

An aerial night photograph of a city, likely Singapore, showing a dense grid of buildings and streets. Light trails from traffic are visible on the roads, and many windows in the buildings are lit up, creating a vibrant, colorful scene. The overall atmosphere is one of a bustling, modern urban environment.

# Beyond

2018 Sustainability Report

Teck







## Our Company and Products

Teck is a diversified resource company committed to responsible mining and mineral development with business units focused on steelmaking coal, copper, zinc and energy. Headquartered in Vancouver, Canada, we own or have an interest in 12 operating mines, one large metallurgical complex, one oil sands mining and processing operation, and several major development projects in Canada, the United States, Chile and Peru. We have expertise across a wide range of activities related to exploration, development, mining and minerals processing, including smelting and refining, safety, environmental protection, risk management, materials stewardship, recycling and research.

### Steelmaking Coal



We are the world's second-largest seaborne exporter of steelmaking coal, with six operations in Western Canada with significant high-quality steelmaking coal reserves. Steelmaking coal — or metallurgical coal — is a higher-grade coal that is a necessary component in the process that transform iron into steel.

Steel, and the steelmaking coal used to make it, is required for many **clean energy projects** like wind or solar power, and **transportation alternatives** like rapid transit, buses and hybrid vehicles.

### Copper

We are a significant copper producer in the Americas, with four operating mines in Canada, Chile and Peru, and copper development projects in North and South America.



Copper is a vital component in everything from power generation to hybrid vehicles to **computers and smartphones**. Copper is also an **innovative solution** to reducing the spread of infection in healthcare facilities.

### Zinc

We are one of the world's largest producers of mined zinc, and operate one of the world's largest fully integrated zinc and lead smelting and refining facilities.



Zinc coatings provide the most effective and economical way of **protecting steel** against corrosion. Teck is committed to helping solve the global health issue of **zinc deficiency** through therapeutic zinc, zinc supplementation, food fortification, crop nutrition, awareness and advocacy.

### Energy

We have an interest in a large producing oil sands mining and processing operation in Alberta, as well as oil sands development assets.



We all rely on energy to **keep the lights on**, to get to work, and to heat or cool our homes. The International Energy Agency predicts that world energy consumption will **grow by one-third** by 2035.

## About This Report

Teck's 2018 Sustainability Report marks our 18th year of annual reporting on the topics that are most material to our stakeholders and to our business. Available in English and Spanish, our report is in Core accordance with the Global Reporting Initiative (GRI) Standards and G4 Mining and Metals Sector Disclosures, and is aligned with the principles of integrated reporting. [Our 2018 Annual Report](#) provides further detail on our financial and operational performance.

This report contains a comprehensive overview of our sustainability strategy, including a summary of progress towards achieving our short-term goals to 2020 in the areas of Community, Water, Our People, Biodiversity, Energy and Climate Change, and Air. This report also describes how sustainability is integrated into identifying and managing risks and opportunities in the course of our business activities. Written for a range of audiences, from investors to industry peers to residents near our operations, this report is focused on providing balanced and relevant information.

This report has been reviewed and approved by Teck senior management and its Board of Directors.

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### Assurance

PricewaterhouseCoopers LLP independently reviewed our application of the GRI Standards and the alignment of our practices with the International Council on Mining and Metals (ICMM) 10 Principles, guided by the ICMM Assurance Procedure. See pages 94–95 for their assurance letter. PricewaterhouseCoopers LLP is also Teck's independent auditor.

### Learn More

In an effort to make our report more concise and reader-friendly, additional information about our approach to managing various sustainability topics is available on our website at [www.teck.com/responsibility](http://www.teck.com/responsibility). See Methodology & Restatements on page 92 for information about our reporting scope.

### Contact

If you have any questions about this report, email us at [sustainability@teck.com](mailto:sustainability@teck.com) or contact Katie Fedosenko, Manager, Sustainability Reporting and Communications at [katie.fedosenko@teck.com](mailto:katie.fedosenko@teck.com).

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## 2018 Highlights

**3** times 

**Water was reused and recycled** at our mining operations.

Introduced two new water targets:

- **Reduce fresh water use** at our Chilean operations by 15% by 2020
- **Zero significant water-related incidents** each year

**\$22 million** disbursed through **community investment,**



exceeding Teck's annual target of 1% of earnings before interest and taxes.

**Zero** significant disputes with communities of interest

Reduced energy use by


**2,220**

**terajoules** and greenhouse gas emissions by

**289,000 tonnes** since 2011 

**22**

**new agreements reached** with Indigenous Peoples.

**\$209 million** spent with Indigenous-owned businesses 

Conducted Courageous Safety Leadership training with

**97%**

**of employees** 

Reduced Lost-Time Injury Frequency by

**21%**

and High-Potential Incident Frequency by

**28%**

**31 hectares** of land reclaimed 

**Employed**

**10,710**

**people around the world.**

Women make up 18% of our total workforce, and **31% of total new hires** were women in 2018 

**100%**




of community-based stations with annual average ambient concentrations of particulate matter of size

**less than 2.5 microns** within World Health Organization guidelines

**8**

**Tailings Governance Reviews**

were conducted at our operations and projects 

**2nd**

annual **Economic Contribution Report**

published, providing transparency on our payments and contributions where we operate

**100%**

of our operations carried out **human rights assessments** in 2018 

## Message from the President and CEO, Don Lindsay



**Donald R. Lindsay**

President and Chief Executive Officer  
Vancouver, B.C., Canada  
March 14, 2019

Transparency in all aspects of our performance — social, environmental and economic — is central to Teck's values and an important part of our approach to responsible development. In this report and in our companion 2018 Annual Report, we detail Teck's performance and how we are working to continually improve.

The theme of our 2018 Sustainability and Annual Reports is *Beyond*. It's about how our success hinges on our ability to look beyond the mine gate or office to the essential role we play in addressing the pressing challenges facing our world: climate change, water access and quality, and economic inequality, to name a few. The products of mining are foundational for our modern society, and providing these materials responsibly will contribute to a better world for everyone.

Societal expectations of responsible resource development are increasing, and we are responding. As an industry, we recognize that *how* we mine is just as important as *what* we mine. That's why at Teck we make sustainability a part of everything we do, because we know that responsible mining and mineral development are fundamental to our current and future success.

### Financial Performance, Major Projects and Governance

Looking at our financial and operating performance in 2018, we achieved revenues of \$12.6 billion and cash flow from operations of \$4.4 billion, thanks to solid operating results and strong steelmaking coal prices.

Mid-year, we completed commissioning at our Fort Hills oil sands mining and processing operation, a joint venture with

Suncor Energy and Total E&P, with production reaching full capacity by the end of the year. Fort Hills will help to meet global energy demand responsibly. The carbon intensity of its product is lower than approximately half the oil currently refined in the United States, and is among the lowest of Canadian oil sands producers.

In August, we received regulatory approval for our Quebrada Blanca Phase 2 (QB2) project with a unanimous vote from Chilean authorities and, in December, our Board sanctioned the start of construction of QB2.

Located in northern Chile, QB2 will provide significant economic and social benefits for the country and the region, and will help to meet growing global demand for copper.

In September and October, a joint federal-provincial public regulatory hearing was conducted for our Frontier oil sands project in Alberta. Our regulatory submission for Frontier was the most detailed and comprehensive in oil sands history, incorporating extensive environmental and social data, reflecting close to a decade of community engagement. In advance of the hearing, we entered into agreements covering all 14 Indigenous communities in the broader project area — a first for a major oil sands project at this stage.

In October, Dr. Norman B. Keevil, Chairman of the Board of Teck, retired from the role, with Dominic Barton, former Global Managing Partner of McKinsey & Company, stepping into the role of Chair. Over the course of a career that includes more than 50 years with Teck, Dr. Keevil has made enormous contributions to both Teck and the entire mining industry that will continue to benefit our company and communities for generations to come.

### Health and Safety Performance

Safety is the first consideration in everything we do, and we are focused on continual improvement in our safety performance. In 2018, our High-Potential Incident Frequency was 28% lower than in 2017, and Total Recordable Injury Frequency remained the same as in 2017. Despite our



## Message from the President and CEO, Don Lindsay (continued)

progress, we were deeply saddened by two fatalities that took place this year, one at Fording River Operations and one at Elkview Operations. We have carried out in-depth investigations into the incidents to learn as much as possible and to implement measures to prevent reoccurrences. These fatalities are a powerful reminder that we must remain diligent in our efforts to achieve our vision of everyone going home safe and healthy every day.

### Sustainability Performance

Throughout the year, we were able to advance our work in sustainability while at the same time achieving strong operating and financial performance. Across our operations, we have reduced energy use by 2,220 terajoules and greenhouse gas emissions by 289,000 tonnes since 2011. We also improved the diversity of our workforce, with women comprising 31% of total new hires. We continued to implement water quality improvement measures at our operations in the Elk Valley, and we recycled and reused water at our operations an average of three times.

Our social and environmental performance has been recognized once again by the Dow Jones Sustainability World Index, indicating that our sustainability practices are in the top 10% of the 2,500 largest companies in the S&P Global Broad Market Index for the ninth straight year. We were also named to the Global 100

Most Sustainable Corporations and the Best 50 Corporate Citizens in Canada by Corporate Knights.

Through our work with external partners, we are working to help solve global sustainability challenges. For example, in September, we committed \$2.5 million to support life-saving zinc and oral rehydration salt treatments to save the lives of children in India in partnership with UNICEF. This investment builds upon the \$5 million that Teck committed to UNICEF in 2013 through our Zinc & Health program, a program that has saved thousands of children's lives to date.

### Going Beyond

The world around us is constantly evolving. Changing technologies, demographics, societal expectations and other factors are changing our business today and into the future. The most successful companies will be those that can best anticipate and adapt to these emerging trends. With that in mind, we are working to evaluate the most significant risks and opportunities facing us now and over the next two decades, and to set goals that will allow us to evolve our approach and meet these challenges head on. By doing so, we will be in the best possible position to successfully manage risks, turn opportunities into value and continue to provide the materials that build our world for decades to come.

## Recognition in 2018

· Dow Jones Sustainability World Index for the 9th straight year



· FTSE4Good Index Series



· Euronext Vigeo World 120 Index



· Bloomberg 2019 Gender Equality Index



· MSCI World ESG Leaders Index



· Corporate Knights Global 100 Most Sustainable Corporations in the World



· Corporate Knights Best 50 for the 12th straight year



· Canada's 2019 Top 100 Employers by Mediaworld



· 2018 CN EcoConnexions Partnership Program — celebrating companies that reduce carbon emissions



· 2018 Global Compact Network Canada Sustainability Reporting Peer Review Award



· 2018 Responsible Business Award for Diversity & Inclusion by Ethical Corporation





## A Conversation with Marcia Smith

### Senior Vice President, Sustainability and External Affairs

Reporting to the President and CEO, Marcia Smith is responsible for a diverse portfolio at Teck that includes health and safety, sustainability, environment, communities, government relations, corporate affairs, and relationships with Indigenous Peoples. In this Q&A, she offers her insight on some of our most significant risks and opportunities in 2018 and the future of our strategy for sustainability.

#### **Water stewardship is one of your priorities. What is Teck doing to manage water quality and access to water?**

Water stewardship is one of the most critical elements of our sustainability program. Reducing the amount of water we use in our operations and protecting water quality reduces our environmental footprint and helps us to maintain community and stakeholder support.

We've set two key targets to help bring further focus to our work in this area. The first is a goal of zero significant water-related incidents company-wide each year. The second goal is to reduce fresh water use by 15% by 2020 at our operations in Chile. The work we do to achieve these targets will help us improve our environmental performance and meet the expectations of our communities of interest around this vital resource. One great example comes from our Quebrada Blanca Phase 2 project, where we will eliminate fresh water use entirely by introducing the first large-scale use of desalinated seawater in the Tarapacá Region of northern Chile, where water is scarce.

As part of our water stewardship efforts, Teck is also dedicating significant resources to implementing the Elk Valley Water Quality Plan. This is something we developed several years ago with input from the public, First Nations, governments, technical experts and other stakeholders to allow for continued sustainable mining in the Elk Valley in British Columbia.

Our research into water quality management reached a major breakthrough in 2018 with the successful development of a new method to remove selenium and nitrate from mine-impacted water, saturated rock fill (SRF). The first SRF facility, built at Teck's Elkview Operations, can treat up to 10 million litres per day using naturally occurring biological processes. SRFs are a made-in-Canada breakthrough for active treatment of mine-affected water that have the potential to help us achieve our water quality objectives faster and more efficiently.



#### **Marcia Smith**

Senior Vice President,  
Sustainability and External Affairs  
Vancouver, B.C., Canada  
March 14, 2019

#### **Fort Hills, Teck's oil sands joint venture with Suncor and Total E&P, went into full production in 2018. What does Teck think about going into the oil sands sector as you work to reduce your carbon footprint?**

The International Energy Agency forecasts that, in all future energy use scenarios, including in the transition to a low-carbon economy, oil and gas will continue to be an important part of the world's energy mix for the foreseeable future. This is important because making energy safe, reliable and affordable is a key driver for sustaining economic growth, reducing poverty and improving quality of life at home and around the world. And as long as the world needs energy, including from fossil fuels, we want to make sure we are producing it in the most sustainable manner possible.

#### **Teck has a strong track record when it comes to safety, but sadly there were still two fatalities in 2018. What is the organization doing about this?**

We were deeply saddened by two fatalities that took place, one at our Fording River Operations and one at our Elkview Operations. These were both tragic, and we extend our deepest sympathies to the families, friends and colleagues of these two individuals.

Teck worked closely with authorities throughout both incidents and extensive investigations were conducted. We shared results within our industry to ensure we learn as much as possible from these incidents so that they never occur again. In 2019, we will continue to focus on reducing serious injuries and eliminating fatalities by ensuring our high-potential risks have effective controls in place and by continually enhancing our culture of safety.

## A Conversation with Marcia Smith Senior Vice President, Sustainability and External Affairs (continued)

### **In light of the recent tailings dam failure in Brazil, what steps does Teck take to ensure that your tailings storage facilities are safe and secure?**

At Teck, we take extensive measures to ensure the safety and security of our tailings storage facilities at all of our operations and legacy properties. We have comprehensive systems and procedures in place, including monitoring technology, regular inspections, and reviews by independent experts. We have implemented a leading industry practice by establishing independent tailings review boards, which are in place for all of our major tailings facilities. Nothing is more important to us than the safety of people, communities and the environment, and we are committed to continually reviewing our procedures and facilities to ensure they are best-in-class. We had zero significant incidents at our tailings storage facilities in 2018, and all facilities performed as intended, with their inspections and assorted internal and external reviews conducted as scheduled.

### **Mining is an area where women, Indigenous Peoples and other groups have historically been under-represented. How did Teck work to advance inclusion and diversity in 2018?**

Strengthening diversity throughout our industry — from the boardroom through to the mine site — remains a priority for me personally, and for our entire senior management team. That focus on inclusion and diversity is not only about gender, but also about differences in age, ethnicity, Indigenous origin or heritage, physical attributes, beliefs, language, sexual orientation, education and other personal characteristics.

In 2018, our major focus was on women and Indigenous Peoples in line with our 2020 goal to increase the representation of each group in our workforce. For example, we hosted Gender Intelligence workshops, Respectful Workplace training and cultural awareness training. While we have a long road ahead, I believe we're making good progress and I'm glad to see that many of our industry peers are placing a focus on enhancing their own diversity.

### **Across all industries, the pace of innovation and technology continued to increase in 2018. How does sustainability relate to technology at Teck?**

Reducing our carbon footprint, using less water, and making our operations safer and more productive is good for the environment, good for people and good for communities. And it's ultimately good for business — both for Teck and the entire industry. For example, we're now using sensor technology mounted on shovels at our Highland Valley Copper Operations to better separate ore from waste. This increases the quality of material that goes through our mill and, in turn, reduces the amount of energy and water we use.

But changing the way we mine really starts with our people. Innovation isn't just about implementing new technologies. It's about finding ways to do things better, and everyone — from those on the front lines of the business to senior management — can have an idea on how to do things better. We've been sharing the stories of those people and their ideas through a program we're calling [Ideas at Work](#).

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In a short time, we have seen dozens of initiatives from across the company to strengthen safety, enhance environmental performance, improve productivity, build employee pride and help grow our business, and I'm sure there will be more to come.

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### **In the message from the CEO, Don Lindsay talks about new goals for the business moving forward. What will happen to your current sustainability strategy?**

We developed our first company-wide sustainability strategy in 2010. Over the years, that strategy has helped strengthen our performance across key areas such as greenhouse gas reductions, water stewardship, and biodiversity. As 2020 approaches, we are working to achieve our current short-term goals.

As we look beyond our current strategy, we see major opportunities on the horizon. We believe the transition to a low-carbon world will increase the demand for metals. And we have an important role to play in a circular economy, where material inputs and waste are reduced, used and reused to drive better environmental and business performance. New technology will be able to significantly reduce the risks and impacts of mining. Key to this, our communities will be partners for development, helping to shape our shared legacy. With these opportunities in mind, we are working to update our sustainability strategy, which is an integral part of how we do business.



## Approach to Business and Sustainability

Teck's strategy is focused on exploring for, developing and operating world-class, long-life assets in stable jurisdictions that operate through multiple commodity price cycles. We maximize productivity and efficiency at our existing operations, aim to maintain a strong balance sheet, and are nimble in recognizing and acting on opportunities. In everything we do, Teck is led by our values of safety, sustainability, integrity, respect, excellence and courage.

The success of our business depends on our ability to create value in a way that meets the needs of the company, our shareholders, communities and stakeholders while accounting for the broader environmental, social and economic context in which Teck operates. This requires us to understand the evolving global environment and to take an integrated approach to identifying, prioritizing and managing sustainability risks and opportunities.

As represented in Figure 1 below, our operations affect and are affected by communities, economies and environments. Each operation has three major phases: exploration and project development, operation (mining and processing, sales and transportation), and closure and reclamation. Sustainability is foundational throughout the phases of the mining life cycle. Strong sustainability practices are an essential part of reducing risk, lowering costs, recruiting talented people, increasing access to opportunity and building long-term shareholder value.

Figure 1:

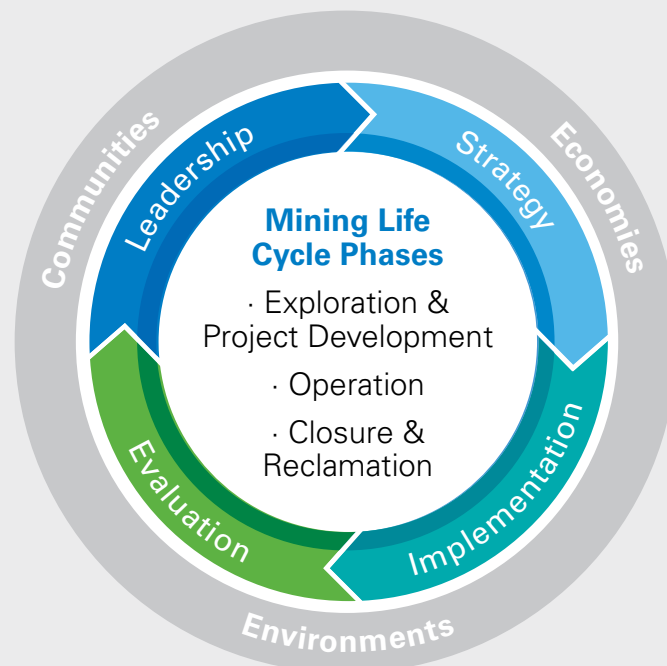
### Sustainability during the Mining Life Cycle

#### Leadership:

Our Board of Directors, senior management and General Managers set the direction for our approach to business and sustainability.

#### Evaluation:

The context in which we operate is constantly changing. We evaluate and respond to these changes and update activities accordingly.



#### Strategy:

Our path forward, including our goals, objectives and commitments, is articulated in company-wide strategies, charters and policies.

#### Implementation:

Sustainability is operationalized across our business through the implementation of our strategy, management standards, governance and audits.

## Board and Executive Leadership in Sustainability

Our Board of Directors is responsible for the stewardship of our company and ensures that appropriate corporate governance structures and systems are in place. Our key governance practices are described in detail in our [Management Proxy Circular](#).

The Safety and Sustainability Committee of the Board supports the Board in overseeing health, safety and sustainability policies, systems, performance and auditing, including our Health, Safety, Environment and Community (HSEC) Management Standards. The Safety and Sustainability Committee met four times in 2018. As with each Board committee, our governance procedures require that we evaluate the effectiveness of the performance of the Safety and Sustainability Committee on an annual basis. A self-assessment was completed and recommendations were implemented, such as increased direct engagement with operations and reviewing additional detail about the status of community relations practices at our sites.

The Board works to enhance its understanding of sustainability topics at regular meetings, strategy sessions and site visits. For example, we hosted external speakers on the current global economic climate for our Board and held special presentations for the Safety and Sustainability Committee, including on the following topics in 2018: human rights, climate change, tailings management, water quality management, workplace hazard recognition, community and Indigenous Peoples engagement, public policy and government regulations.

### Board Diversity, Qualifications and Expertise

The Corporate Governance and Nominating Committee believes that a Board with Directors from diverse backgrounds with different experiences benefits the company by enabling the Board to consider issues from a variety of perspectives.

When assessing potential candidates for nomination to the Board, corporate governance, corporate responsibility and sustainable development experience are part of the selection criteria. The Board also considers gender, ethnicity and national origin in addition to business skills, qualifications and career history. Currently, 29% of our Board members are women. See our [Management Proxy Circular](#) for further information.

### Executive Sustainability Management Committees

As summarized in Figure 2, the following management committees and members of the senior management team are responsible for overseeing Teck's sustainability implementation and performance. Our Senior Vice President of Sustainability and External Affairs reports directly to our CEO and is the main senior executive responsible for sustainability, health and safety, environment, community relations, and Indigenous affairs, among other areas.

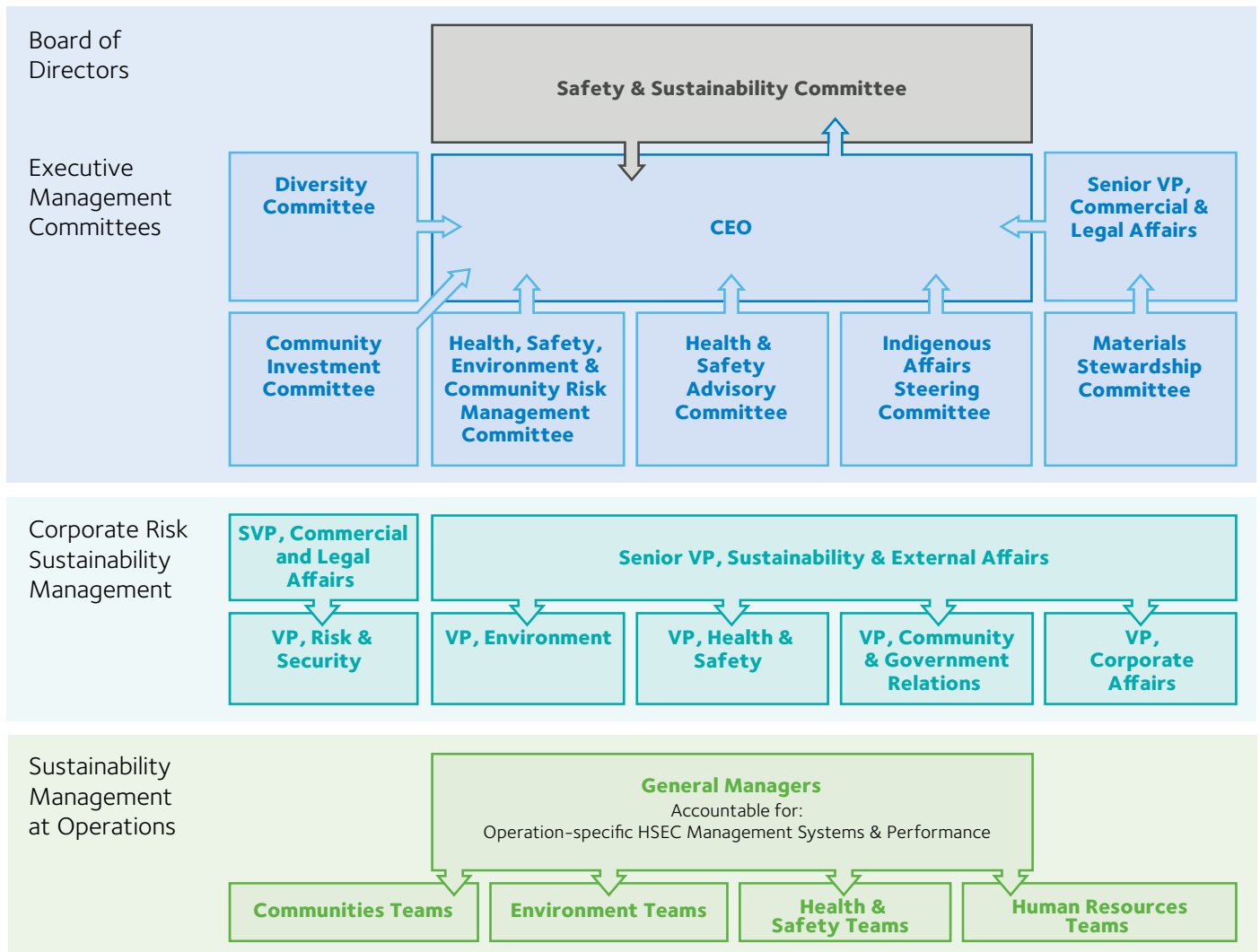
Our senior management team is responsible for overseeing our sustainability strategy, including goal development and progress against our goals. We also have a dedicated corporate team of nearly 80 Teck employees whose primary job responsibilities are focused on providing oversight on our collective efforts on environmental, social and community issues. General Managers are accountable for implementing HSEC Management Standards at their operation, for conformance with and certification under the International Organization for Standardization ISO 14001 standard where applicable, and for continual progress towards annual HSEC targets, including our sustainability goals. Each General Manager reports to either a Vice President or the Senior Vice President of their respective business unit.



Pictured above: In October, Dr. Norman B. Keevil retired from his role as Chairman of the Board of Teck when he "passed the prospector's pick" to incoming Chair Dominic Barton.



**Figure 2: Sustainability Management Structure**



## Sustainability Strategy and Commitments

Our sustainability strategy sets short-term goals to 2020 and long-term goals to 2030 in six focus areas representing the most significant sustainability risks and opportunities facing our company: Community, Water, Our People, Biodiversity, Energy and Climate Change, and Air. Our strategy is integrated into decision-making by embedding it into management standards, into remuneration and into corporate, site and employee annual plans and objectives. Corporate, site and employee objective-setting and evaluation processes are updated to reflect the broader performance objectives set out in our strategy to align priorities at all levels of the company.

Throughout the year, our senior management team and the Safety and Sustainability Committee of the Board review

performance against our sustainability strategy and approve future actions. As 2020 approaches, we are working to achieve our short-term goals and are in the process of reviewing our overall strategy. We also continue to manage emerging risks and embrace opportunities that increase our competitiveness and our contributions to sustainable development.

### Internal Commitments

The sustainability strategy is supported by our company-wide commitments as outlined in topic-specific policy documents on [our website](#). In 2018, we released an updated version of our [Code of Sustainable Conduct](#), which emphasizes our overall commitment to sustainability.

## Code of Sustainable Conduct

In conducting Teck's business, we will:

### Ethical Business Conduct

- Always obey the law, report all incidents and conduct business in accordance with our Code of Ethics and avoid all forms of corruption, in accordance with our Anti-Corruption Policy
- Ensure that no discriminatory conduct, harassment including sexual harassment, forced labour or child labour occurs in the workplace
- Uphold freedom of association and the right to collective bargaining for our workforce, and provide fair living wages and working hours
- Promote inclusion and diversity in our workforce in accordance with our Inclusion and Diversity Policy

### Impact, Risk and Opportunity Management

- Conduct activities to avoid, minimize or mitigate negative environmental, social and economic impacts, maximize positive impacts, and work to continually improve our performance
- Identify and analyze risks and opportunities facing our business, and continually improve health, safety, environmental and community policies, management systems, and controls, and ensure they are fully integrated into our activities
- Work to improve our longer-term social, economic and environmental performance by implementing our Sustainability Strategy

### Health and Safety

- Promote a culture of health and safety, and recognize and continually reinforce company-wide efforts to achieve zero safety or health incidents, in accordance with our Health and Safety Policy
- Ensure that all employees and contractors have the knowledge and ability to safely perform their duties
- Identify and manage occupational health and hygiene exposures for the protection of longer-term health

### Environmental Stewardship

- Integrate biodiversity considerations through all stages of our activities; design and operate for closure, respect legally designated protected areas, and refrain from exploring or mining in UNESCO World Heritage sites
- Promote the efficient and responsible use of energy, water and other resources throughout our business in accordance with our Water Policy and our Strategy for Climate Action
- Implement practices to ensure the safe operation and closure of tailings storage facilities

### Community Engagement

- Recognize and respect the rights and aspirations of people affected by our activities, in accordance with our Human Rights Policy and Indigenous Peoples Policy
- Foster open and respectful dialogue with communities of interest throughout the mining life cycle, and work to achieve free, prior and informed consent of Indigenous Peoples

### Supply Management and Economic Development

- Support local communities through measures such as development programs, locally sourcing goods and services, and employing local people
- Engage our suppliers in the implementation of the Code to promote responsible use and supply of materials and metals, in accordance with our Expectations for Suppliers and Contractors
- Ensure the materials we use and the products we produce do not use conflict minerals

### Audits and Reporting

- Maintain a confidential feedback mechanism that allows employees, contractors and other stakeholders to report violations of our Code of Ethics and other concerns
- Conduct regular audits to ensure adherence with this Code

### External Commitments

We take into consideration external standards and best practices in our governance of sustainability. Through our membership and involvement with several external organizations, we are able to contribute to and engage

with others on the development of best practice in sustainability. Two of our key memberships that help to drive our performance and management of sustainability are described here:



### International Council on Mining and Metals (ICMM):

ICMM is a global industry association that represents leading international mining and metals companies. As an ICMM member, we are required to implement the ICMM 10 Principles and position statements on sustainability practices, to produce an externally verified sustainability report using Global Reporting Initiative (GRI) Standards, and to implement the ICMM Assurance Procedure, which is a third-party verification process to verify that Teck meets the member requirements.

### Mining Association of Canada (MAC) – Towards Sustainable Mining (TSM):

MAC promotes the growth and development of Canada's mining and mineral processing industry for the benefit of all

Canadians. Through MAC, we are required to implement the TSM program, which aids in improving industry performance through the alignment of actions with the priorities and values of Canadians. As a MAC member, we conduct self-assessments at our operations and are subject to third-party verification of our self-assessments in accordance with TSM standards for social and environmental responsibility.

A full list of Teck's [memberships, partnerships and external commitments](#) related to sustainability is available on our website, and updates on our work in this area can be found in the material topic chapters of this report.

## United Nations Sustainable Development Goals (SDGs)

We recognize that the mining industry has an opportunity to positively contribute to all 17 of the SDGs. Teck focuses on supporting four goals in particular:



### Goal 3

Ensure healthy lives and promote well-being for all at all ages



### Goal 5

Achieve gender equality and empower all women and girls



### Goal 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



### Goal 13

Take urgent action to combat climate change and its impacts

An overview of the work Teck is doing to help address each of the 17 Sustainable Development Goals is available on [our website](#).



## Copper & Health

As a major copper producer, we believe Teck can play an important role in increasing the use of antimicrobial copper to reduce the spread of infections. And through our new [Copper & Health program](#), Teck is building partnerships and raising awareness about the important role that antimicrobial copper can play in improving health outcomes for people.

## Sustainability Governance

Our approach to implementing sustainability across our business starts with embedding it in our business planning and our objective-setting processes, which are conducted on an annual basis. For example, risks and opportunities related to health and safety, environmental management, and relationships with Indigenous Peoples and local communities are reflected in the long-term plans for each business unit and operation.

Our compensation program for employees is linked to health and safety, and sustainability performance through individual, department and company-wide objectives. Hundreds of employees across our operations are engaged in implementing specific projects and practices related to our goals. All employees are engaged in our sustainability strategy, through internal communications and day-to-day activities, to help us achieve our goals.

Incentive compensation of the CEO and senior officers is performance-based and includes several sustainability performance indicators. In addition, the personal component of executive bonus ratings often includes specific objectives related to sustainability matters.

### Integrated Risk Management

Our objective for sustainability is to work within the social, economic and environmental contexts in a way that ensures positive outcomes for our business and our stakeholders in the short and long term. Our process for integrating risk management throughout the business includes identifying, evaluating and addressing economic, social and environmental risks and opportunities on a regular basis. The risks and impacts associated with our business are multi-faceted and require effective collaboration among departments, business units and external stakeholders. See Figure 3 for descriptions of some of our major risks in the various phases of the mining life cycle.

**Figure 3: Mining Life Cycle Risks**



**We assess, manage, and mitigate sustainability risks in several ways, including:**

- Health, safety, environment and social risk assessments
- Economic Feasibility Studies and Social, Human Rights and Environmental Impact Assessments
- Social, Environmental and Regulatory Approval committees for new projects
- Pre-mining environmental and social baselines
- Environmental management (water, air, biodiversity, waste, energy and climate change) during and after operations
- Customer assessments to ensure responsible processing of our products
- Closure planning to create post-mining economic vitality in communities
- Reclamation of areas disturbed by mining
- Stakeholder consultation and engagement

While certain sustainability issues remain constant from year to year, we regularly evaluate changes in the regulatory, economic, societal and environmental landscape to inform the continual

improvement of our management approach. Further information on current risks can be found in our 2018 Annual Information Form.



## Regulation, Permitting and Approvals

Our ability to operate depends on meeting legal compliance requirements and demonstrating value to both shareholders and communities. We continually monitor and manage the social and environmental aspects of our activities in order to meet or exceed regulations and to ensure regulatory compliance. This helps us obtain and maintain approvals to operate and grow our business.

We engage directly and indirectly (through industry groups) with governments and regulators to support permitting processes that are practical and effective in protecting the local environment and communities. Once permits are granted, our assurance program is designed to confirm that we continue to meet all relevant requirements. We track our permit and other requirements, and the management of those requirements, such as discharge monitoring, in our compliance and task management systems.

## Project Development

During project development, experts are engaged to facilitate early stage integration of sustainability principles and practices. In 2018, we worked on updating the criteria that projects must apply as they progress through different phases, in order to better operationalize our sustainability goals within our project delivery framework. We also trained project managers on our sustainability strategy to increase awareness and to enable them to better align their project planning decisions with our sustainability goals.

During 2018, we also initiated a structured decision-making process that explicitly and transparently identifies and incorporates relevant sustainability considerations into project decisions.

## Health, Safety, Environment and Community Management Standards

Teck's Health, Safety, Environment and Community (HSEC) Management Standards outline a high-level framework for the identification and effective management of HSEC issues and risks to support continual improvement in related programs and performance. They also provide context for overarching corporate policies and guidelines, and site-level policies and procedures. The HSEC Management Standards apply to current and closed properties, and to activities including waste management, engineering/maintenance, selection of suppliers and contractors, development of new products and services, product distribution, new projects, exploration, and due diligence of mergers and acquisitions. In addition to the HSEC Management Standards, nine of our 12 operations are certified under International Organization for Standardization, Standard 14001. The ISO 14001 standard for environmental management systems exists to help organizations manage environmental impacts.

The HSEC Risk Management Committee, chaired by the CEO, is responsible for overseeing the Standards and providing oversight and direction to ensure continual improvement in sustainability performance as well as the implementation of relevant processes and policies across the company.

**Figure 4: Health, Safety, Environment and Community Management Structure**



### The 20 HSEC Management Standards include:

1. Safety, Health and Occupational Hygiene
2. Communities and Indigenous Peoples
3. Human Rights
4. Water, Ecosystems and Biodiversity
5. Materials Stewardship and Energy Efficiency
6. Mining Life Cycle Considerations — Transactions, Development and Closure
7. Contractors and Suppliers
8. Leadership and Commitment
9. Planning and Resources
10. Legal and Other Requirements
11. Risk and Change Management
12. Control of Activities
13. Monitoring — Measurement, Inspection and Audit
14. Preparing for Emergencies
15. Incident Investigation, Corrective and Preventive Action
16. Management Review and Continual Improvement
17. Organization, Roles and Responsibilities
18. Training, Awareness and Competence
19. Communication and Reporting
20. Documents and Records

## Incident Management

An incident is an unintended event that, in the vast majority of cases, is immediately managed and has no significant implications. We actively monitor and manage all incidents related to our activities, including those related to health and safety, communities and the environment.

All our operations have preventive control measures in place to minimize the likelihood of incidents and to mitigate potential effects on employees, communities or the environment in case an incident does occur. We apply a hierarchy of controls to strengthen our ability to prevent and mitigate risk. Control measures include facility design considerations, spill containment measures, monitoring systems and alarms, standard operating procedures, training, regular inspections, and the identification of potential issues through internal risk assessments and audits.

Significant incidents are investigated to identify key contributing factors, and we implement corrective actions to help prevent incidents from reoccurring. We also share learnings from Teck across the mining industry for any significant incidents.

### Environmental Monitoring

We conduct a wide array of measurements to manage and evaluate our environmental performance. We monitor a range of environmental data, including:

- Emissions to air
- Ambient air quality, including particulate matter levels
- Noise levels
- Geotechnical information related to pit walls and water retention structures
- Environmental incidents

- Water quality (surface water, groundwater and permitted discharges to receiving water)
- Biodiversity (including land reclamation)
- Energy consumption and greenhouse gas emissions
- Material use and recycling information

As required, we develop corrective action plans based on findings from monitoring, and we regularly assess the implementation of these plans. All our operations have control measures in place to minimize the likelihood of environmental incidents and to mitigate potential effects on the environment in case an incident does occur.

### Emergency Preparedness

We identify a comprehensive range of potential emergencies and ensure we are prepared to respond to, and recover from, these situations as quickly and effectively as possible. Potential risks are mitigated through robust risk management measures. A range of emergency scenarios are tested each year via emergency drills to evaluate the adequacy and effectiveness of our emergency preparedness — including human and physical resources. Emergency preparedness and planning are conducted at a corporate and site level as well as within the communities near our operations, as outlined in Table 1.

Our framework within Teck's Global Risk Management Program guides the process of:

- **Identifying hazards**
- **Assessing the risks** associated with those hazards
- **Applying relevant controls** to minimize the potential risks
- **Regularly checking effectiveness** of controls
- **Ensuring appropriate plans** and resources are put in place to respond to emergencies that may occur

**Table 1: Emergency Preparedness at Corporate Offices, Sites and Communities**

<b>Corporate Risk Group – Crisis Management Team</b>	<ul style="list-style-type: none"> <li>· Develops and designs Teck's overall approach to risk management, including the risk management practices related to the development and oversight of sites' emergency preparedness plans, which includes annual review, design and development of crisis simulations and training at sites</li> <li>· Provides risk identification and analysis support for individual sites</li> <li>· Coordinates additional training, capacity building and simulations as necessary</li> </ul>
<b>Individual Sites</b>	<ul style="list-style-type: none"> <li>· Develop emergency preparedness plans tailored to site-specific risks</li> <li>· Work closely with the Corporate Risk Group to ensure alignment with Teck's overall risk approach</li> <li>· Conduct training and simulations to ensure readiness and capabilities of workers and managers</li> <li>· Coordinate with local stakeholders</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>· Develop their own emergency preparedness and response plans</li> <li>· May collaborate and conduct joint simulations with adjacent Teck sites</li> <li>· May exchange information and best practices with adjacent and non-adjacent Teck sites</li> </ul>



Standards for emergency preparedness are updated on a regular basis as required. With the support and guidance of our Risk Group, each operation develops site-specific emergency preparedness and response plans based upon those requirements. As such, emergency response plans and preparations are appropriate for site-specific conditions and are based on a range of credible — although extremely unlikely — incident scenarios.

### *Cybersecurity*

Cybersecurity is a risk that Teck mitigates through stringent management and governance of digital technology. Effective management and governance of cyberrisk in a world of increasing cyberthreats are fundamental to the long-term sustainability of our company.

The Vice President, Teck Digital Systems and Chief Information Officer is accountable for the effectiveness of information technology at Teck and the cybersecurity of our systems. The Director, Information Security is responsible for developing and enacting the strategy as well as for the operation of the cybersecurity program at Teck.

The nature of the cyberthreats facing Teck and the industry have evolved, particularly over the past three years, and are now primarily motivated by profit. As Teck moves to utilizing more digital technologies, our tactics for managing risks will evolve alongside the changing environment. Fundamentally, Teck believes that cybersecurity is an industry-wide concern and has partnered with other companies in the mining and metals sector to form the global Mining and Metals Information Sharing and Analysis Center to share threat information and best practices as an industry.

## Sustainability, Innovation and Technology



Responsible resource development guides our approach to business. Innovation and technology are helping to improve our environmental and performance while also making us a safer and more productive company. We focus, for example, on finding better ways to manage water, reduce greenhouse gas emissions, control dust, and improve air quality and energy efficiency, while also saving lives through improved nutrition and healthcare.

In 2018, Teck launched a program called Ideas at Work to celebrate the people, ideas and stories that are strengthening our company for the future. Through this program, we articulate our approach to innovation and technology, which is focused on four key pillars: safety, sustainability, productivity and growth.

Learn more about how we put [ideas to work at Teck](#).

## Evaluation of Sustainability

On an ongoing basis, our management team provides guidance on changing context and expectations, and we periodically update our policies, management standards and management systems. On an annual basis, individual and company objectives for sustainability are evaluated, and we update our business plans to reflect any changes in the past year. Our sustainability strategy is updated approximately every five years and is reflected in new short-term goals and in revisions as required to our long-term goals.

### Internal and External Audits

Our environmental assurance program is designed to verify that requirements are met, as defined by applicable

permits, legislation and regulations in each jurisdiction. We conduct compliance audits on a three-year rotational basis for all operations, and plans are developed to address the findings based on risk priority criteria. We monitor and report to our HSEC Risk Management Committee on the progress of our assurance program on a quarterly basis. We also conduct external verification of regulatory or external commitments. Table 2 provides an overview of the types of audits and evaluations that are conducted across our operations. Follow-up checks and audits are conducted to evaluate the effectiveness of actions implemented in response to the audits.

**Table 2: Internal and External Audits of HSEC Management**

Type	What is audited?	For whom?	Evaluation criteria
<b>Internal</b>			
Risk-based Health, Safety and Environment audits at each site	Adherence to regulatory and permit requirements, effectiveness of controls based on risk profile, corporate health and safety requirements	HSEC Risk Management Committee	Legal obligations, internal standards
Follow-up effectiveness check	Validate effectiveness of closure of findings two years after initial audit		Action plans from past audit findings
Risk reviews	Control of significant risks		Internal standards
ISO 14001 internal audits	Components of the environmental management system at selected sites	Site Management	ISO 14001 Environmental Management System Standard
<b>External</b>			
Towards Sustainable Mining (TSM) audit	External verification of site data reported to TSM from sites selected on a rotating schedule	Mining Association of Canada	TSM Protocols
Sustainability Report assurance	External assurance of report, data and practices	International Council on Mining and Metals (ICMM)	ICMM Assurance Procedure
Greenhouse Gas (GHG) Regulation Assurance	Validation of GHG data reported and quantification of methodologies	Alberta and B.C. governments	Quantification methodologies defined by regulation
ISO 14001 external audits	Components of the environmental management system at certified sites	International Organization for Standardization (ISO)	ISO 14001 Environmental Management System Standard



## Managing Sustainability in Our Value Chain

Teck procures goods and services such as mobile equipment, machinery, fuel and lubricants, explosives, and a range of other products and services that support large-scale mining and refining operations. The following stakeholders are included in our value chain:

- **Suppliers:** We rely on an international network of suppliers to provide the products, materials and goods needed to support our operations. These include mining equipment and spare parts, tires, fuel and lubricants, explosives, electricity, operating materials and consumables, and chemicals for processing.
- **Service Providers:** We outsource selected operational activities to third parties, typically due to their cost-effectiveness or technical capabilities. Typical activities carried out by service providers and contractors include heavy mining equipment maintenance; transport and logistics; mechanical, electrical and construction work; general exploration drilling; and technical/engineering consultancy.
- **Joint Venture Partners:** Ownership of some of our assets is shared with joint venture partners. This includes, for example, our Antamina mine in Peru (BHP Billiton, Glencore and Mitsubishi Corporation), the Fort Hills oil sands mining and processing operation in Alberta (Suncor Energy Inc. and Total E&P Canada Ltd.) and the NuevaUnión project in Chile (Goldcorp).
- **Customers:** Our customers include refineries, smelters and steel mills. Our products are purchased for immediate use or for further processing. In addition, we provide other customers with various metals and chemical by-products.
- **End Users:** Our products are used by a variety of industries, including construction; transportation, automobile and logistics; electronics and telecommunications; power generation and transmission; domestic appliances; consumer goods and nutritional supplements; agriculture; and energy users.

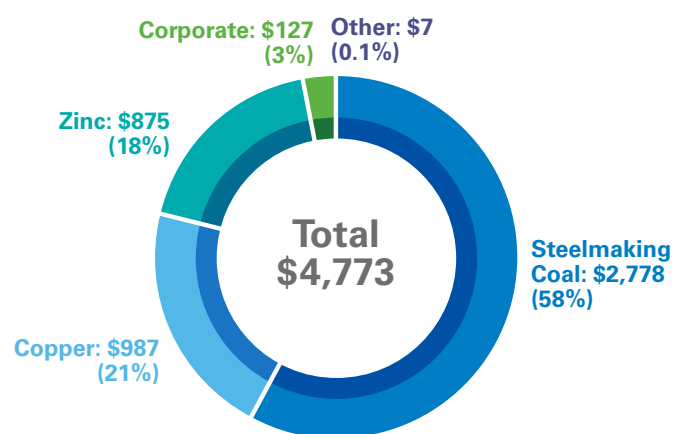
### 2018 Suppliers and Critical Suppliers

In 2018, we purchased goods and services from approximately 4,500 suppliers, with an overall global spend of approximately \$4.8 billion, as shown in Figure 5.

Critical suppliers are suppliers of goods or services that, in the event of an interruption in the supply chain, can have a significant impact on Teck's production, costs and/or revenues. Suppliers may also be considered critical due to the nature of their products and the potential risk and impact on health, safety, the environment and the communities in which we operate. Critical suppliers include inbound suppliers of mobile

equipment, fuels, tires, ammonium nitrate, process equipment, consumables such as grinding media, and suppliers of related parts and services; and outbound suppliers of rail, marine, trucking, bulk terminal and related distribution services. In 2018, critical suppliers represented approximately 53% of our total procurement spend, as shown in Table 3. Within critical suppliers, there are two types: those managed on-site and those managed at a corporate level.

**Figure 5: 2018 Supply Chain Spend by Business Unit** (millions)<sup>(1)</sup>



(1) Other includes our Teck Energy Business Unit and our Teck Frontier Energy Project.

**Table 3: 2018 Spend on Critical Suppliers**

Business Area	Total (millions) \$	Critical (millions) \$	% of Total That Are Critical
Steelmaking Coal	\$ 2,778	\$ 1,927	42%
Copper	987	225	5%
Zinc	875	310	7%
Corporate	127	–	–
Other <sup>(1)</sup>	7	1	–
<b>Total</b>	<b>\$ 4,773</b>	<b>\$ 2,463</b>	<b>53%</b>

(1) Includes our Teck Energy Business Unit and our Teck Frontier Energy Project.

## Supply Chain Management

Through responsible supply chain management, our objective is to ensure that we minimize our potential impacts on people and on the environment, and that we manage business and reputation risks while capitalizing on opportunities. For example, we make efforts to source supplies and services from local sources, including from Indigenous Peoples, where possible. Supply chain management is a multidisciplinary function at Teck involving several departments:

- **Supply Chain Management group** oversees inbound supply chain risks while our Logistics and Transportation group oversees outbound risks.
- **Materials Stewardship Team** provides strategic direction and the framework for materials stewardship and supply chain risk management at Teck. It establishes the materials stewardship criteria as they pertain to product, business, customer and downstream/upstream issues. The team's activities include identifying and managing risks associated with customer assessments, supply chain reviews, product approvals, transportation, regulations, technical advice, human rights, environmental and health guidance, legal and new product application reviews and approvals.
- **Community and Government Relations group** administers the Human Rights Policy, which is overseen by our Legal department; these groups work together to embed human rights considerations into our supply chain management practices.
- **Operations, Project Development and Exploration groups**, along with other functional areas, manage supply chain matters related to on-site contractors and procurement.
- **Corporate Risk and Legal groups** support our Supply Management, Logistics and Transportation, and Operations and Exploration groups. The Corporate Risk group identifies and manages supply chain risks through the corporate risk assessment processes while the Legal group manages commercial contract development and compliance with Teck's policies related to our supply chain.

### Supplier Management Guidelines and Expectations

As our operations and the majority of our business activities are in lower-risk jurisdictions that have strong legal frameworks, we expect and have a good level of confidence that our suppliers' and contractors' business conduct is aligned with robust human rights, environmental and labour legislation and regulation. For suppliers in jurisdictions with higher risk, additional vetting is conducted to ensure compliance.

All suppliers are required to follow our [Expectations for Suppliers and Contractors](#), which builds on our [Code of Ethics](#), our [Human Rights Policy](#) and our [Anti-Corruption Policy](#).

The Expectations for Suppliers and Contractors policy includes our requirement that suppliers and service providers will address issues relating to ethics, health and safety, environmental stewardship and human rights, including numerous labour law requirements. In addition, the Expectations integrate stipulations regarding fair working conditions, non-discrimination and the abolition of child and forced labour.

The Expectations also incorporate our Health, Safety, Environment and Community (HSEC) Management Standard 7 on Contractors and Suppliers. This standard requires us to identify and manage HSEC and supply chain risks by assessing performance and practices when selecting contractors and suppliers, maintaining oversight of risks associated with the goods and services provided, and assessing other opportunities and threats within the supply chain.

#### *Supplier Qualification Due Diligence*

The qualification of all suppliers involves obtaining and monitoring evidence that a supplier meets or exceeds our minimum standards as a condition to supplying products and services to Teck. This screens out the suppliers who are unable or unwilling to meet our requirements as outlined in our Expectations.

The following additional screening may occur if:

- **The supplier may interact with government on our behalf:** They must register and maintain an account in good standing with our Anti-Corruption Compliance program through the Dun & Bradstreet online portal.
- **The supplier is on-site for more than 30 days on one or more Teck sites:** They must register and maintain an account in good standing in our supplier database. Within the database, a comprehensive questionnaire asks about their practices on health and safety, ethics, anti-corruption, human rights and environmental management. Each on-site supplier must also participate in mandatory site-specific orientation and induction training. In 2018, 100% of our on-site suppliers (617 in total) updated their information in our supplier database.
- **The contract is of significant value:** A formal Request for Information and Request for Proposal process is required. Through this process, we evaluate and select suppliers and contractors based on the HSEC risks associated with the goods and services to be provided, their HSEC-related practices, a record of past HSEC performance, and their capacity to perform the work required consistent with legal requirements and local requirements.
- **The contract is selected for manual review:** At any time, if higher risk is identified, we may initiate a manual review and vetting process of a supplier to determine whether the supplier meets our standards as a condition to supplying products and services to Teck. The results of the review determine whether work with the supplier will or will not proceed. In 2018, 22 deep-dive reviews were conducted. There were no material social, environmental or economic impacts identified, and no suppliers or service providers were terminated.

#### *Ongoing Monitoring and Assessment*

Ongoing monitoring and assessment is conducted for all of our suppliers. If an issue is identified during the assessment, work is stopped, an investigation is conducted and a corrective action plan is developed in collaboration with the supplier. If the plan is implemented to our requirements, work with the supplier will resume. If the plan does not meet our requirements, further work with the supplier to correct the finding will be conducted and/or the contract with the supplier may be terminated.

## Identifying and Managing Sustainability Risks

Inbound supply chain risks are initially identified as part of the analysis and identification of critical suppliers by our Supply Management group. Outbound supply chain risks are identified by the Logistics and Transportation group as well as by the Materials Stewardship working group, which advises and develops active risk management processes to reduce the impacts of our products and to ensure products satisfy or exceed regulatory, environmental and societal needs.

In 2018, there were two spills of sulphuric acid purchased from our Trail Operations onto a public road by International Raw Materials Ltd. (IRM). IRM held a contract with a transportation provider to transport the acid. Following these incidents, Teck worked with IRM and its transport providers to help prevent a reoccurrence. [Read more here.](#)

## Engaging Downstream Customers on Sustainability

In 2018, we saw an increase in requests for information from downstream customers to better understand the sustainability of their supply chain. In response, we engaged with downstream customers to respond to their questions and expectations. Requests for information from our customers are largely driven by their own commitments to sustainability, their regulatory environment and their evaluation of risks, and in response to growing consumer concerns and expectations.

“Downstream customers increasingly want confirmation that the raw materials that go into their products are responsibly sourced. We are working to collaborate with our partners along the supply chain to build a common understanding of responsible mining and to ensure that our downstream customers have information about how our activities are conducted in a socially and environmentally responsible manner.”



**Andrew Stonkus,**  
Senior Vice President,  
Marketing and Logistics

## Measuring Supply Chain Risk Management Performance

We measure supply management performance of our critical suppliers by setting and tracking key performance indicators in contracts. For example, all contracts with critical suppliers have safety performance indicators and some have environmental indicators related to reducing or minimizing impacts based on the nature of the product or service provided. In addition to measuring supplier-specific performance indicators, we measure and report on:

1. Company-wide procurement from local suppliers: page 54
2. Company-wide procurement from Indigenous suppliers: page 61
3. Contractor health and safety: pages 26–32

## Managing Product Impacts through Materials Stewardship

All Teck products are listed on a Master Product List that is owned and managed by the Materials Stewardship Committee (MSC). For products to be added to the list, a detailed application is submitted to the MSC. Products are assessed on their whole product life cycle, and include customer assessments, legal jurisdiction reviews, logistics and form of transportation, hazardous materials and emergency response, contracts and financial rate of return.

The MSC also commissions and conducts customer assessments to help ensure that products are handled safely by smelters, refineries or other end users. The assessments allow us to uphold business ethics, regulatory requirements, sustainable management practices, and external expectations. Eight customer site assessments were carried out in 2018, including sites in Canada, China and Indonesia.

We draw on ecotoxicity expertise developed by various commodity associations and other experts to bring sound science into our management approaches and decisions. Our materials stewardship program is also actively engaged with collective industry efforts, including those of the ICMM, towards continuously improving materials stewardship practices.

### *Responding to Regulatory Requirements*

Our materials stewardship efforts have expanded in recent years to meet growing regulatory pressures on mineral concentrates. These are manifested, for example, in the International Maritime Organization bulk cargo requirements, Chinese import restrictions and the Minamata Convention for Mercury. These requirements and restrictions now affect mining companies and smelters globally, and Teck specifically, in the same way that Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations have defined chemical management programs for refined metals, alloys and compounds in the European Union since 2006.



## Engaging with Stakeholders and Indigenous Peoples

Engagement with our stakeholders — from local communities and Indigenous Peoples to investors and customers — helps to enhance our mutual understanding of interests, concerns and aspirations, and helps to strengthen relationships throughout the mining life cycle. Stakeholders are identified based on the degree to which they are affected by our activities and relationships, as well as by their ability to influence our achievement of our business objectives.

In particular, stakeholder identification helps us to ensure we:

- Understand the positive and negative impacts of our business
- Understand the risks and opportunities — for stakeholders and our business — associated with these impacts
- Manage these impacts in a responsible and effective manner
- Understand the effectiveness of our management actions

### Direct and Indirect Stakeholder Engagement and Management

Our direct engagement of stakeholders is organized into three broad levels: information disclosure, dialogue and participation. Our corporate teams also carry out direct engagement on an ongoing basis, which often includes engagement with government, industry associations, peers, shareholders and potential investors.

We carry out indirect engagement through the application of externally developed standards and frameworks that reflect stakeholder expectations. Our engagement with stakeholders is guided by our HSEC Management Standards and our Social Management and Responsibility at Teck (SMART) tools, and engagement outcomes are reported to the Safety and

Sustainability Committee of our Board of Directors and to our HSEC Risk Management Committee.

### Engagement with Local and Indigenous Communities

All of our operations, exploration sites, projects and closed properties identify, prioritize and directly engage local and Indigenous communities. Our work in this area is focused on:

- Disclosing and appropriately communicating accurate and timely information
- Maintaining an open dialogue, so all parties can fully understand each other’s views and concerns
- Engaging in decision-making around our activities
- Collaborating on issues of mutual interest
- Securing and maintaining our social licence to operate

Those responsible for engagement with local and Indigenous communities are trained to take a people-centred approach to dialogue that is focused on relationships, rather than on issues. This helps ensure that engagement is productive and constructive, and that it directly contributes to the building and maintenance of long-term, trust-based relationships.



Pictured above: Employees from Quebrada Blanca Operations present post-secondary scholarships to youth in the community of Matilla, Chile.

**Table 4: Key Engagement Topics with Stakeholder and Indigenous Peoples Identified and Managed in 2018**

Stakeholder	Description	Priority Engagement Topics in 2018	Learn More
Our Workforce	Union, non-union, full-time and part-time employees, and contractors	<ul style="list-style-type: none"> <li>· Health, safety strategies and well-being</li> <li>· New technology and opportunities for innovation</li> <li>· Inclusion and diversity</li> </ul>	Page 26, 62
Communities	Indigenous communities, non-Indigenous communities, community-based institutions, and those outside of project- and site-affected communities	<ul style="list-style-type: none"> <li>· Community investment and socio-economic development</li> <li>· Water quality or availability</li> <li>· Health and safety</li> <li>· Dust, noise and vibration issues</li> <li>· Human health impacts and remediation</li> <li>· Local procurement and employment</li> <li>· Participative community monitoring</li> </ul>	Page 48
Civil Society, Non-Governmental and Multinational Organizations	Regional, national and international organizations focused primarily on advocacy	<ul style="list-style-type: none"> <li>· Community investment opportunities</li> <li>· Global development topics</li> <li>· Payment transparency</li> <li>· Climate change and carbon pricing</li> </ul>	Page 41, 48
Academic Institutions and Researchers	Academic institutions and research organizations	<ul style="list-style-type: none"> <li>· Research partnerships</li> <li>· Training programs</li> </ul>	Page 65
Governments	Local government body or institution, provincial/sub-national governments, and national/federal governments	<ul style="list-style-type: none"> <li>· Climate change and carbon pricing</li> <li>· Innovation</li> <li>· Environmental management including water quality, biodiversity, wildlife and land conservation</li> <li>· Employment and skills training</li> <li>· Transportation regulations</li> <li>· International trade</li> <li>· Environmental regulatory and permitting reform</li> <li>· Canada-U.S. transboundary affairs</li> </ul>	Page 41, 65, 70
Indigenous Governments and Communities	Agencies representing an Indigenous group, organizations run by/for an Indigenous group, Indigenous-controlled goods and service providers, and traditional land users	<ul style="list-style-type: none"> <li>· Agreement negotiation and implementation</li> <li>· Environmental aspects including water quality and access</li> <li>· Community investment opportunities</li> <li>· Protection of heritage sites</li> <li>· Regulatory approvals</li> <li>· Traditional knowledge and land use</li> <li>· Economic opportunities</li> <li>· Reconciliation</li> </ul>	Page 48, 56
Commercial Interests	Joint ventures, large contractors and customers	<ul style="list-style-type: none"> <li>· Logistics and transportation</li> <li>· Materials stewardship</li> <li>· Supply chain sustainability</li> </ul>	Page 19
Industry Associations	Associations representing businesses (e.g., mining associations, sustainable business organizations)	<ul style="list-style-type: none"> <li>· Regulatory issues</li> <li>· Social issues and best practices</li> <li>· Environmental management</li> <li>· Business competitiveness</li> </ul>	Page 74
Investors	Institutional investors, other equity holders, debt holders and banks	<ul style="list-style-type: none"> <li>· Financial performance and state of the company</li> <li>· Social and Environmental management</li> </ul>	<a href="#">2018 Annual Report</a>

## 2018 Materiality Assessment

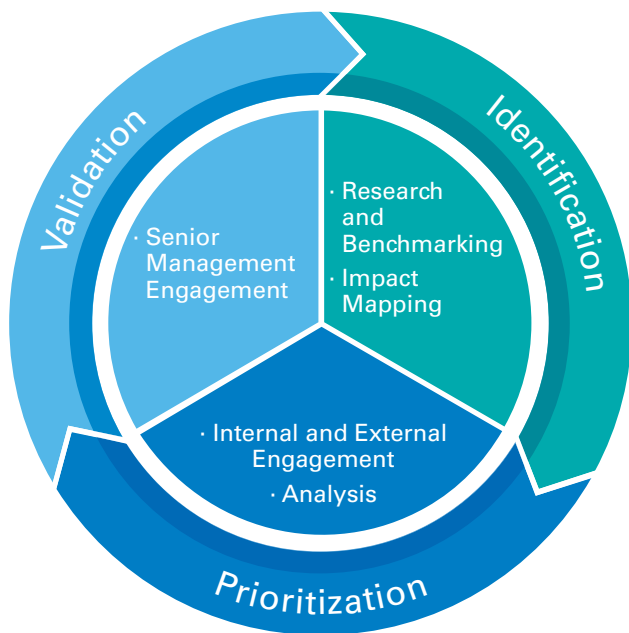
In our report, a material topic is one that reflects our company’s significant economic, environmental and social impacts, or one that could substantively influence the assessments and decisions of our stakeholders, in accordance with guidance from the Global Reporting Initiative. The content of our annual sustainability reporting is determined through a detailed materiality assessment, which is a process for identifying and evaluating the topics that mattered most to our business and to our communities of interest during the previous year and for the near-term future.

Our annual process for determining material topics follows a three-year cycle and involves three steps: identification, prioritization and validation. The first year involves intensive consultation and research to identify a full list of topics that is analyzed by internal experts and external stakeholders and validated by our senior management team. Topics in the mining industry are typically consistent year over year, given the long-term nature of operations. As such, the second and third years build on the results from the first year, and the assessment is updated to reflect emerging issues.

In 2018, we built on the comprehensive materiality assessment we conducted in 2017. This year, during the identification phase, we conducted research on trends in our industry and evaluated internal strategy documents, including the five-year plans for each of our business units. We also took existing information from our 2017 comprehensive assessment, which mapped our impacts and the boundary of our material topics across the value chain. In this phase, we identified 26 potentially material topics.

During the prioritization phase, we conducted one-on-one interviews aimed at further understanding the current state of sustainability within the company, and our outlook for sustainability. We conducted interviews with 37 internal and external stakeholders and used more than 20 inputs such as industry reports, survey results and internal workshops to determine the most significant risks and opportunities facing our business and our communities of interest in the past year.

**Figure 6: Materiality Assessment Process**



During interviews with internal and external stakeholders, a range of topics were identified as most significant in terms of risks and opportunities in 2018.

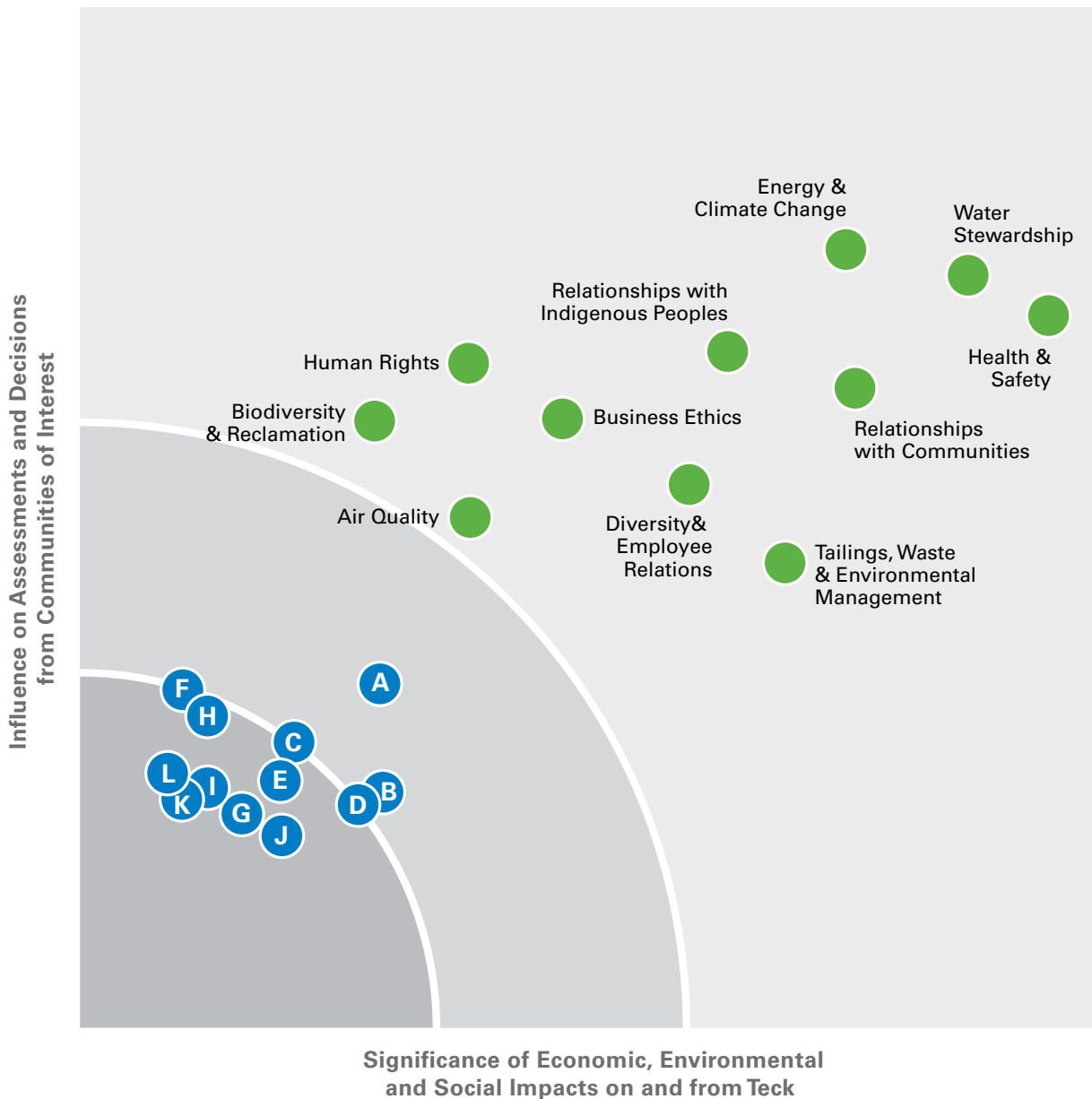
For internal stakeholders, the most significant topics were health and safety, energy and climate change, water quality and management, and community relationships. For external stakeholders, the topics considered most significant were energy and climate change, biodiversity, and water quality. In this phase, 11 topics were identified as potentially meeting our threshold for reporting.



During the validation phase, we engaged several members of the senior management team. We recognize that many of our material topics are interrelated; for example, a topic such as Relationships with Indigenous Peoples is connected to several other topics, such as Biodiversity and Reclamation,

Water Stewardship and Human Rights. For a detailed description of each topic and to see how the topics interconnect, view our interactive [materiality matrix on our website](#).

**Figure 7: 2018 Materiality Matrix**



**Lower Materiality Topics**

- A. Mine Closure
- B. Partnerships & Collaboration
- C. Information & Asset Security
- D. Supply Chain Environment
- E. Emergency Preparedness
- F. Public Policy
- G. Supply Chain Social
- H. Social & Geopolitical Stability
- I. Prosperity of Employees
- J. Business Resilience
- K. Customer & Community Satisfaction
- L. Product Footprint/Life Cycle

# Health & Safety



Companies must work to continually improve their health and safety practices, both for their employees and for the long-term success of their business. The human cost of occupational accidents or work-related diseases is significant, and the economic burden of poor occupational safety and health practices worldwide is estimated at approximately 4% of global gross domestic product each year.<sup>1</sup>

International Council on Mining and Metals (ICMM) members have set the collective goal of zero fatalities and are implementing measures at mining and mineral processing operations to improve performance in avoiding injuries and loss of life. The 2017 ICMM Safety Report recorded 51 fatalities in 2017; this was a decrease from 63 fatalities in 2016.<sup>2</sup>

Technology and innovation have the potential to reduce human involvement in high safety risk activities, remove workers from high-risk areas, and develop systems for hazard and operator fatigue identification.<sup>3</sup> We continue to look for opportunities to take advantage of these technologies, as we know protecting the health and safety of our workforce is fundamental to achieving

long-term success and upholding our commitment to sustainability.

In 2018, our High-Potential Incident Frequency was 28% lower and Total Recordable Injury Frequency remained the same as in 2017. Lost-Time Disabling Injury Frequency also remained flat year over year. We were deeply saddened by two fatalities that took place this year, one at our Fording River Operations and one at our Elkview Operations. We have carried out in-depth investigations into each of the incidents to learn as much as possible and to implement measures to prevent reoccurrences. These fatalities serve as an important reminder that we must remain diligent in our efforts to achieve our vision of everyone going home safe and healthy every day.



## Our Performance in Health and Safety in 2018

**Our Targets and Commitments:** We engage and develop our people, and work to ensure everyone goes home safe and healthy every day. The following table summarizes our performance against our targets and 2020 sustainability goals for health and safety.

2020 Sustainability Strategy Goal	Status	Summary of Progress in 2018
Reduce serious injuries and eliminate fatalities by ensuring our high-potential risks have effective controls in place and by enhancing our culture of safety.	Not achieved	While we reduced our lost-time injuries in 2018, we unfortunately had two fatalities at our steelmaking coal operations. We are implementing our High-Potential Risk Control strategy as planned and all operations are on track to meet work team risk assessment and effectiveness review requirements. Courageous Safety Leadership 4 training was also fully completed in 2018.
Implement improved occupational health and hygiene monitoring and exposure control to protect the longer-term health of workers.	On track	Eleven out of 12 operations achieved “on track” status for implementing their exposure reduction plans, and plans for 2019/2020 were submitted by all operations. We also increased our capacity for quantitative data collection by training more than 60 sample collectors across the company.

## 2018 Key Performance Indicators

<b>2018:</b> 2	<b>2018:</b> no change	<b>2018:</b> no change	<b>2018:</b> 28% reduction
2017: Zero	2017: 14% reduction	2017: 12% reduction	2017: 14% reduction
<b>Indicator<sup>(1)</sup></b> Work-related fatal injuries	<b>Indicator<sup>(1)</sup></b> Lost-Time & Disabling Injury Frequency	<b>Indicator<sup>(1)</sup></b> Total Recordable Injury Frequency	<b>Indicator<sup>(1)</sup></b> High-Potential Incident Frequency
<b>Target</b> Zero fatalities	<b>Target</b> 10% year-over-year reduction	<b>Target</b> 10% year-over-year reduction	<b>Target</b> Year-on-year improvement

(1) All indicators include employees and contractors.



## Building a Positive Culture of Safety

This year, we continued implementation of the fourth phase of our Courageous Safety Leadership (CSL) program. Launched in 2009, CSL focuses on challenging existing values, beliefs and attitudes towards safety, and builds commitment from individuals to work safely and foster safe practices at our operations.

Building on previous phases of the program for both employees and contractors, CSL4 requires front-line leaders to facilitate a six-hour session with their teams to explore our company's,

and their team's, culture of safety — including safety strengths, safety opportunities and safe production challenges. For each of these areas, they identify and select commitments to work on as a team to help improve their safety journey. They must also identify a means to hold each other accountable for achieving their commitments.

In 2018, we trained approximately 97% of employees on CSL4, and employee feedback on the program was positive.

### Hazard Identification at Teck

During the Courageous Safety Leadership 4 session with Teck's senior management team and General Managers, the group reflected on the safety culture survey that was conducted company-wide a few years ago. The results of that survey indicated that, generally, most employees felt there was a very good understanding of the hazards in our industry; however, hazard identification remains a recurring factor when it comes to incidents at Teck.

In order to equip all employees with the skills and a common understanding of hazard identification, and to ensure everyone across the company has a clear understanding of key terms such as hazard, hazard types, risk and controls, a new hazard identification program was completed in 2018 and implementation will occur across Teck in 2019.

[Read the full case study in our \*Connect\* magazine.](#)



In addition to CSL4, a new Introduction to CSL program was rolled out across the company in 2018; all new hires are required to complete this within approximately six months of joining the company. As part of Teck's culture of safety, it is critical that new employees and contractors understand the importance of CSL, the journey we have been on to develop our culture of safety, and the part they can play in moving it forward.

### High-Potential Risk Control

As part of our High-Potential Risk Control (HPRC) strategy, we set a target for each operation to complete four Work Team Risk Assessments and four Effectiveness Reviews in 2018. The Corporate Health and Safety team supported operations to reach their target by undertaking HPRC coaching sessions across operations to review risk assessment and effectiveness quality. As of the end of the year, all operations met or exceeded their targets for 2018. As a result of our improved risk assessment efforts across the company, we identified and shared stories of positive change. Teams across the company have tightened their controls for several key serious injury and fatality risks. We will continue to identify and share more stories in 2019.

In 2018, we also released new company-wide standards for Fitness for Work and Working around Water. The purpose of the Fitness for Work standard is to establish the expectations across Teck business units and operations to reduce safety risk for all employees, including risks related to fatigue and impairment. Mining and mineral processing activity can also expose workers to the hazard of working on or around water and tailings storage facilities. The Working around Water standard contains the minimum requirements for working in these conditions.

### Occupational Health and Hygiene

We work to continuously enhance our occupational health and hygiene risk assessments, monitoring and exposure controls to protect the long-term health of employees. In 2018, all of our operations were required to implement the Exposure Reduction Plans (ERP) they developed in 2017. By the end of the year, 11 out of 12 operations reported that they were on track with their plan implementation.

Our Occupational Health and Hygiene Committee implemented a comprehensive sampling training program in 2018. The objective of the program is to provide all personnel who have a role in collecting hygiene samples with standard training for the collection of quality samples — including the collection of respirable particulate samples, and noise monitoring and mapping.

An Occupational Medical Specialist, Dr. Lawley, joined Teck's Health and Safety team in 2018 to help understand the needs of employees and operations in the area of occupational health. In the communities where we work, Dr. Lawley has started to build relationships with local health authorities and providers, to support our occupational health programs.

*"In the period 2011 to 2017, our Quebrada Blanca Operations (QB) recorded 28 high-potential incidents associated with driving on Pintados Road near the operation. Through their ongoing implementation of the High-Potential Risk Control strategy, QB has implemented a range of control improvements to reduce incidents on this road. In 2018, no high-potential incidents were recorded. Congratulations to the team."*



**Enrique Castro**  
General Manager,  
Quebrada Blanca  
Operations

## Safety Performance

We are deeply saddened to report that in 2018 we had two fatalities. On April 9, 2018, an amphibious excavator overturned in a tailings pond at our Fording River Operations, resulting in the death of a contractor. To ensure we learned everything possible from the incident and to help prevent a reoccurrence, an animated re-enactment has been produced and is being shared across our company and industry. [View the video here.](#)

On November 18, 2018, a vehicle collision occurred at our Elkview Operations, resulting in the death of an employee. Following a full investigation, learnings from this incident will also be shared across the industry. We share learnings from these incidents because we believe that these tragedies would be compounded if we fail to learn from them and fail to share those learnings with others.

In 2018, our High-Potential Incident Frequency was 28% lower and Total Recordable Injury Frequency remained the same as in 2017. Lost-Time Disabling Injury Frequency also remained

flat year over year. Teck's Total Recordable Injury Frequency is slightly above the average compared to the ICMM, which is made up of many of the world's largest mining companies.

**Table 5: Health and Safety Performance** <sup>(1),(2),(3),(4),(5),(6)</sup>

	2018	2017	2016	2015
Total Recordable Injury Frequency	1.01	1.01	1.13	1.27
Lost-Time Injuries	75	89	73	84
Lost-Time Injury Frequency	0.36	0.45	0.42	0.47
Disabling Injury Frequency	0.26	0.17	0.28	0.27
Lost-Time Disabling Injury Frequency	0.62	0.62	0.72	0.74
Lost-Time Injury Severity	73.35	24.4	28.4	18.6
Number of Fatalities	2	0	0	0

(1) Our safety statistics include both employees and contractors at all of our locations (operations, projects, closed properties, exploration sites and offices). For sites where Teck owns more than 50%, safety statistics are weighted 100%; for sites where Teck owns 50% or less, safety statistics are weighted according to Teck's ownership of the operation. This includes Antamina mine, in which we have a 22.5% interest. We define incidents according to the requirements of the U.S. Department of Labor's Mine Safety and Health Administration. Severity is calculated as the number of days missed due to Lost-Time Injuries per 200,000 hours worked.

(2) Increase in severity in 2018 is a consequence of two fatalities, which are automatically counted as 6,000 lost days.

(3) A Lost-Time Injury is an occupational injury that results in loss of one or more days beyond the initial day of the injury from the employee's scheduled work beyond the date of injury.

(4) A Disabling Injury is a work-related injury that, by orders of a qualified practitioner, designates a person, although at work, unable to perform their full range of regular work duties on the next scheduled work shift after the day of the injury.

(5) A fatality is defined as a work-related injury that results in the loss of life. This does not include deaths from occupational disease or illness.

(6) Frequency indicators in this table are calculated by the number of events in the period multiplied by 200,000 and divided by the number of exposure hours in the period, which refers to the total number of actual hours worked by employees/contractors at a site where one or more employees/contractors are working or are present as a condition of their employment and are carrying out activities related to their employment duties. Hours of exposure may be calculated differently from site to site; for example, time sheets, estimations and data from human resources are inputs into the total number of exposure hours.

## Process Safety Events

Process safety events are those that typically involve an unexpected mechanical integrity failure in a pipeline system or processing facility that may result in a fire, explosion, rupture or hazardous chemical leak. All high-potential incidents

(including process safety events) were thoroughly investigated to identify corrective actions to minimize the potential for reoccurrence.

**Table 6: Process Safety Events**

	2018	2017	2016	2015
Process-Related HPIs	7	6	11	14
Frequency per 1,000,000 hours	0.17	0.15	0.32	0.39



## Innovation Highlight — Future of Safety



As we advance our health and safety strategies, we are investigating and testing several technologies that have the potential to reduce the health and safety risk to our workforce. Starting in 2017, our Fording River Operations has been operating multiple drones with externally certified pilots for the use of surveying, taking photos, recording blasts, and ultimately, to improve safety performance. The use of a drone eliminates the need for employees to enter high-risk areas, such as areas surrounding congestion, high walls, blasted muck or dig faces. As for productivity, an area that would have originally taken 72 hours to survey can now be achieved in just four hours by using a drone.

## Occupational Diseases

We report the incidence of occupational diseases at Teck, based on accepted workers' compensation claims from each jurisdiction in which we work, for the disease categories set out below. For Tables 7 to 9, workers' compensation claims data are for accepted claims over the past four years, and are for employees only; contractor data is not included.

In some cases, as our systems for reporting occupational diseases continue to mature, occupational disease cases and rates may increase in the short to medium term. This is a reflection of the long latency period associated with the development of occupational disease. However, at the same time, we will also continue to enhance our application of improved risk-based controls to prevent occupational diseases.

**Table 7: Occupational Diseases Cases**<sup>(1),(2)</sup>

Disease Category	2018	2017	2016	2015
Respiratory Disorders	1	3	1	3
Hearing Loss <sup>(3)</sup>	2	5	9	12
Musculoskeletal Disorders	6	6	9	9
Cancer	0	0	0	1
Other Medical Disorders	8	4	2	1
<b>Total</b>	<b>17</b>	<b>18</b>	<b>21</b>	<b>26</b>

(1) Does not include global exploration or marketing offices.

(2) Occupational diseases are defined as an adverse, generally chronic and irreversible health effect associated with overexposure to chemical, physical or biological agents in the workplace (e.g., silicosis, bladder cancer, berylliosis, metal fume fever, asthma).

(3) The reporting for hearing loss may be under-reported, due to limited data availability.

**Table 8: Occupational Disease Cases by Gender**

	2018	2017	2016	2015
Female	4	2	0	1
Male	13	16	21	25
<b>Total</b>	<b>17</b>	18	21	26

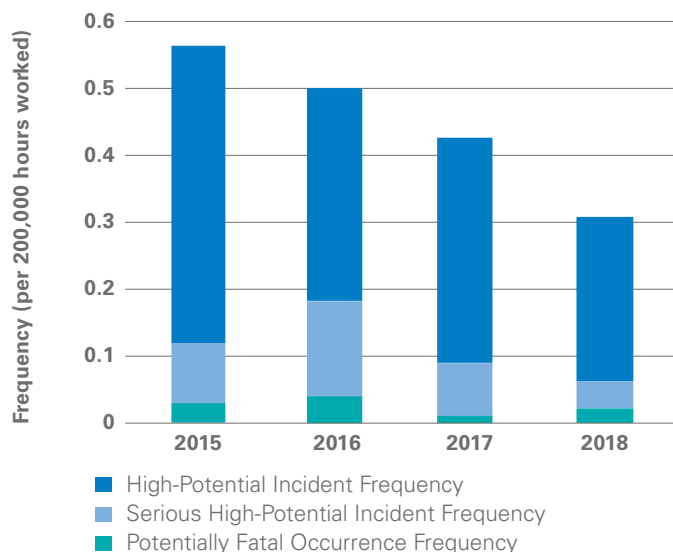
**Table 9: Occupational Disease Rate**

	2018	2017	2016	2015
Total Occupational Disease Rate (per 200,000 hours)	0.08	0.09	0.12	0.17
Total Occupational Disease Rate (per 1,000,000 hours)	0.41	0.47	0.61	0.84

In 2018, there were four Potentially Fatal Occurrences reported at Teck-operated locations that were investigated and for which corrective actions were developed. Where relevant, the results are shared with all of our operations in order to facilitate a local gap analysis against the findings to prevent similar occurrences.

While our total High-Potential Injury (HPI) frequency and severity has declined since 2010, our business units and operations continue to experience HPIs. As such, we continue to focus on improving our understanding of high-potential risk and control effectiveness.

**Figure 8: High-Potential Incident Performance**



## Outlook for the Health and Safety of Our Workforce

Safety is a core value at Teck, and we are committed to continuously improving our performance. In 2019, we will continue to focus on reducing serious injuries and eliminating fatalities by ensuring our high-potential risks have effective controls in place and by enhancing our culture of safety. We will begin to implement our Introduction to Hazard Identification training program and practise these skills in the workplace. We will also continue the implementation of our Introduction to Courageous Safety Leadership program for new employees and conduct our second company-wide survey of safety culture. Our efforts to improve occupational health and hygiene monitoring, and improve exposure controls to protect the longer-term health of workers will also continue.

### GRI Indicators and Topic Boundary

403-103, 403-1, 403-2, 403-3, 403-4

This topic is considered most material by our employees, contractors and regulators in the context of all Teck sites and in contractor selection and management.

### How Does Teck Manage This Topic?

Information about how we manage health and safety, including relevant policies, procedures, management practices and systems is [available for download on our website](#).



# Water Stewardship

Water is a vital global resource for all ecosystems and for a growing human population. Readily accessible fresh water, which accounts for less than 1% of the world's water supply, is increasingly under pressure. Since 2015, the United Nation's Sustainable Development Goal 6 on clean water and sanitation has motivated countries and organizations alike to work to improve the management, protection and restoration of the world's fresh water ecosystem in an integrated way.<sup>4</sup>

Mining companies demonstrate leadership in water stewardship by using water efficiently, maintaining water quality, and engaging with communities to collaboratively manage a shared water resource throughout the mining life cycle. Leadership in water stewardship is a priority for Teck. Communities with whom we share watersheds care about access to sufficient quantities of clean water for health, quality of life, economic well-being and the preservation of the local environment, and we share those values. That is why we are working to protect water quality, improve water use efficiency and engage with communities of interest on watershed management.

In 2018, Teck helped advance the dialogue on water stewardship in mining by working with the International Council on Mining

and Metals (ICMM) on best practices and by implementing our Water Policy through a new Water Governance framework at our operations. We also released two new water targets, focused on reducing the use of fresh water in water-stressed regions and reducing significant water-related incidents.

We also made progress in our implementation of the Elk Valley Water Quality Plan to maintain the health of the watershed where a number of steelmaking coal operations are located. This work included upgrading the West Line Creek Active Water Treatment Facility and advancing construction of a second active water treatment facility at our Fording River Operations, and advancing a new method of water treatment using saturated rock fills.

<sup>4</sup> [Why does water matter?](#) UN Environment.



## Our Performance in Water Stewardship in 2018

**Our Targets and Commitments:** Our vision is to contribute to the balance between the social, economic, recreational and cultural benefits of water resources, within ecologically sustainable limits. The following table summarizes our performance against our 2020 sustainability goals for water.

2020 Sustainability Strategy Goal	Status	Summary of Progress in 2018
Contribute to watershed management in water-stressed regions through water use efficiency projects, use of alternative water sources, water quality improvement measures and capacity building.	On track	Quebrada Blanca and Carmen de Andacollo operations worked towards implementing a prioritized list of water projects to meet Teck's fresh water use efficiency target.  Highland Valley Copper, Red Dog and Carmen de Andacollo operations made progress towards their watershed-based management plans in collaboration with communities of interest.
Increase our understanding of groundwater and proactively assess groundwater risks.	On track	Highland Valley Copper, Red Dog and Carmen de Andacollo operations assessed groundwater data and knowledge gaps, defined groundwater modelling scope and requirements, and advanced work on conceptual and numerical models.
Collaborate in developing innovative water technology and practice.	On track	Successfully developed an <i>in situ</i> method to remove selenium and nitrate from mine-impacted water through our new saturated rock fill facility.

### 2018 Key Performance Indicators

<b>2018:</b> 291%	<b>2018:</b> 0.48	<b>2018:</b> 0.51
2017: 399%	2017: 0.28	2017: 0.42
<b>Indicator</b> Water reused and recycled, as a percentage of new water use at mining operations	<b>Indicator</b> New water use intensity per tonne of raw coal processed at coal operations (m <sup>3</sup> )	<b>Indicator</b> New water use intensity per tonne of ore processed at milling and flotation operations (m <sup>3</sup> )

## Our Approach to Water Stewardship

We have long recognized that water stewardship is an important sustainability challenge and a significant opportunity. In 2018, we refined our approach to water stewardship to deepen our focus on water, drive measurable improvements at our operations and embed water stewardship into all of our activities. The objectives of this work are to track and improve our water quality performance and water use efficiency, and minimize our water costs so we can respond better to watershed needs.

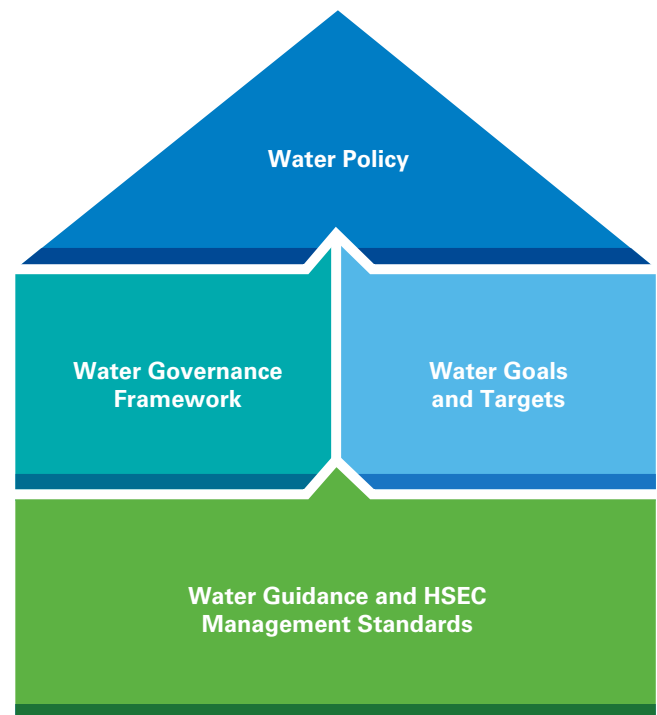
As illustrated in Figure 9, our approach to water stewardship is embodied in our Water Policy and is implemented through our Water Governance framework, which defines how we govern and improve our current water performance. In support of our Water Governance framework, we have developed additional water guidance and continue to rely on our Health, Safety, Environment and Community (HSEC) Management Standards.

Our new targets for water, established in 2018, are to reduce the consumption of fresh water at our Chilean operations by 15% by 2020 and to achieve zero significant water-related incidents each year.

This year, we met our target of zero significant water-related incidents. We also started implementing water projects at our Chilean operations intended to reduce fresh water use to help us achieve our 2020 target.

The Water Governance framework and water goals and targets provide the mechanisms to realize the commitments in our [Water Policy](#), which includes our commitment to apply consistently strong and transparent water governance, to manage water at operations efficiently and effectively, and to collaborate to achieve responsible and sustainable water use.

**Figure 9: Our Approach to Water Stewardship**

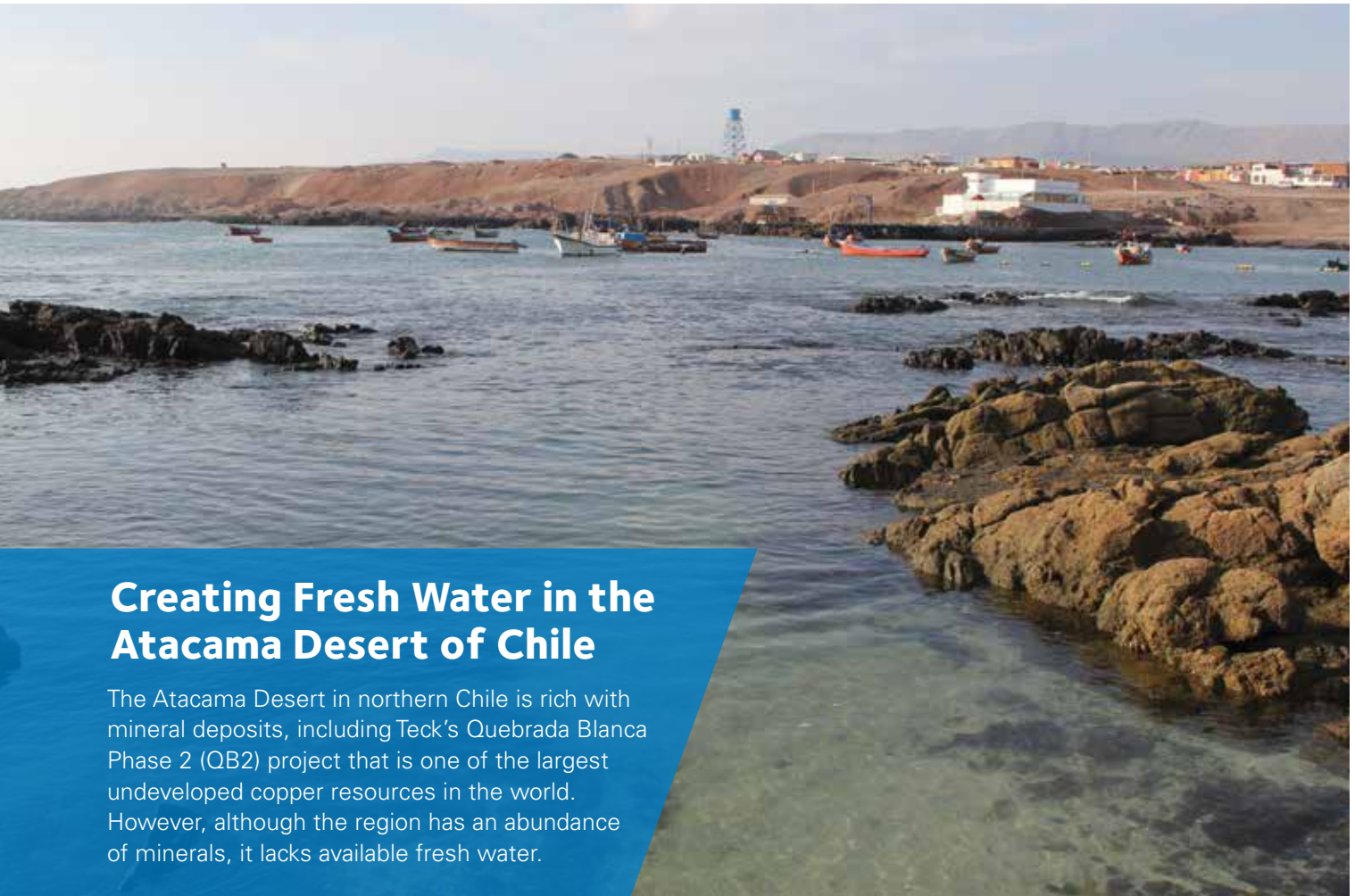


## Protecting Water Quality

Throughout the year, we continued to monitor water quality and implemented controls to mitigate risks, including the implementation of the Elk Valley Water Quality Plan. In addition, as part of our sustainability strategy water goals, our Highland Valley Copper, Red Dog and Carmen de Andacollo operations continued development of site-wide groundwater models. At our Quebrada Blanca Operations, we continued construction of a multi-layer groundwater interception system, which will remain in place for Quebrada Blanca Phase 2 (QB2).

### Managing Water Quality in the Elk Valley

We continue to implement water quality management measures to meet the objectives of the Elk Valley Water Quality Plan (EVWQP), which was approved in 2014 by the B.C. Minister of Environment. The goal of the EVWQP is to stabilize and reverse the increasing trend of mine-related constituents, and to ensure the health of the watershed is maintained while allowing for continued sustainable mining in the region where five of our steelmaking coal operations are located. The plan establishes short-, medium- and long-term



## Creating Fresh Water in the Atacama Desert of Chile

The Atacama Desert in northern Chile is rich with mineral deposits, including Teck's Quebrada Blanca Phase 2 (QB2) project that is one of the largest undeveloped copper resources in the world. However, although the region has an abundance of minerals, it lacks available fresh water.

The Atacama Desert is one of the driest places on earth and fresh water, which is critical to the mining process, is a vital resource to be used sparingly. To preserve the availability of fresh water for others, as part of the QB2 project we will be building a desalination plant to enable the use of desalinated seawater in place of fresh water for the mining process.

"Given our proximity to the Pacific Ocean, we wanted a way to use seawater for the mining process at QB2 so we could protect the region's supply of fresh water and support our sustainability commitments," said Francisco Raynaud, Port Manager of Teck's QB2 project. "To achieve this, we have partnered with [IDE Technologies](#) from Israel, one of the most prominent desalination companies in the world, which builds plants to the scale that QB2 requires."

### *The Desalination Process*

QB2's desalination plant will be the first large-scale use of desalinated seawater for mining in Chile's Tarapacá Region. The desalination process works through reverse osmosis, where a semi-permeable membrane is used to remove ions, molecules and larger particles to create fresh water.

Seawater will be pumped to the plant and purified, then pumped by five booster stations up 4,300 metres of altitude to the concentrator plant where it will be needed. The leftover concentrated saltwater (brine) is pumped back into the Pacific Ocean at a depth of 40 metres (750 metres from the coast) to ensure there is enough dilution to be compatible with the ocean's ecosystem.

When operating at full capacity, the plant will purify about 1,300 litres per second, which is enough to fill an Olympic-size pool in 40 seconds. Suction pipes used to collect seawater are almost a metre in diameter and located nearly 250 metres from land at a depth of 30 metres and are designed to ensure full compliance with coastal protection requirements.

### *About Quebrada Blanca Phase 2*

Located 240 kilometres southeast of Iquique, QB2 will be a premier asset, with low operating costs, an initial mine life of 28 years and significant potential for further growth. First copper production is currently planned for the second half of 2021. [Learn more about QB2.](#)



water quality targets, which are protective of the environment and human health, for selenium, nitrate, sulphate and cadmium, as well as a plan to manage calcite formation.

#### Water Treatment Facilities

The EVWQP includes design and construction of several active water treatment facilities. The first of these facilities, the West Line Creek Active Water Treatment Facility, has completed recommissioning following treatment process improvements that were required to address the forms of selenium remaining in the treated water discharge and is now ramping up to a full treatment capacity of 7.5 million litres of water per day. In 2018 we started construction of our second water treatment facility, the Fording River South Active Water Treatment Facility, which is expected to be operational in 2020 with a full treatment capacity of 20 million litres of water per day.

We are also developing a new method of water treatment within saturated rock fills (SRFs); read more in the Innovation Highlight below. We currently have more than 20 R&D projects underway related to water quality in the Elk Valley, including projects to better control release of water quality constituents at source and to develop new water treatment methods.

#### Monitoring Aquatic Health

Teck conducts ongoing aquatic health studies and monitoring in the Elk Valley. Making this information broadly available helps advance community knowledge and understanding, and can accelerate the pace of scientific progress and innovation. Our monitoring activities include:

- **Regular water quality monitoring** at more than 100 surface water stations
- **Quarterly regional groundwater monitoring** at 37 wells

- **Monitoring of aquatic health** through our Regional Aquatic Effects Monitoring Program and Local Aquatic Effects Monitoring Programs, which includes monitoring water quality, sediment quality and calcite; periphyton (algae); benthic invertebrates (bugs); and fish. In some cases, monitoring also includes birds and amphibians.

Annual reports about this monitoring are prepared by professional scientists and represent the knowledge developed since the Elk Valley Water Quality Plan was approved in 2014. The reports have been reviewed by the Environmental Monitoring Committee (EMC), a group that provides science-based and Ktunaxa traditional knowledge advice and input to Teck and the B.C. Ministry of Environment and Climate Change Strategy regarding monitoring designs and reports in the Elk Valley. The committee includes representatives from the Ministry of Environment and Climate Change Strategy; Ministry of Energy, Mines and Petroleum Resources; Ktunaxa Nation Council; Interior Health Authority; and Teck, as well as an independent scientist.

Teck is focused on continued monitoring and research, and on taking the necessary steps to implement the Elk Valley Water Quality Plan. Read the [2018 Environmental Monitoring Committee Report](#) for more information.

#### Community Engagement on Water

Access to clean and sufficient water by users in our areas of influence is important to us and to our stakeholders. When implementing our water management practices, we consider and engage with other water users in the watersheds where we operate. In 2018, we held two open houses in the Elk Valley for members of the community to learn more about our work on water quality in the watershed, as well as new technologies being implemented to improve water performance.

## Innovation Highlight – Using Saturated Rock Fill to Improve Water Quality



Teck's research into water quality management has reached a major breakthrough with the successful development of an *in situ* method to remove selenium and nitrate from mine-impacted water. The saturated rock fill (SRF) facility built at Teck's Elkview Operations can treat up to 10 million litres per day using naturally occurring biological processes.

[Read more in this case study.](#)

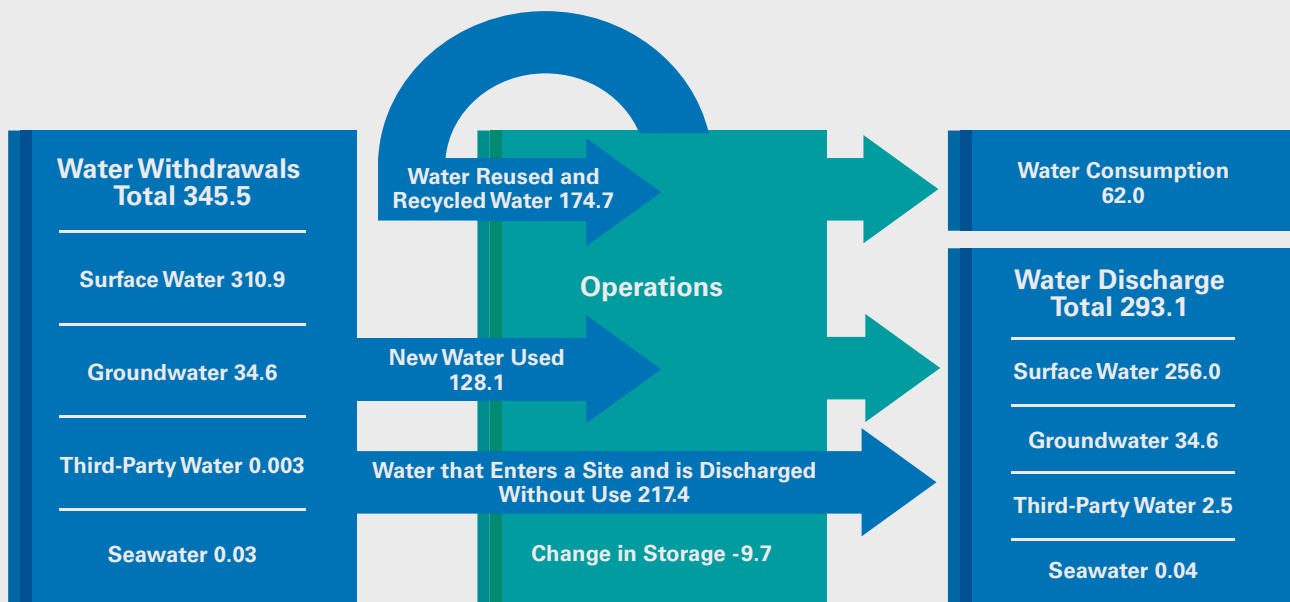
## Improving Water Efficiency

We track water data for all our operations using site-wide water balances.<sup>5</sup> The company-wide water balance is complex, due to the variability of natural factors such as rainfall, snowmelt, and the diversity of the climates and geological conditions where our operations are located. Understanding our water balance is key to improve water management practices and to enable better decision-making.

In 2018, we updated our water data collection and reporting to align with the ICMM’s [Practical guide to consistent water reporting](#). Our detailed water data is provided in our [2018 Sustainability Performance Data spreadsheet](#).

Key water performance metrics include total water use, water reused and water recycled. In 2018, 58% of our total water use was from reused/recycled water. Water reused and recycled, expressed as a percentage of new water use, was 136% across the company. At our mining operations only (this excludes Trail Operations) this was 291%— which means reusing the same water approximately three times on average before returning that water to the environment. Our 2018 water performance was primarily affected by a wetter than average year at Highland Valley Copper operations that resulted in a significant volume of new water added into the process water circuit, a dredging campaign at our Fording River Operations that used additional new water, and improvements in accounting for new water at Red Dog Operations.

**Figure 10: Company-Wide Water Balance** (million m<sup>3</sup>)



**Water withdrawal:** water that is received, extracted or managed (collected and conveyed through an operation’s infrastructure) by operation and by type (surface water, groundwater, seawater or third-party water); excludes water diverted away from operational areas

**Water discharge:** water removed from an operation and returned to the environment or a third party (surface water, groundwater, seawater or third party)

**Water consumption:** water that is no longer available for use, including evaporated water, water entrained in products or tailings, and other operational losses

**Water use:** water used for mining or operational processes, such as for mineral processing, cooling, dust control or truck washing. Water use includes:

- New water: water that is used for the first time
- Reused water: water that is reused without being treated between uses
- Recycled water: water that is reused and is treated prior to reuse

**Water that enters a site and is discharged without use:** water that enters a site, is not used in any processes and is released to the receiving environment

**Change of storage:** the change in the stored water volume at our operations – the difference between water inputs and water outputs. A positive number indicates water accumulation and a negative number indicates decreased storage

### Types of Water

**Surface water:** water from precipitation and runoff that is not diverted around the operations; includes water inputs from surface water bodies that may be located within our operation’s boundaries

**Groundwater:** water from beneath the earth’s surface that collects or flows in the porous spaces in soil and rock that is not diverted around the operations

**Third-party sources:** water supplied by an entity external to the operation, such as from a municipality. We do not use wastewater from other organizations

**Seawater:** water obtained from a sea or ocean

**Table 10: Water Used, Reused and Recycled**

	2018	2017	2016	2015
Total water use (m <sup>3</sup> ) <sup>(1)</sup>	<b>302,835,000</b>	291,930,000	285,268,000	285,864,000
New water use (m <sup>3</sup> )	<b>128,146,000</b>	115,368,000	117,930,000	115,466,000
Water reused/recycled (m <sup>3</sup> ) <sup>(1)</sup>	<b>174,688,000</b>	176,563,000	167,338,000	170,371,000
Reused/recycled as % of new water use <sup>(1),(2)</sup>	<b>136%</b>	153%	142%	148%

(1) The figures for 2017 have been restated due to improvements in some operations' water accounting.  
 (2) The percentage calculation is based on the total volume of water reused/recycled divided by the total volume of new water used.

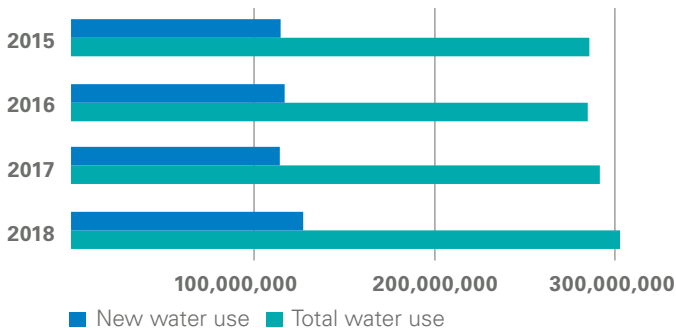
Trail Operations accounts for 23% of our total water use and 53% of our new water use. Almost all of the water used at our Trail Operations is for cooling purposes, meaning that it does not come into contact with chemicals or reagents, and the only change it undergoes is a slight increase in temperature before being returned to the environment within regulatory-approved

conditions. We track this water separately from the data for our mining operations.

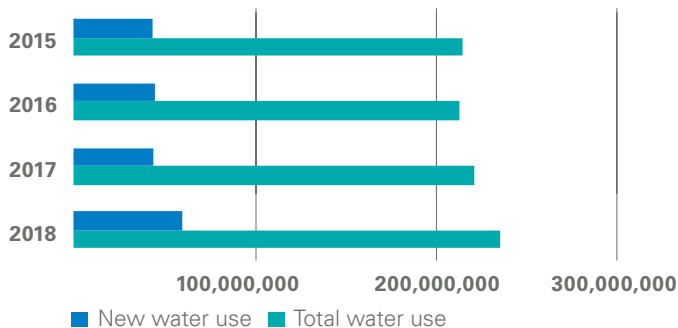
Figure 11 illustrates the new water use and total water use trends over the past four years. We continue to focus on improving our practices and increasing our reuse/recycle water use to meet our water needs.

**Figure 11: Total and New Water Use (m<sup>3</sup>)**

**All Operations**



**Excluding Trail Operations**



*Water Intensity*

We benchmark our water performance on the basis of a new water use intensity metric, as shown in Tables 11 and 12. Our new water use intensity is defined as the annual volume of new water used per unit of material processed by our steelmaking coal operations and by our milling and flotation operations. These water metrics allow us to more consistently evaluate our water use performance, independent of variations in annual precipitation and ore grades. In addition, these metrics allow us to make informed water management decisions and prioritize improvement projects at our operations.

Our 2018 new water use intensity metrics showed that our steelmaking coal operations increased relative to 2017, and that

our base metal milling and flotation operations also increased relative to 2017. The increase in new water use intensity at our coal operations and at our milling and flotation operations is primarily due to additional fresh water inputs that occurred at multiple operations through use of different water supply sources or above average precipitation onto mine facilities.

For Quebrada Blanca and Trail operations, an intensity metric for new water use is not meaningful because the volume of new water used at both operations is largely independent of the quantity of material processed or produced. Therefore, we assess our water performance at these operations based on the absolute amount of new water used.



**Table 11: New Water Use Intensity at Coal Operations**

Coal Operations <sup>(1)</sup>	2018	2017	2016	2015
New water use (million m <sup>3</sup> )	18.8	11.3	15.5	14.9
Raw coal processed (tonnes)	39,398,000	40,706,000	38,871,000	35,302,000
<b>New water use intensity (m<sup>3</sup>/tonne)</b>	<b>0.48</b>	0.28	0.40	0.42

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

**Table 12: New Water Use Intensity at Milling and Flotation Operations**

Milling and Flotation Operations <sup>(1)</sup>	2018	2017	2016	2015
New water use (million m <sup>3</sup> )	38.8	33.1	28.0	27.2
Ore processed (tonnes)	75,349,000	74,356,000	72,262,000	69,186,000
<b>New water use intensity (m<sup>3</sup>/tonne)</b>	<b>0.51</b>	0.45	0.39	0.39

(1) Includes Red Dog, Pend Oreille, Highland Valley Copper and Carmen de Andacollo operations.

**Table 13: New Water Use at Quebrada Blanca and Trail Operations** (million m<sup>3</sup>)

	2018	2017	2016	2015
Quebrada Blanca (water used primarily in metal leaching process)	2.4	1.7	1.6	1.7
Trail (water used primarily for cooling)	68.1	71.1	72.8	71.7

## Outlook for Water Stewardship

In 2019, we will continue the work of implementing our approach to water stewardship, with a focus on achieving our water goals and two water targets: reducing fresh water consumption at our Chilean operations and achieving zero significant water-related incidents across Teck. We will also continue to implement the Elk Valley Water Quality Plan by advancing construction of an active water treatment facility at our Fording River Operations. In addition, we will continue with our research on saturated rock fill technology to better understand the capabilities and limitations of this technology and how it can complement our approach to water management company-wide. Additionally, we will advance construction of the desalination plant for our Quebrada Blanca Phase 2 project.

### GRI Indicators and Topic Boundary

303-103, 303-1, 303-3, 306-103, 306-1

This topic is considered most material by our shareholders, employees, local communities, regulators and society in the context of Teck's operations.

### How Does Teck Manage This Topic?

Information about how we steward water, including relevant policies, management practices and systems is [available for download on our website](#).

# Energy & Climate Change



Organizations around the world are collaborating to take action against climate change. Implementing the Paris Agreement — which commits governments around the world to keep global temperature rise well below 2°C — requires firm commitment, concrete actions and joint mobilization of all stakeholders in public and economic life. In response to the Paris Agreement as well as the United Nations Sustainable Development Goal 13 on climate action, a number of major mining jurisdictions made climate change commitments and are reporting on their progress towards implementing them.<sup>6</sup>

Teck recognizes the need to take action on climate change and we are committed to reducing greenhouse gas (GHG) emissions by improving energy efficiency and implementing low-carbon technologies, as well as advocating for climate change policies that facilitate the transition to a low-carbon economy. The copper and steelmaking coal produced at our operations are among the lowest carbon intensity products in the world compared to our peers, and we are building on that track record in how we approach our oil sands developments. In 2018, our Fort Hills oil sands mining and processing operation, a long-life, high-quality asset located in the Athabasca region

of Alberta, achieved full production with an oil sands product that has a lower carbon intensity than approximately half the oil currently refined in the U.S.

In early 2018, we released a [Climate Action and Portfolio Resilience](#) report that outlines Teck's Strategy for Climate Action, goals and performance; assesses key climate-related risks and opportunities for our businesses; and considers the potential implications for Teck of two commonly used climate change-related scenarios. This report aligns with recommendations from the [Task Force on Climate-related Financial Disclosure](#), which we support.

<sup>6</sup> Energy Efficiency: Aggregate Performance. Mining Association of Canada.

## Our Performance in Energy and Climate Change in 2018

**Our Targets and Commitments:** We take action to reduce GHG emissions by improving our energy efficiency and implementing low-carbon technologies. The following table summarizes our performance against our targets and 2020 sustainability goals for energy and climate change.

2020 Sustainability Strategy Goal	Status	Summary of Progress in 2018
Implement projects that reduce energy consumption by 2,500 terajoules (TJ).	On track	Reduced 2,220 TJ of energy consumption since 2011 through projects implemented, with additional projects identified for early 2019.
Implement projects that reduce GHG emissions by 275 kilotonnes (kt) of CO <sub>2</sub> -equivalent (CO <sub>2</sub> e).	Achieved	This goal was completed in 2017.
Assess opportunities and identify potential project partners toward achieving our 2030 alternative energy goal.	On track	Pursuing the purchase of SunMine, a solar farm in Kimberley, B.C., and there is a current focus by our technology and innovation groups to align projects with our transition to a low-carbon economy.
Engage with governments to advocate for effective and efficient carbon pricing.	On track	Advancing advocacy efforts on carbon pricing through engagements with the British Columbia, Alberta and Canadian governments.

### 2018 Key Performance Indicators

<p><b>2018:</b> Reduced 68 TJ</p> <p>2017: Reduced 582 TJ</p> <p><b>Indicator</b> Energy consumption</p> <p><b>Target</b> 2,500 TJ reduction by 2020</p>	<p><b>2018:</b> Reduced 8 kt</p> <p>2017: Reduced 281 kt</p> <p><b>Indicator</b> GHG emissions by direct CO<sub>2</sub>e</p> <p><b>Target</b> 275 kt reduction by 2020</p>	<p><b>2018:</b> 27%</p> <p>2017: 27%</p> <p><b>Indicator</b> Energy use from non-carbon-emitting sources</p>
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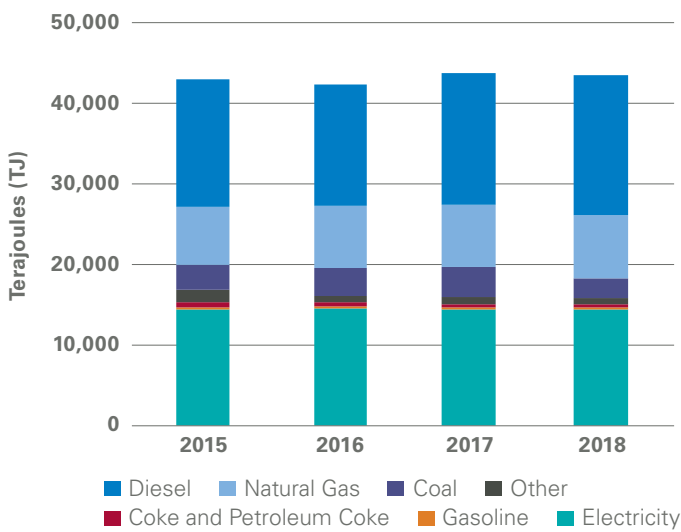
## Positioning Teck to Thrive in the Low-Carbon Economy

### Energy Use and Reduction

In 2018, we consumed a total of 43,722 TJ of energy (i.e., electricity and fuels), as compared to 43,899 TJ in 2017, as shown in Figure 12. In 2018, five of our operations reduced their absolute energy consumption from 2017.

Collectively, projects implemented in 2018 have reduced annual energy consumption at our operations by 68 TJ — enough to power 631 homes for a year. Since 2011, our efforts have resulted in reduction projects totalling 2,220 TJ of savings.

Figure 12: Energy Consumption by Type<sup>(1)</sup>



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

In 2018, approximately 27% of our energy requirements (i.e., electricity and fuels) were supplied by non-carbon-emitting sources, primarily hydroelectricity, compared to 27% in 2017.

Of our total electricity consumption in 2018, 81%, or 11,754 TJ, was from renewable energy sources, the majority of which is hydroelectricity.

In Figures 13 to 15, we outline our energy intensity, or the amount of energy used per tonne of product.

Figure 13: Steelmaking Coal Production Intensity

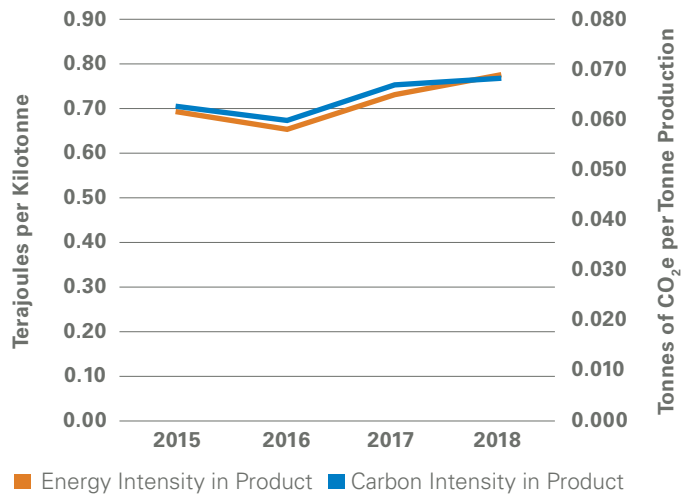


Figure 14: Zinc and Lead Production Intensity

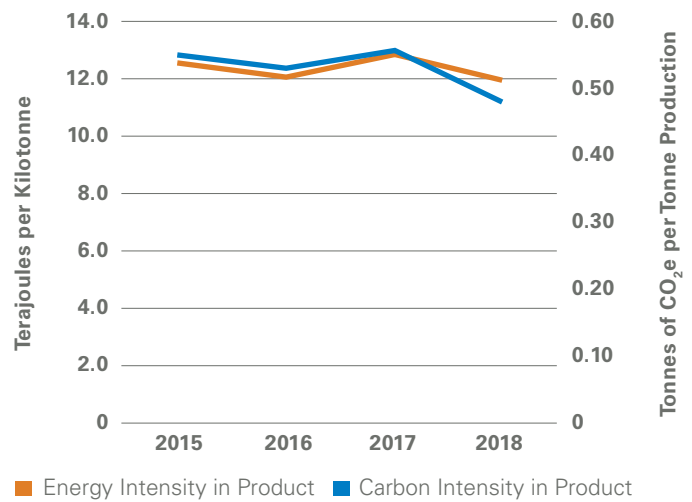
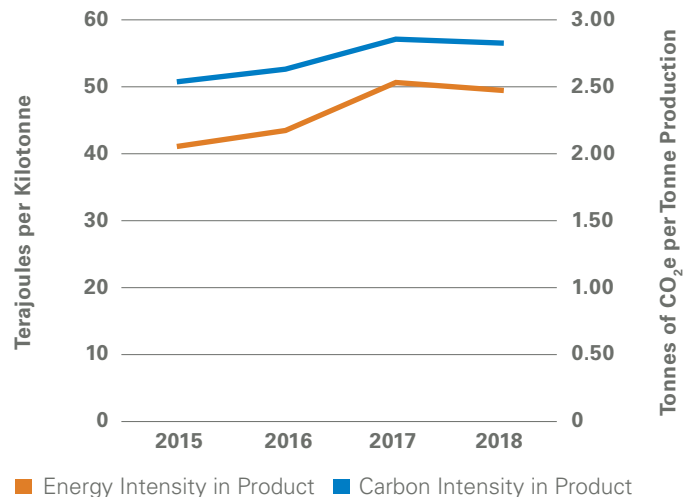


Figure 15: Copper Production Intensity



Energy and carbon intensity for the production of steelmaking coal increased in 2018 (Figure 13). This change is attributed to longer haul distances as well as our Coal Mountain Operations transitioning to approaching closure. According to data from the International Council of Mining and Metals (ICMM), at 67 kilograms of CO<sub>2</sub>-equivalent per tonne of steelmaking coal produced, the emissions intensity of our steelmaking coal is less than half the industry average of more than 150 kilograms. Similarly, our copper production averages 2.6 tonnes of CO<sub>2</sub>-equivalent per tonne of copper produced, which is 35% below the industry average of 4 tonnes. Our goal is to continue to improve the carbon intensity of our operations and future projects.

### Investing in Alternative Energy

Teck is exploring opportunities for solar, wind and other low-carbon technologies. We are prioritizing these opportunities based on proximity to areas where we operate or have operated, opportunities where we may be able to gain expertise in renewables, opportunities to further explore specific technologies of interest to Teck, and the ability of projects to provide other sustainability benefits, such as for local communities.

### Investing in our Energy Business Unit

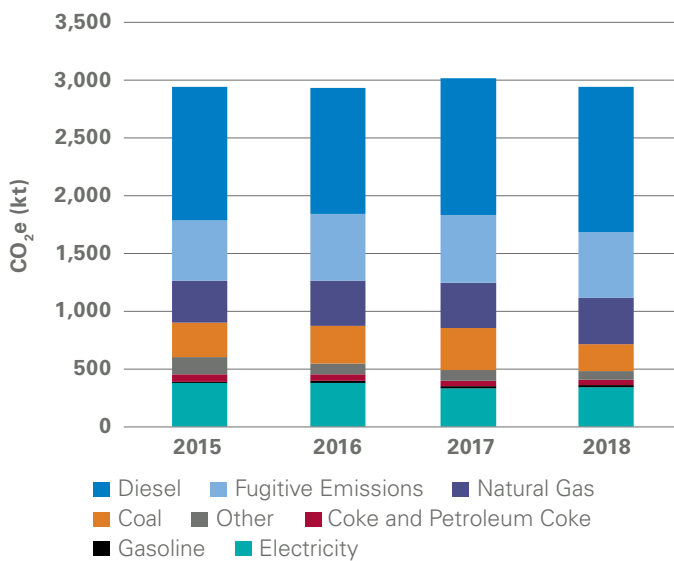
As the International Energy Agency (IEA) has articulated in looking at all future energy use scenarios, oil and gas will continue to be an important part of the world's energy mix for the foreseeable future, even in the transition to a low-carbon economy. Our focus is on helping to meet that need and on developing Canada's oil sands resources in the most sustainable way possible for people, for communities and for the environment.

We have a strong track record of taking steps to improve energy efficiency, reduce GHGs and lower the carbon intensity of our products. Both our steelmaking coal and copper production are among the lowest carbon intensity in the world, and we are building on that track record in how we approach our oil sands development. In 2018, our Fort Hills oil sands mining and processing operation, a long-life, high-quality asset located in the Athabasca region of Alberta, achieved full production with an oil sands product that has a lower carbon intensity than approximately half the oil currently refined in the U.S.

## Reducing Our Carbon Footprint<sup>7</sup>

Throughout our business units, operations and project planning stages, a full spectrum of environmental risks are assessed, including those associated with energy use and GHG emissions.

**Figure 16: Scope 1 and Scope 2 GHG Emissions by Fuel Type<sup>(1)(2)</sup>**



(1) For electricity emissions in Canada, the emission factors use 2010 as a base year and are based on the 2012 Canadian National Inventory Report.  
 (2) Fugitive emissions from our coal operations (i.e., estimated methane release) are captured as direct emissions. For fugitive emissions, the emission factors use 2010 as a base year and are based on the 2010 Canadian National Inventory Report.

As shown in Figure 16, Scope 1 (direct) GHG emissions are those that occur from energy sources that are owned or controlled by the company. Scope 2 (indirect) GHG emissions are those that occur from the generation of purchased electricity consumed by the company, and physically occur at the facility where electricity is generated.

In 2018, our total GHG emissions (Scope 1 and Scope 2), as CO<sub>2</sub>e, were 2,939 kilotonnes (kt), compared to 3,010 kt in 2017. Of those totals, our direct (Scope 1) GHG emissions were 2,598 kt in 2018, compared to 2,682 kt in 2017. We estimate our indirect (Scope 2) GHG emissions associated with electricity use for 2018 to be 341 kt, or approximately 12% of our total emissions. These emissions are associated primarily with our Cardinal River, Carmen de Andacollo and Quebrada Blanca operations, as their electricity power grids are based heavily on fossil fuels. Elsewhere, our indirect emissions were relatively small, as operations in B.C. and Washington state obtain a significant proportion of their electricity from hydroelectric generation.

Scope 3 emissions are other emissions that arise from sources owned or controlled by other entities within our value chain, such as those arising from business travel by employees, the use of our products, and the transportation of materials that we purchase and sell. Our most material Scope 3 emissions are from the use of our steelmaking coal product by our customers.

**Table 14: Total Emissions** (kilotonnes CO<sub>2</sub>e)<sup>(1)</sup>

	2018	2017	2016	2015
Total emissions — direct (Scope 1)	<b>2,598</b>	2,682	2,552	2,551
Total emissions — indirect (Scope 2)	<b>341</b>	328	379	373
Total emissions (Scope 1 + Scope 2)	<b>2,939</b>	3,010	2,931	2,934
Total emissions — Scope 3	<b>76,000</b>	78,438	79,053	76,000

(1) Teck's quantification methodology for our Scope 1 and Scope 2 emissions is aligned with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

## Innovation Highlight — Building a Smarter Shovel



Most people think of a shovel as a pretty basic tool — you use it to move stuff from one place to another. But what if the shovel was smart? What if it could analyze and know exactly what it was carrying? That's the idea behind a new mining technology Teck is pioneering to improve productivity and sustainability at our operations.

To make a shovel smart, sensors are mounted on the shovel bucket and use X-rays to tell the difference between waste rock and valuable ore, one shovel load at a time. The sensors, combined with analytics, provide real-time information to determine whether the load is worth sending to the mill for processing, or for handling as waste rock. Decisions that were once a matter of informed estimates can instead be based on real-time data, leading to improved mill productivity, reduced energy use and less water consumption.

[Learn more about our approach to innovation and technology.](#)





## Uniting Thought Leaders

Climate change impacts every part of the world, every community and every person. The sheer scale of the challenges makes it too big and too complex to tackle alone. That's why, in 2017, Teck began working with a unique group of organizations — industry, environmental groups and academia — to accomplish a shared goal: finding real, effective solutions to climate policy challenges for the extractives industry.

This collaboration, including Teck, Pembina Institute, Clean Energy Canada, academia and members of the resource industry, were first brought together for an informal discussion over dinner hosted by Marcia Smith, Teck's Senior Vice President of Sustainability and External Affairs, and Merran Smith, Executive Director of Clean Energy Canada. They quickly discovered that, despite their diverse backgrounds, they all had a common desire to ensure that the carbon pricing system in B.C. delivered on its intended objective: to reduce industrial emissions without having unintended negative economic impacts.

In particular, the group focused on the value of carbon taxes as an effective way to reduce carbon emissions when coupled with measures to prevent carbon leakage for emissions-intensive trade-exposed (EITE) industries. Carbon leakage occurs when industry activities and associated emissions shift from one jurisdiction to another because of a difference in the stringency of climate policies, resulting in no net reduction to global greenhouse gas (GHG) emissions, or even a potential increase.

The group collaboratively developed and endorsed a policy based on GHG emissions output that featured a pricing incentive to reduce GHG emissions from industrial activities

while also preventing carbon leakage. They took this proposal to the B.C. and Canadian governments, who have both expressed their support and commitment towards pursuing output-based policy mechanisms under their respective carbon pricing policies.

"Canada and B.C. have the opportunity to act as leaders in the world's transition to a low-carbon economy while also continuing to strengthen our economy and support healthy communities," said Marcia Smith. "We believe that the broad-based pricing of carbon is one of the most effective ways to incentivize real reductions in GHG emissions by ensuring that all emitters contribute to the solution. An appropriately developed output-based carbon pricing solution provides an effective incentive for big emitters to reduce emissions while also ensuring they stay competitive with jurisdictions that have less progressive climate policies."

Following this success, six members of the group (pictured above) were appointed to British Columbia's [Climate Solutions and Clean Growth Advisory Council](#), with Marcia Smith of Teck and Merran Smith of Clean Energy Canada appointed as council chairs.

For more information, visit Teck's [Taking Action on Climate Change](#) web page.

## Carbon Pricing and Advocating for Climate Action

We believe that broad-based pricing of carbon is one of the most effective ways to incentivize real reductions in GHG emissions by ensuring that all emitters contribute to the solution. In 2018, we continued to advocate for carbon pricing policies that maintain the global competitiveness of trade-exposed industries to prevent carbon leakage, which is when GHG emissions move from one jurisdiction to another as a result of differences in carbon prices. Currently, all of our steelmaking coal operations are covered by carbon pricing, as is half of our copper business, our Fort Hills oil sands mine and all of our metals refining business.

We continue to see a trend among governments to pursue climate change policies. The most significant action has taken place in Canada, where the majority of our operations are

located, and Canada has some of the highest carbon prices in the world.<sup>8</sup> In 2018, the Province of B.C. increased the carbon tax by \$5 per tonne of CO<sub>2</sub>e from \$30 to \$35. This price is expected to increase by \$5 per tonne of CO<sub>2</sub>e per year until reaching \$50 per tonne of CO<sub>2</sub>e. The B.C. Government also made a commitment to address impacts on emissions-intensive, trade-exposed industries to ensure that B.C. operations maintain their competitiveness and to minimize carbon leakage. In 2018, the Province of Alberta transitioned to the Carbon Competitiveness Incentive Regulation, the industry-specific carbon pricing policy set to replace the previous Specified Gas Emitters Regulation, which concluded in 2017. We will continue to assess the potential implications of the updated policies on our operations and projects.

## Adapting to Physical Impacts

We are taking steps to guard against the future impacts of climate change, as we recognize that ongoing changes to climate could pose a potential physical risk to our mining operations and to related infrastructure.

In 2018, we hosted a workshop with Acclimatise on physical climate risks and opportunities, and new methods of climate adaptation planning. The workshop gathered people from

across Teck to discuss the steps involved in assessing physical climate risks and opportunities for our operations, supporting infrastructure, local communities and environments, and broader stakeholders. Participants also began to identify climate risk management (adaptation) actions, and explored how a changing climate interfaces with existing Teck processes, standards, practices and guidelines.

## Outlook for Energy and Climate Change

In 2019, Teck will continue to incorporate planning regarding climate change risks into our business strategy and decision-making. We will also continue to track and refine indicators that influence the strength and resilience of our assets in a low-carbon world, such as the electric vehicle market, growth in renewables, and global carbon prices. As in previous years, we will advance the four pillars of our Strategy for Climate Action — reducing our carbon footprint, positioning Teck for the low-carbon economy, advocating for climate action and adapting to the physical impacts — and work to achieve our 2020 goals for Energy and Climate Change within our sustainability strategy.

### GRI Indicators and Topic Boundary

302-103, 302-1, 302-3, 302-4, 305-103, 305-1, 305-2, 305-3, 305-4, 305-5, 305-7

This topic is considered most material by our shareholders, local communities, regulators and society in the context of Teck's sites, power providers, service providers and customers.

### How Does Teck Manage This Topic?

Information about how we manage energy and greenhouse gas emissions, including relevant policies, management practices and systems is [available for download on our website](#).

<sup>8</sup> Mapped: The countries with the highest carbon price. Carbon Brief.



# Relationships with Communities

Businesses are increasingly being evaluated not only on financial performance and quality of their products or services, but also on their social impact.<sup>9</sup> Strong relationships between companies and their communities of interest, where there are clear mutually defined benefits and mechanisms to resolve conflict, are essential for business continuity and growth. But as traditional benefits such as jobs and procurement are changing in the face of new technology, and as conflicts arise from divergent perspectives on responsible resource development, these relationships can come under stress.<sup>10</sup>

Communities may be affected positively and negatively by the impacts of mining. Negative impacts can include competition for water and energy, and emissions to air; positive impacts can include local hiring and procurement, socio-economic growth, and direct community investment. In recognition of these impacts and opportunities, the International Council on Mining and Metals (ICMM) established stakeholder engagement as one of its 10 Principles.

While specific opportunities and concerns about the impacts of our activities vary among communities in the areas where

we operate, one of the common expectations of all communities is meaningful engagement throughout the mining life cycle. These relationships continued to be a strategic business priority across all of our sites in 2018. For example, community engagement was a critical part of the social and environmental impact assessment process for our Quebrada Blanca Phase 2 project. We engaged communities in relation to the development of all of our projects and continued to advance relationships with communities near all of our operations.



# Our Performance in Relationships with Communities in 2018

**Our Targets and Commitments:** Maintaining good relationships with communities is essential to facilitating responsible mining. We do that by focusing on policies and practices driven by our understanding of social risk and our work in human and Indigenous rights. We engage with communities to identify social, economic and environmental priorities, and to mutually define desired outcomes and measures of success. The following tables summarize our performance against our targets and our 2020 sustainability goals.

2020 Sustainability Strategy Goal	Status	Summary of Progress in 2018
Refine our business policies and practices based on results of our social risk assessments, our work in human rights, and developments in the rights of Indigenous Peoples.	On track	All operations completed social risk assessments and human rights self-assessments, which are contributing to operational risk planning.
Engage with communities to identify social, economic and environmental priorities, and to mutually define outcomes and measures of success.	On track	All operations are working to meet this goal through specific engagement activities, local community investment partnerships, and formal impact benefit or community development agreements.

## 2018 Key Performance Indicators

<b>2018:</b> 0	<b>2018:</b> 33%	<b>2018:</b> 71%	<b>2018:</b> \$22 million
2017: 0	2017: 26%	2017: 72%	2017: \$13 million
<p><b>Indicator</b> # of significant community disputes at our operations</p> <p><b>Target</b> Zero significant community disputes at our operations</p>	<p><b>Indicator</b> Procurement spend on local suppliers</p> <p><b>Target</b> Increase procurement spend with local suppliers, relative to total spend</p>	<p><b>Indicator</b> Average % of local employment at operations</p> <p><b>Target</b> Increase % of local employment at operations, relative to total employment</p>	<p><b>Indicator</b> Amount of funds disbursed through community investment</p> <p><b>Target</b> At least 1% of our average annual earnings before interest and tax during the preceding five-year period</p>

## Engagement on Actual or Potential Impacts

Guided by our Health, Safety, Environment and Community (HSEC) Management Standards and our Social Management and Responsibility at Teck (SMART) Framework, we require all 13 (100%) of our operations, all (100%) of our projects, and all of our exploration activities to engage and consult with stakeholders and communities to address current and emerging issues and to maximize opportunities that provide strategic value for both Teck and those communities.

Activities across the mining life cycle may result in a range of social, economic and environmental impacts, both positive and negative. Examples of specific impacts experienced at our operations in 2018, and major engagements undertaken, are discussed in Table 15. See page 22 for a list of key engagement topics with stakeholders and Indigenous Peoples identified and managed in 2018.

**Table 15: Selected Major Engagement Activities in 2018**

Actual or Potential Impacts on Communities from Our Activities	Sites	Major Engagement Activities
Environmental/Socio-Economic: livelihoods and community well-being	Carmen de Andacollo Operations	Engaged directly with community members, with local government and with service agencies to address dust concerns as well as health, environment and socio-economic development priorities.
Environmental: off-site environmental incidents	Trail Operations	Engaged with Trail residents and local government on impacts of sulphuric acid spills that occurred during transportation of the product from our operations after it was sold to a third party.
Socio-Economic: economic well-being of Indigenous communities	Highland Valley Copper Operations	Engaged with Indigenous Peoples near operations on implementation of commitments under agreements, including local hiring and procurement opportunities.
Community: subsistence resources, traditional land use and community health	Red Dog Operations	Engaged with residents of the village of Kivalina on perceived local water and health impacts through a joint working group.
Community: local employment and economic development		Engaged on implementation of a new village investment fund as well as on local employment and contracting opportunities associated with regional exploration activities.
Socio-Economic/Environmental: potential new project development in the region	Cardinal River Operations	Engaged with local Indigenous Peoples on potential impacts on water and socio-economic opportunities through the proposed MacKenzie Redcap extension.
Environmental/Socio-Economic: livelihoods and community well-being	Steelmaking coal operations in the Elk Valley	Engaged with the District of Sparwood and members of the wider community on joint processes to support local livability and to address dust impacts in the area.
Environmental/Socio-Economic: water and local livelihoods	Quebrada Blanca Operations	Engaged with communities to jointly monitor water impacts and identified local development opportunities.
Environmental/Socio-Economic: expanding operations at Quebrada Blanca	Quebrada Blanca Phase 2 project	Engaged with Indigenous and non-Indigenous communities, fishing unions and civil society as part of the QB2 regulatory review process.
Socio-Economic: economic well-being of Indigenous communities	Frontier project	Engaged with several Indigenous communities to establish impact benefit agreements.
Environmental: water and local livelihoods	Zafranal project	Engaged with local communities on water sources for the project, and on advancing the development of local economies.

### Teck's SMART Framework

In 2018, we undertook self-assessments of the implementation of the SMART Framework at all of our operations to ensure consistency with Teck's standards and to target opportunities for improvements. We implemented updates to our SMART toolkit, including new or updated guidance on feedback reporting, community incident reporting, community investment and benefits management, as well as piloting new SMART training for our social practitioners.

We also provided training in dialogue skills for our practitioners in both North and South America; hosted a cross-Teck Community of Practice workshop for more than 60 staff across Teck's operations, projects, exploration teams and functional groups; and launched a software tool for continued engagement and sharing of best practice.

### Understanding our Communities

In 2018, Teck conducted company-wide opinion research about communities near our operations for the second consecutive year, to continue gathering insight on the issues that communities care about most. The data obtained helps to measure and guide improvements to our performance, assess the impact of events, inform our five-year planning process and support our reporting. The surveys were conducted by an independent polling company.

### Feedback, Grievances, Disputes and Incidents

All of our operations and major projects and most of our exploration projects have implemented feedback mechanisms, which help us to understand our impacts on communities and take steps to address negative impacts and replicate positive impacts. Feedback received is recorded and categorized into four levels:

- Level 1: Feedback/donation request
- Level 2: Question or concern
- Level 3: Issue, concern or grievance
- Level 4: Repeated and ongoing concern, or an issue, concern or grievance that is major in nature and may include a breach of law or company policy

Level 3 and 4 feedback items are referred to as negative feedback or "grievances," recognizing that they are often specific issues of concern to community members that require a response and potential further action from the company.

#### Feedback

In 2018, we received 1,169 instances of feedback through direct feedback mechanisms established across our sites, compared to 906 in 2017. Feedback levels will vary from year to year for several reasons, including the level of permitting or project activity. As efforts increase by our sites to improve the extent to which feedback mechanisms are used, we may see an increase in the overall amount of feedback received.

Figure 17: 2018 Feedback Received by Category<sup>(1)</sup>

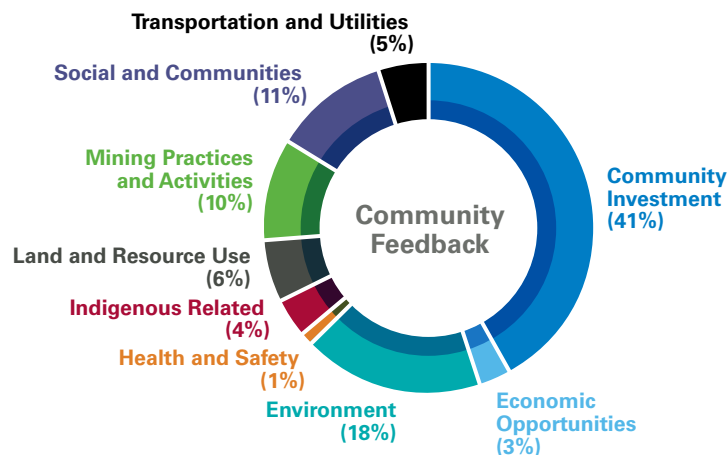
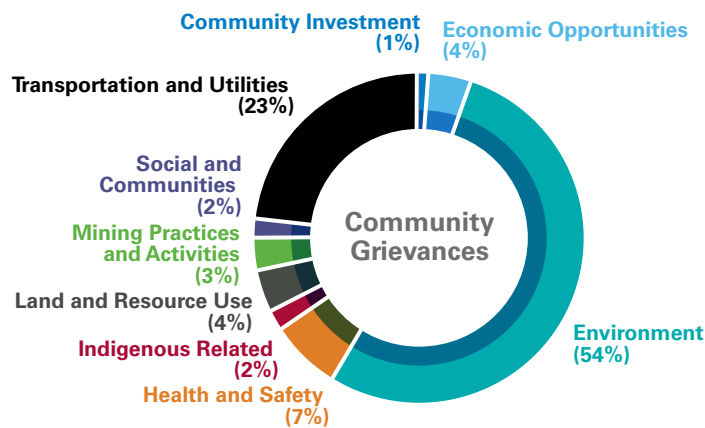


Figure 18: 2018 Grievances Received by Category<sup>(1)</sup>



(1) Our feedback system allows for multiple labels to be assigned to each grievance/feedback. For the purposes of these diagrams, we have chosen the primary label assigned by our community relations professionals.

#### Grievances

In 2018, of the total feedback received, 220 items were considered grievances. Grievances are reflective of perceived or actual events taking place as a result of company activities, and therefore do not necessarily constitute an actual negative impact or non-conformance event. Teck's practice is that all feedback, which includes grievances, is acknowledged and assessed, and a response is communicated to the complainant, with the goal of providing a satisfactory reply or resolution in a timely manner.

#### Disputes

Disputes represent conflicts between the company and the impacted community related to land use and the customary rights of local communities and Indigenous Peoples. Disputes are considered significant when they cannot be resolved jointly within a reasonable time frame, are repeated or widespread, or represent potentially significant or long-term financial, legal or reputational consequences for the



community or company. In 2018, zero Teck sites experienced significant disputes (Level 4 severity or higher).

**Table 16: Significant Disputes<sup>(1)</sup>**

	2018	2017	2016	2015
# of significant disputes	0	0	4	3

(1) Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples at Teck sites.

### Community Incidents

In 2018, we continued to implement a community incident reporting system to ensure we are capturing and responding to all community concerns in addition to those raised through

our usual feedback mechanisms. An incident is an occurrence where individuals or groups may cite real or perceived breaches of law or company policy, real or perceived impacts on human rights (particularly related to land use) or the customary rights of Indigenous Peoples, and/or real or perceived impacts resulting in health effects.

In 2018, Teck had no significant community incidents; however, we did experience some less severe incidents, such as the following:

- After regulatory approval of the Quebrada Blanca Phase 2 project, the project experienced protest events with local fishermen's unions seeking benefits agreements. Events were short in duration with minimal impact and the project has since initiated constructive dialogue with the parties involved to seek opportunities to secure community opportunities associated with the new project as it progresses.

## Economic Value Generated and Distributed

We contribute to the wealth and prosperity of the countries, regions and communities where we operate by generating economic value that includes tax and royalty payments, local hiring and procurement, and community investments. We work to improve efficiency of our activities and reduce our operating costs to maximize the economic value generated.

In 2018, we had a profit attributable to shareholders of \$3.1 billion or \$5.41 per share. This compares with a profit attributable to shareholders of \$2.5 billion or \$4.34 per share in 2017. See our [Annual Report](#) for more detailed information on our financial performance.

**Table 17: 2018 Breakdown of Economic Value Generated and Distributed** (millions)

	Economic Value Generated	Economic Value Distributed							Economic Value Retained	
		Payment to Suppliers <sup>(2)</sup>		Employee Wages and Benefits <sup>(3)</sup>		Payments to providers of capital <sup>(4)</sup>	Income and Resource Taxes <sup>(5)</sup>	Community Investments <sup>(6)</sup>		Total
		Operating Costs	Capital Expenditures	Operating Costs	Capital Expenditures					
U.S.A.	\$ 1,973	\$ 947	\$ 215	\$ 178	\$ 3	\$ –	\$ 96	\$ –	\$ 1,439	\$ 534
Canada	9,503	5,080	1,091	1,163	15	714	360	10	8,423	1,080
Chile	711	397	424	104	28	–	76	5	1,029	(318)
Peru	1,027	272	107	103	–	–	248	2	730	297
Other	–	9	23	7	–	–	–	3	39	(39)
Intersegment elimination <sup>(2)</sup>	(650)	(650)	–	–	–	–	–	–	(650)	–
<b>Total</b>	<b>\$ 12,564</b>	<b>\$ 6,055</b>	<b>\$ 1,860</b>	<b>\$ 1,555</b>	<b>\$ 46</b>	<b>\$ 714</b>	<b>\$ 780</b>	<b>\$ 22</b>	<b>\$ 11,010</b>	<b>\$ 1,554</b>

(1) Revenues are presented based on an accrual basis. Internal cross-border sales are eliminated as shown.

(2) Operating costs include operating expenses at our mining and processing operations and our general and administration, exploration and research, and development expenses and costs relating to production stripping. Operating costs exclude depreciation, and employee wages and benefits, which are specified separately. Capital expenditures are payments for purchases of property, plant and equipment, excluding the component relating to capitalized wages and benefits, which is specified separately.

(3) Wages and Benefits reflects total amounts paid to employees relating to wages and benefits, including payroll taxes.

(4) Payments to providers of capital include dividends paid to shareholders, interest paid to debtholders, and payments for share repurchases less issuance of shares.

(5) Income and resource taxes include amounts paid in the year.

(6) Community investments include voluntary donations paid during the year.



## Empowering Youth to Drive Change in the Northwest Arctic

Every day, millions of people worldwide experience mental health challenges and, far too often, those who need help don't receive it. The Northwest Arctic Borough School District (NWABSD) had been struggling with this challenge, which in the past resulted in multiple students each year taking their own lives. But through the innovative Youth Leaders Program led by the students themselves, the well-being of youth in the region has undergone a significant transformation over the past 10 years.

The NWABSD announced in June 2018 a continuation of the Youth Leaders Program, thanks to a \$750,000 donation from Teck Red Dog Operations. Approximately \$1.4 million has been donated by Teck for this program since 2010.

"The philosophy behind the program is that youth, when faced with problems, will go to friends before they go to adults or service providers," said Michelle Woods, Co-Founder and former Program Coordinator, Youth Leaders Program. "Peer influence is the most effective instructional strategy for the Alaska Native population."

### *History of the Program*

In 2008, the NWABSD established the Youth Leaders Program to combat high rates of student suicide in the Northwest Arctic Borough. The program has seen tremendous success, with the number of teen suicides in the borough decreasing from eight in 2008 to zero in each of the six years following.

"We are pleased to support a program that is proving to make a real difference in the lives of youth in this region,"

said Wayne Hall, Superintendent, Environment & Community Relations, Red Dog Operations. "These kids have the power to change the culture in their schools and villages by embodying the change they wish to see."

Every school site has a Youth Leaders team that consists of 5 to 15 members who are selected each year by the students themselves. The selected youth leaders act as role models for the community and are made responsible for other youth at their schools. Each month, different Youth Leader teams around the district are required to host activities, which could range from doing the daily announcements at the school to facilitating fundraisers for the community.

Each year, there is a district-wide retreat where all members of each team are flown into Kotzebue for their yearly training. The team captains run workshops on topics such as anti-bullying, suicide prevention, student behavioural intervention, public speaking and service leadership. A high-energy atmosphere is created for the four-day retreat, where students learn what it means, and what it takes, to be a leader.

## Local Hiring and Procurement

We track the number of local employees and the value of local procurement as reflected in Table 18 with the latter being influenced primarily by the extent of site-level construction and maintenance activity as well as by the availability of suitable suppliers in the local area. We continue to focus on hiring people locally, as it helps to share the economic benefits of our industry with the communities in which we operate. In 2018, our overall average of local employees was 71% of our operational workforce, compared to 72% in 2017.

## Community Investment

We continue to meet our target of donating at least 1% of our earnings before interest and taxes on a five-year rolling average basis. Our earnings before interest and taxes are calculated against total (100% of) revenues. Our community investment expenditures in 2018 were \$22 million. Information on our [community investment reporting framework](#) is available on our website.

Given that our community investment budget target is tied to earnings on a five-year rolling average, our target in 2018 was \$12.8 million. However, based on Teck's financial performance for the year, the actual investment budget was increased to ensure continuity of existing programs and to take advantage of emerging community investment opportunities; thus, we purposely exceeded the 1% budget target for 2018.

### Team Teck

The Team Teck Community Giving program offers our employees the opportunity to amplify their donations to causes that they care about through donation matching from Teck. In 2018, employees across Teck supported several initiatives, with a total of \$132,800 provided by Teck in matching funding.

**Table 18: Local Employment in 2018**<sup>(1), (2)</sup>

Operation	Local Employees	Percentage of Local Employees	Senior Management Roles Filled by Locals
Cardinal River	310	76%	46%
Carmen de Andacollo	418	61%	0%
Coal Mountain	55	66%	50%
Elkview	635	58%	91%
Fording River	735	55%	96%
Greenhills	438	63%	72%
Highland Valley Copper	1,282	91%	24%
Line Creek	393	58%	95%
Pend Oreille	181	70%	22%
Quebrada Blanca	195	48%	27%
Red Dog	372	74%	35%
Trail Operations	1,446	95%	34%
<b>Total</b>	<b>6,460</b>	<b>71%</b>	<b>47%</b>

(1) Data is not directly comparable between operations, as there are differences in how each operation defines "local" and how each operation tracks data.

(2) "Local" is generally defined as persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organization's operations. The community can range from persons living adjacent to operations to isolated settlements at a distance from operations, but individuals are still likely to be affected by these operations.

**Table 19: Percentage of Total Spend with Local Suppliers**

Operation	2018	2017	2016	2015
Cardinal River	14%	12%	9%	8%
Carmen de Andacollo	14%	13%	18%	19%
Steelmaking coal operations in the Elk Valley	41%	26%	41%	48%
Highland Valley Copper	32%	37%	30%	29%
Pend Oreille	14%	14%	20%	12%
Quebrada Blanca	5%	12%	33%	24%
Red Dog	75%	41%	59%	55%
Trail Operations	29%	29%	27%	24%
<b>Total</b>	<b>33%</b>	<b>26%</b>	<b>30%</b>	<b>27%</b>



**Table 20: Community Investment by Site<sup>(1)</sup>**

Operation	2018	2017	2016	2015
Corporate Offices and Projects <sup>(2)</sup>	\$ 13,387,000	\$ 8,956,000	\$ 6,844,000	\$ 10,602,000
Carmen de Andacollo	2,264,000	1,773,000	1,929,000	2,310,000
Steelmaking Coal Operations <sup>(3)</sup>	2,134,000	675,000	679,000	672,000
Duck Pond	12,000	180,000	263,000	309,000
Highland Valley Copper	713,000	391,000	410,000	456,000
Pend Oreille	20,000	16,000	25,000	18,000
Quebrada Blanca	1,857,000	256,000	368,000	513,000
Red Dog	686,000	541,000	948,000	1,284,000
Trail Operations	326,000	338,000	339,000	480,000
Exploration	146,000	80,000	35,000	89,000
<b>Total</b>	<b>21,545,000</b>	<b>13,206,000</b>	<b>11,840,000</b>	<b>16,644,000</b>

(1) The numbers represent Teck's portion of ownership during 2018 (Carmen de Andacollo 90%, Quebrada Blanca 90% and Galore Creek 50%).

(2) Includes Calgary, Santiago, Spokane, Toronto and Vancouver offices as well as resource development projects (Frontier, Galore Creek, Quebrada Blanca 2 and Quintette).

(3) Steelmaking coal operations include Cardinal River, Coal Mountain, Elkview, Greenhills, Fording River and Line Creek operations.

## Outlook for Relationships with Communities

In 2019, we will work to maintain and strengthen relationships with communities at our operations and as we advance major projects, including Quebrada Blanca Phase 2. In particular, we will focus on addressing community concerns about environmental impacts by continuing to build on our efforts to improve dust and water management.

We will continue to improve the implementation of our SMART program and the associated training to enable further improvements in the management of our social risks. We will work to improve our management of community feedback and incidents to continuously build on our relationships with communities. In terms of economic contributions, we will prioritize local employment, procurement and community investment, with a focus on pursuing integrated strategies to provide better linkages between benefits.

### GRI Indicators and Topic Boundary

102-34, 201-103, 203-103, 203-1, 205-1, 413-103, 413-1, G4-MM6, G4-MM7

This topic is considered most material by our shareholders, employees, contractors, suppliers, regulators and society in the context of all Teck sites, contractor selection/management and supplier selection.

### How Does Teck Manage This Topic?

Information about how we manage relationships with communities, including relevant policies, management practices and systems is [available for download on our website](#).

# Relationships with Indigenous Peoples



2018 marks 11 years since the adoption of the United Nations Declaration on the Rights of Indigenous Peoples by the United Nations General Assembly, and six years since the International Finance Corporation (IFC) adopted its Sustainability Framework, including Performance Standard 7. Both of these provide guidance for government and private sector interaction with Indigenous Peoples. Developing strong partnerships with Indigenous Peoples — within the mining industry and beyond — is fundamental to the mining industry and a strong economy.

Building relationships and trust with Indigenous Peoples helps provide the foundation for dialogue to ensure the impacts of mining-related activities are mitigated appropriately. The majority of our operations and most of our development projects are located within, or immediately adjacent to, Indigenous Peoples' territories. That makes establishing and maintaining strong relationships throughout the mining life cycle essential to our success.

Teck recognizes and respects the rights, cultures, interests and aspirations of Indigenous Peoples, and we are committed to building strong and lasting relationships. We work to achieve the free, prior and informed consent of Indigenous Peoples for our activities, and we support self-defined community goals that provide lasting benefits. We continue to rely on the negotiation of mutually beneficial agreements as a foundation for strong and positive relationships and were proud to sign 22 new agreements with Indigenous communities in 2018.

## Our Performance in Relationships with Indigenous Peoples in 2018

**Our Targets and Commitments:** Teck is committed to responsible resource development and we recognize that building strong relationships with Indigenous Peoples that help us understand each other's perspectives and priorities is fundamental to our success, as outlined in our [Indigenous Peoples Policy](#). The following table summarizes our performance against our targets and 2020 sustainability goals for relationships with Indigenous Peoples.

2020 Sustainability Strategy Goal	Status	Summary of Progress in 2018
Refine our business policies and practices based on results of our social risk assessments, our work in human rights, and developments in the rights of Indigenous Peoples.	On track	All operations completed social risk assessments and human rights assessments, which are contributing to operational risk planning.
Work with Indigenous Peoples to identify and participate in initiatives to support the self-defined goals of Indigenous communities.	On track	Continued to develop Teck's reconciliation actions, which includes our commitment and actions towards building strong relationships and enhancing respect between Indigenous and non-Indigenous peoples, organizations and communities in Canada.
Develop metrics for monitoring Indigenous training, employment and procurement to establish baselines and drive progress.	On track	Completed surveys of sites, operations and exploration on current metrics, and identified a preliminary set of verifiable metrics to be collected to allow for company-wide reporting and the development of measurement systems.

### 2018 Key Performance Indicators

<b>2018:</b> \$209 million	<b>2018:</b> 22 new agreements	<b>2018:</b> 0 significant disputes
2017: \$138 million	2017: 23 new agreements	2017: 0 significant disputes
<p><b>Indicator</b> Procurement spend with Indigenous suppliers</p> <p><b>Target</b> Increase procurement spend with Indigenous suppliers relative to total spend</p>	<p><b>Indicator</b> Number of agreements with Indigenous Peoples</p> <p><b>Target</b> Negotiate agreements with Indigenous Peoples affected by our activities</p>	<p><b>Indicator</b> Significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples</p> <p><b>Target</b> Zero significant disputes</p>



## Recognizing and Respecting the Interests and Rights of Indigenous Peoples

We continue to engage with Indigenous Peoples early in our planning processes and work to achieve their free, prior and

informed consent when proposing new or substantially modified projects, as outlined in our Indigenous Peoples Policy.

**Table 21: Summary of Engagement with Indigenous Peoples in 2018**

Site	Major Activities
Cardinal River Operations	Engagement was focused on the amendment application for the MacKenzie Redcap project, which if approved will extend operations from 2020 to 2028. For this project, Cardinal River is engaging with Alexis Nakota Sioux Nation, Ermineskin Cree Nation, Whitefish Lake First Nation, O’Chiese First Nation and the Mountain Cree. Cardinal River was also invited to a Sundance ceremony celebrating the Mountain Cree community’s 50th anniversary.
Frontier project	We concluded consultation and signed 14 agreements with Indigenous groups potentially affected by the project. Engagement efforts also focused on Indigenous participation in the Joint Review Panel hearing for the project, which ended in December 2018. Additionally, we continued to implement agreements that were signed in 2016 and 2017.
Highland Valley Copper Operations	Engagement activities were focused on the negotiations and implementation of agreements with 17 Indigenous communities. Agreement topics that were discussed included Indigenous business opportunities, employment, and environmental and land use interests. Collaboration was also focused on developing an engagement framework for joint decision-making for a pending mine extension, and reclamation and closure planning.
Quebrada Blanca Phase 2 (QB2) project	QB2 completed the Indigenous Consultation Process as part of our permitting application, which resulted in agreements with seven of the eight Indigenous communities that were part of the engagement. Following this process, additional engagement was held, which resulted in the eighth agreement also being finalized.
Red Dog Operations	We conducted community meetings in all 11 Indigenous communities near Red Dog Operations. Meetings were also held with Indigenous organizations and governments, which included Indigenous leadership from nearby communities, NANA Regional Corporation, the Northwest Arctic Borough and Assembly, Regional Elders Council, Village Improvement Commission and Economic Development Council. Subsistence Committee meetings with the Siŋgaqmiut Working Group were held quarterly.
Steelmaking coal operations in the Elk Valley	Ongoing engagement was held with the Ktunaxa Nation through our joint Environment and Cultural Working Groups as well as the Procurement and Employment Task Force Groups. Key engagement topics included major regulatory applications, ongoing development of a Cultural Management Plan, sharing business opportunities within capital projects and enhancing our employment-related communication. We also participated in a number of cross-cultural exchanges including haul truck ride-alongs, a tour of reclamation activities by youth, community presentations and Ktunaxa Culture Camp.
Trail Operations	Engagement continued with the Ktunaxa Nation, which focused on cultural awareness training and relationship building, as well as meetings with the Regional Manager for the B.C. Ministry of Indigenous Relations and Reconciliation. In addition, meetings were held with the Okanagan Nation Alliance to hear about their priorities for the region.



## The Fort McKay First Nation and Teck

Commerce and tradition have often intersected in the lives of the people of the Fort McKay First Nation. The Nation's roots run deep in Fort McKay, a community located along the Athabasca River in northeast Alberta, and coincide with the start-up of a Hudson's Bay Company trading post in 1820. Over time and due to its geographic location, the Nation expanded its business interests and has since worked with forestry, oil sands and pipeline industries.

In 1986, the Fort McKay Group of Companies (FMGOC) — an oil sands construction and services company 100% owned by the Fort McKay First Nation — was established. The FMGOC, along with numerous joint venture companies, aim to preserve the Nation's cultural values while providing the framework for progressive economic, industrial and social developments in the region.

### *Strong Leadership*

Fort McKay First Nation Chief Jim Boucher's powerful leadership has driven the Nation's economic growth while keeping the Nation's feet firmly planted in its relationship with nature and the environment. Chief Boucher, who has been the Fort McKay First Nation Chief since 1986, was named 2018 Canadian Energy Person of the Year by the Energy Council of Canada, and was recognized by *Report on Business* magazine as one of the 50 most powerful people in Canadian business.

### *The Fort McKay First Nation and Teck*

Teck's proposed Frontier oil sands project is located in the traditional territory of the Fort McKay First Nation. From the earliest stages of the project in 2008, we have engaged with Indigenous communities in the region, including the Fort McKay First Nation, to understand their priorities and to integrate their perspectives and traditional knowledge into our decision-making.

In 2017, Teck reached a participation agreement with the Fort McKay First Nation, outlining the economic and social benefits connected with the Frontier project. "Our Nation always strives to find the appropriate balance between economic development and the protection of our natural environment, our culture and our traditional ways of life," said Chief Jim Boucher.

[View our video profile on Chief Jim Boucher and the Fort McKay First Nation.](#)

## Significant Disputes and Litigation

There were zero significant disputes for Teck involving Indigenous Peoples in 2018.

## Cultural Awareness Training

We regularly deliver training on Indigenous Peoples' rights and cultural awareness for exploration, operations and management staff. This training is particularly important for those who have extensive contact with Indigenous Peoples in their day-to-day roles and for other business leaders. In 2018, approximately 115 people at our operations attended cultural awareness training, which supports understanding and appreciation for cultural diversity, and encourages maintaining a safe and respectful work environment in alignment with Teck's culture, values and beliefs. In addition, more than 40 people from our Vancouver head office participated in cultural awareness training.

## Action on Reconciliation

Teck is committed to playing a role in reconciliation with Indigenous Peoples, particularly in Canada, and continues to work in partnership with Reconciliation Canada to support their vision of revitalizing the relationships among Indigenous Peoples and all Canadians. As part of this effort in British Columbia, Teck is supporting the implementation of the Memorandum of Understanding on economic reconciliation between the Business Council of British Columbia and the BC Assembly of First Nations. Additionally, we are continuing to proactively engage in government-led initiatives to improve the lives of Indigenous Peoples in several jurisdictions through their participation in mining-related activities.

Our plan for reconciliation provides a framework for our work with Indigenous Peoples. It brings together our existing Indigenous policies and initiatives, and outlines practical actions we are taking to build a shared future with Indigenous Peoples that is built on four pillars: respect, relationships, responsiveness and reporting.

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Teck is committed to playing a role in reconciliation with Indigenous Peoples, particularly in Canada, and continues to work in partnership with Reconciliation Canada to support their vision of revitalizing the relationships among Indigenous Peoples and all Canadians.

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## Negotiating and Implementing Agreements

In 2018, there were 66 active agreements in place with Indigenous Peoples, including 22 new agreements ranging from exploration agreements to impact benefit agreements.<sup>11</sup> For a full list of our active agreements with Indigenous Peoples for projects and operations, see our [2018 Sustainability Performance Data spreadsheet](#).

In order to ensure that the obligations in agreements are understood, tracked and fulfilled, Teck incorporates commitments into SiteLine, our internal commitments tracking tool. This helps to ensure that agreements with Indigenous Peoples continue to be integrated into our business management systems at all levels, which will result in better outcomes for both Teck and Indigenous Peoples, particularly in areas such as Indigenous procurement, employment and training.

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## Sharing Economic Benefits

Employment is one way in which local communities can benefit from our operations, and we work with local Indigenous communities to increase the number of Indigenous Peoples employed at Teck. Commitments related to employment are an important consideration within many of our impact benefit agreements. Commitments in these agreements reflect the priorities of the local community and can include offering specific roles exclusively to qualified Indigenous Peoples,

offering internship opportunities for Indigenous students, establishing employment processes and related key performance indicators, and supporting local apprenticeship and training programs. We also pursue company-wide approaches to increasing Indigenous employment, training and retention through the implementation of our Indigenous Peoples Policy and our sustainability strategy.

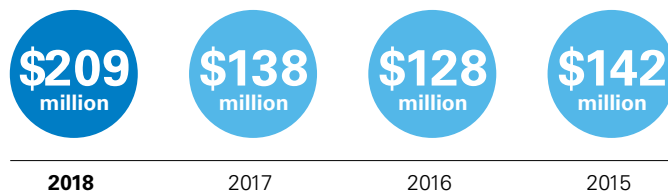


We report on the number of our Indigenous employees, who are NANA shareholders, at our Red Dog Operations, and in 2018, 53% of the workforce was Indigenous. In 2018, as part of our 2020 goal to develop metrics for monitoring Indigenous training, and employment, we began collecting data on new hires who self-identify as Indigenous at our Highland Valley Copper and Elk Valley operations, in addition to the number of NANA shareholders employed at Red Dog. In 2018, 189, or 9%, of our 2,029 total hires were either NANA shareholders or self-identified as Indigenous. We are working towards improving our data-collection processes on self-identified hires from all operations moving forward.

### Procurement from Indigenous Suppliers

In 2018, our operations spent approximately \$209 million with suppliers who self-identified as Indigenous; this represents an overall increase compared to 2017. In 2018, 46% (\$144 million) of Red Dog Operation's spending was with Indigenous suppliers — where Indigenous procurement is one of the cornerstones of our operating agreement with NANA Regional Corporation.

**Figure 19: Procurement Spend on Suppliers Who Self-Identified as Indigenous**



### Community Investment Focused on Indigenous Peoples

In 2018, \$2.9 million of our community investment went towards Indigenous-specific investments, compared to \$2.3 million in 2017. One of the most significant Indigenous-specific investments in 2018 was our support for a [program with UN Women](#) and the Government of Chile on a collaborative project to promote the empowerment, leadership and economic participation of Indigenous women in northern Chile.

One of the most significant Indigenous-specific investments in 2018 was our support for a program with UN Women and the Government of Chile on a collaborative project to promote the empowerment, leadership and economic participation of Indigenous women in northern Chile.

### Outlook for Our Relationships with Indigenous Peoples

As we move forward in 2019 with the implementation of our existing agreements with Indigenous Peoples, we will continue to engage early and effectively at all stages of the mining life cycle. We will advance Teck's actions for reconciliation, in support of working with Indigenous Peoples, to identify and execute initiatives and sustainable development projects that support the self-defined goals of their communities.

In 2019, we will focus on implementing indicators to track the performance of our commitments as outlined in agreements. In particular, we will continue to improve Teck's collection and management of Indigenous data. In 2019, we will also focus on the implementation of the new agreements established for our Frontier project and our Quebrada Blanca Phase 2 project.

### GRI Indicators and Topic Boundary

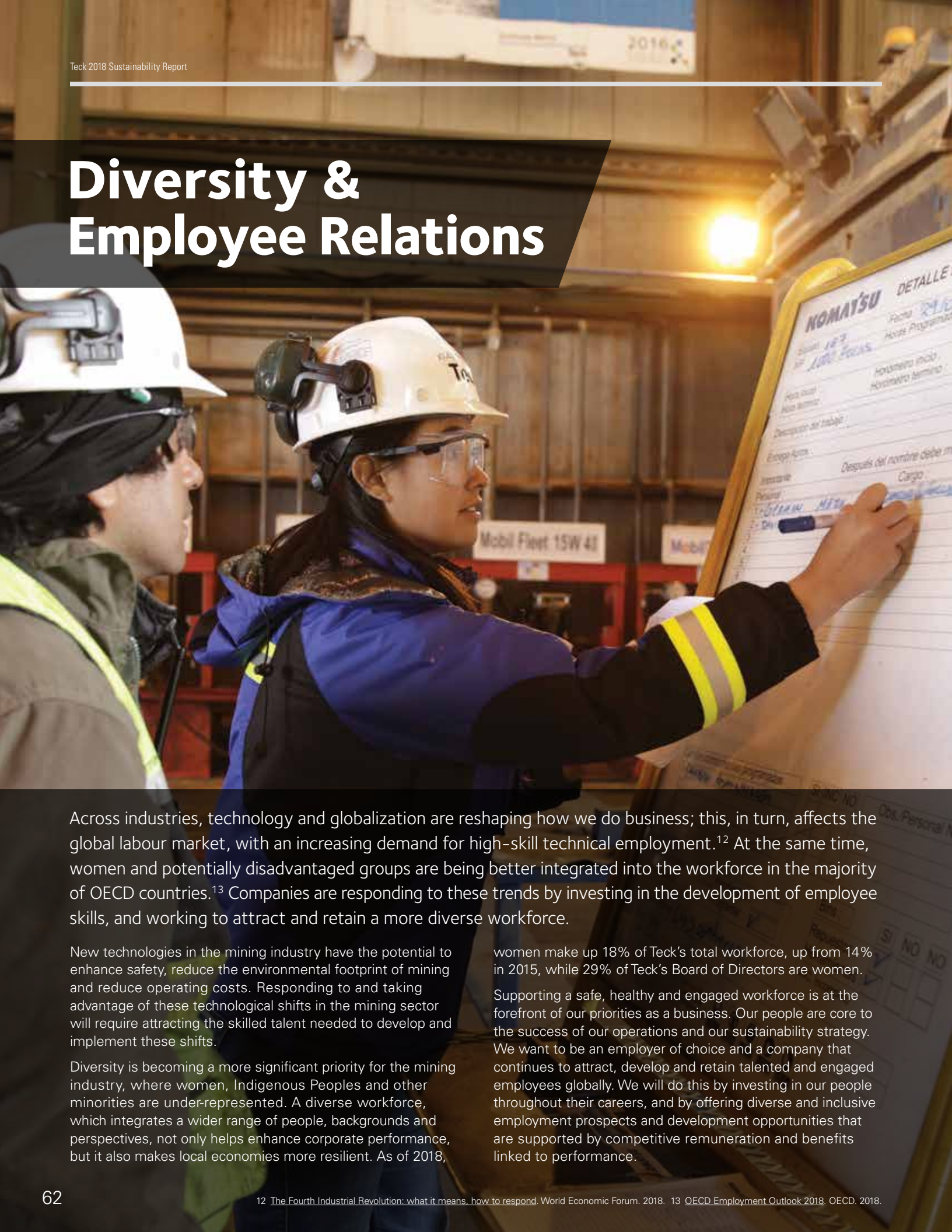
204-103, 411-103, 411-1, G4-MM5, G4-MM6

This topic is considered most material by Indigenous Peoples, regulators and society in the context of all Teck sites located within or adjacent to Indigenous Peoples' territories.

### How Does Teck Manage This Topic?

Information about how we manage relationships with Indigenous Peoples, including relevant policies, management practices and systems is [available for download on our website](#).

# Diversity & Employee Relations



Across industries, technology and globalization are reshaping how we do business; this, in turn, affects the global labour market, with an increasing demand for high-skill technical employment.<sup>12</sup> At the same time, women and potentially disadvantaged groups are being better integrated into the workforce in the majority of OECD countries.<sup>13</sup> Companies are responding to these trends by investing in the development of employee skills, and working to attract and retain a more diverse workforce.

New technologies in the mining industry have the potential to enhance safety, reduce the environmental footprint of mining and reduce operating costs. Responding to and taking advantage of these technological shifts in the mining sector will require attracting the skilled talent needed to develop and implement these shifts.

Diversity is becoming a more significant priority for the mining industry, where women, Indigenous Peoples and other minorities are under-represented. A diverse workforce, which integrates a wider range of people, backgrounds and perspectives, not only helps enhance corporate performance, but it also makes local economies more resilient. As of 2018,

women make up 18% of Teck's total workforce, up from 14% in 2015, while 29% of Teck's Board of Directors are women.

Supporting a safe, healthy and engaged workforce is at the forefront of our priorities as a business. Our people are core to the success of our operations and our sustainability strategy. We want to be an employer of choice and a company that continues to attract, develop and retain talented and engaged employees globally. We will do this by investing in our people throughout their careers, and by offering diverse and inclusive employment prospects and development opportunities that are supported by competitive remuneration and benefits linked to performance.

# Our Performance in Diversity and Employee Relations in 2018

**Our Targets and Commitments:** We are committed to having a diverse workforce that is representative of the communities where we operate. By establishing a culture of safety, employee engagement and support for inclusion and diversity in our workforce, we are able to do more, and be more, together. As such, we consciously work to create an environment that respects and values the diversity of the people and communities around us. The following tables summarize our performance against our 2020 sustainability goals and targets.

2020 Sustainability Strategy Goal	Status	Summary of Progress in 2018
Build a diverse workforce that includes more women and Indigenous Peoples.	On track	Women make up 18% of Teck’s total workforce, up from 14% in 2015, and 31% of total new hires in 2018 were women. As of early 2019, 29% of Teck’s Board of Directors are female.
Develop leaders who can confidently and efficiently manage safe, respectful and productive operations.	On track	243 Teck employees completed one of our Leadership Development Programs in 2018. Approximately 700 employees across Teck participated in Gender Intelligence workshops, with over 1,400 employees completing this workshop to date since 2017.

## 2018 Key Performance Indicators

<b>2018:</b> 18% female employees	<b>2018:</b> 8% total turnover	<b>2018:</b> \$43 million
2017: 17% female employees	2017: 9% total turnover	2017: \$38 million
<b>Indicator</b> % of women working at Teck	<b>Indicator</b> % of total employee turnover	<b>Indicator</b> Annual investment spend on training
<b>Target</b> Increase % of women at Teck	<b>Target</b> Keep total employee turnover under 10% each year	



## Global Workforce Demographic

At the end of 2018, there were 10,710 employees, temporary and permanent, working at Teck operations and offices.

Figure 20: Global Workforce in 2018

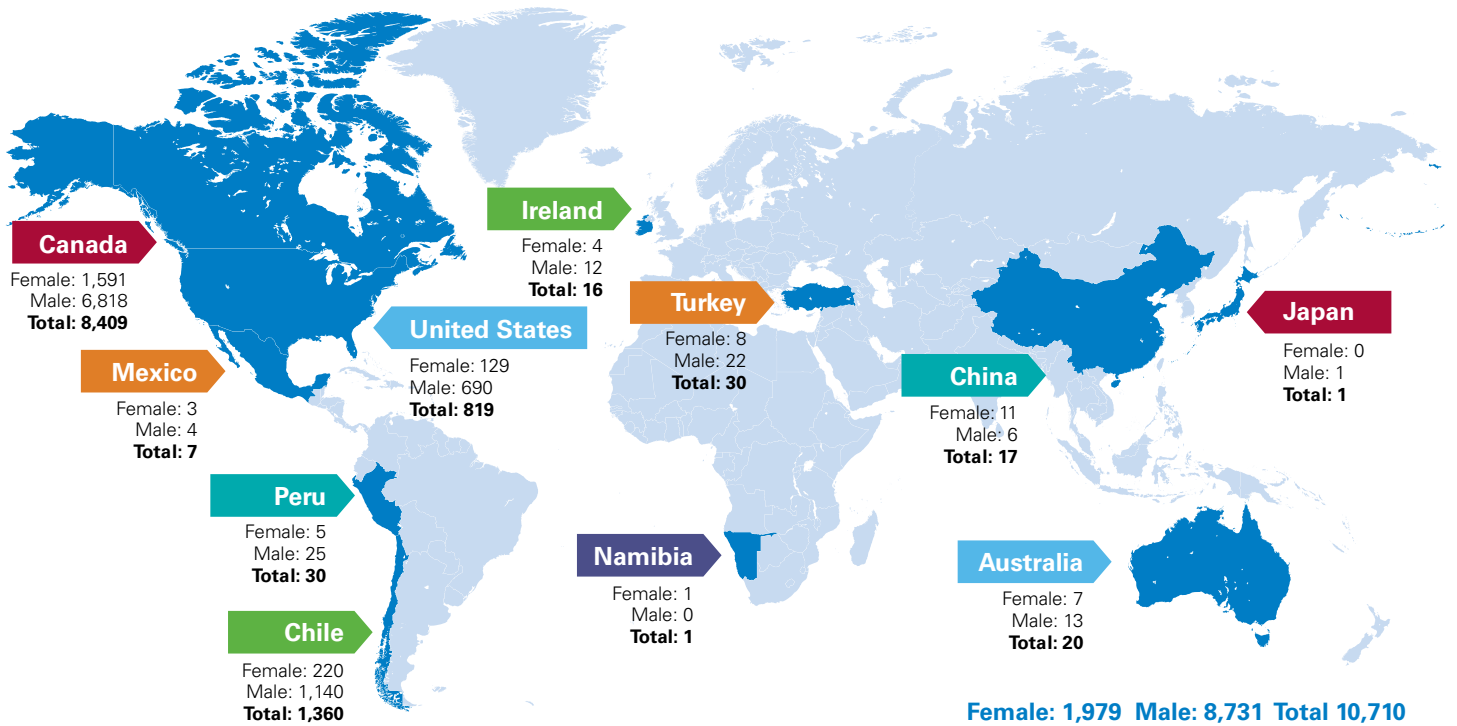


Figure 21: Global Workforce by Employment Level (as at year-end)

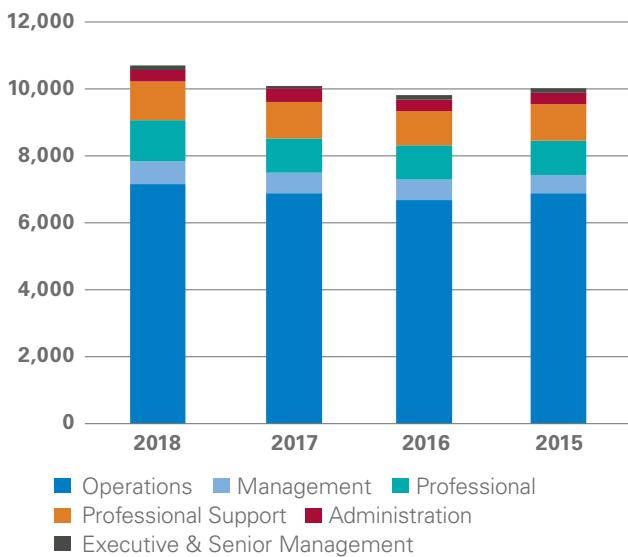
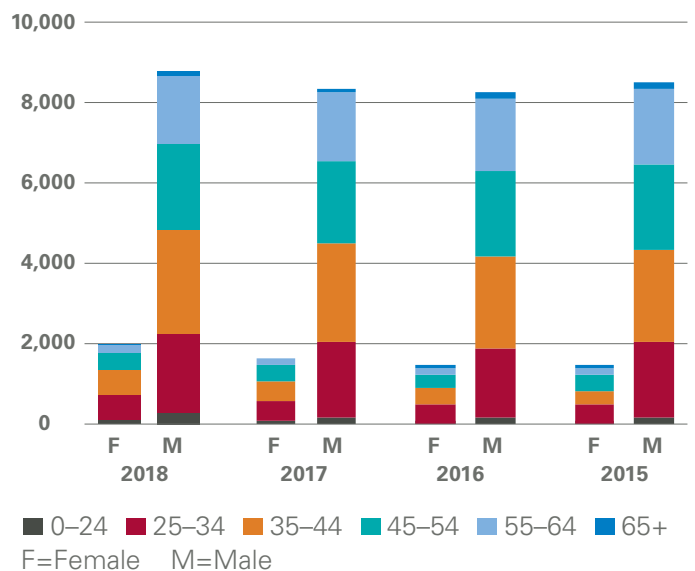


Figure 22: Global Workforce by Age and Gender



## Labour Relations

In 2018, two new collective bargaining agreements were signed with Union 2 and Union Admin at our Quebrada Blanca Operation in Chile. In total, 57% of our workforce is unionized. There were zero strikes in 2018.

## Talent Attraction

We conducted recruitment events in several towns and universities in 2018. These activities help ensure we attract top

talent and a sufficient volume of applications to fill vacancies, with a focus on co-op students and professionals in training (e.g., Engineers and Geologists). In 2018, we continued to increase our efforts in digital recruitment, primarily through social media, in an effort to reach more diverse applicants, with a focus on women. Additionally, 31% of total new hires (618) in 2018 were women. For a breakdown of new hires by age group and gender, as well as by employment type, see our [online 2018 Sustainability Performance Data](#).

## Retention, Training and Development

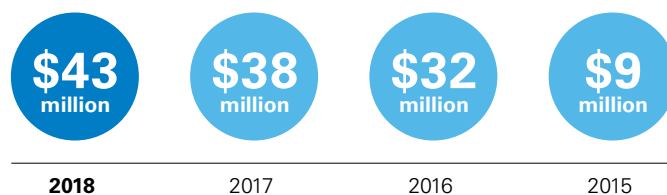
Teck is committed to the ongoing development of our people, with a focus on leadership development, safety training, new-hire training, cross-training, refresher training and knowledge transfer. We are enabling our workforce to go home safe and healthy every day, creating an engaged workforce capable of excelling in their current roles and equipping them with skills for future roles.

We track training hours for all activities related to further development of employees' skills. These hours can include training provided by Teck trainers and/or external consultants; it does not include basic compliance training.

## Employee Turnover

For an overall understanding of workforce dynamics and changes, we track employee turnover, including voluntary resignations, involuntary layoffs, and retirements.

**Figure 23: Investment Spend on Training** (millions)



**Table 22: Average Hours of Training per Employee in 2018**

Type	Male	Female
Hourly	56	77
Staff	30	32
<b>Total</b>	<b>51</b>	<b>56</b>

**Table 23: Employee Turnover**

	2018	2017	2016	2015
Voluntary Turnover Rate	6%	6%	6%	7%
<b>Total Turnover</b>	<b>8%</b>	9%	7%	10%

**Table 24: Return to Work and Retention Rates after Parental Leave**

	2018	2016	2016	2015
Number of employees who took parental leave	134	123	122	93
Number of employees who returned to work after parental leave ended	Data for 2018 will be available in the 2019 Sustainability Report	111	96	77
Return to work and retention rate of employees who took parental leave (%)		90%	79%	83%

## Building Strength with People

We evaluate employee engagement by measuring the effectiveness of our *Building Strength with People* program, a framework through which salaried employees have regular performance reviews, development planning and career conversations with their supervisors. On an annual basis, we conduct a survey of participants to evaluate their satisfaction with the program from 0% to 100% in each of the three categories of the framework. The overall score on the survey in 2017 was 76%, which is the same score as in 2016. 2018 results will be available in mid-2019. A number of recommendations were made to improve the program going forward, particularly to address the results for development. This includes increasing the visibility of senior leadership, simplifying the software, scheduling training for supervisors and conducting a full review of the program.

## Leadership Development

Teck’s approach to leadership development is primarily focused on four programs: Leading for the Future, Leading

for Excellence, Leadership Challenges and Emerging Leaders. In 2018, we conducted six Leading for the Future program cohorts, four Leading for Excellence cohorts, four Leadership Challenges and the sixth cohort of our Emerging Leader Program was completed as of 2017. In addition to these programs, Teck conducted a thorough review of three of the leadership development programs to ensure that they continue to meet the needs of the business. Plans are in place to make some changes to the program in 2019 to include new content around inclusive and innovative leadership.

## Engaging Employees through our Company Magazine

Teck’s *Connect* magazine is our source for company-wide communications. In this quarterly publication, we highlight employee achievements, community engagement activities, a letter from our CEO and much more. Visit [www.teck.com/connect](http://www.teck.com/connect) to read archived volumes of *Connect*.

## Diversity and Equal Opportunity

In 2018, we continued to work towards building a diverse workforce that includes more women and Indigenous Peoples, focusing on a number of initiatives tied to the six areas of our

Inclusion and Diversity Plan. For information about Indigenous employment in 2018, see the Relationships with Indigenous Peoples section on page 56.

**Table 25: Implementation of Inclusion and Diversity Plan**

Area of Inclusion and Diversity Plan	Example 2018 Activities
1. Develop our people — grow a culture of inclusion that values diversity	Approximately 700 employees across Teck participated in Gender Intelligence workshops, with over 1,400 employees completing this workshop to date since 2017. Respectful Workplace training continued across our operations and sexual harassment training was rolled out across our Chilean operations.
2. Measure and report	We measure and report on gender diversity metrics internally and externally in the sustainability report.
3. Attract the right people — strengthen our recruitment practices	At our Carmen de Andacollo Operations, a Female Haul Truck Driver Program was launched to provide training opportunities for women from the local Andacollo community.
4. Foster a more inclusive culture and increase employee engagement	Teck sites in Chile participated in several industry meetings related to women in mining and with government officials in order to increase female representation in the mining industry.
5. Remove systemic barriers and biases — make processes more inclusive	Building on the success of Phase 1 and Teck’s initial US\$1 million investment, UN Women and Teck announced the extension of their partnership and the development of a new training centre to empower Indigenous women in northern Chile, funded through an additional US\$1 million investment from Teck. The investment will help provide Indigenous women in northern Chile with access to high-quality and culturally relevant training programs, with a focus on economic development, entrepreneurship and business management skills.
6. Continuing to build our brand as an inclusive and diverse company	We joined Project RISE, a research program that is part of a larger consortium named Engendering Success in Science, Technology, Engineering and Math (STEM). Additionally, for the second year in a row, Teck was a sponsor of the International Women in Resources Mentoring Program. Eighty mentees from a variety of disciplines were matched up with industry professionals to learn leadership skills.





## Creating a Diversity Network in Chile

In Chile, women make up just 8.3% of workers in the mining industry; at 14%, Teck's workforce in Chile exceeds the industry average. However, knowing the importance of inclusion and diversity, we doubled down on a cultural change with a gender perspective to better support and attract women into our workforce.

"In an industry that has traditionally maintained a male-dominated workforce, we recognized that a cultural shift that better supported a female workforce would have tremendous benefits," said Chris Dechert, Vice President, South America. "By being more inclusive and diverse, we are able to come up with better perspectives and more innovative approaches to our work, and attract a broader pool of candidates."

### *Women in Teck*

Chris worked with Diversity Development Consulting to review Chile's operations, projects and corporate office processes to identify obstacles related to diversity and inclusion. The result was a recognition that women, not only at Teck in Chile but across all Teck operations, wanted a women's support network. Thus, Women in Teck (WIT) was born.

Led by Amparo Cornejo, Vice President, Sustainability and Corporate Affairs, Chile, WIT's goal is to provide a support network for the different labour and industry challenges, offer information on job opportunities and participate in industry events for women.

"WIT has been tremendously successful in centralizing efforts that support women in our company and provide them with information and opportunities they otherwise would have missed out on," said Amparo. "There's still lots of work ahead of us, but we have a strong foundation now to help support gender diversity not only at Teck, but across the industry."

### *Celebrating Diversity*

In 2018, WIT organized a day of reflection for International Women's Day across Chile operations; brought in Chile's first female Aerospace Engineer, Karin Saavedra, to talk about technology and innovation on Mining Day; and established a working relationship with the Women and Mining Working Group of the Chilean Ministry of Mining and the Chilean Ministry of Women and Gender Equity. Following these events, Teck in Chile was acknowledged by the foundation [PROhumana](#), for its commitment to gender equity.

WIT continues to work on the programming of activities for 2019, with a mission to further enhance gender diversity in the company.

Learn more about [inclusion and diversity at Teck](#).

## Representation of Women at Teck

There were 1,979 women working at Teck at the end of 2018, which represents 18% of the total workforce, compared to 17% of the total workforce in 2017. Additionally, 31% of total new hires (618) in 2018 were women.

In 2018, 31% of total new hires were women.

**Table 26: Women in Leadership and Technical Positions**

Category	2018	2017	2016	2015
Board of Directors	29%	21%	14%	25%
Senior management	8%	7%	7%	7%
Management	20%	19%	18%	16%
Operational or technical positions	12%	11%	9%	8%
Of the operational or technical positions, the % in leadership positions	7%	6%	5%	5%

## Remuneration at Teck

Teck is committed to providing a fair living wage to all employees and contractors that is above the local minimum for all of our significant areas of operation. For our hourly employees, see Table 27 for the ratios of entry level wage compared to local minimum wage by gender. For Canada,

Teck wages are compared against the B.C. minimum wage. In Washington state and Alaska, they are compared against the Washington state and Alaska minimum wages, respectively. In Chile, they are compared against the national minimum wage.

**Table 27: Entry Level Wage Compared to Local Minimum Wage<sup>(1)</sup>**

Countries	2018		2017		2016	
	Female	Male	Female	Male	Female	Male
Canada	2.5:1	2.5:1	2.6:1	2.6:1	2.7:1	2.7:1
United States	1.5:1	1.5:1	1.5:1	1.5:1	1.7:1	1.7:1
Chile	2.6:1	2.6:1	2.8:1	2.8:1	2.8:1	2.8:1

(1) The figures represented in this table are for hourly employees, who make up approximately 65% of our workforce. This does not include contractors.

## Gender Pay Equity Review

Company-wide Gender Pay Equity Reviews were conducted in 2018 and 2017, with the objective of ensuring that female and male employees across the organization receive equitable pay. The reviews were conducted by our compensation team, with results reviewed and validated by a leading third-party global consultancy. The reviews found no indication of any systemic gender pay issue within our company; differences in salaries paid are primarily due to an average of shorter service years held by female employees in the company. We will continue to maintain gender pay equity in the organization and similar reviews will be conducted regularly.

**Table 28: Ratio of Basic Salary and Remuneration in 2018**

Employee Category	Average Basic Salary	Average Remuneration
	(Male : Female)	(Male : Female)
<b>Canada</b>		
Executive & senior management	1.0 : 1	1.1 : 1
Management	1.0 : 1	1.0 : 1
Professional	1.1 : 1	1.1 : 1
Professional support	1.3 : 1	1.3 : 1
Administration	1.0 : 1	1.0 : 1
<b>United States</b>		
Executive & senior management	n/a	n/a
Management	1.0 : 1	1.0 : 1
Professional	1.1 : 1	1.1 : 1
Professional support	1.2 : 1	1.2 : 1
Administration	0.8 : 1	0.8 : 1
<b>Chile</b>		
Executive & senior management	1.0 : 1	1.0 : 1
Management	1.0 : 1	1.1 : 1
Professional	1.0 : 1	1.1 : 1
Professional support	0.9 : 1	1.1 : 1
Administration	0.9 : 1	1.0 : 1

## Workplace Flexibility

A childcare benefit program was piloted in 2017 with employees in Calgary, Richmond, Toronto and Vancouver and at Highland Valley Copper Operations. The program, called Kids & Company, supports priority access to childcare services, such as flexible part-time daycare, a guaranteed childcare spot within six months of registration, camp programs during school closures, and more. Following success of the pilot, this program was established permanently at these locations in 2018.

## Employee Feedback and Grievances

In 2018, we dealt with individual reports of harassment through our human resources procedures and received zero allegations of discrimination through our whistle-blower hotline.

## Outlook for Diversity and Employee Relations

In 2019, we will continue to improve our recruitment practices, conduct inclusive leadership-related training, and advance external partnerships to support women and Indigenous Peoples. As part of our focus on inclusion and diversity, we recruited a Director of Inclusion and Diversity in early 2019, and will continue rolling out Gender Intelligence training at our Canadian, American and Chilean operations. As in past years, we will also continue to implement our strategy to attract, engage, retain and develop the best people to meet our current and future business needs.

### GRI Indicators and Topic Boundary

102-8, 102-41, 202-1, 401-103, 401-1, 401-3, 402-103, 402-1, 403-1, 403-4, 404-103, 404-2, 405-103, 405-1, 406-1

This topic is considered most material by our employees and local communities in the context of all Teck sites and the direct or indirect impacts on communities.

### How Does Teck Manage This Topic?

Information about how we manage diversity and employee relations, including relevant policies, management practices and systems is [available for download on our website](#).



# Business Ethics



Domestic and international laws have been established and enhanced to promote stronger business ethics and to increase transparency of payments to governments in order to fight bribery and corruption. Businesses are also experiencing increasing legal requirements associated with anti-corruption and tax transparency — in particular with the Canadian *Extractive Sector Transparency Measures Act* that came into force in 2017.

There is ongoing public pressure for, and regulation requiring, greater transparency around how companies engage with, lobby or influence governments. As a global industry that operates in a wide range of jurisdictions, including underdeveloped and developing countries, business ethics and anti-corruption are a major focus for the mining industry.

Maintaining open and transparent communications with governments and regulatory parties is essential to mitigating risk and responding to future regulatory changes, and to forming good and transparent relationships with government entities, agents and intermediaries.

We focus on being a collaborative, solutions-based partner with governments in the jurisdictions where we work. We regularly engage with government on regulatory and public policy initiatives primarily focused on maintaining and enhancing the competitiveness of our industry as well as its social, environmental and economic sustainability. In 2018, our public policy engagement focused on advocacy for actions to address climate change, socio-economic initiatives, environmental management and Indigenous Peoples, among other topics.

## Our Performance in Business Ethics in 2018

**Our Commitments:** Our Code of Sustainable Conduct requires employees and contractors to comply with applicable laws and regulations, and with all Teck policies and standards. We are committed to upholding high moral and ethical principles as affirmed in our Code of Ethics. While Teck's business practices must consider the business and social practices of the communities in which we operate, we believe that honesty is the essential standard of integrity in any locale. Thus, although local customs may vary, Teck's practices are based on honesty, integrity and respect.

### Doing What's Right Program

Our employees are required to report any violations, or potential violations, of our Code of Ethics through our *Doing What's Right* program, which includes a whistle-blower hotline and web portal that are managed by a third party. Through this program, we received 31 reports of alleged violations of our Code of Ethics in 2018. The areas for which we received the greatest number of reports were in relation to employee relations (52%), theft of money (10%), and safety (10%). Twenty-five of these 31 cases were closed following investigation or were closed on the basis that no investigation was necessary. The remaining six cases are still under investigation. No criminal cases regarding bribery were brought against Teck or any of its affiliates in 2018, 2017 or 2016.

### Anti-Corruption

All operations and business activities are assessed for risks related to corruption, and internal audits are conducted on a periodic basis to assess compliance with our [Anti-Corruption Policy](#).

The Internal Audit department reports to the Audit Committee on a quarterly basis on any cases of fraud identified, other than those reported through the whistle-blower hotline. No such instances of fraud were reported to the Audit Committee during 2018 and we had no involvement in any investigations regarding alleged breaches of competition laws.

### Public Policy Initiatives

We focus on being a collaborative partner with governments in the jurisdictions where we work, and we regularly engage on public policy initiatives that support the competitiveness and the social, environmental and economic sustainability of our industry. In 2018, we engaged with governments on several public policy and regulatory initiatives of relevance to Teck.

#### Environmental Initiatives

**Providing input to government reviews of environmental assessment and regulatory processes:** Teck contributed detailed recommendations into government-led reviews

relating to the Government of Canada's *Impact Assessment Act* and the B.C. Government's *Environmental Assessment Act*. Our advocacy focused on our intent to strengthen public confidence in project assessment processes, enhance Indigenous Peoples' participation and decision-making in these processes, and support sustainable economic growth while ensuring greater regulatory certainty for all parties involved. Our advocacy also included submitting recommendations to the Government of Canada's review of changes to the *Fisheries Act*.

**Supporting effective climate change policies:** Teck continued advocating to governments across Canada for policies that support the transition to a lower carbon economy while ensuring the competitiveness of Canadian emissions-intensive, trade-exposed (EITE) sectors. We submitted detailed recommendations to the Government of Canada and B.C. Government in support of carbon pricing that ensures policies are designed to address, not imperil, the competitiveness challenges that come from a global trade environment that has uneven carbon pricing. Included in this support has been Teck's co-chair role on the B.C. Climate Solutions and Clean Growth Advisory Group.

**Advancing the development of Canada's Coal Mining Effluent Regulations:** Teck remained actively engaged in the review process for the draft regulations through 2018. For Teck, the final design of these regulations is critical for long-term planning for our steelmaking coal operations in western Canada. We will continue to participate in the review and dialogue process with the Government of Canada in 2019 to help ensure the regulations are well-designed and science-based.

**Contributing leadership to caribou recovery efforts in British Columbia:** Teck is committed to supporting biodiversity and wildlife in the areas where we operate. As part of this commitment, we engaged the Government of Canada, the B.C. Government and local stakeholders in British Columbia on developing effective ways to assist with the protection and recovery of local caribou populations and securing additional land for caribou habitat.

**Advancing environmental stewardship in Alberta:** As part of our commitment to environmental stewardship, we are working with Indigenous communities and the Government of Alberta to develop a regional conservation area, known as the Ronald Lake Biodiversity Stewardship Area, which is near our Frontier project. More recently, we shared our views on oil production curtailments with the Government of Alberta and will continue to advocate for solutions that help address the price differential for oil from Alberta.

#### *Socio-Economic Initiatives*

**Advocating for cost-competitiveness:** Teck continued to engage the Government of Canada and the B.C. Government to address cost-competitiveness issues relating to carbon taxation, rising costs in electricity, the ongoing administrative inefficiencies around the provincial sales tax, transportation costs, and other federal and provincial tax measures. This engagement included membership on the B.C. Mining Jobs Task Force, which is expected to report out in 2019.

**Rebalancing the shipper-railway relationship in Canada:** Teck continued to advocate for changes to Canada's transportation legislation and regulations for enabling a transparent, fair and efficient rail freight regime that meets the needs of all users. As Canada's largest rail user, Teck advanced recommendations to the Government of Canada aimed at enhancing the performance and reliability of Canada's rail system to ultimately rebalance the shipper-railway relationship. We actively engaged in shaping some of the legislative changes made to the *Canada Transportation Act* and the associated regulations.

**Ensuring the competitiveness of Canada's ports:** Teck is a leading commodity exporter from Pacific coast ports, and our export competitiveness depends on port infrastructure and service levels that are reliable, cost-effective and efficient. As such, we communicated our concerns to the Government of Canada about the non-competitive business environment relating to Canadian port infrastructure, as well as the need to ensure that competitiveness considerations inform decision-making as it relates to port ownership structures.

**Enhancing trade relations with key export markets:** We continued to support the Government of Canada in enhancing relationships with key export destinations, primarily in Asia and the United States. We supported greater Canada-China trade relations, including engaging in free trade negotiations as well as addressing tariff and non-tariff barriers. We also supported the ratification and implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and supported the Government of Canada in its efforts to successfully negotiate the United States–Mexico–Canada Agreement.

**Advocating for the reauthorization of the Education Tax Credit in Alaska:** Teck utilizes the Alaska Education Tax Credit through its contributions to the University of Alaska Institute of Social and Economic Research and to the Northwest Arctic Borough School District. The program was reauthorized, with

some changes, through 2020. This credit is expected to continue to be utilized by Teck and others in the mining, oil and gas industries and thereby encourage continued investments in educational programs in Alaska.

**Participating in the Stand for Alaska Campaign:** Teck's Red Dog Operations was a participant in the Stand for Alaska campaign, formed to oppose ballot measure 1, which would have negatively affected responsible resource development in Alaska. The measure was defeated in the November 2018 election.

**Collaborating on heavy fuel oil carriage ban in the Arctic:** Teck and NANA have worked with the United States Coast Guard and the United States Department of Transportation, requesting a gradual and responsible time frame for the shipping industry to make the transition away from heavy fuel oil ships to diesel distillates, thereby avoiding negative economic impacts on the local, regional and state economy.

**Participating in a major international mining conference:** Teck participated in an international mining conference hosted by Chile's Regional Ministerial Secretariat of Mining and Energy that brought together government, industry and local communities. At the conference, Teck gave presentations and participated in roundtable discussions to highlight the economic benefits of our Quebrada Blanca Phase 2 project, including the new jobs created during the construction and operational stages.

#### *Innovation Initiatives*

**Working with governments to foster more innovation in mining:** Teck actively pursued government initiatives to advance innovation in our operating jurisdictions, including leading Canada's Digital Technology Supercluster (under the federal Innovation Supercluster Initiative) as a Founding Member. We also made several policy recommendations to the Government of Canada and the B.C. Government on fostering more innovation in Canada's mining sector, such as dedicating large-scale innovation funding to mining-specific projects and supporting the testing and commercialization of new Canadian mining technologies.

#### *Inclusion and Diversity Initiatives*

**Advancing reconciliation objectives with Indigenous Peoples:** Teck continued advancing reconciliation objectives through our participation in the BC Assembly of First Nations–Business Council of BC Champions Table, through ongoing work with Reconciliation Canada, and through active engagement in various government legislative reviews that included Indigenous components.

**Hosting an official visit by the Undersecretary of the Chilean Ministry of Women and Gender Equality:** Teck hosted the Chilean Undersecretary of the Ministry of Women and Gender Equity in September 2018 to showcase the initiative underway to include more female workers at our Carmen de Andacollo Operations. This initiative is designed for women from the local district to be trained as haul truck drivers.



**Partnering to increase women’s participation in the Chilean mining sector:** Teck and over 20 mining companies and industry associations in Chile co-signed an agreement with the Ministry of Mining and the Ministry of Women and Gender Equity with commitments to increase women’s participation in the mining industry and introduce greater labour practices and equal opportunities for female workers.

“As part of our commitment to inclusion and diversity in Chile, we are actively collaborating in public policy initiatives that promote spaces for greater participation of women in the mining industry. In 2018, together with local government, private actors and industry associations, we signed the “[Mining Decalogue](#)”, which expresses 10 commitments towards greater inclusion of women in the mining industry.”



**Amparo Cornejo**

Vice President, Sustainability & Corporate Affairs, Chile

### Contributions to Industry Associations

We are members of numerous industry associations and are involved in organizations that provide a platform for advancing best practice in our industry. As we implement our sustainability strategy, our involvement with these organizations provides us with guidance and opportunities to share best practices and contribute to industry standards. Our three largest contributions in 2018 were to the International Copper Association (\$1.4 million), the Stand for Alaska coalition (\$1.3 million), and the International Zinc Association (\$0.6 million).

### Commitment to Transparency

Teck publicly reports on payments to governments in the countries where we operate, as required under the *Canadian Extractive Sector Transparency Measures Act* (ESTMA). These payments include taxes, royalties and other payment types, by country and on a project-by-project basis, in relation to the commercial development of oil, gas and minerals. See our ESTMA disclosure on the [Public Filings Archive page](#) on our website.

Teck publishes an annual voluntary Economic Contribution Report to complement and enhance our ESTMA disclosure. This report, first published in 2017, demonstrates our overall value generation in the areas where we operate through wages and benefits, payments to contractors and suppliers, community investment, payments to governments, and other payments. See our [Economic Contributions web page](#) for more information.

We also engage in and support the work being done to fight corruption by supporting international frameworks such as the Extractive Industries Transparency Initiative (EITI). We participate in the EITI through our ICMM membership.

### Outlook for Business Ethics

Teck remains committed to upholding high moral and ethical principles as affirmed in our Code of Ethics. In 2019, we will continue to deliver our *Doing What’s Right* and anti-corruption programs, and engage in related public policy initiatives. We will also continue to expand the application of our anti-corruption and code of ethics training programs to projects as they advance. We will continue to ensure that we are compliant, transparent, cooperative and ethical in all matters, and that we meet our reporting requirements.

### GRI Indicators and Topic Boundary

102-17, 203-2, 205-103, 205-1, 205-2, 406-103, 415-103, 415-1, 419-103

This topic is considered most material by our shareholders, employees, contractors and suppliers, local communities and regulators in the context of all Teck sites and contractor selection/management.

### How Does Teck Manage This Topic?

Information about how we manage business ethics, including relevant policies, management practices and systems is [available for download on our website](#).



# Tailings, Waste & Environmental Management



Due to the physical disturbance of the land, generation of air- and water-based emissions, use of resources, and associated production processes, mining has the potential to adversely impact the environment. Many of these impacts can be mitigated or avoided through proper management and recognition of the interrelated nature of environmental issues, the cumulative nature of many environmental impacts, and the need to look at impacts across the mining life cycle and value chain.

We work in highly regulated jurisdictions with stringent and rigorously applied environmental legislation, which also makes environmental and waste management a key compliance issue. There is potential through future innovation to substantially reduce tailings and waste rock beyond current technologies, but currently there are tens of thousands of mine waste facilities globally and, more specifically, thousands of tailings facilities.

In recent years, there have been serious tailings facility failures, including the tragic failure at Vale's Brumadinho facility in Brazil in January 2019. Responsible management of tailings and waste rock is essential for protecting both the environment and human health. Tailings storage facilities at all of our operating

and closed sites meet or exceed regulatory requirements, and we are continually improving the management of our facilities by developing and incorporating leading practices.

In 2018, Teck continued to play an active role in promoting best practices for tailings facility management, both in our own operations and across the mining industry. This included continued work with academic institutions such as the University of British Columbia, University of Alberta, University of Western Australia and Universidad de Chile to aid in providing programs with practical tools through industry-based education materials and in looking for innovative tailings and mine waste management solutions through industry-academia research and development.



## Our Performance in Tailings, Waste and Environmental Management in 2018

**Our Targets and Commitments:** We are committed to conducting regular audits of the environmental compliance of our sites. We develop corrective action plans based on findings, and we regularly assess the implementation of these plans. We have set a target to have zero significant environmental incidents each year. We continually review our facilities and procedures, and are committed to maintaining the highest standard of safety and environmental protection, including standards set by the Mining Association of Canada (MAC) and the International Council on Mining and Metals (ICMM).

### Tailings Management Performance

Teck manages 55 tailings facilities. Of these, 35 are at our operating mines, and 20 are at the legacy properties that we manage. This includes 15 dry stack facilities at our steelmaking coal mines. Of the 55 tailings facilities, 16 are in active use and 39 are closed and no longer receiving tailings. We had zero significant incidents at our tailings storage facilities in 2018, and all facilities performed as intended, with their inspections and assorted internal and external reviews conducted as scheduled. The main focus of our 2018 performance evaluation process was to improve management by ensuring that we had consistent and appropriate levels of internal and independent external review for our facilities commensurate with each facility's risk profile.

All of our operating and legacy facilities are reviewed against our internal policy and guidance documentation on a regular schedule, as described in Table 29. These reviews are designed to evaluate our conformance with international best practices, our internal policy/standards and applicable regulatory requirements.

Beyond the comprehensive external reviews, an additional level of facility oversight has been implemented by Teck for our tailings facilities. This oversight is provided by our Tailings Working Group, which includes subject matter experts from across our business units and sites. Tailings Governance Reviews are carried out by this group every second year at our operations and every third year at our legacy properties, as shown in Table 29. These reviews include confirmation that we have the personnel and procedures in place to meet our commitments and that we are addressing recommendations for continual improvement from our external reviews in a meaningful and timely manner.

We conducted Governance Reviews at our Elkview, Highland Valley Copper, Greenhills, Cardinal River, Sullivan, Quintette and Bullmoose sites and, in conjunction with Suncor, at Fort Hills to evaluate conformance with our internal tailings

“Managing mined tailings in a safe and environmentally responsible manner is an industry imperative. An increasing trend, and one that Teck has wholly embraced, is to tackle this issue as a global team effort. Teck regularly works with other mining companies, industry associations, regulators, industry experts, non-government organizations and leading academics. In my more than 30 years of work in the area of mine tailings, this collaborative trend is the most positive and encouraging development I have seen towards sustainable tailings management with zero catastrophic failures.”



**Michael Davies**

Senior Advisor,  
Tailings & Mine Waste  
Management



guidance documents and policy. We also have an ongoing process with the other shareholders of the Antamina mine that meets the requirements of our Governance Review process. We also introduced Governance Reviews to our major projects for the first time in 2018, which included our Quebrada Blanca Phase 2 project.

From the combined Governance Review process in 2018, there were no significant findings; however, several value-added items were identified and are being actioned by the sites. For more information on tailings management at Teck, [see our website](#).

**Table 29: Status of Major Tailings and Water Retaining Structures**

Location	Annual Dam Safety Inspections <sup>(1)</sup>	Dam Safety Reviews <sup>(2)</sup>	Independent Review Board Activity <sup>(3)</sup>	Governance Reviews
	Up to Date	Up to Date		
Carmen de Andacollo	✓	✓	✓	Third review scheduled for 2019
Elkview	✓	✓	✓	Initial review completed in 2018
Fording River	✓	✓	✓	Second review scheduled for 2019
Greenhills	✓	✓	✓	Second review completed in 2018
Highland Valley Copper	✓	✓	✓	Second review completed in 2018
Red Dog	✓	✓	✓	Second review scheduled for 2019
Sullivan <sup>(4)</sup>	✓	✓	✓	Second review completed in 2018
Louvicourt <sup>(4)</sup>	✓	✓	✓	Second review scheduled for 2020

(1) The Engineer of Record performs a detailed examination of the facility, its related infrastructure and the records relating to these, to identify any conditions or changes that might contribute to or signal the potential for a compromise to the safety and reliability of the structure.

(2) A facility review by an independent, third-party engineer not affiliated with the Engineer of Record or the Tailings Review Board. The frequency of these reviews depends on the failure consequence risk-rating of that structure.

(3) Review by a team of independent senior subject matter experts who review the facility design approach, surveillance results and a site's overall approach to tailings management, including performance of the Engineer of Record.

(4) Legacy property.

### Industry Association Activities

Teck chairs the MAC Tailings Working Group that has been responsible for providing industry-leading best practice guidance, including key industry guidance documents issued in 2017 and 2018. Teck was also an active participant on ICMM's Tailings Position Statement and Governance Framework, and is a participant on ICMM's leadership work on an aspirational goal of reducing reliance on conventional tailings practices.

Our internal guidelines are consistent with both ICMM and MAC principles and guidance. This guidance was updated in 2018 by our Tailings Working Group and will be the basis for our 2019 Governance Reviews. As a result of our ongoing Tailings Governance Review processes, and based on themes from the MAC and ICMM advancements, we are further strengthening our guidance related to change management, roles and responsibilities, enhancing integration of risk evaluation and identifying critical controls.

Teck chairs the MAC Tailings Working Group that has been responsible for providing industry-leading best practice guidance, including key industry guidance documents issued in 2017 and 2018.

## Sustainable Solutions in the Frozen Arctic

When Johanna Salatas arrived at Teck's Red Dog Operations, she discovered most of her colleagues were concerned about the limited and outdated options available to dispose of waste: burial in the landfill or incineration. Relying on the landfill wasn't a sustainable long-term option, and incinerating high volumes of trash contributed to greenhouse gas emissions.

In addition, there was the logistical challenge of developing a waste removal and recycling program for a remote site that does not have road access. Barge access was also limited to summer months when the Chukchi Sea thaws enough for shipping.

"Our goal was simple," says Johanna, acting Environmental Sustainability Coordinator. "We needed to reduce our reliance on incineration while also preserving valuable landfill space. Finding solutions to realize those goals was a much bigger hurdle, given our location 100 miles (161 kilometres) north of the Arctic Circle."

To get started, Johanna launched a Waste Characterization Study in 2017 to identify the types of waste streams as well as recycling and disposal options for large volumes of waste. This meant combing through the landfill to document and measure various types of garbage, carried out by a team of eight dedicated locally-hired people.

The study identified new opportunities for dealing with waste and in some cases, turning it into a source of revenue to help pay for a broader management plan that was developed with Waste Management International, a company that provides industries with recycling solutions.

This effort is currently projected to contribute over \$500,000 in revenue from what were previously waste materials.

In fall 2018, dedicated shipping container bins were placed around the site to collect a variety of scrap metals, including iron, tin, aluminum, stainless steel, magnesium, scandium and tungsten carbide, which will be shipped off-site and sold for reuse. Next, three full-sized cardboard balers were delivered; the baled cardboard will also be sold for profit. Finally, recycling bins were set up around the site to collect plastic bottles, aluminum cans and plastic shrink wrap. All the waste will be stored and shipped south when the sea thaws and the port opens.

In 2019, a dedicated Red Dog Recycling Centre will open to streamline these recycling efforts; the human power needed to run the program could potentially create new jobs in the region. Johanna is optimistic that the recycling revenue will be used for additional sustainability initiatives at Red Dog Operations.

"We've proven that the logistical challenges that come with Red Dog's remote location can still be solved with sustainable and profitable solutions," says Johanna.

## Waste Management Performance

In 2018, our operations generated approximately six million tonnes of mineral waste, with the vast majority being waste rock from the extraction of ore and steelmaking coal.

Teck's methods for recycling include recycling for value recovery, industrial waste processing and domestic recycling. We do not currently track office and construction waste, which are managed by licensed external waste service providers.

Figure 24: Mineral Waste

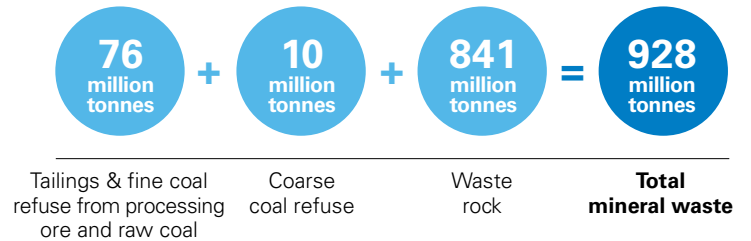
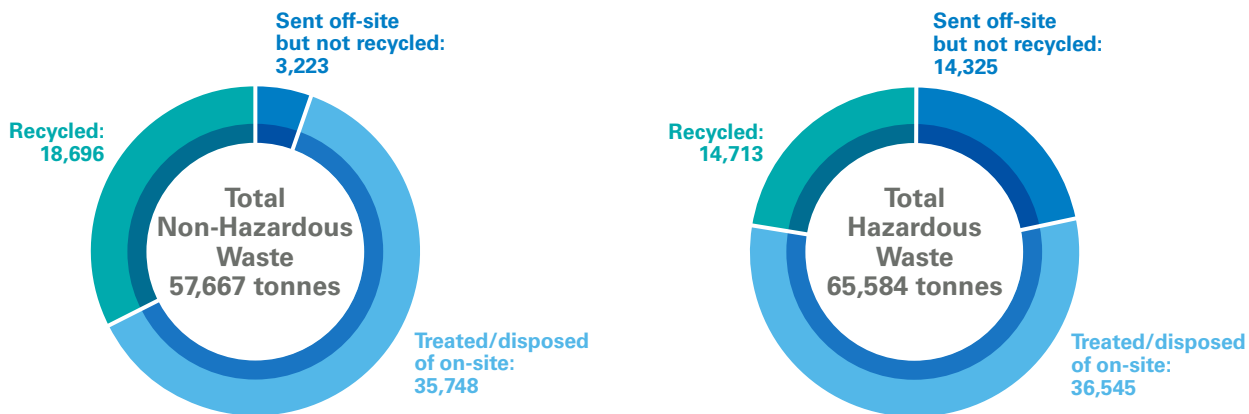


Figure 25: Hazardous and Non-Hazardous Waste (tonnes)<sup>(1)</sup>



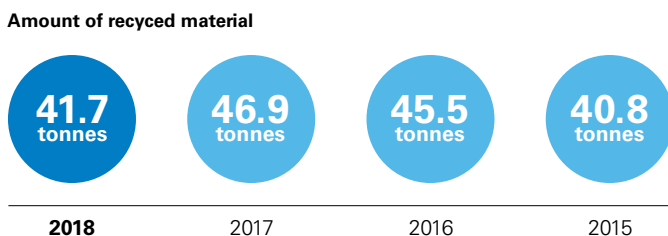
(1) Recycled waste includes waste that is diverted from the landfill through recycling and reuse. Waste sent off-site but not recycled includes waste disposed of at appropriate facilities, landfills and deep-well injections.

### Recycling

We recycle in accordance with international, national, provincial and local requirements, and we aim to exceed these requirements. Continually improving recycling at our operations by identifying and sharing best practices throughout the company is our goal — including ongoing assessments of our recycling and reuse practices.

At our Trail Operations, we recycle materials purchased from external users. Our focus remains on treating cathode ray tube glass, plus small quantities of zinc alkaline batteries and other post-consumer waste, through our lead acid battery recycling program.

Figure 26: Recycled Material at Trail Operations



### Regulation, Permitting and Approvals

In August 2018, we received regulatory approval for our Quebrada Blanca Phase 2 (QB2) project in the Tarapacá Region in northern Chile. QB2 is expected to be a high-quality, low-cost, long-life operation with significant expansion potential that will substantially increase Teck's copper production and generate considerable value for many years. The project incorporates extensive environmental measures, including the first large-scale use of desalinated seawater for mining in Chile's Tarapacá Region, in place of fresh water use.

A key milestone in advancing Teck's Frontier project was a public hearing in front of a Joint Federal/Provincial Review Panel, which took place from September to December 2018 in Fort McMurray and Calgary, Alberta. This is an important milestone in our efforts to achieve project approval and enhance the overall value of Frontier.

At our Zafranal copper-gold project in southern Peru, environmental, social and archeological studies were completed as well as ongoing community engagement to support a social and environmental impact assessment. At the San Nicolás copper-zinc project in Zacatecas, Mexico, environmental and



social baseline, preliminary hydrogeological and project engineering studies were advanced in support of a prefeasibility study and preparation of an environmental impact assessment. In addition, a local dialogue house was opened to facilitate and further strengthen community engagement.

In 2018, our Galore Creek project 50:50 partner changed from NOVAGOLD to Newmont. The project team commenced a three- to four-year work program to reinitiate permitting-related activities and to complete an updated prefeasibility study working collaboratively with the Tahltan Nation under the existing participation agreement.

### Significant Environmental Incidents

We assess the severity of environmental incidents based on their potential environmental, safety, community, reputational and financial impacts. Based on our incident severity criteria, there were zero environmental incidents at any of our projects and operations that were considered significant in 2018. For information on our management of water quality in the Elk Valley, [see our website](#).

Based on our incident severity criteria, there were zero environmental incidents at any of our projects and operations that were considered significant in 2018.

### Environmental Litigation

Environmental litigation regarding the Upper Columbia River and involving the Confederated Colville Tribes and the Spokane Tribe of Indians continues. For more information, see pages 116 - 117 of our [2018 Annual Information Form](#).

### Charges, Fines and Penalties

In September 2018, Teck was ordered to pay an Administrative Penalty of \$22,000 in relation to the bypass of a catch basin at Greenhills Operations, while undertaking maintenance on a spillway, which resulted in the death of 83 westslope cutthroat trout in August 2015. Following the incident, the site undertook an investigation that resulted in the implementation of numerous measures to prevent a reoccurrence.

During the third quarter of 2018, Teck received notice from Canadian federal prosecutors of potential charges under the *Fisheries Act* in connection with discharges of selenium and calcite from steelmaking coal mines in the Elk Valley. Since 2014, compliance limits and site performance objectives for

selenium and other constituents, as well as requirements to address calcite, in surface water throughout the Elk Valley and in the Koochanusa Reservoir have been established under a regional permit issued by the provincial government, which references the Elk Valley Water Quality Plan. If federal charges are laid, potential penalties may include fines as well as orders with respect to operational matters.

## Outlook for Tailings, Waste and Environmental Management

In 2019, we will continue working to improve our environmental performance and continue maintaining the highest standards for tailings, waste and environmental management. As the mining industry reviews and improves best practices for tailings management, Teck will continue to play an active role in collaborating with industry partners. For example, we will collaborate with [TAILLIQ](#), a university/industry research project whose purpose is to help better understand and reduce the risk of mine tailings loss of containment from static liquefaction. Our work with Canada's Oil Sands Innovation Alliance (COSIA) will continue in 2019, with work on both long-term performance and the potential to dewater tailings. We will also continue our engagements with ICMM's and MAC's tailings working groups in 2019 to evaluate how the industry guidance that is developed through these efforts is adopted by the various jurisdictions where Teck operates.

### GRI Indicators and Topic Boundary


306-103, 306-2, G4-MM3

This topic is considered most material by our employees, local communities, government regulators and society in the context of all Teck sites.

### How Does Teck Manage This Topic?

Information about how we manage tailings and mine waste, including relevant policies, management practices and systems is [available for download on our website](#).

# Human Rights



There is a growing amount of national and regional legislation requiring corporations to disclose that they identify, prevent and mitigate impacts on human rights, and indicate how they address potential impacts on human rights. These impacts can arise from their business operations and, in certain cases, relationships with suppliers.<sup>14</sup> As the regulatory landscape evolves, it is anticipated that more transparency in reporting and clearly defined indicators to measure due diligence on human rights will continue to develop.

In recent years, ensuring that human rights are not being impacted has been a significant objective for the mining sector and a key aspect of sustainable development. Organizations such as the International Council on Mining and Metals (ICMM) are fully supportive of the United Nations Guiding Principles (UNGP) on Human Rights, and were deeply involved in the consultations that led to their development.

While Teck operates in jurisdictions that are characterized by generally stable and positive political and economic conditions, we recognize that the potential remains for our activities to impact human rights. We are committed to improving systems for identifying potential human rights issues/risks and to managing and resolving these issues/risks and any human rights-related incidents, impacts and grievances.

# Our Performance in Human Rights in 2018

## Embedding Human Rights

Teck is focused on ensuring that human rights perspectives are integrated into our broader social management practices. We believe that awareness and active management of human rights-relevant issues should be aligned with our broader approaches to managing social performance across the business. We work to ensure Teck’s [Human Rights Policy](#) is recognized and applied across the company through promotion of our policy, integration with other policies, and integration into communication and training for employees.

In 2018, we participated in advancing the ICMM development of initiatives targeting improved human rights practice, specifically on the following topics: security and human rights, community support and economic opportunities for communities.

### Training

Training efforts to increase human rights awareness involved senior leaders at operations as part of the human rights assessment process, and senior leaders at Teck’s head office in Vancouver as part of the human rights saliency review process, as shown in Table 30.

**Table 30: Human Rights Issues that are Salient to Teck<sup>(1)</sup>**

Salient Issues Category	Associated Rights	Examples of Mitigation Actions in 2018
Labour	Freedom of association, assembly and collective bargaining <sup>(2)</sup> Right to safe and healthy working conditions <sup>(3)</sup> Right to not be subjected to slavery, servitude or forced labour (specific to supply chains) <sup>(4)</sup> Right to work <sup>(5)</sup> Right to non-discrimination <sup>(6)</sup>	Quebrada Blanca Operations signed new collective bargaining agreements with two unions.  All operations continued implementing Courageous Safety Leadership 4 training to embed a culture of safety with employees and advanced our Occupational Health and Hygiene strategy, which requires all operations to implement Exposure Reduction Plans. There was also an ongoing focus on leadership development, safety training, new-hire training, cross-training, and Respectful Workplace training.
Environment	Right to clean water and sanitation <sup>(7)</sup> Right to health <sup>(8)</sup>	All of our sites continued to implement environmental management plans. For example, Highland Valley Copper Operations continued implementation of water quality and dust management plans and Carmen de Andacollo Operations continued implementation of blasting and dust management plans to minimize environmental and community impacts, and to meet government regulatory requirements.
Land and Livelihoods	Right to land <sup>(9)</sup> Right to work <sup>(10)</sup> Right to take part in cultural life <sup>(8)</sup>	At our steelmaking coal operations in the Elk Valley, we continued implementation of our Impact Management and Benefit Agreement, which is inclusive of employment and procurement, environment and land stewardship, and cultural resource management. As part of the Baldy Ridge Extension, operations partnered in the establishment of the Sparwood Advisory Committee to independently identify opportunities to improve community livability.  Red Dog Operations supported and participated in the Subsistence Committee with community representatives to promote and advance cultural subsistence-based activities in the region.
Personal Security	Right not to be subjected to torture and the right to liberty and security of person <sup>(11)</sup> Freedom of association and right to protest, speech and expression <sup>(11)</sup>	Carmen de Andacollo and Quebrada Blanca operations continued existing or established new working tables with local communities to identify and address local impacts, manage emergent issues, and identify opportunities for local development and community investment.

(1) In addition to the protection of all human rights, Indigenous Peoples also hold a unique set of group rights called Indigenous rights.  
 (2) The Universal Declaration of Human Rights (UDHR), International Covenant on Civil and Political Rights (ICCPR), International Covenant on Economic, Social and Cultural Rights (ICESCR), International Labour Organization Core Conventions (ILO).  
 (3) ICESCR, ILO. (4) ICCPR, ILO. (5) UDHR, ICESCR. (6) UDHR, ICCPR, ICESCR, ILO. (7) UDHR, ICESCR, ILO. (8) ICESCR.  
 (9) UDHR (privacy and property), ICCPR (no forced eviction), ICESCR (no forced eviction). (10) UDHR, ICESCR. (11) ICCPR.



“Meaningful engagement, and ensuring stakeholders are heard by the company, are important components when resolving human rights impacts. Teck will be working with its partners through the International Council on Mining and Metals, the Mining Association of Canada, and with international experts in 2019 to identify opportunities to improve the effectiveness of grievance management, consistent with the UN Guiding Principles on Business and Human Rights.”



**Dina Aloï**  
Senior Advisor,  
Community &  
Government Affairs

### Salient Human Rights Issues

We proactively identify areas of highest human rights risk so we can prevent adverse impacts from occurring. This year, we undertook human rights assessments at every operation with more than five years of anticipated mine life. The reviews were conducted through a detailed interview with site General Managers and Superintendents. The results of the human rights risk assessments inform Teck’s overall salient human rights issues and also identify potential risk areas to integrate into ongoing social risk assessments and management activities at individual sites. We maintain a company-wide plan to mitigate human rights risk, which is articulated in our Health, Safety, Environment and Community Management Standards and other relevant company policies and guidance, including rights-related Social Management and Responsibility at Teck (SMART) tools. A selection of actions taken in 2018 in response to these risks are described in Table 30. We review human rights practices and performance on an annual basis and conduct assessments of human rights management at our sites on a biennial basis.

As part of the UNGP, we determine and report on our most significant or salient human rights issues. A company’s salient human rights issues are those human rights that are most at risk of being impacted as a result of the company’s activities or business relationships. In 2018, we undertook a corporate saliency review workshop with members of our Human Rights Working Group and additional subject matter experts from sites

and corporate offices. The purpose of the workshop was to confirm our current analysis of human rights issues that are salient to Teck. During this workshop, no changes to our current list of salient issues were identified.

### Resolving Human Rights-Related Feedback and Incidents

A consistent and rigorous approach to feedback and grievances is not only fundamental to ensure strong social management overall, but also ensures that any issues with actual or potential human rights implications are identified and acted upon. If issues or new risks are identified, they are brought to the attention of senior leadership through our HSEC Risk Management Committee and Teck’s Safety and Sustainability Committee of the Board.

In 2018, we worked to ensure appropriate management and remedy of negative feedback and significant incidents, through continual improvement of our feedback mechanisms and the reporting and management of incidents. This included a specific focus on improving tracking and reporting of grievances through reporting technologies and practices.

### Outlook for Human Rights

In 2019, we will remain committed to respecting and observing human rights and to aligning our practices with the UNGP. We will continue to drive governance, policy and reporting through continued identification of human rights issues and risks, with a specific focus on expanding awareness training for employees and senior management. We will also focus on continual improvement of our feedback and incident management practices, including a specific examination of improving the effectiveness of grievance mechanisms consistent with criteria established by the UNGP.

### GRI Indicators and Topic Boundary

412-103, 412-1

This topic is considered most material by our shareholders, employees, local communities, regulators, society and contractors in the context of all Teck sites, contractor selection/management and supplier selection.

### How Does Teck Manage This Topic?

Information about how we manage human rights, including relevant policies, management practices and systems is [available for download on our website](#).



# Air Quality



Economic growth can be accompanied by an increase in air pollution, which impacts human health and ecosystems. With better knowledge, alternative consumption and production models, as well as innovative technological solutions, many countries, cities and businesses are now successfully reducing air pollution.<sup>15</sup>

Air pollutants associated with mining and mineral processing can include particulate matter (e.g., fine and coarse dust that can include minerals and metals) and gases. Dust at operations is generated by a variety of sources, such as vehicle traffic on mine roads, dumping rock onto waste piles, storing materials, blasting and crushing. Dust can also be generated during the transportation of mineral products along the supply chain.

To maintain a transparent approach to managing these pollutants, several governments, including the Canadian and American governments, require companies to monitor and mitigate their impacts on air quality and to disclose their emissions publicly through inventories such as the [Toxic Release Inventory](#) in the United States and the [National Pollutant Release Inventory](#) in Canada.

Our communities and stakeholders have increasingly identified air quality as a key concern at many of our operations. For example, in the Elk Valley and at our Carmen de Andacollo Operations in Chile, nearby residents have reported dust in relation to mine operations as a concern. Not only do we see increasing community concerns related to air emissions near many of our operations, but also along our supply chain through transportation of our products. As such, air quality issues require close collaboration with local stakeholders. In 2018, we embraced and are continuing to explore numerous initiatives across our operations to improve air quality, as described in Table 31.

<sup>15</sup> Towards a Pollution-Free Planet. UN Environment Assembly, 2017.



## Our Performance in Air Quality in 2018

**Our Targets and Commitments:** Our vision is to continually improve air quality for the benefit of workers, communities and the environment in areas affected by our activities. The following table summarizes our performance against our 2020 sustainability goals and targets for air quality.

2020 Sustainability Strategy Goal	Status	Summary of Progress in 2018
Improve monitoring and understanding of our releases to air and the potential impacts on people, communities and the environment.	On track	Improvements to our ambient air quality monitoring programs were implemented at our Elkview, Line Creek and Cardinal River operations in 2018. Information on current emission monitoring programs and dust management practices have also been collected for all operations. Studies were undertaken at our Red Dog Operations to better understand impacts of historic fugitive dust on surrounding flora and fauna.
In consultation with communities, governments and other organizations, set air quality goals and establish risk-based action plans to achieve goals.	On track	Targets that were set for particulate matter emissions at Carmen de Andacollo Operations and targets for lead concentrations in ambient air at Trail Operations were achieved ahead of schedule.
Strengthen the integration of air quality considerations into early stage project development.	On track	A list of air quality considerations was developed for incorporation into early project planning stages and knowledge sessions were held with the Project Development Group.

### 2018 Key Performance Indicators

<p><b>2018:</b> 3,659 tonnes</p> <p>2017: 4,894 tonnes</p> <p><b>Indicator</b> Sulphur dioxide emissions from stacks, stationary and mobile fossil fuel combustion</p>	<p><b>2018:</b> 100% of stations</p> <p>2017: 100% of stations</p> <p><b>Indicator</b> % of community-based air quality stations with annual mean concentrations of ambient PM<sub>2.5</sub> within the World Health Organization guidelines</p>	<p><b>2018:</b> 50% of stations</p> <p>2017: 75% of stations</p> <p><b>Indicator</b> % of community-based air quality stations with annual mean concentrations of ambient PM<sub>10</sub> within the World Health Organization guideline value of 20 µg/m<sup>3</sup></p>
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## Minimizing Emissions to Improve Air Quality

In 2018, we implemented measures to minimize impacts on the local air quality within the vicinity of our activities.

**Table 31: Air Quality Improvements in 2018**

Operation	2018 Improvement
Elk Valley	<p>At our steelmaking coal operations in the Elk Valley, we engaged communities through newsletters and open houses to report on our air quality performance. In addition, a new ambient air quality monitoring station was installed in Sparwood Heights to better understand the impacts of our operations on the community so that we are better able to adjust our site activities to manage those impacts.</p> <p>We conducted dust management activities and evaluated more than 50 air quality improvement initiatives across the Elk Valley. Programs that are currently being piloted include modelling to evaluate the effectiveness of various mitigation techniques on areas that are susceptible to wind erosion, the application of water to blast patterns prior to blasting, and the use of technology to reduce or eliminate the need for a coal dryer. Additional information on our efforts is <a href="#">available on our website</a>.</p>
Trail	<p>We continued to implement dust management initiatives to support additional reductions in the level of metals in ambient air in our surrounding community. Activities undertaken in 2018 include the installation of a wind fence to reduce dust from the area where concentrates are mixed, as well as the use of a new road dust monitoring tool that is helping to identify areas of higher dusting and enable more effective mitigation.</p>
Carmen de Andacollo	<p>With the achievement of a 78% reduction in PM<sub>10</sub> emissions from 2010 to 2017, we continued to evaluate opportunities to further reduce fugitive dust. We are partnering with industry peers and research organizations to find and implement innovative solutions and to evaluate different atmospheric variables and conditions across various mining activities. The communities team also engaged with local residents to address their concerns regarding dust generated from operating activities.</p>



### Improving Community Ambient Air Quality

Trail Operations has been achieving success in improving community ambient air quality, and demonstrating the success of investments in operational improvements. Lead in community ambient air has reduced by 47% since 2016 and the 2018 annual average for lead in ambient air at the Trail monitoring station was the lowest ever recorded annual average. In partnership with the Trail Area Health and Environment Committee, we continue to focus on improving our environmental performance and working with the community to improve our community air quality.

## Monitoring and Reporting

The most material air quality issues relate to sulphur dioxide near our Trail Operations metallurgical facility, and to particulate emissions at our mining operations. In addition to monitoring sulphur dioxide and particulate matter, our operations monitor and report on other air emission parameters in accordance with permit and regulatory requirements.

As shown in Table 32, sulphur dioxide emissions from stacks and fossil fuel emissions in 2018 were approximately 3,659 tonnes, compared to 4,894 tonnes in 2017. The decrease in emissions in 2018 was primarily due to a scheduled maintenance shutdown at Trail Operations.

**Table 32: Sulphur Dioxide Emissions from Stacks, Stationary and Mobile Fossil Fuel Combustion (tonnes)<sup>(2),(3),(4)</sup>**

Operation	2018	2017	2016	2015
Cardinal River	4.9	3.6	7.6	2.9
Coal Mountain	1.1	1.4	3.5	0.1
Elkview	6.2	6.4	5.4	0.6
Fording River	15.8	21.7	3.6	1.2
Greenhills	4.6	4.7	4.5	2.7
Highland Valley Copper <sup>(1)</sup>	1.8	2.1	1.6	36.0
Line Creek	1.2	2.1	1.1	0.3
Pend Oreille	6.3	4.7	4.4	3.8
Quebrada Blanca	19.5	33.7	18.8	385.1
Trail	3,598.0	4,814.0	4,665.0	4,069.5
<b>Total</b>	<b>3,659.4</b>	<b>4,894.4</b>	<b>4,717.9</b>	<b>4,504.8</b>

(1) In 2015, Highland Valley Copper's SO<sub>2</sub> emissions included those from blasting.

(2) Information current at time of publication. However, values will be added, confirmed and/or changed once regulatory reporting for the 2018 period is complete. See our website for up-to-date information.

(3) Requirements and methods for determining air emissions can vary widely. Not all sites have monitoring equipment in place to measure releases from all sources and activities, and the frequency of sampling can vary.

(4) Our Canadian sites report annually to the National Pollutant Release Inventory (NPRI) and American operations report to the Toxic Release Inventory (TRI), which have different reporting requirements and calculation methods. Information in this table may not reflect exactly the contents of NPRI and/or TRI reports, due to different reporting definitions concerning site boundaries as well as the inclusion of mobile equipment in the above table, which is not required in some regulatory reporting requirements.

**Table 33: Ambient Particulate Matter of Size Less Than 2.5 Microns (µg/m<sup>3</sup>)**

Station	Nearest Operation	2018		2017		2016	
		Average Annual	98th Percentile	Average Annual	98th Percentile	Average Annual	98th Percentile
Urmeneta	Carmen de Andacollo	8	12	8	14	10	16
Downtown Sparwood	Elkview	8	52 <sup>(1)</sup>	5	21	5	14
Elkford High School	Greenhills	7	52 <sup>(1)</sup>	7	49	4	8

(1) Incomplete hourly data set, per the Canadian Council of Ministers of the Environment: Criteria ii. 2nd and 3rd quarter is not complete (<60% valid daily data sets in this quarter) for Elkview Operations and 3rd quarters are not complete for Greenhills Operations.

**Table 34: Ambient Particulate Matter of Size Less Than 10 Microns ( $\mu\text{g}/\text{m}^3$ )**

Station	Nearest Operation	2018		2017		2016	
		Average Annual	98th Percentile	Average Annual	98th Percentile	Average Annual	98th Percentile
Urmeneta	Carmen de Andacollo	33	51	29	51	37	70
Downtown Sparwood	Elkview	17	82	14	44	11	32
Elkford High School	Greenhills	11	57	10	46 <sup>(1)</sup>	7	19
Butler Park	Trail	26	165	18	54	18	38

(1) Incomplete hourly data set, per the Canadian Council of Ministers of the Environment: Criteria ii. 3rd quarter is not complete (<60% valid daily data sets in this quarter).

The primary way we are working towards reducing sulphur dioxide emissions at Trail is through the construction of our new acid plant. This new plant will reduce sulphur dioxide emissions from zinc operations, although total emissions will vary year to year, based on production. Construction is on schedule and the plant is expected to be operational in the summer of 2019.

*Ambient Air Quality Monitoring*

As part of our ambient air quality monitoring program, we measure the concentration of particulate matter of a size less than 10 microns ( $\text{PM}_{10}$ ) and particulate matter of a size less than 2.5 microns ( $\text{PM}_{2.5}$ ) at monitoring stations. These monitoring stations use standardized equipment, per permit and regulatory requirements, and are located on our sites and in a number of community centres. At these monitoring stations, ambient air quality not only reflects the activities at our operations, but also reflects other activities in the area, such as other industries, vehicle traffic, firewood burning, forest fires and waste burning.

In 2018, operations continued training related to fugitive dust management in their orientation and refresher programs. Specific training sessions were also held with the Vancouver Project Development Group to raise awareness of early stage project decisions on potential for fugitive dust emissions from operations.

Tables 33 and 34 summarize the ambient air quality during 2018 as measured at a number of community-based monitoring stations that we manage. Two values are presented:

- The annual average concentration that is based on the daily 24-hour average concentrations; this value reflects prolonged or repeated exposures over longer periods
- The annual peak 24-hour indicator that is based on the 98th percentile of the daily 24-hour average concentrations; this value reflects immediate exposures

For all of the stations listed in Table 33, the annual average concentration of  $\text{PM}_{2.5}$  was below the World Health Organization (WHO) Guideline value of  $10 \mu\text{g}/\text{m}^3$ . For the

annual average concentration of  $\text{PM}_{10}$  at the stations listed in Table 34, half of the stations were below the WHO Guideline value of  $20 \mu\text{g}/\text{m}^3$ . The primary cause of increased particulate matter at stations near our British Columbia-based operations in 2018 was due to forest fires in the region.

For more information about our emissions to air, such as nitrous oxides, volatile organic compounds, and mercury, visit [National Pollutant Release Inventory](#) for our Canadian operations, and [Toxic Release Inventory](#) for our American operations.

## Outlook for Air Quality

In 2019, we will publicly provide, on our website, more detailed information on ambient air quality in the Elk Valley and performance against the British Columbia Ambient Air Quality Objectives as well as progress on projects that we are undertaking to manage fugitive dust. Across our operations, we will continue to evaluate more effective forms of dust suppressant for haul roads and tailings facilities, and conduct modelling to better understand how we can change our practices to improve air quality.

### GRI Indicators and Topic Boundary

305-103, 305-7

This topic is considered most material by our employees, local communities, regulators and society in the context of all of Teck’s sites.

### How Does Teck Manage This Topic?

Information about how we manage air quality, including relevant policies, management practices and systems is [available for download on our website](#).



# Biodiversity & Reclamation



Protecting and enhancing biodiversity, which is the abundance and variety of living organisms and ecosystems in nature, is integral to global sustainability. Many of the world's ecosystems are being altered, and loss of biodiversity is a concern. Corporations, governments and civil society alike recognize this challenge, and many are working together to find innovative new solutions for biodiversity protection. This action will help towards achieving the United Nation's Sustainable Development Goal 15 to sustainably manage forests, combat desertification, and halt and reverse biodiversity loss.

Mining operations can have direct and indirect impacts on biodiversity and natural resources. These impacts can include land or wildlife disturbances, and discharges to waterbodies or air. Regulatory requirements are becoming increasingly stringent in response to widening recognition of these impacts on biodiversity. This includes requirements to tailor reclamation with a focus on wildlife and plants of greatest conservation concern, and to implement biodiversity offsets to mitigate impacts that cannot be fully addressed through avoidance, minimization and rehabilitation.

We are challenging ourselves to achieve a vision of having a net positive impact on biodiversity. We also have a firm commitment, in accordance with the International Council

on Mining and Minerals' (ICMM) world-leading Position Statement on respecting biodiversity, to not explore or mine in World Heritage sites, and to respect all legally designated protected areas.

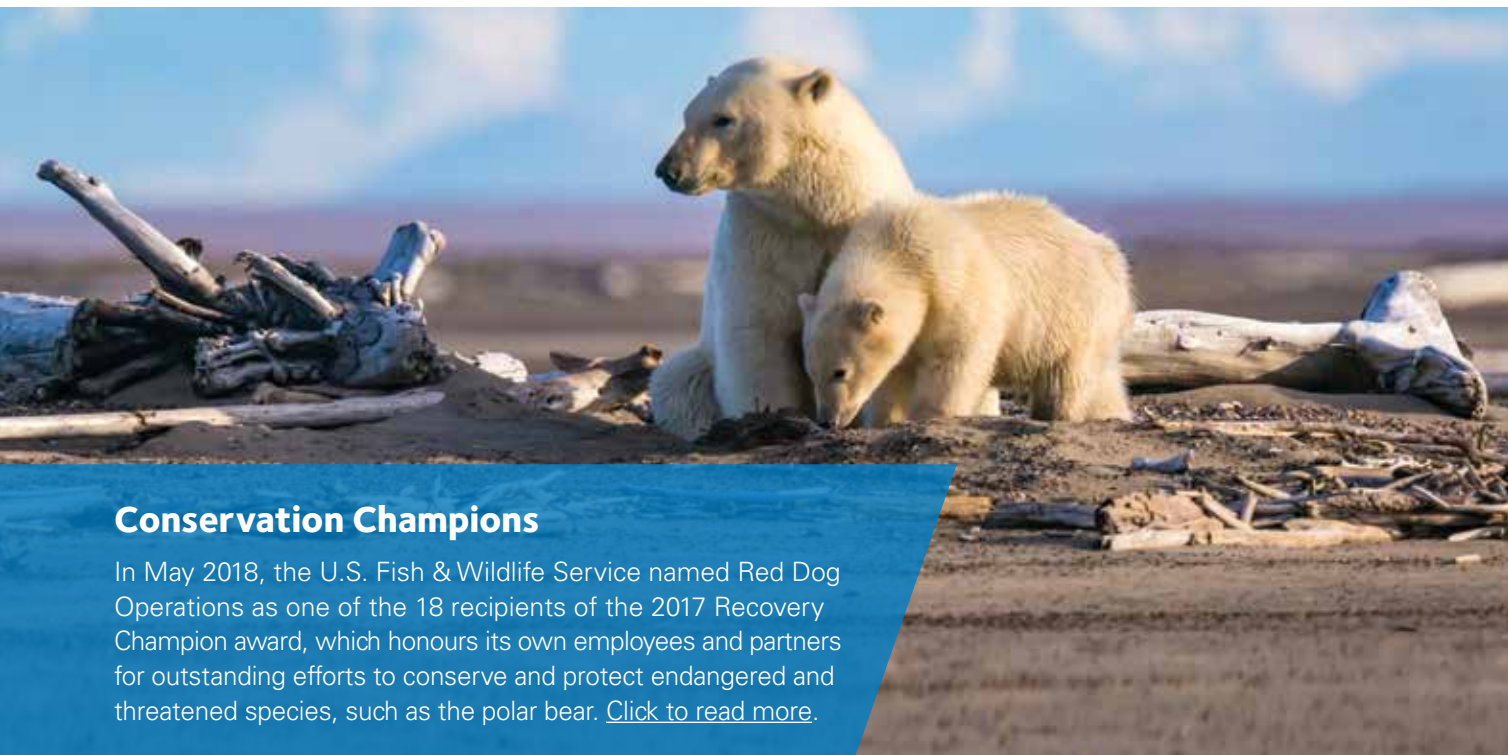
All of our operations are adjacent to or within areas of high biodiversity value, including temperate and arctic areas, montane forests, and deserts. Stakeholders and Indigenous Peoples expect us to contribute to the conservation of biodiversity and to work collaboratively with them to develop integrated approaches to land use. At the end of 2018, Teck had a total footprint of 30,619 hectares (ha), of which 24,450 ha are yet to be reclaimed and 6,169 ha have been reclaimed.



## Our Performance in Biodiversity and Reclamation in 2018

**Our Targets and Commitments:** Our vision is to work towards achieving a net positive impact on biodiversity in areas affected by our activities. The following table summarizes our performance against our targets and 2020 sustainability goals in biodiversity.

2020 Sustainability Strategy Goal	Status	Summary of Progress in 2018
Implement biodiversity management plans for each of our operations.	On track	Began planning for ongoing revegetation at our Highland Valley Copper Operations, with an increased shift to using more diverse mixes of native species and alternative soil amendment materials.
Integrate the consideration of biodiversity into the exploration, construction and closure stages of the mining life cycle.	On track	Advancing development of our net positive impact strategy with our exploration and project development groups.
Enhance our contributions to biodiversity conservation knowledge through collaboration in research, education and conservation.	On track	Initiated new collaboration with the BC Parks Foundation to develop and implement an innovative new ecological monitoring program in provincial parks.



### Conservation Champions

In May 2018, the U.S. Fish & Wildlife Service named Red Dog Operations as one of the 18 recipients of the 2017 Recovery Champion award, which honours its own employees and partners for outstanding efforts to conserve and protect endangered and threatened species, such as the polar bear. [Click to read more.](#)

## Working to Achieve a Net Positive Impact

As part of our work to achieve our vision of having a net positive impact on biodiversity, we continued to implement biodiversity management plans at our operations in 2018, while also operating in accordance with the ICMM [Mining and Protected Areas Position Statement](#).

In accordance with ICMM, we respect legally designated protected areas (including International Union for Conservation of Nature (IUCN) category Ia, Ib, II, III or IV protected areas), and ensure that any new operations or changes to existing operations are not incompatible with the value for which they were designated. We do not explore or mine in World Heritage properties.

Cardinal River continued to participate in regional research partnerships involving the Foothills Research Institute, which included monitoring grizzly bear populations and assessing how cougars are using the site’s reclaimed landscape as habitat.

**Table 35: Key Activities and Accomplishments in Biodiversity and Reclamation in 2018**

Operation	Performance Highlight
Cardinal River Operations	Cardinal River continued to participate in regional research partnerships involving the Foothills Research Institute (fRI), which included monitoring grizzly bear populations and assessing how cougars are using the site’s reclaimed landscape as habitat.
Carmen de Andacollo Operations	Biodiversity monitoring continued at Carmen de Andacollo’s El Runco conservation area, which was visited by more than 400 community members in 2018. In addition, new sites have been identified as possible future biodiversity conservation areas.
Highland Valley Copper Operations	Highland Valley Copper initiated multiple research projects in 2018 under Thompson Rivers University’s Centre for Ecosystem Reclamation, on the topics of biodiversity and soil amendments.
Quebrada Blanca Operations	A series of measures designed to protect biodiversity are currently being incorporated into Quebrada Blanca Phase 2 project design. These include the capture and relocation of low- and medium-mobility wildlife species such as reptiles and micro-mammals.
Red Dog Operations	A comprehensive site-wide study using a multi-increment sampling method was conducted to determine if there have been reductions in cadmium, lead and zinc concentrations in moss plants due to recent site improvements in fugitive dust management.
Steelmaking coal operations in the Elk Valley	Operations in the Elk Valley began incorporating geomorphic landform design in mine closure planning/ reclamation, which works to make the post-closure mining landscape better mimic natural landforms, and helps with water management, slope stability, aesthetic appeal and habitat values. Additionally, four new species management plans for plants and four new plans for wildlife were developed; these included whitebark pine and the American badger.
Trail Operations	Permanent photo monitoring locations were established on Trail’s Gold Island/Shoreacres Conservation Area, East Rossland Conservation Area and Beaver Creek Conservation Area to provide baseline data and allow for assessment of conservation value over time.



## Area Reclaimed and Disturbed

At the end of 2018, Teck had a total footprint of 30,619 hectares (ha), of which 24,450 ha are yet to be reclaimed and 6,169 ha have been reclaimed. As this data relates to active operations,

the area of land yet to be reclaimed will generally increase over time until the mining areas are closed and become available for reclamation.

**Table 36: Area Reclaimed and Disturbed**<sup>(1),(2)</sup>

	2018	2017	2016	2015
Area reclaimed during the current year (ha)	31	30	147	199
Area disturbed during the current year (ha)	1,018	388	421	508
Area of land yet to be reclaimed (ha)	24,450	23,458	22,918	22,777
Total area of land reclaimed (ha)	6,169	6,342	6,564	6,469
Total footprint (ha)	30,619	29,800	29,482	29,245

(1) The area of land disturbed in the current year may include land that was previously reclaimed and has been re-disturbed. The total area of land reclaimed may decrease in a year due to unsuccessful reclamation attempts or the mining of a previously reclaimed area. Total footprint is the sum of total area of land yet to be reclaimed and total area of land reclaimed. Values are based on estimates stemming from the use of Geographic Information Systems. In an effort to constantly refine the values, annual surveys are conducted and estimates are refined, which may lead to restatements of historical values.

(2) This data only applies to active operations, with the exception of Duck Pond Operations, which closed in June 2015.

## Closure and Closure Planning

Closure planning and closure progressed at several of our active and closed operations in 2018:

- **Duck Pond Operations**, which closed in 2015, continued to execute the approved closure plan. Following the implementation of the plan, the property will begin transitioning from a property in active closure to a legacy property.
- **Coal Mountain Operations** continued community engagement with respect to the Coal Mountain Closure Project and the operation's processing plant continued to be utilized during the year. See [this case study](#) for further information on our community engagement closure activities.
- **Cardinal River Operations** continued the process of developing a detailed closure plan, as the operation is scheduled to reach the end of its current mine life in 2019.

## Post-Closure

A legacy property is a property previously explored, constructed and/or operated (usually by Teck, but not always) that is in an inactive state (no longer being explored, developed or operated), not expected to become active again, and permanently closed. We track more than 100 legacy properties, where the majority are no longer owned or controlled by Teck, in our legacy properties database. In total, we actively monitor 38 of these properties, and carry out ongoing management actions on a subset of 32 of these sites.

## Outlook for Biodiversity and Reclamation

In 2019, we will continue to work towards achieving our vision of having a net positive impact on biodiversity, including advancing integration of biodiversity into the exploration, construction and closure stages of the mining life cycle. We will also continue to implement, improve and enhance the biodiversity management plans at all operations. For example, our steelmaking coal operations will continue their transition to an ecosystem-based approach to site preparation and reclamation planning, monitoring the resulting vegetation quality and wildlife use patterns.

### GRI Indicators and Topic Boundary

304-103, 304-1, 304-2, 304-3, 304-4, G4-MM2

This topic is considered most material by local communities and society in the context of all Teck sites.

### How Does Teck Manage This Topic?

Information about how we manage biodiversity and reclamation, including relevant policies, management practices and systems is [available for download on our website](#).

## Methodology & Restatements

This report discloses sustainability data for the fiscal year ending December 31, 2018. The scope of this report covers all of the operations managed by Teck and also, where appropriate, key issues at exploration and development projects and at joint venture operations. Data for joint ventures not operated by Teck is not presented unless otherwise stated.

### Operations included in this report are those actively managed by Teck, which include:

1. Cardinal River
2. Carmen de Andacollo
3. Coal Mountain
4. Elkview
5. Fording River
6. Greenhills
7. Highland Valley Copper
8. Line Creek
9. Pend Oreille
10. Quebrada Blanca
11. Red Dog
12. Trail Operations

### Joint venture projects and operations not managed by Teck, but covered in some areas of this report, are:

- Antamina
- NuevaUnión
- Fort Hills

### Countries where we sell our products are as follows:

- |            |               |               |                  |
|------------|---------------|---------------|------------------|
| · Brazil   | · India       | · Pakistan    | · Turkey         |
| · Canada   | · Indonesia   | · Philippines | · United Kingdom |
| · Chile    | · Italy       | · South Korea | · United States  |
| · China    | · Japan       | · Spain       | · Vietnam        |
| · Colombia | · Malaysia    | · Sweden      |                  |
| · Finland  | · Mexico      | · Taiwan      |                  |
| · Germany  | · Netherlands | · Thailand    |                  |

Unless otherwise stated, we report data for our operations on a 100% ownership basis (e.g., for a 97.5%-owned operation, we report 100% of the data). Data is reported using the metric system and Canadian dollars, unless otherwise stated. Unless otherwise stated, all workforce data is limited to permanent and temporary employees.

Where available, we include comparative historical data to demonstrate trends. Historical data is reported based on the scope of the report for the respective year. The scope of the report can change year to year, depending on acquisitions or

sales of assets. In our efforts to continually improve and standardize our annual reporting process, the interpretation of data from year to year can often change. Certain comparative amounts for prior years have been reclassified or restated to conform to the presentation adopted for this reporting period.

#### Restatements

April 5, 2019 – The units in Figure 24 on page 78 were restated from 'kilotonnes' to 'million tonnes'.

## Cautionary Note on Forward-Looking Statements

Certain statements contained in this report constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively referred to as forward-looking statements). All statements other than statements of historical fact are forward-looking statements. Some forward-looking statements may be identified by words like “expect”, “anticipate”, “plan”, “estimate”, “potential”, “may”, “will”, “should”, “believe”, “focus”, “targets”, “goals” and similar expressions. Forward-looking statements in this report include, but are not limited to, statements relating to our sustainability goals, targets and plans and our expectations regarding those goals, targets and plans, including but not limited to our water policy goals; the costs and timing relating to the development of water treatment programs in the Elk Valley; our expectations regarding our development of saturated rock fills and their operations; our expectations regarding our Quebrada Blanca Phase 2 project including, without limitation, the development and operation of the desalination plant, the costs and timing of development and operation of the project and its potential for expansion; statements regarding planned capital investments, expected production and the life of certain of our operations; and expectations regarding the conduct of our suppliers and contractors. In addition, most statements under the subheading “Outlook” for each Material Topic are forward-looking statements. The forward-looking statements in this report are based on a number of estimates, projections, beliefs and assumptions of the management team and are believed to be reasonable as of the date of this report, 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, risks associated with permitting and development of mineral and oil and gas properties, operational problems, regulatory action, environmental compliance, changes in laws and governmental regulations, development and use of new technology, natural disasters and adverse weather conditions, changes in commodity prices, operations in foreign countries; general business and economic conditions, and the future operation and financial performance of the company generally. We caution you that the foregoing list of important factors and assumptions is not exhaustive. Other events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, our forward-looking statements. You should also carefully consider the matters discussed under “Risk Factors” 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 at [www.sec.gov](http://www.sec.gov). These statements speak only as of the date of this report. 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.



## Independent Assurance Report

To the Board of Directors and management of Teck Resources Ltd

We have undertaken a limited assurance engagement on selected sustainability subject matter areas (the subject matter) presented within the Teck 2018 Sustainability Report (the Report) for the year ended December 31, 2018.

### 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):
  - Water Stewardship;
  - Relationships with Communities;
  - Energy and Climate Change;
  - Relationships with Indigenous Peoples;
  - Health and Safety;
  - Tailings, Waste and Environmental Management;
  - Diversity and Employee Relations;
  - Biodiversity and Reclamation;
  - Air Quality; and
  - Human Rights.
- Teck's company-wide reported performance data for the 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;
  - Occupational Disease Frequency Rate, per 200,000 hours;
  - Direct scope 1, indirect scope 2 and indirect scope 3 greenhouse gas (GHG) emissions;
  - Total new water use;
  - Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples;
  - Total area of land reclaimed, total land disturbed and yet to be rehabilitated;
  - Air quality – SO<sub>2</sub> emissions; and

- Air quality - Percentage of selected community-based air quality stations (three stations) with annual mean concentrations of ambient PM<sub>2.5</sub> within WHO guidelines.
- Teck's self-declaration of reporting in accordance with the Global Reporting Standards (GRI Standards) Sustainability Reporting Guidelines (ICMM Subject Matter 5).

### Reporting Criteria

The subject matter has 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 the GRI Standards.

Teck's company-wide reported performance data (ICMM Subject Matter 4) have been assessed against the definitions referenced in the addendum below.

### Management's responsibility

Management is responsible for preparation and presentation of the Report in accordance with the reporting criteria outlined above. Management is also responsible for such internal control as management determines necessary to enable the preparation of the selected subject matter.

Teck has described its approach to reporting material sustainability issues, performance measures, statements and claims related to the subject matter in the "About This Report" and "Methodology, Restatements and Assurance" sections of the Sustainability Report.

### Our responsibility

Our responsibility is to express a limited assurance conclusion on the selected subject matter based on the limited assurance procedures we have performed and evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standards on Assurance Engagements (ISAE) 3000, *Attestation Engagements Other Than Audits or Reviews of Historical Financial Information* and the guidance set out in ICMM's *Sustainable Development Framework: Assurance Procedure* (the Framework) document, as well as ICMM's *Applying the ICMM Assurance Procedure: An Interpretive Guide* document. This standard requires us to conclude whether anything has come to our attention that causes us to believe that the selected subject matter is not fairly stated, in all material respects.

A limited assurance engagement involves performing procedures (primarily consisting of making inquiries of management and other within the entity, as appropriate, and applying analytical procedures) and evaluating the evidence obtained. The procedures are selected based on our professional judgment, which includes identifying areas where the risks of material misstatement in preparing the selected subject matter in accordance with the reporting criteria are likely to arise.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Our independence and quality control

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Canadian Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance Engagements* and, accordingly, maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that Teck's selected subject matter prepared in accordance with the reporting criteria for the year ended December 31, 2018, is not fairly stated, in all material respects.

### Purpose of statement and restriction of use and distribution

The selected subject matter has been prepared to report to the Board of Directors and management of Teck. As a result, the selected subject matter may not be suitable for another purpose.

Our report is intended solely for the management of Teck, in accordance with the terms of our engagement, and should not be distributed to or used by parties other than Teck Resources.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants  
Vancouver, B.C.  
March 11, 2019

The following corporate-wide performance measures were included in PwC's review of selected sustainability subject matter areas within Teck's Sustainability Report for the year ended December 31, 2018.

	Performance Measure	2018	Reference <sup>(1)</sup>
1	Number of fatalities	2	Table 5
2	Number of lost-time injuries (LTI)	75	Table 5
3	Lost-time injury frequency (LTIF)	0.36	Table 5
4	Occupational Disease Frequency Rate	0.08	Table 9
5	GHG emissions – direct scope 1 (CO <sub>2</sub> e kt)	2,598	Table 14
6	GHG emissions – indirect scope 2 (CO <sub>2</sub> e kt)	341	Table 14
7	GHG emissions – indirect scope 3 (use of coal product sold) (CO <sub>2</sub> e kt)	76,000	Table 14
8	New water use (m <sup>3</sup> )	128,146,000	Table 10
9	Total area of land reclaimed (ha)	6,169	Table 36
10	Total land disturbed and yet to be rehabilitated (ha)	24,450	Table 36
11	Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples	0	Table 16
12	Air quality – SO <sub>2</sub> emissions (tonnes)	3,659.4	Table 32
13	Air quality – Percentage of selected community-based air quality stations (three stations) with annual mean concentrations of ambient PM <sub>2.5</sub> within WHO guidelines	100	Table 33

(1) Teck have disclosed the basis of preparation for each of their selected Performance Measures within the body of the Sustainability Report. The table references direct the reader to where definitions can be found.

**Teck Resources Limited**

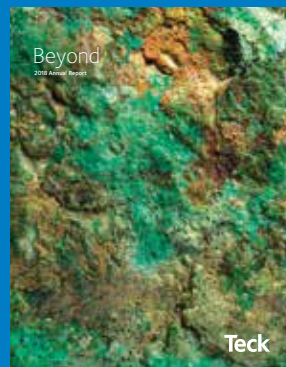
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