environmental performance measures for each of our operations. We have been recognized by our industry peers, communities and regulators for exemplary reclamation. For example, in 2007 we were awarded the Major Reclamation Award by the Alberta Chamber of Resources for successfully reclaiming one of our mined pits at Cardinal River Operations into Sphinx Lake, which is now part of a watershed that provides a thriving habitat for rainbow and bull trout.

Our Code of Sustainable Conduct includes our commitment to integrate biodiversity conservation considerations into all stages of business and production activities. Our Environment, Health, Safety and Community Management Standards require routine progressive reclamation at all operations and jurisdictions in which we operate. Our Biodiversity Guidance Manual (BGM) provides practical tools to identify and address key biodiversity concerns at each stage in the mining life cycle. By following the guidelines in the BGM, operating facilities evaluate environmental practices that can impact biodiversity (such as land disturbances, air/dust emissions and water utilization), develop a biodiversity baseline, and implement site-specific plans to conserve biodiversity and protect ecosystems. Our BGM includes guidelines for identifying protected areas and engaging communities around biodiversity.

We see mining as an interim and transitional land use that results in changes to the landscapes and natural systems. We assess these systems carefully prior to disturbance and incorporate measures to reduce our impacts through our planning, development, operations and reclamation. Measures used include avoiding key habitats, habitat creation and enhancement, creating offset mechanisms, and minimizing our air, land and water disturbance footprint. These approaches enable us to minimize our net impact on biodiversity and ecosystems, and can lead to positive contributions. For example, at our Highland Valley Copper operations, two decades of monitoring of bird species abundance and diversity has shown that the number of species in reclaimed areas has increased by 20%, to 192 different species.

In support of biodiversity conservation, we will also pursue additional actions in regions where we operate, moving us toward a net positive contribution in the long term. For example, if a new mine development involves an unavoidable impact on habitat that is impossible to re-establish over a reasonable time frame, we could achieve a positive impact by enhancing, or setting aside for preservation, an area within the local region that is of equal or greater habitat value.

## Management of Known Biodiversity Impacts

Our operations work with local community groups and government agencies to ensure responsible care and protection of lands. We 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 strategies are utilized to ensure biodiversity is protected, allowing for the protection of valued ecosystem components and the creation of wildlife habitats necessary for future ecosystem integrity. Such strategies include revegetation programs that result in self-sustaining landscapes compatible with end land-use objectives.

Three examples of our operations that are adjacent to protected areas or areas of high biodiversity value are:

### Red Dog Operations

Red Dog is a zinc and lead mine with an associated port facility, located in Alaska's Northwest Arctic Borough. The area contains an intact ecosystem with minimal industrial development. The mine operations, port and connecting road encompass approximately 10,000 hectares (ha), of which 1,050 ha have been disturbed by construction and mine development.

The access road from the mine to the port runs through Cape Krusenstern National Monument. We have conducted an ecological risk assessment to identify potential impacts that might be associated with fugitive dust, and a risk management plan has been developed in response to the findings of the risk assessment. The risk management plan includes monitoring, remediation and public communication actions, and also describes studies that are to be performed in the future in order to further understand (and so reduce) potential effects of fugitive dust on the environment.

### Cardinal River Operations

Cardinal River Operations is a steelmaking coal operation in west-central Alberta, on the front range of the eastern slopes of the Rocky Mountains within Whitehorse Wildland Park and Jasper National Park. The two mines within Cardinal River's boundaries, Cheviot and Luscar, as well as the haul road for the Cheviot Mine, comprise approximately 6,400 ha, of which 3,150 ha has been disturbed to date.

The area provides habitat for grizzly bears, elk, sheep, mule deer and wolves. The potential biological impacts for each species have not yet been completely assessed. However, our reclamation activities at the mine and pit lake have shown positive contributions towards biodiversity conservation. See our case study on our mined pit reclamation on [page 51](#) for more information.

### Trail Operations

Trail Operations is a mature lead smelter, zinc refinery and fertilizer plant in Trail, BC. It is located near several designated and protected areas, including Beaver Creek Provincial Park, the Fort Shepherd Conservancy Area and Champion Lakes Provincial Park. The potential for biological impacts at Trail Operations stems primarily from air emissions, rather than physical land disturbances. Approximately 375 ha have been disturbed by operating sites, landfills and materials storage.

White sturgeon, which inhabit the neighbouring Columbia River, are listed as endangered under the *Species at Risk Act*, and could be impacted by the Waneta hydroelectric dam, of which Teck owns two-thirds.

### Collaborations

We support biodiversity conservation through ongoing collaborations with conservation organizations. Examples of our ongoing collaboration in support of biodiversity conservation are described below:

#### Ecosystem Management Plan for the Lower Columbia Valley (Trail, BC)

In 2009, Trail Operations began a joint venture project with the BC Ministry of Environment to develop the Lower Columbia Ecosystem Management Plan specifically for the area surrounding the Trail facilities that has been historically impacted by smelter emissions. This plan involves consultation and engagement of stakeholders, and partnership with agencies and organizations that share common ecological objectives for the region.

#### Upper Columbia River White Sturgeon Recovery Initiative (Trail, BC)

Trail Operations is involved with the White Sturgeon Recovery Initiative (WSRI) to help develop and execute a recovery strategy for the endangered white sturgeon species, in coordination with a national recovery strategy under the *Species at Risk Act* (SARA). Designation of critical habitat for white sturgeon under SARA could have implications for operational parameters of the Waneta hydroelectric dam.

#### Fort Shepherd Conservancy Area – Trail Operations (Trail, BC)

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. We also donated \$1 million as an ecological gift to TLC. 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 the property and established a \$400,000 endowment fund for the future management of this area. This initiative is the direct result of several decades of environmental improvements undertaken by Trail. For more information, please see the TLC website at [conservancy.bc.ca](http://conservancy.bc.ca).

### **Southern Interior Weed Management Committee – Highland Valley Copper (Logan Lake, BC)**

Highland Valley Copper has collaborated with the Southern Interior Weed Management Committee (SIWMC) to improve its weed management. The SIWMC is a not-for-profit organization with members from public agencies, clubs and organizations, as well as private industry. The SIWMC takes a “no borders” approach to noxious weed control, and coordinates weed management with surrounding areas to eliminate any untreated pockets of weeds that 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 Highland Valley Copper to plan and coordinate effective measures to deal with invasive species. For more information, please visit the SIWMC website at [siwmc.ca](http://siwmc.ca).

### **Canadian Intermountain Joint Venture**

We are an industry participant in the Canadian Intermountain Joint Venture (CIJV), a collaboration between 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 initiatives. The CIJV provides regional implementation of the North American Waterfowl Management Plan, the Canadian Shorebird Plan, Partners in Flight North American Landbird Conservation Plan, and Wings Over Water, Canada’s Waterbird Conservation Plan. The CIJV complements, augments and facilitates existing conservation initiatives, conserving habitat for the benefit of wildlife and people. For more information, please visit the CIJV website at [cijv.ca](http://cijv.ca).

## **Reclamation and Closure**

Reclamation and closure plans are developed and regularly updated for each of our mine sites. Our practice is to progressively reclaim lands during operations, once those lands are no longer required for mining.

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 or demolish buildings and physical infrastructure
- Close pits and shafts
- Stabilize underground workings
- Treat waste water appropriately
- Slope and contour waste rock dumps where applicable
- Cap or cover and vegetate waste rock dumps and tailings impoundments

Our Lennard Shelf Pillara Mine in Western Australia was closed in 2008 and by 2010, we completed 90% of the reclamation of the mine. More details about this can be found in our case study on [page 51](#).

In 2010, the total area disturbed was 1,338 hectares (ha) and the total area reclaimed was 84 ha. Of the total area of disturbance reported by our operating mines to date (approximately 25,600 ha), about one-quarter has been progressively reclaimed (approximately 6,300 ha). Please see the Performance Overview table on [pages 72-73](#) for additional information on reclamation.

We have won a number of industry and government awards for our innovative approaches to reclamation, including Elkview Operations, which won a 2010 reclamation award for their noted excellence in coal mining reclamation from the BC Technical & Research Committee on Reclamation (TRCR). Elkview’s approach to reclamation is consistent with our overall vision of biodiversity conservation, featuring specific activities such as: development of diverse wildlife habitats, annual winter wildlife surveys, documentation of wildlife using trail cameras, aerial seeding of high wall benches, and the development of a wildlife tracking database to monitor rare and/or unusual wildlife sightings.

An example of reclamation of one of our mined pits in Cardinal River into a thriving trout habitat can be found in the case study on [page 51](#).

## Case Study: Rehabilitation of Lands Disturbed by Mining at the Lennard Shelf Pillara Mine

It's always good news when a mine is successfully rehabilitated, especially when it's done in record time, and when it demonstrates industry best practice. The Lennard Shelf Pillara Mine in Western Australia was closed in 2008, and over 90% of the disturbed area was rehabilitated by October 2010, in time for the next wet season. The Pillara Mine was operated by Lennard Shelf, a joint venture between Teck and Xstrata Zinc, from 2007 until its closure in 2008.

After the mine's closure, a small dedicated team of on-site staff began selling the mine's assets to strategically fund the rehabilitation. From the outset, we were committed to reclaiming the area in a timely manner, and rehabilitation was done on budget and without any safety incidents. The successfully rehabilitated area of approximately 150 hectares included underground and mobile equipment, camp accommodation and a 2.4 million tonnes per annum processing plant.

The tailings storage facility (TSF) was rehabilitated to ensure the long-term integrity of the containment facility and proved to be the most challenging area to rehabilitate. The cover design needed to account for substantial rains: during the wet season, over 100 millimetres of rain can occur within a 24-hour period. Given the amount of water, the rehabilitation engineering plans needed to provide adequate drainage to prevent soil erosion. Rock berms were constructed within the TSF to slow the flow of water and a series of trial plots with varying rock, subsoil and topsoil determined the best growth medium.

"We had to think very carefully and strategically about how to rehabilitate the area to protect the environment," says Aneil Prasad, Project Superintendent at Lennard Shelf. "One key to our success was learning from our previous experience of closing and rehabilitating the Cadjebut Operations, one of our mine operations close by, which has similar terrain and weather challenges."

At Pillara, we have taken action beyond regulatory requirements: to date, we have spent over AUD \$10 million on the Pillara Mine rehabilitation. Taking this kind of responsibility for the areas where we operate is one way we are working to be a leader in promoting healthy biodiversity and ecosystems.

## Case Study: From a Mined Pit to a Thriving Trout Habitat

Rainbow trout and bull trout are now thriving in the Sphinx Creek watershed, thanks to the successful reclamation effort of one of our mined pits at Cardinal River Operations (CRO). These two species of trout are currently listed as Species of Special Concern by Alberta's Endangered Species Conservation Committee, so we're especially proud to be providing a habitat for their growth.

Cardinal River Operations is one of Teck's six steelmaking coal operations in Western Canada. One of the pits in the mine, Luscar Pit, was mined from 1992 to 1999 and is located in the Sphinx Creek drainage. Prior to development, Sphinx Creek was deviated around the pit through a clean water diversion. When mining development was completed, we focused on re-establishing a fisheries habitat that would be at least as productive as before the area was mined.

The Sphinx Lake end pit lake system was constructed by replacing and reshaping the overburden removed during mining to backfill some of the pit, and then filling the remaining pit with water. Key reclamation steps included constructing an inlet and outlet channel for the lake, as well as habitat suitable for aquatic plants and other biodiversity. Sphinx Creek has since been redirected into the newly constructed channel and lake, serving as a spawning and rearing stream for the lake. Five years of post-reclamation aquatic, fisheries habitat and population monitoring indicates that Sphinx Lake meets all of the hydrological, physical and chemical criteria for an ecologically healthy lake.

Marc Symbaluk, Superintendent of Environment at CRO, attributes the success of the lake system to foresight: creating a sound development and reclamation plan from the outset. "Early planning allowed the pit to be mined in a way that protected the integrity of the Sphinx Creek stream flow by establishing a temporary clean water diversion," said Marc. "With its reconstructed inlet and outlet channels providing connectivity to Sphinx Creek, Sphinx Lake should contribute to a healthy watershed and sustained fisheries and aquatic habitat."

Today the Sphinx Creek watershed provides habitat for a substantial population of both resident and migratory native rainbow trout. Due to the enhanced habitat conditions, these trout have demonstrated high growth rates, compared to the pre-mine cold-water ecosystem. In 2007 Sphinx Lake was awarded the Major Reclamation Award by the Alberta Chamber of Resources.

Enhancing fisheries habitat and contributing to watershed integrity are highly valued at Teck. We'll continue to monitor Sphinx Lake and support its function as a fisheries habitat for rainbow trout and bull trout.

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# Energy and Climate Change

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**Vision:** We are a catalyst for introducing new energy and management systems that make a positive contribution to society's efficient use of energy.

Mining and the production of minerals that the world relies on requires the use of large amounts of energy. For example, in the course of production, we require gasoline and diesel to power our vehicles, natural gas to produce heat, and large amounts of electricity to power our mining and metallurgical operations. Energy costs are one of our most significant operational expenditures. In 2010 we consumed approximately 44,000 terajoules (TJ) of total energy. As a result, we are continuously striving to improve our energy efficiency and reduce our greenhouse gas (GHG) emissions.

Currently, approximately 25% of our energy requirements are supplied by non-carbon-emitting sources, largely due to our access to hydroelectricity. However, as mineral resources become scarcer, it is likely that new projects will be in remote locations, perhaps with lower grade ore that is more challenging to extract and process. These factors all suggest that mining is likely to become more energy intensive. This will make it challenging to reduce our energy intensity and the associated GHG emissions.

At the same time, global demand for energy is increasing at a fast pace, driven by population growth, increasing urbanization and economic development. This is resulting in an increase in fossil fuel combustion, which accounts for the majority of the world's energy consumption, and represents the largest source of GHG emissions. There appears to be general consensus regarding shifts in climate and weather patterns on a global scale, and the role of anthropogenic GHG emissions. In response, many governments are introducing new policies and regulations. We believe that government regulations, when designed well, can stimulate energy-efficient technologies and spark innovation.

Delivering the energy needed to meet global demand while minimizing the effects of climate change will require a combination of efficient energy production, use and delivery, as well as shifts towards renewable energies and technologies. We are focused on improving the efficiency of our operations. For example, in 2010 at Highland Valley Copper, we replaced one of our natural-gas copper concentrate drying systems with a pressure filtration system powered by hydroelectricity, a clean and renewable energy source.

We have also begun to collaborate with companies in the energy industry to develop alternative energy sources. We made our first investment in wind energy in 2010, partnering with Suncor to develop the Wintering Hills wind power project, which is expected to be operational in 2012. Moving forward, we are also looking for opportunities to collaborate with communities to become early adopters of energy-efficient systems and technology, use progressively lower GHG-emitting energy sources, and introduce

systematic approaches for efficient energy consumption and the promotion of renewable energy. We want to be a catalyst in sustainable energy – energy that is produced and used in ways that support a sustainable society.

## Data Collection Methodology and Restatements

For several years, we have tracked and reported on company-wide energy use and GHG emissions across all operations. Our energy and carbon accounting practices follow rigorous standards set by regulators in the US, British Columbia and Alberta, and across the rest of Canada. The most significant of these is the verification of our GHG emissions to a "reasonable level of assurance" required for BC facilities emitting greater than 25,000 tonnes of carbon dioxide-equivalent (CO<sub>2</sub>e) per annum under the provincial *Greenhouse Gas Reduction (Cap and Trade) Act* (GGRCTA) Reporting Regulation. In 2010, the first reporting year under the GGRCTA, all seven of our BC facilities received positive verification statements that their GHG Emissions Reports were materially correct and a fair and accurate representation of the facility's attributable GHG emissions for the reporting year.

Energy Conversion Factors are based on the BC GGRCTA Reporting Regulation and Environment Canada's 2010 National Inventory Report. The GHG accounting methodology applied in this report utilized the application of emission factors for the estimation of GHG emissions and, in the case of our operations located in BC, direct measurement for certain fuels. 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. Please see our [Glossary](#) for definitions of Scope 1, 2 and 3 emissions. This methodology is consistent with the Intergovernmental Panel on Climate Change, WBCSD/WRI Greenhouse Gas Protocol, Canadian federal, and US EPA guidelines for GHG emissions accounting.

We also report on GHG emissions and energy consumption to the [Mining Association of Canada](#). Reports on facilities emitting more than 50 kilotonnes (kt) of CO<sub>2</sub>e per annum under Canadian federal requirements are available at the Government of Canada's Greenhouse Gas Reporting website ([ghgreporting.gc.ca](http://ghgreporting.gc.ca)).

Direct (Scope 1) Emissions from 2006 to 2009 have been restated in this year's report. Historically, emissions from the combustion of coal were calculated using a province-specific emission factor provided by Environment Canada's National Inventory Report. In 2010, as part of the province of British Columbia and the Western Climate Initiative's GHG reporting requirements, combusted coal was sampled and physically analyzed for carbon content. These carbon content analyses resulted in a higher emission factor, and we have restated historical data to reflect this increase.



## Energy Use

Trends in fuel and electricity consumption for the past five years are shown in Figure 5. In 2010, we consumed a total of 43,632 TJ (terajoules) of energy, i.e., electricity and fuels, as compared to 38,065 TJ in 2009.

Our total energy consumption in 2010 is shown in Figure 6, followed by Figure 7, which illustrates changes in energy use from 2009 to 2010, and Table 11, which shows our energy consumption by primary energy source. A return to historical production levels accounts for the bulk of our increased energy consumption. In 2010 Fording River Operations and Carmen de Andacollo had the largest increases in energy consumption, due to Fording River processing additional coal from Greenhills Operations, and Carmen de Andacollo commissioning a new concentrator, which resulted in a 1,000 TJ increase in electricity consumption. Please see the Performance Overview table on [pages 72-73](#) for a summary of annual energy use.

Figure 5: Energy Consumption (TJ) Company Roll-Up

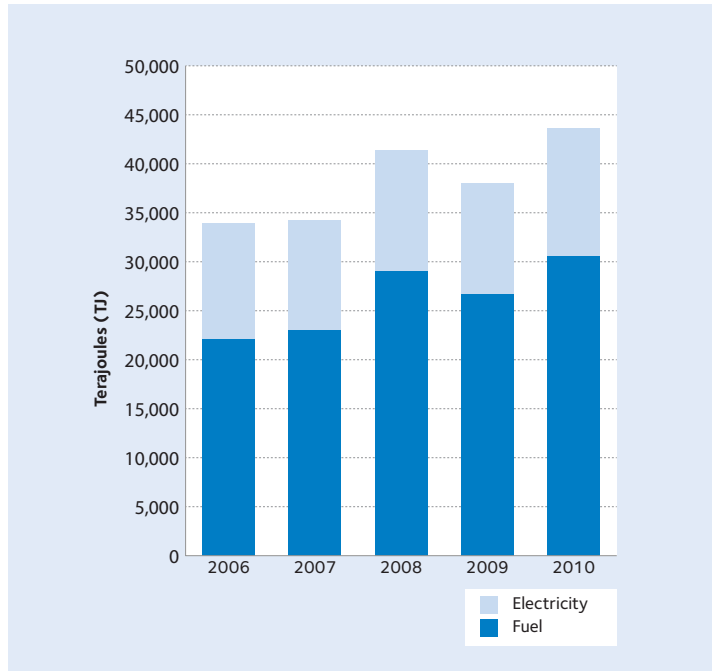
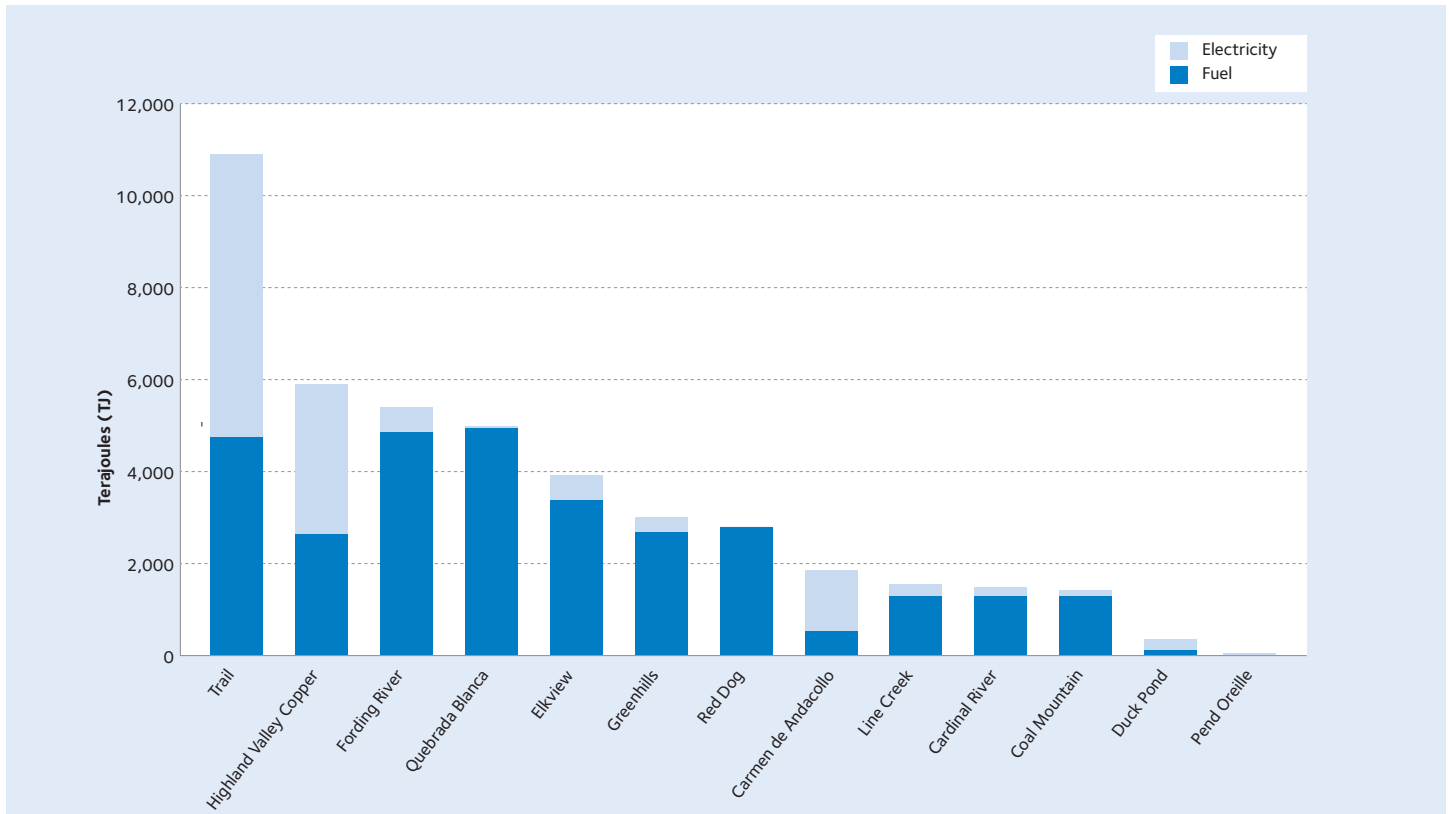
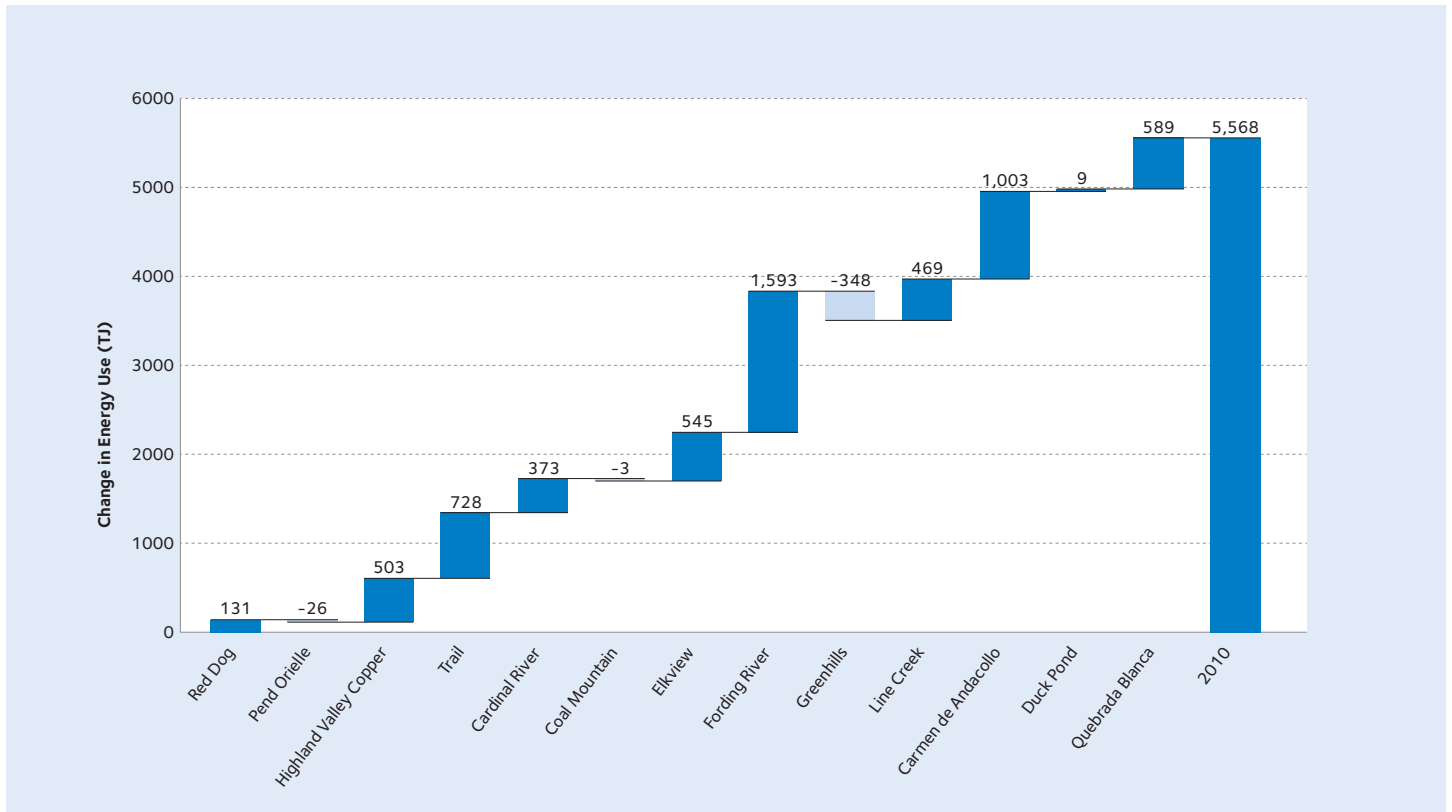


Figure 6: Total Energy Consumption 2010 (TJ)



**Figure 7: Changes in Energy Use 2009-2010**



**Table 11: 2010 Energy Consumption (TJ) by Primary Energy Source**

Diesel	Gasoline	Coal	Natural Gas	Coke	Electricity <sup>(1)</sup>	Other <sup>(2)</sup>	Total
15,288	227	4,756	4,735	252	13,029	5,346	43,633

(1) 85%, or 11,078 TJ, of our total electricity consumption is hydroelectricity, a renewable primary energy source.

(2) Other includes propane, waste oil, fuel oils, and other process fuels.

**Table 12: Energy Intensity in Product (Terajoules per kilotonne) (Total Energy)**

	2010	2009	2008
<b>Smelter</b>			
Trail Operations	31.2	37.2	41.4
<b>Large Open Pit Metal Mine</b>			
Highland Valley Copper <sup>(1)</sup>	58.4	44.4	45.4
<b>Large Open Pit Coal Mines</b>			
Cardinal River Operations	0.91	0.72	0.72
Coal Mountain Operations	0.65	0.61	0.62
Elkview Operations	0.72	0.84	0.84
Fording River Operations	0.72	0.65	0.56
Greenhills Operations	0.65	1.27	0.95
Line Creek Operations	0.60	0.53	0.57
<b>Open Pit and Underground Metal Mines</b>			
Duck Pond Operations	10.4	10.2	10.1
Red Dog Operations	4.3	3.7	4.0
<b>Open Pit Mines Producing Final Metal</b>			
Carmen de Andacollo	40.9	46.9	35.2
Quebrada Blanca	57.9	50.4	54.5

(1) At Highland Valley Copper energy intensity in product has increased over the years primarily due to work that has been undertaken to address pit-wall integrity, and increased distances for waste rock hauls, resulting from waste rock hauls increasing with the life of the mine, and a change in the mine plan driven by the mine life extension.

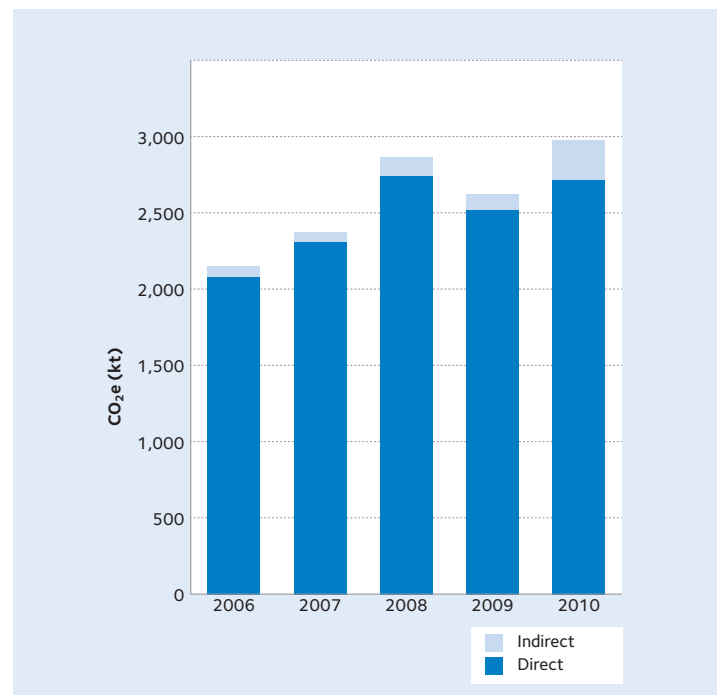
## Greenhouse Gas Emissions

The key drivers for direct GHG emissions vary significantly by operation. For example, in our coal operations, 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 as 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 GHG emissions are provided on [page 58](#).

In 2010, our total emissions from all operations (as CO<sub>2</sub>-equivalent [CO<sub>2</sub>e]) were 2,970 kt, compared to 2,616 kt in 2009 (Figure 8). Of those totals, our direct GHG emissions rose to 2,711 kt in 2010 from 2,512 kt in 2009<sup>5, 6</sup>. This increase in emissions was driven largely by increased coal production at several of our coal mines in 2010. Direct GHG emissions for each operation for 2010 are shown in Figure 9. Changes in emissions from 2009 to 2010 are illustrated in Figure 10 for each operation. Please see the Performance Overview table on [pages 72-73](#) for a summary of annual GHG emissions.

Indirect GHG emissions associated with electricity use for 2010 are estimated to be 259 kt, or approximately 8.7% of our direct emissions. These emissions occurred primarily at our Cardinal River and Carmen de Andacollo operations, as the power grids from which they draw electricity are heavily based on fossil fuels. Elsewhere, our indirect emissions were relatively small, as many of our operations are in regions obtaining a significant proportion of their electricity from hydro generation, for example, British Columbia and Newfoundland.

**Figure 8: GHG Emissions Company Roll-Up (CO<sub>2</sub>e kt)**



<sup>5</sup> Historical data have been restated to account for improved methods for estimating emissions from coal consumption. Historically, such emissions had been estimated using an emission factor. In 2010, we began sampling our coal and analyzing to develop a more accurate accounting of our emissions. Restatements reflect this improvement in accuracy.

<sup>6</sup> Fugitive emissions from our coal operations (i.e., estimated methane release) are captured as direct emissions.

Figure 9: GHG Emissions 2010 (CO<sub>2</sub>e kt)

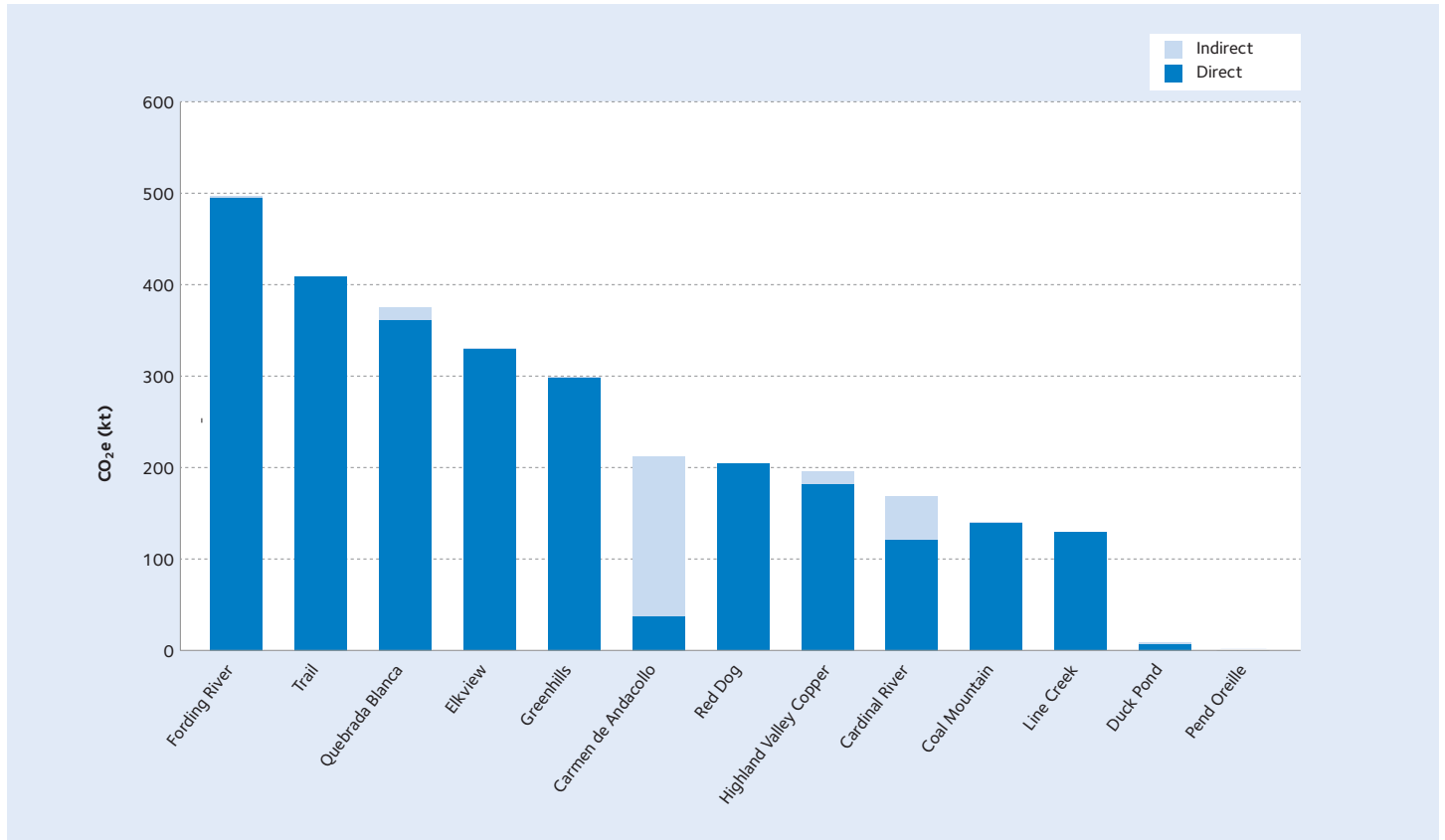
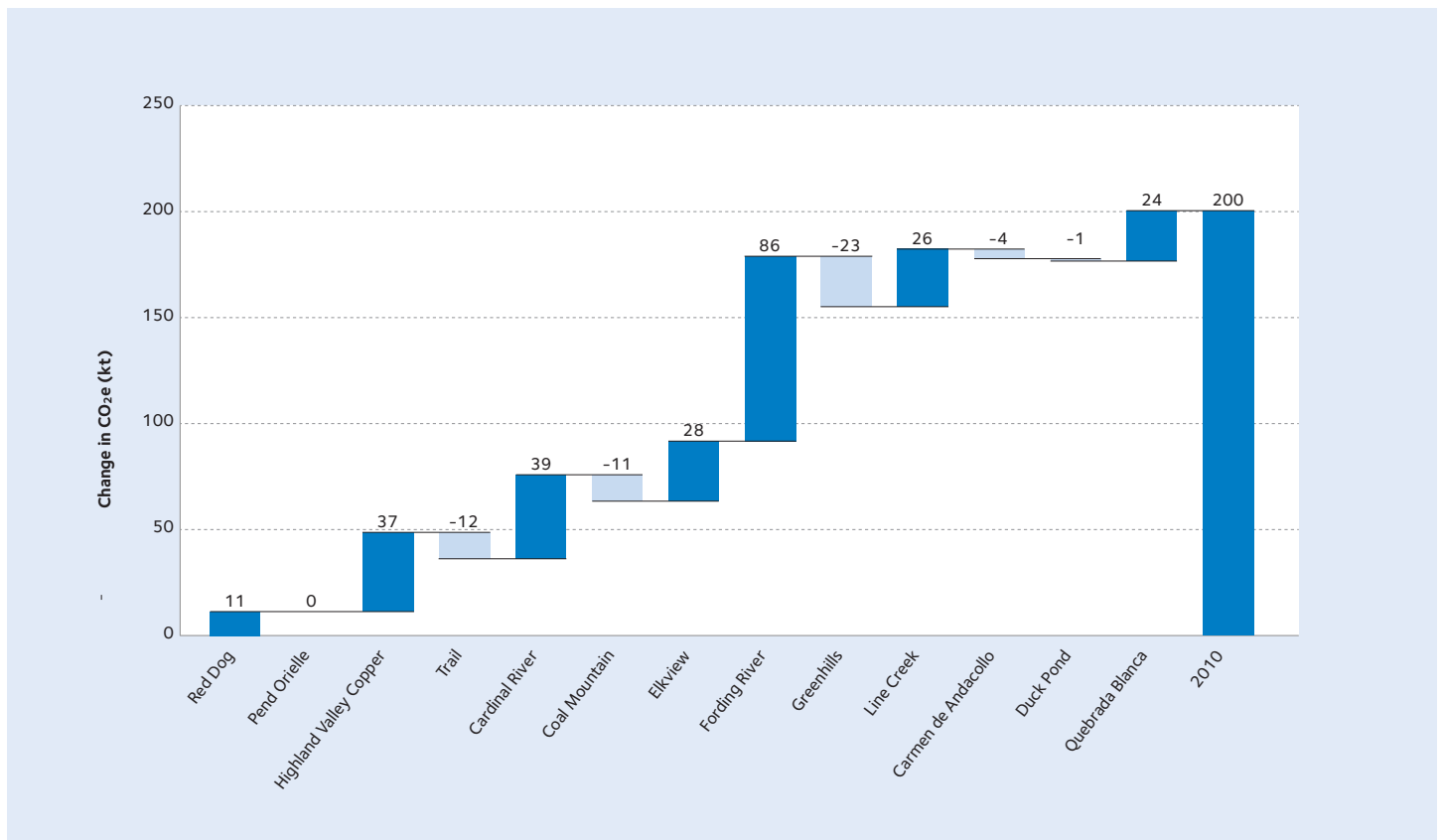


Figure 10: Changes in Direct GHG Emissions 2009-2010



During 2010, six of our operations saw a slight decrease in their carbon intensities, while five saw a slight increase. Carbon intensity is one measure of efficiency based on tonnes of direct CO<sub>2</sub>e emissions per tonne of product. Tables 13 and 14 show our carbon intensity in product and in materials moved by operation.

**Table 13: Carbon Intensity in Product (CO<sub>2</sub>e in tonnes/tonne of product) (Direct Emissions)**

	2010	2009	2008
<b>Smelter</b>			
Trail Operations	1.17	1.35	1.32
<b>Large Open Pit Metal Mine</b>			
Highland Valley Copper <sup>(1)</sup>	1.80	1.20	1.25
<b>Large Open Pit Coal Mines</b>			
Cardinal River Operations	0.074	0.052	0.061
Coal Mountain Operations	0.064	0.060	0.061
Elkview Operations	0.060	0.072	0.072
Fording River Operations	0.066	0.068	0.054
Greenhills Operations	n/a <sup>(2)</sup>	0.092	0.086
Line Creek Operations	0.050	0.051	0.050
<b>Open Pit and Underground Metal Mines</b>			
Duck Pond Operations	0.21	0.24	0.21
Red Dog Operations	0.31	0.27	0.30
<b>Open Pit Mines Producing Final Metal</b>			
Carmen de Andacollo	0.83	2.30	1.54
Quebrada Blanca	4.36	3.86	3.99

(1) At Highland Valley Copper carbon intensity in product has increased over the years primarily due to work that has been undertaken to address pit-wall integrity, and increased distances for waste rock hauls, resulting from waste rock hauls increasing with the life of the mine, and a change in the mine plan driven by the mine life extension.

(2) Greenhills Operations had a major process interruption that affected production processes and rates for several months in 2010. As a result the intensity metric is not meaningful as compared to previous years and has been excluded.

In 2009, we also began reporting our carbon intensity in materials moved, in addition to carbon intensity in product. We believe this provides a better representation of operational efficiency, as it relates emissions to the total amount of work performed on-site for the production of a specific amount of the minerals society wants (e.g., the removal of overburden and waste rock as well as the movement of ore/coal). We will continue to explore metrics that provide the most accurate and representative perspective of our use of energy and its associated carbon emissions.

**Table 14: Carbon Intensity in Materials Moved (tonne/tonne) (Total Scope 1 and Scope 2 Emissions)**

	2010	2009	2008
<b>Large Open Pit Metal Mine</b>			
Highland Valley Copper	0.0018	0.0015	0.0014
<b>Large Open Pit Coal Mines</b>			
Cardinal River Operations	0.0078	0.0063	0.0076
Coal Mountain Operations	0.0090	0.0054	0.0051
Elkview Operations	0.0025	0.0028	0.0027
Fording River Operations	0.0027	0.0023	0.0023
Greenhills Operations	n/a <sup>(1)</sup>	0.0032	0.0050
Line Creek Operations	0.0016	0.0039	0.0029
<b>Open Pit and Underground Metal Mines</b>			
Duck Pond Operations	0.013	0.017	0.124
Red Dog Operations	0.018	0.020	0.025
<b>Open Pit Mines Producing Final Metal</b>			
Carmen de Andacollo	0.011	0.003	0.004
Quebrada Blanca	0.008	0.007	0.008

(1) Greenhills Operations had a major process interruption that affected production processes and rates for several months in 2010. As a result the intensity metric is not meaningful as compared to previous years and has been excluded.

#### Other GHG Emissions (Scope 3): Business Travel

In 2010, we continued to track our emissions from business travel. 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.” Working with one of our travel service providers, we have accounted for the majority of emissions associated with corporate business travel. Corporate business travel emitted an estimated 1,886 tonnes of CO<sub>2</sub>e, or 0.06% of our overall emissions, including both direct (Scope 1) and indirect (Scope 2) emissions. While other Scope 3 emission sources are tracked, their quantities are not material for reporting purposes.

## **Voluntary Initiatives to Reduce Energy Consumption, Improve Energy Efficiency and Reduce GHG Emissions**

Energy, in its many forms – 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 2010, this team continued to develop, implement and realize various improvements in our energy use practices. Successful initiatives will also bring improvements in carbon intensity and/or reductions in GHG emissions at our operations. We continue to focus our efforts on 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 our company.

The use of diesel for vehicles, such as large haul trucks, forms a significant component of our energy use and GHG emissions. Consequently, several voluntary 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 the operations level, a number of other projects were initiated or completed over the past year, aimed at reducing energy use and/or GHG emissions. Selected highlights include:

### **Carmen de Andacollo Current Efficiency Improvement**

In the cell house at Carmen de Andacollo, where copper cathode is produced, a team ensured that all electrical connections are functioning efficiently on a day-to-day basis; this resulted in \$27,000 in savings.

### **Highland Valley Copper Booster Station Upgrade**

At Highland Valley Copper, the fundamental requirement of the reclaim water system is to deliver water to the reservoir to meet the water demands of the mill. The secondary requirement of the reclaim water system is to have additional capacity that exceeds the demands of the mill in the event of process upsets, and to replenish the level in the reservoir. The delivery of water has historically been driven by two booster stations. An upgrade to one of the boosters has improved its capacity, eliminating the need for a second booster station, and saving an estimated 12,462,120 kilowatt hours (kWh) per year.

### **Highland Valley Copper Blasting Improvements**

A focus on improving the efficiency and effectiveness of blasting has reduced overall drilling and blasting costs, as well as fuel consumption.

## **Haul Truck Improvements**

We continue to focus on improving haul truck performance. Noteworthy successes in 2010 include:

- In 2009, we reported on Red Dog Operation's efforts to reduce vehicle idling time by installing electronic systems on all mobile production heavy equipment to start and stop an engine as needed to maintain engine temperatures and keep batteries charged. We believe that this technology has the potential to significantly reduce idle engine time on the production fleet at the mine, thus reducing fuel consumption and maintenance requirements. In 2010, the reductions were realized, saving approximately \$170,000 in fuel costs.
- At our Fording River Operation, efficiencies were gained by matching appropriate engines for specific tasks; where possible, our haul trucks have been repowered with smaller engines that are more fuel efficient.

## **Product Dewatering**

- At our Cardinal River Operations, a large centrifuge is being installed to reduce dewatering demands, possibly eliminating the use of coal-fired dryers in summer months. Multiple benefits come from this. First, reduced drying demand reduces coal consumption and associated GHG emissions. Second, reduced coal consumption decreases the demand for exhaust fans that are electrically driven, which also reduces energy demand and indirect GHG emissions.
- In 2010, Highland Valley Copper began replacing its existing copper concentrate dryer, which is heated by natural gas, with a new system that uses pressure filtration technology. This system is powered by hydroelectricity, a clean, renewable energy source generated in BC. The new energy-efficient filtration system is expected to eliminate 50–75% of all natural gas used at Highland Valley Copper, potentially reducing the site's GHG emissions by approximately 5,000 tonnes of CO<sub>2</sub>e. More information about this fuel switch is available in our case study on [page 60](#).
- Four of our coal sites use both coal and natural gas in their dryers to dewater their coal product. These operations have begun to target the increased use of natural gas to reduce GHG emissions. An excellent example of this fuel switch stems from our Elkview Operations. From April to December 2010, Elkview was able to exclusively consume natural gas. This resulted in a significant decrease in GHG emissions: a 17% decrease in carbon intensity from 0.072 to 0.060 tonnes of CO<sub>2</sub>e per tonne of product. This represents Elkview's lowest intensity over the past five years.

## **Wintering Hills**

We made our first investment in wind energy in 2010, partnering with Suncor to develop the Wintering Hills wind power project, which is expected to be operational in 2012. More information on Wintering Hills is available in our case study on [page 60](#).

## Carbon Regulations and Economics

The regulation of GHG emissions has established a price for carbon. For example in 2008, the province of British Columbia introduced a carbon tax applicable to virtually all fossil fuels used in BC. Effective July 1, 2009, this tax is based on a calculation of \$15 per tonne of CO<sub>2</sub>e emission, increasing by \$5 per tonne each year until it reaches \$30 per tonne in 2012. In 2010, our seven BC-based operations paid \$23 million in provincial carbon taxes, primarily from our use of coal, diesel fuel and natural gas. We anticipate this will increase to approximately \$35 to 40 million per year in carbon tax by 2012 as the tax rate increases to \$30 per tonne of CO<sub>2</sub>e emission.

There is a great deal of uncertainty in determining future financial implications. The province of BC continues to demonstrate commitment to implementing a Cap and Trade System, though the date of such implementation (initially targeting 2012) remains uncertain. Other key uncertainties remain, including:

- Which emissions will be covered by the Cap and Trade System and which will be covered by the Carbon Tax (the BC government has committed to avoiding double taxation of any source of emissions)
- The ratio of free to auctioned allowances
- The distribution of free allowances to emitters
- Any price floors or price ceilings
- The projected allowance budget and its rate of decline

All of these uncertainties will have an impact on the future price of carbon. Current forecasting, using a variety of scenarios, projects potential expenses roughly in the range of \$30 million to \$60 million by 2020 for our BC operations alone. We have developed a suite of tools to manage our regulatory risks and their financial implications:

### Incorporating a Carbon Price in Decision Making

We currently incorporate a carbon price into our capital and risk decision processes. Carbon pricing is being integrated at multiple levels of decision making, ranging from annual operating budgets developed at the site level to corporate decision making for large capital investments. We also calculate and consider our carbon exposure in terms of absolute costs incurred on an annual basis and projected out to at least 2020. Where uncertainty exists, we conduct sensitivity analyses to better understand our exposure and risk under different carbon pricing and regulatory scenarios.

### Emissions Trading Strategic Development

Alberta is the only jurisdiction in which we currently operate that has an Emissions Trading Scheme in place. We anticipate that our operations in other jurisdictions may eventually be subject to Cap and Trade type regulations, potentially as early as 2012 in BC. In response to this, we have begun to develop an internal Emissions Trading Compliance Strategy. Our first step has been to coordinate a strategic planning process, including participants from across our operations and from various departments at our corporate office. This strategy will lead to the development and coordination of practices – such as emissions forecasting and allowance trading – integral to an efficient emissions trading management system.

### Energy and GHG Improvements

Efforts to improve energy efficiency, pursue fuel switching options and assess renewable sources of energy are being undertaken on a case-by-case basis at most of our operations. For example, we are currently working to improve our knowledge in the fields of wind and solar energy through partnerships and pilot projects.

Since 2006, 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 GHG data. Our response can be found on the CDP site ([www.cdproject.net](http://www.cdproject.net)).

## Case Study: Investing in Wind Energy

In 2010, we made our first investment in wind energy: a partnership with Suncor in the Wintering Hills (WH) wind project near Drumheller, Alberta. This provides us with the opportunity to develop our understanding of wind power generation and evaluate other opportunities to develop wind farms around our operations – largely because we work in some windy places!

The 88 megawatt (MW) wind power project comprises 55 1.6 MW turbines. At peak operation, WH is expected to generate enough clean electricity to power approximately 35,000 Alberta homes, displacing the equivalent of approximately 200,000 tonnes of carbon dioxide per year.

Teck's share of the energy generated, some 90,000 MW per year, represents more than 1.5 times the annual power consumption of our Cardinal River Operations and, as a source of clean energy, the project will receive carbon credits to offset emissions from Cardinal River. We expect our total investment in connection with the project to be approximately \$66 million.

Our partner, Suncor, has experience in wind power, and WH represents its fifth and largest wind project to date. "The Wintering Hills project is a good opportunity for Teck because it allows us to explore the many facets of clean energy production and gain a full understanding of the technical, social and business opportunities and challenges in this area," says John Thompson, Vice President of Technology and Development. "Suncor has extensive experience with wind farms, so they're a natural partner for this venture."

Our investment in Wintering Hills supports our commitment to increasing the use of renewable energy in our operations, and our vision of contributing to the sustainable production and use of energy.

## Case Study: Energy and Carbon Management – Switching Energy Sources at Highland Valley Copper

As a resource company, we're always looking for ways to improve our energy efficiency, reduce our environmental footprint and lower our operating costs.

At Highland Valley Copper (HVC) in British Columbia, we've been able to do just that. The abundance of relatively low-cost, clean, renewable hydroelectric power has provided HVC with an innovative solution to the high-energy cost of copper concentrate dewatering.

As ore is processed, moisture must be removed from the concentrate. This removal of moisture – or dewatering – is required for most of our products, including copper concentrate. The historical dewatering process required a large amount of heat. An operation like HVC, which produced 99,000 thousand tonnes of copper in concentrate in 2010, requires a lot of energy.

Historically, HVC has used natural gas to provide heat for its dryer. Natural gas is one of the cleanest burning fossil fuels, but it still produces GHG emissions, and we wanted to find a better way. In 2010, HVC began replacing its existing copper concentrate dryer with a new system that uses pressure filtration technology. This system is powered by hydroelectricity, a clean, renewable energy source.

The new energy-efficient filtration system is expected to eliminate 50–75% of all natural gas used at HVC, reducing the operation's GHG emissions by at least 5,000 tonnes of CO<sub>2</sub>e. This reduction is the equivalent of taking over 900 cars off the road for a year.

We will continue to look for new ways to improve the sustainability of our operations with every project we undertake. We are committed to energy efficiency and investing in technology advancements that also promote renewable energy.



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# Materials Stewardship

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**Vision:** We offer a range of products and services that create maximum value for society with minimal impact to people and the environment.

The mining and metals industry provides products that are essential for improving the quality of life around the world. As the volume of materials used globally grows, developing and supplying high-quality materials to meet society's needs is becoming more challenging. These challenges include working in more remote locations, mining lower grades of ore and addressing increasing expectations of communities of interest.

Today, companies are increasingly engaged in life cycle management of their products. Companies with the ability to manage products through their life cycle create value and reduce risk for their customers and will earn the licence to operate from broad communities of interest. Extended producer responsibility makes it important to continue developing systems that document detailed information and knowledge of our products, and to readily provide this to our customers.

Our ability to manage these dynamics through materials stewardship, including minimizing waste streams and emissions and ensuring safe working conditions, will be key to our success.

We have embraced the International Council of Mining and Metals (ICMM) Materials Stewardship definition, which encompasses two concepts:

- Product stewardship – working with others to minimize environment, health and safety risks and enable recovery, reuse and recycling of products and materials beyond the direct control of the company.
- Process stewardship – improving methods for exploring, extracting and refining minerals and metals within our sphere of control.

For us, this means:

- Providing and evaluating information on how we source the primary feed materials for our operations (i.e., concentrates and recycle feeds).
- Providing and evaluating information on how we manage and minimize, wherever possible, waste and by-products of production.
- Tracking and managing information related to products from the mine to our customers and, in certain instances, to our customers' customers.
- Providing information to our customers on how to manage work-in-process scrap or consumer waste as it relates to our products.

We were an early adopter of product stewardship practices and are well positioned to meet, and as we have done in the past, exceed market expectations in regard to material stewardship. For example, over 25 years ago, we pioneered the first lead-acid battery recycling program in Canada and have been recycling e-waste for several years. In 1996, we established a Product Materials Information System, which evolved into our Product Stewardship Committee (PSC). The PSC ensures that we meet regulatory requirements and maintain detailed information on all the products we produce. The PSC will continue to examine opportunities to broaden our stewardship practices in order to manage risk and to guide and inform decisions related to products we produce. More information on our PSC is available in our case study on [page 63](#), and information on our e-waste recycling is available in our case study on [page 63](#).

## Health and Safety Aspects of Our Products

The PSC reviews all new proposed products, new applications of existing products, and potential new sales jurisdictions where warranted in order to assess transportation and handling, packaging and labelling, 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. When Teck is responsible for 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. Health and safety aspects of products are assessed during each of the following life cycle stages:

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

## Product Labelling, Marketing and Communications

Information on the sustainability aspects of our products is provided to customers through several mechanisms including materials safety data sheets, product labels, and technical specification information. This includes information on potential environmental and human health risks associated with our products, the chemical composition of our products, recommendations on the safe use of our products, and pertinent disposal information. This information is provided for all existing products and is developed and reviewed under our Product Stewardship System for new products and new uses for existing products. We are fully compliant with the European Union's REACH initiative (Registration, Evaluation, Authorization and Restriction of Chemicals). REACH's goal is 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 United Nations "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 labelling encompass the following information:

- Content, particularly with regard to substances with potential environmental impact
- Safe use of the product or service
- Disposal methods and environmental impacts

In 2010, 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 labelling. Moreover, we did not incur any fines or notices of non-compliance with laws or 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. Advertising and related publications are reviewed by senior management to ensure compliance with corporate governance and conformance with overall branding guidelines. In general, advertising, promotion and sponsorship are directed to customer-related industries. In 2010, we 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. Most materials sold in packages 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. In 2010, our operations used the following key process materials that were not recyclable or reusable: explosives (167,768 tonnes), sulphuric acid (162,630 tonnes), lime (60,653 tonnes) and grinding media (27,228 tonnes). In 2010, the list of key process materials used at our Trail Operations refinery and smelter included zinc concentrate (518,811 tonnes), lead concentrate (145,364 tonnes), ammonia (67,427 tonnes) and limestone (40,898 tonnes).

## Case Study: The Product Stewardship Committee and Product Life Cycle Management

As we gain a deeper understanding of how we can contribute to a more sustainable future, product and materials stewardship is playing an increasing role in the decisions that we make in our day-to-day business activities.

More than 10 years ago, product stewardship was focused on managing the regulatory and risk management issues related to our existing products and on considering product stewardship implications associated with new product development. Today, we are beginning to incorporate life cycle measures into our decision-making and management processes. This includes solid waste management, recycling and materials recovery.

Product stewardship is managed and overseen at Teck by an internal Product Stewardship Committee (PSC). The PSC is a cross-functional team of corporate officers and senior managers who apply risk management principles to manage key aspects of our existing and future products. Broadly speaking, the management process helps guide the products we produce, the markets and customers we sell to, and the new products we develop. The management process is strengthened by the multidisciplinary makeup of the committee members. Hailing from a broad range of backgrounds, the committee consists of specialists in environment, legal, risk management, business development, sustainability, waste management, sales and marketing, and operations – all of whom approach product stewardship issues with a different perspective. In addition, the PSC is informed by the work of the multidisciplinary Sustainability Working Group, adding to the diverse perspectives that shape its work.

The mandate of the Product Stewardship Committee is twofold. First, it reviews proposals for new products, new uses for existing products, new jurisdictions for the sale of products, and the acquisition of new businesses. The second facet of the PSC is to provide guidance and direction to the company at large regarding substantive issues and corporate policies concerning product stewardship.

The history and foundational work of the Product Stewardship Committee has provided important lessons for us. What began as a group focused on managing regulatory compliance, risk and liability has evolved into a committee that champions true product stewardship and strives to ensure we stand out in the marketplace as a leader in the responsible management of our products.

## Case Study: E-waste Recycling – Creating Value through Product Life Cycle Business Opportunities

From tube TVs to flat screen TVs, paperbacks to Kindles™, Beta to Blu-Ray™ players, the pace of technological change is accelerating. With it comes an increasing amount of electronic waste, also known as e-waste. According to the United Nations Environment Programme, global e-waste production is estimated to be approximately 40 million tonnes per year, and this number is expected to increase significantly in the years ahead<sup>7</sup>.

At Teck, we're uniquely positioned to help solve this challenge. Our smelting facility in Trail, British Columbia has the capacity to effectively process thousands of tonnes of e-waste each year – reducing waste, preventing the deposit of metals and plastics in landfills and continuously improving the recovery of valuable materials. In 2010 alone, Trail Operations processed just over 13,000 tonnes of e-waste – or over 1,300 truckloads of material.

Trail Operations recycles material for the Electronics Stewardship Association of BC's electronics recycling program, which has created a network of over 100 depots around BC. The depots collect most old electronics including computers, televisions, cellphones and audiovisual equipment. This e-waste is then shipped to recyclers, such as Trail Operations, for processing.

One factor contributing to the increase in e-waste has been a shift in TV technology from the cathode ray tube (CRT) to the flat screen TV. As people purchase new flat screen TVs, they are disposing of their older CRT TVs. We are one of the few recyclers in North America that can take CRT TVs and return the lead found in the CRT glass back to its metallic state. This recycling process not only allows the lead metal to be recovered for reuse, but it also uses the glass to displace mined silica, which is used in the smelting process to lower the overall melting point and save energy. As a result, in 2009 and 2010, our biggest growth in e-waste recycling was CRT glass recycling.

"We've found that old electronics, when properly disposed of, can be transformed from waste to valuable materials and products," says Christa Ford, Senior Business Development Chemist. "Not only that, but at a time when new mineral deposits are increasingly difficult to find and develop, ewaste also offers a rapidly growing supply of new metal, such as lead, zinc, germanium, indium, cadmium, copper, gold, aluminum and silver."

By recycling at Trail, we are not only helping to solve the world's e-waste challenge, but we are also helping to ensure the long-term sustainability of our Trail Operations.

<sup>7</sup> "Recycling – From E-waste to Resources," United Nations Environment Programme, 2009

# Our People

**Vision:** We attract, retain and develop people whose passion, skills and motivation lead our journey to a successful and sustainable future.

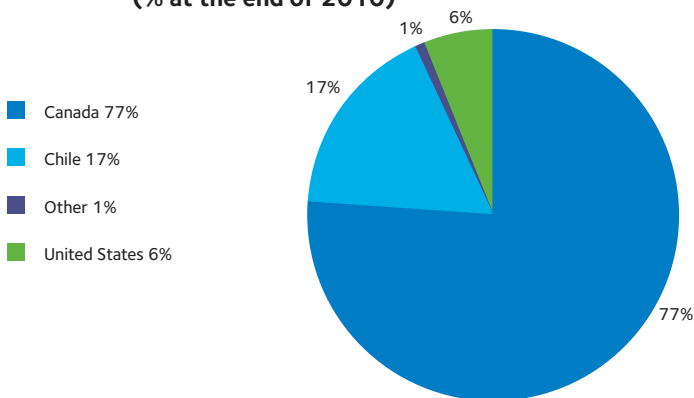
People – both employees and contractors – are essential to our success. We depend on skilled, engaged and empowered people to contribute to our business and to deliver value for our investors and other communities of interest.

Over our long history, we have demonstrated our commitment to our people and their development. We have a loyal workforce with many long-term employees, some of whom have generations of their families working for our company. As we continue to grow our business, this is a pivotal time to capitalize on these valuable relationships and find more ways to demonstrate leadership in developing our people. We want to create a culture where everyone is motivated to do the right thing today for a better tomorrow. Our people are our greatest asset and the case study on [page 71](#) describes some of the programs we have in place to develop our people, as well as profiles of some of our employees.

## Global Workforce

At the end of 2010, there were approximately 9,400 employees working at Teck-operated mining and metallurgical operations and offices. This includes all union and non-union employees, full-time and part-time employees, and fixed-term employees and students. The high level of new hires during 2010 resulted from internal expansion at existing operations, replacement of retiring employees and the start-up of new projects. The tables and graphs below provide data on our global workforce, broken down by operation, geographic location and employment type.

**Figure 11: Global Workforce by Geographic Location (% at the end of 2010)**

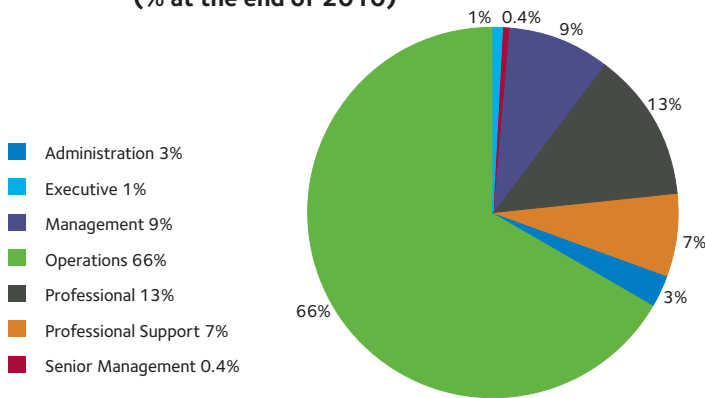


**Table 15: Global Workforce<sup>(1)</sup> By Operation (at the end of 2010)**

Business Unit	Operation	Employees
<b>Coal</b>	Cardinal River Operations	405
	Coal Mountain Operations	258
	Elkview Operations	870
	Fording River Operations	1,108
	Greenhills Operations	528
	Line Creek Operations	406
<b>Copper</b>	Carmen de Andacollo	667
	Duck Pond Operations	255
	Highland Valley Copper	1,199
	Quebrada Blanca	785
<b>Corporate</b>	Global locations	607
<b>Exploration</b>	Global locations	146
<b>Technology</b>	CESL	73
	Product Technology Centre	42
	Applied Research and Technology Centre	49
<b>Zinc</b>	Pend Oreille Operations	48
	Red Dog Operations	427
	Trail Operations	1,536
<b>Total</b>		9,409

(1) All human-resources-related data in the rest of this report is calculated based on this count of employees. In other publications, Teck's total number of employees is higher because the employee count provided here does not include contractors and the workforce at the Antamina Mine.

**Figure 12: Global Workforce by Employment Type (% at the end of 2010)**



## Safety and Health

Our commitment to people begins with our pledge to the health and safety of all our employees and contractors. Our safety vision is “Everyone Going Home Safe and Healthy Every Day.” Safety is our core value and we believe we can operate without fatalities or serious injuries.

Every Teck employee and contractor at our operations participates in our Courageous Safety Leadership (CSL) process. CSL is a safety philosophy that challenges existing beliefs and attitudes and encourages the changes required to instill a culture of safety. Our goal is to ensure everyone understands how their actions related to safety – both on and off the job – can impact themselves, their co-workers, their family and their community. This goes beyond basics such as wearing required safety equipment or following job procedures – it means taking the time to ensure a task is planned and completed safely. We challenge our people to employ safe practices in every action they take. More information about our Courageous Safety Leadership journey is available in our case study on [page 71](#).

Our Environment, Health, Safety and Community (EHSC) 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 Management Standards. More information on our EHSC Management Standards is available on [pages 18-19](#).

### Safety Performance

We use a variety of indicators to monitor our safety performance. Although our overall Total Recordable Injury Frequency (TRIF) increased in 2010, we saw significant improvement at the active operations.

Please see our [Glossary](#) for definitions of the safety indicators.

**Table 16: Safety Statistics**<sup>(1)</sup>

	2010	2009	2008
Total Recordable Injury Frequency (TRIF)	<b>1.71</b>	1.47	1.54
Number of Lost-Time Injuries (LTI)	<b>77</b>	63	76
Lost-Time Injury Frequency (LTIF)	<b>0.52</b>	0.46	0.49
Severity	<b>76.16</b>	119.8	54.12
Number of Fatalities	<b>1</b>	3	1

(1) Safety statistics include both employees and contractors. Frequencies are based upon every 200,000 hours worked. This year we restated historical data to reflect our new calculation methodology, which weights safety statistics according to Teck's ownership of each operation. New information or a reclassification of injuries may cause the reported data to change from the data originally recorded. The 2010 safety data was deemed accurate when reported externally in August 2011, but subsequent information has resulted in the increase of total recordable injury frequency to 1.80; lost-time injury frequency to 0.56; and severity to 83 at the date of this report.

The safety statistics only tell part of the story. We are creating and reinforcing a culture where safety is embodied as a core value of all employees.

In 2010, we showed even stronger management support and leadership in safety. We continued training new employees and contractors in CSL and reinforced the message through monthly safety topics. Our senior management and site management teams launched the visible, felt leadership initiative, a program aimed at actively engaging management with employees in the field to discuss and reinforce safety messages and practices. We believe that engaging our employees through strong leadership and commitment is critical to our success.

2010 was also a year focused on learning. We regularly analyzed high-potential incidents and used this knowledge to target improvements in the areas of demonstrated highest risk to our employees and to develop the appropriate training programs. We also took corrective action to ensure that incidents are not repeated at any of our operations, and shared investigation findings throughout our company.

At the heart of our safety initiatives is the belief that every injury is preventable. We aim to protect our people, not only with the proper equipment and procedures, but also with the education and empowerment to challenge and improve safety in their own work environment. Improvements in safety performance at many of our active operations are a result of these activities.

Despite our efforts, we are saddened to report one fatality at our Carmen de Andacollo operation in 2010. We wish to express our heartfelt condolences to the family, friends and colleagues of the deceased.

### Safety Awards

We are pleased to report that three of our operations received prestigious awards in 2010 for their safety performance between 2009 and 2010:

- The British Columbia Ministry of Energy, Mines and Petroleum Resources (BC MEMPR) awarded Greenhills Operations with the Edward Prior Award for the lowest lost-time accident frequency for open pit mines in BC with 200,000 to 1,000,000 person-hours worked.
- The BC MEMPR awarded Fording River Operations with the John Ash Award for the lowest lost-time injury frequency for open pit mines in BC with greater than one million person-hours worked.
- Coal Mountain Operations won the John T. Ryan Award for achieving the lowest injury frequency among Canadian mines.

These awards were presented at the 55th Provincial Mine Rescue and First Aid competition held on June 5, 2010 in Fernie, BC.

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

### Occupational Health

Occupational Health Systems and procedures at our operations comply with regulatory requirements and our Code of Sustainable Conduct. Our commitment is to:

- 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
- Ensure that programs addressing workplace hazards are applied to monitor and protect worker safety and health

Our operations have education, training, counselling, prevention and risk-control programs as well as committees in place for managing and minimizing potential occupational exposures and diseases. Depending on location and exposures, these may include:

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

## Employee Attraction, Training and Development

Global trends and drivers of change related to our workforce continue to significantly affect our business. As the population grows, so does the demand for the resources we provide. The need for skilled employees in the mining industry is increasing at a fast pace around the world. 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 in and outside our industry, who also seek the same specialized skill sets. Projected hiring requirements in the Canadian mining industry alone amount to approximately 100,000 new people needed by the end of 2020<sup>8</sup>. In addition, the aging North American population is increasing the rate of retirement and further reducing our labour pool. For example, over the next 10 years, approximately 50% of our current skilled trades workforce is expected to retire. At the same time, our business is growing, so we need to attract significant new talent to replace our retiring employees and to fill new positions for projects under development. We also need to make sure we have efficient knowledge transfer practices to ensure that skills are taught to new employees. Since these trends are unlikely to change any time soon, attracting, developing and retaining people is more important than ever.

This is why our human resource practices are so important. We are committed to equipping our people with the skills, training and development to excel in their careers. We have stringent safety and health practices, with a goal of ensuring that everyone goes home safe and healthy every day. We are focused on engaging our people and creating a work environment that encourages involvement with our sustainability issues and our values. In fact, ensuring that our employees are aligned with our values is essential in order to achieve our vision for a sustainable future. We are also guided by fair, legal and ethical business practices, including non-discrimination practices and respect for human rights. In this way, we create a foundation for our people to deliver on our commitments to sustainability.

### Employee Diversity

Mining is an historically male-dominated industry, making it challenging for women who aspire to be future leaders. In 2007, we became a participating company of the United Nations Global Compact, and we support the Millennium Development Goals (MDGs) through this commitment. The MDGs are eight global goals developed by the United Nations ([un.org/millenniumgoals](http://un.org/millenniumgoals)) 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 by ensuring equal opportunities and full participation of women. One of the MDGs is to promote gender equality and empower women.

<sup>8</sup> "Meeting the Human Resources Challenges in Canadian Mining: A Brief to the 67th Mines Ministers' Conference", Mining Industry Human Resources Council, 2010

Our Diversity Policy is reflected in the Human Rights section of our 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, as well as the percentage of women in management and governance positions. Women are increasingly assuming roles traditionally held by men, including management and front-line operational vocations.

We continue to promote the hiring of local Indigenous Peoples and, where possible, we track the number of Indigenous Peoples in the workforce. For example, we operate the Red Dog mine through agreements with NANA Regional Corporation, Inc. (a corporation wholly owned by the Iñupiat people of northwest Alaska), which address preferential hiring, contracting and revenue sharing. Over 55% of the workforce at Red Dog is composed of NANA shareholders. For more information on Indigenous Peoples in the workforce, please refer to the Indigenous Peoples section.

**Table 17: Percentage of Women in the Workforce**

	2010 (%)	2009 (%)	2008 (%)
Cardinal River Operations	8	7	6
Carmen de Andacollo	13	11	12
Coal Mountain Operations	14	13	15
Duck Pond Operations	11	11	11
Elkview Operations	8	9	10
Fording River Operations	9	8	10
Greenhills Operations	8	9	8
Highland Valley Copper	8	7	7
Line Creek Operations	7	12	10
Pend Oreille Operations	15	12	16
Quebrada Blanca Operations	4	4	5
Red Dog Operations	10	10	13
Trail Operations	7	7	7

In our offices and technology centres we had the following percentage of women in the workforce in 2010:

Calgary	37%
Chile	38%
Spokane	61%
Toronto	47%
Vancouver	51%
CESL	29%
Product Technology Centre	26%

**Table 18: Percentage of Women in Management, Governance, Professional and Administrative Positions (at the end of 2010)**

In 2010, the overall percentage of women in management, governance, professional and administrative positions was 15%. The table below outlines the percentage of women at these job levels.

Job Level	2010 (%)	2009 (%)
Executive	2	2
Senior Management	12	10
Management	7	7
Professional	13	15
Professional Support	18	16
Administration	26	30

### Employee Remuneration

Employee remuneration is based on salary band (jobs based on similar knowledge and level of responsibility are placed in the same band), and on a combination of base pay and variable pay. The employee's base pay within the salary range (from 80% to 120% of the midpoint of the salary band) is based on their experience and personal performance. Their variable pay is primarily based on their personal performance as well as on 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 therefore do not analyze wage differentials between male and females.

### Pension Plans

We provide defined benefit pension plans to union and non-union employees in Canada and some employees in the US, 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 2010 there were approximately 10,200 members in defined benefit plans, of whom 4,040 were active members (3,530 active union members and 510 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 2010 Annual Report.

## Defined Benefit Pension Plans

Defined benefit pensions are paid through trust funds held and maintained separately from our 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 US.

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, employers are generally required to fund deficiencies in their defined benefit pension plans over seven years, and pay premiums to the Pension Benefit Guarantee Corporation (PBGC) in the amount of a flat US\$35 per plan participant (for 2011) plus US\$9 for every \$1,000 of unfunded vested pension liability. According to these valuations, the estimated solvency funded ratios for the defined benefit pension plans at December 31, 2009 ranged from 74% to 100%, and average 90%.

Employees do not generally 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.

## Employee Retention

Employee retention and attraction will continue to be a challenge across our 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 on 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 help personnel enhance skills to help 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.

**Table 19: Employee Turnover Number by Age and Gender**

	Female						Male					
	< 30	30 - 39	40 - 49	50 - 59	60+	Total	< 30	30 - 39	40 - 49	50 - 59	60+	Total
Canada	8	10	7	9	14	47	46	47	64	126	135	418
USA	2	1	1	0	1	5	26	22	15	12	5	80
Chile	0	4	3	0	0	7	10	32	22	18	6	88

**Table 20: Employee Turnover Percentage by Age and Gender <sup>(1)</sup>**

	Female (%)						Male (%)					
	< 30	30 - 39	40 - 49	50 - 59	60+	Total	< 30	30 - 39	40 - 49	50 - 59	60+	Total
Canada	5	5	3	4	31	5	6	3	4	5	18	6
USA	12	7	4	0	11	6	26	20	13	8	9	15
Chile	0	5	11	0	0	5	5	7	4	7	17	6

(1) Employee turnover percentage is calculated for each gender, age category and region as: employee turnover number divided by (number of employees at year end + employee turnover number).



## Employee Training and Development

Attracting the best available talent is a priority, particularly as the baby boom generation transitions to retirement. We have developed new recruitment programs, including a diversity initiative to reach women and groups that have been under-represented in our operations. We hire engineering and geology graduates from around the world and actively recruit at all major universities in Canada and at four universities in Chile. We also target new professionals through university presentations, job fairs and other activities, and offer a variety of career path options and training opportunities. We have amalgamated our Engineer-in-Training (EIT) and Geologist-in-Training programs into our new Professional-in-Training program, which now includes all technical employees. We have also developed guidelines and standards to improve processes to develop our technical employees.

Data on training hours was collected on a company-wide basis. However, our results indicated that methodology for tracking training was inconsistent across operations. Our operations collect this information, but there is too much variance at the corporate level, so results cannot be reported. We intend to report on this in the medium term.

## Employee Recognition Programs

We support and recognize excellence in our people and in all facets of our business. The 2010 Excellence Awards program, which has been in place for three years, honours individuals and teams for outstanding contributions to safety, productivity and innovation, sustainability and environmental management.

Our commitment to our people also extends to their families. For example, we offer a scholarship program for our employees' children who further their education at a post-secondary institution. For employees whose children are pursuing excellence in sport, we have funding programs for those who compete at national and international levels in Olympic or Paralympic events.

## Leadership and Development

We offer a variety of formal development programs designed to outline the path for individual and team success. For example, our new Front-Line Leaders Development program strives to enhance the communication and management skills of operations-level leaders, while our Emerging Leaders program focuses on corporate management development.

To ensure all employees remain on the cutting edge of their field, other opportunities include an MBA program, language training opportunities, educational assistance and a Graduate Diploma in Business Administration.

## Talent Management

Approximately 41% of our employees have been with us for more than 10 years. We know that a rewarding career is a big part of every employee's commitment, and that continuous feedback and career growth opportunities are key. A core tool in talent development and career growth is our Building Strength with People program. Employees and supervisors work together to set performance and development objectives that enable growth and encourage career aspirations and opportunities.

## Labour and 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 when their employment is no longer required. However, practice and legislation on minimum notice periods vary considerably between operations, so there is no common minimum notice period.

As per our Environment, Health, Safety and Community Management Standards, we fully recognize the rights of employees to freely associate and join trade unions. Approximately 62% of our workforce is unionized, while the balance is covered by individual agreements. Health and safety topics are typically included in collective bargaining agreements. These topics vary 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 that expired on May 31, 2009. The new agreement provided a 3% annual wage increase and will expire on May 31, 2014.

Production was suspended at Coal Mountain Operations due to strike action taken by the United Mineworkers of America, Local 7292, from August 6, 2010 until September 29, 2010. Operations resumed when employees ratified a new five-year agreement, replacing an agreement that expired on December 31, 2009.

There was a temporary suspension of work due to strike action at Elkview Operations, taken by Local 9346 of the United Steelworkers of America, which occurred from January 30, 2011, until April 8, 2011. Mine production resumed following the ratification of a new five-year agreement, replacing an agreement that expired on October 31, 2010.

In 2010, we identified no operations 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.

**Table 21: Number and Percentage (%) of Employees Covered by Bargaining Agreements**

Location	2010 (Number)	2010 (%)	2009 (Number)	2009 (%)	2008 (Number)	2008 (%)
Cardinal River Operations	322	80	278	81	275	81
Carmen de Andacollo	454	68	383	65	294	68
Coal Mountain Operations	184	71	155	73	162	72
Elkview Operations	703	81	668	77	664	82
Fording River Operations	913	82	836	84	821	84
Highland Valley Copper	983	82	916	82	898	82
Line Creek Operations	321	79	266	73	252	78
Quebrada Blanca	624	80	584	77	650	85
Red Dog Operations	59	14	53	13	106	21
Trail Operations	1296	84	1286	84	1243	74

## Case Study: Our Courageous Safety Leadership Journey

At Teck, we believe that we can operate without fatalities or injuries, a belief found at the heart of our Courageous Safety Leadership (CSL) program.

CSL was introduced in 2009 and today, more than 12,000 employees and contractors across Teck's operations have participated in the intensive day-long program that challenges existing values, beliefs and attitudes towards safety and outlines the leadership, courage and changes required to instill a true culture of safety.

The second phase of CSL, introduced in 2010, was designed to reinforce the messages and themes of the first phase. Monthly stories were used to relive the CSL journey that every employee had taken during 2009. The stories were based on real-life experiences from across Teck's operations and selected based on their ability to illustrate the steps within the CSL journey: values, beliefs, attitudes, behaviours, culture, leadership and courage. Each story was chosen for its ability to capture people's attention, develop emotional connections, and provide insights on a CSL topic. These stories were then turned into short videos that could be shared across Teck's operations.

The videos were screened during team meetings, and employees were encouraged to discuss the lessons from the video and how they applied to their own safety or that of their colleagues.

The videos and resulting discussions were, by design, intended to encourage self reflection and analysis of existing beliefs and attitudes toward safety to help us continue our journey towards operating without fatalities or serious injuries.

In addition to monthly safety topics, our senior leaders, supervisors and management teams also launched the visible, felt leadership initiative, aimed at management engaging directly with employees to discuss and reinforce safety messages and practices.

Courageous Safety Leadership is an ongoing journey. New employees continue to receive CSL Phase 1 training, and monthly safety topics will continue to reinforce CSL lessons.

We believe every injury is preventable. By continuing to protect our people with the proper equipment and empowering all employees to continually improve the safety of their working environment, we will reach our goal: Everyone Going Home Safe and Healthy Every Day.

## Case Study: People – Building on Our Greatest Asset

At Teck, we know our company is only as good as our people. We work hard to provide leadership, training, skills development and mentoring to keep them engaged, now and in the future. Here's a quick look at some of our people whose experiences with Teck are a testament to the fact that we're on the right track:

Shehzad Bharmal, our General Manager of Operations Development in Santiago, has been with Teck for 20 years. He's had a diverse, interesting career at Teck, with a wide variety of job opportunities to challenge him. For Shehzad, it comes down to the people he works with. "Relationships and trust are very important factors in having an effective and enjoyable work environment," he says. "Here, when you seek help, you can expect that people will do their best to help you. I've had very good mentors who have guided me and were always looking for opportunities to expand my capabilities. That's been important for growing my career."

Fritz Westlake joined Teck last year as the Community Relations Officer at Red Dog Operations. Fritz has also worked with Teck as a summer intern, where he gained exposure to the mine and to the geology, blasting and environment departments. Today Fritz works with communities in the NANA Region of Alaska, where Red Dog is located and where he also grew up. "I enjoy working with my people and giving back to the same community who helped bring me up. Having the opportunity to be a role model for young people in the community, and to be trained in interesting areas such as community dialogue, are what make me excited to come to work every day," says Fritz.

Mark Brown started at Teck in 1980 as a summer student as part of the Engineers-In-Training (EIT) program. Thirty years later, he's General Manager of the Pend Oreille Mine, responsible for all aspects of the operation. "The EIT training gave me the ability to experience a wide scope of different engineering and management tasks in a short period of time," says Mark. "It gave me the grounding to address challenges that came later on in my career."

"I go to work every day because it's fun," says Jennifer Defreyne, who has worked at Teck since 1998 and is now the Director of CESL Limited, which focuses on hydrometallurgical technologies. "We have a fantastic group of people and we're very tight and work well together as a team. I think it started with our previous leader who had those values, and it just disseminated through our whole facility."

In addition to our EIT program, our Building Strength with People program supports individual career development and objectives planning by promoting conversations between employees and their supervisors and by providing a web-based tool that tracks results and progress towards objectives. By working closely with our employees to identify goals and objectives that optimize personal career development while creating value for the company, we are striving to build an organization where our company and each employee can realize their potential.

Our vision is to ensure that our people understand and have the opportunity to become involved in our journey towards a sustainable future, both in the work that they do at Teck and in the communities where they live. We are proud to see people like Jennifer, Fritz, Mark and Shehzad help us make it that way.

# Performance Overview<sup>(1)</sup>

		2010	2009	2008	2007	2006
<b>Social</b>	Community investment (CDN\$)	20,014,000	16,040,000	14,179,000	16,892,000	3,876,000
	Local Procurement – percent of spending on local suppliers (%)	20	18	–	–	–
<b>Safety and Health<sup>(2)</sup></b>	Total recordable injury frequency	1.71	1.47	1.54	3.16	3.62
	Number of fatalities	1	3	1	1	4
	Number of lost-time injuries	77	63	76	145	111
	Lost-time injury frequency	0.52	0.46	0.49	1.22	1.18
	Severity	76	120	54	80	277
<b>Energy and GHG Emissions</b>	Energy – fuel (TJ)	30,604	26,681	30,334	24,510	22,874
	Energy – electricity (TJ)	13,029	11,383	13,394	12,463	13,056
	Energy – total (TJ)	43,632	38,065	43,728	36,973	35,930
	GHG emissions – direct (CO <sub>2</sub> e kt) <sup>(3)</sup>	2,711	2,512	2,830	2,410	2,131
	GHG emissions – indirect (CO <sub>2</sub> e kt)	259	104	210	159	153
	GHG emissions – total (CO <sub>2</sub> e kt)	2,970	2,616	3,039	2,568	2,284
<b>Mineral Waste</b>	Waste rock (kt)	571,393	563,914	610,982	459,257	455,155
	Tailings (dry) (kt)	57,246	52,885	57,859	61,591	61,178
	Coarse rejects (kt)	10,819	–	–	–	–
<b>Environmental Compliance</b>	Permit non-compliance	99	84	139	145	160
	Regulatory non-compliance	3	29	–	–	–
<b>Reportable Spills<sup>(4)</sup></b>	Number of spills	215	228	287	306	274
	Volume of spills (L) <sup>(5)</sup>	538,254	654,853	987,684	11,625,612	1,396,991
	Weight of spills (kg) <sup>(6)</sup>	56,518	33,573	4,522	4,686	4,752
<b>Biodiversity<sup>(7)</sup></b>	Area reclaimed during the current year (ha)	84	214	164	281	85
	Land reclaimed to date (ha)	6,277	6,193	5,979	5,815	5,534
	Total disturbance to date (ha)	25,607	24,269	24,022	23,543	22,915
	Percentage reclaimed to date (%)	25%	26%	25%	25%	24%

		2010	2009	2008	2007	2006
<b>Waste Management and Recycling</b> <sup>(8)</sup>	<b>Hazardous waste sent off-site but not recycled (t)</b>	<b>3,469</b>	5,084	–	–	–
	<b>Hazardous waste treated/disposed of on-site (t)</b>	<b>22,077</b>	23,871	–	–	–
	<b>Hazardous waste recycled (t)</b>	<b>22,711</b>	23,955	–	–	–
	<b>Non-hazardous waste sent off-site but not recycled (t)</b>	<b>1,256</b>	658	–	–	–
	<b>Non-hazardous waste treated/disposed of on-site (t)</b>	<b>97,115</b>	103,866	–	–	–
	<b>Non-hazardous waste recycled (t)</b>	<b>14,774</b>	25,670	–	–	–
<b>Water</b>	<b>Groundwater withdrawal (m<sup>3</sup>)</b>	<b>20,849,758</b>	13,133,494	18,733,539	12,380,410	10,401,839
	<b>Surface water withdrawal (m<sup>3</sup>)</b> <sup>(9)</sup>	<b>99,261,187</b>	105,923,084	112,597,333	112,463,175	113,118,022
	<b>Other water withdrawal (m<sup>3</sup>)</b>	<b>4,980,655</b>	261,000	–	–	–
	<b>Total water withdrawal (m<sup>3</sup>)</b>	<b>125,091,599</b>	119,317,578	131,330,872	124,843,585	123,519,861
	<b>Water recycled/reused (m<sup>3</sup>)</b>	<b>113,175,066</b>	118,079,269	123,040,137	133,925,155	124,090,808
	<b>Percentage water recycled/reused (%)</b> <sup>(10)</sup>	<b>90%</b>	99%	94%	107%	100%

(1) For historical data, results may be different than previously reported due to changes in ownership, closure of certain operations, or changes in calculation methodologies to improve accuracy.

(2) Safety statistics include both employees and contractors. Frequencies are based upon 200,000 hours worked. Severity is calculated as the number of days missed due to lost-time injuries per 200,000 hours worked. This year, we restated historical data to reflect our new calculation methodology, which weights safety statistics according to Teck's ownership of each operation. New information or a reclassification of injuries may cause the reported data to change from the data originally recorded. The 2010 safety data was deemed accurate when reported externally in August 2011, but subsequent information has resulted in the increase of Total recordable injury frequency to 1.80; Lost-time injury frequency to 0.56; and Severity to 83 at the date of this report.

(3) Fugitive emissions are incorporated in the "direct emissions" category. Direct (Scope 1) Emissions from 2006–2009 have been restated in this year's report. Historically, emissions from the combustion of coal were calculated using a province-specific emission factor provided by Environment Canada's National Inventory Report. In 2010, as part of the province of British Columbia and the Western Climate Initiative's GHG reporting requirements, combusted coal was sampled and physically analyzed for Carbon Content. These Carbon Content analyses resulted in a higher emission factor, and we have therefore restated historical data to reflect this increase.

(4) The spills events reported on a volume basis are independent of the spill events reported on a mass basis.

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

(6) The large increase in weight of spills for 2009 and 2010 was due to incidents in which tanker trucks hauling sulphuric acid overturned on the access road to Quebrada Blanca.

(7) Reclamation data in the 2006 Sustainability Report included operating sites and sites in active closure (Sullivan, Quintette, Bullmoose). Reclamation data in the 2007 Sustainability Report were based on the same three sites in active closure and all operating sites, including the six operating coal mines of Elk Valley Coal Corporation. As such, the 2006 and 2005 numbers in the 2007 report were restated to include data for these sites. Reclamation data for the period 2006 to 2010 reported in the 2008, 2009 and this current report have been restated to include data for operating mines only, per the scope defined by GRI and as used by our industry peers, i.e., reclamation data for sites in active closure are no longer included.

(8) Discrepancies were noted in 2010 waste reporting at a number of sites. We will work towards standardizing the categories and restate data where needed in the 2011 report.

(9) A significant portion of the surface water withdrawn (approximately 85%) 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) This percentage calculation is based on the total volume of water recycled/reused divided by the total volume of water withdrawal. The GRI formula for calculation of Total Percentage of Water Recycled/Reused is inconsistently applied within 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.

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# Our Path Forward

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2010 marks our tenth year of sustainability reporting, but the seed of sustainability was planted at Teck many decades ago. It has grown over five generations of operating experience and, today, is deeply rooted in our company.

During this time, each generation has worked to build a better company. They saw what the future could be and set out to achieve it. We felt it was important to reflect on the journey we have taken. Our 2010 Sustainability Review, available for download [online](#), lays out our vision for each sustainability focus area, representing what a sustainable future could be in areas that represent the most significant challenges and opportunities we face. We have set out the long- and short-term goals and actions that will allow us to achieve these visions.

We have faced challenges along the way and know that achieving our visions for a sustainable future will not be easy. However, we have learned a lot over 100 years and we continue to apply these lessons. By engaging our people, the next generation of leaders in our company are embracing and taking ownership of our visions for a sustainable future. By pushing ourselves to innovate, we will build a stronger, more sustainable company that will continue to grow and prosper into the future.

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# Independent Assurance Report

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To the management of Teck Resources Limited:

## What we looked at: Scope

Deloitte was engaged by Teck Resources Limited (Teck) to provide limited assurance on selected sustainability subject matter areas presented within the Teck 2010 Sustainability Report (the Report) for the year ended 31 December 2010.

### Selected subject matter

- Teck's assertion that it has incorporated the requirements of the 10 Sustainable development principles of the International Council on Mining and Metals (ICMM Subject Matter 1) into its own policies, strategies and standards
- Teck's assertions regarding the approach that it has adopted to identify and prioritize its material sustainable development risks and opportunities (ICMM Subject Matter 2)
- Teck's assertions regarding the existence and status of implementation of systems and approaches used to manage the following selected sustainable development risk areas (ICMM Subject Matter 3):
  - Safety and health;
  - Energy and climate change;
  - Water;
  - Biodiversity; and
  - Community and indigenous peoples.
- Teck's company-wide reported performance data for sustainable development risk areas identified under ICMM Subject Matter 3 (such reported performance data is referred to as ICMM Subject Matter 4); data for reviewed performance measures, listed below, is included in the addendum: "selected performance measures reviewed":
  - Number of work-related fatalities, number of lost-time injuries, and lost-time injury frequency;
  - Direct, indirect and total greenhouse gas (GHG) emissions by weight;
  - Area reclaimed during the current year;
  - Total water withdrawal by source (including groundwater, surface water and other sources); and
  - Total number of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.
- Teck's self-declaration of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines application level A+ ("ICMM Subject Matter 5").

### Reporting criteria

Teck has described its approach to reporting material sustainability issues, performance measures, statements and claims related to the subject matter in the "About our Report" section of the Sustainability Report. The subject matter areas above have been assessed against the definitions and approaches contained in the following standards and principles:

- ICMM principles and mandatory requirements set out in ICMM Position Statements; and
- Global Reporting Initiative G3 Reporting Guidelines (GRI G3).

### Responsibilities

#### Deloitte & Touche LLP

Our responsibility is to express a conclusion on Teck's approach and reported assertions detailed in the description of the subject matter areas.

#### Teck Resources Limited

The report has been prepared by management of Teck who are responsible for the collection and presentation of the subject matter in accordance with the Reporting criteria. Teck is a member of the ICMM and is therefore committed to obtaining assurance over specified subject matter in its Report in line with ICMM's Sustainable Development Framework: Assurance Procedure ('the Framework').

## What we did: Approach

Our limited assurance engagement has been planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000) and ICMM's Sustainable Development Framework Assurance Procedure.

### Primary procedures performed

- Making enquiries of relevant management of Teck;
- Evaluating the design of the key processes and controls for managing and reporting the performance data within the selected subject matter;
- Testing performance data, on a selective basis, substantively at both an operational and corporate level;
- Undertaking analytical procedures over the performance data; and
- Reviewing a sample of relevant management information and documentation supporting assertions made in the selected subject matter.

## Limited assurance

This engagement is aimed at obtaining limited assurance for our conclusions. As a limited assurance engagement is restricted primarily to enquiries and analytical procedures and the work is substantially less detailed than that undertaken for a reasonable assurance engagement, the level of assurance is lower than would be obtained in a reasonable assurance engagement.

## Inherent limitations


Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

## Restriction on use

Our responsibility in performing our limited assurance activities is to the management of Teck only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the Report is entirely at its own risk.

## What we found: Assurance conclusions

Based on the work described above, nothing has come to our attention that causes us to believe that the selected subject matter for the year ended December 31, 2010 has not been prepared, in all material respects, in accordance with the Reporting criteria.



Deloitte & Touche LLP  
Chartered Accountants  
Vancouver, BC  
September 1, 2011

## Addendum – Selected Performance Measures Reviewed



The following corporate-wide performance measures were included in Deloitte's review of selected sustainability subject matter areas within Teck's Sustainability Report for the year ended December 31, 2010.

Performance measure	2010
Number of fatalities	1
Number of lost-time injuries	77
Lost-time injury frequency	0.56
GHG emissions – direct (CO <sub>2</sub> e kt)	2,711
GHG emissions – indirect (CO <sub>2</sub> e kt)	259
GHG emissions – total (CO <sub>2</sub> e kt)	2,970
Area reclaimed during the current year (ha)	84
Groundwater withdrawal (m <sup>3</sup> )	20,849,758
Surface water withdrawal (m <sup>3</sup> )	99,261,187
Other water withdrawal (m <sup>3</sup> )	4,980,655
Total water withdrawal (m <sup>3</sup> )	125,091,600
Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples	0



# Global Reporting Initiative (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 the principles from the UNGC and ICMM.

	Indicator fully reported
	Indicator partially reported

GRI Indicator	Where to Find (Page(s))	ICMM Principle	UNGC Principle
<b>Strategy and Analysis</b>			
1.1 Statement from the most senior decision maker.	2-3 ●	2, 10	
1.2 Description of key impacts, risks and opportunities.	9-27, 29-30 ●	4	
<b>Organizational Profile</b>			
2.1 Name of the organization.	Annual Information Form ●		
2.2 Primary brands, products and/or services.	Annual Information Form ●		
2.3 Operational structure of the organization.	Annual Information Form ●		
2.4 Location of organization's headquarters.	Annual Information Form ●		
2.5 Number of countries where the organization operates	4-5; Annual Information Form ●		
2.6 Nature of ownership and legal form.	Annual Information Form ●		
2.7 Markets served.	Annual Information Form ●		
2.8 Scale of the reporting organization.	Annual Information Form ●		
2.9 Significant changes during the reporting period.	1 ●		
2.10 Awards received in the reporting period.	23, 65 ●		
<b>Report Parameters</b>			
3.1 Reporting period for information provided.	1 ●		
3.2 Date of most recent previous report.	1 ●		
3.3 Reporting cycle.	1 ●		
3.4 Contact point for questions.	1 ●		
3.5 Process for defining report content.	1, 29-30 ●		
3.6 Boundary of the report.	1 ●		
3.7 Limitations on the scope or boundary of the report.	1 ●		
3.8 Basis for reporting on other related entities.	1 ●		
3.9 Data measurement techniques and the basis of calculations.	1, 72-73 ●		
3.10 Explanation of the effect of any restatements.	1, 72-73 ●		
3.11 Significant changes from previous reporting periods.	1 ●		
3.12 Location of the standard disclosures in the report.	77-82 ●		
3.13 External assurance.	1, 75-76 ●		

GRI Indicator	Where to Find (Page(s))	ICMM Principle	UNGC Principle
<b>Governance, Commitments and Engagement</b>			
4.1 Governance structure.	28 ●	1,2	
4.2 Indicate whether the Chair of the highest governance body is also an executive officer.	28 ●	1	
4.3 How the company defines "independent" and "non-executive" members of the board.	28 ●	1	
4.4 Mechanisms for recommendations to the highest governance body.	28-29 ●	1	
4.5 Linkage between compensation and the organization's performance, including social and environmental performance.	28-29 ●	1,2	
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.	28-29 ●	1	10
4.7 Qualifications and expertise of the highest governance body.	28-29 ●	1,2	
4.8 Internally developed statements of mission, values, codes and principles.	18-19 ●	1,2	
4.9 Procedures of the highest governance body.	18-19, 28 ●	1,4	
4.10 Processes for evaluating the highest governance body's performance.	28-29 ●	1	
4.11 Precautionary approach or principle.	19 ●		7
4.12 Externally developed charters, principles or initiatives endorsed.	18-19, 85-86 ●		
4.13 Memberships in associations.	18-19, 86-86 ●		
4.14 List of stakeholder groups engaged by the company.	83-84 ●	10	
4.15 Basis for identification and selection of stakeholders with whom to engage.	25-27, 29-30, 37-41 ●	10	
4.16 Approaches to stakeholder engagement.	25-27, 37-41 ●	10	
4.17 Key topics and concerns that have been raised through stakeholder engagement.	25-27, 29-30, 37-41 ●	10	
<b>Environment</b>			
Disclosure on the management approach, including goals and performance, policy and other contextual information.	9-24, 45-46, 48-50, 52, 61 ●		8
EN1 Materials used by weight or volume.	62 ●	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 and therefore are not available as recycled. ●	6, 8	8
EN3 Direct energy consumption by primary energy source.	53-54 ●	6	8
EN4 Indirect energy consumption by primary source.	53-54 ●	6	8

GRI Indicator	Where to Find (Page(s))	ICMM Principle	UNGC Principle
<b>Environment</b> <i>continued</i>			
EN5 Energy saved due to conservation and efficiency improvements.	58	6,8	8, 9
EN8 Total water withdrawal by source.	45-46, 72-73	6	8
EN10 Percentage and total volume of water recycled and reused.	45-46, 72-73	6, 8	8, 9
EN11 Location and size of land adjacent to protected areas and areas of high biodiversity value.	48-50	7	8
EN12 Significant impacts to protected areas and areas of high biodiversity value.	48-50	7	8
EN13 Habitats protected or restored.	48-51	7	8
EN14 Strategies for managing impacts on biodiversity.	12-17	7	8
EN16 Total direct and indirect greenhouse gas emissions by weight.	Information on methodology found in page 52, 55-57, 72-73	6	8
EN17 Other relevant indirect greenhouse gas emissions by weight.	55-57	6	9
EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved.	55-57	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 communities of interest to include in our reporting.	6	8
EN20 NO, SO, and other significant air emissions by type and weight.	24	6	8
EN21 Total water discharge by quality and destination.	All water discharge destinations are surface water. We have yet to determine an accurate way to summarize and report on total water quality at the corporate level. Improvements in water discharge measurement frequency and accuracy are ongoing at some of our operations and we aim to report more fully on this indicator next year.	6	8
EN22 Total weight of waste by type and disposal method.	23, 72-73	6,8	8
EN23 Total number and volume of significant spills.	21-23	6	8
EN26 Mitigation of environmental impacts of products and services.	61-63 Information on environmental and health risks associated with our products is provided on our MSDSs. Potential customers of new products are assessed regarding their ability to handle such materials and their by-products in an environmentally sound manner.	6, 8	7, 8, 9
EN27 Products sold and their packaging materials that are reclaimed by category.	61-63 Some unknown component of the metal contained in materials we recycle at Trail, such as e-waste and lead acid batteries, may have originated from Teck's metal products; however, it is not possible to determine this percentage.		8, 9

GRI Indicator	Where to Find (Page(s))	ICMM Principle	UNGC Principle
EN28 Monetary value of significant fines, and non-monetary sanctions.	22 ●	6	8
MM1 Amount of land disturbed or rehabilitated.	50, 72-73 ●		
MM2 Sites identified as requiring biodiversity management plans, and sites with plans in place.	12-13, 16-17, 48-50 ●		
MM3 Total amounts of overburden, rock, tailings and sludges presenting potential hazards.	23, 72-73 ●		
<b>Economic Development</b>			
Disclosure on the management approach, including economic performance, goals, policies and other contextual information.	8-20 ●		
EC1 Direct economic value generated and distributed.	2010 Annual Report; 8 ●		
EC2 Financial implications and other risks and opportunities due to climate change.	59 ●	7	
EC3 Coverage of defined benefit plan obligations.	68 ●		
EC4 Significant financial assistance received from government.	No financial assistance has been received from the government. ●		
EC6 Spending on locally based suppliers.	31-32, 36-37 ●	2	
EC7 Local hiring.	31-32, 36-37 ●	9	6
EC8 Development and impact of infrastructure investments.	31 ●	9	
<b>Product Responsibility</b>			
Disclosure on the management approach, including goals and performance, policy and other contextual information.	9-10, 14-24, 61-63 ●		1
PR1 Health and safety impacts of products in their life cycle stages.	61-62 ●		1
PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products.	61-62 ●		1
PR3 Product and service information required by procedures.	61-62 ●	8	8
PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product information and labelling.	61-62 ●		8
PR6 Programs for adherence to laws, standards and voluntary codes related to marketing and communications.	61-62 ●	8	
PR9 Significant fines for non-compliance related to products.	There were no significant fines. ●		
MM11 Programs and progress related to materials stewardship.	61-63 ●		
<b>Labour Practices and Decent Work</b>			
Disclosure on the management approach, including goals and performance, policy and other contextual information.	9-10, 14-20, 64, 66-70 ●		1, 3, 6
LA1 Total workforce.	64 ●		
LA2 Total number and rate of employee turnover.	66-69 ●		6
LA4 Percentage of employees covered by collective agreements.	70 ●	3	1, 3
LA5 Minimum notice period(s) regarding operational changes.	69 ●		3
LA7 Rates of injury, occupational diseases, lost days, and number of work-related fatalities.	65-66, 72-73 ●	5	1

GRI Indicator	Where to Find (Page(s))	ICMM Principle	UNGC Principle	
<b>Labour Practices and Decent Work</b> <i>continued</i>				
LA8	Education, training, counselling, prevention and risk-control programs regarding serious diseases.	65-66 🟡	5	1
LA10	Average hours of training per year per employee by employee category.	66-69 🟡	2	6
LA13	Composition of governance bodies and employees according indicators of diversity.	36, 66-67 ●	3	1, 6
LA14	Ratio of basic salary of men to women by employment category.	67 ●	3	1, 6
MM4	Number of strikes and lockouts.	69 ●		
<b>Human Rights</b>				
	Disclosure on the management approach, including goals and performance, policy and other contextual information.	9-13, 16, 18-20, 32-36 ●		1, 2, 3, 4, 5, 6
HR1	Significant investment agreements that include human rights clauses or that have undergone human rights screening.	33 ●	1, 3	1, 2, 3, 4, 5, 6
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	We are currently evaluating how we might assess and evaluate suppliers and contractors against our Standards. Improvements in human rights management are ongoing and we aim to report more fully in the future. 🟡	1, 3	1, 2, 3, 4, 5, 6
HR4	Incidents of discrimination and actions taken.	33 ●	3	1, 2, 6
HR5	Operations where the right to exercise freedom of association and collective bargaining may be at significant risk.	69-70 ●	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.	33 ●		1, 2
HR9	Incidents of violations involving rights of Indigenous Peoples.	None ●	3	1, 2
MM5	Operations in or adjacent to Indigenous Peoples' territories, and formal agreements in place with Indigenous Peoples.	34-35 ●		

GRI Indicator	Where to Find (Page(s))	ICMM Principle	UNGC Principle
<b>Society</b>			
Disclosure on the management approach, including goals and performance, policy and other contextual information.	9-20, 25-27 ●		10
SO1 Impacts of operations on communities.	25-27, 37-44 ●	2, 4	
SO2 Business units analyzed for risks related to corruption.	28 ●	1	10
SO3 Employees trained in anti-corruption policies and procedures.	28 ●	1	10
SO4 Actions taken in response to incidents of corruption.	28 ●	1	10
SO5 Public policy positions and participation in public policy development and lobbying.	28 ●	1	
SO7 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices.	None ●		
SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	None ●		
MM6 Significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples.	None; see the Environmental Litigation section on page 22 for ongoing issues ●		
MM7 Grievance mechanisms used to resolve disputes related to land use and the customary rights of local communities and Indigenous Peoples.	None; however, see other significant issues identified through feedback mechanisms on pages 38-41 ●		
MM8 Artisanal and small-scale mining (ASM).	37-38 ●		
MM9 Resettlements.	38 ●		
MM10 Closure plans.	31-32, 50, Information on the provision for mine closure is available in page 84 of our 2010 Annual Report ●		

# Appendix A

## Our Communities of Interest

Below is a table that identifies our communities of interest (COIs), their interests and concerns, and our approach to engaging with them.

COI group	Description	Interests and concerns	How we engage with them
Shareholders and investment communities	Made up of shareholders, potential investors and financial analysts (both mainstream and socially responsible investors).	Shareholders are primarily concerned with our company's financial returns through good performance and governance. Corporate social responsibility is also a 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 respond to reports and questionnaires from investors specifically interested in the sustainability aspects of our business.
Indigenous Peoples	Indigenous Peoples whose lands or traditional territory is located on or adjacent to our operations and associated infrastructure.	In addition to sharing more general community issues and concerns, the protection of Indigenous Peoples' interests and rights – such as hunting, fishing and gathering – are a priority for them. 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 our company and Indigenous Peoples is often set out in a Memorandum of Understanding or a Socio-Economic Participation Agreement.
Academic and thought leaders	These COIs include universities, researchers, students and subject matter experts.	Universities are interested in developing capacity and opportunities for students, as well as conducting associated research. Experts are generally 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 management practices include risk mitigation and that our operations are profitable and demonstrate good governance. 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. We are committed to providing the highest quality products, ensuring 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.
Employees	At the end of 2010, we had approximately 9,400 employees globally. Please see <a href="#">page 64</a> for a more detailed breakdown of our global workforce.	A broad range of employee concerns and interests include remuneration, safety, positive labour relations, and career development and enhancement.	We engage with employees through a number of ways including regular performance reviews, the President and CEO's "Let's Talk" information sessions with employees, newsletters, focus groups and through the Intranet.

COI group	Description	Interests and concerns	How we engage with them
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 (e.g., pollution prevention), meeting regulatory requirements (mainly permits and assessments), policy formation, and working with host governments to disclose payments (as part of the Extractives Industry Transparency Initiative).	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 issues that affect our sector, from sustainability to commodity- or economic-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.
Local communities	These COIs include residents, leaders and members of remote or rural localities and communities in areas where we often work.	The impacts and benefits of our operations, and 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 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.
Non-governmental organizations (NGOs)	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, ongoing dialogue, and participation in workshops and programs, and through communication and follow-up on our sustainability report.
Suppliers	Vendors of materials and services, including energy and transportation.	Core interests are mutually acceptable terms and conditions for continued business relationships.	We work to maintain good relationships and communications with all suppliers.



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# Appendix B – Our Memberships, Alliances and Resources

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The concepts and tools of sustainable development are constantly evolving. 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 memberships in the following sustainability-related organizations:

- **Business for Social Responsibility (BSR)** – BSR helps member companies integrate sustainability into their business strategies 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)** – MAC's 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 conduct 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 BC'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)** – Made up 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 organization:

- **Extractive Industry Transparency Initiative (EITI)** – The EITI aims to strengthen governance by improving transparency and accountability in the extractives sector. We fully support EITI. In addition, as a member of the [International Council on Mining & Metals \(ICMM\)](#), we are committed to transparency in mineral revenue to contribute to the sustainable development of the countries and communities in which we operate. The only EITI implementing country where we currently have operations is Peru and payments from the Antamina mine in that country are disclosed in accordance with EITI standards. Payments to governments related to our other operations are disclosed on our website. We actively support the goals and objectives of the EITI and will continue to support efforts to improve governance through increased transparency.

## Resources and Certifications

This 2010 Sustainability Report has been developed in accordance with Global Reporting Initiative (GRI) indicators as well as the 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 follow AA1000 standards to guide our process of sustainability reporting.

**AA1000 Stakeholder Engagement Standards (SES)** – The AA1000 SES advances the right of stakeholders to be heard, and sets standards for organizations to adequately respond to their concerns. We use AA1000 SES as one of several standards guiding the development of our corporation-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 GHG 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 and environmental stewardship, as well as 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 at Teck (SMART) toolkit for exploration.

**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 to ensure our sustainability report presents a complete and accurate picture of our operations.

**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 (MAC) has developed worksheets for GHG calculations using these protocols. We use these spreadsheets to calculate GHG emissions, ensuring our accounting is conducted in accordance with international standards.

**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 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 labour, Indigenous and Tribal Peoples' issues, minimum wage, overtime and working ages) into our labour standards and practices.

**International Standards Organization (ISO) 14001** – The ISO 14001 environmental management standards exist to help organizations manage impacts on air, water or land.

**International Standards Organization (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.

**Millennium Development Goals (MDGs)** – Targeted for 2015, eight different MDGs range from halving extreme poverty, to halting the spread of HIV/AIDS, to 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.

**Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) Initiative** – TSM has performance indicators such as 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 COIs. Every three years, our Canadian operations undergo annual self-verification and external verification against the performance areas.

**Organisation for Economic Co-operation 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.

**United Nations Declaration of Human Rights** – Thirty 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. We ensure all security personnel have appropriate training and apply the Voluntary Principles.

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# Glossary

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

**Artisanal Mining (Small-Scale Mining)<sup>9</sup>:** A form of subsistence mining that is generally labour intensive 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,” biodiversity is the variety of living organisms and their ecosystems. 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 this planet a uniquely habitable place for humans: it sustains human livelihoods and life itself.

**Cap and Trade System:** A mechanism designed to limit and reduce GHG emissions by setting a decreasing limit on their emissions (the Cap), and allowing entities within the system to trade their excess/debt to meet the overall reduction target.

**Carbon Accounting:** The practice of measuring and quantifying GHG emissions, accounting for both emitting sources (e.g., fossil fuel combustion) and “sinks” that remove GHG from the atmosphere (e.g., forests).

**Carbon Dioxide Equivalents (CO<sub>2</sub>e):** A unit of measure that converts different GHG emissions into their carbon dioxide equivalent. This allows easier comparison of GHG emissions by using carbon dioxide as a standard unit of reference.<sup>10</sup>

**Charter of Corporate Responsibility:** A set of principles related to business ethics, environment, safety, health and community that governs all operating practices and provides our 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 for a facility to be issued an operating licence. It typically lays out a timetable for remediation stages, a revegetation or soil stabilization program, and proposals for post-closure monitoring, maintenance and use.

**Code of Ethics:** This sets out our company’s dedication to upholding high moral and ethical standards and specifies basic business conduct and behaviour.

**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), or 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, government and regulatory staff, Indigenous Peoples, industry associations, investment communities, local communities, non-governmental organizations, peers and business partners and suppliers. Please see [Appendix A](#) for more information.

**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.

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

**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, Health, Safety and Community (EHSC) Management Standards:** Established in 2002 and continuously updated, our EHSC Management Standards are a set of standards that guide our commitments towards environment, health, safety and community.

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

**Global Reporting Initiative (GRI)<sup>11</sup>:** 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.

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<sup>9</sup> Source: <http://www.icmm.com/page/37364/artisanal-and-small-scale-mining>

<sup>10</sup> Source: <http://www.skepticalscience.com/Carbon-dioxide-equivalents.html>

**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 GHGs accounted for within this report and as identified under the Kyoto Protocol are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>).

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

**Human Rights:** Refers 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.

**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 our activities or products.

**Indigenous Peoples:** Cultural groups and their descendants who have an 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 Métis. Indigenous Peoples are one of our 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).

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

**ISO 14000:** A management tool that enables an organization of any size or type to identify and control the environmental impact of its activities, products or services. It helps organizations continuously improve their environmental performance and implement systematic approaches to setting their environmental objectives and targets.

**ISO 14001<sup>12</sup>:** Provides a framework for a strategic approach to an organization's environmental policy plans and actions, outlining the requirements for environmental management systems that 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 in which 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 reflects our key issues and may influence our business activities, and has the potential to influence the perception of COIs, including 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 enough to be reported.

**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.

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

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

**Oil Sands<sup>13</sup>:** An unconventional petroleum deposit containing 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, similar to the pre-mining landscape, that 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.

**Scope 1 (Direct) Greenhouse Gas Emissions:** 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."

<sup>11</sup> Source: <http://www.globalreporting.org/AboutGRI/WhatIsGRI/>

<sup>12</sup> Source: [http://www.iso.org/iso/iso\\_catalogue/management\\_standards/iso\\_9000\\_iso\\_14000/iso\\_14000\\_essentials.htm](http://www.iso.org/iso/iso_catalogue/management_standards/iso_9000_iso_14000/iso_14000_essentials.htm)

<sup>13</sup> Source: <http://www.canadasoilsands.ca/en/overview/index.aspx>

**Scope 2 (Indirect) Greenhouse Gas Emissions:** 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. Purchased 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.”

**Scope 3 (Other Indirect) Greenhouse Gas Emissions:** According to the World Business Council for Sustainable Development and World Resources Institute, Scope 3 emissions encompass other indirect emissions not covered in Scope 2, such as outsourced activities, waste disposal, the extraction and production of purchased materials and fuels, transport-related activities in non-corporate owned vehicles and electricity-related activities.

**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: (number of days missed due to lost-time injuries x 200,000) divided by actual number of 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 whenever possible. The SEIA examines global cumulative impacts, as appropriate. Impact assessment includes baseline data, alternatives analysis and management program evaluation.

**Social Licence to Operate:**<sup>14</sup> The ongoing approval and broad social acceptance of an organization’s activities. Gaining a social licence to operate involves establishing legitimacy, credibility and trust in order to gain acceptance of our activities. A social licence to operate is granted by COIs on a site- or operation-specific basis.

<sup>14</sup> Source: <http://sociallicense.com/definition.html>

<sup>15</sup> Source: The World Commission on Environment and Development (Brundtland Commission), 1987

**Social Management:** A management approach that identifies and manages social impacts, which are any positive or adverse consequences experienced by 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 that assesses an organization’s financial, environmental, social and governance performance.

**Sustainability**<sup>15</sup>: 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 recoverable valuable minerals have been extracted.

**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 not included in the TRIF calculation include first-aid injuries, high-potential incidents, non-injury property damage, and non-injury mobile equipment events. TRIF is calculated as follows: TRIF = (number of medical aid injuries + number of lost-time injuries + number of fatal injuries x 200,000) divided by total number of hours worked. The factor of 200,000 is derived from the average number of hours worked by 100 people in a one-year period (50 working weeks x 40 hours per week x 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.

## Cautionary Note on Forward-Looking Statements

Certain statements contained in this report constitute forward-looking statements within the meaning of the *United States Private Securities Litigation Reform Act* of 1995 and forward-looking information within the meaning of the *Securities Act* (Ontario) and comparable legislation in other provinces (collectively, “forward-looking statements”), concerning our business, goals, operations and strategy. Some forward-looking statements may be identified by words like “expects”, “anticipates”, “focus” and similar expressions. Forward-looking statements in this report are based on current estimates, projections, beliefs, estimates and assumptions of the management team and are believed to be reasonable, though inherently uncertain and difficult to predict. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, experience or achievements of Teck to be materially different from those expressed or implied by the forward-looking statements. Risks and uncertainties that could influence actual results include, but are not limited to: operational problems, regulatory action, changes in laws and governmental regulations, development and use of new technology, natural disasters and adverse weather conditions, general business and economic conditions, and the future operation and financial performance of the company generally. Certain of these risks and other additional risk factors are described in more detail in Teck’s annual information form and its management’s discussion and analysis and other documents available at [www.sedar.com](http://www.sedar.com) and in public filings with the United States Securities and Exchange Commission. Teck does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

