Teck

# 2019 SUSTAINABILITY REPORT

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## IN THIS REPORT

# About This Report

Teck's 2019 Sustainability Report marks our 19th year of annual reporting on the sustainability topics that are most material to our stakeholders and to our business.

This report contains:

- Detailed performance in our 2019 material sustainability topics
- Summary of progress towards achieving our short-term sustainability goals to 2020 in the areas of Community, Water, Our People, Biodiversity, Energy and Climate Change, and Air
- New goals and long-term strategic priorities related to sustainability

Available in English and Spanish, our report is in conformance with the Mining Principles of the International Council on Mining and Metals (ICMM). Our report is also 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. See Methodology & Restatements on page 110 for information about our reporting scope. This report has been reviewed and approved by Teck's senior management and Board of Directors.

## Management Approach Information

Management approach information related to each material topic and to our approach to sustainability in general is available on our website at www.teck.com/responsibility.

## Assurance

PricewaterhouseCoopers LLP independently reviewed our application of the GRI Standards and the alignment of our practices with ICMM's Mining Principles, guided by the ICMM Assurance Procedure. See pages 111-112 for their assurance letter. PricewaterhouseCoopers LLP is also Teck's independent auditor.

## Contact

If you have any questions about this report, email us at sustainability@teck.com or contact Katie Fedosenko, Manager, Sustainability Reporting at katie.fedosenko@teck.com.

## Other Reports

The 2019 Sustainability Report is part of Teck's annual reporting suite, which includes 2019 Annual Report and additional disclosures available on our website at www.teck.com.


**2019 Annual Report**
Our annual management's discussion and analysis and audited consolidated financial statements

**Annual Information Form**
Our annual filing describing our business, including our reserve and resource disclosure, and disclosure regarding risks that may affect Teck

**Management Proxy Circular**
Information on business to be conducted at the annual meeting, including details on executive compensation and our corporate governance practices

# 2019 Highlights

**18%**
**reduction**
in Lost-Time Disabling Injury Frequency and 16% reduction in High-Potential Injury Frequency[1]

**85%**
**of employees**
trained in hazard identification across operations, exploration sites and projects against a target of 50%

**~3x:**
the number of times water reused and recycled at mining operations

**$225 million**
spent on Indigenous businesses through procurement

**14 new agreements and 75 total agreements**
with Indigenous Peoples

**$19 million**
in community investment

**36% of total procurement spent on local suppliers**

**72% of total local employment**

**Conducted a special independent review,**
which identified no immediate or emerging threats of catastrophic failures at Teck's tailings and water dams

**Zero**
significant tailings-related environmental incidents

**297,000**
tonne reduction in greenhouse gas (GHG) emissions since 2011

**249 terajoule reduction in energy use**

**Released 2019 Portfolio Resilience in the Face of Climate Change report**
aligned with the Task Force on Climate-related Financial Disclosure (TCFD) recommendations

Focused on strengthening diversity, with women making up
**32%**
**of new hires in 2019**

**100%**
of community-based stations with ambient concentrations of particulate matter of
**less than 2.5 microns**
within World Health Organization (WHO) guidelines

**33,517 tonnes**
of hazardous and non-hazardous waste recycled

**41,100 tonnes of urban ore/secondary sources recycled at Trail Operations**

**5,781 hectares**
**of total land reclaimed**

**Updated closure plans, which incorporate biodiversity management,** at Carmen de Andacollo and Quebrada Blanca Phase 2 approved by government

**Zero**
significant feedback or incidents[2] related to human rights across Teck sites

**Published third annual Economic Contribution Report,** providing transparency on our payments and contributions where we operate


[1] Definitions of Lost-Time Disabling Injury Frequency and High-Potential Injury Frequency are on page 16. [2] Definition of significant feedback or incidents related to human rights is on page 100.

# Message from the President and CEO, Don Lindsay

**Donald R. Lindsay**
President and Chief Executive Officer
Vancouver, B.C., Canada
March 12, 2020

At Teck, we believe a better world is made possible through better mining. From copper for electrification, to steel for infrastructure, to a range of metals and minerals for technology, we are committed to providing the materials essential for the modern world while also working to improve the efficiency and sustainability of our activities.

That commitment starts at our sites with a focus on health and safety, productivity, environmental performance and community engagement. Better mining means better returns for shareholders, better ecosystems, better communities and, ultimately, a better world today and in the future.

Since 2010, our Sustainability Strategy with short- and long-term goals has challenged us to continually improve our sustainability performance. As we mark a decade of working to achieve those goals, we recognize that the global context has changed. This change requires us to revisit and update our strategy to ensure we remain at the leading-edge of responsible mining.

As part of this update, we have set new goals in eight strategic themes: health and safety, climate change, responsible production, our people, water, tailings management, communities and Indigenous Peoples, and biodiversity and reclamation.

These eight themes represent the most significant risks and opportunities facing our business in the area of sustainability. They also reflect global macro trends such as the transition to a low-carbon economy, growing urbanization and globalization, and increasing innovation and technology.

For each theme, we have set long-term strategic priorities that are supported by short-term goals focused on implementation not only at our operations but also throughout our projects, exploration sites and other areas of our business where we have management control. A full list of new goals is available on pages 7-8, but I want to focus on some highlights.

Health and safety is the first consideration in everything we do, and we are focused on continual improvement in our safety performance. In 2019, our High-Potential Incident Frequency was 16% lower than in 2018, and Total Recordable Injury Frequency decreased by 24% year over year. Despite our progress, we were deeply saddened by a fatality that occurred at our QB2 project.

This is a reminder that we must remain diligent in our focus on health and safety, which is why, as part of our sustainability strategy update, we will continue to work to eliminate fatalities, serious injuries and occupational disease. As part of this work, we set new short-term goals related to significantly enhancing critical control verification for fatal hazards and implementing new technologies for real-time exposure monitoring to improve exposure controls for dust and welding fumes.

As part of our commitment to climate action, we set an objective to achieve carbon neutrality across our business by 2050. We have also set three short-term goals to advance us towards neutrality: reducing the carbon intensity of our operations by 33% by 2030, procuring 100% of our electricity demands in Chile from clean energy by 2030, and accelerating the adoption of zero-emissions alternatives for transportation by displacing the equivalent of 1,000 internal combustion engine (ICE) vehicles by 2025.

These new targets build on our work to date in reducing greenhouse gas emissions and improving energy efficiency. Since 2011, we have implemented projects and initiatives to reduce GHG emissions at our operations by 297,000 tonnes.

As a major step forward in carbon reduction, earlier this year we secured 118 megawatts (MW) of renewable power supply for our Quebrada Blanca Phase 2 (QB2) project in place of previous fossil fuel power. This will avoid approximately 800,000 tonnes of GHG emissions annually. That is equivalent to the emissions of about 170,000 combustion engine passenger vehicles – equal to permanently parking more than half of all the cars in the city of Vancouver or all the cars in the Tarapacá Region of Chile, where QB2 is located. We also purchased the SunMine Solar Energy Facility from the City of Kimberley, a 1.05 MW solar facility built on a reclaimed mine site, to work towards our alternative energy goals. And we launched a pilot using electric buses at steelmaking coal operations in the Elk Valley for employee transportation.

Water is one of our most material sustainability issues, with a focus both on protecting water quality and ensuring the availability of fresh water in water-scarce regions. That is why we've set two new strategic priorities in water: transition to seawater or low-quality water sources for all operations in water-scarce regions by 2040, and implementing innovative water management and water treatment solutions to protect water quality downstream of all our operations.

Responsible production is an emerging trend, where companies, consumers and governments seek to demonstrate that materials are being produced in a responsible fashion by working to reduce waste, keeping products in use and ultimately regenerating the natural environment. Our history of responsible resource development provides us with a strong foundation from which to respond to evolving customer and downstream consumer demand for responsibly produced products. In line with these expectations, we have set two new strategic priorities: to be a leader in responsibly providing the metals and minerals needed for the transition to an economy focused on reducing waste and keeping products in use, and to work towards disposing zero industrial waste by 2040.

Core to all of our work in sustainability are strong relationships with communities and Indigenous Peoples. We are committed to collaborating to generate economic benefits, advance reconciliation and improve community well-being. This includes increasing local employment and procurement opportunities and achieving greater representation of Indigenous Peoples across our business.

Finally, I'm proud to share that our sustainability performance has been recognized by the Dow Jones Sustainability World Index for the tenth straight year, with Teck being the top-ranked mining company on the World and North American DJSI for the first time. We were also named to the Global 100 Most Sustainable Corporations and the Best 50 Corporate Citizens in Canada by Corporate Knights. This recognition is encouraging but, at the same time, we recognize there is more work to be done. Setting these ambitious new sustainability targets will help ensure we continue to improve our social and environmental performance, while providing materials essential to a better world.

## Our Commitments:

United Nations Global Compact

International Council on Mining and Metals *Mining Principles*

Mining Association of Canada *Towards Sustainable Mining* program

Global Reporting Initiative Standards

Council for Clean Capitalism

Carbon Pricing Leadership Coalition

International Labour Organization *Labour Standards*

30% Club Canada

And many others listed on our Memberships and Partnerships page

## Recognition in 2019

Dow Jones Sustainability World Index for the 10th straight year and top-ranked mining company in the world

2020 Corporate Knights Global 100 Most Sustainable Corporations in the World

Corporate Knights Best 50 for the 13th straight year

Canada's 2020 Top 100 Employers by Mediacorp

MSCI World ESG Leaders Index

Sustainalytics Top Ranked Mining Company in 2019

ISS E&S Top Performer

FTSE4Good Index Series

Euronext Vigeo World 120 Index

Bloomberg 2020 Gender Equality Index

And others listed on our Awards and Indices page

# Engaging with Stakeholders and Indigenous Peoples

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

- 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 with stakeholders is organized into three broad levels: disclosure, dialogue and participation. Our team also carries out direct engagement on an ongoing basis, which often includes engagement with governments, 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 community stakeholders and Indigenous Peoples is guided by our Health, Safety, Environment and Community (HSEC) Management Standards and our Social Management and Responsibility at Teck (SMART) tools. 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 licence to operate
- Understanding the potential impact of our activities on the rights of Indigenous communities

Those responsible for engagement with local and Indigenous communities are trained to conduct dialogue that is focused on building and maintaining relationships and addressing issues important to those communities. This helps enable engagement that is productive and constructive and that directly contributes to the building and maintenance of long-term, trust-based relationships. Our engagement with our workforce, communities, civil society and Indigenous Peoples collectively supports our commitments to respecting human rights and Indigenous rights across Teck.

**Table 1: Key Engagement Topics with Stakeholders and Indigenous Peoples Identified and Managed in 2019**

| Stakeholder | Description | Priority Engagement Topics in 2019 | Learn More |
|---|---|---|---|
| Our Workforce | Union, non-union, full-time and part-time employees and contractors | • Health, safety strategies and well-being<br>• New technology and opportunities for innovation<br>• Inclusion and diversity<br>• Bargaining and collective agreements | Pages 11, 65 |
| Investors | Institutional investors, other equity holders, debt holders and banks | • Financial performance and state of the company<br>• Social and environmental management<br>• Capital allocation<br>• Governance<br>• Tailings management | See the 2019 Annual Report for information on financial performance<br>See page 48 for information on tailings management |

**Table 1: Key Engagement Topics with Stakeholders and Indigenous Peoples Identified and Managed in 2019 (continued)**

| Stakeholder | Description | Priority Engagement Topics in 2019 | Learn More |
|---|---|---|---|
| Communities | Indigenous communities, non-Indigenous communities, community-based institutions and those outside of project-and site-affected communities | • Community investment<br>• Water quality and/or availability<br>• Health and safety<br>• Dust, noise and vibration issues<br>• Local procurement and employment<br>• Participative community monitoring<br>• Tailings management | Page 36 |
| Civil Society, Non-Governmental and Multinational Organizations | Regional, national and international organizations focused primarily on advocacy | • Community investment opportunities<br>• Global development topics<br>• Transparency on the payments we make to governments and others<br>• Climate change and carbon pricing | Pages 36, 54, 103 |
| Academic Institutions and Researchers | Academic institutions and research organizations | • Research partnerships<br>• Training programs | Page 70 |
| Governments | Local government bodies or institutions, provincial/sub-national governments and national/federal governments | • Industry competitiveness<br>• Climate change and carbon pricing<br>• Innovation<br>• Environmental management<br>• Transportation regulations<br>• International trade<br>• Environmental regulatory and permitting reform | Pages 55, 90, 103 |
| Indigenous Governments and Communities | Formal governance structures representing Indigenous communities, organizations including businesses identified by Indigenous communities and traditional land users | • Traditional knowledge and land use<br>• Indigenous Rights<br>• Agreement negotiation and implementation<br>• Environmental aspects, including water quality and access<br>• Economic opportunities<br>• Reconciliation<br>• Protection of heritage sites<br>• Regulatory approvals<br>• Community investment opportunities<br>• Subsistence and local livelihoods | Pages 28, 36 |
| Commercial Interests | Joint venture partners, large contractors and customers | • Logistics and transportation<br>• Materials stewardship<br>• Supply chain sustainability<br>• Health and safety<br>• Responsible mining practices | Pages 81, 86 |
| Industry Associations | Associations representing businesses (e.g., mining associations, sustainable business organizations) | • Regulatory issues<br>• Social issues and best practices<br>• Environmental management<br>• Business competitiveness<br>• Health and safety<br>• Tailings management | Pages 48, 90 |

# Sustainability Strategy Update

Our sustainability strategy was officially established in 2010 when we created short-term goals for 2015 and long-term goals for 2030 in six focus areas: Ecosystems and Biodiversity, Energy and Climate Change, Community, Water, Materials Stewardship, and Our People.

As priorities for communities of interest (COIs) continue to evolve, we re-evaluate and update our sustainability goals and strategy. The purpose of our strategy is to build shareholder value, manage major risks and opportunities related to sustainability, and continue positioning Teck as a leader in sustainability.

In 2019, we conducted broad engagement with employees and external stakeholders to identify and prioritize global trends and issues and set a new sustainability strategy. A total of 24 topics, outlined in the Materiality Matrix in Figure 2, were identified during these engagements, which were then prioritized based on three lenses:

1. Key issue identified internally by employees
2. Key issue for investors and other communities of interest
3. Key issue for industry leadership

The prioritization resulted in eight strategic themes: health and safety, climate change, responsible production, our people, water, tailings management, communities and Indigenous Peoples, and biodiversity and reclamation. Each theme has one or more long-term strategic priorities and shorter-term sustainability goals, as outlined in Table 2.

Our focus in 2020 will be on making progress towards our new goals and on concluding the final steps of the 2020 goals within our previous sustainability strategy.

**Table 2: Sustainability Strategic Priorities and Goals**

| Topic | Strategic Priorities | Goals |
|---|---|---|
| **Health and Safety** | • Eliminate fatalities, serious injuries and occupational disease | 1. Contribute to the elimination of fatalities and serious injuries through significantly enhanced critical control verification for fatal hazards.<br>2. By 2025, contribute to the elimination of occupational disease by implementing new technologies for real-time exposure monitoring to improve exposure controls for dust and welding fumes. |
| **Climate Change** | • Be a carbon-neutral operator by 2050 | 1. Reduce the carbon intensity of our operations by 33% by 2030.<br>2. Procure 50% of our electricity demands in Chile from clean energy by 2025 and 100% by 2030.<br>3. Accelerate the adoption of zero-emissions alternatives for transportation by displacing the equivalent of 1,000 internal combustion engine (ICE) vehicles by 2025. |
| **Responsible Production** | • Be a leader in responsibly providing the metals and minerals needed for the transition to an economy focused on reducing waste and keeping products in use<br>• Work towards disposing zero industrial waste by 2040 | 1. By 2025, establish site-based industrial waste inventories and plans to turn waste into useful and appropriate products. Based on these inventories and plans, set goals for industrial waste reduction.<br>2. By 2025, develop and implement a responsible producer program and “product passport” that is traceable through the value chain.<br>3. Be a leader in product stewardship by continuing to implement our Materials Stewardship program and produce secondary metals at our Trail Operations. |

**Table 2: Sustainability Strategic Priorities and Goals (continued)**

| Topic | Strategic Priorities | Goals |
|---|---|---|
| **Our People** | • Foster a workplace where everyone is included, valued and equipped for today and the future | 1. Increase the percentage of women working at Teck — including women in leadership positions — and advance inclusion and diversity initiatives across the company by 2025.<br>2. Equip our employees for future workplace and leadership needs, including upskilling and reskilling, by investing $200 million in training and skills development programs by 2025.<br>3. Expand employee engagement opportunities, including employee-driven community initiatives and a company-wide feedback program, by 2025. |
| **Water** | • Transition to seawater or low-quality water sources for all operations in water-scarce regions by 2040<br>• Implement innovative water management and water treatment solutions to protect water quality downstream of all our operations | 1. By 2025, design all development projects in water-scarce regions with a seawater or low-quality water source.<br>2. By 2025, implement new source control or mine design strategies and water treatment systems to further advance efforts to manage water quality at our operations. |
| **Tailings Management** | • Continue to manage our tailings across their life cycle in a safe and environmentally responsible way | 1. Preferentially consider milling and tailings technologies that use less water, both for new mines and any mine life extensions at existing mines.<br>2. Expand the use of digitally connected surveillance technologies to assist in monitoring our tailings storage facilities. |
| **Communities and Indigenous Peoples** | • Collaborate with communities and Indigenous Peoples to generate economic benefits, advance reconciliation efforts and improve community well-being | 1. Increase local employment and procurement opportunities by 2025 to deliver direct economic benefits to communities.<br>2. Achieve greater representation of Indigenous Peoples across our business by 2025 by increasing employment and procurement through business development, capacity-building, education and training opportunities.<br>3. Deliver positive social, economic and environmental outcomes for communities and Indigenous Peoples by contributing $100 million to community organizations and global initiatives, including our Zinc & Health and Copper & Health programs, by 2025. |
| **Biodiversity and Reclamation** | • Work towards securing a net positive impact on biodiversity | 1. By 2025, all operating sites have, and are implementing, plans to secure a net positive impact. |

## 2019 Materiality Assessment

In this report, a material sustainability topic is one that reflects our company's most 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 sustainability 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 sustainability 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. Sustainability 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 2019, we built on the comprehensive materiality assessment conducted in 2017. During the identification phase, we conducted research on trends in our industry and evaluated internal strategy documents, including the five-year plans for each business unit and information compiled as part of the update of our sustainability strategy and goals outlined on pages 7 and 8. 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 a total of 24 topics for review and prioritization.

**Figure 1: Materiality Assessment Process**


During the prioritization phase, we conducted internal and external engagement aimed at further understanding the current state of sustainability within the company and our outlook for sustainability. During this process, a range of topics were identified as most significant in terms of risks and opportunities. In this phase, 14 of the 24 sustainability topics were prioritized as potentially meeting our threshold for reporting.

During the validation phase, our leadership teams at each operating site, our internal sustainability advisory group, the senior management team and the Safety & Sustainability Committee of the Board of Directors reviewed and validated the results of the materiality assessment.

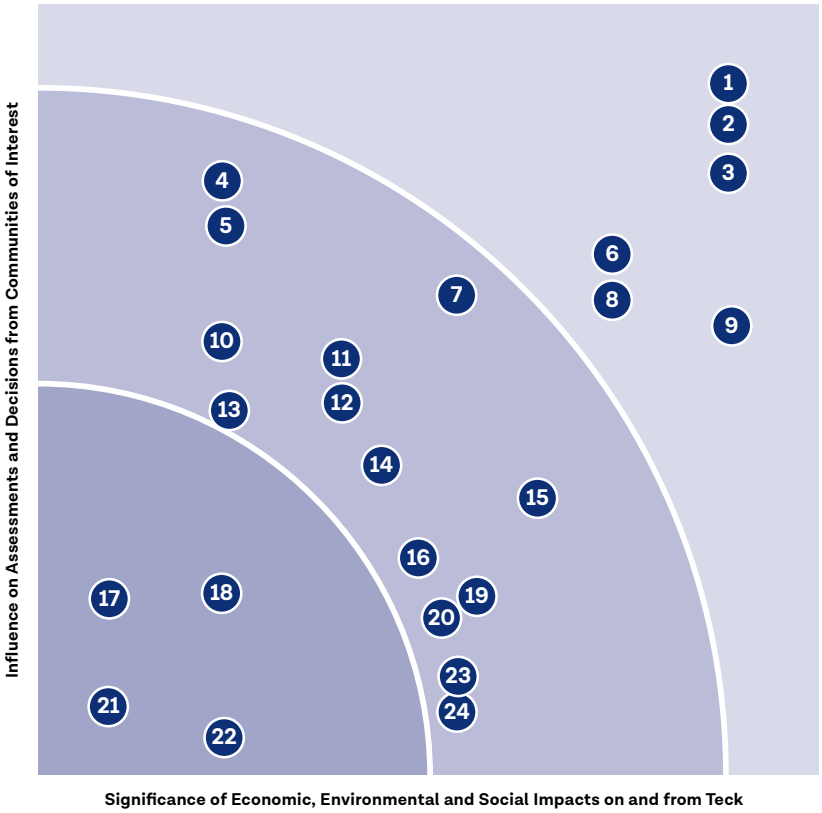
**The 24 sustainability topics that were identified are outlined in the Materiality Matrix in Figure 2.**

1. Health and safety
2. Indigenous relationships
3. Required community support
4. Impact on flora and fauna
5. Advanced skills and training
6. Tailings management
7. Water scarcity
8. Low-carbon operations
9. Water quality
10. Human rights
11. Readiness to innovate and adopt technology
12. Diversity and inclusion
13. Business ethics and culture
14. Air quality
15. Reclamation and remediation
16. Power of governments
17. Upstream responsible supply chain
18. Workplace flexibility
19. Material recycling and demand for end-to-end materials
20. Demand for low-carbon products
21. Health of oceans
22. Data security
23. Power of information/ social media
24. Downstream responsible supply chain

**Of these 24 topics, the 14 topics that were prioritized as meeting our threshold for reporting include:**

- Health and Safety
- Water Stewardship
- Relationships with Indigenous Peoples
- Relationships with Communities
- Tailings Management
- Climate Change and Energy Use
- Diversity and Employee Relations
- Air Quality
- Responsible Production and Waste Management
- Supply Chain Management
- Environmental Management
- Biodiversity and Reclamation
- Human Rights
- Business Ethics

**Figure 2: 2019 Materiality Matrix**




We recognize that many of our material topics are interrelated; for example, a topic such as Human Rights has intersections with several other sustainability topics, such as Health and Safety, Water Stewardship and Relationships with Indigenous Peoples. For a detailed description of each topic and to see how the topics interconnect, view our interactive materiality matrix on our website. You can also view these intersections within Teck's material topics available on our website.

# Health and Safety


Pictured above: Employee at Carmen de Andacollo Operations, Chile.

# Health and Safety

With 4% of gross domestic product impacted by lost-time injuries worldwide every year, the economic and human costs of occupational incidents and diseases are significant.[3] Technology and automation present new opportunities to improve employee health and safety, often by taking people out of hazardous situations or areas, but they can also present new challenges.[4,5]

*Industry context*

Mining and processing involves the handling of large volumes of materials, the use of heavy equipment and potentially hazardous production processes that pose potential occupational health and safety hazards and risks. Teck and other member companies of the International Council on Mining and Metals (ICMM) have set the collective goal of zero fatalities and are implementing measures to reduce injuries and to meet this goal. The 2018 ICMM Safety Report recorded 50 fatalities across member companies in 2018; this was a 2% decrease from 51 fatalities in 2017 and an 18% drop in fatality frequency.[5]

*Teck context*

Safety is a core value and strategic priority for Teck. In 2019, we were deeply saddened by the fatality that took place in November 2019 at our Quebrada Blanca Phase 2 (QB2) project. We have carried out an in-depth investigation into the incident to learn as much as possible and to implement measures to prevent reoccurrences. In 2019, the High-Potential Incident Frequency was 16% lower year over year and our Lost-Time Disabling Injury Frequency was 18% lower. Total Recordable Injury Frequency also decreased year over year by 24%.

### GRI Indicators and Topic Boundary

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

This topic is considered one of the 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.

[3] Safety and Health at the Heart of the Future of Work: Building on 100 Years of Experience. International Labour Organization. 2019. [4] Mine 2019: Resourcing the Future. PricewaterhouseCoopers. 2019.
[5] Benchmarking 2018 safety data: progress of ICMM members. International Council on Mining & Metals. 2018.

### 2019 Highlights

**18%** reduction in Lost-Time Disabling Injury Frequency (LTDIF) and **16%** reduction in High-Potential Incident Frequency

**85%** employees trained in hazard identification across operations, exploration sites and projects against a target of 50%

Conducted Teck's second Health and Safety Culture Survey to identify opportunities to refine our strategy; employee participation was approximately **70%** of the entire workforce, up from **61%** when the survey was last conducted in 2016.

## Our Performance in Health and Safety in 2019

**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 2020 sustainability goals for health and safety, and introduces our new strategic priority and goals.

| 2020 Sustainability Strategy Goals | Status | Summary of Progress in 2019 |
|---|---|---|
| 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 recordable injuries in 2019, we sadly had one fatality at our QB2 project.<br>Implemented our High-Potential Risk Control strategy as planned and all operations met or exceeded the target for Work Team Risk Assessments and Effectiveness Reviews.<br>Implemented our new hazard identification training program at operations, exploration sites and projects. At the end of 2019, we achieved a completion rate of 85% against a target of 50%.<br>Conducted Teck's second Health and Safety Culture Survey to help understand how our health and safety journey has evolved and to identify opportunities to refine our strategy. |
| Implement improved occupational health and hygiene monitoring and exposure control to protect the longer-term health of workers. | On track | Developed a Teck standard for occupational medical assessments based on exposure monitoring results and implemented a pilot project to test new real-time monitoring technology to refine the application of exposure controls.<br>Held first-ever company-wide Occupational Health and Hygiene Forum in 2019. |

## New Strategic Priority and Goals

| Strategic Priority | Goals |
|---|---|
| • Eliminate fatalities, serious injuries and occupational disease | 1. Contribute to the elimination of fatalities and serious injuries through significantly enhanced critical control verification for fatal hazards.<br>2. By 2025, contribute to the elimination of occupational disease by implementing new technologies in real-time exposure monitoring to improve exposure controls for dust and welding fumes.<br>Details about the context, definitions and key performance indicators related to this strategic priority and these goals are available on our website at teck.com/responsibility. |

## Key Performance Indicators

| 2019: | 2018: | 2017: |
|---|---|---|
| 1 | 2 | Zero |

**Indicator**[1]
Work-related fatal injuries

**Target**
Zero fatalities

| 2019: | 2018: | 2017: |
|---|---|---|
| 18% reduction | No change | 14% reduction |

**Indicator**[1]
Lost-Time & Disabling Injury Frequency

**Target**
10% year-over-year reduction

| 2019: | 2018: | 2017: |
|---|---|---|
| 24% reduction | No change | 12% reduction |

**Indicator**[1]
Total Recordable Injury Frequency

**Target**
10% year-over-year reduction

| 2019: | 2018: | 2017: |
|---|---|---|
| 16% reduction | 28% reduction | 14% reduction |

**Indicator**[1]
High-Potential Incident Frequency

**Target**
Year-over-year improvement

(1) All indicators include employees and contractors.

## Building a Positive Culture of Health and Safety

Launched in 2009, Courageous Safety Leadership (CSL) focuses on challenging existing values, beliefs and attitudes towards safety and builds commitment from individuals to work safely. More than 17,500 employees have been trained in CSL since the inception of the program. In 2019, we implemented sustaining activities to realize our commitments from the fourth phase of our CSL program. We also continued to train new employees and contractors in the Introduction to CSL course. Approximately 1,500 directors, employees and contractors participated.

The aggregate results of our 2019 Health and Safety Culture Survey show an improvement compared to 2016 in the following categories:

- 49% of employees who feel pressure to put production before safety, compared to 51% in 2016; of the 49% who feel pressure, 18% say that it comes from their desire to get the job done
- 73% of employees rating Teck's safety culture as "Good" or better, compared to 69% in 2016
- 51% of employees rating Teck's safety culture as improved, compared to 50% in 2016

## High-Potential Risk Control

As of the end of the year, all operations met or exceeded their 2019 High-Potential Risk Control targets for risk assessments and effectiveness reviews. These targets were to conduct four Work Team Risk Assessments and four Effectiveness Reviews per operation. 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.

In 2019, we launched a new company-wide training module titled *Introduction to Hazard Identification* to equip employees and contractors with skills and a common understanding of hazard identification, and to give employees a clear understanding of key terms such as hazard, hazard types, risk and controls. To date, 85% of employees have completed this module at operations, exploration sites and projects. At our operations in British Columbia with United Steelworkers Union representation, we worked closely with the union to co-produce and implement the training; feedback from the union on the training was positive.

We also refined the application of our High-Potential Risk Control strategy and developed an internal Teck Vehicle Safety Strategy. Vehicle-related incidents represent Teck's single largest category of incidents. Vehicle-related incidents typically result from a combination of three factors: the driver, the road environment and the vehicle. Improvement actions have been defined for each of these three key factors. The objective of this new strategy is to eliminate serious injuries and fatalities from vehicle-related incidents.

## 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. All of our operations were required to establish and implement exposure reduction plans in 2019. By the end of the year, all 12 operations were on track with their plan implementation.

Our Occupational Health and Hygiene Committee continued to implement a comprehensive sampling training program in 2019. 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.

We also implemented a new internal standard for occupational medical assessments based on exposure monitoring results. We also began implementing a pilot project at our Fording River, Greenhills and Highland Valley Copper operations to test new real-time monitoring technology to refine the application of exposure controls.

### Case Study: Reducing Dust Levels Inside Haul Truck Cabs

In 2019, we commenced a pilot of Nanozen technology — a real-time, wearable particle sensor — at our Greenhills Operations to improve health and safety for haul truck operators. Dust exposure for operators can lead to occupational illness and disease; we are committed to reducing dust levels using this innovative technology and other practices. For the pilot, sampling was taken using Nanozen. As a result, it was discovered that the drivers were at their highest exposure of respirable particulate while blowing out the cab with compressed air. Immediate steps were taken to reduce dust exposure, starting with the removal of all compressed air units from haul truck cabs. The team is also exploring further dust reduction practices. Read the full case study at teck.com/news/stories.

# Safety Performance

We are deeply saddened to report that we had a fatality in 2019. On November 27, 2019, a truck overturned between kilometre 80 and 81 of the Pintados Road at our Quebrada Blanca Phase 2 (QB2) project, resulting in the death of a subcontractor who worked for a company providing services for the construction of the QB2 project. To help prevent this type of incident from occurring again, we are conducting a detailed investigation and sharing learnings across our company and industry.

In 2019, our Total Recordable Injury Frequency (TRIF) was 24% lower than in 2018. Lost-Time Disabling Injury Frequency decreased year over year by 18%. Teck's TRIF is slightly above the average compared to the ICMM, which is made up of many of the world's largest mining companies.

**Table 3: Health and Safety Performance – Teck Total[1],[3],[4],[5],[6],[7]**

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| Total Recordable Injury Frequency | **0.82** | 1.01 | 1.01 | 1.13 |
| Lost-Time Injuries | **90** | 73[9] | 89 | 73 |
| Lost-Time Injury Frequency | **0.34** | 0.36 | 0.45 | 0.42 |
| Disabling Injury Frequency | **0.20** | 0.26 | 0.17 | 0.28 |
| Lost-Time Disabling Injury Frequency | **0.54** | 0.62 | 0.62 | 0.72 |
| Lost-Time Injury Severity | **41.00** | 73.35 | 24.4 | 28.4 |
| Number of Fatalities | **1.2**[8] | 2 | 0 | 0 |

**Table 4: Health and Safety Performance – Teck-Operated[2],[3],[4],[5],[6],[7]**

| | 2019 | 2018 | 2017 | 2016[10] |
|---|---|---|---|---|
| Total Recordable Injury Frequency | **0.88** | 1.16 | 1.25 | 1.35 |
| Lost-Time Injuries | **86** | 69 | 85 | 71 |
| Lost-Time Injury Frequency | **0.38** | 0.44 | 0.62 | 0.55 |
| Disabling Injury Frequency | **0.20** | 0.27 | 0.18 | 0.33 |
| Lost-Time Disabling Injury Frequency | **0.58** | 0.71 | 0.80 | 0.88 |
| Lost-Time Injury Severity | **43.16** | 94.59 | 34.66 | 37.72 |
| Number of Fatalities | **1** | 2 | 0 | 0 |

(1) Safety statistics in Table 3 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 the 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) Safety statistics in Table 4 include both employees and contractors at all of our locations in which Teck holds majority ownership and directly manages (operations, projects, closed properties, exploration sites and offices). For sites where Teck owns more than 50%, safety statistics are weighted 100%. 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.
(3) Decrease in severity in 2019 is a consequence of the single fatality in 2019 versus two fatalities in 2018. Each fatality results in counting 6,000 lost days.
(4) 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.
(5) 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.
(6) 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.
(7) 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.
(8) There was one fatality at Fort Hills oil sands mine, which is operated by Suncor. See their sustainability report for further information.
(9) Data has been restated based on improvements in calculations.
(10) 2016 reference data is based on partially available information.

## High-Potential Incidents

In 2019, our High-Potential Incident Frequency was 18% lower compared to 2018 and six Potentially Fatal Occurrences were reported at Teck-operated locations, which were investigated and for which corrective actions were developed. Where relevant, the results are shared with all of our business units and operations in order to facilitate a local gap analysis against the findings to prevent similar occurrences. We investigate potentially fatal occurrences to the same standard as actual fatalities.

While our total High-Potential Incident (HPI) frequency and severity has declined since 2016, 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 3: High-Potential Incident Performance – Teck Total[1],[2]**

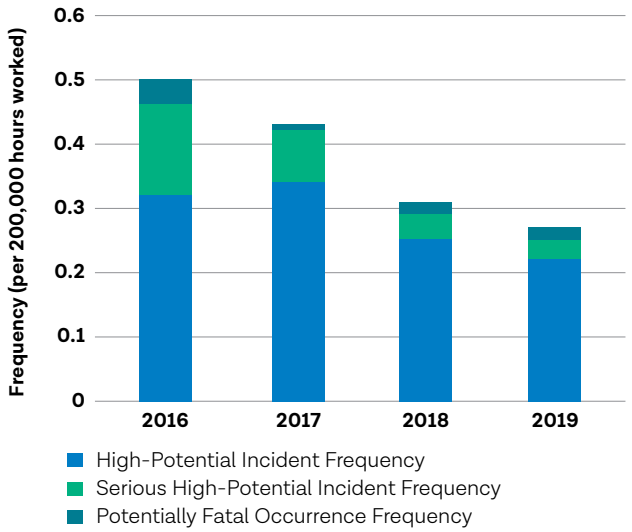
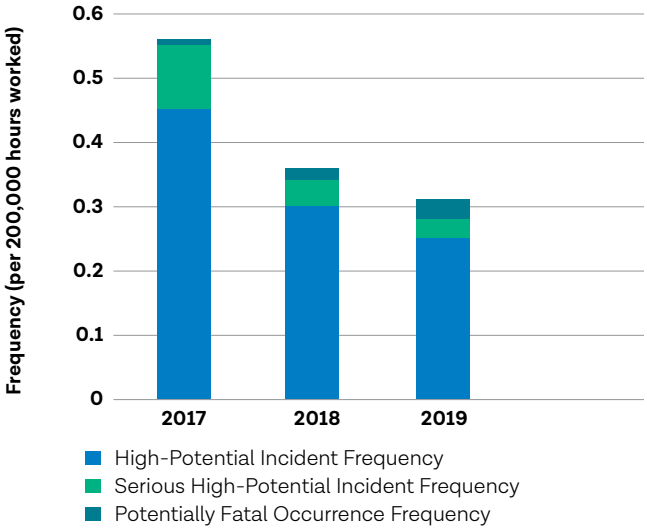



**Figure 4: High-Potential Incident Performance – Teck Operated[1],[3],[4]**




(1) Frequency indicators in Figures 3 and 4 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.
(2) Safety statistics in Figure 3 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 the Antamina mine, in which we have a 22.5% interest.
(3) Safety statistics in Figure 4 include both employees and contractors at all of our locations in which Teck holds majority ownership and directly manages (operations, projects, closed properties, exploration sites and offices). For sites where Teck owns more than 50%, safety statistics are weighted 100%.
(4) Reference data is not available for 2016 because reporting of Teck-operated statistics began in 2017.

## 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 5: Process Safety Events – Teck-Operated[1]**

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| Process-Related HPIs | **2** | 7 | 6 | 11 |
| Frequency (per 1,000,000 hours) | **0.04** | 0.22 | 0.22 | 0.43 |

(1) Teck-operated data covers all operations in which Teck holds majority ownership and directly manages.

### Collaboration with Industry

Teck was involved in the development of the ICMM publication *Fatality Prevention: Eight Lessons Learned* (2019). Lesson one in the paper describes the historically uneven focus between overall injury reduction efforts in the pursuit of "zero harm" versus serious injury and fatality prevention. We believe that current corporate reporting requirements and sustainability report scoring indices may be promoting the wrong behaviour by focusing on lower-level injury reduction lag indicators such as Total Recordable Injury Frequency (TRIF). Teck believes the industry should continue to monitor and report on total injury lag performance, but not at the risk of distracting us from a relentless focus on eliminating serious injuries and fatalities. With intent and purpose, the weightings assigned to serious injury and fatality prevention lead and lag indicators should be adjusted accordingly.

## 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 in Table 6. 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. We continue to enhance our application of improved risk-based controls to prevent occupational diseases.

**Table 6: Occupational Disease Cases[1],[2],[3]**

| Disease Category | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| Respiratory Diseases | **1** | 1 | 3 | 1 |
| Hearing Loss[4] | **4** | 2 | 5 | 9 |
| Musculoskeletal Disorders | **11** | 6 | 6 | 9 |
| Cancer | **2** | 0 | 0 | 0 |
| Other Medical Disorders | **1** | 8 | 4 | 2 |
| **Total** | **19** | 17 | 18 | 21 |

**Table 7: Occupational Disease Cases by Gender[1],[2],[3]**

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| Female | **1** | 4 | 2 | 0 |
| Male | **18** | 13 | 16 | 21 |
| **Total** | **19** | 17 | 18 | 21 |

**Table 8: Occupational Disease Rate[1],[2],[3]**

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| Total Occupational Disease Rate (per 200,000 hours) | **0.18** | 0.17[5] | 0.19[5] | 0.22[5] |
| Total Occupational Disease Rate (per 1,000,000 hours) | **0.90** | 0.84[5] | 0.94[5] | 1.10[5] |

(1) Occupational disease data is collected from insurance providers such as WorkBC; global exploration sites or marketing offices are not included.
(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) Workers' compensation claims data is for accepted claims over the past four years and are for employees only; contractor data is not included.
(4) The reporting for hearing loss may be under-reported, due to limited data availability.
(5) Data has been restated based on improvements in calculations.

## 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 2020, we will continue to focus on eliminating fatalities and reducing serious injuries by putting effective controls in place for our high-potential risks and by enhancing our culture of safety. We will also continue the implementation of our Introduction to Courageous Safety Leadership program for new employees, and we will action key results from our second company-wide Health and Safety Culture Survey. Our efforts to improve occupational health and hygiene monitoring and improve exposure controls to protect the longer-term health of workers will also continue.

Moving forward, we will work towards our strategic priority of eliminating fatalities, serious injuries and occupational disease. We have set new goals for health and safety performance, which include enhancing critical control verification for fatal hazards and contributing to the elimination of occupational disease by implementing new technologies for real-time exposure monitoring to improve exposure controls for dust and welding fumes. Our focus in 2020 will be on concluding the final steps of our 2020 goals within our previous sustainability strategy, and on making progress towards achieving our new goals.

# Water Stewardship

 Pictured above: Elk Valley, Canada.

# Water Stewardship

Water is an essential resource for people, communities and the environment. Overconsumption, environmental degradation and changing climate conditions are contributing to growing water risks, with nearly 1.8 billion people in 17 countries who faced high water stress in 2019.[6] Recognizing the importance of water, governments and companies are working to improve the management, protection and restoration of the world's fresh water ecosystems. These actions are aligned with the United Nations Sustainable Development Goal 6 on clean water and sanitation.[7]

*Industry context*

Water is a critical input to the mining process. 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.

*Teck context*

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 downstream of our operations, improve water use efficiency in water-scarce regions and engage with communities of interest on watershed management wherever we operate. Teck made progress towards meeting our water stewardship commitments this year, including the targets set in 2018 to reduce fresh water use at our Chilean operations and to have zero significant water-related incidents at all operations. On water use, we continued to advance water projects at our Chilean operations to help us achieve our 2020 target of a 15% reduction in fresh water use. At our Quebrada Blanca Phase 2 project, we began construction of a desalination plant so that we will not use fresh water in this water-scarce region.

On water quality, we met our target of zero significant water-related incidents[8] in 2019. We also continued to implement the Elk Valley Water Quality Plan at our steelmaking coal operations in southeast British Columbia and updated the implementation plan based on key learnings over the past five years. Major activities included the successful operation of the West Line Creek water treatment facility, ongoing construction of the Fording River South water treatment facility and advancing expansion of the Elkview Saturated Rock Fill (SRF) water treatment facility.

### GRI Indicators and Topic Boundary

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

This topic is considered one of the 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, our alignment to the ICMM water framework, management practices and systems, is available for download on our website.

[6] Release: Updated Global Water Risk Atlas Reveals Top Water-Stressed Countries and States. World Resources Institute. 2019. [7] Why does water matter? UN Environment Programme.
[8] Teck uses a risk management consequence table to determine incident severity, which includes environmental, safety, community, reputational, legal and financial aspects. "Significant incidents" includes incidents assessed as Level 4 or Level 5 based on our risk matrix and guidance.

**2019 Highlight**

**~3x** the number of times water is reused and recycled at mining operations

## Our Performance in Water Stewardship in 2019

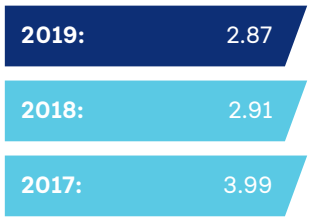
**Our Targets and Commitments** Teck is committed to responsible management of water resources, and to protecting water quality and water access where we operate. The following table summarizes our performance against our 2020 sustainability goals for water stewardship, and introduces our new strategic priority and goals.

| 2020 Sustainability Strategy Goals | Status | Summary of Progress in 2019 |
|---|---|---|
| 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 | Continued to implement the Elk Valley Water Quality Plan. Highland Valley Copper (HVC), Red Dog Operations (RDO) and Carmen de Andacollo (CdA) are also progressing watershed-based planning activities. |
| Increase our understanding of groundwater and proactively assess groundwater risks. | On track | Defined groundwater modelling scope and requirements at HVC, RDO and CdA; work on the conceptual and numerical models is progressing at all three operations. |
| Collaborate in developing innovative water technology and practice. | On track | Operated the first SRF water treatment facility at Elkview Operations. This SRF is now being expanded and another SRF is planned at Fording River Operations. |

### New Strategic Priorities and Goals

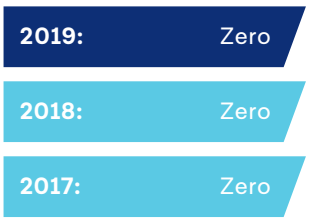
| Strategic Priorities | Goals |
|---|---|
| • Transition to seawater or low-quality water sources for all operations in water-scarce regions by 2040<br>• Implement innovative water management and water treatment solutions to protect water quality downstream of all our operations | 1. By 2025, design all development projects in water-scarce regions with a seawater or low-quality water source.<br>2. By 2025, implement new source control or mine design strategies and water treatment systems to further advance efforts to manage water quality at our operations.<br>Details about the context, definitions and key performance indicators related to this strategic priority and these goals are available on our website at teck.com/responsibility. |

## Key Performance Indicators




**Indicator**
Number of times water was reused and recycled at mining operations

**Target**
No target




**Indicator**
Significant water-related incidents

**Target**
Achieve zero significant water-related incidents each year

## Managing Water Quality in the Elk Valley

In 2019, we continued to implement water quality management measures to meet the objectives of the Elk Valley Water Quality Plan ("the Plan"), which was approved in 2014 by the B.C. Minister of Environment. The goal of the Plan is to stabilize and reverse the increasing trend of mine-related constituents and to maintain the health of the watershed while allowing for continued sustainable mining in the region where our steelmaking coal operations are located.

The Plan establishes short-, medium- and long-term 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. In 2019, we implemented a range of practices and mitigation projects as part of the Plan, including reduction of nitrate from blasting by using liners for explosives, the expansion of the Saturated Rock Fill treatment (SRF) technology and advancing construction of the Fording River South Water Treatment Facility. To date, we have spent approximately $425 million on implementing the Plan.

### 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.

As part of our regular monitoring of fish numbers, the results of 2019 Westslope Cutthroat trout counts were 74% lower for juveniles and 93% lower for adults than the 2017 counts in the Upper Fording River. The reasons for the lower fish counts are unknown at this time. When we received the results of the fish count we re-surveyed, initiated additional monitoring for fish and brought together a team of external experts to assess potential causes. Precautionary measures were also implemented to limit handling and sampling of fish and limit water use at our operations during low-flow periods.

Annual reports about our ongoing monitoring programs are prepared by professional scientists and reflect data generated since the Elk Valley Water Quality Plan was approved. 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. Read the 2019 EMC Report available at teck.com/media/2019-EMC.pdf.

### Water Treatment Facilities

The West Line Creek water treatment facility is operating and successfully treating over seven million litres of water a day. As a result, we are seeing reductions in selenium and nitrate concentrations downstream of the facility. Construction of the Fording River South water treatment facility continued in 2019 and the project is targeting completion for the end of 2020, with a full treatment capacity of 20 million litres of water per day.

In 2019, the B.C. Government endorsed SRFs, a new treatment technology developed by Teck that uses an in situ method to remove selenium and nitrate from mine-impacted water. We received approval to begin construction to expand the SRF facility at our Elkview Operations from 10 million litres of water per day to 20 million litres of water per day. The expanded facility will replace the previously planned Elkview Tank-Based Water Treatment Facility and is expected to be operational in late 2020. SRFs can treat large volumes of water with less energy and with a smaller environmental footprint compared to tank-based facilities. SRFs are also quicker to build, less complex to operate, and have lower capital and operating costs. Read the full case study at teck.com/news/stories/.

### Research and Development

Teck is focused on continued monitoring and research as part of the Plan. Three examples of this work are:

- **Alternative treatment technologies:** Exploring the use of smaller water treatment facilities that can be built much closer to points of discharge
- **Nitrate prevention:** Using liners that prevent explosives that contain nitrate, which are used in the mining process, from coming in contact with water
- **Waste rock covers:** Continuing to evaluate different forms of covers for waste rock piles, ranging from vegetative to geosynthetic covers

## 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 2019, we conducted community engagement in the Elk Valley to share updates on our work on water quality in the watershed, as well as new technologies being implemented to improve water quality.

### Case Study: Helping to Protect Water Quality with New Blasting Practices that Reduce Nitrate at the Source

At our steelmaking coal operations in the Elk Valley, Teck partnered with explosives and plastics providers to develop an innovative liner for wet explosives. This prevents the explosives from coming into contact with water and releasing nitrate into the environment. Through collaboration between Teck, Maxam and Friesen Plastics, various combinations of procedures, liner types and explosive truck modifications were trialled at Fording River Operations throughout 2019 until a system was perfected. This solution is helping us meet our water quality commitments and could eventually eliminate the need for water treatment for nitrate in the Elk Valley. Read the full case study at teck.com/news/stories/.

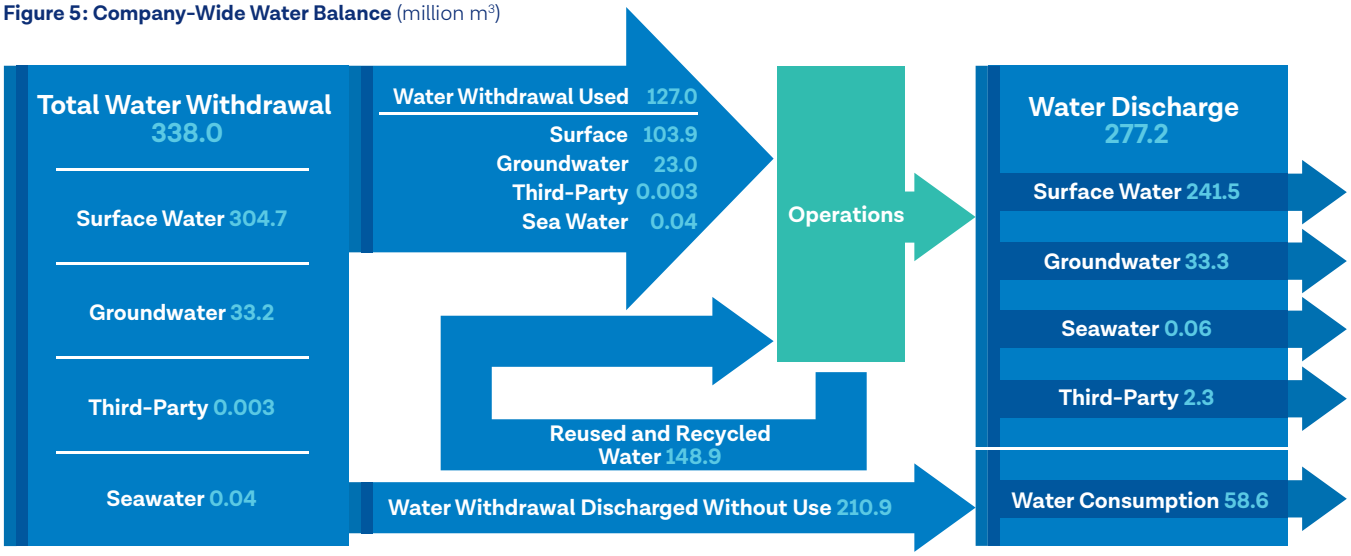
# Improving Water Efficiency

We monitor water data at all our operations and incorporate the data into scenario planning using site-wide water balances.[9] 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 improving water management practices and to enabling better decision-making.

In 2018, we updated our water data collection and reporting to align with the ICMM's *A practical guide to consistent water reporting*. Our detailed water data is provided in our 2019 Sustainability Performance Data spreadsheet.

At Teck, we use water primarily for material processing and transport, cooling and dust control. The portion of the water we use that is consumed occurs through entrainment in our products and tailings or through evaporative processes. The water we use is obtained primarily from where our operations interface with surface water and groundwater systems and we are transitioning to seawater sources in water-scarce regions such as northern Chile. Overall, we discharge a significant proportion of our water withdrawals without use and where practical, we discharge this water close to the withdrawal location. The water we discharge is monitored and treated where necessary.

**Figure 5: Company-Wide Water Balance** (million m³)




**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:

- Water withdrawals for use: 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 waterbodies 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

[9] Site-wide water balances provide an understanding of water withdrawals, consumption, reuse/recycle and discharge volumes at each operation. Water balances are developed using a mix of measurements and modelling computation.

In 2019, our water efficiency, expressed as the percentage of reused and recycled water to total water use, was 74% at our mining operations (excluding Trail Operations). The number of times water was reused and recycled, expressed as the ratio of water reused and recycled to water withdrawals for use, was 2.87 at our mining operations. This means that we reused the same water approximately 3 times on average before treating and returning it to the environment.

Trail Operations accounts for 27% of our total water use and 59% of our water withdrawals for use. Almost all of the water used at 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.

In 2019, our total water use and water withdrawals for use were similar to 2018. At our mining operations, we reduced our total water use and water withdrawals for use primarily through operational improvements at our Highland Valley Copper Operations and interruptions to production at our Carmen de Andacollo Operations.

In 2019, progress towards our target of reducing freshwater use in Chile by 15% by 2020 was affected by the interruptions to production at Carmen de Andacollo. We were able to reduce our freshwater consumption by up to 13% during the months where our water reuse infrastructure was fully operational, and we continue to work on increasing our water reuse to reduce our need for freshwater in water-scarce regions like northern Chile.

**Table 9: Water Use, Water Reused and Recycled**

| All operations | 2019 | 2018[2] | 2017 | 2016 |
|---|---|---|---|---|
| Total water use ($m^3$) | **275,931,000** | 303,446,000 | 291,930,000 | 285,268,000 |
| Water withdrawals for use ($m^3$)[1] | **127,018,000** | 128,758,000 | 115,368,000 | 117,930,000 |
| Water reused/recycled ($m^3$) | **148,914,000** | 174,688,000 | 176,563,000 | 167,338,000 |
| **Mining operations** | | | | |
| Total water use ($m^3$) | **200,867,000** | 235,303,000 | 220,788,000 | 212,489,000 |
| Water withdrawals for use ($m^3$) | **51,954,000** | 60,615,000 | 44,225,000 | 45,151,000 |
| Water reused/recycled ($m^3$) | **148,914,000** | 174,688,000 | 176,563,000 | 167,338,000 |
| Water efficiency (reused/recycled as % of total water use) | **74%** | 74% | 80% | 79% |
| Number of times water reused and recycled (ratio of reused/recycled and withdrawals for use) | **2.87** | 2.88 | 3.99 | 3.71 |

(1) 'Water withdrawals for use' previously called 'new water use'. Definition updated to reflect ICMM water reporting guidance.
(2) 2018 data has been restated based on improvements in accounting for water use and reuse at our Line Creek Operations.

## Case Study: Building the First Large-Scale Desalination Plant for Mining in Chile's Tarapacá Region

In Chile's Tarapacá region, one of the driest places on earth, water scarcity is a growing challenge that can affect the well-being of the region's communities, ecosystems and economy. As we advance our Quebrada Blanca 2 (QB2) project in the region, we will avoid impacting freshwater by constructing and using a desalination plant.

Construction of the desalination plant, which is located between Puerto Patillos and Punta Patache, began in 2019. The desalination plant is one way we are meeting our commitment to reducing use of fresh water in water-scarce regions and to preserving this essential resource for others. Read the full case study at teck.com/news/stories/.

## Outlook for Water Stewardship

In 2020, we will continue the work of implementing our approach to water stewardship, with a focus on achieving our 2020 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 a tank-based water treatment facility at our Fording River Operations, by continuing research and development with respect to source control and by expanding the use of SRF technology. As part of reducing our consumption of fresh water at our Chilean operations, we will advance construction of the desalination plant for our Quebrada Blanca Phase 2 project.

Moving forward, we will work towards our strategic priorities of transitioning to seawater or low-quality water sources for all operations in water-scarce regions by 2040 and implementing innovative water management and water treatment solutions to protect water quality downstream of all our operations. We have set new water goals, which include designing all development projects in water-scarce regions with a seawater or low-quality water source, and implementing new source control or mine design strategies and water treatment systems to further advance efforts to manage water quality at our operations by 2025. Our focus in 2020 will be on concluding the final steps of our 2020 goals within our previous sustainability strategy, and on making progress towards our new goals.

# Relationships with Indigenous Peoples

 Pictured above: Employee at Red Dog Operations, United States.

# Relationships with Indigenous Peoples

Building relationships and trust with Indigenous Peoples is not only an important aspect of sustainable resource development, but is also an integral part of the process to advance reconciliation with Indigenous Peoples. Standards such as the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Sustainability Framework of the International Finance Corporation (IFC) guide companies across all industries in creating such relationships.

*Industry context*

The majority of mining industry operations and many development projects are located within, or immediately adjacent to, Indigenous Peoples' traditional territories. This makes it vital to establish and maintain strong relationships with Indigenous Peoples and to mitigate impacts throughout the mining life cycle.

*Teck context*

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 we are proud to have signed 14 new agreements with Indigenous communities in 2019, bringing the total number of agreements to 75.

### GRI Indicators and Topic Boundary

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

This topic is considered one of the 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.

### 2019 Highlights

**$225 million** spent on Indigenous businesses through procurement

**14** new agreements and **75** total agreements with Indigenous Peoples

## Our Performance in Relationships with Indigenous Peoples in 2019

**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 2020 sustainability goals for relationships with Indigenous Peoples, and introduces our new strategic priority and goals.

| 2020 Sustainability Strategy Goals | Status | Summary of Progress in 2019 |
|---|---|---|
| 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 | Completed a review of our Social Management and Responsibility at Teck (SMART) Framework and updated SMART tools on resettlement and influx management.[10]<br><br>Developed and piloted a new feedback management effectiveness tool and continued our implementation of the new version of the data collection system.<br><br>Improved social risk management through professional development and collaboration models for internal practitioners and developed new content to incorporate social management and human rights considerations into workplace training. |
| Work with Indigenous Peoples to identify and participate in initiatives to support the self-defined goals of Indigenous communities. | On track | Advanced development of Teck's Reconciliation Action Plan, which includes our current actions and future commitments to build strong relationships and enhance respect between Indigenous Peoples and non-Indigenous peoples, organizations and communities in Canada.<br><br>Continued to implement collaborative processes established with Indigenous Peoples to support their goals, in accordance with agreements with Indigenous Peoples at our sites including Red Dog, Highland Valley, Elk Valley and Quebrada Blanca Phase 2 (QB2). |



[10] See page 41 for definition of influx management.

| 2020 Sustainability Strategy Goal | Status | Summary of Progress in 2019 |
|---|---|---|
| Develop metrics for monitoring Indigenous training, employment and procurement to establish baselines and drive progress. | On track | Defined a set of verifiable common measures for Indigenous training, employment and procurement for collection and reporting by sites beginning in 2020. |

## New Strategic Priority and Goals

| Strategic Priority | Goals |
|---|---|
| • Collaborate with communities and Indigenous Peoples to generate economic benefits, advance reconciliation efforts and improve community well-being | 1. Achieve greater representation of Indigenous Peoples across our business by 2025 by increasing employment and procurement through business development, capacity-building, education and training opportunities.<br>2. Deliver positive social, economic and environmental outcomes for communities and Indigenous Peoples by contributing $100 million to community organizations and global initiatives, including our Zinc & Health and Copper & Health programs, by 2025.<br>Details about the context, definitions and key performance indicators related to this strategic priority and these goals are available on our website at www.teck.com/responsibility. |

## Key Performance Indicators

**2019:** $225 million (3%)
**2018:** $209 million (4%)
**2017:** $138 million (3%)

**Indicator**
Procurement spend with Indigenous suppliers

**Target**
Increase procurement spend with Indigenous suppliers relative to total spend

**2019:** 14 new agreements
**2018:** 22 new agreements
**2017:** 23 new agreements

**Indicator**
Number of agreements with Indigenous Peoples

**Target**
Negotiate agreements with Indigenous Peoples affected by our activities

**2019:** 3 significant disputes[1][2]
**2018:** Zero significant disputes
**2017:** Zero significant disputes

**Indicator**
Significant disputes[1] relating to land use and the customary rights of local communities and Indigenous Peoples

**Target**
Zero significant disputes

(1) Disputes are conflicts between the company and the impacted community related to land use and the customary rights of local communities and Indigenous Peoples. "Significant community disputes" are those disputes that 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.
(2) See page 43 in the Relationships with Communities chapter for description of disputes.

## 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, which is available at teck.com/media/Indigenous-Peoples-Policy.pdf.

**Table 10: Summary of Engagement with Indigenous Peoples in 2019**

| Site | Major Activities |
|---|---|
| Cardinal River Operations | Engagement focused on the regulatory approval process for the MacKenzie Redcap extension project in early 2019. Later in the year, it was determined that this extension would not proceed and that planning would begin to close the operation in 2020. Subsequently, engagement shifted to address the implications of this decision with Alexis Nakota Sioux Nation, Ermineskin Cree Nation, Whitefish Lake First Nation, O'Chiese First Nation, Sucker Creek First Nation and Mountain Cree. |
| Frontier project[1] | Initiated implementation of 14 agreements with Indigenous groups potentially impacted by the project. These groups were provided the opportunity to review and provide input into the draft conditions for project approval established through government review processes. In addition, provided significant capacity support to Indigenous groups involved in discussions with federal and provincial governments. |
| Highland Valley Copper Operations | Engagement activities focused on implementation of agreements with 17 Indigenous communities. Agreement topics discussed included Indigenous business opportunities, employment, and environmental and land use interests. Collaboration also focused on developing a review framework for joint decision-making and collaboration on a project review for a major mine extension and reclamation and closure planning. Implementation of UNDRIP and reconciliation were two topics that framed the discussion at many tables. |
| Quebrada Blanca Phase 2 (QB2) project | Engagement was conducted as set out in the agreements established with Indigenous communities in relation to QB2. This engagement supported implementation of social and economic development initiatives, addressed commitments established in the QB2 Environmental Qualification Resolution, and served as a forum for inquiries and updates regarding QB2 construction. |

(1) As of February 2020, we have withdrawn the Frontier project from the regulatory review process. However, active engagement with Indigenous Peoples and communities, among other activities, took place in 2019.

| Site | Major Activities |
|---|---|
| Red Dog Operations | 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 were also held quarterly as well as quarterly Siñgaqmiut Working Group meetings. Significant engagement was conducted regarding exploration activities. Engagement activities included negotiations with two Indigenous governments, meetings with community leadership, helicopter tours and community meetings. |
| Steelmaking coal operations in the Elk Valley | Ongoing engagement was conducted with the Ktunaxa Nation through our joint Environment and Cultural Working Groups as well as the Procurement and Employment Task Groups. Key engagement topics included mine development and water treatment projects, ongoing development of a Cultural Management Plan, sharing business opportunities and enhancing our employment-related communication. We also participated in a number of cross-cultural exchanges, including haul truck ride-alongs, a tour of mine operations for youth, community presentations, participation in a Ktunaxa Culture Camp, and a May Mining Event at the Tobacco Plains community for Ktunaxa and other regional Indigenous learners. |
| Trail Operations | Focused on community investment and engagement with Circle of Indigenous Nations Society (COINS) and Kootenay South Métis Society. We also held an engagement session (which is an annual session) with COINS as general outreach and hosted Ktunaxa Economic Development members at Trail Operations to discuss potential opportunities. |

## Incidents and Significant Disputes

Of the three total significant community disputes reported in 2019, there were two significant disputes for Teck involving Indigenous Peoples in 2019. Please see page 43 in the Relationships with Communities section for a full description of these disputes. In this section we also report on incidents involving Indigenous Peoples.

## Cultural Awareness Training

We regularly deliver training on Indigenous Peoples' rights and cultural awareness for exploration, operations and management staff. In 2019, approximately 1,150 people at our sites 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.

## 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 continues to support the implementation of the Memorandum of Understanding on economic reconciliation between the Business Council of British Columbia and the BC Assembly of First Nations. Teck's Indigenous Peoples Policy will also continue to provide a framework for our work with Indigenous Peoples. In addition, 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.

## Negotiating and Implementing Agreements

In 2019, there were 75 active agreements in place with Indigenous Peoples, including 14 new agreements, ranging from exploration agreements to impact benefit agreements.[11] For a full list of our active agreements with Indigenous Peoples for projects and operations, see our 2019 Sustainability Performance Data spreadsheet.

[11] An agreement typically made with Aboriginal or Indigenous Peoples that outlines the potential impacts of a project, the commitment and responsibilities to mitigate these impacts and the economic and other benefits that will be shared with the Aboriginal or Indigenous party.

### Case Study: Supporting *Centro Originarias*, the First Indigenous Women's Empowerment Centre in South America

In 2019, Indigenous community members joined representatives from local government, Teck and UN Women to celebrate the opening of *Centro Originarias* in Iquique, Chile — a unique facility that will help to empower Indigenous women. The first of its kind in South America, the *Centro Originarias* provides Indigenous women with tools and training to develop skills, build networks and improve their well-being through economic opportunity. To date, more than 180 women from communities throughout the region have received training, and 25 Indigenous women have been trained as economic development facilitators. Read the full case study at teck.com/news/stories/.

## Sharing Economic Benefits

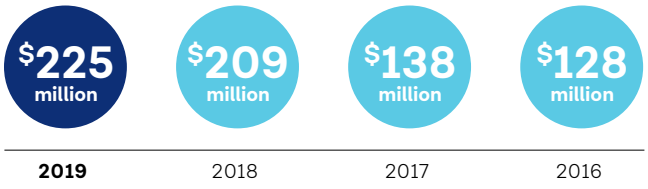
Employment is one way in which local communities can benefit from our operations, and we work with local Indigenous communities to increase the number of Indigenous Peoples employed at Teck. As part of our ongoing efforts to improve our performance with regard to Indigenous employment, we have collected data on the number of applicants for employment who self-identify as Indigenous. In 2019, we had a total of 7,564 applicants across the company who self-identified as Indigenous, which represents 8% of the total applicants received. In 2019, there were 108 Indigenous new hires at Red Dog Operations, which represents 66% of the total new hires at Red Dog and 302 employees were NANA shareholders, representing 57% of the total number of employees at Red Dog Operations.

We continue to work on our data-collection and analysis processes in order to support efforts towards strengthening our relationships with Indigenous communities by ensuring we are effectively sharing the benefits of mining, including employment and procurement opportunities.

### Procurement from Indigenous Suppliers

In 2019, our operations spent approximately $225 million with suppliers who self-identified as Indigenous; this represents a small increase compared to 2018. In 2019, 48% ($155 million) of spending at Red Dog Operations was with Indigenous suppliers — where Indigenous procurement is one of the cornerstones of our operating agreement with NANA Regional Corporation.

**Figure 6: Procurement Spend on Suppliers Who Self-Identified as Indigenous**




### Case Study: Sustainable Mining through Collaborative Shared Governance at Red Dog Operations

The success of Teck's Red Dog Operations, one of the northernmost mines in North America, is the result of a unique and innovative operating agreement between a mining company and Indigenous Peoples. Since 1986, this agreement between Teck and the landowner NANA, a Regional Alaska Native corporation owned by the Iñupiat people of northwest Alaska, has governed the activities at Red Dog. The Red Dog Management Committee, made up of six representatives each from Teck and NANA, is an integral part of this governance, ensuring operations are environmentally sustainable, and that they bring economic and social benefits to the region and support the Iñupiat way of life. Read the full case study at teck.com/news/stories/.

Procurement with Indigenous businesses is critical in sharing the economic benefits of mining. Many of our agreements with Indigenous Peoples contain commitments to support our shared interest in ensuring Indigenous businesses are able to provide goods and services to our sites at reasonable cost. In 2019, we developed site-based tools to enhance procurement with Indigenous businesses, including a review of procurement processes and documents and developing best practice guidance.

### Community Investment Focused on Indigenous Peoples

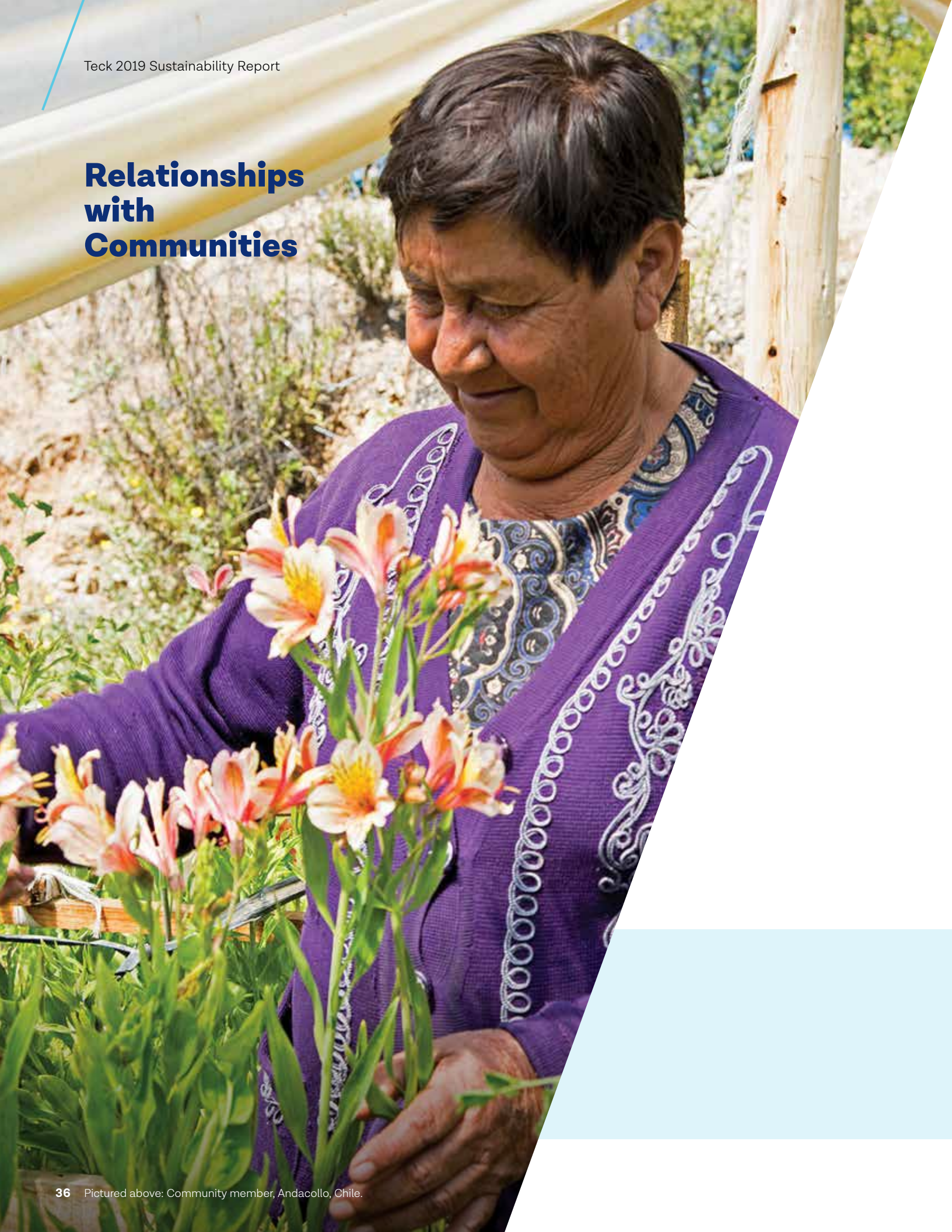
In 2019, $2.4 million of our community investment went towards Indigenous-specific investments, compared to $2.9 million in 2018. A noteworthy investment in this area was our support for Noatak Hasty Crew, which is a volunteer emergency first responder team based in the remote village of Noatak, Alaska. Total community investment by Teck in 2019 is reported on page 46.

## Outlook for Our Relationships with Indigenous Peoples

As we move forward 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 2020, we will continue to focus on the development and implementation of agreements with Indigenous Peoples impacted by our sites. We will also continue to develop and evolve our approaches to consultation, as legislative initiatives in Canada and elsewhere change and advance our work on performance management and improve our baseline indicators to track the performance of our commitments as outlined in agreements.

Moving forward, we will work towards our strategic priority of collaborating with communities and Indigenous Peoples to generate economic benefits, advance reconciliation efforts and improve community well-being. We have set new goals related to Indigenous Peoples, which include achieving greater representation of Indigenous Peoples across our business by 2025 by increasing employment and procurement through business development, capacity-building, education and training opportunities. We will also deliver positive social, economic and environmental outcomes for communities and Indigenous Peoples by contributing $100 million to community organizations and global initiatives, including our Zinc & Health and Copper & Health programs, by 2025. Our focus in 2020 will be on concluding the final steps of our 2020 goals within our previous sustainability strategy, and on making progress towards achieving our new goals.

# Relationships with Communities



 Pictured above: Community member, Andacollo, Chile.

# Relationships with Communities

As stakeholder demands intensify, maintaining a social licence to operate remains a top risk for the mining industry and others.[12] Businesses are increasingly being called upon to demonstrate how their activities benefit society.[13] Strong relationships between companies and their communities of interest, where there are clear mutually defined benefits and mechanisms to resolve conflict, are therefore essential for business continuity and growth.

*Industry context*

Mining may have varying positive and negative impacts on communities. In recognition of these impacts and opportunities, the International Council on Mining and Metals (ICMM) established stakeholder engagement as one of its 10 Principles. Member companies are expected to work to mitigate negative impacts and to maximize positive impacts. They often focus their efforts on local hiring, local procurement and community investment, which can help to stimulate local economies and empower local people.

*Teck context*

Building and maintaining good relationships with our stakeholders continued to be a business priority across all of our sites in 2019. Engagement is one of our core social management areas and our Social Management and Responsibility at Teck (SMART) Framework is designed to take a people-centric approach to dialogue that focuses on relationships, rather than on issues. Throughout the year, we engaged communities in relation to the development of all of our projects and continued to advance relationships with communities near all of our sites.

### GRI Indicators and Topic Boundary

102-34, 201-103, 203-103, 203-1, 205-1, 413-103, 413-1, 491-1, G4-MM6, G4-MM7

This topic is considered one of the 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.

[12] Top 10 Business Risks Facing Mining and Metals. EY. September 2019. [13] 2019 Global Human Capital Trends. Deloitte. 2019.

**2019 Highlights**

**$19 million** in community investment

**$1.7 billion** paid to employees in wages and benefits

**72%** of total local employment

**36%** of total procurement was with local suppliers

## Our Performance in Relationships with Communities in 2019

**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 define mutually desired outcomes and measures of success. The following table summarizes our performance against our 2020 sustainability goals for relationships with communities, and introduces our new strategic priority and goals.

| 2020 Sustainability Strategy Goals | Status | Summary of Progress in 2019 |
|---|---|---|
| Refine our business policies and practices based on results of our social risk assessments, our work in human rights and developments regarding the rights of Indigenous Peoples. | On track | Completed a review of our SMART Framework and developed updated/revised SMART tools on resettlement and influx management.[14]<br>Developed and piloted a new feedback management effectiveness tool and continued our implementation of the new version of the data collection system.<br>Improved social risk management through professional development and collaboration for internal practitioners, and developed new content to incorporate social management and human rights considerations into workplace training. |
| Engage with communities to identify social, economic and environmental priorities and to mutually define outcomes and measures of success. | On track | All operations are meeting this goal through specific local initiatives. In addition to site-specific engagement activities (see Table 11), this included participating in formal working tables and dedicated working groups to pursue social development objectives at Teck's Chilean sites and Red Dog Operations, collaboration on local, regional and international community investment priorities (for example, partnerships with UN Women in Chile and UNICEF globally) and joint implementation of commitments through impact benefit agreements at Teck's Canadian sites. |



[14] See page 41 for definition of influx management.

## New Strategic Priority and Goals

| Strategic Priority | Goals |
|---|---|
| • Collaborate with communities and Indigenous Peoples to generate economic benefits, advance reconciliation efforts and improve community well-being | 1. Increase local employment and procurement opportunities by 2025 to deliver direct economic benefits to communities.<br>2. Deliver positive social, economic and environmental outcomes for communities and Indigenous Peoples by contributing $100 million to community organizations and global initiatives, including our Zinc & Health and Copper & Health programs, by 2025. |

Details about the context, definitions and key performance indicators related to this strategic priority and these goals are available on our website at www.teck.com/responsibility.

## Key Performance Indicators

| | | | |
|---|---|---|---|
| **2019:** 3 | **2019:** 36% | **2019:** 72% | **2019:** $19 million (1.17%) |
| **2018:** 0 | **2018:** 33% | **2018:** 71% | **2018:** $22 million (1.69%) |
| **2017:** 0 | **2017:** 26% | **2017:** 72% | **2017:** $13 million (1.71%) |
| **Indicator**<br># of significant community disputes[1] at our operations<br>**Target**<br>Zero significant community disputes at our operations | **Indicator**<br>Procurement spend on local suppliers<br>**Target**<br>Increase procurement spend with local suppliers, relative to total spend on procurement[2] | **Indicator**<br>Average % of local employment[3] at operations<br>**Target**<br>Increase % of local employment at operations, relative to total employment | **Indicator**<br>Amount of funds disbursed through community investment<br>**Target**<br>At least 1% of our average annual earnings before interest and tax (EBIT) during the preceding five-year period |

(1) Disputes are conflicts between the company and the impacted community related to land use and the customary rights of local communities and Indigenous Peoples. "Significant community disputes" are those disputes that 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.
(2) See page 88 for total spend on procurement.
(3) Estimate based on Teck's human resources reported data.

## Engagement on Actual or Potential Impacts

Guided by our Health, Safety, Environment and Community (HSEC) Management Standards and our SMART Framework, we require all 12 (100%) of our operations, all eight (100%) of our development projects, both (100%) of our joint ventures, and all of our exploration teams to engage and consult with stakeholders and communities to address potential, current and emerging issues, and to maximize opportunities that provide strategic value, for Teck and for those communities. For a full list of our operations, development projects and joint venture operations not managed by Teck, see the Methodology & Restatements on page 110 of this report.

Activities across the mining life cycle may result in a range of social, economic and environmental impacts, both positive and negative. These may include impacts that are relevant to human rights or Indigenous rights. Examples of specific impacts experienced at our operations in 2019 and major engagements undertaken are discussed in Table 11. See pages 5-6 for a list of key engagement topics with stakeholders and Indigenous Peoples identified and managed in 2019.

**Table 11: Selected Major Engagement Activities in 2019**

| Actual or Potential Impacts on Communities from Our Activities | Sites and Projects | Major Engagement Activities |
|---|---|---|
| Socio-Economic/Community: livelihoods, cultural use, employee rights | Cardinal River Operations | Engaged with community members, government and Indigenous Peoples near operations on planning for closure. |
| Environmental/Socio-Economic: livelihoods and community health | Carmen de Andacollo Operations | Engaged with community members and local government and to address concerns with respect to blasting, dust and vibration from mining activities. |
| Environmental/Community: livelihoods, cultural use, water quality and community health | Elk Valley Steelmaking Coal operations | Engaged with community members, government agencies and Indigenous Peoples on implementation and advancement of the Elk Valley Water Quality Plan. |
| Socio-Economic/Community/ Environmental: livelihoods, cultural use, access to land and water | Highland Valley Copper Operations | Engaged with Indigenous Peoples near operations on advancement of environmental approvals to extend the life of existing mine, implementation of agreements and opportunities associated with UNDRIP and reconciliation. |
| Socio-Economic/Community: livelihoods, employee rights | Pend Oreille Operations | Engaged with community members and local government on planning for closure. |
| Socio-Economic/Community/ Environmental: livelihoods, cultural use, water quality | Quebrada Blanca Operations | Engaged with local communities and Indigenous Peoples to advance joint water quality management and local agricultural development programs. |
| Socio-Economic/Community/ Environmental: livelihoods, cultural use and subsistence, community health | Red Dog Operations | Engaged with local Indigenous Peoples and government agencies on advancement of permitting approvals for exploration activities in the Northwest Arctic region. |
| Environmental/Community: community health, livelihoods | Trail Operations | Engaged with community members and government on Trail's future strategic plan and community engagement programs. |

**Table 11: Selected Major Engagement Activities in 2019 (continued)**

| Actual or Potential Impacts on Communities from Our Activities | Sites and Projects | Major Engagement Activities |
|---|---|---|
| Socio-Economic/Community: livelihoods, subsistence, community well-being | Quebrada Blanca Phase 2 project | Engaged with local Indigenous Peoples, communities and fishing unions to advance implementation of commitments through community development agreements, grievance management and information delivery related to project construction. |
| Environmental/Socio-Economic/ Community: access to land and water, livelihoods, subsistence, community well-being | Frontier project(1) | Engaged with local Indigenous Peoples and government agencies in responding to recommendations of the Joint Review Panel, joint review of draft federal conditions and advancement of impact benefit agreements. |
| Environmental/Socio-Economic/ Community: access to land and water, livelihoods, subsistence, community well-being | NuevaUnión project | Engaged with communities, local Indigenous Peoples and government agencies on land acquisition and access, water and air quality, community development and Indigenous participation. |
| Environmental/Socio-Economic/ Community: access to land and water, livelihoods | Zafranal project | Engaged with local communities on potential impacts of project activities and socio-economic opportunities, on project water sources, and formalizing agreements with artisanal and small-scale miners. |
| Environmental/Socio-Economic/ Community: cultural use, livelihoods, community well-being | Galore Creek project | Engaged with local Indigenous communities to augment and build capacity within the framework of a comprehensive Participation Agreement and collaborative development of traditional land-use studies and a heritage assessment that will inform project design. |
| Socio-Economic/Community: cultural use, livelihoods | San Nicolás project | Engaged with local communities, private landowners and communal land owners on the project stage to register their interests and concerns, advance land access for environmental and engineering studies, and acquire land for project development utilizing IFC guidelines. |
| Socio-Economic/Community: cultural use, livelihoods | Mesaba project | Engaged with local communities and tribal bands on access road improvements to avoid land use impacts such as hunting. |

(1) As of February 2020, we have withdrawn the Frontier project from the regulatory review process. However, active engagement with Indigenous Peoples and communities, among other activities, took place in 2019.

## Teck's SMART Framework

In 2019, we completed a review of the SMART Framework, with an emphasis on refining critical requirements under the framework. We implemented updates to our SMART toolkit, including new or updated guidance on resettlement and influx management.[15] We also developed a new feedback management effectiveness tool and continued our implementation of the new version of TrackLine, our data collection system.

We also continued to focus on providing support for our communities' practitioners corporately and at sites. This included training in dialogue skills, hosting monthly virtual Community of Practice education sessions, and improved use of new technologies for continued engagement and sharing of best practice.

[15] A mining project can generate significant opportunities for the local and regional economy. When not managed effectively, however, it can also lead to unwanted social and environmental changes. This is especially true in the case of project-induced in-migration (or influx), which is defined as the movement of people into an area in anticipation of, or response to, economic opportunities associated with the development and/or operation of a new project.

# Understanding our Communities

In 2019, Teck conducted public opinion surveys with people living near our Elk Valley, Highland Valley, Red Dog, Trail and Cardinal River operations for the third consecutive year, to continue gathering insight on the issues that communities care about most. The data obtained helps us to measure and guide improvements in our performance, assess the impact of events, inform our planning processes and support our reporting. The surveys were conducted by an independent polling company. Surveys at our Chilean operations were deferred until 2020 in light of the social unrest in the country in fall 2019.

# Feedback, Grievances and Disputes

All of our operations, 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 them. Feedback received is recorded and categorized as either (i) a neutral request, (ii) positive feedback or (iii) negative feedback and is discerned from regular interactions with community members, in that feedback specifically makes a request or seeks a response from a site. This is a new classification system introduced for the 2019 reporting period. Negative feedback or "grievances" are often specific issues of concern to community members that require a response and potential further action from the company.

## Feedback

In 2019, Teck recorded approximately 7,000 interactions with external communities of interest as a result of our various engagement activities. Of that number, we received 559 instances of feedback through direct feedback mechanisms established across our sites, compared to 1,169 in 2018. 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 7: 2019 Feedback Received by Category[1]**


(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 practitioners.

## Negative Feedback/Grievances

In 2019, of the total feedback received, 402 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. However, grievances may be seen as an indication of concerns from community members that, if repeated or unresolved, could escalate. 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.

All of Teck's operations have feedback policies that include a response time for acknowledging and working to resolve feedback. As adopters of the United Nations Guiding Principles, Teck demonstrates its corporate commitment to remedy through effective implementation of its site-based feedback mechanisms. In line with the Guiding Principles, Teck prohibits retaliation against individuals who submit grievances to the company and has received no reported incidences of retaliation.

While the specific conditions and circumstances of individual grievances may vary, Teck monitors grievance trends at sites to inform its response to reported impacts and inform its engagement strategies. Examples of noted trends and responses in 2019 included:

- **Carmen de Andacollo Operations:** Negative feedback associated with the impact of dust, noise and odors on private property in specific neighbourhoods as a result of blasting activity. As a response and remedy, the site has enacted rigorous blasting and dust management practices as well as community notification and information strategies to address these concerns.
- **Steelmaking Coal Operations in the Elk Valley:** Negative feedback associated with the impact of dust and debris on private property, specifically in the District of Sparwood. We continue to undertake dust management actions at our sites, provide community information and, where appropriate, implement measures to address immediate impacts.

- **Red Dog Operations:** Negative feedback associated with perceived lack of access to employment opportunities for local shareholders, impacts on regional subsistence activities (caribou hunting) and public health impacts specific to the Village of Kivalina. The site has enacted collective engagement processes with interested communities to identify opportunities to improve both local hiring and subsistence management practices, as well as specific initiatives jointly with Kivalina to address public health concerns.

**Figure 8: 2019 Grievances Received by Category[1]**


(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 practitioners.

## 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 2019, Teck sites experienced a total of three significant disputes.

**Table 12: Significant Disputes[1]**

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| # of significant disputes | **3** | 0 | 0 | 4 |

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

A brief description of the three significant disputes are as follows:

**(1) Quebrada Blanca Operations:** In late 2017, one of the unions representing operations employees filed a request for intervention and mediation by the Chilean National Contact Point (NCP) under the OECD Guidelines for Multinational Enterprises, citing alleged human rights concerns with respect to environmental impacts and collective agreement negotiations. Following extended dialogue with the NCP as it evaluated the union's request, in 2019 Teck formally entered into NCP mediation on the issues raised. The dispute was resolved in September 2019, resulting in requirements for both parties to resume dialogue under the collective agreement and for Teck to undertake specific actions that will be regularly monitored through 2020.

**(2) Quebrada Blanca Phase 2 project:** Following the regulatory approval of the Quebrada Blanca Phase 2 project, nine legal or administrative actions were filed in 2019 by Indigenous communities or individuals to governmental agencies claiming impacts were not adequately addressed during the Indigenous consultation process or seeking additional or expanded consultation. The project has actively participated in responding to these legal or administrative processes, with six actions resolved in support of the project's permit during the year. The remaining actions continue to be evaluated by authorities with project participation in 2020.

**(3) Red Dog Operations:** Representatives of the Village of Kivalina, an Indigenous community in Northwest Alaska, registered a complaint claiming Teck violated the Memorandum of Agreement signed with the Village establishing a joint working group to address specific claimed impacts of mining activity in the region. This complaint was escalated to formal third-party dispute resolution under the Memorandum and resolved in Teck's favour.

## Community Incidents

In 2019, we continued to utilize 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 and real or perceived impacts to human rights, livelihoods, the rights of Indigenous Peoples and/or community health and safety. These events may result in actions taken by communities that have the potential for financial, legal, relationships and reputational consequences to the company.

Teck had no significant community incidents; however, we did experience the following:

- **Frontier project[16]:** Following the report of the federal Joint Review Panel in mid-2019 that found the Frontier project to be in the public interest, protest action by advocacy groups against the project occurred in late 2019. These

[16] As of February 2020, we have withdrawn the Frontier project from the regulatory review process. However, active engagement with Indigenous Peoples and communities, among other activities, took place in 2019.

actions were short in duration with no impact on operations, but did generate some media attention.

- **Carmen de Andacollo Operations:** On October 14, the union representing workers at the operation commenced strike action, resulting in a suspension of all non-essential operational activities. This action included several public protests in the community of Andacollo. A new three-year agreement was reached and ratified on December 12 (effective December 5).
- **Red Dog Operations:** An incident was reported related to a caribou jumping directly in front of a pickup truck and being killed. The operation took immediate mitigating actions by modifying haulage and traffic on the Port Road and port site. Due to the significance of caribou to the Iñupiat people, an investigation was completed with an Iñupiat representative in attendance and corrective actions are being monitored.
- **Carmen de Andacollo Operations:** Due to a water pipeline overflow, the shallow wells of three families located downstream of the operation were muddied and could no longer be used. The well water was used for drinking water and for farm animals. A new well has been built in response to this incident and in coordination with the families to resolve and remedy the issue.
- **Steelmaking coal operations in the Elk Valley:** Elevated selenium levels were reported as part of Teck's ongoing water quality monitoring in the well water of Whispering Winds Mobile Home Park. Elevated selenium levels are to be expected during low river flow. In November 2019, residents were notified and provided with bottled water until selenium levels returned to below British Columbia Drinking Water Quality Guidelines.

## 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 2019, we had a profit attributable to shareholders of $339 million or $0.61 per share. This compares with a profit attributable to shareholders of $3.1 billion or $5.41 per share in 2018. See our 2019 Annual Report for more detailed information on our financial performance.

**Table 13: 2019 Breakdown of Economic Value Generated and Distributed** (millions)

| | Economic Value Generated | Economic Value Distributed | | | | | | | | Economic Value Retained |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Payment to Suppliers[2] | | Employee Wages and Benefits[3] | | Payments to providers of capital[4] | Income and Resource Taxes[5] | Community Investments[6] | Total | |
| | Revenues[1] | Operating Costs | Capital Expenditures | Operating Costs | Capital Expenditures | | | | | |
| U.S.A. | $ 1,952 | $ 1,063 | $ 191 | $ 169 | $ 5 | $ – | $ 58 | $ 1 | $ 1,487 | $ 465 |
| Canada | 9,060 | 5,072 | 1,119 | 1,270 | 14 | 1,149 | 316 | 7 | 8,947 | 113 |
| Chile | 564 | 344 | 1,264 | 92 | 34 | – | 65 | 5 | 1,804 | (1,240) |
| Peru | 877 | 281 | 129 | 113 | – | – | 156 | 2 | 681 | 196 |
| Other | – | 8 | 32 | 5 | – | – | – | 4 | 49 | (49) |
| Inter-segment elimination[2] | (519) | (519) | – | – | | | | | (519) | – |
| **Total** | $ 11,934 | $ 6,249 | $ 2,735 | $ 1,649 | $ 53 | $ 1,149 | $ 595 | $ 19 | $ 12,449 | $ (515) |

(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 excludes depreciation, employee wages and benefits, and change in inventory 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. Deferred stripping is included in operating costs and not capital expenditure.
(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.

## Local Hiring and Procurement

We track the number of local employees and the value of local procurement as reflected in Tables 14 and 15, 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 2019, our overall average of local employees was 72% of our operational workforce, compared to 71% in 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 2019, employees across Teck supported several initiatives such as local food banks, the Red Cross and the Canadian Cancer Society, with a total of $87,000 provided by Teck in matching funding.

**Table 14: Local Employment in 2019[1],[2]**

| Operation | Local Employees | Senior Management Roles Filled by Locals |
|---|---|---|
| Cardinal River | 280 | 12 |
| Carmen de Andacollo | 340 | 18 |
| Coal Mountain | 16 | 2 |
| Elkview | 681 | 29 |
| Fording River | 763 | 29 |
| Greenhills | 442 | 21 |
| Highland Valley Copper | 1,300 | 37 |
| Line Creek | 427 | 22 |
| Pend Oreille | 11 | 7 |
| Quebrada Blanca | 176 | 14 |
| Red Dog | 415 | 30 |
| Trail Operations | 1,429 | 82 |
| **Total** | **6,280** | **303** |

**Table 15: Percentage of Total Spend with Local Suppliers[2]**

| Operation | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| Cardinal River | **14%** | 14% | 12% | 9% |
| Carmen de Andacollo | **16%** | 14% | 13% | 18% |
| Steelmaking coal operations in the Elk Valley | **36%** | 41% | 26% | 41% |
| Highland Valley Copper | **28%** | 32% | 37% | 30% |
| Pend Oreille | **18%** | 14% | 14% | 20% |
| Quebrada Blanca | **17%** | 5% | 12% | 33% |
| Red Dog | **71%** | 75% | 41% | 59% |
| Trail Operations | **38%** | 29% | 29% | 27% |
| **Total** | **36%** | **33%** | **26%** | **30%** |

(1) Data is not directly comparable between operations, as there are differences in how we define "local" and track data for each operation.
(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 where individuals are still likely to be affected by operations.

# Community Investment

In 2019, we exceeded our target of donating at least 1% of our earnings before interest and taxes on a five-year rolling average basis. Our community investment expenditures in 2019 were $19 million. Noteworthy investments in this area were our Zinc & Health program and our Copper & Health program. Information on our community investment reporting framework is available on our website.

**Table 16: Community Investment by Site[1]**

| Operation | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| Corporate Offices and Projects[2][3] | **$ 12,098,000** | $ 13,387,000 | $ 8,956,000 | $ 6,844,000 |
| Carmen de Andacollo | **$ 2,569,000** | $ 2,264,000 | $ 1,773,000 | $ 1,929,000 |
| Steelmaking Coal Operations[4] | **$ 1,038,000** | $ 2,134,000 | $ 675,000 | $ 679,000 |
| Duck Pond[5] | **$ 4,000** | $ 12,000 | $ 180,000 | $ 263,000 |
| Highland Valley Copper | **$ 501,000** | $ 713,000 | $ 391,000 | $ 410,000 |
| Pend Oreille | **$ 87,000** | $ 20,000 | $ 16,000 | $ 25,000 |
| Quebrada Blanca | **$ 1,241,000** | $ 1,857,000 | $ 256,000 | $ 368,000 |
| Red Dog | **$ 707,000** | $ 686,000 | $ 541,000 | $ 948,000 |
| Trail Operations | **$ 947,000** | $ 326,000 | $ 338,000 | $ 339,000 |
| Exploration | **$ 91,000** | $ 146,000 | $ 80,000 | $ 35,000 |
| **Total** | **$ 19,283,000** | **$ 21,545,000** | **$ 13,206,000** | **$ 11,840,000** |

(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) As of February 2020, we have withdrawn the Frontier project from the regulatory review process. However, active engagement with Indigenous Peoples and communities, among other activities, took place in 2019.
(4) Steelmaking coal operations include Cardinal River, Elkview, Greenhills, Fording River and Line Creek operations.
(5) Legacy property.

### Case Study: Creating Local Employment Opportunities Beyond Mining at Quebrada Blanca Phase 2

In 2018, Teck started Elige Crecer (Choose to Develop) in partnership with Fundación Chile, a non-profit organization. Choose to Develop is a training program for local workers in the Tarapacá Region of Chile focused on skill development and long-term employability in mining and related industries. Since the program started, more than 650 people completed a range of 18 courses in construction, food services and other trades in Iquique and nearby communities. Read the full case study at teck.com/news/stories/.

## Outlook for Relationships with Communities

In 2020, we will continue to work to maintain and strengthen relationships with communities at our operations and as we advance major projects. We will work to improve our management of community feedback and incidents to continuously build on our relationships with communities. In particular, we will focus on continual implementation and improvement of community engagement and social practice across our sites to address social and environmental impacts and share the benefits that mining creates with nearby communities. In terms of economic contributions, we will continue to advance corporate and site-led strategies to maximize the impact of our community investments and the value generated through local employment and procurement.

Moving forward, we will work towards our strategic priority of collaborating with communities and Indigenous Peoples to generate economic benefits, advance reconciliation efforts and improve community well-being. We have set new goals related to communities, which includes increasing local employment and procurement opportunities by 2025 to deliver direct economic benefits to communities. We will also deliver positive social, economic and environmental outcomes for communities and Indigenous Peoples by contributing $100 million to community organizations and global initiatives, including our Zinc & Health and Copper & Health programs by 2025. Our focus in 2020 will be on concluding the final steps of our 2020 goals within our previous sustainability strategy, and on making progress towards achieving our new goals.

# Tailings Management

 Pictured above: Employee at Highland Valley Copper Operations, Canada.

# Tailings Management

Tailings are a common by-product of the mining process and tailings management is a critical element in the design, operation and closure planning of mines. Recent incidents demonstrate the potential severe impacts of tailings failures. The tailings facility failure at Brumadinho in Brazil in January 2019 has resulted in an unprecedented level of scrutiny and inquiry from regulators and other stakeholders. For example, the International Council on Mining and Metals (ICMM), UN Environment Programme (UNEP) and the Principles for Responsible Investment (PRI) co-convened an independent review following the disaster, with the aim of establishing the first international standard for tailings storage facilities, building upon best practice guidance that has existed for a number of years.

*Teck context*

Teck currently manages 16 active tailings facilities and 39 tailings facilities that are closed and no longer receiving tailings. Tailings storage facilities at all of Teck's operating and closed sites meet or exceed regulatory requirements, and we are continually improving the management of our facilities by developing and incorporating best practices. In 2019, Teck continued to play an active role in promoting leading practices for tailings facility management, both in our own operations and across the mining industry as part of ICMM and the Mining Association of Canada (MAC).

In 2019, we also undertook a "special review" of Teck's governance of tailings and water retention structures, including our upstream and higher-consequence facilities. The review, which included independent external experts, was conducted to provide an extra measure of assurance over the safety and security of our facilities, to confirm the robustness of our processes and to identify opportunities for improvement. The independent reviewers reported their results to the Safety & Sustainability Committee of the Board. While the review found no immediate or emerging threats of catastrophic failures within our tailings and water dams, we remain focused on maintaining our management practices and avoiding any increased risk of failure at any of our facilities.

### GRI Indicators and Topic Boundary

G4-MM3

This topic is considered one of the 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, including relevant policies, management practices and systems, is available for download on our website.

### 2019 Highlights

**Zero** significant tailings-related environmental incidents

**Conducted a special independent review of Teck's tailings management** by senior external subject matter experts, who identified no immediate or emerging threats of catastrophic failures and confirmed that Teck tailings management practices are industry leading.

**Completed all independent annual inspections,** safety reviews and internal governance reviews with no immediate or emerging structural concerns identified.

**Contributed to the work undertaken by the ICMM, UNEP and PRI** to develop an international standard for the safer management of tailings storage facilities and enhanced transparency and disclosure through a detailed response to the Church of England's tailings facility inquiry.

## Our Performance in Tailings Management in 2019

**Our Targets and Commitments** We are committed to conducting regular reviews of our tailings facilities and to being open and transparent with communities and other stakeholders regarding the construction and management of our tailings facilities. Our regular reviews have six levels of protection, which include a range of internal and external reviews that can create recommendations for continuous improvement. When these recommendations arise and when they align with best practices, we develop action plans based on findings, and we regularly assess the implementation of these plans.

The following table introduces our new strategic priority and goals related to tailings management.

### New Strategic Priority and Goals

| Strategic Priority | Goals |
|---|---|
| • Continue to manage our tailings across their life cycle in a safe and environmentally responsible way | 1. Preferentially consider milling and tailings technologies that use less water for both new mines and any mine life extensions at existing mines.<br>2. Expand the use of digitally connected surveillance technologies to assist in monitoring our tailings storage facilities. |

Internal and external reviews of our facilities and procedures are conducted to ensure we maintain the highest standard of safety and environmental protection, including following best practice guidance set by MAC and ICMM. Beyond the comprehensive internal and external reviews, an additional level of facility oversight is in place for our tailings facilities through our Tailings Working Group that includes subject matter experts from across our business units and sites. This working group also maintains Teck's own tailings guidance and governance framework documents

## Internal Reviews

### Staff Inspections

Tailings dams are inspected by trained operators and expert technical staff as frequently as several times daily, with formal staff inspections at least once per month.

### Tailings Governance Reviews

Tailings Governance Reviews are carried out every second year at our operations and every third year at our legacy properties by internal subject matter experts. These governance 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.

The governance reviews also evaluate the performance of our Engineers of Record and other external reviewers to look for signs of complacency or lack of succession planning by those outside of Teck who we rely upon as part of our overall management processes. For our joint venture projects, we have an ongoing process with the other shareholders of the Antamina mine and the Fort Hills oil sands mine that meet the requirements of our governance review process.

From the combined Governance Review process in 2019, there were no significant findings; however, several value-added items were identified and are being actioned by the sites. 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.

## External Reviews

### Dam Safety Inspections and Dam Safety Reviews

A fully licensed, qualified individual who is vetted by our Tailings Working Group conducts formal dam safety inspections (DSIs) at least annually. Independent, qualified engineers also conduct periodic reviews, with timing dependent upon the consequence classification of the facility. For all facilities, the annual inspection reports are provided to the appropriate authority in each jurisdiction. DSIs and Dam Safety Reviews are conducted to evaluate our conformance with international best practices, our internal policy/standards and applicable regulatory requirements. Teck makes DSIs and other information about our tailings facilities, both operating and legacy, available on our website at www.teck.com/tailings.

### Independent Review Boards

A key element of Teck's review process is the use of Independent Review Boards. These boards, typically comprising three very senior subject matter specialists, meet from once to several times per year, depending upon the nature of the facility and the issues being considered by the board, to conduct a third-party review of design, operation, surveillance and maintenance of our storage facilities. The results from the Review Board assessments are communicated directly to senior management.

### Additional Detailed Third-Party Reviews

A qualified independent tailings reviewer, vetted by our Tailings Working Group, conducts comprehensive third-party dam safety reviews every three to 10 years for active and inactive facilities. The frequency of inspection is based on the consequence classification for each facility.

### Tailings Reviews Conducted in 2019

All of our operating and legacy facilities are reviewed against our internal policy and guidance documentation on a regular schedule, as described in Table 17.

**Table 17: 2019 Status of Major Tailings and Water Retaining Structures**

| Location | Annual Dam Safety Inspections[1] Up to Date | Dam Safety Reviews[2] Up to Date | Independent Review Board Activity[3] | Tailings Governance Reviews |
|---|---|---|---|---|
| Carmen de Andacollo | ✓ | ✓ | ✓ | Current — reviewed in 2019 |
| Elkview | ✓ | ✓ | ✓ | Current — next review in 2020 |
| Fording River | ✓ | ✓ | ✓ | Current — reviewed in 2019 |
| Greenhills | ✓ | ✓ | ✓ | Current — next review in 2020 |
| Highland Valley Copper | ✓ | ✓ | ✓ | Current — next review in 2020 |
| Red Dog | ✓ | ✓ | ✓ | Current — reviewed in 2019 |
| Sullivan[4] | ✓ | ✓ | ✓ | Current — next review in 2020 |
| Louvicourt[4] | ✓ | ✓ | ✓ | Current — next review in 2021 |
| Quebrada Blanca Phase 2 | Not yet operating | Not yet operating | ✓ | Current — reviewed in 2019 |

(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.

## Special Reviews

In addition to internal and external reviews, Teck will occasionally complete a special review. The Mount Polley event (2014) and the Samarco event (2015) both triggered such reviews. In 2019, in response to the tragic failure at Brumadinho in Brazil, Teck conducted a special independent review of its tailings and water retention structures, inclusive of our upstream and higher-consequence facilities that was reported to the Safety and Sustainability Committee of the Board. This special review included three external senior subject matter experts and was performed in three stages:

- **Phase 1:** Tabletop confirmation of all consequence classification and risk ranking of Teck's operating, legacy tailings and water retention structures, as well as major projects.
- **Phase 2:** Evaluation of the effectiveness of technical design and governance of the evaluated facilities, with special focus on critical controls for facility event triggering, emergency warning/response and dedicated personnel, both in terms of capacity and competence/training.
- **Phase 3:** Visits to select sites from Phase 2 to respond to questions from the external reviewers. The outcome of this phase was the final assessment of higher-priority facilities, which included a review of residual risk of failure events and subsequent loss of life or environmental damage, taking into account potential locations of people downstream of the tailings and water retention structures.

The review concluded that no immediate or emerging threats of catastrophic failures were apparent within Teck's tailings and water dams.

## Tailings Performance in 2019

Total tailings and fine coal refuse generated from processing ore and raw coal, stored in the 35 facilities at our operating mines, are reported in Table 18. This total does not include our minority joint venture operations at Antamina and Fort Hills.

**Table 18: Tailings and Fine Coal Refuse Generated from Processing Ore and Raw Coal** (million tonnes)

| 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|
| **74** | 76 | 75 | 73 |

### Tailings Incidents

Building on our strong track record of tailings management, in 2019, we had zero significant incidents at our tailings storage facilities and all of our facilities performed as intended, with their inspections and assorted internal and external reviews conducted as scheduled.

## Industry Association Activities

Teck chairs the MAC Tailings Working Group, which has been responsible for providing industry-leading best practice guidance, including key industry guidance documents issued in 2019.

Teck was also an active participant in ICMM's Tailings Position Statement and Governance Framework, and is a participant in ICMM's leadership work on a long-term goal of developing safe and sustainable alternatives to conventional wet tailings storage facilities. We are also actively involved in the work underway by the ICMM, UNEP and PRI to develop an international standard for the safer management of tailings storage facilities.

We remain committed to transparency and enhanced disclosure, and have participated in providing detailed information about our tailings facilities on our website and through responses to the tailings facility inquiry by the Church of England and the Swedish Council on Ethics for the AP Funds.

### Case Study: Improving Tailings Monitoring and Safety with Real-Time Data Collection in Chile

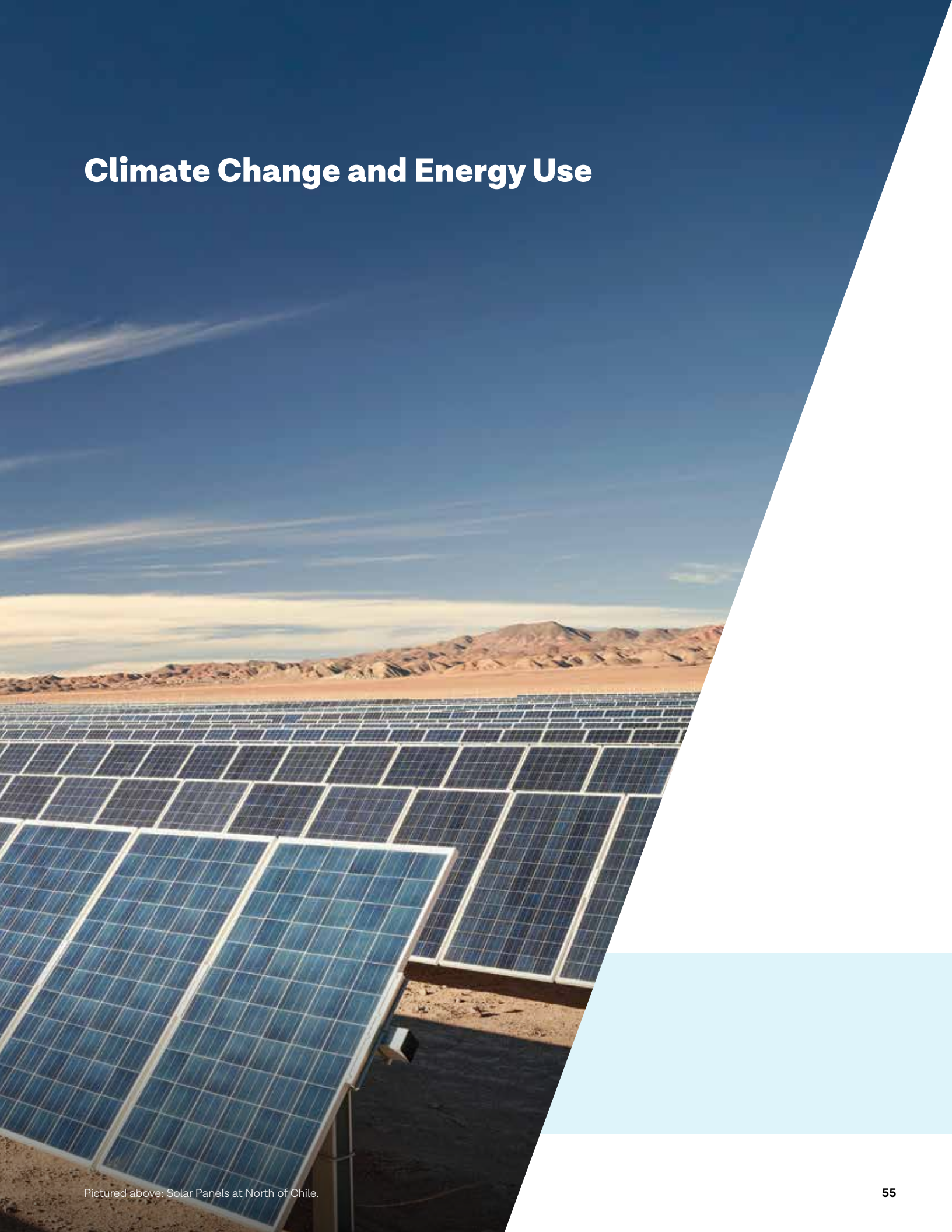
Chile is one of the most seismically active countries in the world. It is also an arid environment, but one that can have flash flooding from extreme but infrequent rainfall events. Because of these inherent characteristics of the region, a team from Teck's Carmen de Andacollo Operations has implemented a system to continuously monitor the instruments and sensors for the tailings facility remotely. Vibrating wire piezometers, which are sensors installed within the tailings dams and foundation that are used to monitor water pressure in the foundation and fill, were connected to dataloggers that wirelessly transmit the piezometric information to a custom-built web-based platform. This information is automatically uploaded and entered into a database that enables several features, including sending automatic alerts via email, mobile platforms, and allowing for visualization, recording and downloading of data. Other installations that monitor and evaluate seismic activity and rainfall events are also part of the comprehensive automated system. Read the full case study at teck.com/news/stories/.

## Outlook for Tailings Management

As the mining industry reviews and improves leading practices for tailings management, Teck will continue to maintain the highest standards for tailings management and play an active role in collaborating with industry partners, communities, investors and other stakeholders. For example, we collaborated with five industry peers and four academic institutes based in Australia where there is a centre of excellence in researching tailings liquefaction. Tailings liquefaction is a factor in nearly half of all historical facility failures, and work on better predicting where and when it can occur will improve the safety of facilities susceptible to this phenomenon. We will also continue to work with ICMM on the global tailings standard development and continue our engagements with ICMM's and MAC's tailings working groups in 2020 to evaluate ways in which the industry guidance that is developed through these efforts can be used to improve our practices.

Moving forward, we will work towards our strategic priority of continuing to manage our tailings across their life cycle in a safe and environmentally responsible way. We have set new goals on tailings management, which includes preferentially considering milling and tailings technologies that use less water for both new mines and any mine life extensions at existing mines and expanding the use of digitally connected surveillance technologies to assist in monitoring our tailings storage facilities. Our focus in 2020 will be to make progress towards achieving our new goals.

# Climate Change and Energy Use



Pictured above: Solar Panels at North of Chile.

# Climate Change and Energy Use

Global imperatives to reduce emissions, adapt to the effects of climate change and transition to a low-carbon economy continue to intensify. 2019 saw numerous climate-related extreme weather events around the world and over six million people participating in climate demonstrations across 150 countries.[17,18] In response, governments and companies are committing to unprecedented action.

*Industry context*

To achieve the objectives of UN Sustainable Development Goal 13 on climate action and the Paris Agreement, which commits governments to limiting global temperature rise to well below 2°C, a number of major mining jurisdictions, including Canada and Chile, have made climate change commitments and are reporting on their progress towards implementing them.[19]

*Teck context*

At Teck, we recognize that climate change is a key global risk, that it is directly influenced by human activity and that it requires decisive global action. Failure to act will expose the world to climate change impacts that will be costly for global ecosystems and for society as a whole. We are a signatory to the Paris Pledge for Action and believe we have a responsibility to help address this global challenge by reducing emissions at our operations, advocating for effective climate policies and responsibly producing the metals, minerals and energy that are essential for building the technologies and infrastructure needed to transition to a low-carbon economy.

The copper, lead, zinc and steelmaking coal produced at our operations are among the lowest carbon intensity products in the world compared to our peers.

Building on this track record, we set new goals in climate change, with a new strategic priority to be a carbon neutral operator by 2050.

Our responsibility to address climate change also includes accounting for climate-related risks and opportunities in our business strategies and at our operations. In August 2019, we released our second Portfolio Resilience in the Face of Climate Change report, aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which outlines the potential implications of three climate-related scenarios for our business looking forward to 2040. These range from a scenario that limits climate change to 2° Celsius (C) above pre-industrial levels to scenarios with more significant climate change in that time frame.

### 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

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

### How Does Teck Manage This Topic?

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

[17] US to stage its largest ever climate strike: 'Somebody must sound the alarm'. The Guardian. September 2019. [18] The hard truths of climate change- by the numbers. Nature. September 2019.
[19] Energy Efficiency: Aggregate Performance. Mining Association of Canada. 2019.

### 2019 Highlights

**249** terajoule reduction in energy use

**297 thousand tonne** reduction in greenhouse gas (GHG) emissions since 2011

**Introduced first two electric passenger buses** for crew transportation at our steelmaking coal operations.

**Released the 2019 Portfolio Resilience in the Face of Climate Change report,** aligned with the Task Force on Climate-related Financial Disclosure (TCFD) recommendations.

## Our Performance in Climate Change and Energy Use in 2019

**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 2020 sustainability goals related to climate change and energy use and introduces our new strategic priority and goals.

| 2020 Sustainability Strategy Goals | Status | Summary of Progress in 2019 |
|---|---|---|
| Implement projects that reduce energy consumption by 2,500 terajoules (TJ).(1) | On track | Achieved 2,469 TJ reduction to date (i.e., 2011–2019). |
| Implement projects that reduce GHG emissions by 275 kilotonnes (kt) of $CO_2$-equivalent ($CO_2e$).(1) | Achieved | Achieved goal in 2017. Total reductions to date of 297 kt of $CO_2e$. |
| Assess opportunities and identify potential project partners toward achieving our 2030 alternative energy goal. | On track | Purchased the SunMine Solar Energy Facility from the City of Kimberley.<br>Procured more solar power for Quebrada Blanca Phase 2. |
| Engage with governments to advocate for effective and efficient carbon pricing. | On track | Advanced advocacy efforts on carbon pricing through engagements with the British Columbia, Alberta and Canadian governments, through efforts such as the B.C. Climate Solutions and Clean Growth Advisory Council, which is co-chaired by Teck Senior Vice President, Sustainability and External Affairs, Marcia Smith. |

(1) Energy and GHG reductions are measured against a 2010 base year which was selected to align with a 10 year reduction period in relation to the 2020 goals

## New Strategic Priority and Goals

| Strategic Priority | Goals |
|---|---|
| • Be a carbon neutral operator by 2050 | 1. Reduce the carbon intensity of our operations by 33% by 2030.<br>2. Procure 50% of our electricity demands in Chile from clean energy by 2025 and 100% by 2030.<br>3. Accelerate the adoption of zero-emissions alternatives for transportation by displacing the equivalent of 1,000 internal combustion engine (ICE) vehicles by 2025.<br>Details about the context, definitions and key performance indicators related to this strategic priority and these goals are available on our website at www.teck.com/responsibility. |

Teck has set an ambitious objective of achieving carbon neutrality across all its operations and activities by 2050. Teck starts from a strong position to work towards carbon neutrality, building on our track record of taking action to reduce our carbon footprint and improve energy use at our operations.

Teck's progress on reducing carbon emissions and supporting climate action to date include:

- 82% of all electricity use sourced from renewable, zero-carbon power sources
- 297,000-tonne reduction in greenhouse gas (GHG) emissions at our operations since 2011
- Among the world's lowest carbon intensities for our steelmaking coal, copper, and refined zinc and lead production
- Signatory to the Paris Pledge for Action and member of the Carbon Pricing Leadership Coalition, actively advocating for a global price on carbon
- Released our second Portfolio Resilience in the Face of Climate Change report, aligned with the TCFD, outlining our approach to scenario planning
- Founding member of Canada's Oil Sands Innovation Alliance (COSIA); to date, COSIA members have spent over $200 million to evaluate and develop GHG reduction technologies
- Collaborating with the International Council of Mining and Metals (ICMM) to reduce GHG emissions from large mobile mining equipment
- Carbon price costed into the majority of business – paid over $500 million CDN in carbon taxes in Canada since 2008

### Initial Road Map to Carbon Neutrality

Teck will deploy a range of measures, technologies and approaches to achieve our goal of being carbon neutral by 2050. At a high level, this will include looking at alternative ways of moving materials at our mines, using cleaner power sources, and implementing efficiency improvements.

We have set out an initial roadmap to achieve carbon neutrality by first avoiding emissions and then eliminating or minimizing emissions. Based on this approach, we have prioritized our most significant emissions sources and most mature technologies, among other factors.

The most significant sources of emissions across our business today and in the future are from power supply and mobile equipment such as haul trucks. To decarbonize these emission sources and ultimately achieve our goal of carbon neutrality, we will advance the following options:

- Increase procurement of electricity for operations from clean energy sources such as solar
- Replace internal combustion engine vehicles through the adoption of zero-emissions alternatives
- Use low-carbon alternatives for moving material at sites, such as replacing diesel haul trucks with electric or low-carbon trucks, or using electricity-powered conveyors
- Use lower emission alternatives for stationary combustion processes (e.g. steelmaking coal dryers)
- Assess the potential for using emerging technologies such as carbon capture and storage
- Work with industry partners (ICMM, COSIA, etc.) to advance carbon reduction technologies for mining

We are actively evaluating solutions that are commercially competitive today and monitoring earlier stage technologies as they mature towards commercial viability.

## Key Performance Indicators

**2019:** Reduced 249 TJ
**2018:** Reduced 88 TJ[1]
**2017:** Reduced 582 TJ

**Indicator**
Energy consumption

**Target**
2,500 TJ reduction by 2020

**2019:** Reduced 8 kt
**2018:** Reduced 8 kt
**2017:** Reduced 64 kt

**Indicator**
GHG emissions by direct $CO_2e$

**Target**
275 kt reduction by 2020

**2019:** 26%
**2018:** 27%
**2017:** 27%

**Indicator**
Energy use from non-carbon-emitting sources

(1) Figures have been restated due to improvements in calculations

## Reducing Our Carbon Footprint[20]

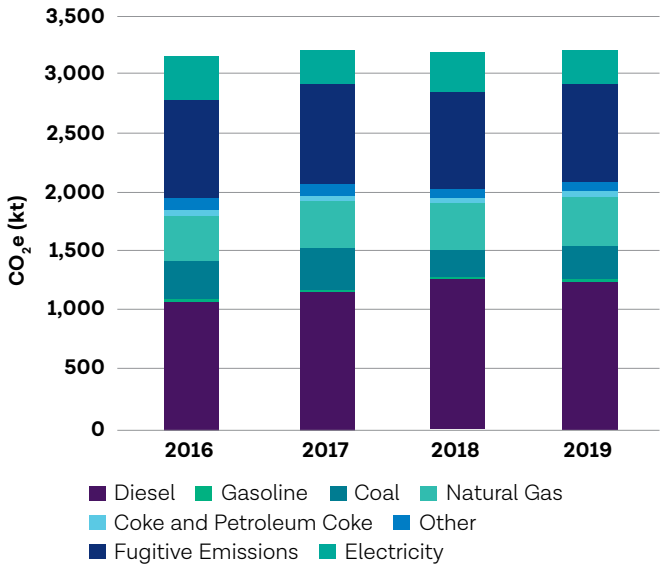
Throughout our business units, operations and project planning stages, we assess a full spectrum of environmental risks, including those associated with energy use and GHG emissions. As shown in Figure 9, Scope 1 (direct) GHG emissions are those that occur from energy sources that are owned or controlled 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 2019, our total GHG emissions (Scope 1 and Scope 2), as $CO_2e$, were 3,226 kilotonnes (kt), compared to 3,210 kt in 2018. Of those totals, our direct (Scope 1) GHG emissions were 2,936 kt in 2019, compared to 2,869 kt in 2018. We estimate our indirect (Scope 2) GHG emissions associated with electricity use for 2019 to be 290 kt, or approximately 9% 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. 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 the use of our products, business travel by employees and the transportation of materials that we purchase and sell. In 2019, our most material Scope 3 emissions were 73,000 kt, which are from the use of our steelmaking coal product by our customers.

In this report, we have also introduced two updates to our GHG quantification methodologies that have resulted in restatements to our historical figures. The first update was made to the emission factor used to estimate fugitive methane at our coal operations. This update was made to reflect changes within our regulatory reporting obligations. The second update was made to the electricity emission factors used in British Columbia to more accurately reflect historical annual estimates of the electricity grid's GHG intensity.

**Figure 9: Scope 1 and Scope 2 GHG Emissions by Fuel Type[1],[2]**




(1) For electricity emissions in Canada, the emission factors use 2010 as a base year and are based on the most recent version of the 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 most recent version of the Canadian National Inventory Report.

[20] In 2016, we updated the Global Warming Potential values for all of our GHG accounting to align with regulatory requirements; therefore, historical values have been restated. Global Warming Potentials are the factors that convert greenhouse gases — like methane ($CH_4$) — to a carbon dioxide equivalent ($CO_2e$), thereby standardizing the quantification of GHG emissions.

**Table 19: Total Emissions** (kilotonnes $CO_2e$)[1]

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| Total Emissions — Direct (Scope 1) | **2,936** | 2,869 | 2,954 | 2,817 |
| Total Emissions — Indirect (Scope 2) | **290** | 341 | 284 | 372 |
| Total Emissions (Scope 1 + Scope 2) | **3,226** | 3,210 | 3,238 | 3,189 |
| Total Emissions — Scope 3 (Use of coal product sold) | **73,000** | 76,000 | 78,438 | 79,053 |

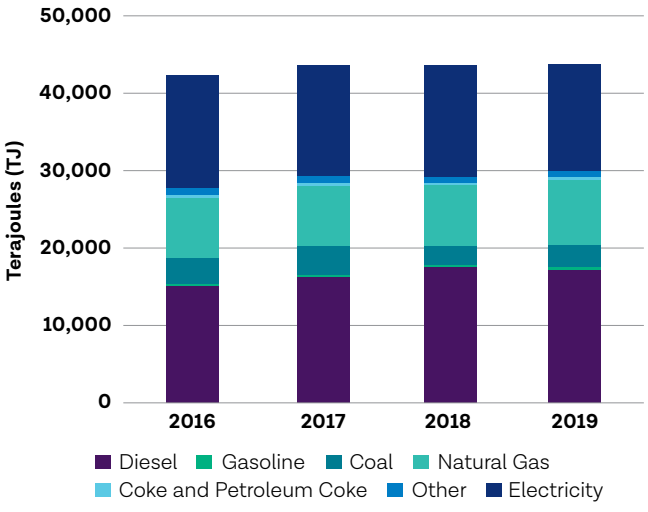
(1) Teck's quantification methodology for our Scope 1 and Scope 2 emissions is aligned with The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

# Positioning Teck to Thrive in the Low-Carbon Economy

## Energy Use and Reduction

In 2019, we consumed a total of 44,032 TJ of energy (i.e., electricity and fuels), as compared to 43,866 TJ in 2018, as shown in Figure 10. In 2019, six of our operations (Cardinal River, Coal Mountain, Greenhills, Carmen de Andacollo, Quebrada Blanca and Pend Oreille) reduced their absolute energy consumption from 2018. Collectively, projects implemented in 2019 have reduced annual energy consumption at our operations by 249 TJ — enough to power 2,311 homes for a year. Since 2011, our efforts have resulted in reduction projects totalling 2,469 TJ of savings.

**Figure 10: Energy Consumption by Type**[1]

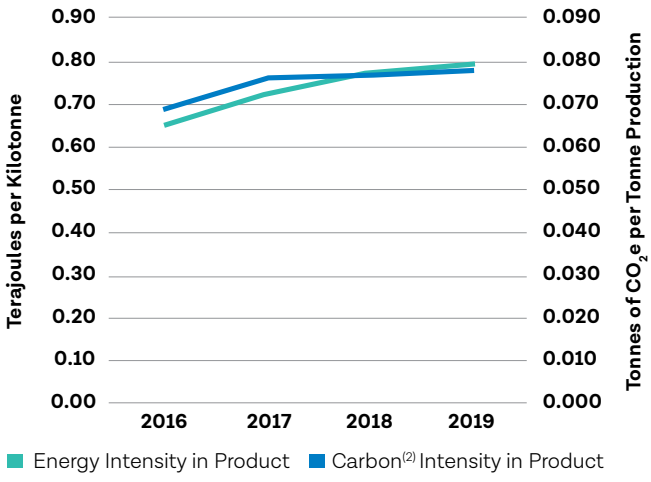



(1) Other includes propane, waste oil, fuel oils and other process fuels.

In 2019, approximately 26% of our energy requirements (i.e., electricity and fuels) were supplied by non-carbon-emitting sources, primarily hydroelectricity, compared to 27% in 2018. Of our total electricity consumption in 2019, 82%, or 11,491 TJ, was from renewable energy sources, the majority of which is hydroelectricity.

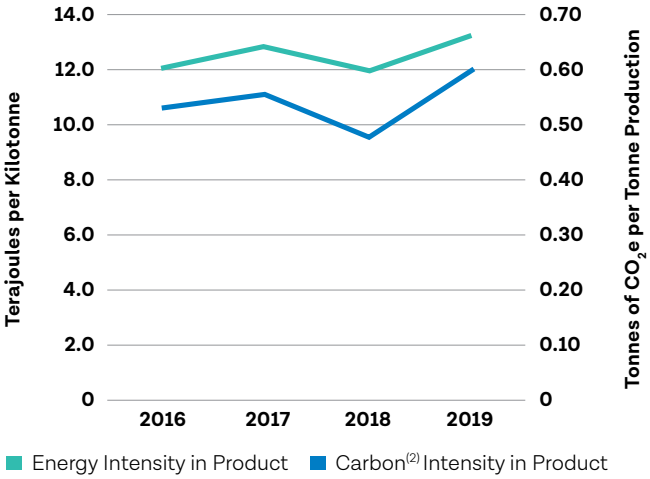
In Figures 11 to 13, we outline our energy intensity, or the amount of energy used per tonne of product, as well as the carbon intensity. According to data from the ICMM, at 80 kilograms of $CO_2$-equivalent per tonne of steelmaking coal produced, the emissions intensity of our steelmaking coal is approximately half the industry average of more than 150 kilograms. Similarly, our copper production averages 2.56 tonnes of $CO_2$-equivalent per tonne of copper produced, which is 36% below the industry average of 4 tonnes. Our goal is to continue to improve the carbon intensity of our operations and future projects.

**Figure 11: Steelmaking Coal Production Intensity**



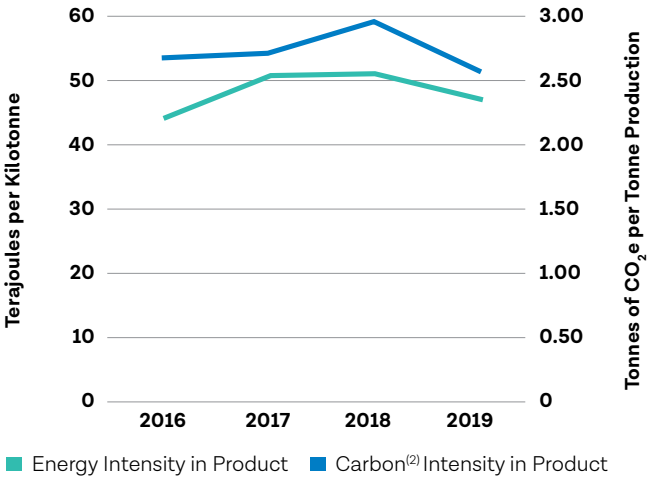
Energy and carbon intensity for the production of steelmaking coal increased in 2019 (Figure 11). This change is primarily a result of mining in new, recently permitted areas at a number of our operations, with increased strip ratios to generate production after the closure of Coal Mountain. Increased strip ratios require more waste material to be moved for an equivalent amount of coal production, therefore increasing the energy and carbon intensity of the product.

**Figure 12: Zinc and Lead Production Intensity**



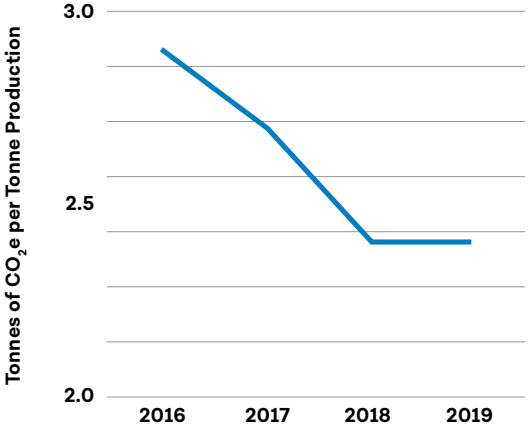

Energy and carbon intensity for the production of zinc and lead increased in 2019 (Figure 12). This change is primarily due to lower throughput and zinc grades. Trail Operations also experienced a decline in refined zinc production due to the electrical equipment failure.

**Figure 13: Copper Production Intensity**




Energy and carbon intensity for the production of copper decreased in 2019 (Figure 13). This change is attributed to a larger proportion of the total copper production coming from Highland Valley Copper, which is a low-carbon and energy-intensive operation, in relation to Carmen de Andacollo and Quebrada Blanca operations. In 2019, Highland Valley Copper experienced higher ore grades and improved recovery.

**Figure 14: Teck Carbon Intensity on a Copper Equivalent(1) Production Basis**




(1) Only the primary commodities we report on — i.e. coal, copper and zinc — are included within the equivalency calculation. Lead has been excluded. Carbon equivalency was calculated by using a three-year commodity price average, using prices reported in our previous annual reports.
(2) Carbon intensity includes Scope 1 and Scope 2 emissions and is stated on a $CO_2e$ basis, which is inclusive of $CO_2$, $CH_4$, $N_2O$, PFCs, $SF_6$ and $NF_3$ as appropriate.

Figure 14 is new to our sustainability disclosures. It is demonstrating Teck's carbon intensity, which includes total Scope 1 and 2 emissions as reported above against a tonne of copper equivalent. We have used this metric – intensity per tonne of copper equivalent – in order to provide a single carbon intensity metric for the organization as a whole.

### Case Study: Using Solar Power at our Quebrada Blanca Phase 2 Project

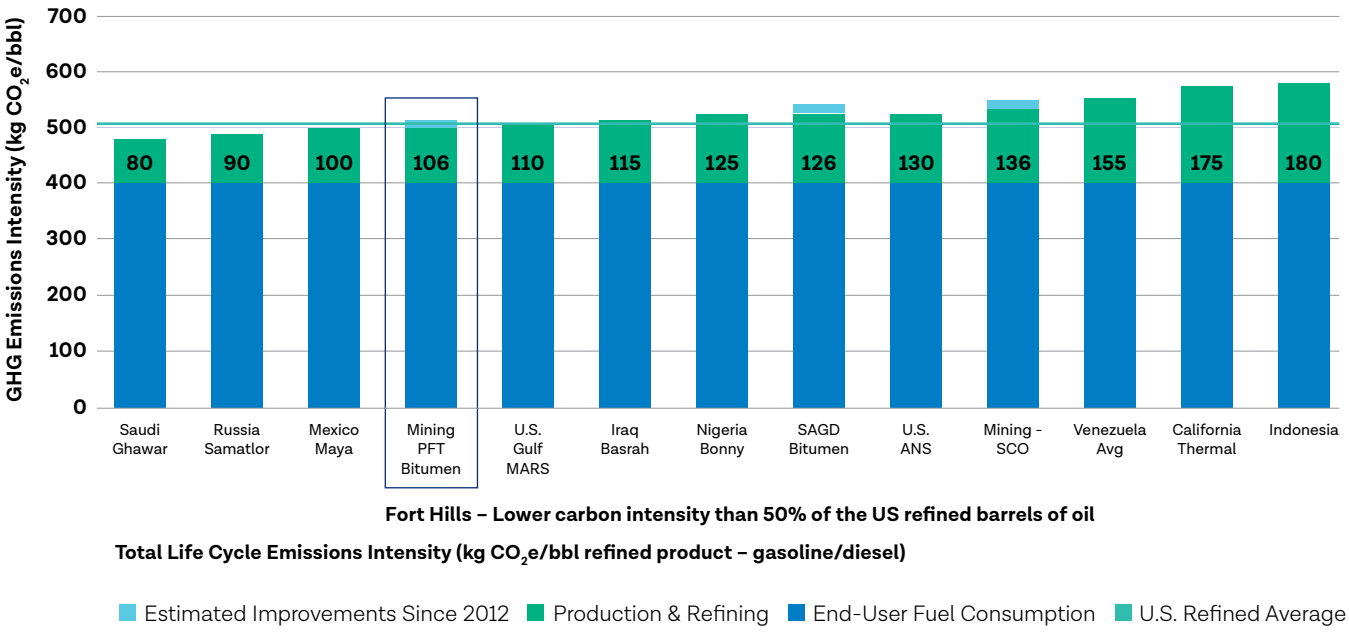
At Teck's Chilean operations, where the majority of energy is currently supplied by conventional sources like coal and natural gas, increasing our use of renewable energy brings opportunities to greatly reduce greenhouse gas (GHG) emissions, while creating potential for long-term savings on energy costs. Recognizing these opportunities, in 2020, we set ambitious goals for our Chilean operations to procure 50% of our electricity from clean energy by 2025 and 100% by 2030. To work towards these goals, Teck's QB2 project renegotiated part of its power agreement with AES Gener in early 2020 to increase the project's use of renewable energy to 118 megawatts (MW) starting as early as 2022. Once effective, more than 50% of QB2's total operating power needs will be from renewable sources, including wind, solar and hydroelectric energy. This agreement secures reliable, long-term power for our major copper growth project at no additional cost, while helping to reduce our environmental footprint. Read the full case study at www.teck.com/news/stories/.

## 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. Teck holds a minority interest (21.3%) interest in Suncor's Fort Hills oil sands mine. Located approximately 90 kilometres north of Fort McMurray in the Athabasca oil sands region of northeastern Alberta, Fort Hills is an open-pit truck and shovel mine.

It incorporates industry-leading technologies to achieve best-in-class environmental performance. As a result, at 37.5 kilograms of $CO_2$-equivalent per barrel of oil (bbl), the carbon intensity of oil produced from Fort Hills is the lowest in the oil sands by a significant factor (Figure 15). We believe that lower-carbon production such as from Fort Hills can help to displace more carbon-intensive barrels as the world transitions to cleaner energy sources.

**Figure 15: GHG Emissions Intensity of Oil Sands Facilities[1]**




(1) Source: Bloomberg, BMO Capital Markets

## 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 2019, 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, the 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. Some of 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.[21] In 2019, the federal government implemented the *Greenhouse Gas Pollution Pricing Act,* which prices carbon in Canadian provinces not already covered by their own carbon price. The Province of British Columbia also increased the B.C. carbon tax by $5 per tonne of $CO_2e$ from $35 to $40 in 2019. This price is expected to increase by $5 per tonne of $CO_2e$ per year until reaching $50 per tonne of $CO_2e$ in 2021.

As part of its commitment to address impacts on emissions-intensive, trade-exposed industries, the B.C. Government continued to develop its Clean Growth Program for Industry, which includes an industrial incentive to reduce carbon tax costs for operations meeting ambitious emissions standards, as well as an industry fund to invest carbon tax revenue directly into emission reduction projects. In Alberta, a new industry-specific carbon price policy, called the Technology Innovation and Emissions Reductions (TIER), is expected to be implemented in 2020. Details are still emerging, and we will continue to engage with regulators and assess the potential implications of these policies on our operations and projects.

In 2019, we continued to work with the Mining Association of British Columbia (MABC) and the Business Council of British Columbia (BCBC) on carbon pricing policy, to provide both policy direction and technical input to the government, with a view to maintaining the competitiveness of industry in the province.

We are also engaging with the B.C. Government directly through the provincial Clean Growth Advisory Council, for which Marcia Smith, Teck's Senior Vice President, Sustainability and External Affairs, was the co-chair in 2018 and 2019. Teck has more than a decade of experience with carbon pricing policies, which has informed our work to help advance the effective design and acceptance of carbon pricing policies globally. This is best demonstrated by our participation in the Carbon Pricing Leadership Coalition.

Timely and transparent climate and environmental disclosures are important to Teck and its communities of interest and are a key component of driving sustainability. Building on over a decade of public reporting on climate change, in 2019, we continued to participate in the Carbon Disclosure Project (CDP). We also engaged with the Climate Action 100+, a leading investor initiative that supports action on climate change, on topics such as our emission reduction and alternative energy targets.

## Summary of Portfolio Resilience in the Face of Climate Change

In August 2019, we released our Portfolio Resilience in the Face of Climate Change report. The report looks at how Teck is positioned for a low-carbon economy by analyzing potential business risks and opportunities under three different climate change scenarios:

1. 3.5°C: A Story of Inaction
2. 2.7°C: A Story of Transition
3. Below 2°C Scenario: A Story of Transformation

These scenarios provide information on how Teck is analyzing and preparing for the risks and opportunities that may emerge as the global community combats climate change and moves to a lower-carbon future. This report builds on our 2018 Climate Action and Portfolio Resilience report and aligns with recommendations from the Task Force on Climate-related Financial Disclosure, which we support.

### Case Study: Electric Buses at our Elk Valley Mines Reduce Energy Use and Emissions

Teck's vehicle fleet, which runs primarily on diesel, generates a significant portion of our total GHG emissions. Low-emission vehicles present a major opportunity to reduce our carbon footprint and take advantage of cost savings and other benefits. As part of our commitment to reducing our emissions and leveraging innovation and technology, Teck introduced two eLion C Series electric buses for crew transport in 2019, in a 12-month pilot project. The 40-passenger eLion buses replace diesel crew transport buses at our Fording River and Greenhills operations in the Elk Valley. Read the full case study at teck.com/news/stories/.

[21] Carbon Pricing in Action. Carbon Pricing Leadership Coalition.

## Adapting to Physical Climate Risks

We are taking steps to guard against the future impacts of climate change, as we recognize that ongoing changes to climate can increase the physical climate risks to our mining operations and to related infrastructure. Several of our operations have experienced weather events that are potentially climate related, including warming conditions at Red Dog Operations and increased snowmelt runoff leading to flooding at Highland Valley Copper (HVC) Operations.

In 2019, we implemented climate adaptation measures at several of our operations. At HVC, we continued to execute our spring runoff water management strategy to protect key infrastructure and we completed climate change analyses to contribute to long-term adaptation plans for the mine. At our Fording River Operations, we continue to advance a flood mitigation project, in response to erosion caused by high water levels in 2013. At our operations in Chile, we advanced projects to reduce our fresh water consumption in response to potential water availability constraints due to future climate conditions.

### Case Study: Adapting Our Flood Management to Respond to Changing Climate Variability

In 2017, an unusually long winter at our Highland Valley Copper (HVC) Operations, combined with sharp temperature increases in the late spring, resulted in heavy snowmelt flows. To manage this larger than normal volume of water, mining was temporarily paused as the site worked to rebalance water across the site. Following this event, HVC implemented a number of new flood management systems, including installing additional pumping capacity and real-time flow monitoring stations. These measures have been effective - while spring runoff levels were similarly high in 2018 compared to 2017, the new systems helped to minimize the impacts of snowmelt runoff in 2018 as well as in 2019. Read the full case study at https://www.teck.com/news/stories/.

## Outlook for Climate Change and Energy Use

In 2020, Teck will continue to incorporate planning for climate-related risks and opportunities into our business strategies and at our operations. 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.

Moving forward, we will work towards our strategic priority of being a carbon neutral operator by 2050. We have set new goals in climate change, which include reducing the carbon intensity of our operations by 33% by 2030, procuring 50% of our electricity demands in Chile from clean energy by 2025 and 100% by 2030 and accelerating the adoption of zero-emissions alternatives for transportation by displacing the equivalent of 1,000 internal combustion engine (ICE) vehicles by 2025. Our focus in 2020 will be on concluding the final steps of our 2020 goals within our previous sustainability strategy, and on making progress towards achieving our new goals.

# Diversity and Employee Relations


Pictured above: Employees at Carmen de Andacollo Operations, Chile.

# Diversity and Employee Relations

Globalization and technological improvements have a great impact on society and labour markets worldwide.[22] While certain jobs may disappear, others will emerge. For example, the Organisation for Economic Co-operation and Development (OECD) estimates that 14% of jobs are at high risk of automation. While the United Nations Sustainable Development Goal 5 (SDG 5) on diversity, and SDG 8 on full and productive employment, prioritize these issues, the future of work will also largely depend on the policy decisions that countries make. Companies are responding to these trends by investing in the development of employee skills, implementing internal policies and working to attract and retain a more diverse workforce.

*Industry context*

New technologies in the mining industry have the potential to enhance safety, reduce the environmental footprint of mining and reduce operating costs. Implementing these technologies will require new skills and in some cases new employees. Throughout the transition to implementing new technology and innovation, inclusion and diversity will be important considerations. Diversity is becoming a more significant priority for the mining industry, where women, Indigenous Peoples and other minorities are under-represented. A diverse workforce that integrates a wider range of people, backgrounds and perspectives not only helps enhance corporate performance; it also makes local economies more resilient.

*Teck context*

In 2019, we faced increasingly challenging market conditions across our commodities, particularly for steelmaking coal. This economic uncertainty necessitated the implementation of a company-wide Cost Reduction Program, which included a global workforce reduction of 500 full-time equivalent positions, through a combination of direct reductions, retirements and attrition, the expiry of temporary or contract positions, and not filling current job vacancies.

Supporting a safe, healthy and engaged workforce is foundational to our business. We want to be an employer of choice and a company that continues to attract, develop and retain talented and engaged employees globally. We do this by investing in our people throughout their careers and by offering a diverse and inclusive workforce. For example, as of 2019, women make up 20% of Teck's total workforce, up from 18% in 2018, and 33% of Teck's Board of Directors are women. We are also committed to providing training and development opportunities that will enable our workforce to adapt to the increasing use of technology and innovation in our business. For example, in 2019, we offered digital awareness training as part of our RACE21™ innovation and technology program.

### GRI Indicators and Topic Boundary

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

This topic is considered one of the 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.



[22] OECD Employment Outlook 2019. The Future of Work. The Organisation for Economic Co-operation and Development. 2019.

### 2019 Highlights

Focused on strengthening diversity, with women making up **32%** of new hires in 2019; women now comprise **20%** of our total workforce, **10%** of senior management and **33%** of the Board of Directors.

Named to **Canada's 2020 Top 100 Employers** by Mediacorp for the third consecutive year.

## Our Performance in Diversity and Employee Relations in 2019

**Our Targets and Commitments** We are committed to having an inclusive and diverse workforce. 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 table summarizes our performance against our 2020 sustainability goals for diversity and employee relations, and introduces our new strategic priority and goals.

| 2020 Sustainability Strategy Goals | Status | Summary of Progress in 2019 |
|---|---|---|
| Build a diverse workforce that includes more women and Indigenous Peoples. | On track | There were a total of 1,843 hires in 2019. 32% of total hires were female, resulting in a 2% increase in the number of female employees, which stands at 20% of the total workforce. |
| Develop leaders who can confidently and efficiently manage safe, respectful and productive operations. | On track | 345 leaders completed one of our four leadership development programs. |

### New Strategic Priority and Goals

| Strategic Priority | Goals |
|---|---|
| • Foster a workplace where everyone is included, valued and equipped for today and the future | 1. Increase the percentage of women working at Teck — including women in leadership positions — and advance inclusion and diversity initiatives across the company by 2025.<br>2. Equip our employees for future workplace and leadership needs, including upskilling and reskilling, by investing $200 million in training and skills development programs by 2025.<br>3. Expand employee engagement opportunities, including employee-driven community initiatives and a company-wide feedback program, by 2025.<br>Details about the context, definitions and key performance indicators related to this strategic priority and these goals are available on our website at www.teck.com/responsibility. |

## Key Performance Indicators

| | |
|---|---|
| **2019:** | 20% female employees |
| **2018:** | 18% female employees |
| **2017:** | 17% female employees |

**Indicator**

% of women working at Teck

**Target**

Increase % of women at Teck

| | |
|---|---|
| **2019:** | 10% total turnover |
| **2018:** | 8% total turnover |
| **2017:** | 9% total turnover |

**Indicator**

% of total employee turnover

**Target**

Keep total employee turnover under 10% each year

| | |
|---|---|
| **2019:** | $48 million |
| **2018:** | $43 million |
| **2017:** | $38 million |

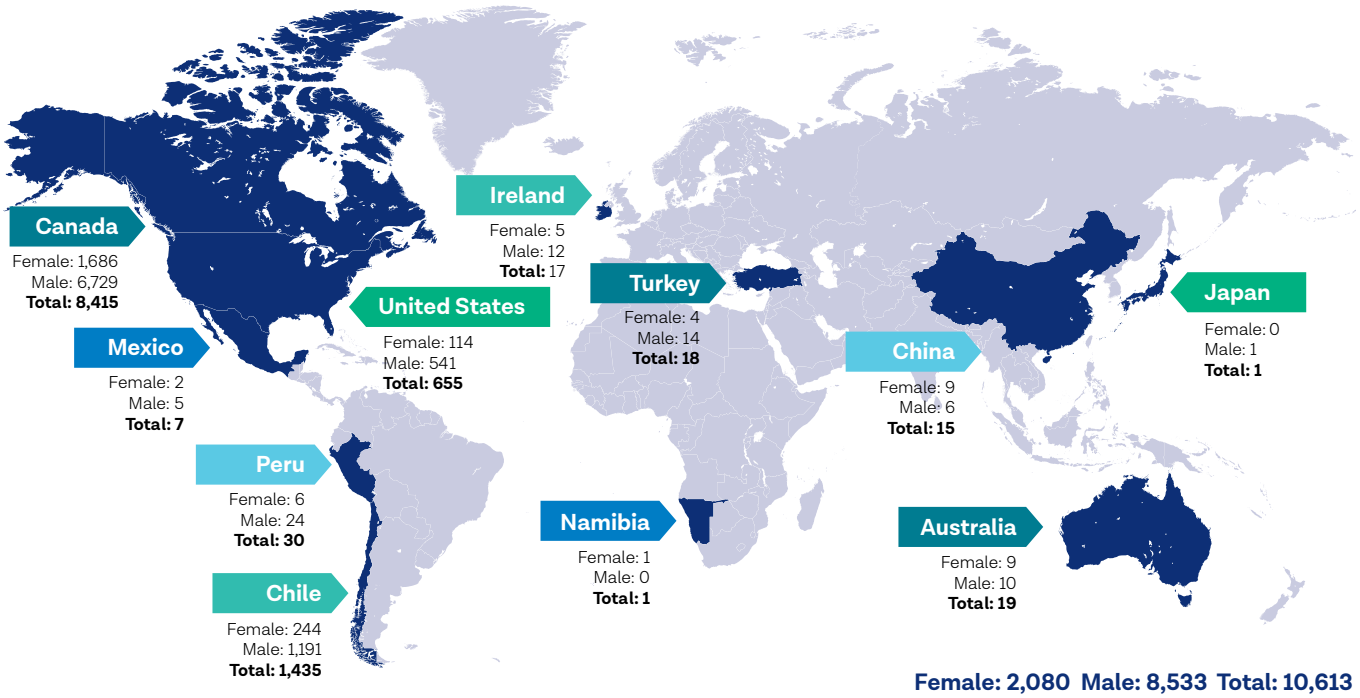
**Indicator**

Annual investment spend on training

## Global Workforce Demographic

At the end of 2019, there were 10,613 employees, temporary and permanent, working at Teck operations and offices.

**Figure 16: Global Workforce in 2019**




**Female: 2,080 Male: 8,533 Total: 10,613**

**Figure 17: Global Workforce by Employment Level**

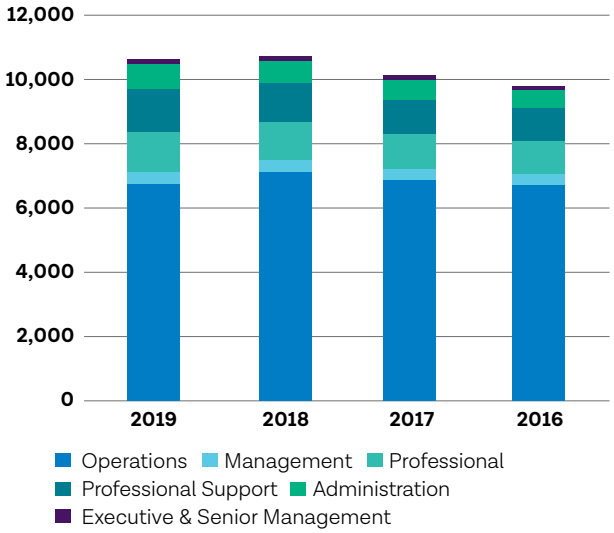
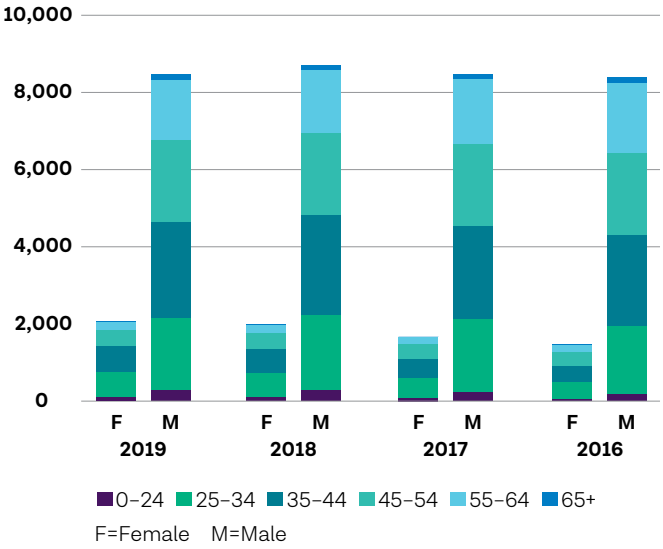



**Figure 18: Global Workforce by Age and Gender**




## Labour Relations

In total, 56% of our workforce is unionized. Table 20 presents a list of collective bargaining agreements covering unionized employees at our principal operations (including Antamina). In 2019, collective agreements at Line Creek, Coal Mountain, Quebrada Blanca and Carmen de Andacollo operations expired. A collective agreement was signed with two unions at Carmen de Andacollo (CdA) and one union in Quebrada Blanca in 2019 following the expiry of their collective agreements. There was one strike at CdA in 2019 that lasted for 52 days and concluded with the signing of a new collective agreement. The Coal Mountain collective agreement was renewed for one year, as the operation is in care and maintenance; collective bargaining at Line Creek commenced and was still underway at year-end.

**Table 20: List of Collective Agreements**

| Operation | Expiry Dates |
|---|---|
| Antamina | **July 31, 2021** |
| Line Creek[1] | **May 31, 2019** |
| Carmen de Andacollo | **September 30, 2022 (Operators' Union)**<br>**December 31, 2022 (Supervisors' Union)** |
| Coal Mountain | **December 31, 2020** |
| Elkview | **October 31, 2020** |
| Fording River | **April 30, 2021** |
| Highland Valley Copper | **September 30, 2021** |
| Quebrada Blanca | **January 31, 2022 (Union Admin)**<br>**November 30, 2022 (Union 1)**<br>**March 31, 2022 (Union 2)** |
| Trail | **May 31, 2022** |
| Cardinal River | **June 30, 2022** |

(1) Bargaining continues with the International Union of Operating Engineers, Local 115 at Line Creek, whose collective agreement expired on May 31, 2019.

## Talent Attraction

In 2019, Teck conducted recruitment events in several towns near our operations and at over 20 post-secondary institutions, and used social media to amplify our engagement. Teck also had a recruitment presence at events including Association for Mineral Exploration of BC Roundup, Soaring Youth Conference, Prospectors & Developers Association of Canada, Canadian Institute of Mining, Metallurgy and Petroleum and the Tailings & Mine Waste Conference. These and other activities help ensure Teck attracts 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 Geoscientists).

In 2019, 28% of total new hires (219) were women. For a breakdown of new hires by age group and gender, as well as by employment type, see our online 2019 Sustainability Performance Data.

**Table 21: New Hires by Age Group, Country and Gender in 2019**

| | Country | Under 30 years | 30 to 50 years | Over 50 Years | Total |
|---|---|---|---|---|---|
| Female | China | 1 | 0 | 0 | 1 |
| | Australia | 0 | 1 | 0 | 1 |
| | Canada | 51 | 74 | 11 | 136 |
| | United States | 3 | 7 | 8 | 18 |
| | Chile | 20 | 42 | 1 | 63 |
| | **Female Total** | **75** | **124** | **20** | **219** |
| Male | Canada | 131 | 208 | 44 | 383 |
| | Mexico | 1 | 0 | 0 | 1 |
| | United States | 12 | 34 | 7 | 53 |
| | Chile | 17 | 94 | 29 | 140 |
| | **Male Total** | **161** | **336** | **80** | **577** |
| | **Grand Total** | **236** | **460** | **100** | **796** |

## 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 track training hours for all activities related to the 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. In 2019, training included Spanish language training, Mining 101 education, leadership development for new leaders at Quebrada Blanca, frontline supervisors training and leadership development, middle managers development and coaching, emerging senior leadership development, business education courses, as well as the continuation of the Executive Masters in Business Education program.

**Figure 19: Investment Spend on Training** (millions)

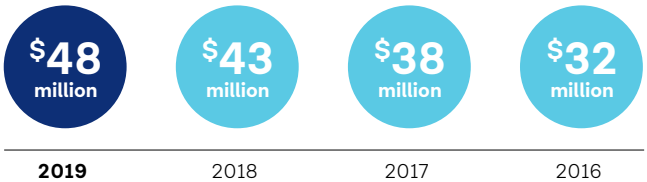


**Table 22: Average Hours of Training per Employee**

| Type | 2019 | |
|---|---|---|
| | Male | Female |
| Hourly | 128 | 115 |
| Staff | 32 | 51 |
| **Total** | **160** | **166** |

## Employee Turnover

For an overall understanding of workforce dynamics and changes, we track employee turnover, including voluntary resignations, involuntary layoffs and retirements. In 2019, turnover increased due to involuntary layoffs.

**Table 23: Employee Turnover**

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| Voluntary Turnover Rate | **6.5%** | 6% | 6% | 6% |
| **Total Turnover** | **10%** | 8% | 9% | 7% |

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

| | 2019 | | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|
| | Female | Male | | | |
| Number of employees who took parental leave | 69 | 86 | 134 | 123 | 122 |
| Number of employees who returned to work after parental leave ended | 46 | 92 | 124 | 111 | 96 |
| Number of employees who returned to work after parental leave ended that were still employed 12 months after their return to work | 49 | 61 | N/A | N/A | N/A |
| Return to work rate of employees who took parental leave (%)[1] | 67% | 107% | 93% | 90% | 79% |
| Retention rate of employees who took parental leave (%)[2] | 94% | 87% | 88% | 92% | N/A |

(1) Return to work rate is the total number of employees who returned to work after parental leave, expressed as a percentage of total number of employees due to return to work after taking parental leave.
(2) Retention rate is the total number of employees retained 12 months after returning to work following a period of parental leave, expressed as a percentage of total number of employees returning from parental leave in the prior reporting period.

## People Central (formerly known as Building Strength with People)

We evaluate employee engagement by measuring the effectiveness of our People Central program (formerly known as Building Strength with People — BSWP), 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. This year's overall BSWP effectiveness score was 74%, a 2% decrease from last year. Although we received a lower overall score, we were able to survey all program participants (a 130% increase in sample size) and collect meaningful data to form recommendations to improve the employee experience with regards to performance, development and career conversations.

Key recommendations from the survey included improving the employee experience with regards to performance, development and career conversations. Following on these recommendations, in 2019 we worked to increase the visibility of employees with senior leadership, we provided regular training to both supervisors and employees in meaningful performance conversations and setting effective objectives, and we conducted a full review of the program and system for improvement, including mobile accessibility.

## Leadership Development

Teck's approach to leadership development is primarily focused on four programs: Leading for the Future, Leading for Excellence, Leading Together and Emerging Leaders. In 2019, we conducted five Leading for the Future cohorts, five Leading for Excellence cohorts, four Leading Together cohorts and one Emerging Leader Program cohort.

Outside of these programs, each business unit also provides separate leadership development opportunities. One example from our base metals business unit is the Practical Coach program developed in 2019 that helps supervisors develop the skills and confidence to tackle poor staff performance. In addition, within our Base Metals business unit in Chile, we developed and implemented two new leadership programs, one program (QB90) for our QB2 contract supervisors that is designed to ensure that supervision is aligned with Teck's values, and the other to onboard our new QB2 leaders, accelerate their development and introduce Teck's leadership principles.

### 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 to read the current volume and archived volumes of *Connect*.

## Diversity and Equal Opportunity

In 2019, 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 2019, see the Relationships with Indigenous Peoples section on page 34.

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

| Area of Inclusion and Diversity Plan | 2019 Example Activities |
|---|---|
| 1. Develop our people — grow a culture of inclusion that values diversity | Enhanced our four leadership development programs to include a focus on inclusive leadership and fostering a workplace that embraces diversity. |
| 2. Measure and report | Tracked the percentage of women within the workplace and continued to align against our objectives for attracting, retaining and developing women at Teck. |
| 3. Attract the right people — strengthen our recruitment practices | Updated our recruiting materials to use inclusive language that attracts a diverse set of candidates, and worked with our recruiting team to ensure a diverse set of candidates are put forward. |
| 4. Foster a more inclusive culture and increase employee engagement | Established 2019–2020 inclusion and diversity objectives endorsed by senior management and worked to drive consistency across the company in the approach and initiatives that will continue to foster inclusion, such as developing inclusive leadership behaviours that have been embedded in our leadership programs and creating central governance for site-based inclusion and diversity committee chairs to come together and share best practices. |
| 5. Remove systemic barriers and biases — make processes more inclusive | Reviewed key talent management processes to identify any barriers related to inclusion and diversity and created a plan to address any concerns for 2020. |
| 6. Continue to build our brand as an inclusive and diverse company | Participated in industry events and supported initiatives that focus on inclusion and diversity within the industry and the communities in which we work, such as participation in the Kootenay Celebration of Pride and support of events in Chile with a focus on women in mining. |

## Case Study: Empowering Women in STEM and Mining

As part of our commitment to inclusion and diversity, in 2018 we joined Project RISE, a research program in partnership with University of British Columbia and University of Waterloo that is part of a larger consortium named Engendering Success in STEM. The objectives of Project RISE are to highlight women's often-untapped potential, equip women with strategies for coping with social challenges and empower men to become effective allies for equality. In 2019, a group of women from our Technical Services Trail centre — formerly known as Applied Research and Technology (ART) — participated in an Empowering Women in STEM course hosted by Project RISE to develop and empower them with communication and personal leadership skills. Read the full case study at teck.com/news/stories/.

## Representation of Women at Teck

There were 2,080 women working at Teck at the end of 2019, which represents 20% of the total workforce, compared to 18% of the total workforce in 2018. In addition, 32% of total new hires (588) in 2019 were women.

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

| | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| Board of Directors | **33%** | 29% | 21% | 14% |
| Senior Management | **10%** | 8% | 7% | 7% |
| Management | **19%** | 20% | 19% | 18% |
| Operational or Technical Positions | **13%** | 12% | 11% | 9% |
| Of the Operational or Technical Positions, the % in Leadership Positions | **7%** | 7% | 6% | 5% |

## Remuneration at Teck

Teck is committed to providing a fair living wage to all employees at our operations. 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. In all cases, Teck wages exceed the local minimum wage; we have also conducted a review to confirm that we meet living wage expectations for all employees at our operations.

**Table 27: Entry Level Wage Compared to Local Minimum Wage[1]**

| | 2019 | | 2018 | | 2017 | |
|---|---|---|---|---|---|---|
| **Countries** | **Male** | **Female** | **Male** | **Female** | **Male** | **Female** |
| Canada | **2.4:1** | **2.4:1** | 2.5:1 | 2.5:1 | 2.6:1 | 2.6:1 |
| United States | **2.2:1** | **2.2:1** | 1.5:1 | 1.5:1 | 1.5:1 | 1.5:1 |
| Chile[2] | **2.4:1** | **2.4:1** | 2.6:1 | 2.6:1 | 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.
(2) The figures representing Chile are for lowest paid operations role as Chilean operations do not have hourly employees.

## Gender Pay Equity Review

Starting in 2017, we conduct an annual company-wide Gender Pay Equity Review, 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. In 2019, the reviews found no indication of any systemic gender pay issue within our company; any differences in salaries paid are due to a variety of factors such as average shorter service for female employees in the company. We will continue to maintain gender pay equity in the organization, and similar reviews will be conducted regularly.

## Employee Feedback and Grievances

In 2019, we dealt with individual reports of harassment through our human resources procedures and received no allegations of discrimination through our whistle-blower hotline (the *Doing What's Right* hotline, which is available in all languages of countries in which Teck operates). These reports have been investigated and where allegations were confirmed, appropriate responsive action taken. We prohibit any form of retaliation in relation to reports of harassment or discrimination and have not retaliated against any individuals who have made claims.

**Table 28: Ratio of Basic Salary and Remuneration in 2019**

| Employee Category | Average Basic Salary (Male : Female) | Average Remuneration (Male : Female) |
|---|---|---|
| **Canada** | | |
| Executive & Senior Management | 1.1 : 1 | 1.2: 1 |
| Management | 1 : 1 | 1 : 1 |
| Professional | 1.1 : 1 | 1.1 : 1 |
| Professional Support | 1.3 : 1 | 1.3 : 1 |
| Administration | 1.1 : 1 | 1.1 : 1 |
| **United States** | | |
| Executive & Senior Management | n/a | n/a |
| Management | 1 : 1 | 1 : 1 |
| Professional | 1 : 1 | 1 : 1 |
| Professional Support | 1.3 : 1 | 1.3 : 1 |
| Administration | 0.8 : 1 | 0.8 : 1 |
| **Chile** | | |
| Executive & Senior Management | 0.9 : 1 | 0.7 : 1 |
| Management | 1 : 1 | 1.1 : 1 |
| Professional | 1 : 1 | 1.1 : 1 |
| Professional support | 1 : 1 | 1 : 1 |
| Administration | 0.9 : 1 | 1 : 1 |

## Outlook for Diversity and Employee Relations

Moving forward, we will work towards our strategic priority of fostering a workplace where everyone is included, valued and equipped for today and the future. We have set new goals in diversity and employee relations, which include increasing the percentage of women working at Teck — including women in leadership positions — and advancing inclusion and diversity initiatives across the company by 2025. Our goals also include equipping our employees for future workplace and leadership needs, including upskilling and reskilling, by investing $200 million in training and skills development programs by 2025 and expanding employee engagement opportunities, including employee-driven community initiatives and a company-wide feedback program, by 2025. Our focus in 2020 will be on concluding the final steps of our 2020 goals within our previous sustainability strategy, and on making progress towards achieving our new goals.

# Air Quality

Pictured above: Greenhills Operations, Canada.

# Air Quality

The 2019 World Environment Day theme "Beat Air Pollution" was a call to action by the United Nations to combat the challenge of poor air quality.[23] While economic growth can result in an increase in air pollution, alternative consumption and production models, knowledge advancements and innovative solutions can successfully reduce emissions to air.[24]

*Industry context*

Mining and mineral processing can contribute to air pollution through processes such as drilling, blasting, crushing, collection and storage, and transportation along the supply chain. Associated emissions to air include particulate matter (e.g., fine and coarse dust that can include minerals and metals) and gases. To maintain a transparent approach to managing these emissions, 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.

*Teck context*

Air quality, particularly related to dust, continues to be identified as a key concern by our communities of interest, especially at our steelmaking operations in the Elk Valley and Trail Operations in B.C. and at Carmen de Andacollo Operations in Chile. As air quality issues require close collaboration with local stakeholders, we continue to explore initiatives to improve air quality across our operations, as described on page 78.

### GRI Indicator and Topic Boundary

305-7

This topic is considered one of the most material by our employees, Indigenous Peoples, local communities, government and 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.



[23] World Environment Day 2019. UN Environment Programme. 2019. [24] Towards a Pollution-Free Planet. UN Environment Assembly. 2017.

### 2019 Highlights

**100%** of community-based stations with annual average ambient concentrations of particulate matter of size less than 2.5 microns within the World Health Organization (WHO) guidelines

**Implemented initiatives to improve air quality monitoring** and minimize impacts of our activities on communities at our Carmen de Andacollo, Elkview and Trail operations.

## Our Performance in Air Quality in 2019

**Our Targets and Commitments** We are committed to continually improving 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 Goals | Status | Summary of Progress in 2019 |
|---|---|---|
| Improve monitoring and understanding of our releases to air and the potential impacts on people, communities and the environment. | On track | Implemented improvements to ambient air quality monitoring programs at Elkview, Line Creek and Cardinal River operations.<br>Collected information on current emission monitoring programs and dust management practices for all operations.<br>Implemented and further improved a road dust monitoring tool that was developed in 2018 at Trail Operations. |
| In consultation with communities, governments and other organizations, set air quality goals and establish risk-based action plans to achieve goals. | On track | Developed dust action plans specific to each steelmaking coal operation and their air quality impacts.<br>Achieved quantitative targets set for particulate matter emissions at Carmen de Andacollo Operations and lead concentrations in ambient air at Trail Operations, ahead of schedule. Measures to achieve reductions continue to be in place.<br>Continued advancing engagement with communities of interest at Carmen de Andacollo, Trail and in the Elk Valley with respect to dust management and air quality. |
| Strengthen the integration of air quality considerations into early stage project development. | On track | Developed a list of air quality considerations for incorporation into early project planning stages. Stage-gate criteria that incorporate air quality considerations have also been developed and expert input is being provided to project teams as required. |

## Key Performance Indicators

**2019:** 3,853 tonnes
**2018:** 3,659 tonnes
**2017:** 4,894 tonnes

**Indicator**
Sulphur dioxide ($SO_2$) emissions from stacks, stationary and mobile fossil fuel combustion

**2019:** 100% of stations
**2018:** 100% of stations
**2017:** 100% of stations

**Indicator**
% of community-based air quality stations with annual mean concentrations of ambient $PM_{2.5}$ within the World Health Organization guideline value of 10 µg/m$^3$

**2019:** 75% of stations
**2018:** 50% of stations
**2017:** 75% of stations

**Indicator**
% of community-based air quality stations with annual mean concentrations of ambient $PM_{10}$ within the World Health Organization guideline value of 20 µg/m$^3$

## Minimizing Emissions to Improve Air Quality

In 2019, we implemented measures to minimize impacts on the local air quality within the vicinity of our activities.

**Table 29: Air Quality Improvements in 2019**

| Operation | Activities |
|---|---|
| Elk Valley | Continued to advance our dust management activities and evaluated air quality improvement initiatives. Programs evaluated in 2019 include pilot of MicroPulse LiDAR to identify and track movement of fugitive dust/air emission sources, pilot of on-vehicle continuous monitoring systems for ambient air, various in-pit dust suppressions and water application systems, and implementation of trigger-action response plans for excessive risk sources of fugitive dust at operations. |
| Trail | Continued to implement dust management initiatives to support additional reductions in the level of metals in ambient air in the surrounding community. The new road dust monitoring tool that was developed in 2018 was implemented and further improved in 2019. This includes the addition of smart tool functionality that incorporates sensor data on cleaning and washing with road dust data. An anticipated additional benefit is the reduction of water use at the site. Additional information on our efforts is available as a case study on our website. |
| Carmen de Andacollo | Established our first community-managed air quality monitoring station in Chile at our Carmen de Andacollo Operations. Community members manage the new equipment and will receive necessary training in 2020 to understand the operation and interpret and manage the data. Additional information on our efforts is available as a case study on our website. |

### Case Study: Improving Air Quality through Dust Mitigation at Elkview Operations

In 2019, several innovative solutions were successfully implemented at our Elkview Operations (EVO) to reduce fugitive dust, which is dust that becomes airborne due to wind or blasting. One of these solutions involved "capping" and revegetating parts of EVO's Natal waste rock dump, using aerial seeding. This new approach, and other solutions such as using real-time weather monitoring to support decisions on when to conduct blasting, have greatly reduced wind erosion as well as fugitive dust generation at EVO. Read the full case study at teck.com/news/stories/.

## Monitoring and Reporting

The most material air quality issues relate to metals and $SO_2$ near our Trail Operations metallurgical facility and to particulate emissions at our mining operations. In addition to monitoring these two material indicators, our operations monitor and report on other air emission parameters in accordance with permit and regulatory requirements.

As shown in Table 30, $SO_2$ emissions from stacks and fossil fuel emissions in 2019 were approximately 3,858 tonnes, compared to 3,659 tonnes in 2018. Although $SO_2$ emissions are higher in 2019 when compared to 2018, low emissions in 2018 were the result of an extended maintenance shutdown of the KIVCET smelter at Trail Operations. $SO_2$ emissions have continued to decrease over the years, compared to 2016 and 2017. Trail Operations is the most significant source of $SO_2$ emissions for Teck and, as a result, all other operations have been aggregated in Table 30. Full results per operation are available in the 2019 Sustainability Performance Data spreadsheet.

**Table 30: $SO_2$ Emissions from Stacks, Stationary and Mobile Fossil Fuel Combustion** (tonnes)[(1),(2),(3),(4)]

| Operations | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|
| All other operations | **42.0** | 61.4 | 80.4 | 52.9 |
| Trail | **3,811.0** | 3,598.0 | 4,814.0 | 4,665.0 |
| **Total** | **3,853.0** | 3,659.4 | 4,894.4 | 4,717.9 |

(1) Aggregate data for all other operations presented here, as numbers are insignificant compared to Trail. See our website for full set of data.
(2) Information current at time of publication. However, values will be added, confirmed and/or changed once regulatory reporting for the 2019 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.

Trail has been a leader in driving down lead levels in air for a decade, and investments of over $40 million have resulted in a 56% reduction over the last three years. The primary way Trail is working towards reducing $SO_2$ emissions is through the new acid plant, which will reduce $SO_2$ emissions from zinc operations, although total emissions will vary year to year, based on production.

In 2019, Trail's air permit was reissued with more stringent ambient $SO_2$ requirements included by the B.C. Ministry of Environment and Climate Change Strategy. In response to these new requirements, Trail is developing an improved dispersion model with advanced predictive modelling and advancing milling and scrubbing engineering improvements, and evaluating other $SO_2$ reduction projects.

### Case Study: Supporting Community-Led Air Quality Monitoring in Andacollo

In 2019, as part of our commitment to managing air quality, Teck supported the creation of a community-managed air quality monitoring station in the town of Andacollo, Chile, near our Carmen de Andacollo Operations. The monitoring station, which is the first of its kind in Chile, is fully managed by the town's Environmental Panel, giving community members control over real-time, reliable air quality data. The new air quality monitoring station complements Teck's existing monitoring network of six stations around Andacollo. Operated by the certified company SGS, the station measures particulate matter (PM) levels, allowing the local environmental panel to compare the data to Teck's monitoring stations and track progress on air quality management. Read the full case study at teck.com/news/stories/.

## 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 ($PM_{10}$) and particulate matter of a size less than 2.5 microns ($PM_{2.5}$) 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. Tables 31 and 32 summarize the ambient air quality during 2019 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

At these monitoring stations, ambient air quality not only reflects the activities at our operations, but also other activities in the area such as other industries, vehicle traffic, firewood burning, forest fires and waste burning.

For all of the stations listed in Table 31, the annual average concentration of $PM_{2.5}$ was below the WHO Guideline value of 10 µg/m³. For the annual average concentration of $PM_{10}$ at the stations listed in Table 32, 75% of the stations were below the WHO Guideline value of 20 µg/m³.

**Table 31: Ambient Particulate Matter of Size Less Than 2.5 Microns (µg/m³)**

| Station | Nearest Operations | 2019 | | 2018 | | 2017 | |
|---|---|---|---|---|---|---|---|
| | | Average Annual | 98th Percentile | Average Annual | 98th Percentile | Average Annual | 98th Percentile |
| Urmeneta | Carmen de Andacollo | 7 | 14 | 8 | 12 | 8 | 14 |
| Downtown Sparwood | Elkview | 7 | 14 | 8 | 52(1) | 5 | 21 |
| Elkford High School | Greenhills | 4 | 16 | 7 | 52(1) | 7 | 49 |

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

**Table 32: Ambient Particulate Matter of Size Less Than 10 Microns (µg/m³)**

| Station | Nearest Operations | 2019 | | 2018 | | 2017 | |
|---|---|---|---|---|---|---|---|
| | | Average Annual | 98th Percentile | Average Annual | 98th Percentile | Average Annual | 98th Percentile |
| Urmeneta | Carmen de Andacollo | 34 | 59 | 33 | 51 | 29 | 51 |
| Downtown Sparwood | Elkview | 13 | 44 | 17 | 82 | 14 | 44 |
| Elkford High School | Greenhills | 10 | 43 | 11 | 57 | 10 | 46(1) |
| Butler Park | Trail | 14 | 28 | 26 | 165 | 18 | 54 |

(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).

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 2020, we will continue our commitment to improve air quality for the benefit of workers, communities and the environment in areas affected by our activities. We will 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 across our operations. Advancing additional ambient air quality monitoring at sites may allow for development of additional quantitative targets in the years to come.

# Responsible Production and Waste Management


Pictured above: Employee at Trail Operations, Canada.

# Responsible Production and Waste Management

A circular economy is a system that is aimed at minimizing waste and maximizing resources. This is contrasted with a linear economy, where resources are extracted or harvested, manufactured into a product and in the end disposed as waste. The shift towards a more circular economy will change the way businesses and society are structured to maximize responsible resource use while meeting growing resource demand in a responsible way.

*Industry context*

Each of the three principles of a circular economy — design out waste and pollution, keep products in use and regenerate natural systems — present both risks and opportunities for the mining industry. For example, demand from customers, investors and civil society will increase for products that are shown to have been responsibly produced and sourced. A circular economy would also see an increasing move away from single-use and disposable products towards more durable and reusable items, which could drive new demand for metals and minerals. And new systems that design out waste or find productive uses for waste materials will be increasingly implemented. This is coupled with an increasing demand for the traceability of mined materials that has given rise to new and growing product certifications and standards.

*Teck context*

Teck provides key commodities required for sustainable products and infrastructure, which are durable and naturally recyclable. Teck has long worked to reduce waste and pollution, to keep products in use and to help improve the natural environment where we operate. Our Trail Operations recycles various metals and its smelting and refining operation is highly efficient. We have a Materials Stewardship Committee responsible for ensuring the responsible use of our products and, at our operations, we track and report on waste and are implementing waste reduction and recycling programs. Moving forward, we are setting new goals to be a leader in responsibly providing the metals and minerals needed for the transition to an economy focused on reducing waste and keeping products in use, and doing our part in waste reduction by disposing zero industrial waste.

### GRI Indicators and Topic Boundary

306-2, 306-4, G4-DMA (Materials Stewardship)

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

### How Does Teck Manage This Topic?

Information about how we manage responsible production and waste management, including relevant policies, management practices and systems, is available for download on our website.

### 2019 Highlights

**33,517 tonnes** hazardous and non-hazardous waste recycled

**41,100 tonnes** of urban ore/ secondary sources recycled at Trail Operations

**Eight customer site assessments** carried out, including sites in Canada, China, Bolivia and Sweden.

## Our Performance in Responsible Production and Waste Management in 2019

**Our Targets and Commitments** The following table introduces our new strategic priority and goals related to responsible production and waste management.

### New Strategic Priorities and Goals

| Strategic Priorities | Goals |
|---|---|
| • Be a leader in responsibly providing the metals and minerals needed for the transition to an economy focused on reducing waste and keeping products in use<br>• Work towards disposing zero industrial waste by 2040 | 1. By 2025, establish site-based industrial waste inventories and plans to turn waste into useful and appropriate products. Based on these inventories and plans, set goals for industrial waste reduction.<br>2. By 2025, develop and implement a responsible producer program and "product passport" that is traceable through the value chain.<br>3. Be a leader in product stewardship by continuing to implement our Materials Stewardship program and produce secondary metals at our Trail Operations.<br>Details about the context, definitions and key performance indicators related to these strategic priorities and these goals are available on our website at www.teck.com/responsibility. |

## Waste Management Performance

In 2019, our operations generated approximately 980 million tonnes of mineral waste, with the vast majority being waste rock from the extraction of ore and steelmaking coal. We have permit and regulatory requirements for treating and recycling waste at all of our operations. Waste disposal methods are determined based on data and information provided by waste management suppliers specific to each site's applicable factors.

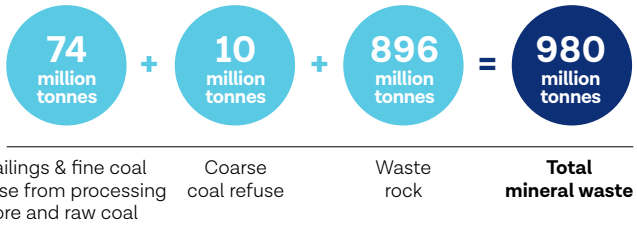
The following categories of waste are products of Teck's operations:

**Waste Rock:** Waste rock, which is material that is removed to access ores, coal and oil sands, typically contain trace amounts of naturally occurring metals and other constituents. The bulk of waste rock from our operations is placed in areas that are specifically designed to contain the rock. The remainder of the rock, which may still have some geochemical concern, is placed within tailings storage facilities or used to backfill open pits and underground workings.

**Coarse Coal Refuse:** Coarse coal refuse is a coarse fraction of raw coal that is separated during processing; it is not currently an economic product. Coarse coal refuse is placed in designated engineered facilities or, if determined to not be susceptible to leaching, it may be used as a construction material.

**Tailings and Fine Coal Refuse:** Tailings and fine coal refuse are the finer fractions of the processed mined material that have no economically recoverable commodities. These materials are typically stored in tailings storage facilities. Learn more about tailings management on our website at www.teck.com/tailings.

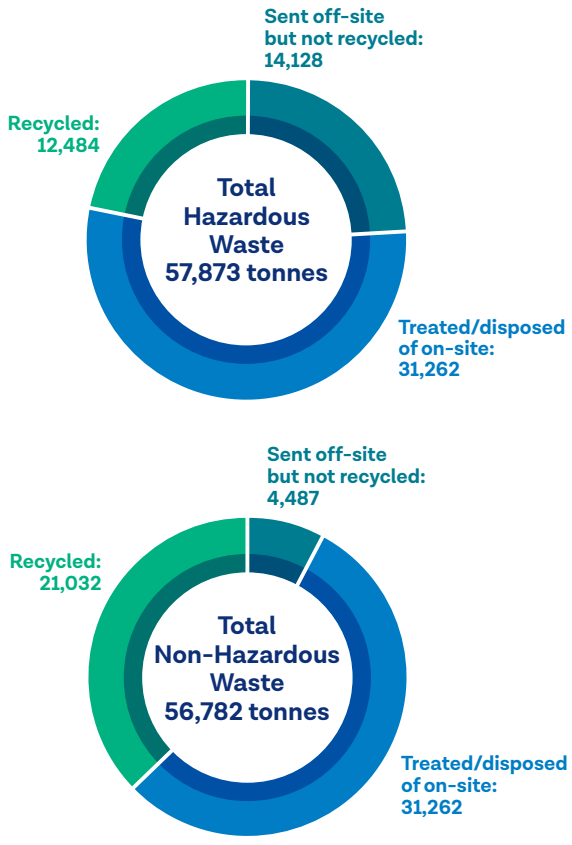
**Figure 20: Mineral Waste** (million tonnes)




(1) Rounding of the individual numbers may cause a discrepancy in the total value.

Hazardous and non-hazardous wastes are segregated and disposed of in accordance with material-specific waste management plans and regulatory requirements. The primary hazardous wastes produced at our operations include waste oil, solvents, antifreeze, paint, batteries and fluorescent tubes. Licensed contractors recycle or dispose of this waste off-site. Non-hazardous waste (e.g., scrap metal, wood waste, glass, tires, cardboard and paper) is recycled whenever possible.

**Figure 21: Hazardous and Non-Hazardous Waste** (tonnes)[1]




(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.

## Red Dog Operations and the Toxic Release Inventory

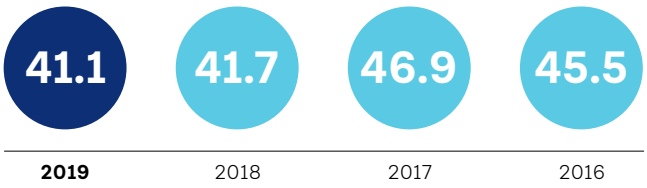
Every year, Red Dog is listed on the United States Environmental Protection Agency's (EPA) Toxic Release Inventory (TRI) due to the volumes of rock and ore safely moved at the mine site each year. Red Dog is required to report the amount of materials moved at the mine site due to the grades of zinc and lead naturally occurring in the rocks. This is part of the mining process and does not indicate any health or environmental effect, including any releases of materials from Red Dog to the environment. The Alaska Department of Environmental Conservation (ADEC) has also responded to the TRI, noting that almost all of the releases from TRI facilities in Alaska are regulated under strict EPA and state of Alaska permits with monitoring and compliance requirements designed to prevent human and environmental harm.

## Recycling

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. 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 22: Recycled Material at Trail Operations** (thousand tonnes)



### Case Study: Supporting Urban Materials Recovery at Trail Operations

The urban materials recycling programs at Teck's Trail Operations, which started in 1982 with lead battery recycling, and have helped keep hundreds of thousands of tonnes of metal in use and reduce overall environmental impacts. In 2019, these programs safely and sustainably recycled 41,100 tonnes of materials, including 32,500 tonnes of lead batteries.

The shift to a low-carbon economy requires a massive increase in energy storage. Lead batteries, which currently supply over 70% of the world's rechargeable batteries, will be critical to this shift. The closed-loop lead battery recycling program at Trail Operations, which allows 99% of recycled lead to be recovered, is a perfect example of a closed-loop, circular economy model and will continue to support a sustainable energy transition. Read the full case study at teck.com/news/stories/.

## Managing Product Impacts through Materials Stewardship

All Teck products are listed on a Master Product List that is owned and managed by Teck's 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. No new products were added to the Master Product List in 2019.

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 2019, including sites in Canada, China, Bolivia and Sweden.

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 International Council on Mining and Metals (ICMM), towards continuously improving materials stewardship practices. In 2019, major engagements related to materials stewardship included the engagement with ICMM, International Lead Association, ICA, IZA and Indium, Cadmium, Germanium Reach Consortium.

### 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. In 2019, this included regulatory requirements from IMO 020 & Polar Code, Canadian Chemical Management Plan 3 and Responsible Silver (LBMA), which we met for the first time.

## Outlook for Responsible Production and Waste Management

Moving forward, we will work towards our strategic priorities of being a leader in responsibly providing the metals and minerals needed for the transition to an economy focused on reducing waste and keeping products in use, and disposing zero industrial waste by 2040. We have set new goals, which include establishing site-based industrial waste inventories and plans to turn waste into useful and appropriate products by 2025, and setting goals for industrial waste reduction based on these inventories and plans. Our goals also focus on developing and implementing a responsible producer program and "product passport" that is traceable through the value chain by 2025 and being a leader in product stewardship by continuing to implement our Materials Stewardship program and produce secondary metals at our Trail Operations. Our focus in 2020 will be on making progress towards achieving our new goals.

# Supply Chain Management


 Pictured above: Employee at Trail Operations, Canada.

# Supply Chain Management

From human rights to environmental impacts, companies are being increasingly held accountable by investors, government and civil society for the actions of their suppliers. For example, issues such as climate change will affect trade by disrupting supply chains, creating a knock-on effect for all parties.[25] This means that supplier readiness to adapt to climate change can expose companies to new risks or opportunities. To ensure business continuity and ongoing licence to operate, companies must ensure their suppliers follow the same expectations as those in place for operations.

*Teck context*

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. 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.

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.

### GRI Indicators and Topic Boundary

102-9, 308-1, 308-2, 414-1, 414-2

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

### How Does Teck Manage This Topic?

Information about how we manage the supply chain management, including relevant policies, management practices and systems, is available for download on our website.

[25] Global Risk Report 2020. World Economic Forum. 2020.

### 2019 Highlights

**36%** of total procurement spend was on local suppliers

**3%** of total procurement spend was on Indigenous suppliers

**18%** reduction in Lost-Time Disabling Injury Frequency related to contractors

## Our Performance in Supply Chain Management in 2019

**Our Targets and Commitments** Teck's Code of Ethics and Anti-Corruption Policy affirm Teck's commitment to uphold high moral and ethical principles and specifies the basic norms of behaviour for employees and others conducting business on its behalf. Teck expects suppliers to adhere to the same fundamental principles, including those relating to legal compliance, fairness and honesty and anti-corruption.

Teck's Code of Sustainable Conduct affirms that protecting the environment, the safety and health of our people, and our relationships with local communities are core values of Teck. We expect suppliers to apply the same or more stringent standards in a manner that is appropriate and proportional to the nature and scale of their activities, the goods that they supply and the services that they perform.

### Supplier Expectations and Qualifications

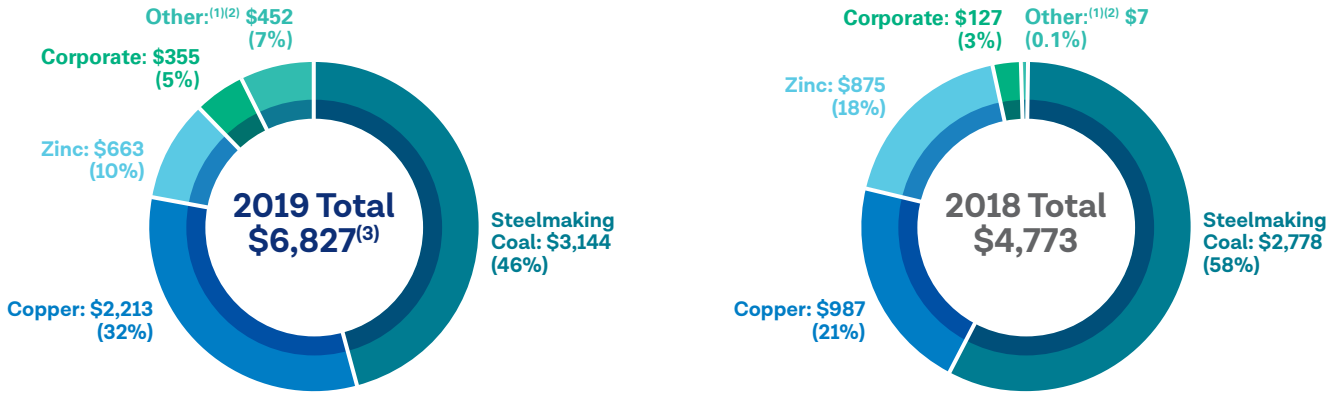
All suppliers are required to follow our Expectations for Suppliers and Contractors, which builds on our Code of Ethics, our Human Rights Policy and our Anti-Corruption Policy.

The 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.

## 2019 Suppliers and Critical Suppliers

In 2019, we purchased goods and services from 2,936 suppliers, with an overall global spend of approximately $6.8 billion, as shown in Figure 23.

**Figure 23: Supply Chain Spend by Business Unit**




(1) Includes our energy business unit and our Frontier project.
(2) As of February 2020, we have withdrawn the Frontier project from the regulatory review process. However, procurement and contracting work took place in 2019.
(3) The change in the total in 2019 is a result of consolidation of suppliers.

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 2019, critical suppliers represented approximately 39% of our total procurement spend, as shown in Table 33. Within critical suppliers, there are two types: those managed on-site and those managed at a corporate level. Our top critical supplier in 2019, as in 2018, was Canadian Pacific Railway; other critical suppliers in both 2019 and 2018 included Neptune Bulk Terminals, Westshore Terminals, Caterpillar and Komatsu and their respective dealers, as well as Imperial Oil and Suncor.

**Table 33: 2019 Spend on Critical Suppliers**

| **Business Area** | **Total** (millions) | **Critical** (millions) | **% of Total That Are Critical** |
|---|---|---|---|
| Steelmaking Coal | $ 3,144 | $ 2,142 | 31% |
| Copper | $ 2,213 | $ 269 | 4% |
| Zinc | $ 663 | $ 274 | 4% |
| Corporate | $ 355 | - | - |
| Other[1][2] | $ 452 | - | - |
| **Total** | **$ 6,827** | **$ 2,685** | **39%** |

(1) Includes our energy business unit and our Frontier project.
(2) As of February 2020, we have withdrawn the Frontier project from the regulatory review process. However, procurement and contracting work took place in 2019.

## Evaluating and Measuring Supply Chain Risk Management Performance

Ongoing monitoring and assessment is conducted for all of our critical suppliers. In 2019, over 400 suppliers completed annual surveys as part of our supplier registration process. We also conducted 46 deep-dive assessments on our critical suppliers based on information provided during the on-site contractor registration process in 2019.

We measure the 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 45
2. Company-wide procurement from Indigenous suppliers: page 34
3. Contractor health and safety: pages 11–19

## Outlook for Supply Chain Management

Teck remains committed to upholding the principles as set out in our Expectations for Suppliers and Contractors. Our focus for 2020 will be on the continuation of customer assessments, supplier deep-dives, supplier due diligence program and managing sustainability risks in the supply chain.

# Environmental Management


 Pictured above: Employee at Line Creek Operations, Canada.

# Environmental Management

The health of land and water ecosystems around the world is increasingly at risk, making environmental stewardship paramount.[26] Responsible environmental management creates value for the communities near mining operations as well as for our stakeholders and shareholders. Meeting or exceeding environmental standards contributes to support for mining, for recruitment and retention of employees and, on the global stage, helps to meet the objectives of several UN Sustainable Development Goals.

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.

*Teck context*

We work in highly regulated jurisdictions with stringent and rigorously applied environmental legislation, which also makes environmental management a key compliance issue. Changes in environmental laws may have a material effect on our operations, both in terms of effort required to receive permits and in terms of investments required to achieve and maintain compliance.

In 2019, we continued to make progress in several aspects of environmental management, including Water Stewardship as described on pages 20–27, Climate Change and Energy Use as described on pages 55–64, Biodiversity and Reclamation as described on pages 93–97, Air Quality as described on pages 75–80 and in Waste Management as described on pages 81–85. We met our target of having zero significant environmental incidents in 2019.

### GRI Indicators and Topic Boundary

306-2, 307-1

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 environmental management, including relevant policies, management practices and systems, is available for download on our website.

### 2019 Highlight

**Zero** significant[27] environmental incidents

[26] Global Environment Outlook 6. United Nations Environment Programme. 2019. [27] Definition of significant environmental incidents is on page 91.

## Our Performance in Environmental Management in 2019

**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. Our target is 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).

## Significant Environmental Incidents

We assess the severity of environmental incidents based on the potential environmental, safety, community, reputational and financial impacts. Based on our incident severity criteria, there were no significant environmental incidents or significant spills in 2019. As noted in the Water Stewardship section on pages 23–24, we are continuing to implement the water quality management measures under the Elk Valley Water Quality Plan (EVWQP). For information on our management of water quality in the Elk Valley, see our website.

## 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 111–113 of our 2019 Annual Information Form.

## Charges, Fines and Penalties Related to Environmental Performance

In February 2019, Teck was ordered by the B.C. Ministry of Environment and Climate Change Strategy to pay an Administrative Penalty of $37,500, in relation to permit exceedance of permit limits at our Elkview Operations coal breaker stack and failure to maintain authorized works since 2015.

In August 2019, Teck was issued a CDN$1.6 million fine by Chile's environmental regulator, for historical deficiencies from 2008 to 2017 at Quebrada Blanca Operations in water infrastructure maintenance, elevated levels of electrical conductivity and sulphides in groundwater, and conducting environmental monitoring tests without properly certified personnel. Teck has lodged a submission seeking to have the fine reduced.

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 Koocanusa 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. We expect that discussions with respect to the draft charges will continue into 2020.

## Outlook for Environmental Management

In 2020, we will continue working to improve our environmental performance and we will continue maintaining the highest standards for environmental management. This includes implementing the Elk Valley Water Quality Plan by advancing a number of innovative measures and advancing our work in a range of other environmental areas, including climate change and energy use, biodiversity, air quality and waste management.

# Biodiversity and Reclamation


Pictured above: Employee at Teck protected land near to our Carmen de Andacollo Operations, Chile.

# Biodiversity and Reclamation

As the global population has increased, so too has the global per capita consumption of materials. Close to 60 billion tonnes of renewable and non-renewable resources are extracted each year around the world, up nearly 100% since 1980.[29] In the face of resource consumption driven by globalization and urbanization, biodiversity is at risk. With close to one million animal and plant species now threatened with extinction,[28] the loss of biodiversity and the impact on ecosystems are concerns and challenges for many, including companies, governments and civil society. Working together to find innovative solutions for biodiversity protection will help towards achieving the United Nation Sustainable Development Goal 15 to sustainably manage forests, combat desertification, and halt and reverse biodiversity loss.

*Industry context*

Mining operations can directly or indirectly impact biodiversity and ecosystems. Regulatory requirements are becoming increasingly stringent in response to widening recognition of these impacts. 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.

*Teck context*

Our operations are adjacent to or within areas of high biodiversity value, including temperate and arctic areas, mountains, forests and deserts. This proximity, as well as the nature of our operations, means that we have a significant responsibility for land and biodiversity management. 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.

Aligning to regulatory requirements and stakeholder expectations, we aim to avoid, minimize or restore negative impacts on biodiversity in our operations, and we further challenge ourselves to working towards securing a net positive impact on biodiversity. We also have a firm commitment, in accordance with the 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, including International Union for Conservation of Nature (IUCN) category Ia, Ib, II, III or IV protected areas.

### GRI Indicators and Topic Boundary

304-103, 304-1, 304-2, 304-3, 304-4, G4-MM1, G4-MM2, G4 MM10

This topic is considered most material by government, Indigenous Peoples, 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.



[28] Global Assessment Report on Biodiversity and Ecosystem Services. Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). 2019.

### 2019 Highlights

**5,781 hectares** of total land reclaimed

**Updated closure plans,** which incorporate biodiversity management, at Carmen de Andacollo and Quebrada Blanca Phase 2 approved by government.

## Our Performance in Biodiversity and Reclamation in 2019

**Our Targets and Commitments** The following table summarizes our performance against our 2020 sustainability goals in biodiversity and reclamation, and introduces our new strategic priority and goal.

| 2020 Sustainability Strategy Goals | Status | Summary of Progress in 2019 |
|---|---|---|
| Implement biodiversity management plans for each of our operations. | On track | Continued advancing implementation of biodiversity management plans for operating sites and advanced projects. |
| Integrate the consideration of biodiversity into the exploration, construction and closure stages of the mining life cycle. | On track | Continued work to define how our net positive impact strategy should be applied to the exploration stage. |
| Enhance our contributions to biodiversity conservation knowledge through collaboration in research, education and conservation. | On track | Implemented a new ecological monitoring program that was developed together with the BC Parks Foundation in 2019. |

### New Strategic Priority and Goal

| Strategic Priority | Goal |
|---|---|
| • Work towards securing a net positive impact on biodiversity | 1. By 2025, all operating sites have and are implementing plans to secure net positive impact.<br>Details about the context, definitions and key performance indicators related to this strategic priority and these goals is available on our website at www.teck.com/responsibility. |

### Case Study: Harnessing the Regenerative Power of Fire through Traditional Knowledge

In both 2017 and 2018, British Columbia has experienced record-breaking fire seasons. As the frequency and severity of B.C.'s wildfire seasons grow, Indigenous traditional knowledge around fire management is increasingly recognized for how it can help to not only manage fires, but also to restore landscapes. At Teck's Highland Valley Copper (HVC) Operations, we are working with Indigenous Peoples to incorporate traditional knowledge into our reclamation programs. In June 2019, prescribed burns were conducted at reclamation sites at HVC to test the effectiveness of these methods on accelerating ecosystem recovery. Read the full case study at teck.com/news/stories/.

**Table 34: Key Activities and Accomplishments in Biodiversity and Reclamation in 2019**

| Operation | Performance Highlight |
|---|---|
| Highland Valley Copper Operations | Conducted prescribed burn trial at Highland Valley Copper Operations to test whether prescribed burns in reclaimed tailings and waste rock areas could accelerate recovery of native ecosystems. HVC also initiated reclamation trials on establishing targeted post-closure ecosystems and testing the effectiveness of various revegetation techniques. See above for the case study about this work. |
| Steelmaking coal operations in the Elk Valley | Fording River Operations began a reclamation trial aimed at re-establishing high-elevation grasslands in bighorn sheep winter ranges. This trial also incorporates the design of wetter areas and specific landform elements into waste rock dump re-sloping/revegetation projects.<br>Line Creek Operations constructed bird shelters, with the aim of diverting cliff swallows away from buildings and equipment. |

## Area Reclaimed and Disturbed

At the end of 2019, Teck had a total footprint of 32,464 hectares (ha), of which 26,683 ha are yet to be reclaimed and 5,781 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 35: Area Reclaimed and Disturbed[1]**

| | 2019[2] | 2018[2] | 2017 | 2016 |
|---|---|---|---|---|
| Area reclaimed during the current year (ha) | **18** | 31 | 30 | 147 |
| Area disturbed during the current year (ha) | **1,846** | 1,018 | 388 | 421 |
| Area of land yet to be reclaimed (ha) | **26,683** | 24,914[3] | 23,922[3] | 23,449[3] |
| Total area of land reclaimed (ha) | **5,781** | 5,705[3] | 5,878[3] | 6,100[3] |
| **Total footprint (ha)** | **32,464** | 30,619 | 29,800 | 29,549[3] |

(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.
(2) Quebrada Blanca phase 2 data has been included as it is an active project that has land disturbance.
(3) In an effort to constantly refine the values, annual surveys are conducted and estimates are refined, which may lead to restatements of historical values.

## Closure and Closure Planning

Our approach to mine closure begins before mining starts and carries on throughout the life cycle of the mine. We work with the Indigenous Peoples and local communities in the area to create closure plans focused on supporting the economic and social transition after mining ends, and establishing a thriving, self-sustaining ecosystem and opportunities for a range of potential post-mining land uses. For more information, see the Responsible Mine Closure & Reclamation page on our website.

Closure planning and closure progressed at several of our active and closed operations in 2019:

- **Duck Pond Operations** continued to implement closure measures at its tailings management area and advanced studies on other mitigation measures; a revised Rehabilitation and Closure Plan was submitted to the provincial government in October 2019
- **Coal Mountain Operations** continued to implement reclamation activities and improve water management at the site
- **Cardinal River Operations** announced that closure of the operation will occur in 2020 and initiated work for transition into care and maintenance
- **Pend Oreille Operations** suspended its mining and concentrate production in July 2019; the mine has transitioned to the care and maintenance phase

## 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. In total, we actively monitor 35 legacy properties and carry out ongoing management actions on a subset of 28 of these sites.

## Outlook for Biodiversity and Reclamation

Moving forward, we will focus on our strategic priority of working towards securing a net positive impact on biodiversity. We have set a new goal in biodiversity and reclamation to establish and implement plans to secure a net positive impact at all operating sites by 2025. Our focus in 2020 will be on reviewing progress by sites in implementing and refining the biodiversity management plans that each had developed by 2015, and identifying the key actions that will be required to close gaps over the next five years.

# Human Rights

 Pictured above: Employees at Quebrada Blanca Operations, Chile.

# Human Rights

Human rights impacts can arise from business operations and, in certain cases, relationships with suppliers.[29] There is a significant amount of national and regional legislation requiring companies to disclose that they identify, prevent and mitigate impacts on human rights and to indicate how they address potential impacts on human rights. As the regulatory landscape evolves, it is anticipated that more transparency in reporting and demonstration of due diligence with respect to human rights will continue to develop.

*Industry context*

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 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.

*Teck context*

Teck integrates human rights considerations into our social management approaches as well as our approaches to environmental management, health and safety, security and human resources. 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. Our reporting aligns with the UNGP in providing information on how our activities may affect human rights and how issues with human rights aspects are being addressed.

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. In 2019, Teck's human rights performance was assessed against the Corporate Human Rights Benchmark (CHRB). While Teck was assessed above the extractive industry average in its performance, this benchmark against the UNGP will help guide us in continual improvement of our practices and disclosure.

### GRI Indicators and Topic Boundary

412-1, 412-2

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.

[29] Putting people first: progress & priorities in corporate respect for human rights. World Business Council for Sustainable Development Issues Brief. 2018.

**2019 Highlight**

**Zero** significant feedback or incidents[30] related to human rights across Teck sites

# Our Performance in Human Rights in 2019

## Embedding Human Rights

We manage the potential and actual human rights impacts across our business, in areas such as Health and Safety, Security and Risk, Human Resources, Contracts and Procurement, and Community Relations. 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, with our suppliers and business partners through promotion of our policy, integration with other policies, and integration into communication and training.

In 2019, we participated in advancing the ICMM development of initiatives targeting improved human rights practice, specifically in the topics of security and human rights, community support and economic opportunities for communities.

### Training

In 2019, we developed new content on respecting human rights and Indigenous rights for integration into our enterprise-wide Respectful Workplace training. The training will be piloted with selected business areas in 2020. Where we have security personnel, contracts require adherence to the Voluntary Principles on Security and Human Rights. Training for security personnel is completed annually and is overseen on a regular basis by Teck's Risk Group. Training also occurs if and when we change security companies at our operations.

## Salient Human Rights Issues

As guided by 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.

We proactively identify areas of highest human rights risk so we can prevent adverse impacts from occurring and conduct human rights assessment at our operations. We review human rights practices and performance on an annual basis, and conduct assessments of human rights management at our sites every two years. The last assessments were conducted in 2018 and will take place again in 2020.

The 2018 results were used to inform Teck's overall salient human rights issues and also to identify potential risk areas to integrate into ongoing social risk assessments and management activities at individual sites. In 2019, we reviewed and validated these results through a saliency review workshop with our Human Rights Working Group. The workshop confirmed the human rights issues that are salient to Teck; no changes in our list of salient issues were identified.



[30] Definition of significant feedback or incidents related to human rights can be found under "Salient Human Rights Issues".

**Table 36: Human Rights Issues that are Salient to Teck[1]**

| Salient Human Rights | Relevant Rights Holders | Activities in 2019 relevant to Human Rights |
|---|---|---|
| Right to life[2] | Employees, contractors and subcontractors, communities | Health and Safety (pages 11–19) |
| Right to safe and healthy working conditions[3] | Employees, contractors and subcontractors | Diversity and Employee Relations (pages 65–74) |
| Right to freedom of association, assembly and collective bargaining[4] | Employees, contractors and subcontractors, suppliers, joint venture partners | Supply Chain Management (pages 86–89)<br>Business Ethics (pages 103–109) |
| Right to not be subjected to slavery, servitude or forced labour (specific to supply chains)[5] | Contractors and subcontractors, suppliers, joint venture partners | Supply Chain Management (pages 86–89)<br>Business Ethics (pages 103–109)<br>Health and Safety (pages 11–19) |
| Right to non discrimination in employment / occupation[6] | Employees, contractors and subcontractors | Supply Chain Management (pages 86–89)<br>Business Ethics (pages 103–109)<br>Diversity and Employee Relations (pages 65–74) |
| Right to adequate standard of living[7] | Employees, contractors and subcontractors | Supply Chain Management (pages 85–88) |
| Right to clean water and sanitation[8] | Employees, contractors and subcontractors, communities | Relationships with Communities (pages 36–47)<br>Water Stewardship (pages 20–27)<br>Tailings Management (pages 48–54)<br>Air Quality (pages 75–80)<br>Environmental Management (pages 89–91) |
| Right to health[9] | Employees, contractors and subcontractors, communities | Relationships with Communities (pages 36–47)<br>Water Stewardship (pages 20–27)<br>Tailings Management (pages 48–53)<br>Air Quality (pages 75–80)<br>Environmental Management (pages 90–92) |
| Right to land[10]<br>Right to self-determination[2]<br>Right to enjoy just and favourable conditions of work[11]<br>Right to take part in cultural life[6] | Communities, Indigenous Peoples, vulnerable groups | Relationships with Communities (pages 36–47)<br>Relationships with Indigenous Peoples (pages 28–35)<br>Biodiversity and Reclamation (pages 93–97) |

[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). [3] International Covenant on Economic, Social and Cultural Rights (ICESCR). [4] UDHR, ICCR, ICESCR, ILO. [5] UDHR, ICCPR, ILO. [6] UDHR, ICCPR, ICESCR, International Labour Organization Core Conventions (ILO) [7] UDHR, ICESCR [8] Resolution A/RES/64/292. UN General Assembly, July 2010, Resolution A/RES/70/169, UN General Assembly, December 2015. [9] ICESCR [10] UDHR (privacy and property). ICCPR (no forced eviction). ICESCR (no forced eviction). [11] UDHR, ICESCR.

## 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 2019, we undertook an in-depth review of our existing community feedback guidance and tools as part of our commitment to strengthen our rights-based approach to social management. The review included a comprehensive gap analysis of our guidance against the UNGP, other international standards and industry best practice. The review also included the creation of site-level tools to review the effectiveness of feedback mechanisms and to screen any complaint with a human rights lens. These tools will help us identify strengths and gaps in the current design and implementation of site mechanisms, and enable us to focus on improvements in the most critical areas.

In 2019, there was no significant feedback received through Teck's complaints tracking system where the complainant specifically referenced a concern for their human rights. However, feedback was received on topics that are relevant to human rights (including rights associated with local health, access to water, local livelihoods, safe and just working environment). In all cases, acknowledgement of the complaint was provided, as well as effort to remedy within a time-bound process.

Of the three significant disputes reported for 2019, one may be considered to have linkages with human rights. At Quebrada Blanca Operations, complaints to the Chilean National Contact Point specifically raised alleged concerns with labour relations and environmental management practices, characterizing those issues as human rights concerns.

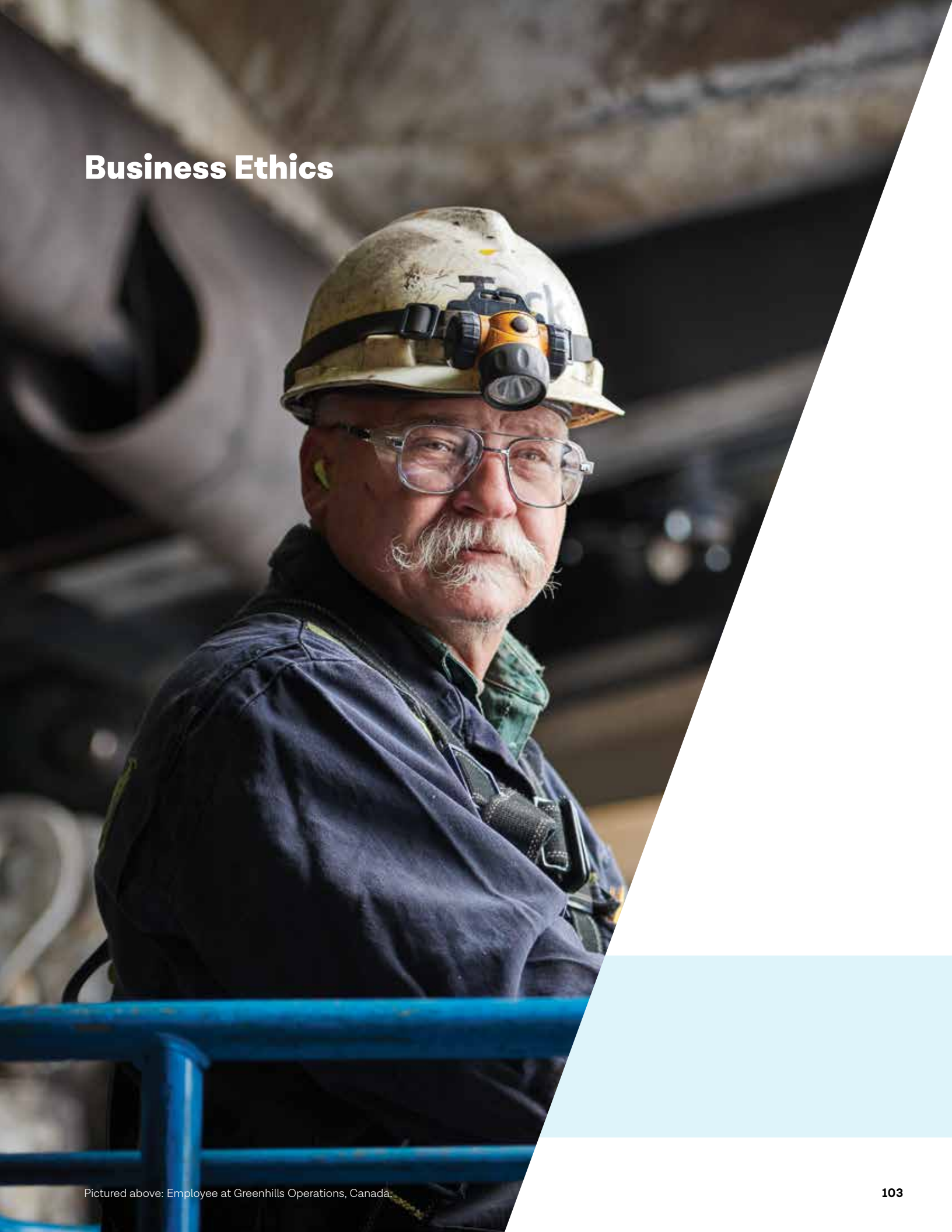
In 2019, there were no significant incidents where human rights were explicitly cited as cause of incident. However, we did identify three moderate or major events where human rights were potentially impacted. This includes events at our Carmen de Andacollo and steelmaking coal operations in the Elk Valley affecting access to water and potential impacts to subsistence activities at Red Dog Operations resulting from a wildlife interaction.

More detail on the above instances of feedback, significant disputes or relevant incidents are discussed in the Relationships with Communities section on page 43.

### Outlook for Human Rights

In 2020, 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 updating human rights assessments as well as expanding awareness through training for employees and senior management. We will also focus on renewing our human rights assessments at operations, continual improvement of our feedback and incident management processes, integration of human rights into employee training and continue efforts to integrate human rights due diligence aspects into existing social management, human resource and supply chain management practices.

# Business Ethics



Pictured above: Employee at Greenhills Operations, Canada.

# Business Ethics

Populism and economic nationalism have increased, due to growing public concerns over corruption, tax evasion and illegal financial flows.[31] Businesses are also experiencing increasing legal requirements associated with anti-corruption and tax transparency. Transparency and accountability that foster good governance are therefore vital for businesses to succeed in the current context.

*Industry context*

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.

*Teck context*

We focus on being a collaborative, solutions-based partner with governments in the jurisdictions where we work. We regularly engage with governments on regulatory and public policy initiatives, primarily focused on maintaining and enhancing the competitiveness of our industry as well as its sustainability. In 2019, our public policy engagement focused on advocacy for actions to address climate change, innovation, socio-economic initiatives, conservation and environmental management, and Indigenous Peoples, among other topics.

### GRI Indicators and Topic Boundary

102-17, 203-2, 205-1, 205-2, 415-1

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.



[31] Progress Report 2019. Extractive Industries Transparency Initiative. 2019.

### 2019 Highlights

In partnership with First Nations, the Government of Alberta and industry peers, helped **establish the 166,110 hectare Kitaskino Nuwenëné Wildland Provincial Park,** preserving critical habitats for at-risk species.

**Published third annual Economic Contribution Report,** providing transparency on our payments and contributions where we operate.

## Our Performance in Business Ethics in 2019

## 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. Our approach to taxation is aligned with our Code of Ethics and our approach to business and sustainability. We are, in all tax matters, compliant, transparent, cooperative and ethical, as outlined in our Tax Policy.

As outlined in our Political Donations Policy, Teck does not make use of corporate resources, including funds, goods, property or services, for the purpose of contributing to a political party or any individual candidate seeking election at any level of government.

These policies provide clear guidance around how we should conduct our business and set standards on topics such as bribery and corruption, sponsorships and donations, conflicts of interest, confidentiality, and data privacy and third-party due diligence. While Teck's business practices must consider the local customs of the communities in which we operate, our business practices are fundamentally based on honesty, integrity and respect.

## *Doing What's Right* Program

Our employees have a duty 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. The hotline is available in all relevant languages in the countries where we operate. We do not tolerate any form of retaliation against employees raising concerns.

Through this program, we received 48 reports of alleged violations of our Code of Ethics in 2019. The areas for which we received the greatest number of reports were in relation to employee relations (34%), policy issues (15%) and safety (11%). Of these 48 cases, 28 were closed following investigation or were closed on the basis that no investigation was necessary. The remaining 20 cases are still under investigation. No criminal cases regarding bribery were brought against Teck or any of its affiliates in 2019, 2018 or 2017.

## 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. No new significant risks associated with corruption were identified through these assessments.

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. Zero such instances of fraud were reported to the Audit Committee during 2019 and we had no involvement in any investigations regarding alleged breaches of competition laws.

Teck's Anti-Corruption Policy supplements the Code of Ethics and reinforces Teck's commitment to anti-corruption, which is an integral part of employees' performance appraisals. While select employees are required to certify that they have read and understood these policies and standards and that nonconformity would lead to disciplinary action, they also undergo anti-corruption training at least every two years. We have criteria in place to determine which employees are required to complete anti-corruption training based on location, engagement with government and a number of other factors. Based on this criteria, 1,445 employees were required to participate in anti-corruption training in 2018 and 2019, and over 99% of those employees have completed the training. The following tables provide more information about training on anti-corruption policies and procedures.

Teck expects its supply chain partners to also adhere to the same fundamental principles, including those relating to legal compliance, fairness, and honesty and anti-corruption, which are outlined in Teck's Expectations for Suppliers and Contractors.

**Table 37: Number of Employees Who Have Received Training in Anti-Corruption During the 2018/2019 Training Cycle**

| Country | Number of Employees |
|---|---|
| Canada | **896** |
| United States | **154** |
| Chile | **291** |
| **Total** | **1,445** |

Other locations (China, Australia, Ireland, Mexico, Namibia, Peru, Turkey and Japan) included 104 employees trained.

**Table 38: Governance Body[1] Members Who Have Received Training in Anti-Corruption**

| Region | Number | Percentage |
|---|---|---|
| Canada | **1** | **7%** |
| United States | **0** | **0%** |
| Chile | **0** | **0%** |

(1) Governance body members is interpreted as the Board of Directors at Teck.

## Public Policy Initiatives

We focus on being a collaborative partner with governments in the jurisdictions where we work and we regularly engage in public policy initiatives that support the competitiveness and sustainability of our industry. In 2019, we engaged with governments on several public policy and regulatory initiatives of relevance to Teck.

### Environmental Initiatives

**Providing input into 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 ensuring that the final design of the legislation and associated regulations are clear, robust and fair, and that they enable continued responsible natural resource development in Canada. Our related advocacy efforts also included submitting recommendations to the Government of Canada for its review of regulatory 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, the B.C. Government and the Alberta Government in support of climate action policies that are designed to address, not imperil, the competitiveness challenges that come from a global trade environment that has uneven climate change policies. Included in this support has been Teck's co-chair role on the B.C. Climate Solutions and Clean

Growth Advisory Group and Teck's contributions to designing the federal Clean Fuel Standard, the B.C. Low Carbon Industrial Strategy and Alberta's Technology Innovation and Emissions Reduction system.

**Advancing the development of Canada's Coal Mining Effluent Regulations:** Teck remained actively engaged in the review process for the draft regulations through 2019. 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 2020 to help ensure the regulations are well-designed and science-based.

**Progressing biodiversity and wildlife management initiatives:** Teck is committed to supporting biodiversity and wildlife in the areas where we operate. As part of this commitment, we supported actions by the Government of Canada, the B.C. Government and the Alberta Government on developing effective ways to assist with the protection and recovery of local caribou populations and securing additional land for caribou habitat. We also supported the Government of Canada's amendments to *Migratory Birds Convention Act* regulations that are intended to benefit bird species across Canada.

**Making significant progress in reaching transboundary water quality objectives:** Teck continued making progress towards achieving the objectives of the Elk Valley Water Quality Plan, which is a long-term approach to addressing the management of selenium and other substances released by mining activities in B.C. We worked with federal, provincial and state governments in Canada and the U.S. towards our goal of stabilizing and reversing the trend of these substances to ensure the ongoing health of the Canada-U.S. transboundary waterway, while at the same time allowing for continued sustainable mining in the region.

**Collaborating towards a revised B.C. mine reclamation security policy:** Teck collaborated with the B.C. Government in its review of the provincial mine reclamation security policy. We will continue to work with the B.C. Government and interested parties in 2020 to ensure the revised financial security requirements are practical and fair.

## Socio-Economic Initiatives

**Advocating for cost competitiveness:** Teck continued to engage the Government of Canada, the B.C. Government and the Alberta 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 and regulatory measures. This engagement included membership on the B.C. Mining Jobs Task Force, which submitted detailed, consensus-based recommendations to the B.C. Government on improving mining sector competitiveness, the federal Economic Strategy Table for Resources of the Future, and various government-led technical committees and working groups.

**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 single 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 dialogue on 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 Canada's 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. We also joined industry peers in communicating concerns to the B.C. Government about potential changes that would affect port taxation competitiveness.

**Enhancing trade relations with key export markets:** We continued to work with the Government of Canada in enhancing relationships with key export destinations, primarily in Asia and the United States. This included advocating for the ratification and implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, and encouraging progress towards finalizing the United States-Mexico-Canada Agreement.

**Collaborating on heavy fuel oil carriage ban in the Arctic:** Teck and NANA worked with the U.S. Coast Guard and the U.S. 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.

**Reviewing potential for amendments to U.S. mining legislation:** Teck continued to review where potential changes could be made to federal U.S. mining legislation affecting how mineral rights are secured on federal lands and how these lands can be used for activities ancillary to mining, including community and recreational activities. This review of federal legislation will continue in 2020.

## Innovation Initiatives

**Working with governments to foster more innovation in mining:** Teck actively pursued government initiatives to advance innovation in our operating jurisdictions, including continuing to work with Canada's Digital Technology

Supercluster (under the federal Innovation Supercluster Initiative) as a Founding Member. We also engaged with the Government of Canada and the B.C. Government on fostering more innovation in Canada's mining sector, including contributing ideas to the Canadian Minerals and Metals Plan as well as the development of a BC Mining Innovation Road Map.

### Inclusion and Diversity Initiatives

**Advancing reconciliation objectives with Indigenous Peoples:** In Canada, 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 and support for various government legislative reviews and initiatives that included Indigenous components, such as the federal *Impact Assessment Act* and the B.C. *Environmental Assessment Act*. We also supported the B.C. Government's Bill 41 — the *Declaration on the Rights of Indigenous Peoples Act* — which relates to establishing a new legal framework for advancing reconciliation.

**Advancing Inclusion and Diversity in Chile:** Teck participated and supported several workshops and events to promote inclusion and diversity, including the Asia-Pacific Economic Corporation 2019 workshop "Participation of Women in the Mining Industry", the International Forum on Gender Equality in the Extractive Sector, and the official launch of a short story initiative on women empowerment that resulted in over 1,600 entries and an online book publication. Teck is represented by the Vice President, Sustainability and Corporate Affairs on the National Mining Association of Chile's (SONAMI) Board of Directors for 2020 to 2022. SONAMI was founded in 1883 to support the development of Chile's mining sector, to represent the interests of the mining sector before the government and National Congress of Chile, and to engage government and elected officials on environmental, tax, economic, labour and legal matters.

### Contributions to Industry Associations

We believe it is important to engage with industry associations to advance research, share best practices and contribute to improving the regulatory systems and industry performance across the extractive sector and beyond. There can be a wide range of views within the membership of each association and, as members, we may not always agree with every position or approach. This is especially the case when the association's membership is large and the mandate is broad, covering a wide range of issues. This diversity of perspectives creates a rich and full debate.

When disagreement arises, Teck may provide greater clarity on our own positions and activities with policy-makers, work with the association to understand alternative points of view and to seek common ground for progress, consider our ability to influence on policies or perspectives of the organization, or ultimately consider whether or not to continue participating the association.

Our three largest contributions in 2019 were to the International Copper Association ($1.4 million), the World Economic Forum ($0.7 million), and the International Council on Mining and Metals ($0.6 million). For more information on associations to which Teck pays annual memberships fees of $50,000 or more, visit Memberships and Partnerships on our website.

### Case Study: Working with Indigenous Peoples to Establish the Kitaskino Nuwenëné Wildland Park

In the early stages of Teck's relationship building in the Athabasca region of Alberta, Mikisew Cree First Nation and other Indigenous groups emphasized the importance of the region to their rights, culture and well-being, and their desire to create a buffer zone to further protect Wood Buffalo National Park. This provided an opportunity for Teck to support the Mikisew Cree First Nation to advocate for their vision of protecting this culturally and ecologically significant land. Starting in 2016, Teck provided capacity, resources and experience in progressing land conservation initiatives. As a result of this collaborative work, in March 2019, Kitaskino Nuwenëné, which means "our land" in both Cree and Dene, was born. The Kitaskino Nuwenëné Wildland Park is a 166,110-hectare provincial park in northern Alberta that is roughly 10 times the area of the city of Vancouver. The park contributes to the largest continuous area of protected boreal forest in the world, preserves critical habitats for at-risk species including bison as well as woodland caribou, and safeguards Indigenous Peoples' traditional uses of these lands. Read the full case study at www.teck.com/news/stories/.

## 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 Annual 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 page on our website for more information.

We also engage in and support the work being done to fight financial corruption by supporting relevant 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. We will continue to be compliant, transparent, cooperative and ethical in all matters, and meet our reporting requirements. Our focus for 2020 will be on the continuation of our *Doing What's Right* and anti-corruption programs and engagement 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.

# Methodology and Restatements

This report discloses sustainability data for the fiscal year ending December 31, 2019. 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 operations not managed by Teck, but covered in some areas of this report, are:

1. Antamina
2. Fort Hills

### Development projects, including those managed by Teck and those not managed by Teck, that are covered in some areas of this report are:

1. QB2
2. NuevaUnión
3. San Nicolás
4. Galore Creek
5. Mesaba
6. Schaft Creek
7. Zafranal
8. Frontier[33]

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

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

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.



[33] As of February 2020 we have withdrawn the Frontier project from the regulatory review process. However, activities related to advancing the project took place in 2019.

# Independent Assurance Report

## Independent practitioner's limited assurance report on selected sustainability subject matter areas presented within Teck Resources Limited 2019 Sustainability Report

### To the Board of Directors and management of Teck Resources Limited

We have undertaken a limited assurance engagement on selected sustainability subject matter areas (the subject matter) presented within the Teck Resources Limited (Teck)'s 2019 Sustainability Report (the Report) during the period from January 1, 2019 to December 31, 2019.

### Selected subject matter

- Teck's assertion that it has aligned their policies to the International Council on Mining and Metals (ICMM)'s 10 Sustainable Development Principles and mandatory requirements set out in ICMM's Position Statements (ICMM Subject matter 1).
- Teck's assertions regarding the approach it has adopted to identify and prioritize its material sustainable development risks and opportunities based on its own review of the business and the views and expectations of its stakeholders (ICMM Subject matter 2).
- Teck's assertions regarding the existence and status of implementation of systems and approaches used by Teck to manage the following material sustainable development risk areas (ICMM Subject matter 3):
  1. Health and Safety
  2. Water Stewardship
  3. Relationships with Indigenous Peoples
  4. Relationships with Communities
  5. Tailings Management
  6. Climate Change and Energy Use
  7. Diversity and Employee Relations
  8. Air Quality
  9. Responsible Production and Waste Management
  10. Supply Chain Management
  11. Environmental Management
  12. Biodiversity and Reclamation
  13. Human Rights
  14. Business Ethics
- Teck's company wide reported performance data for the year ended December 31, 2019, 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:

| | Performance Measure | 2019 | Reference[1] |
|---|---|---|---|
| 1 | Number of fatalities | 1.2 | Table 3 |
| 2 | Number of lost-time injuries (LTI) | 90 | Table 3 |
| 3 | Lost-time injury frequency (LTIF) | 0.34 | Table 3 |
| 4 | Occupational Disease Rate | 0.18 | Table 8 |
| 5 | Total emissions – direct (Scope 1) (kt $CO_2e$) | 2,963 | Table 19 |
| 6 | Total emissions – indirect (Scope 2) (kt $CO_2e$) | 290 | Table 19 |
| 7 | Total emissions – Scope 3 (use of coal product sold) (kt $CO_2e$) | 73,000 | Table 19 |
| 8 | Total Water withdrawal for Use ($m^3$) | 127,018,000 | Table 9 |
| 9 | Total area of land reclaimed (ha) | 5,781 | Table 35 |
| 10 | Total land disturbed and yet to be reclaimed (ha) | 26,683 | Table 35 |
| 11 | Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples | 3 | Table 12 |
| 12 | Total $SO_2$ emissions from stacks, stationary and mobile fossil fuel combustion (tonnes) | 3,853 | Table 30 |
| 13 | Percentage of selected community-based air quality stations (three stations) with annual mean concentrations of ambient $PM_{2.5}$ within WHO guidelines (%) | 100 | Table 31 |
| 14 | Total Hazardous waste sent off-site but not recycled (tonnes) | 14,128 | Figure 21 |

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

- Teck's assertion of reporting in accordance with Global Reporting Standards (GRI Standards) (ICMM Subject matter 5).

## Management's responsibility

Management is responsible for preparation of the subject matter in accordance with the following criteria;

- The 10 ICMM Principles and mandatory requirements set out in ICMM Position Statements and the Global Reporting Initiative Standards (GRI).
- For Teck's company wide performance data, prepared in accordance with GRI and management's internally developed criteria referenced in the above table.

Management is also responsible for such internal control as management determines necessary to enable the preparation of the selected subject matter presented in the Report that is free from material misstatement.

## Our responsibility

Our responsibility is to express limited assurance conclusion on the selected subject matter based on the 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*. 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 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 criteria during the period from January 1, 2019 to December 31, 2019, 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 assist Teck to comply with the ICMM principles and mandatory requirements of ICMM's Position Statements. As a result, the selected subject matter may not be suitable for another purpose.

This Report was developed in accordance with our engagement letter with Teck Resources Limited and is subject to the terms and conditions included therein. It is solely for the use and benefit of and pursuant to a client relationship exclusively with Teck Resources Limited. PwC disclaims any responsibility to others based on its use and accordingly this information may not be relied upon by anyone other than Teck Resources Limited.

PricewaterhouseCoopers LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 9, 2020

## 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 strategy, strategic priorities and our goals, targets and plans and our expectations regarding those goals, targets and plans, including but not limited to our water policy goals; 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 the consequence of climate-change, 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, risks relating to the development and use of new technology or lack of appropriate technologies needed to advance our goals, 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 and in public filings with the United States Securities and Exchange Commission at www.sec.gov. The forward-looking 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.

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