

# The Value of Sustainability



teckcominco

# Our Charter and Code

Teck Cominco is committed to responsible business practices in all aspects of its activities. We have developed a Charter of Corporate Responsibility and a Code of Business, Environmental and Health and Safety Practices. The Charter and the Code are reviewed regularly to ensure our commitments and management standards are aligned with current best practices.

## CHARTER OF CORPORATE RESPONSIBILITY

Teck Cominco is committed to conducting its business in an honest and ethical manner. We are committed to protecting the health and safety of our employees and the environment in the communities where we work.

We are committed to providing a workplace free of discrimination where all employees can fulfill their potential based on merit and ability.

We strive to deal with everyone in a fair and open manner, and our employees strive to conform to the spirit and intent, as well as the technical requirements, of all contracts we enter into and all laws, regulations and rules that govern us.

We support sustainable development, and we willingly accept our obligation to constantly improve our methods of harvesting the world's resources to the benefit of our shareholders, employees, customers, local communities and all others who use or enjoy nature's bounty.

We value our reputation and the trust and confidence placed in us. If a problem arises, we will deal with it in a lawful and proper manner, we will act to alleviate it, and we will respond with support to those affected. Our mandate is to create value for our stakeholders while continually improving our performance as a good corporate citizen and a leader in our industry.

We take these commitments seriously, and our management and Board of Directors will make every effort to foster a culture at Teck Cominco to support and honour them. We will communicate to all our employees, officers, directors and other representatives that Teck Cominco expects and requires that their actions and conduct comply with this Charter and all policies undertaken to further its objectives.

## CODE OF BUSINESS, ENVIRONMENTAL AND HEALTH AND SAFETY PRACTICES

To implement its Charter of Corporate Responsibility, Teck Cominco will:

1. Obey the law and conduct all business in an ethical manner, meeting or exceeding Teck Cominco's Code of Ethics.
2. Ensure that no discriminatory conduct is permitted in the workplace and that all decisions on job selection, advancements and promotions are unbiased and based solely on merit and ability.
3. Strive to identify and eliminate or control all safety and health hazards and monitor worker health performance to continually reinforce a company-wide commitment to excellence.
4. Conduct its operations in a sound environmental manner, seeking to continually improve its performance and incorporate policies for pollution prevention and waste minimization into its daily action.
5. Conduct regular environmental, health, safety and emergency preparedness audits and identify and resolve all shortcomings.
6. Continually improve its environmental, health and safety management systems, policies and controls, ensuring that these are fully integrated into each operations' business plan.
7. Include closure and reclamation plans as a critical component of all development projects. Undertake progressive reclamation at operating mines and reclaim dormant sites to ensure long-term protection of the environment.
8. Encourage the safe use, reuse and recycling of its products.
9. Support and conduct research to improve environmental, health and safety performance at its operations and to enhance its products for the economic, social and environmental benefit of people everywhere.
10. Foster open and honest dialogue with all of its stakeholders, respect the rights, interests and aspirations of local indigenous people and seek out and listen to those in the community who are affected by its operations.
11. Support local communities and their development by seeking locally sourced goods and services and employing local people.

# Sustainability Report 2005

Teck Cominco strives to achieve continuous improvement across a broad range of sustainability initiatives. In order to monitor our progress in meeting corporate sustainability objectives, we use various indicators across the different aspects of sustainability (environmental, social, and economic). The adjoining table provides a snapshot of performance trends over time.

In this report, Teck Cominco has applied the Global Reporting Initiative (GRI), "Draft G3" Sustainability Reporting Guidelines. Although we have endeavoured to be comprehensive, this report provides only partial coverage of the Elk Valley Coal Partnership operations and Antamina mine.

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### Cover image:

John Kinnear, Surveyor at Elk Valley Coal near Mount Michael, British Columbia.

### Inset images (top to bottom):

Peruvian girl, Andes Mountains, near Antamina;  
Bull elk on a Fording River reclaimed rock dump;  
Dan and Kristine Young (father and daughter), Red Dog mine.

## Sustainability Performance Trends

Aspects/Indicators	2003	2004	2005
<b>Employees</b>	4,631	3,967	4,122
<b>Operations</b>	4	4	5
<b>EMS Status*</b>			
Corporate audits conducted	4	7	4
ISO 14001 certified operations	0	1	4
<b>Health and Safety Statistics*</b>			
Fatalities	2	2	2
Lost-time injuries (LTI)	102	117	117
Lost-time injuries (LTI) frequency	0.85	1	0.92
Severity	121.9	132.3	120.0
<b>Permit Compliance</b>			
Number of exceedances	19	35	25
<b>Reportable Spills</b>			
Number	178	170	208
<b>Waste and Recycling</b>			
Solid waste material recycled (t)	174,948	186,429	25,004
Liquid materials recycled & reused (m <sup>3</sup> )	961	479	1,024
Solid waste material recycled (items)	9,183	2,291	18,745
<b>GHG Emissions (Direct)</b>			
CO <sub>2</sub> equivalents (kt)	635	621	551
<b>Energy Use</b>			
Electricity (TJ)	10,008	10,459	8,959
Fuel (TJ)	8,639	8,404	7,621
<b>Reclamation</b>			
Reclaimed land (ha)	6,541	6,880	7,030
To be reclaimed (ha)	4,547	4,188	4,118
Trees planted	288,045	159,764	144,370
<b>Significant EHS Incidents</b>			
Number	2	3	2
<b>Enforcement Actions</b>			
Number	0	2	0
Fines **	\$ 30,000	\$ 33,000	\$ 0
<b>Environmental Expenditures -</b>			
<b>Closed Properties</b>			
Reclamation spending (in thousands)	\$ 49,000	\$ 47,000	\$ 27,000

\* Includes Antamina and Elk Valley Coal Corporation

\*\* For 2003, there was a delayed 2002 charge at Polaris mine

### Scope of Operations Included:

Trail Metallurgical Facilities	Pend Oreille mine (opened in 2005)
Red Dog mine	Bullmoose mine (closed 2003)
Hemlo mine	Sullivan mine (closed Dec. 2001)
Polaris mine (closed Sept. 2002)	Pogo mine (in construction in 2005)
Quintette mine (closed Aug. 2000)	Lennard Shelf mine (in preparation for re-opening)
Highland Valley Copper mine	

# Creating Value for Shareholders, Communities and the Environment

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*Meeting the needs of the present without compromising  
the ability of future generations to meet their own needs*

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**Norman B. Keevil**  
Chairman

**Donald R. Lindsay**  
President and  
Chief Executive Officer

## FROM OUR CEO AND CHAIRMAN

Today, *meeting the needs of the present without compromising the ability of future generations to meet their own needs* is a central focus of our strategy.

Our viability as a company depends upon our ability to create value for our shareholders and other stakeholders through converting natural capital to economic wealth and by meeting society's demand for mineral products. By building wealth and prosperity, Teck Cominco contributes to human development, socioeconomic infrastructure and the creation of opportunities for people in the communities and regions in which we operate.

In 2005, our financial results exceeded expectations with net earnings of over \$1.3 billion and cash flow of \$1.7 billion. These extraordinary results combined with financial discipline enable Teck Cominco to contribute to sustainability on many fronts. Although the pursuit of sustainability is often regarded as a long-term agenda, global challenges to the environment, to human health and well-being and the equitable distribution of wealth underscore the need to take concerted action to advance the sustainability agenda in these prosperous times.

Teck Cominco's business strategy is to enable our people to recognize, analyze and act on opportunities to create value and make Teck Cominco a better company. Maintaining our social licence to operate is the cornerstone of our business strategy, and, to that end, we strive to incorporate the principles of sustainability through all aspects of our activities. As operators of a large mining and metals company, our management team recognizes that Teck Cominco must be a positive force in the pursuit of sustainability. We know that how we plan and carry out our activities can ensure the safest working conditions for our people, demonstrate responsible environmental care and natural resource stewardship, create socioeconomic opportunities and protect cultural values in communities.

The decision to apply the Global Reporting Initiative (GRI) Draft "G3" Guidelines to Teck Cominco's 2005 sustainability reporting reflects our commitment to identify, monitor and report more fully on those aspects of our activities that significantly influence our contribution to sustainable development. In past years, our sustainability reports have articulated our policies and commitments while specific performance reporting was limited mainly to safety, health, and environmental aspects. Through this report and our future sustainability reporting, Teck Cominco's goal is to comply fully with GRI reporting standards.

In 2006, we have used the GRI Guidelines to conduct a comprehensive review of our economic, environmental, and social impacts, both negative and positive. In general, we have performed well in community engagement and environmental stewardship. However, we have identified opportunities to improve our performance across operations by expanding our management systems, sharing knowledge and best practices, and incorporating a broader set of indicators to measure progress and communicate performance.

Our performance in 2005 was marked by both excellent achievements and unfortunate events.

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***Maintaining our social licence to operate is the cornerstone of our business strategy, and, to that end, we strive to incorporate the principles of sustainability through all aspects of our activities.***

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## COMMITTED TO EMPLOYEE SAFETY AND HEALTH

Although Teck Cominco is committed to the highest level of performance in employee safety and health, it is with great sadness that we report two fatalities in 2005: one at the Greenhills mine involving a dozer operator and the other at Trail Operations involving a contractor.

In the current year (2006), we also deeply regret the four fatalities in May, which occurred at our closed Sullivan mine in Kimberley. A Teck Cominco employee, an environmental consultant working for Teck Cominco, and two provincial paramedics died in this tragic accident. On behalf of Teck Cominco and all our employees, we express our most heartfelt condolences to the families and loved ones of the victims. Teck Cominco worked closely with the BC Ministry of Energy, Mines and Petroleum Resources, which has identified the cause and made recommendations to ensure a similar tragedy can be avoided in the future. Preventative measures were immediately put into place at all our operations to ensure this type of incident never occurs again. The mines ministry inspector has also recommended preventative measures for the entire Canadian mining industry.

We continue to strive to do all we can to ensure the safety and health of our employees and contractors. Our objective is to perform in the top quartile of our industry. To reinforce and improve our ability to achieve this objective, Mike Filion was appointed Vice President of Environment, Health and Safety, an expansion of his previous responsibilities for the environmental affairs of the company. In addition, Mark Thompson was appointed Director of Safety and Health to expand our management capacity to ensure consistent application of our EH&S standards and best practices throughout the company. Several initiatives have been introduced to enhance our safety and health culture and performance through improved training, communication, and incident evaluation and reporting.

### **IMPROVING ENVIRONMENTAL PERFORMANCE**

Teck Cominco strives to continuously improve its environmental performance through its environmental management systems, training and implementation of best practices and technologies. In 2005, our operations experienced 25 permit non-compliance events. While this was an improvement over the 35 in 2004, we need to continue our efforts to reduce this number. This is a high priority for our operations, where management performance is evaluated, in part, on operational environmental performance.

In recent years, significant concerns have been raised regarding potential impacts to the Upper Columbia River and Lake Roosevelt in Washington State resulting from the historic discharges of slag from the Trail Operations. Although Teck Cominco operated in compliance with Canadian laws, the United States Environmental Protection Agency (U.S. EPA) initiated proceedings in 2003 seeking to apply U.S. environmental laws on our Canadian operations. Teck Cominco offered to carry out studies to determine whether any significant impacts from its Trail operations may have occurred and in June 2006, Teck Cominco American Incorporated entered into a voluntary agreement to fund a remedial investigation and feasibility study, which will be carried out under the oversight of the U.S. EPA.

### **ADVANCING RESOURCE STEWARDSHIP**

Teck Cominco believes that its future competitive advantage will depend in part on developing and introducing technologies that improve our ability to find, extract, process and steward mineral resources throughout the product life cycle. Over the last several years, we have invested over \$90 million in the development of our environmentally beneficial hydrometallurgical (Hydromet) refining technology. This technology is currently being scaled up for initial commercialization at a Companhia Vale do Rio Doce (CVRD)

operation in Brazil. In June, 2006, we commenced a study to assess the feasibility of establishing a Hydromet facility at our Highland Valley Copper mine in British Columbia.

Although Teck Cominco's core competencies are predominantly focused on mineral exploration and mining and metals refining, we are also pursuing opportunities to add value for our shareholders and contribute to sustainability through research and development. At our Product Technology Centre, located in Mississauga, Ontario, we are working with our customers and others across industry to improve battery design, efficiency and production methods. Our expertise in this area has resulted in the commercialization of lighter, more powerful batteries for use in many applications. Today, we believe that collaborative work in developing zinc-air battery technologies may lead to a significant new energy source that is zero-emission and fully recyclable. If successfully commercialized, this technology could create societal benefits, a new market for zinc, and new business opportunities for the company.

At our Trail Operations, we are utilizing existing facilities to enter the electronic waste recycling business. Although modest in comparison to the overall need for recycling, this new business will expand the range of services offered to our customers, create a potential new source of recycled "urban" ore for our Trail smelter, and reduce the volume of metals being lost to landfills throughout North America.

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***We have invested over \$90 million  
in the development  
of our environmentally-  
superior hydrometallurgical  
refining technology.***

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### **SUSTAINING COMMUNITIES**

Establishing low-cost, long-life operations that serve as stable economic engines to support regional development, has enabled Teck Cominco to contribute to the sustainability of communities near our operations. Our approach to sustainability begins with our exploration group, who introduce our company to local communities and build respectful and cooperative relationships.

At all our operations, we procure local goods and services and create employment opportunities. In Peru, the Antamina mine, located in a country where poverty is widespread, generated over US\$650 million in wages, taxes and local procurement in 2005. As part of its commitment to local communities, Antamina, through its own efforts and the support of the Ancash Foundation, is contributing to community development initiatives in agriculture and irrigation, health care, education and technical training and tourism and recreation.

We also challenge our management teams to create, where possible, sustainable legacies that will carry on long after our mining activities cease. At our Highland Valley Copper mine, for example, we are pursuing a proposal to establish a long-term, state-of-the-art municipal solid waste management facility that will provide employment and business opportunities to support the local tax base for decades.

#### LOOKING FORWARD

Over the next year, we will assess the challenges and opportunities identified in this report and future actions based on their impact on Teck Cominco's sustainability footprint and on our ability to achieve timely, positive results. During this period, we intend to adopt a conservation and biodiversity policy, develop guidelines for local procurement, strengthen our commitment to transparency, and undertake external verification of our activities related to the Mining Association of Canada's Towards Sustainable Mining Initiative.

Over the next two to three years, our management team, with the support and encouragement of our Board of Directors, will undertake the following initiatives to advance our sustainability agenda:

- Implement standard indicators for economic, environmental and social aspects in order to consistently track sustainability performance across the Company in accordance with the Global Reporting Initiative;
- Institute a formal stakeholder engagement program that creates opportunities to inform and engage our employees, customers, suppliers, local communities, NGOs, investment professionals and indigenous peoples;
- Advance technologies that will improve operations' resource efficiency, environmental performance, and product utility and recyclability.

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***Our journey to sustainability is a work in progress. We value your feedback and will consider your views as we go forward.***

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Our vision for Teck Cominco is that of a company that serves as a resource steward today and for the generations that will follow. We understand our responsibilities and believe the future holds exciting opportunities for Teck Cominco to be a leader in sustainability. Our accomplishments have been made possible by the spirit, dedication and efforts of our employees. We also wish to acknowledge the contributions of all stakeholders who have taken an interest in our activities. Our journey to sustainability is a work in progress. We value your feedback and encourage you to fill out and return the attached mail-in form included in this report so that we may consider your views as we go forward.



**Donald R. Lindsay**  
President and Chief Executive Officer



**Norman B. Keevil**  
Chairman

November 24, 2006

***Before and after the closure of the Sullivan mine, Teck Cominco assisted the town of Kimberley in its transition from mining to a tourism economy, providing and restoring land for golf, hiking, biking and skiing and residential development.***

Through donations of mine equipment hours, construction materials, volunteer time and monetary donations, Teck Cominco has supported community initiatives such as the Trickle Creek Golf course near the Sullivan mine and the Meadow Creek Golf Club, Logan Lake near Highland Valley Copper (pictured here).



# About this Report

## REPORT SCOPE

Teck Cominco is a diversified mining, smelting and refining group headquartered in Vancouver, British Columbia. We understand that the business we are in has the potential to create a significant environmental and socioeconomic footprint. As a global company, we operate as guests in our host communities where our impacts, both negative and positive, are a reflection of the Company's approach to managing its activities.

Teck Cominco Limited has produced annual sustainability reports since 2001. Our last report, produced in April 2005, was released via the Teck Cominco website in a condensed format. Additionally, more detailed site-specific data and reports are also available through the website.

With the exception of the significant events in 2006 discussed in the Message from the CEO and the Chairman, the current report covers the 2005 reporting year from January to December. Historical data from 2003 and 2004 have been included wherever possible. There have been no significant changes in measurement methods or information collection procedures used for this report from previous years. However, a number of gaps in data collection have been identified through this year's reporting process and we intend to address them in future reporting periods.

This is our first sustainability report using the Global Reporting Initiative (GRI) Guidelines. These Guidelines, widely recognized as the international best practice for transparency and disclosure, have recently been revised into new "G3" Guidelines. This is Teck Cominco's first step towards achieving GRI-conformant reporting. It is the Company's goal to be able to report fully in accordance with the GRI Guidelines within several years. For more information on the GRI Guidelines, go to [www.globalreporting.org](http://www.globalreporting.org).

Our use of the Draft G3 Guidelines demonstrates our commitment to sustainability and continuous improvement. In this regard, the Draft G3 Guidelines, the Technical Protocols, and the Mining and Metals Sector Supplement will provide the basis for a more specific strategy for our developing sustainability program over the coming years.

For this report we did not use the GRI's "Boundary Protocol" to set a boundary that defines which entities are included in the report. However, we will use this recommended protocol and process for future reporting efforts.

## REPORTING PROCESSES

Although the systems necessary to comply fully with the Guidelines are not in place in all cases, we have followed them as closely as possible.

Our goal is to use this report to highlight our key sustainability initiatives, and to identify areas where we are challenged to meet the requirements. As one of the first companies to use the new Draft G3 Guidelines, we view this as a major stepping stone for our sustainability program and as a starting point for future planning and reporting efforts. We have focused on issues relevant to our sustainable development priorities—determined by our goals and targets set for 2005—and minimized duplication of material already covered in detail in our 2005 Annual Report.

Increased stakeholder engagement will be a priority for Teck Cominco in 2006/2007. Although our approach to stakeholder relations has been productive, we recognize that a more formal system for stakeholder engagement may yield additional benefits.

We report herein on all operational facilities where we have majority and/or operational ownership, and either disclose information or provide a narrative (where information is available) on joint venture operations. The content of this report has not been the subject of an independent assurance review.

For the reader's convenience, the GRI indicators have been compiled in tables at the end of each major section; economic, environmental and social performance, and a complete GRI Index appears in the Appendix. For further information regarding the content of this report and other Teck Cominco sustainability initiatives, please contact [sustainability@teckcominco.com](mailto:sustainability@teckcominco.com).

*The Red Dog mine is the world's largest producer of zinc concentrate, and the first mine in Alaska with an Environmental Management System (EMS) that is certified to ISO 14001.*

A late night view from the tundra, looking towards the Red Dog mine, located in the DeLong Mountains of Alaska's Brooks Range.

# Strategy and Analysis

## OUR SUSTAINABILITY STRATEGY

We believe that our performance today is crucial to building tomorrow's relationships and opportunities. This report is not only a report card on our performance, it's also a "show-and-tell" to share how we bring value to our stakeholders. Throughout the report, you'll read about success stories that demonstrate this value. Ultimately, we aim to be the company of choice – a company that delivers value to its stakeholders through sustainable operations.

At Teck Cominco, the journey towards sustainability means that we remain competitive and profitable. We strive to operate and plan strategically to maximize shareholder value while pursuing sustainability initiatives that address the needs of all our stakeholders.

### A Steward for Future Generations

We see clear value in operating our business in a socially just, environmentally responsible and economically sound way. Through our first GRI Sustainability Report, we demonstrate our long-term commitment to real progress by defining our sustainability goals, setting clear targets and measuring and communicating our key highlights and challenges.

Our approach to sustainable development recognizes that proactive social and environmental management creates real business value. Pursuing a cohesive, streamlined sustainability program helps to lower risk, improve reputation and access to opportunities, maintain our "licence to operate" and helps our customers meet their own social and environmental goals. In short, by acting responsibly, everyone benefits.

Our values and commitment to economic, environmental and social responsibility are expressed in our Charter of Corporate Responsibility. Whenever possible, we seek to proactively implement policies and programs that will enhance our economic, environmental, and social performance, using recognized "best practices" and input from our stakeholders.

As this is our first report using the GRI Guidelines, we do not currently collect all of the performance indicators suggested by the GRI. However, the reporting process has helped identify areas upon which we can improve and therefore set targets to measure our progress.

## PROGRESS ON SUSTAINABILITY GOALS AND TARGETS

The Sustainability Goals and Targets table offers a snapshot of our progress in 2005 in relation to our goals and targets for 2006/2007. We believe that the value of reporting can only be fully realized when we measure our progress against clearly stated goals and targets. Detailed information on our economic, environmental, and social performance is included in the following pages of this report.

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***Our approach to sustainable development recognizes that proactive social and environmental management creates real business value.***

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Sustainability Goals and Targets

Aspects	2005 Targets	2005 Results	2006/2007 Targets
<b>Foster corporate governance and quality of the workplace</b>			
<b>Goal: To be a leader in corporate governance and quality of the workplace</b>			
Professional Development and Education	<ul style="list-style-type: none"> <li>Invest in training to improve employee skills and professional competencies.</li> </ul>	<ul style="list-style-type: none"> <li>19 engineers recruited to participate in Engineering in Training development program.</li> <li>Employee development programs and MBA-level courses offered to employees.</li> <li>Support for Mining Association of British Columbia (MABC) Education program along with MBA-level courses.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare company wide roll-up of employee training time.</li> <li>Assess completeness of training programs in relation to the Code of Practice.</li> </ul>
<b>Generate wealth and prosperity</b>			
<b>Goal: To understand and measure our indirect economic impacts</b>			
Indirect Economic Impact	<ul style="list-style-type: none"> <li>Committed to reporting with GRI Standards.</li> </ul>	<ul style="list-style-type: none"> <li>Reporting revealed we currently do not assess our significant indirect economic impacts across all operations.</li> </ul>	<ul style="list-style-type: none"> <li>Assess and report on our indirect economic impacts in communities of interest.</li> </ul>
<b>Demonstrate excellence in safety, health and environmental performance</b>			
<b>Goal: Incur zero harm to people, have zero accidents and improve environmental performance</b>			
Safety and Health	<ul style="list-style-type: none"> <li>No fatalities.</li> <li>Less than one lost time injury per 200,000 hours of work.</li> </ul>	<ul style="list-style-type: none"> <li>Two fatalities in 2005.</li> <li>Injury frequency of less than one per 200,000 hours of work.</li> <li>Introduction of new professional network for the exchange of best practice among operations.</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatalities.</li> <li>Less than one lost time injury per 200,000 hours of work.</li> </ul>
Energy Use	<ul style="list-style-type: none"> <li>Reduce energy intensity with an increased focus by operations on the management of energy use.</li> </ul>	<ul style="list-style-type: none"> <li>Energy consumption decreased by 12% largely due to 78 day shut-down at the Trail refinery.</li> <li>Energy intensity in product remained stable.</li> </ul>	<ul style="list-style-type: none"> <li>Set targets for energy efficiency and implement strategies to meet targets.</li> <li>Identify a corporate energy leader as part of the Towards Sustainable Mining initiative.</li> </ul>
GHG Emissions	<ul style="list-style-type: none"> <li>Reduce GHG intensity with an increased focus by operations on the management of energy use.</li> </ul>	<ul style="list-style-type: none"> <li>An 11% decline in total GHG emissions as compared to 2004, as a result of the shutdown at Trail.</li> <li>GHG intensity in product remained stable.</li> </ul>	<ul style="list-style-type: none"> <li>Set targets for GHG intensity reduction.</li> <li>Continue to identify and implement measures to improve efficiencies.</li> </ul>
Biodiversity and Conservation	<ul style="list-style-type: none"> <li>Develop a corporate policy on Conservation and Biodiversity.</li> </ul>	<ul style="list-style-type: none"> <li>Not achieved.</li> </ul>	<ul style="list-style-type: none"> <li>Include conservation and biodiversity in Company policies and standards.</li> <li>Assess the ICMM Good Practice Guidance for Mining and Biodiversity.</li> </ul>
Recycling	<ul style="list-style-type: none"> <li>Continuously promote re-use and recycling.</li> </ul>	<ul style="list-style-type: none"> <li>Our operations carried out significant recycling and re-use efforts (see section on Environmental Performance).</li> </ul>	<ul style="list-style-type: none"> <li>Continue to improve best practices.</li> </ul>
Emissions and Effluents	<ul style="list-style-type: none"> <li>Ensure no significant environmental non-compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Achieved (99.9%) compliance across operations. The number of non-compliances with permit conditions (water and air) decreased by 35% in 2005 compared to 2004.</li> </ul>	<ul style="list-style-type: none"> <li>100% permit compliance and achieve targets for emissions and effluents reductions where applicable.</li> </ul>

Aspects	2005 Targets	2005 Results	2006/2007 Targets
Spills	<ul style="list-style-type: none"> <li>- Have no significant spills which impact the environment or impact upon safety and health.</li> </ul>	<ul style="list-style-type: none"> <li>- 208 spills; 90% of spills &lt;100L.</li> <li>- The total number of reportable spills increased as a result of construction of the Pogo mine (66 spills).</li> </ul>	<ul style="list-style-type: none"> <li>- Continue to reduce the number of spills.</li> </ul>
<b>Goal: To improve and implement management systems</b>			
Management Systems	<ul style="list-style-type: none"> <li>- Implement and continually improve Environmental Management Systems (EMS).</li> <li>- Attain ISO 14001 certification at all operations by the end of 2007.</li> </ul>	<ul style="list-style-type: none"> <li>- Four operations were certified to ISO 14001 standards.</li> </ul>	<ul style="list-style-type: none"> <li>- Broaden EMIS (Environment Management Information System) implementation across the company.</li> <li>- Achieve ISO 14001 certification at remaining operations.</li> </ul>
Verification	<ul style="list-style-type: none"> <li>- Conduct four corporate audits.</li> </ul>	<ul style="list-style-type: none"> <li>- Four corporate audits were conducted in 2005.</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct four corporate audits.</li> </ul>
<b>Drive technological innovation and resource stewardship</b>			
<b>Goal: To effectively manage and improve the utility and life-cycle management of our product</b>			
Product Stewardship	<ul style="list-style-type: none"> <li>- Set up electronic waste (e-scrap) recycling system at Trail Operations.</li> </ul>	<ul style="list-style-type: none"> <li>- Successful test run. B.C. Ministry of Environment (MoE) approval.</li> </ul>	<ul style="list-style-type: none"> <li>- Seek out new business opportunities and partnerships to expand the operation.</li> </ul>
Technology Improvement	<ul style="list-style-type: none"> <li>- Implement full-scale demonstration of CESL hydromet technology.</li> </ul>	<ul style="list-style-type: none"> <li>- CVRD demonstration plant construction initiated.</li> <li>- Initiate feasibility study to apply hydromet technology at Highland Valley Copper.</li> </ul>	<ul style="list-style-type: none"> <li>- Commission CVRD plant and complete feasibility study for Highland valley Copper mine plant.</li> </ul>
Product Development	<ul style="list-style-type: none"> <li>- Expand product applications for zinc.</li> </ul>	<ul style="list-style-type: none"> <li>- Major zinc-air battery research program undertaken.</li> </ul>	<ul style="list-style-type: none"> <li>- Develop commercial applications for zinc-air battery technology.</li> </ul>
<b>Foster sustainable communities</b>			
<b>Goal: To engage effectively with our stakeholders</b>			
Stakeholder engagement	<ul style="list-style-type: none"> <li>- No formal goals set.</li> </ul>	<ul style="list-style-type: none"> <li>- Stakeholders successfully engaged at advanced exploration sites, operations and dormant properties.</li> </ul>	<ul style="list-style-type: none"> <li>- Greater focus on engagement with national and international stakeholders.</li> <li>- Secure stakeholder critique and review of sustainability goals and objectives.</li> </ul>
<b>Goal: To foster sustainable communities wherever we operate by contributing to their socioeconomic needs</b>			
Indigenous Rights	<ul style="list-style-type: none"> <li>- Respect rights, interests and concerns of indigenous peoples.</li> </ul>	<ul style="list-style-type: none"> <li>- Ongoing community engagement and development work with First Nations in British Columbia, Inupiat people in Alaska; local communities near Morelos, Guerrero, Mexico; and Goonyandi people, Western Australia.</li> </ul>	<ul style="list-style-type: none"> <li>- Assess and document best practices for engagement with indigenous peoples.</li> <li>- Develop performance indicators for socio-economic participation.</li> </ul>
Community Investment	<ul style="list-style-type: none"> <li>- Align corporate giving with sustainability principles.</li> </ul>	<ul style="list-style-type: none"> <li>- Initiated formal process for corporate donations.</li> </ul>	<ul style="list-style-type: none"> <li>- Develop corporate-donations guidelines and articulate policy and strategy to sites.</li> </ul>
Human Rights	<ul style="list-style-type: none"> <li>- Compliance with the Code of Ethics Policy.</li> </ul>	<ul style="list-style-type: none"> <li>- Management personnel are required to annually review and report on compliance with the Code of Ethics. It is required that known or perceived infractions be reported.</li> </ul>	<ul style="list-style-type: none"> <li>- Support the principles of the UN Declaration of Human Rights and apply performance indicators to measure compliance with international human rights obligations at all our operations.</li> </ul>

# About Us

Teck Cominco Limited (TCL) is a diversified mining and metals company, headquartered in Vancouver, Canada. Our shares are listed on the Toronto Stock Exchange under the symbols TCK.A and TCK.B and on the New York Stock Exchange under the symbol TCK. We are a world leader in the production of zinc and metallurgical coal and are also a significant producer of copper, gold, indium and other specialty metals.

As shown on the map, our operations in 2005 included the Red Dog and Pogo mines in Alaska, the Highland Valley Copper mine and Elk Valley Coal Partnership mines in British Columbia and Alberta, the Fort Hill Oil Sands project in Alberta, the Trail metallurgical operations in British Columbia, the Pend Oreille mine in Washington, the Hemlo mine in Ontario, the Antamina mine in Peru and the Lennard Shelf mine in Australia. Reclamation and closure activities were conducted in 2005 on a number of historic and dormant properties.

We currently have interests in many exploration and development projects in various foreign countries, with significant activities and exploration offices in Argentina, Australia, Brazil, Canada, Chile, Ireland, Mexico, Namibia, Peru, Sweden, Turkey, and the United States.

In 2005, Teck Cominco reorganized the principal groups involved in advanced technologies into a new Technology Division. The division's mandate is to advance growth opportunities through the implementation of new technologies. The division works with internal and external customers to provide solutions for operations, particularly related to processing and the environment, and for customers who use Teck Cominco products and technology. This division includes Cominco Engineering Services Limited (CESL), Applied Research and Technology in Trail, and the Product Technology Centre (PTC) in Mississauga, Ontario.

Global Discovery Labs (GDL), a business unit of Teck Cominco, provides geochemical analysis and consulting to the mining and exploration industry. Our Vancouver laboratory conducts analyses on tens of thousands of samples yearly from properties around the world. GDL is involved in every stage of exploration and evaluation, and has been providing comprehensive, accurate and prompt analysis for over 30 years.

As of December 31, 2005, Teck Cominco had 4,122 employees (not including Antamina mine and Elk Valley Coal Partnership). Further information can be found at [www.teckcominco.com](http://www.teckcominco.com).





***Teck Cominco has projects or offices in Argentina, Australia, Brazil, Canada, Chile, Ireland, Mexico, Namibia, Peru, Sweden, Turkey, and the United States. The Company's Charter of Corporate responsibility is a company-wide, global policy that will not be compromised.***

**Line Creek (Fording Coal operation)—  
Exploratory drilling on Mount Michael, with  
the Continental Divide in the background.**

# Governance, Commitments & Engagement

Corporate governance is an important priority for the directors and senior executives of Teck Cominco. The Board of Directors has a Corporate Governance Committee, and the Company's general counsel actively participates in the Committee's efforts to ensure that our corporate governance procedures are up to date and reflect the highest standards both in Canada and internationally. Our GRI governance performance is summarized below.

## OUR COMMITMENTS TO EXTERNAL INITIATIVES

Teck Cominco participates in the Towards Sustainable Mining (TSM) initiative of the Mining Association of Canada (MAC). Conceived in 2000, the initiative is designed to improve the industry's environmental, social and economic performance. The program requires MAC member companies to commit to 17 guiding principles and to participate in a voluntary performance reporting program on crisis management planning, tailings management, external outreach, and energy use and greenhouse gas emissions management. The 2005 results for our Canadian operations are published as part of a member company report released in June 2006 and is available on the MAC website at [www.mining.ca](http://www.mining.ca). Our self-assessment of our 2006 performance will be subject to external verification in 2007.

The Prospectors and Developers Association of Canada has led the development of the Environmental Excellence in Exploration (E3) e-manual of leading environmental practices. Teck Cominco was both a financial and a technical contributor to the project. All exploration personnel are encouraged to access the manual through the web at [www.e3mining.com](http://www.e3mining.com) and to ensure all exploration activities are conducted with the highest regard for environmental protection. Contact and consultation with nearby communities are initiated at the early stages of all exploration projects.

Teck Cominco is a member of the International Zinc Association (IZA). Zinc is necessary for modern society and is essential to human health and well-being. The International Zinc Association works to enhance zinc's contribution to society and to ensure that its production and use respect the natural environment and meet the needs of society. The association has developed a Sustainability Charter ([www.iza.com](http://www.iza.com)) and has developed four sets of guiding principles to assist member companies in the implementation of the charter. Guidance is provided for the development of environmental management systems, waste management, public reporting systems for environmental performance and the application of product stewardship principles.

Teck Cominco is a contributor and participant in Mastering Aboriginal Inclusion: Networks of Change, an initiative of the Aboriginal Human Resources Development Council of Canada. For more information, go to [www.networksofchange.com](http://www.networksofchange.com).

Teck Cominco Limited and/or its subsidiaries support public policy advocacy activities through its membership in many regional and national industry and trade associations. The major organizations are listed below:

American Galvanizing Association  
American Zinc Association  
Asia Pacific Business Network  
Association of Mineral Exploration of British Columbia  
Battery Council International  
Business Council of British Columbia  
Canada China Business Council  
Canadian Business for Social Responsibility  
Canadian Chamber of Commerce  
Canadian Institute of Mining, Metallurgy and Petroleum  
Canadian Tax Foundation  
CD Howe Institute  
Conference Board of Canada  
Industry Council for Aboriginal Business  
International Lead Zinc Research Organization  
International Zinc Association  
InterZinc  
London Metal Exchange  
Mining Association of British Columbia  
Mining Association of Canada  
National Mining Association  
North American Metals Council  
Northwest Mining Association  
Ontario Mining Association  
Prospectors and Developers Association of Canada  
SE Asia Steel Institute  
U.S. Chamber of Commerce President's Advisory Group  
Vancouver Board of Trade  
Yukon Chamber of Mines

## ENGAGING OUR STAKEHOLDERS

Our stakeholders include our employees, shareholders, local communities, indigenous peoples, suppliers, non-governmental organizations (NGOs), regulators, labour unions and the investment community. We are committed to open and honest dialogue with all of our stakeholders, and we seek to operate in a way that benefits all parties affected by our actions. Stakeholder engagement is spearheaded from the highest levels of the organization.



In the past year, Teck Cominco has engaged a number of stakeholder groups in both formal and informal processes. Examples include regular meetings with indigenous peoples committees and partnership with government agencies tasked with environmental protection. Information on these and other initiatives can be found throughout this report.

Although our approach to stakeholder relations has been productive, we recognize that we need to continue to improve upon our system of stakeholder engagement to bring additional benefits—enhancing our efficiency in meeting goals and targets, increasing our “license to operate” and providing a stronger relationship with local communities. In the coming year, we will investigate ways to better understand the needs of our stakeholders, the processes to solicit their feedback, and our methods of consultation. We expect this to be a long-term process, and we hope that our commitment to sustainability reporting can aid in the development of strong and stable forms of stakeholder engagement. With many stakeholders holding legitimate interests in our affairs, we strive to be consistent in addressing their concerns, and we will factor reasonable expectations into our decisions and actions.

**Our employees** seek satisfying employment with challenges and opportunities for professional growth, quality of life and reasonable compensation. Often, prospective employees seek work that, while contributing to the well-being of society, provides a dynamic and rewarding work environment.

**Our shareholders** expect to maximize the financial value of their investment in our company. At the same time they rely on us to reduce risks associated with our business

activities. Like us, they are learning that some of the greatest challenges and risks to our business are associated with earning and maintaining our social licence to operate. This is a particularly acute risk in the mining industry, where communities and interest groups can effectively block exploration or mine project development. Our ability to proactively address these risks protects our shareholders’ investments and creates competitive advantages.

**Our Customer’s** needs also change. Many of our customers, like those in the electronics and automotive industries, are becoming subject to extended producer responsibility laws and must be concerned with the product stewardship of their products at the end of their useful life. Customers are looking to their suppliers for solutions and are adopting green supply chains. This has become an opportunity for Teck Cominco as we begin to provide recycling services to the electronics industry. The e-waste recycling business has the added benefits of creating closer ties with customers, generating additional sources of inputs for our smelting and refining operations and meeting public demands for recycling and resource efficiency.

**Communities** that neighbour our operations represent significant opportunities to advance our contribution to sustainability. Through collaboration and support, we can help communities realize their own sustainable economic development goals. Similarly, support for health and wellness, public education, conservation and biodiversity initiatives demonstrate commitment, corporate social responsibility and dedication to the well-being of communities that in turn support our business activities.

### **The Antamina Mine— Generating Local Wealth and Prosperity**

Teck Cominco has a 22.5% interest in the Antamina mine, located north of Lima, Peru. The operation influences communities spanning an area between the mountainous Andean region of Ancash to the coastal area of Huarney. Antamina is contributing to poverty alleviation and an improved quality of life in neighbouring communities through employment, local purchases, tax revenues and direct investments in community development. Compañía Minera Antamina S.A recently announced that Antamina mine’s total 2005 contributions to the national economy amounted to US\$662 million.

The operation directly employs 1,460 workers (98.25% Peruvian) and an additional 1,500 contractors work in various operating areas. As required by Peruvian law, 50% of income taxes generated by the mine are distributed to regional programs through the Canon Minero Fund. In 2005, Antamina paid US\$288.9 million in income taxes, half of which (US\$144.4 million) will be disbursed to the Ancash Region through the Canon Minero. These funds will be invested in sanitation, energy, infrastructure, economic and other development projects. Antamina works collaboratively with local partners to advance programs and projects that promote productive development to fight poverty and improve living standards.

**GRI Governance Performance**

<b>GRI Governance Performance Requirements</b>	<b>Teck Cominco's Performance in 2005</b>
<p><b>GRI 4.1</b></p> <ul style="list-style-type: none"> <li>- Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or oversight of the organization.</li> </ul>	<ul style="list-style-type: none"> <li>- The Board of Directors is responsible for the stewardship of the company and ensures that an appropriate corporate governance structure and system is in place.</li> <li>- The Mandate of the Board of Directors is described in detail in the Teck Cominco Management Proxy Circular, which accompanied the Notice of the 2006 Annual Meeting, available on the website at <a href="http://www.teckcominco.com">www.teckcominco.com</a>.</li> <li>- Key committees—Audit, Compensation, Corporate Governance and Nominating—are comprised entirely of independent directors.</li> </ul>
<p><b>GRI 4.2</b></p> <ul style="list-style-type: none"> <li>- Indicate if the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).</li> </ul>	<ul style="list-style-type: none"> <li>- The Chair of the Board is not an executive officer. The Board has appointed the Deputy Chairman, who is independent, as the Lead Director and Chairman of the Corporate Governance and Nominating Committee.</li> </ul>
<p><b>GRI 4.3</b></p> <ul style="list-style-type: none"> <li>- For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.</li> </ul>	<ul style="list-style-type: none"> <li>- Nine of 14 members of the Board are independent.</li> <li>- An independent director of the board is: (a) non-executive, or not a member of management and is free of any interest and any business, family or other relationship which could reasonably be perceived to interfere with the Director's ability to act with a view to the best interests of the Company other than interests and relationships arising solely from holdings in the Company, and (b) is not considered to have a direct or indirect material relationship with the Company.</li> </ul>
<p><b>GRI 4.4</b></p> <ul style="list-style-type: none"> <li>- Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.</li> </ul>	<ul style="list-style-type: none"> <li>- Shareholder resolutions and other mechanisms are used to allow shareholders to convey their opinions to the Board. As presented in the Canada Business Corporation Act, registered shareholders are entitled to notice of the Annual and Special Meeting of Shareholders and to vote at the Meeting; further details are provided in the Company's Management Proxy Circular.</li> <li>- Investors have the opportunity to provide feedback to the Company via the investor relations group through a) email at the Company's website, b) direct or telephone contact with the investor relations officer (a contact person is identified in each press release) and c) through regular mail service.</li> <li>- "Let's Talk" sessions with the CEO allow for employees to question senior management and provide recommendations.</li> </ul>
<p><b>GRI 4.5</b></p> <ul style="list-style-type: none"> <li>- Linkage between compensation (including departure arrangements) and the organization's performance (including social and environmental performance) for members of the highest governance body, senior managers, and executives.</li> </ul>	<ul style="list-style-type: none"> <li>- The Compensation Committee is responsible for reviewing and approving the Chief Executive Officer's corporate goals and objectives, evaluating the CEO's performance in light of those goals and objectives and making recommendations to the Board with respect to the CEO's compensation and non-CEO officer and director compensation, incentive compensation plans and equity-based plans. 50% of the CEO's bonus is based on Environment, Safety and Health performance.</li> <li>- Quantitative environmental and safety performance measures are used to establish annual bonus awards to management.</li> </ul>
<p><b>GRI 4.6</b></p> <ul style="list-style-type: none"> <li>- Process for determining required qualifications and expertise of the members of the highest governance body to guide the strategy of the organization, including on issues related to economic, environmental, and social performance.</li> </ul>	<ul style="list-style-type: none"> <li>- It is the responsibility of the Corporate Governance and Nominating Committee to identify the appropriate competencies and skills considered to be necessary for Board members. Social and environmental experience is part of the selection criteria.</li> </ul>
<p><b>GRI 4.7</b></p> <ul style="list-style-type: none"> <li>- Processes of the highest governance body to ensure conflicts of interest are avoided.</li> </ul>	<ul style="list-style-type: none"> <li>- The Board has adopted a written Code of Business Ethics for the directors, officers and employees that requires staff to maintain the highest ethical standards of behaviour while conducting the Company's business. There is an annual request to each employee to read the Code of Ethics, sign a document saying they have done so and indicate to the audit committee any variances they have encountered.</li> </ul>

GRI Governance Performance Requirements	Teck Cominco's Performance in 2005
<p><b>GRI 4.8</b></p> <p>- Internally developed mission and values statements, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.</p>	<ul style="list-style-type: none"> <li>- Teck Cominco is committed to creating value for its shareholders while continually improving its performance as a responsible corporate citizen and a leader in its industry. The Company pursues development of new technologies that make mining more economically and environmentally sustainable and strives to be a partner of choice wherever it operates and with whomever it is associated.</li> <li>- In addition to the Company's Code of Ethics, the primary codes and policies in place across the organization that pertain to economic, environmental and social performance include:               <ul style="list-style-type: none"> <li>- Charter of Corporate Responsibility;</li> <li>- Code of Business, Environmental and Health and Safety Practices;</li> <li>- Health and Safety Policy;</li> <li>- Health and Safety Guide for Exploration;</li> <li>- Competition &amp; Antitrust Law Compliance Policy;</li> <li>- Complaint Procedure: to address complaints regarding accounting, internal accounting controls or audit related matters;</li> <li>- "Doing What's Right" Program;</li> <li>- Whistle Blower Hotline;</li> <li>- Environment, Health &amp; Safety Management Standards;</li> <li>- Corporate Disclosure Policy: to provide the public with timely, factual and accurate information concerning the affairs of the Company, consistent with legal and regulatory requirements;</li> <li>- Policy on Employee Trading: outlines restrictions on trading, investments in companies that deal with Teck Cominco Limited, serving as a director of a related company and conflicts of interest.</li> </ul> </li> </ul>
<p><b>GRI 4.9</b></p> <p>- Processes of the highest governance body for overseeing the organization's identification and management of economic, environmental and social performance, including the identification and management of relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.</p>	<ul style="list-style-type: none"> <li>- The Environment, Health and Safety Committee, on behalf of the Company's Board of Directors, sets goals and strategies for environmental, social and safety performance for the company and reviews management performance at least quarterly. The Committee is composed of five Board members.</li> <li>- The Corporate Environment and Risk Management Committee (CERMC), chaired by the CEO, is a senior management committee that establishes priorities and directions for environmental, health and safety programs, tracks performance and measures results. Direct, job-site accountability for environmental and safety performance rests with operations' management across the company.</li> <li>- The Product Stewardship Committee, composed of corporate officers and senior managers, assesses environmental risks associated with the production, transport and handling, sale and stewardship of products and other materials. It is responsible for ensuring that products are managed in a manner that conforms to legal and regulatory requirements, company policies and sound management practices.</li> </ul>
<p><b>GRI 4.10</b></p> <p>- Processes for evaluating the performance of the highest governance body, particularly with respect to economic, environmental and social performance.</p>	<ul style="list-style-type: none"> <li>- The Board conducts an annual survey to assess the performance of the Board, the committees and the individual directors. Reliance is placed on a self-assessment approach to individual director performance, together with follow-up interviews on the assessments with the Deputy Chairman and Lead Director.</li> </ul>

# Economic Sustainability

## Sustainability Challenges and Opportunities

We believe that a long-term, strategic approach to sustainability will add value to our business practices and allow us to out-compete other companies for future opportunities. The way we run our business can strengthen our licence to operate, enabling us to continue to secure the prospects we need to grow.

Economically, we are experiencing a strong commodities cycle, which has resulted in the prices of materials increasing significantly as China, India and eastern Europe continue to grow rapidly. This strong cycle has allowed us to grow and expand our operations. As we face the challenges of operating in foreign countries—such as lack of basic infrastructure and significant poverty—we continue to seek ways that ensure all of our stakeholders benefit from our presence.

Operating in an economically responsible manner contributes to Teck Cominco's stakeholders' success and prosperity by providing direct and indirect employment and by contributing to the tax base. Understanding what is meaningful and important to our stakeholders and how we can strengthen partnerships will allow for stronger economic growth for everyone.

Teck Cominco's overall policy for economic performance is expressed in our Charter of Corporate Responsibility, where we set out our mandate to create value for our stakeholders while continually improving our performance as a leader in our industry. For more information on our financial performance, please refer to our 2005 Annual Report.

## GOALS AND ECONOMIC PERFORMANCE

Our organizational goals for economic performance for 2005 included an operating profit of \$500 million at Elk Valley Coal and the generation of another new income source through exploration, development or acquisition. All of these were achieved. One objective, the completion of expansion at the Elk Valley Coal Partnership's Cardinal River operations and full production by the fall quarter, was only partly achieved.

## The Red Dog Mine—Building Capacity for Inupiat Participation in the Workforce

Teck Cominco is committed to working with local indigenous people to maximize their participation in mining and related socioeconomic opportunities. The Red Dog mine has established employment and training initiatives that support the growth and development of a local Inupiat workforce, contributing to the overall economic aspirations of people in the region.

The Red Dog mine, the largest zinc mine in the world, is located in Alaska approximately 140 km north of the Arctic Circle. Approximately 7,300 Inupiat people maintain their traditional subsistence lifestyle in this sparsely populated area. The mine is operated through an agreement between Teck Cominco and the NANA Regional Corporation.

Training and scholarship programs have been initiated to attract young indigenous students to the mining sector. Each year, the operation runs a School to Work program for students from each of the surrounding villages who fly to the remote mine site for several days throughout the academic year. Teck Cominco also provides college and university scholarships to build professional and technical competencies required by the mine.

In both technical and professional jobs, turnover has sometimes exceeded 30% and training investments are not returned to the operation. The operation is revising its programs to provide greater and lasting benefits. Both Teck Cominco and NANA remain committed to the continuous improvement of hiring, training and education programs.



Clara Newlin, seated, has worked in the Red Dog mill for a month. Her sister Darlene is an assayer technician with 14 years' experience at Red Dog.

*At Teck Cominco, we support our communities in many ways, from fundraising for local hospitals to cooperating with governments, councils, elders and other local representatives. We promote educational and training programs to provide meaningful career opportunities and extend the economic benefits to local communities.*



Dr. Martha Piper, President of UBC, and Dr. Norman Keevil unveiling the Norman B. Keevil Institute of Mining Engineering plaque

Our economic performance in 2005 was exceptional. Revenues of \$4.4 billion generated net earnings of \$1.3 billion—more than double those of a year earlier—and cash flows of \$1.7 billion, up from \$1.1 billion in 2004. Demand for all our major products increased in 2005, with strong global economic growth led by China. Inventories for copper and zinc have declined as prices have strengthened. If current trends in global economic conditions continue, we expect that prices of our principal products will remain strong over the medium term, with periods of price volatility. Our assessment of market dynamics suggests that economic growth and production capacity in China will continue to be a major factor influencing global supply and demand for commodities.

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## ***\$4.4 billion in revenues in 2005***

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Cash flow and earnings were at record levels for the second consecutive year, a result of the upsurge in commodity prices and hard work from the people of Teck Cominco. The annual dividend rate, which was doubled to 40 cents a share at the end of 2004, doubled again to 80 cents a share in June 2005. Our objective for 2006 is to continue our strong performance with goals outlined in our annual report such as generating new income sources through exploration, development or acquisition.

## **COMMUNITY DONATIONS**

In 2005, Teck Cominco contributed more than \$4 million in cash donations to its host communities and other worthy causes. One of our major contributions to the community in 2005 is a multi-year commitment totaling \$5 million to the University of British Columbia (UBC) to create the Norman B. Keevil Institute of Mining Engineering. Our goal is to help increase UBC's capacity for education and research as the mining industry identified a decrease in the industry's ability to attract young people into mining careers. Overall, in 2006 we plan to formalize our corporate citizenship and community giving program with a corporate commitment and policy.

## **OUR ECONOMIC IMPACTS**

Teck Cominco does not systematically report on all economic impacts. However, we plan to examine our direct and indirect contributions to local communities and report on these in future sustainability reports.

### **Community Investment Highlights**

We currently do not have a formalized community giving program; however, this is one of our goals for 2006/07. We will look to align our giving with our sustainability principles. Our investment highlights include:

- \$5 million to the Norman B. Keevil Institute of Mining and Engineering at the University of British Columbia over five years;
- \$180,000 to B.C. Children's Hospital Foundation through the Mining for Miracles campaign. Teck Cominco matches employee donations and donates staff time to volunteer for this every year;
- \$107,000 to the Canadian Red Cross to help with relief efforts after the 2004 tsunami. Teck Cominco matched employee donations;
- \$147,000 to the United Way—Vancouver area. Teck Cominco matched employee donations;
- \$1.7 million to the Ancash Foundation and the Huarmey sustainability fund to help support sustainable community development in the port town of Huarmey near our Antamina operation in Peru;

## Global Operations Yearly Charitable Donations Totals\*

Operation	2002	2003	2004	2005	Total
Vancouver	\$ 362,015	\$ 450,000	\$ 446,000	\$ 973,000	\$ 2,131,000
Trail	140,000	140,000	140,000	114,000	534,000
Pend Oreille	14,000	17,000	12,000	16,000	59,000
Pogo	7,000	6,000	4,000	5,000	22,000
Kimberley	206,000	149,000	2,000	914,000	1,271,000
Hemlo	65,000	21,000	98,000	108,000	292,000
Red Dog	55,000	24,000	36,000	74,000	189,000
HVC	178,000	214,000	213,000	265,000	870,000
Antamina				1,710,000	1,710,000
<b>Total</b>	<b>\$ 1,027,000</b>	<b>\$ 1,021,000</b>	<b>\$ 951,000</b>	<b>\$ 4,179,000</b>	<b>\$ 7,078,000</b>

\* Elk Valley not included.

**\$1.3 billion record  
net earnings in 2005**

## Taxes Paid

## (a) Income and Resource Taxes

(\$ in millions)	2003	2004	2005
<b>Current</b>			
Income tax	\$ 21	\$ 26	\$ 331
Resource tax	20	76	116
Large Corporation tax	3	4	–
	44	106	447
<b>Future</b>			
Income tax	2	205	116
Resource tax	4	(6)	12
	6	199	128
<b>Total</b>	<b>\$ 50</b>	<b>\$ 305</b>	<b>\$ 575</b>

## (b) By Jurisdiction

(\$ in millions)	2003	2004	2005
<b>Current income and resource taxes</b>			
Canada	\$ 29	\$ 101	\$ 339
Foreign	15	5	108
	44	106	447
<b>Future income and resource taxes</b>			
Canada	11	151	115
Foreign	(5)	48	13
	6	199	128
<b>Total</b>	<b>\$ 50</b>	<b>\$ 305</b>	<b>\$ 575</b>

## Distributions to Providers of Capital

(\$ in millions)	2003	2004	2005
Interest on long-term debt	66	61	69
Dividends declared	37	60	162
<b>Total</b>	<b>103</b>	<b>121</b>	<b>231</b>

## Key Financial Indicators

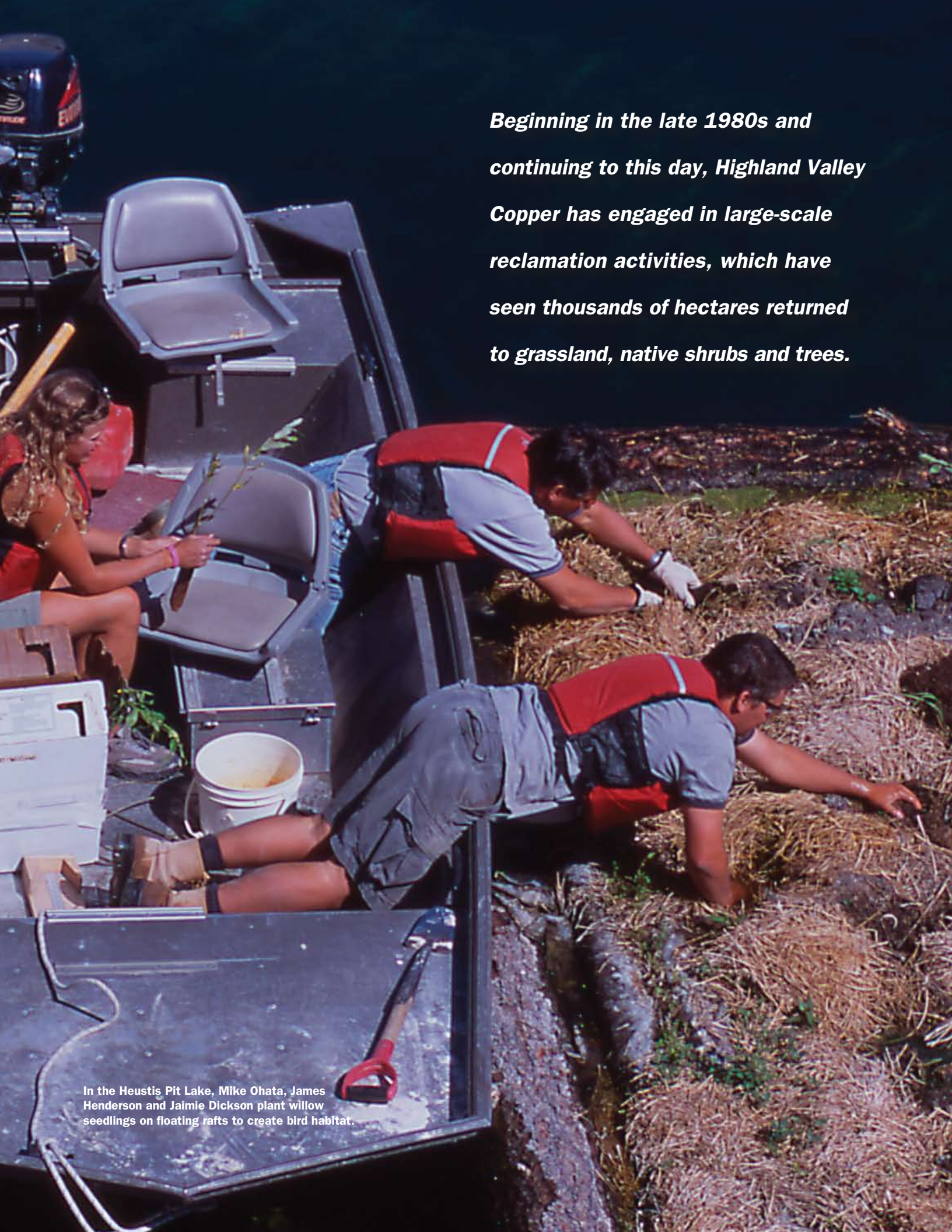
(\$ in millions)	2003	2004	2005
Revenues	2,228	3,428	4,415
Cash flow from operations, before working capital changes	314	1,143	1,670
Operating expenses	1,735	2,029	2,135
Net earnings	134	617	1,345

**Economic Performance**

Aspect: Economic Performance	GRI Indicator	Teck Cominco's Performance in 2005		
EC1	<ul style="list-style-type: none"> <li>- Economic value generated, distributed and retained:                             <ul style="list-style-type: none"> <li>- Revenue</li> <li>- Net Earnings</li> <li>- Operating costs</li> <li>- Employee compensation: total payroll (includes salaries, wages, benefits)</li> <li>- Payments to government</li> <li>- Community investments (Charitable Donations)</li> <li>- Retained earnings</li> <li>- Payments to capital providers: dividends on stock</li> <li>- Payments to capital providers: interest on loans to loan providers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- \$4,415 million</li> <li>- \$1,345 million</li> <li>- \$2,135 million</li> <li>- \$295 million</li> <li>- \$447 million</li> <li>- \$4 million</li> <li>- \$2,228 million</li> <li>- \$81 million</li> <li>- \$231 million</li> </ul>		
EC2	<ul style="list-style-type: none"> <li>- Financial implications of climate change.</li> </ul>	<ul style="list-style-type: none"> <li>- The two main financial risks associated with climate change lie primarily with potential increased costs in energy and raw materials and imposed costs for emissions at our operations. Teck Cominco offsets these risks through its use of hydroelectric power and improvements in energy efficient technology. Recent trend data on greenhouse gas (GHG) emissions and emissions intensity (efficiency) is provided in this report for each operation for which Teck Cominco has majority control.</li> </ul>		
EC3	<ul style="list-style-type: none"> <li>- Coverage of the organization's defined benefit pension plan obligations.</li> </ul>	<ul style="list-style-type: none"> <li>- Details of Teck Cominco's Defined Benefit Plan can be found on pages 69 to 73 of the 2005 Annual Report.</li> </ul>		
EC4	<ul style="list-style-type: none"> <li>- Financial assistance received from government.</li> </ul>	<ul style="list-style-type: none"> <li>- No amounts received relate to the categories listed in the Guidelines.</li> </ul>		
EC5	<ul style="list-style-type: none"> <li>- Entry level hourly wage compared to local minimum wage for significant locations of operation.</li> </ul>	<b>Jurisdiction</b>	<b>Minimum Wage (\$)</b>	<b>Entry Level Wage (\$)</b>
		Ontario	7.75	20.15
		British Columbia	8.00	11.08 (25.00 Union)
		Alaska	7.15 USD	15.66 USD
		Washington	7.63 USD	13.00 USD



Aspect: Economic Performance	GRI Indicator	Teck Cominco's Performance in 2005
EC6	- Practices and proportion of spending on locally based suppliers at significant locations of operation.	- The Company purchases locally sourced goods and services wherever possible. Policy on local procurement is in the Company Code of Business, Environmental and Health and Safety Practices. However, no corporate summary is available at this time.
EC7	- Procedures for local hiring and proportion of senior management hired from the local community in locations of significant operation.	- Our procedures for hiring locally are site-specific and are guided by the Code. It states that, "We support local communities and their development by seeking locally sourced goods and services and employing local people."
EC8	- Description of infrastructure investment and services supported that provide public benefit.	<ul style="list-style-type: none"> <li>- We are developing capacity to recycle electronic scrap at the Trail metallurgical facility.</li> <li>- The Sullivan mine in Kimberley is a working example of our support to help the community transition towards an economy that is not fully dependent on the mine (see Sullivan mine story).</li> <li>- Our Antamina operation is contributing to poverty alleviation and an improved quality of life in neighbouring communities through employment, local purchases, tax revenues and direct investments in community development (see Antamina mine story).</li> </ul>
EC9	- Indirect economic benefits.	- Scope of indicator requires more analysis before a meaningful report can be made.
MM1	<ul style="list-style-type: none"> <li>- Identify those sites where the local economic contribution and development impact is of particular significance and interest to stakeholders (e.g., remote sites) and outline policies with respect to assessing this contribution. Relevant information includes:                             <ul style="list-style-type: none"> <li>- Percentage of goods, materials, and services purchased locally;</li> <li>- Percentage of workforce from local communities;</li> <li>- Investment in public infrastructure and its maintenance; and</li> <li>- Compensation payments.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Our commitment to hire and train locally as well as to purchase locally wherever possible can be found in the Code of Business, Environmental and Health and Safety Practices as well as the Environmental Health and Safety Management Standards. The percentage of people hired locally across all operations (at Antamina, local workers make up over 98% of employees, and over 50% of workers at Red Dog are local residents), and the percentage of goods, materials and services purchased locally, is site-specific information that is tracked at the local level. Along with our partners at the Antamina mine, we have invested significantly in infrastructure around the mine's area. We also invested in helping diversify Kimberley's economic base to help the community transition after the closure of the mine.</li> </ul>



*Beginning in the late 1980s and continuing to this day, Highland Valley Copper has engaged in large-scale reclamation activities, which have seen thousands of hectares returned to grassland, native shrubs and trees.*

In the Heustis Pit Lake, Mike Ohata, James Henderson and Jaimie Dickson plant willow seedlings on floating rafts to create bird habitat.

# Environmental Performance

## MANAGEMENT SYSTEMS

### Policies

The Company's Code of Business, Environment, Health and Safety Practices (Code) lists the Company's commitments with respect to implementing its Charter of Corporate Responsibility in matters related to business ethics, environment, safety, health and community.

The Code is reviewed annually by the Corporate Environment and Risk Management Committee (CERMC) and updated as necessary with revisions being approved by the Board of Directors. In 2006/2007, the Company will revise the Code and the Environmental, Health and Safety Management Standards (EHSMS) to include biodiversity and conservation measures and to introduce additional measures that integrate energy management systems into business planning. In the case of biodiversity, the Company will take guidance from the International Council on Mining and Metals (ICMM) Good Practice Guidance for Mining and Biodiversity 2006. In the case of energy use and GHG emissions performance standards, the Company will take guidance from the Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) performance initiative and the ICMM position on Climate Change.

The 2004 EHSMS ([www.teckcominco.com](http://www.teckcominco.com)) articulate environment, health and safety and community standards against which the Company measures its performance. These standards are broadly compatible with the ISO 14001 international standard for environmental management systems and OHSAS 18001 standards for health and safety. The standards also incorporate additional requirements based on the Code and on elements described by the U.S. EPA's National Enforcement Investigations Center (NEIC) for compliance-focused environmental management systems.

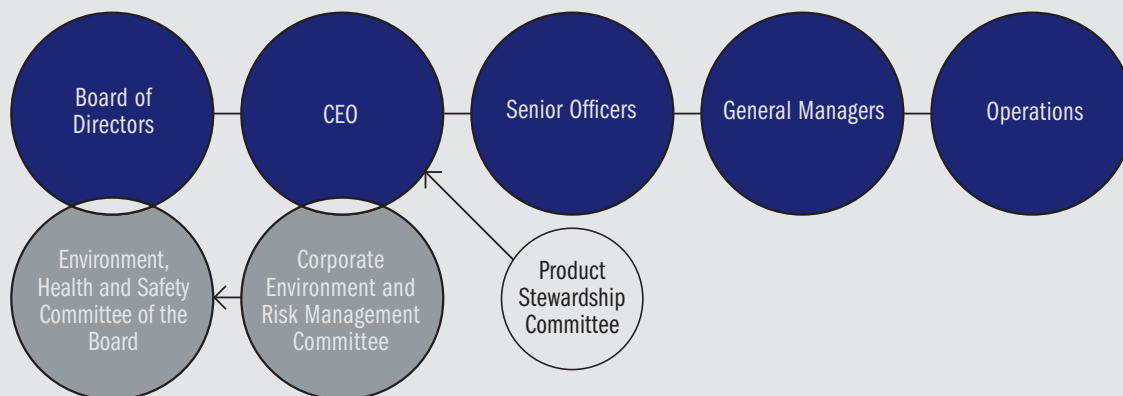
### Management Framework

The Board of Directors and its EHS Committee is responsible for setting policy and monitoring performance under the company's environmental policies and standards. The Vice-President of Environment, Health and Safety oversees compliance with environmental standards and regularly reviews safety, health and environment performance risks and strategic issues. The CERMC provides oversight on matters related to corporate responsibility.

The Company's management systems cover compliance with permit requirements, material use, energy reduction, water protection, land stewardship and reclamation, emissions, effluents and waste, and product stewardship. Because of the diversity of individual facilities, including country-specific legislative requirements, codes of practice, and industry and technical standards, each operation is responsible for developing site-specific environmental management systems under the guidance of corporate policies.

Each operation documents environmental priorities, allocates sufficient resources to manage environmental risks, plans and executes environmental management programs, conducts extensive environmental sampling, measures environmental performance and communicates results, both internally and externally. The site Operations' Manager or General Manager is accountable for continuous progress towards annual environmental management targets and long-term goals.

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



### Sustainability Challenges and Opportunities

Teck Cominco recognizes that mining has the potential to significantly impact the environment, and is therefore committed to operating in accordance with the highest environmental standards.

This year, we are very pleased with our overall environmental performance, which includes: recognition of our reclamation practices; improvements to pollution controls and mitigation measures; site-specific water conservation and waste management initiatives; and the recent certification of four of our operating facilities, according to the stringent ISO 14001 international standard. However, we continue to face challenges and will continue to address them using a “best practices” approach. Our main environmental challenges include: reducing emissions, effluents, wastes, and other related environmental impacts of our operations.

Facing these challenges provides us with opportunities to improve our sustainability performance. For example, the adoption of GRI environmental performance indicators across all operations will allow for corporate roll-up, measuring, reporting and investigating means for improvement. We also believe that promoting and highlighting case examples of best practices at specific sites provides opportunities for collaboration and information-sharing among different operations throughout the company.

Ultimately, we are committed to one of the fundamental principles of environmental management, namely, continuous improvement. We look forward to applying this principle to our environmental performance, specifically as it relates to overall sustainability, in conducting our business.

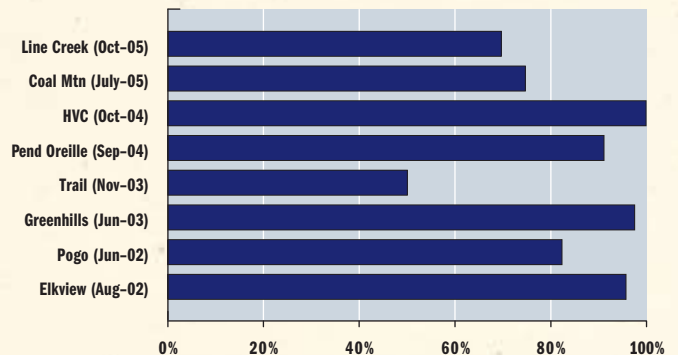
### Assuring Environmental Compliance

Teck Cominco has developed a rigorous and formalized corporate audit program to ensure all its sites are operating in accordance with corporate policy, legislative requirements and the principles of sustainable development. This commitment to assurance is driven from the highest level of the organization as the Code states that Teck Cominco will:

**“Conduct regular environmental, health and safety and emergency preparedness audits and identify and resolve shortcomings.”**

Regular corporate audits are scheduled every three years for all operations. Audits are led by a certified environment management systems professional and a team of trained professionals from other operations. After an audit has been completed, the business unit is required to develop and implement an action plan for each finding. Progress towards completing the action plan is reported quarterly to CERMC. The following chart indicates progress on audit action plans for audits completed over the last four years.

Percentage Completion on Audit Action Plans



In 2005, two audits and two environmental reviews were completed, including two compliance audits at the Line Creek and Coal Mountain Operations, one contractor audit at Highland Valley Copper and one EHS review of exploration at a mine site located in Western Australia (Lennard Shelf). Four audits are planned for 2006: Fording River Operations; an independent third-party audit of Elkview Coal Operations; Antamina; and an EHS review of the Turkey exploration division.

Operations collect significant amounts of air, water, terrestrial and biological data to evaluate their performance in meeting permit conditions and other regulatory and voluntary requirements and to assess receiving environment conditions. Samples are collected, preserved and shipped according to standard operating procedures and within

***The Company is committed to operating responsibly not only by providing environmental and resource stewardship but also by setting clear performance targets and by measuring and reporting on our progress.***

specified time frames to certified laboratories. Data is captured in a secure database, evaluated for compliance and trends and reported in accordance with regulatory requirements. The Company collects and stores data in a Company-developed environmental data management system.

Operations are required to report quarterly on environmental performance indicators for permit compliance, spills, energy consumption, GHG emissions, water quality, waste recycling, and land reclamation.

**External Certification of Management Systems**

Teck Cominco has been working towards external certification of our management systems since 2002. The company has chosen to follow the ISO 14001 environmental management framework as the basis for formalizing our management systems. The accompanying table identifies those operations which have been certified to date. We are working to certify the remaining operations by the end of 2007.

**ISO 14001 Certification Status Across Operations**

Operation	Date Achieved
<b>Certified:</b>	
Red Dog	2004
Antamina Port of Huarmey	2005
Trail Smelter	2005
Elk Valley Coal:	
Fording River	2001
Greenhills	2005
Coal Mountain	2005

**GOALS AND PERFORMANCE**

We are committed to achieving environmental excellence and performance that results in no significant environmental incidents and no environmental enforcement actions. Our objective is to minimize potential environmental effects on the land, air, water and biodiversity through:

- compliance with legislation
- pollution prevention
- waste minimization
- progressive reclamation
- the safe use, re-use and recycling of metals and other products
- energy efficiency and conservation
- developing and implementing technologies to improve environmental stewardship, and
- engaging with communities located closest to operations to address local environmental concerns.

The Company’s overall environmental performance for 2005 is briefly reported here against each of the seven aspects outlined in the G3 guidelines: materials, energy, water, biodiversity, emissions and waste, products and services, and transport.

**Materials Management**

Teck Cominco is a primary producer of minerals and metal, which include: zinc, lead and copper concentrates; metallurgical coal; and zinc, lead, indium and germanium as refined metals.

We use significant quantities of raw materials and supplies in our production operations. The percentage of material that can be recycled or re-used is low compared to the amount of overall material used across operations. However, we do have significant recycle and re-use programs covering a wide range of materials (see page 36). The Trail Smelter, for example, recovers as much as 25,000 tonnes of lead from battery scrap annually. In 2005, Trail expanded its recycling business to recover metals and materials from electronic waste (e-scrap: used computers and cellular phones that would otherwise go to landfill). We anticipate the facility will process 3,000 tonnes next year and as much as 20,000 tonnes of e-scrap per year in the future.



Andrew Borsato tests cells at lead refinery in Trail, B.C.

### Energy Management

Mining, milling and smelting operations consume considerable amounts of natural gas, coal, hydroelectric power, diesel fuel and other fuel energy inputs. In our industry, energy consumption and the resultant greenhouse gas (GHG) emissions are viewed as emerging business issues.

Since 1995, Teck Cominco has been voluntarily tracking company-wide energy use and GHG emissions. In 2005, we set a specific goal to reduce energy consumption.

Energy consumption and GHG intensity management at mines is influenced by a number of factors which need to be taken into consideration when comparing energy use across operations. These include:

- The age and type of a mine. For example, as underground mines become deeper, hauling distances increase and thus require more energy to extract resources;
- For open-pit mines, the waste rock/ore strip ratio and gradient changes on haulage roads vary considerably from mine to mine;
- The mine's climatic zone and altitude affect heating, cooling and lighting requirements; and
- Differences in ore grades, which affect both energy and GHG intensity (see GHG emissions table on page 33).

### Energy Performance

Significant progress has been made in improving energy efficiency at our operations since the base year of 1990. Teck Cominco realized its highest energy savings in the 1990s by introducing new energy efficient technologies at its smelting operation at Trail.

The consumption chart on page 30 includes numbers for all majority-owned, active sites. While energy consumption was affected by a new operation (Pend Oreille) coming on line and by production increases at Highland Valley Copper, energy consumption decreased in 2005 by 12% from the 2004 level, mainly due to a 78-day work stoppage at the Trail refinery. Energy consumption, should the stoppage not have occurred, would have remained stable. Operations (in Canada and the U.S. only) consumed a total of 16,867 TJ of electricity and fuel.

### Hemlo Mines— Employees Drive Energy Management Program

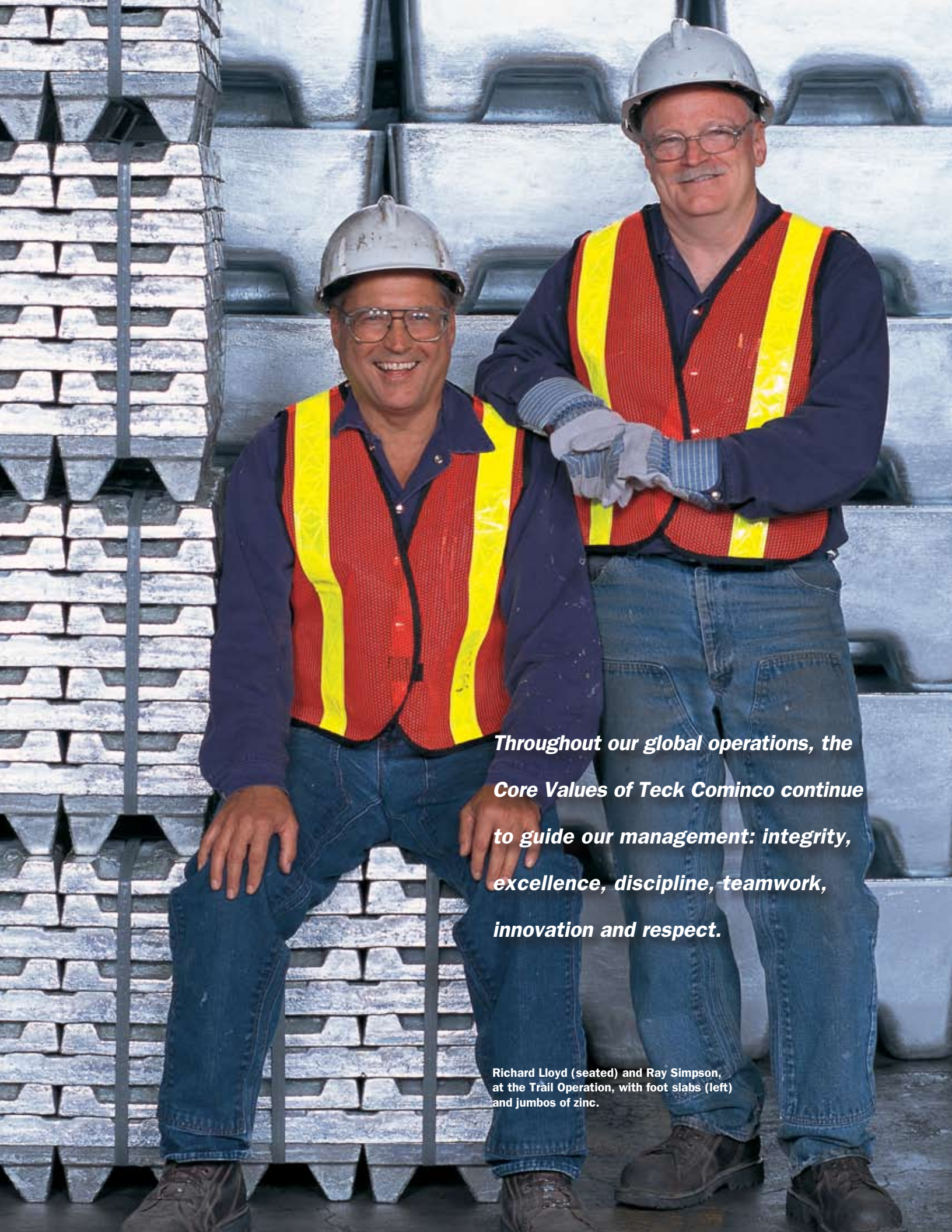
In 2005, Teck Cominco set a goal to reduce energy use per unit of production. In response, the Hemlo mines in northern Ontario initiated an energy management program that has resulted in improved efficiencies and cost savings.

Following a review of the site's energy management practices and energy use data, employees from different phases of the operation participated in workshops to identify and evaluate energy saving opportunities. Actions easiest to implement and of highest energy efficiency value were prioritized within an overall energy management plan. Four category-specific energy teams (compressed air, water management, heating

and ventilation and general opportunities) along with a steering committee were created to focus on improvements.

In 2005, the Hemlo mine's energy conservation program realized a 10% overall energy cost reduction compared to 2004, despite an 18% energy cost increase in the marketplace. These improved energy management practices, when fully implemented, reduce annual energy costs by approximately \$1 million.

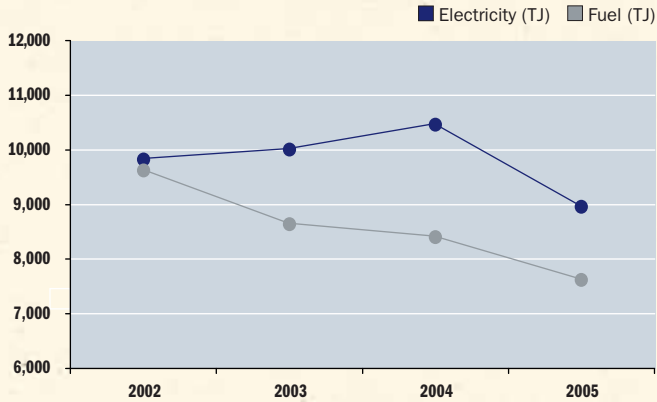
The Hemlo mines are recognized as an Energy Innovator by Natural Resources Canada. The program's success is attributed to employees' efforts to drive energy management measures and to incorporate continuous improvement into all aspects of the operations.



*Throughout our global operations, the Core Values of Teck Cominco continue to guide our management: integrity, excellence, discipline, teamwork, innovation and respect.*

Richard Lloyd (seated) and Ray Simpson, at the Trail Operation, with foot slabs (left) and jumbos of zinc.

**Energy Consumption—Company Roll-up**



**Energy Used by Source 2005**

Energy by Source	(GJ)
Light (distillate) fuel oil	5,447
Aviation fuel	108,819
Diesel	3,859,935
Gasoline	60,094
Propane	134,788
Natural gas	1,511,694
Coal	2,049,855
Coke	177,362
Electricity	8,959,000
<b>Total</b>	<b>16,866,994</b>

A number of sites were particularly successful in introducing energy efficiency measures and achieving resultant savings. The port site at Red Dog reduced energy use by approximately 20% by introducing light monitors and sensors. The Hemlo operation introduced a comprehensive energy management program during the year, which resulted in reduced energy costs of approximately \$1 million. Some operations have implemented energy from waste heat recovery systems. At Hemlo, heat is extracted from underground water and from the mill and used for heating during the winter months. At Trail, large quantities of heat are recovered from the zinc roaster and lead smelter operations in order to generate steam for use in other plant processes.

**Shift to Alternative Energy Sources**

In 2005, hydroelectric power was the only renewable energy source used by the company. However, individual operations are using and exploring substitution alternatives, such as natural gas, for higher emission energy sources. For example, Red Dog’s power is generated by diesel fired, internal combustion engines. A shift to natural gas would significantly reduce particulate matter, CO<sub>2</sub>, NO<sub>x</sub> and SO<sub>2</sub> air emissions. A drilling program at Red Dog recently identified a source of natural gas near the mine site, although it is too early to say whether this will be economical. Ultimately, we hope to displace the use of diesel for power generation at Red Dog with natural gas, with resulting economic and environmental benefits.

**Water Management**

Extensive efforts are made at operations to minimize the use of fresh water and to keep water clean. Diversion ditches and water conveyances are used to divert clean water around facilities so as to minimize the amount of water coming in contact with site land disturbances.

Each operation collects the information needed to understand their water balance and the amounts used in

**Elk Valley Coal Partnership—Grizzly Bear Research Informs Land Use Management**

At the Cardinal River coal mining operation in Hinton Alberta, Elk Valley Coal is working with industry, government, universities and environmental groups to use new remote sensing tools and computer models to better understand grizzly bear ecology and habitat use. Since 1999, the Foothills Model Forest Grizzly Bear Research Project has studied grizzly bears in a 10,000 km<sup>2</sup> area that includes the mine.

As a result of the research findings to date, Cardinal River Operation has modified its reclamation programs to incorporate vegetation species favourable to grizzly bears and their prey. Elk Valley Coal continues to support this leading edge research and is taking additional mitigation efforts aimed at the long-term conservation of grizzly bears. The next research stage will test new grizzly collar cameras, focus on bear habitat use and movements during mining operations and provide information on how bears are utilizing reclaimed lands. For more information, go to [www.fmf.ca](http://www.fmf.ca).



different processes, including volumes of recycled water. This information has not, to date, been rolled up into a company-wide summary of overall water use.

At the Antamina mine, water used in the pipeline to transport concentrates between the mine and the port loading facilities is treated to remove metals and other impurities. Waste water is then used to irrigate a 170 ha tree farm established in the desert between the port and the Pan-American Highway, a few kilometres south of Huarney. Numerous tree species and inter-row crops, such as alfalfa, are being grown.

**Biodiversity**

As a temporary user of the land, Teck Cominco recognizes that there is a potential to affect biodiversity. All of our newer mine projects and certain existing sites have been assessed for the existence of rare, threatened or endangered flora and fauna. Mitigation measures are employed to ensure potential impacts on any identified species are acceptably minimized or avoided. Our mines work to conserve biodiversity through progressive reclamation and habitat restoration programs. As well, they support biodiversity research and the integration of wildlife needs in mining plans, and engage with local and indigenous groups to proactively protect natural heritage.

**Land Reclamation**

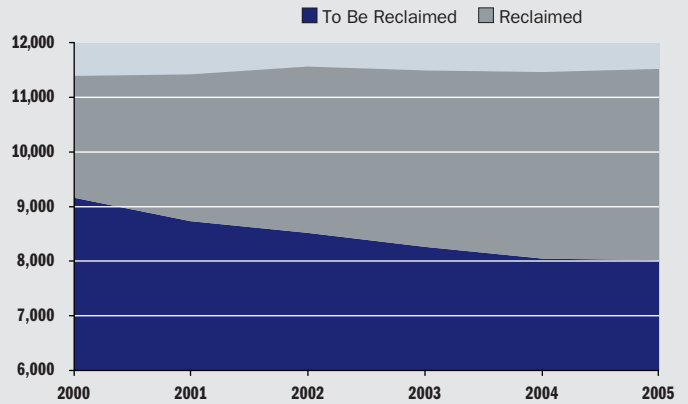
Our Commitment to land reclamation can be found in the Code which states that we will:

**“Include closure and reclamation plans as a critical component of all development projects. Undertake progressive reclamation at operating mines and reclaim dormant sites to ensure long-term protection of the environment.”**

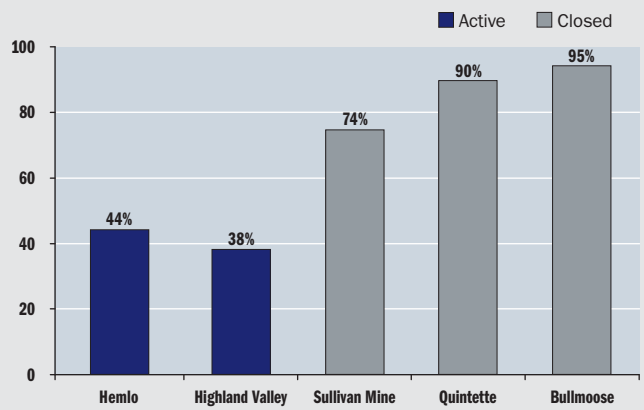
Closure and reclamation plans are developed for all mining projects and reclamation is undertaken when disturbed land is no longer needed by operations.

Teck Cominco documents the total disturbance of each site and monitors reclamation progress. For the current reporting period, our operations fall into two categories: active reclamation such as the closed Bullmoose, Quintette and

**Reclamation Status Across Five Operations (ha)**



**Reclamation Completion by Site**



Sullivan mines; and active mines such as Red Dog, Hemlo and Highland Valley Copper. Pogo and Pend Oreille, both newer mines, are not included in these data sets as they only recently commenced operations (combined disturbance of only 220 ha). Of the 11,148 ha of mined lands as of 2005, 7,030 ha have been reclaimed. The area to be reclaimed is declining steadily even while new areas are being mined.

**Conservation Partnership**

Teck Cominco is a partner in the Canadian Intermountain Joint Venture (CIJV) of the North American Bird Conservation Initiative. The CIJV is a coordinated effort by multiple partners including resource industries, government agencies,

First Nations, conservation organizations and academia to conserve habitat for waterfowl and other birds in the Canadian Intermountain region, which roughly corresponds to the southern half of the B.C. Interior. More on this partnership can be found at [www.cijv.ca](http://www.cijv.ca).

Progressive reclamation includes habitat restoration and wildlife management. In 2005, 144,370 trees were planted at the mines and, although difficult in some cases to obtain, native plant species are often specifically established for wildlife habitat. Roads are a special consideration in wildlife management. Roads are carefully monitored and regulated, with no public access and no firearms allowed, and are fully decommissioned at the time of closure.

**Reclamation Program Summaries**

Hemlo	An underground/open-pit gold mine in the boreal forest of northern Ontario. A total of 2.15 km <sup>2</sup> of habitat has been restored to wildlife use.
Highland Valley Copper	Open pit copper mine located near Logan Lake, B.C. A total of 23.2 km <sup>2</sup> of habitat has been restored to grazing, forest and wildlife use.
Pend Oreille	An underground zinc mine reopened in 2003 in northern Washington State, U.S.A., with a very small disturbance area of 0.35 km <sup>2</sup> . The tailings area will be reclaimed to grassland and shrub communities for wildlife use and the mine building will remain in place for historical or development use.
Pogo	An underground gold mine in Alaska that was under construction during 2005. End of year disturbance is 1.8 km <sup>2</sup> .
Quintette/Bullmoose	Two open-pit coal mines located at high elevation in the boreal forest of northeastern B.C. Currently in active closure, both having received significant work since operations shutdown. The area of habitat restored at both sites totals 36.8 km <sup>2</sup> , 91% of the total area disturbed. In 2004, Bullmoose was awarded the B.C. Mine Reclamation Award. The Quintette native species program for biodiversity was discussed in the 2004 Sustainability Report. ( <a href="http://www.teckcominco.com">www.teckcominco.com</a> ).
Red Dog	A zinc/lead open-pit mine in the DeLong Mountains of Alaska. Red Dog has been in the process of revising its reclamation and closure plan and has a disturbance area of 7.2 km <sup>2</sup> .
Sullivan Mine	A closed underground zinc mine in the East Kootenays of B.C. Habitat has been restored on 8.2 km <sup>2</sup> . Ongoing reclamation programs were designed in conjunction with the local community of Kimberley through the Sullivan Public Liaison Committee ( <a href="http://www.teckcominco.com">www.teckcominco.com</a> ).
Trail Smelter	The smelter operations conduct various greening and dust control projects on a progressive basis. Activity in 2005 comprised 75 ha of tree planting.

**Habitat Assessment**

The Company’s operations work with local partners on a variety of projects. Through its interest in the Cardinal River operation, Teck Cominco supports a local non-profit organization to conduct research on grizzly bear ecology and habitat use (see highlights on page 30). At several mines, we also work with Ducks Unlimited to restore wetland and to conduct research on waterfowl and migratory bird habitat.

**Parks Protection**

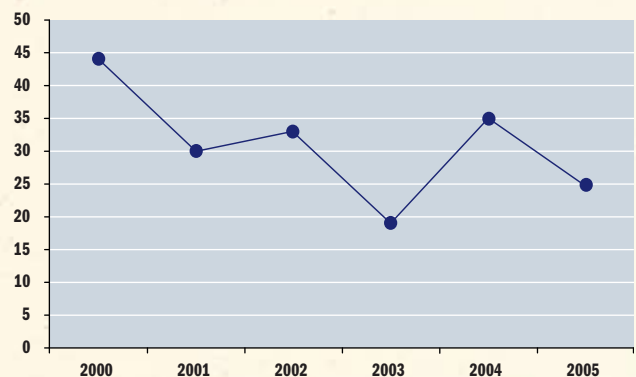
Teck Cominco has three mines that are adjacent to protected areas: Red Dog mine in Alaska (Cape Krusenstern National Monument); Antamina mine in Peru (Huascarán National Park); and the Cardinal River mine in Alberta (Whitehorse Wildland Park near Jasper National Park). In these instances, the mines are working with local groups to ensure responsible care and protection.

**Emissions, Effluents and Wastes**

Teck Cominco tracks permit and regulatory compliance for all operations. All operations have authorized points of discharge for source emissions or process effluent with certain required conditions such as a maximum discharge rate or minimum discharge quality.

Although regulatory systems are not readily comparable across operations due to the different jurisdictions (U.S. vs. Canada), operation type (smelter vs. mines) and operational status (active operations vs. active reclamation), there has been an overall downward trend in permit limit exceedances since 2000. The number of events related to non-compliant permit conditions (water and/or air sample results) decreased by 35% in 2005 compared to 2004 (10 fewer incidents). It should be noted that while these are a small fraction of the total number of samples collected, which number in the tens of thousands, we seek to continuously improve our performance.

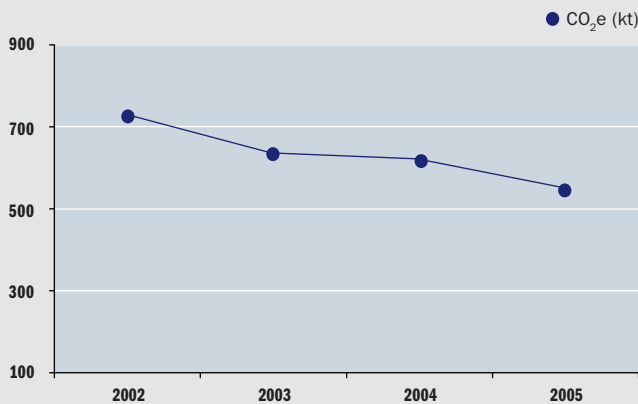
**Number of Permit Limit Exceedances—All Operations**



**Air Emissions**

Emissions to air are most relevant in the context of Teck Cominco’s operations at the Trail smelter and refinery. Here, improvements in environmental performance are continually being pursued. For example, emissions to air have been reduced substantially over the past decade through the installation of new equipment (e.g., KIVCET flash smelting furnace) and changes to operating procedures. Emissions of lead, cadmium, mercury and arsenic have been reduced by over 90% in the past decade. Sulphur dioxide emissions are now less than one-quarter of pre-1996 levels. See the Trail operations section of this report for additional details.

**Direct Greenhouse Gas Emissions—Company Roll-up**



**Greenhouse Gas Management System**

In 2005, the Company experienced a reduction of 11% in GHG emissions (as CO<sub>2</sub> equivalent) with overall emissions totalling 551 kilotonnes (kt) versus 621 kt in 2004. However, the decrease in emissions in 2005 was due primarily to the work stoppage at Trail Operations.

The following table illustrates tonnes of CO<sub>2</sub> intensity per tonne of base metal product or tonnes of CO<sub>2</sub> per ounce of gold product in similar production categories.

**CO<sub>2</sub> Intensity in Product**

(t/tonne) or (t/oz)	2003	2004	2005
<b>Smelter (t/tonne)</b>			
Trail	0.91	0.93	0.89
<b>Large Open-Pit Mines (t/tonne)</b>			
HVC (o/p)	0.52	0.40	0.44
<b>Open-Pit and Underground Mines (t/tonne)</b>			
Red Dog (o/p)	0.27	0.27	0.29
Pend Oreille (u/g)	n/a	n/a	0.04
<b>Carbon Intensity in Gold Product (t/oz)</b>			
Hemlo (u/g)	0.07	0.07	0.08

**Highland Valley’s Integrated Solid Waste Management Centre—A More Sustainable Solution**

Highland Valley Copper (HVC) proposes to develop a large, integrated solid waste management centre at its mine site, 19 kilometres west of Logan Lake, B.C. Estimated in 2005 to cost \$51 million, this infrastructure investment would yield positive socio-economic and environmental benefits, as well as provide a state-of-the-art solution for 600,000 tonnes per year of municipal solid waste from a number of communities in southwest B.C.

The centre will incorporate a large regional landfill facility with a high quality composting operation for organic waste, an e-waste collection facility and, possibly, a waste-to-energy bio-reactor where landfill gas is converted for energy use.

The site is located on land disturbed by the mine and provides an alternative to the construction of landfill options

on greenfield sites. The municipal waste would be placed on a triple liner on a plateau of mine waste rock up to 50 metres thick, providing a significant buffer between the water table and waste streams. HVC has well established environmental management systems which will be adapted to these new requirements.

The centre is targeted to open in 2008, which coincides with the closure of other landfill sites currently serving regional needs. Although steps have been taken to target waste reduction throughout B.C., the total quantity of waste has not declined due to increases in population. Solid waste will continue to be generated and needs to be managed.

The project will move forward if it receives public acceptance and approvals from regulatory authorities. Consultations with First Nations, governments and local community groups are in progress. If accepted, the centre will provide a long-term solid waste management solution.

Teck Cominco voluntarily reports on GHG emissions and energy consumption in the Mining Association of Canada Annual Progress Reports. These reports can be found at [www.mining.ca](http://www.mining.ca). Facility reporting under the Greenhouse Gas requirement is available on the web at [www.ghgreporting.gc.ca](http://www.ghgreporting.gc.ca)

**Effluent Discharges**

Effluent discharges are monitored and regularly reported to regulators and corporate office. Upsets in effluent quality are immediately reported. Appropriate water quality parameters in effluent are measured and tracked, as is water quality downstream of each discharge. This is reported in the Operations and Site Performance section.

Requirements under the Canadian Environmental Protection Act state that operations must report their effluent and air releases to the environment under the National Pollutant Release Inventory (NPRI). These submissions are completed on a site-by-site basis. To view the submissions, visit Environment Canada's NPRI website ([www.ec.gc.ca](http://www.ec.gc.ca)). Similar to NPRI, the Toxic Release Inventory (TRI) is a requirement under U.S. law where releases must be reported annually ([www.epa.gov](http://www.epa.gov)).

Teck Cominco has a significant concern over U.S. TRI reporting regulations for mines. These require reporting of most metals contained in waste rock and tailings as releases, even though the materials are under active site management. This information is misleading as to the actual environmental performance at mines.

**Spills to Environment**

We also track the number of spills reported to regulatory agencies. Each jurisdiction in which our mines operate has different criteria for reporting spills to regulators. The number of spills in 2005 (208) is an increase of 38 spills over 2004. While significant decreases in spills were achieved in 2005 at Red Dog, these were more than offset by the start-up at Pond Oreille and during construction of the Pogo mine. More than 90% of the spills were less than 1 cubic meter in volume. None was significant with respect to impact on the environment.

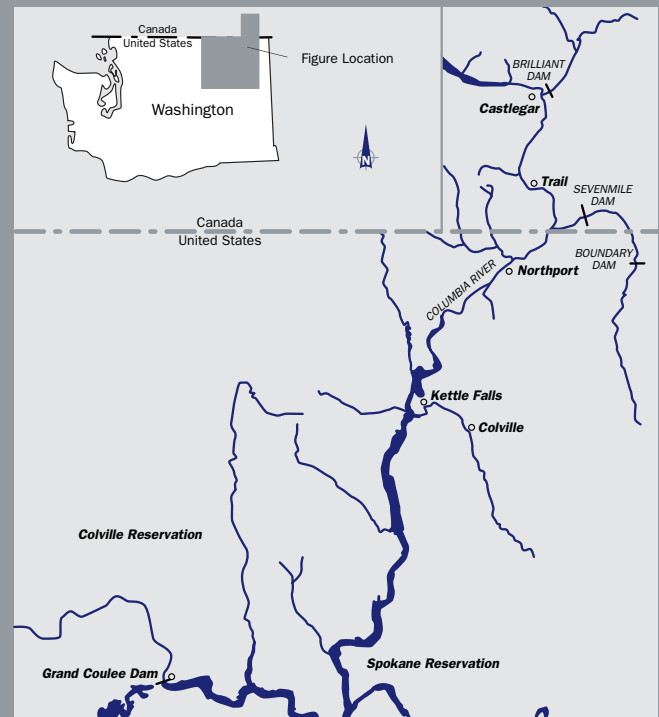
**Industrial Waste Management**

Teck Cominco recognizes that reducing and recycling post-consumer waste minimizes the volumes of waste going to landfills, conserves resources and represents good business

**The Upper Columbia River Basin: A Cooperative Approach to Addressing Historical Practices**

Smelting activities have taken place at Trail, BC on the banks of the Columbia River since 1896. Teck Cominco's modern metallurgical facility on this site supplies vital metals to Canada, the U.S. and world economies. In 1979 Teck Cominco embarked on a \$1 billion dollar modernization program to improve the operational and environmental performance at the facility. This culminated in the introduction of new technology for lead smelting in the mid-1990s and the cessation of disposal of barren slag into the Columbia River in 1995. Today, water quality in the Columbia River measured at the U.S./Canada border is well above the stringent regulatory standards set by either nation.

In June 2006, Teck Cominco and the U.S. Environmental Protection Agency (EPA) reached an agreement under which Teck Cominco would fund a comprehensive study of the Upper Columbia River in accordance with the standards set by EPA for a remedial investigation and feasibility study compliant with the National Contingency Plan. These studies will determine if any significant risks exist to human health or the environment as a consequence of Trail's historic disposal practices.



***Teck Cominco is addressing  
historical practices at the  
Upper Columbia River basin.***



Since 1896, smelting has taken place at Trail BC. Teck Cominco has worked for years to minimize discharges, and has invested over \$1 billion to modernize its facilities and improve environmental performance. The company is committed to funding the research to scientifically determine the risks and remediation options for the Upper Columbia River/Lake Roosevelt region.

practice. The Company's waste minimization and recycling practices are guided by the Code which states that Teck Cominco will:

**“Continually improve its performance and incorporate policies for pollution prevention and waste minimization into its daily action.”**

Non-recyclable post-consumer wastes and garbage are collected and disposed in permitted landfill sites. In some locations, incineration is also undertaken.

Most other post-consumer wastes are collected and recycled. These include waste from liquid materials (engine and hydraulic oil, solvent, antifreeze and paint) and wastes from solid materials (scrap steel and iron from buildings and equipment, used tires, spent batteries, used materials from warehouses and used materials from office facilities such as fluorescent tubes, cardboard, paper and computers). The amounts of these materials are shown in the accompanying table and pie charts.

**Recycled Post Consumer Waste**

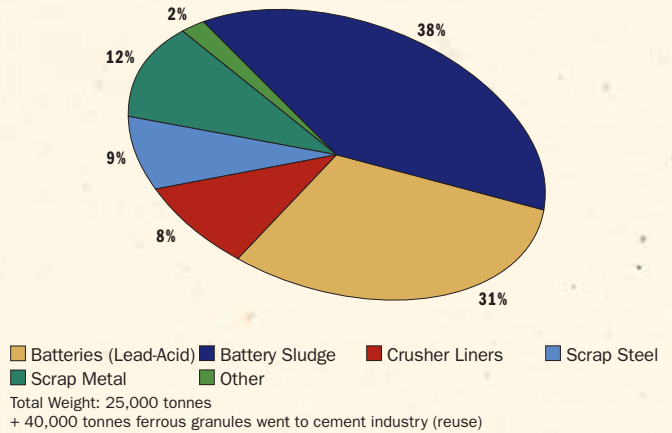
	2003	2004	2005
Liquid (m <sup>3</sup> )	961	346	1024
Solids (t)	175000	186500	25000
Items	9183	2291	18745

In 2005, operations realized a significant increase in the number of recycled, single item, post-consumer goods. Recycled items include refurbished mining gear, metal drums, plastics (pails, drums, etc.), tires, high intensity discharge (HID) headlights, computers (either donated, sold or sent to e-scrap at Trail), printer/fax cartridges, etc. A significant number of fluorescent tubes were recycled by Highland Valley Copper (1,479 tubes) and at the Vancouver corporate office (1,040 units) through our landlord, Cadillac Fairview.

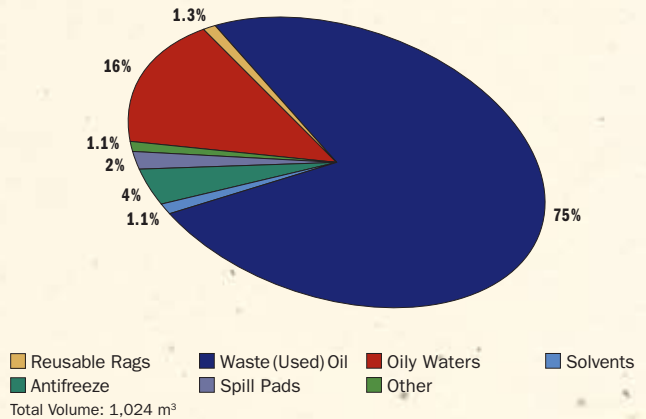
Trail sold a portion of its process wastes in the form of 40,302 tonnes of ferrous granules to the cement industry. This industrial by-product is also utilized in ground slag cement to prepare concrete with improved quality and a longer life.

Teck Cominco's commitment to waste management and recycling extends beyond its own operations. Using existing furnace capacity at its metallurgical complex in Trail, B.C., Teck Cominco is building a new business that will divert thousands of tonnes of discarded electronic equipment, or "e-scrap", from landfills in western Canada and the United States. Teck Cominco is also supporting a proposal

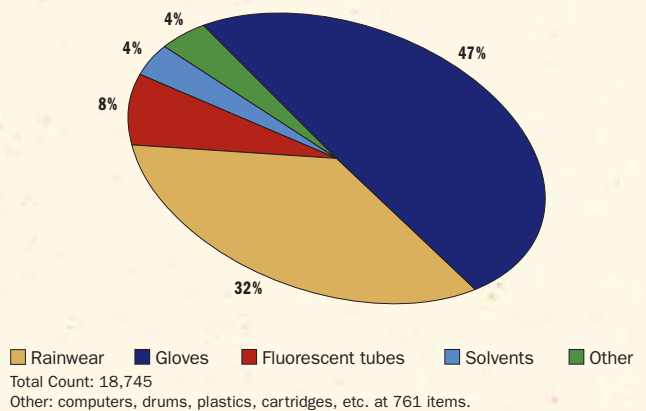
**2005 Material Recycled & Reused (Tonnes)**



**2005 Liquid Materials Recycled & Reused (m<sup>3</sup>)**



**2005 Items Recycled & Reused (count)**



to convert a rock dump site at Highland Valley Copper to a landfill site, utilizing a state-of-the-art triple-lined containment system.

**Mine and Smelter Waste Management**

Mining, by its very nature, requires the movement of very large quantities of rock to access the minerals which are extracted and refined in subsequent operations to recover the metals needed by society. Three principal wastes are produced during these activities: waste rock, mill tailings and smelter residues. At the mine site, waste rock and tailings are carefully managed in specifically designated areas. Water run-off from precipitation is monitored and if necessary, collected and treated prior to discharge. Waste rock and tailings areas are reclaimed to achieve specific land-use objectives, such as the re-creation of wildlife habitat, both during and after mining.

The design and operation of our tailings facilities are governed by the Mining Association of Canada's *Tailings Management Guide (1998)*, and the *Developing an Operations, Maintenance and Surveillance (OMS) Manual (2003)*. These management standards and guides have a threefold purpose:

- To provide information on safe and environmentally responsible management of tailings facilities;
- To describe how to develop tailings management systems that include environmental and safety criteria; and



Christa Ford with e-scrap collected in a community drive

- To improve the consistency of application of sound engineering and management principles throughout their full life cycle.

**Business Innovation—  
Trail Delivers E-Scrap Solution**

Using existing furnace capacity at its metallurgical complex in Trail, B.C., Teck Cominco is building a new business that will divert thousands of tonnes of discarded electronic equipment, or “e-scrap”, from landfills in western Canada and the United States.


In November 2004, a 14-day, 225-tonne trial was conducted and the recycling model was evaluated. In the end, 100 percent of the e-scrap was successfully processed with no measurable increase in the facility’s emissions. In June 2005, the B.C. Ministry of Environment (MoE) authorized a one-year permit for the Trail furnace to process bulk e-scrap in an environmentally safe manner. The facility has an established stack, effluent and ambient air quality monitoring program.

The e-scrap marketplace is evolving and expanding. According to Environment Canada, in 2005 more than 156,000 tonnes of electronic scrap accumulated in Canada and 2.2 million

tonnes in the United States. Teck Cominco’s response is to market its new service and work with partners in and around Trail to deliver efficient e-scrap recycling.

The City of Vancouver recently began investigation into the opportunities to create a zero waste environment. “After several months researching electronic waste, the City of Vancouver shipped 50 pallets of obsolete electronic waste from the City-wide corporate services computer upgrade program to Teck Cominco for a trial process. An encouraging component of Teck Cominco’s process is that not one ounce of this waste will enter the landfill” reports Victoria Wakefield, Sustainable and Ethical Purchasing, City of Vancouver.

The Company has committed substantial resources to being part of the e-scrap solution. It looks forward to the day when residents of British Columbia, Western Canada and the Pacific Northwest can drop off their old computers, printers, telephones and televisions knowing they will be processed in an environmentally responsible way.



*Zinc-air fuel cells, portable and recyclable sources of energy, show the highest energy density potential of the many similar systems that are under development today.*

At the Teck Cominco Product Technology Centre (PTC) in Mississauga, Audrey Fernandez tests an electric scooter. The fibrous zinc anodes that fuel its zinc-air batteries were developed at PTC.



We work closely with regulatory authorities to ensure compliance related to tailings impoundment infrastructures. Independent inspections of tailings structures and waste rock storage areas are conducted annually by external geotechnical consultants and submitted to both regulators and the corporate office. In addition, our corporate audit program examines conformance of our tailings management systems against internal requirements and the MAC Tailings Guide. There were no tailings incidents, fines or penalties in 2005.

**Product Innovation and Stewardship**

Teck Cominco believes that advancing product innovation and stewardship is an integral component of sustainability. As stated in the Code, the Company:

**“Encourages the safe use, re-use and recycling of its products.”**

Furthermore, Teck Cominco is committed to:

**“Support and conduct research to improve environmental, health and safety performance at its operations and to enhance its products for the economic, social and environmental benefit of people everywhere.”**

As elements, metals cannot be destroyed and are theoretically infinitely recyclable. We are investing significant resources on ways to maximize the utility of the metals we produce. For example, at the Teck Cominco Product Technology Centre (PTC) in Mississauga, Ontario, the Company is investing in research, development and



Zinc-air fuel cell powered scooter

demonstration of new technologies that not only promote metal recycling and reutilization, but also offer “greener” energy solutions in the marketplace. The zinc-air fuel cell battery is one such product which illustrates this direction.

**Transportation**

Operations involve three transportation activities with environmental impact: receiving materials from suppliers, transportation on-site and distributing products to market. Diesel consumed in on-site transportation is included in the GHG emissions reported in this 2005 report.

**Zinc Solutions for the 21st Century— a Green Power Option**

Zinc mining and metal production are core to Teck Cominco’s business. Although zinc has been used in batteries for over 75 years, its potential as a metallic energy storage material has not been fully realized. Research, development and demonstration of zinc applications to the green energy sector have been a focus at our Product Technology Centre (PTC) in Mississauga, Ontario.

Today, PTC and its industrial partners are making substantial technical progress in the development of regenerative zinc-air fuel cell systems. These systems have potential as a “green” power option with a range of possible uses from mass transit to portable power.

Zinc-air fuel cells represent the highest energy density potential of the various battery and fuel cell systems under development. The portable power source is refuelled through a patented process of exchanging sealed cartridges containing fresh zinc fuel for spent cartridges containing zinc oxide (the reaction product). The zinc oxide can be converted to metallic zinc through refining. This cycle can be repeated over and over.

Zinc-based fuel cells offer a sustainability solution as they have the potential to help reduce pollution and our dependence on fossil fuels. PTC continues to invest substantial resources in efforts to bring the zinc-air fuel cell product to market.



Garry Davies accepts the citation for Metal Mine Reclamation on behalf of Teck Cominco Ltd and the Ministry of Sustainable Resource Management from the Hon. Bill Bennett, Minister of State for Mining.

## ENVIRONMENTAL AWARDS

In 2005, Teck Cominco received four high-profile environmental awards, demonstrating the positive acknowledgement and recognition of our environmental performance at various operations and active closure sites. These awards were as follows:

- Two awards were received for exemplary reclamation work in both the metal mining and coal mining categories from the BC Ministry of Energy, Mines and Petroleum Resources awards committee (see [www.trcr.bc.ca](http://www.trcr.bc.ca)):
  - The *2005 Citation for Outstanding Achievement for Reclamation at a Metal Mine* was awarded to Teck Cominco for the Muskwa Kechika Joint Project. The project involved further reclamation of the former Churchill Copper Mine and the Wokkpush Corridor Access Route in remote northeastern BC. It was conducted over a 2-month period during the summer of 2004, and included: relocating a landfill; moving tailings from a tailings pond to a location above the river flood plain; and covering, seeding and fertilizing the old mill site and mine boneyard areas. In addition, bridges on the Racing River were dismantled, piers were removed, steel was buried, and approaches were re-contoured and seeded. Overall, this innovative partnership led to significant improvements to the area, with many stakeholders contributing to the success of the project.

- The *2005 Citation for Outstanding Achievement for Reclamation at a Coal Mine* was awarded to the Fording River mine. This award was given on the merits of their attention to wildlife ranging from the creation of a groundwater channel in an old gravel extraction area to the development of shrub species on steep slopes of the proposed ungulate winter ranges. The wildlife reclamation work at the mine demonstrates a clear understanding of key ecological elements and a dedication to detail. The Fording River mine currently supports a diversity of wildlife including elk, bear, Bighorn sheep and a host of other species.
- Highland Valley Copper received the *Mining Association of British Columbia's (MABC) Mining and Sustainability Award* in recognition of its commitment to responsible business practices, environmental stewardship and social responsibility. The Mining and Sustainability Award is a joint initiative of the Mining Association of British Columbia and the Ministry of Energy, Mines and Petroleum Resources, and is an opportunity to publicly recognize the diverse companies, communities, First Nations, non-governmental organizations, government agencies and individuals committed to advancing and promoting sustainable development in the B.C. mining sector.
- Teck Cominco Limited received the *2005 Award for Environmental Excellence* from the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories and Nunavut (NAPEGG). This award was given for the Company's work during the demolition and reclamation of the Polaris mine site. The reclamation operation demonstrated environmental leadership under challenging conditions and set a high environmental standard for other mine and industrial operators to follow in the Canadian North.

Teck Cominco is proud of these significant achievements. We are pleased to have received external peer recognition of our investments in environmental stewardship initiatives.

## FINES

No environment-related fines or other penalties were levied against Teck Cominco Limited during 2005.

## DISCLOSURE OF ENVIRONMENTAL GRI GAPS

Teck Cominco collects and evaluates data for each of the seven environmental aspects listed in the G3, with the exception of transportation activities for receiving materials and distributing products to market.

Environmental Performance

Aspect: Materials	G3 Indicators	Data Components	Teck Cominco's Performance in 2005
EN1	- Weight of materials used.	- Direct materials used.	- Our mining operations processed approximately 57,900,000 tonnes of ore.
EN2	- Percentage of materials used that are recycled.	- Total recycled materials (tonnes).	- A significant proportion of all recyclable inputs used by Teck Cominco are recycled (see page 36). - Mined waste rock and tailings are not recyclable in the context of mining.
MM5	- Describe policies for assessing the eco-efficiency and sustainability attributes of products (e.g., recyclability, material use, energy use, toxicity, etc.)		- The Company's policy for the sustainable attributes of its products can be found in points 8 and 9 of the Code of Business, Environmental and Health and Safety Practices. Teck Cominco is committed to responsible business practices in every aspect of its activities. Creating products that society needs and values is one of the four dimensions that pertain to this commitment. Teck Cominco encourages the safe use, re-use and recycling of its products and supports research to enhance its products' environmental and socioeconomic benefits.
<b>Aspect: Energy</b>			
EN3	- Direct energy consumption broken down by primary energy source.	- Energy used by type (e.g., coal, gas) (GJ).	- Source (GJ) - Light (distillate) fuel oil : 5,447 - Aviation fuel: 108,819 - Diesel: 3,859,935 - Gasoline: 60,094 - Propane: 134,788 - Natural gas: 1,511,694 - Coal : 2,049,855 - Coke: 117,362 - Electricity: 8,959,000
EN12 and MM sector supplement indicator	- Location and size of land owned, leased or managed in, or adjacent to, protected areas.	- Listing of protected status.	- Teck Cominco has interests in three mines that are adjacent to protected areas: - Red Dog mine, Alaska: A 20-mile corridor was authorized via U.S. Congressional action that allows transportation of Red Dog concentrate on the DeLong Mountain Transportation System (DMTS) through the Cape Krusenstern National Monument. - Antamina mine, Peru: The access road and associated concentrate pipeline from the mine to the Port of Huarmey are within buffer and transition zones of the Huascarán National Park. - The Elk Valley Coal Partnership's Cardinal River mine near Hinton, Alberta is adjacent to the Whitehorse Wildlands Provincial Park which abuts the Jasper National Park further to the southwest.
EN13	- Description of significant impacts of activities on protected areas.		- At Red Dog, there are measured effects of metals in fugitive dusts in the tundra of the Cape Krusenstern National Monument. Control measures have been implemented and human health and ecological risk assessments are being completed.

Environmental Performance - continued

Aspect: Biodiversity	G3 Indicators	Data Components	Teck Cominco's Performance in 2005
MM3	- The number/percentage of sites identified as requiring biodiversity management plans, and the number/percentage of sites with plans in place. Also include criteria for deciding that a biodiversity management plan is required and the key components of a plan.		- All sites have reclamation plans in place with end land use objectives including wildlife habitat rehabilitation and enhancement. - Teck Cominco plans to include conservation and biodiversity in company policies and standards. - More information is provided in the biodiversity section of this report.
EN14	- Area of habitats protected or restored.	- Habitat remediated and/or restored (ha).	- 7,030 ha of land have been reclaimed. This represents 63% of total land disturbed (see page 31).
EN15	- Programs for managing impacts on biodiversity.	- Narrative	- Teck Cominco's Charter, Code and Management Standards guide procedures for wildlife management, reclamation and habitat establishment from exploration through to closure. All new project developments are required to prepare a detailed environmental assessment which includes potential impacts to and management plans for any identified rare, threatened or endangered species.
EN16	- Number of IUCN Red List species with habitats in areas affected by operations broken down by level of extinction risk.	- Identify habitats that include species on the list. - List species by category (critical, endangered).	- Currently, there are no known Red List species with habitats in areas affected by Teck Cominco operations.
<b>Aspect: Emissions, Effluents, and Waste</b>			
EN17	- Total greenhouse gas emissions.	- Direct emissions.	- 550,700 tonnes
EN18	- Emissions of ozone-depleting substances.		- None
EN19	- NO <sub>x</sub> , SO <sub>2</sub> , and other significant air emissions by weight.		- EN19 is currently not tracked at the corporate level, except for the smelter source, Trail (results for Trail are provided on page 33). - Our emissions for individual facilities are reported to the Canadian NPRI and the U.S. TRI which are available online at <a href="http://www.epa.gov/triexplorer/">www.epa.gov/triexplorer/</a> .
EN20	- Total amount of recycled waste by type and destination.	- Recycled solid materials (tonnes) - Re-used solid materials (tonnes) - Recycled liquid materials (m <sup>3</sup> ) - Recycled solid materials (items)	- 25,000 t - 40,200 t - 1,024 m <sup>3</sup> - 18,745 items
EN22	- Total number and volume of significant spills.	- Detailed list of each reported spill (location, volume, material).	- Significant spills are defined as those reported to government agencies (reporting triggers vary by jurisdiction).
		- Total number	- 208 spills
		- Total volume	- 90% of spills were less than 1 cubic metre in volume.

Aspect: Biodiversity	G3 Indicators	Data Components	Teck Cominco's Performance in 2005
MM6	<ul style="list-style-type: none"> <li>- Describe approach to management of overburden, rock, tailings, and sludges/residues including:                             <ul style="list-style-type: none"> <li>- assessment of risks</li> <li>- structural stability of storage facilities</li> <li>- metal leaching potential, and</li> <li>- hazardous properties.</li> </ul> </li> </ul>		<ul style="list-style-type: none"> <li>- Annual geotechnical reports for all storage facilities are prepared by independent third-party consultants.</li> <li>- Any risks identified during these annual reviews are dealt with immediately.</li> <li>- Geochemical and/or hazardous properties investigations have been completed for all mine and smelter wastes. These materials are managed in accordance with their defined risks.</li> </ul>
<b>Aspect: Products and Services</b>			
EN26	<ul style="list-style-type: none"> <li>- Initiatives to manage the environmental impacts of products and services and extent of impact reduction.</li> </ul>		<ul style="list-style-type: none"> <li>- The initiatives to manage the environmental impacts of our products are developed by the Product Stewardship committee which is guided by our Code and EHS Management Standards.</li> <li>- The Product Stewardship committee assesses risk and provides direction to operations on the safe use and stewardship of our products.</li> </ul>
<b>Aspect: Compliance</b>			
EN28	<ul style="list-style-type: none"> <li>- Incidents of, and fines or non-monetary sanctions for, non-compliance with applicable environmental regulations.</li> </ul>	<ul style="list-style-type: none"> <li>- Number of non-compliances.</li> <li>- Sanctions imposed (incl. fines).</li> </ul>	<ul style="list-style-type: none"> <li>- 25 Permit non-compliances (35% reduction from 2004).</li> <li>- None</li> </ul>

*We do not currently track our indirect energy consumption (EN4) and related GHG emissions (EN23). While each operation tracks total water use and discharge, a comprehensive company roll-up was not available for this report (EN21). As a primary producer of metals, it is not possible for us to track the impacts of products and services (EN27).*

*Whenever practicable, Teck Cominco engages local suppliers in order to spread the economic benefits of mining to the entire surrounding community.*



Shaun Morningchild, of the Ktunaxa Nation, tends to lodgepole pines that are bound for reforestation at Fording River. Shaun works at the Aqam Native Plant Nursery on the St. Mary's reserve.

# Social Performance

Like others in the mining and metals industry, Teck Cominco is aware of the value and necessity of “social licence”—that often unwritten, but very real collective approval that society bestows upon companies and their individual operations.

Over the years, Teck Cominco has developed industry-leading approaches to social and economic inclusion in communities in which we operate. As stated elsewhere in this report, we are proud of the collaborative relationships we have with local communities and indigenous peoples. The GRI Guidelines outline four main areas to measure performance in social sustainability including: Labour Practices and Decent Work, Human Rights, Society and Product Responsibility. In addition, Teck Cominco focuses on education and training, providing local employment and business opportunities and collaborating on community sustainability initiatives with local leaders.

## LABOUR PRACTICES AND DECENT WORK

### Employment

Teck Cominco’s expansion and new operations have created many new opportunities for employment. There is a growing demand for skilled employees throughout the industry; the Canadian Mining Industry Training Adjustment Council predicts a need for 80,000 new workers in the mining industry in Canada over the next decade. Two major factors contribute to this: industry growth and the large number of upcoming retirements.

Like every company in the industry, Teck Cominco faces human resource challenges. In many of our operations, the average age of employees ranges from late forties to early fifties, pointing to a growing need to replace skilled employees reaching retirement age. Steps are being taken to address these current and future needs, including recruiting campaigns, employee development programs, and succession and career planning processes that match employee strengths and interests with the Company’s staffing needs.

Every year, we carry out an extensive recruitment campaign at many Canadian universities with mining and metallurgy programs. In 2005, 19 engineers were recruited; in 2006, a similar number will join the Company. New engineers participate in a four-year professional development program, which provides on-the-job training and development specific to their engineering discipline. In some cases, engineers are assigned to different operations to gain further experience.

We believe that the ability to achieve our goals and objectives is directly linked to the talent, skills and commitment of our employees. The main focus of our human resources strategy is to recruit and support employee development, to enable

## Sustainability Challenges and Opportunities

As a company which initially focused on the environmental aspects of sustainability, we are continuing to broaden our commitment to the social pillar of sustainability by expanding and formalizing our social initiatives.

Safety and Health continue to be of the highest priority at Teck Cominco. Workplace safety is a core value, with which every employee is engaged. Many of our facilities and sites have operated for significant periods of time without a lost-time incident. In addition to our stringent corporate Safety and Health programs, this has been accomplished through the everyday efforts and actions of our employees. Teck Cominco faces a number of key challenges in reaching our goal of zero incidents. One of the key challenges includes understanding how we can foster a safer work environment. We believe there are many opportunities for learning and sharing such as a safety and health company intranet and company conferences.

Human rights is a deeply held core value at Teck Cominco. As a global company, we must ensure that we are meeting our obligations to international human rights at all of our operations. Opportunities to help improve our commitment to human rights include: ensuring that there are no transgressions against the principles contained in the UN Declaration of Human Rights, becoming a participant of the Global Compact, and promoting our own corporate Human Rights Policy.

Until recently, our approach to community relations and stakeholder engagement has been predominantly based on local, site-specific needs. However, the reporting process revealed that there is the potential to track, measure and communicate our efforts to ensure that there are opportunities for information-sharing among operations. We believe that the solid performance and strong partnerships established to date provide a good foundation for a more formalized and consistent community/stakeholder engagement program.

Building on our current social programs and initiatives, both within and outside the company, we look forward to enhancing and improving our performance related to the social aspects of sustainability, to meet our objectives as a socially-responsible company.

people to fulfill the expectations of their jobs, and to have employees who are strongly motivated, highly competent and successful. We strive to be an employer of choice as we continue to attract top talent and support our employees throughout their career development.

We strive to provide a workplace that is free of discrimination, and we strive to ensure that an employee's abilities, skills, knowledge and interests govern advancement and professional development within the Company's business units. Additionally, the Company strives to assist its employees in adjusting to variable work and home life demands and to provide access to support services and wellness programs, where possible.

Teck Cominco adheres to all applicable employment standards regulations. The VP Human Resources is the most senior position responsible for employment and oversees the Manager of Employee Relations and the Employee Relations Officer. Policies with respect to employment are written by the Employee Relations Officer and distributed throughout the Company to the operations. Although policies may vary from location to location depending on the circumstances and nature of the operation, international norms on labour and human rights are always respected. Responsibility to implement these policies and practices lies in the hands of Operations Managers of each site and their respective Human Resources Departments.

#### **Labour/Management Relations**

Labour management is carried through at the operational level. Overall, the Company complies with all local government labour regulations. For example, in British Columbia, the Company complies with the provincial British Columbia Labour Relations Code, which broadly aligns with the policies of the International Labour Organization.

We have had three work stoppages in the past 10 years. The first was at Quebrada Blanca (2000), and the second one was at Cajamarquilla (2001). Both of the operations are no longer part of the Teck Cominco group. A third work stoppage occurred at our Trail Operations in 2005. The strike commenced in mid-July and was resolved in early October. Teck Cominco Metals Ltd. and the unions at the Company's Trail Operations, United Steelworkers Locals 480 and 9705, ratified the terms of a new collective agreement with the assistance of a mediator. The collective agreement, applicable to 1,235 unionized employees, is for a three-year term from June 1, 2005, to May 31, 2008. It provides for wage increases of 10 percent, a 12-percent improvement in the basic pension, enhancements to a

number of benefits and a \$3,500 cash payment. This was the first strike at Trail in 15 years. Following ratification of the new three-year agreement, resumption of operations progressed smoothly, with high production rates achieved for the balance of the year.

#### **Safety and Occupational Health (SOH)**

Teck Cominco's primary goal each year is to avoid injuries and incur no fatalities. It is with sincere regret we report that two fatalities occurred at our operations in 2005: one at Greenhills involving a dozer operator, and the other at Trail involving a contractor. Our condolences go out to the families and friends of both individuals. Notwithstanding these tragic events, exemplary safety records were achieved at many Teck Cominco sites. The Hemlo Operations' Courageous Leadership Program stands out as a demonstration of our commitment to safety.

In December 2005, Hemlo completed its first perfect month, with no-lost times, no medical aids, no first aids and no environmental incidents—an impressive achievement for the 700 workers at the David Bell and Williams mines. Highland Valley Copper achieved a record safety performance, as did Antamina. At Pend Oreille mine, safety performance was a concern during the initial start-up phase in the first half of the year. A taskforce was established and implemented safety program improvements that substantially improved safety performances in the remainder of the year. Overall, Teck Cominco successfully met its goal of achieving an injury frequency of less than one per 200,000 hours of work. In 2005, the Line Creek mine set a record for no lost-time injuries during the year.

This year, we renewed our commitment to Safety and Health at the corporate level by expanding the role of the Vice President, Environment, to include safety and, in early 2006, by creating a new position of Director, Safety and Health. The Vice President, Environment, Health and Safety and the Director, Safety and Health, provide corporate oversight and leadership as well as a link among the various sites and Head Office. Safety and Health remains a focus at the operational level, where safety management systems are being implemented in accordance with the Company's Environment, Health and Safety (EHS) Management Standards.

There are three documents that define Teck Cominco's commitment to SOH: the Code of Business, Environmental and Health and Safety Practices; the Health and Safety Policy; and the EHS Management Standards, which are available on the Company website.



The safety professionals at our operations stay up to date on safety and health issues and achievements at other facilities as well as corporate office initiatives by participating in quarterly web-meetings and by attending company workshops and conferences. These efforts have successfully created a network among operations where safety professionals can more easily share new ideas, challenges and successes. The conferences not only provide an opportunity for training but also for participants to renew and maintain relationships.

Despite all of these positive initiatives, we have had setbacks, which are always unfortunate. On October 24, 2005, an explosion at the Trail Operations' Smelter Dropping Plant required workers to exit the control room through an area involved in the accident. Since there was no secondary emergency exit, the company was assessed a \$75,000 penalty. The required exit was installed.

Teck Cominco was recognized with several awards for its Safety and Occupational Health performance:

- The Fording River mine won the British Columbia (B.C.) Provincial Mine Rescue Team Championships.
- Greenhills mine won first place at the East Kootenay, B.C., Mine Rescue competition.
- At Hemlo, Williams mine won the Ontario Mines and Aggregates Safety and Health Association (MASHA) Award of Excellence in Safety for mines with over 250 employees; David Bell mine won the same award for mines with fewer than 250 employees.

**Crisis Management and Emergency Preparedness**

The Company takes all possible steps to foresee potential risks and avoid any crisis. However, when a major incident occurs, Teck Cominco intends to be as well prepared as possible. To ensure this, trained personnel from across the Company, together with external professionals, identify, study and review specific risks and potential incidents and discuss how to avoid and mitigate them through pre-planning and written procedures as well as through on-site training and simulations.

A review of all written emergency preparedness plans is conducted regularly to ensure that major risks have been addressed and that appropriate plans are in place to mitigate and manage these risks, including information requirements, procedures, regular training exercises and communication links to partners. Shortcomings identified through this process are noted and improvements are made.



Trail Health and Environment Committee meeting

**Teck Cominco Health and Safety Statistics\***

	2002	2003	2004	2005
Fatalities	3	2	2	2
Lost-time injuries	121	102	117	117
Frequency **	1.15	0.85	1.00	0.92
Severity ***	201.3	121.9	132.3	120.0

\* Restated to include contractors  
 \*\* Frequency—lost-time injuries per 200,000 hours worked  
 \*\*\* Severity—days lost per 200,000 hours worked

The Corporate Crisis Management Team coordinates company action in the event of a crisis and undertakes simulations and training sessions.

**Training and Education**

As an international company, we work to provide our employees with the training and knowledge necessary to carry out business activities in compliance with local laws and our own policies and standards. Ongoing education and training and review and monitoring of performance, particularly in the area of new technologies, environment, health and safety, is a key component of our quality controls and management oversight functions.

There are two areas that training and education cover. The first policy is based on general training for job preparedness,

including EHS standards and education. The second is based on career development and performance reviews. The first policy can be found in the Environment, Health and Safety Management Standards. This policy pertains to Environment, Health and Safety and states:

**“Teck Cominco ensures that all managers, employees and contractors are competent to carry out their duties and EHS management responsibilities, and are aware of the EHS hazards and risks that pertain to their jobs.”**

Responsibility for this policy is divided among the operations. General Managers at each site are responsible for ensuring adequate training and education is provided in a timely manner to both new and experienced employees. According to the EHS Management Standards, training for employees are based on training needs assessments, which shall be conducted, documented and periodically reviewed and updated as necessary. Training includes the EHS hazards and risks pertaining to their jobs, their EHS management responsibilities, an explanation of the Code, their local EHS policies and the potential consequences of not following accepted practices and procedures. Training records are kept and provided to company employees. Social and environmental performance indicators are measured quantitatively at the operational and corporate levels. These are primary performance indicators in Environment and Public Affairs and form part of personal performance criteria in the Company’s latest amendment to the bonus plan.

A key concern identified by the Company is that communities often view local employment as the principal benefit derived from project development and may resent imported labour, even if it is from the same country. To address this risk, the Company has included in its EHS Management Standards a policy that states:

**“In areas where large pools of unskilled labour are available, projects should be prepared to invest additional resources in training local workers to supply at least part of the labour needs of the operation.”**

Career Development and Performance planning are addressed in Teck Cominco’s “Building Strength with People” policy guide. The Company encourages regular discussion among employees and their supervisors regarding performance and development, as well as employees’ career interests. From these discussions, appropriate development programs are identified for employees. Key competency requirements are the basis for development planning.

Most of the operations have training programs in place for maintenance and operations employees, as well as front-line supervisors. For example, Highland Valley Copper offers job-related training in troubleshooting and decision analysis. Trail Operations offers many programs such as a Leadership Development program for supervisors, as well as a Learning Center where all employees can upgrade their basic education including high school completion.

At the corporate level, Teck Cominco encourages its employees to participate in training and education that will give them the skills to enhance their performance as well as support their career development. Company-wide programs include the Engineer-in-Training Program for newly graduated engineers, and the Simon Fraser Business Education Program which provides MBA-level courses in finance, economics, accounting, marketing, commercial law, leadership, stakeholder relations and operations management.

#### **Diversity and Equal Opportunity**

Teck Cominco’s commitment to diversity and equal opportunity is outlined in our Human Rights policy in the Company’s Code of Ethics. The policy states:

**“Teck Cominco supports and promotes a work environment within which individuals are treated with respect, provided with equality of opportunity based on merit and kept free of all forms of discrimination.”**

The policy states that differences among individuals, such as age, race, sex, religion and physical limitations, will be respected. The most senior position responsible for this issue is the VP Human Resources. Supervisors at operational sites are also delegated responsibility to ensure that policies are communicated and that they are available, should further information be required.

Teck Cominco strives to achieve diversity in the workplace. For example, the Red Dog mine has a number of practices in place, such as school-to-work programs to encourage regional Native Alaskan employment. Through these programs, local school children have the opportunity to learn about employment opportunities at the mine. These programs include career awareness trips for junior high/high school students, job shadow trips to view mining-related college-degree jobs, and summer camps to view the total mine-mill-port operation’s processes.

The Red Dog mine also supports local technical training centres through pre-apprentice programs geared toward mine jobs and is presently supporting Alaska Native students in mine-related college-degree programs. The Red Dog mine has also developed cross-cultural training programs for its employees.

In addition to Red Dog's efforts, the Pend Oreille mine has partnered with a local high school that is predominantly Native American, to educate students about the mine and the future opportunities for employment with Teck Cominco American.

**Gender Diversity**

	Management		Senior Management	
Females	11	10%	1	5%
Males	98	90%	19	95%
<b>Total</b>	<b>109</b>	<b>100%</b>	<b>20</b>	<b>100%</b>

	Vancouver/Kamloops/ Toronto		Trail	
Females	133	44%	78	5%
Males	171	56%	1347	95%
<b>Total</b>	<b>304</b>	<b>100%</b>	<b>1425</b>	<b>100%</b>

**Total Breakdown of Employees for 2005**

Teck Cominco		Staff	Union Staff	Union Hourly	Total
Corporate	Vancouver	138	-	-	138
	Toronto	2	-	-	2
	Spokane	13	-	-	13
	<b>Total</b>	<b>153</b>	<b>-</b>	<b>-</b>	<b>153</b>
Exploration	Vancouver	26	-	-	26
	Business Development	8	-	-	8
	Global Discovery Labs	10	-	-	10
	Canada - Non Vancouver	9	-	-	9
	USA	5	-	-	5
	International	79	-	-	79
<b>Total</b>	<b>137</b>	<b>-</b>	<b>-</b>	<b>137</b>	
Marketing & Sales	Vancouver	8	-	-	8
	Toronto	41	-	-	41
	PTC	38	-	-	38
	Industrial Chemical Sales	7	-	-	7
	Teck Cominco Advanced Materials	5	-	-	5
	<b>Total</b>	<b>99</b>	<b>-</b>	<b>-</b>	<b>99</b>
Technology	Research	15	13	-	28
	CESL	46	-	-	46
	<b>Total</b>	<b>61</b>	<b>13</b>	<b>-</b>	<b>74</b>
Operations	Trail	242	132	1,061	1,435
	TC Western Australia	17	-	-	17
	Red Dog	83	-	260	343
	Highland Valley Copper	155	44	685	884
	David Bell	-	-	116	116
	Williams	181	-	365	546
	Pend Oreille	44	-	123	167
	Pogo	50	-	93	143
	Kimberley	4	-	-	4
	Bullmoose	3	-	-	3
Quintette	1	-	-	1	
<b>Total</b>	<b>780</b>	<b>176</b>	<b>2,703</b>	<b>3,659</b>	
<b>Teck Cominco Total</b>		<b>1,230</b>	<b>189</b>	<b>2,703</b>	<b>4,122</b>

## **SOCIAL PERFORMANCE: HUMAN RIGHTS**

Human rights are a deeply-held core value at Teck Cominco, embedded within our Code of Ethics and considered throughout our decision-making processes. We strive to uphold principles defined in the Universal Declaration of Human Rights and promote a work environment where individuals are treated with respect, provided with equal opportunity, and kept free from discrimination.

In the coming year, we will focus how we can ensure that wherever we operate, we understand, promote and uphold international human rights standards such as discrimination, freedom of association and collective bargaining, prohibitions on forced and child labour, disciplinary and grievance procedures and indigenous peoples' rights. For this report, we have described our progress to date and highlighted areas for improvement.

### **Non-Discrimination**

Teck Cominco's non-discrimination policy is addressed in our Code of Ethics. It states that differences among individuals such as age, race, sex, religion and physical limitations will be respected and work opportunities are based on merit and ability to do the work. This policy broadly aligns with the International Labour Organisation's (ILO) conventions on non-discrimination that declare all human beings irrespective of race, creed or sex, have the right to pursue their material well-being and their spiritual development in conditions of freedom and dignity of economic security and equal opportunity.

### **Freedom of Association and Collective Bargaining**

We recognize the right of our employees to freely associate and join trade unions, and our businesses, at all times, comply with local employment law requirements. At the end of December 2005, unions represented approximately 2,900 (70%) employees. This number does not include employees at Elk Valley Coal and Antamina, as Teck Cominco has minority interests in these operations.

### **Child and Forced Labour**

Teck Cominco complies with laws related to child and forced labour and supports international best practices in this area. In the coming year, we will review the means to ensure that we comply with ILO Conventions and the Universal Declaration of Human Rights on these issues.

### **Disciplinary and Grievance Practices**

All employees are required to comply with the Teck Cominco Code of Ethics, and every employee who has executive or managerial responsibility is expected to ensure that the Code is communicated to, and understood by, employees reporting to them. Failure to adhere to the Code may result

in disciplinary action including termination and, if warranted, legal proceedings.

In addition to the Code of Ethics, Teck Cominco takes corrective and preventative action to address non-conformance related to EHS requirements, accidents and incidents, audits and inspections. Its guidelines are outlined in the EHS Management Standards. Specific grievance issues are handled through union/employee agreements. Teck Cominco has also established a confidential Whistle Blower program (to be implemented in 2006), with information available to all employees on the Company intranet, which ensures that employees are protected should they raise concerns regarding any issue within the Company.

### **Security Practices**

To date, Teck Cominco has operated primarily in the Americas, with little need for outside security forces. As we expand internationally, however, we will inevitably encounter sensitive areas where mining operations and the local community have come into conflict. We are committed to operating in a responsible manner, and in the coming year will review best practices for such cases. In particular, we will be guided by the 2005 International Alert document *Conflict-Sensitive Business Practice: Guidance for Extractive Industries*, a report supported by the United Nations Global Compact, Foreign Affairs Canada, the International Institute for Sustainable Development and the Department for International Development. This report consists of guidance on doing business in societies at risk of conflict for field managers working across a range of business activities as well as headquarters staff in political risk, security, external relations and social performance departments. In the future, we will report on how our practices align with these best practices and how we are proactively engaging communities in sensitive areas to ensure that all parties are consulted, respected and protected.

### **Indigenous Rights**

We are committed to open and honest dialogue with all of our stakeholders, and as a mining company with operations on or nearby native communities, we take special care to foster good relations with local indigenous peoples affected by our actions. We appreciate the significance of the land to indigenous peoples and their traditional economic, social, cultural and spiritual activities. We strive to build relationships that both value cultural heritage and ensure the gainful participation of indigenous communities in mining activities.

We have gained significant community engagement and development experience working with indigenous communities, particularly in Canada, Alaska and Peru. Additionally, we proactively engage with local and indigenous

communities to understand and ensure their interests and aspirations are considered in exploration and planning activities. We are especially careful to respect culturally significant and sacred locations (see Lennard Shelf Operations story).

**Disclosure of Human Rights**

Our policies and management practices generally reflect international conventions and norms in respect of human rights. We have not incurred any human rights fines or sanctions.

**SOCIAL PERFORMANCE: SOCIETY**

As a mining and metals company, Teck Cominco is aware that there is significant potential to have an impact—both positive and negative—in the communities where we operate, and we strive to conduct our business in a manner that respects the rights and cultural heritage of our communities of interest. A particular concern when working with communities is ensuring that operations have developed a mine closure and reclamation plan and have consulted with the community on this issue. Part of the mining cycle, mine closure and reclamation is a component of project design to ensure disturbed land is returned to an appropriate land use consistent with the environmental integrity of the area. To ensure communities are sustainable after mine closure, new concepts are taken into consideration for project planning such as community engagement and partnerships.



At the Lennard Shelf (Australia) mine’s Exploration Core Yard: Kevin Cox, Nathaniel Cox, Matt Rolfe, Quinton Jugarie

**Community Engagement—Lennard Shelf Operations Accommodating Local Aspirations**

For thousands of years, the Gooniyandi have resided on lands near Fitzroy Crossing, in the Kimberley region of Western Australia, home to the Lennard Shelf Operations in which Teck Cominco has a 50% interest. For 20 years through various stages of renewed exploration, development and mining in the region, the Gooniyandi have continued to occupy and care for their lands in harmony with traditional practices.

Teck Cominco acquired Lennard Shelf in 2003 and is now reopening the mine. Reclamation of areas disturbed by past mining has been under way for the past two years. The Company is also actively exploring in the region, and an important component of the program has been community engagement. Each year, prior to commencing the exploration season, a meeting with the Traditional Owners is held on-

site to review the proposed field program and to undertake a field examination of proposed drill hole locations and geophysical and geochemical survey areas. The “on-ground” consultations with the Traditional Owners ensure that our exploration activities respect culturally significant locations.

Employment of Gooniyandi people has given them exposure to the mining industry, providing them with a variety of practical and applied skills in the exploration and mine environments. Likewise, the exploration program has benefited greatly from local knowledge of the landscape and harsh working conditions of the Kimberley region. A flexible work week has been designed to recognize the importance of family, cultural and community obligations.

Teck Cominco intends to build upon its relationships developed to date and to provide sustainable benefits to the local communities and the Gooniyandi peoples.



Highland Valley Copper celebrates 20 years of success

### Community

Through all stages of mining, Teck Cominco engages with the people in our local communities. We recognize that by nurturing relationships and partnering with our neighbours, we can help build sustainable communities that will prosper long after mining activities cease. The guidelines for Community Rights and Public Consultation (standard 9) outline the Company's management practices and procedures for working with communities of interest and can be found in the EHS Management Standards. The Company tracks the results of the Company's proactive approach to community engagement and development through documentation of best practices and annual site reports. A selection of examples follows.

Each of our operations identifies local and indigenous communities and ensures proactive development strategies to identify and address their concerns and expectations during the exploration, operating and closure phases of mining. By way of illustration, the Lennard Shelf, Australia exploration project and the Red Dog operation have created local structures to consult with indigenous people to plan and mitigate potential impacts of the mine on the environment and traditional lifestyles. Proactive and open consultation with governments, authorities, and other organizations is maintained throughout the mine life cycle.

### Community Engagement—Red Dog Mine Traditional Subsistence Hunters Advise on the Environment

It is Teck Cominco's policy to respect indigenous cultures. We respect the importance of the land to indigenous people for traditional economic, social, cultural and spiritual activities.

Steps are taken, from exploration to closure, to build and maintain relationships and to ensure the participation of local indigenous communities in mineral development. The Red Dog mine strives to be a model for responsible development of mineral resources through cooperation and mutual respect between the Company and the indigenous people.

The Inupiat people of the NANA region rely on subsistence hunting and fishing. When Teck Cominco and NANA developed the Operating Agreement for the mine in the early 1980s they agreed to the formation of a Subsistence

Advisory Committee composed of elders and hunters. The Committee meets quarterly with mine officials to review and provide advice on all subsistence lifestyle issues.

As an example, Red Dog management consults with the Committee at the start of shipping season in order to avoid any conflict with the hunting of marine mammals. During the caribou migration season, the Committee can shut down traffic on the concentrate haul road, especially if the caribou are crossing in large numbers. The Committee also reviews the extensive environmental monitoring reports. Any possible effects on the environment and the subsistence resources are openly discussed.

Through this Committee, the physical, cultural, social and economic needs of the people of the NANA Region are considered and natural heritage is protected.



*For Teck Cominco, a key priority is collaboration with indigenous peoples to protect their culture and heritage.*

For more than 10,000 years, the Inupiat people have traditionally relied on subsistence hunting and fishing. To ensure cultural, social and economic benefits from the Red Dog operation, Teck Cominco works through a Subsistence Advisory Committee of community elders and hunters.

**Supporting Local Initiatives  
The Britannia Project—Preserving Our Past;  
Investing In Our Future**

The historic Britannia mine—which was never a Teck Cominco mine—was once the most prolific copper producer in the British Commonwealth. After 70 years of operation the mine closed in 1974. In 1987 it was designated as a national historical site by the government of Canada. In 2005 Teck Cominco provided a substantial donation to the Britannia Concentrator Rehabilitation Project, and this leveraged millions of additional funding dollars from other donors. Britannia area residents have been employed and local supplies used in the reconstruction of the mill. Today, the site is an educational and tourist destination, and the B.C. Museum of Mining has been enjoyed by over 1.25 million visitors.

“By partnering with Teck Cominco, we have been able to attract additional interest and financial support, but notably the real value of the partnership goes well beyond that,” explains Kirstin Clausen, Executive Director of the B.C. Mining Museum. “Teck Cominco’s continued leadership has inspired greater community cohesion and strengthened the role of the museum as a steward of Canada’s mining history.”

The Code states that:

**“Operations and business units shall support local communities by utilizing locally sourced goods and services and employing people living near its operations, to the extent practical.”**

Although this policy is in place, we do not employ tracking systems at the corporate level to measure performance and will be looking to track this information more uniformly in the future.

We recognize that by collaborating with our neighbours we can play a role in building sustainable communities long after mining activities cease. Operations typically support local indigenous peoples, municipal authorities, other government agencies and community organizations in their efforts to achieve sustainable economic development. As an example, in the case of Kimberley, B.C., in 2005, just four years after mine closure, the city tax base has shifted from industrial to resort and residential and a new economy is emerging, partly as a result of the joint efforts of the Sullivan mine and local stakeholders.

The guidelines for Community Rights and Public Consultation outline the Company’s management practices and procedures for working with communities of interest and can be found in the EHS Management Standards.

**Corruption**

While there are many different forms of corruption, the Company’s policies and guidelines for various aspects of corruption such as Respect for the Law, Contracts, Gifts and Entertainment and Books and Records can be found in the Company’s Code of Ethics.

**Anti-Competitive Behaviour and Public Policy**

Canadian competition laws, and similar laws elsewhere in the world, were enacted to help protect free enterprise, promote competition and protect the public, including Teck Cominco and other companies, from illegal trade practices. The interests of Teck Cominco and those of its shareholders, employees and customers can best be served by vigorous and fair competition in compliance with these laws. It is Teck Cominco’s policy to observe both the letter and spirit of the competition law of Canada and the comparable laws of other countries in which we do business.

Accordingly, Teck Cominco is committed to the fundamental public policy goals embodied in these laws, through its Competition & Antitrust Law Compliance Policy and Manual. Each Teck Cominco executive and manager and all personnel with direct or indirect responsibility for the sale or purchase of products are required to be fully familiar with this manual and to adhere strictly to the practices it describes. Executives and managers are also required to advise the employees under their supervision of these requirements and to monitor their compliance.



## **SOCIAL PERFORMANCE: PRODUCT RESPONSIBILITY**

Our investment in product development is directed at improving the utility and value of our products. Following on a long tradition of innovation, Teck Cominco is pursuing product development activities relating to extractive processes, production-related improvements and innovative design projects. Over the past three years we have invested resources and capital in building our product portfolio to include high purity (+99.9999%) metals, metals in solution, advanced materials for electronic applications, recycling services and a range of advanced cementitious products. All of these development initiatives have evolved with participation from our customer/partners or in direct response to a customer request.

All Teck Cominco products are developed, sold and managed in accordance with the principles set out under the Product Stewardship System. "Product" refers to any Teck Cominco good offered to a customer for direct use or recovery of value, regardless of commercial value, and includes technology and intermediate/by-products. The System also applies to the consideration of new business ventures.

The Product Stewardship System has three main objectives:

1. To ensure Teck Cominco is in compliance with all applicable regulations governing the production, export, packaging, transport, handling, storage, export/import and use of its products;
2. To ensure that those involved with handling, transport, storage and use of products are provided with all information necessary in order to safely manage these products; and
3. To introduce new products and business ventures in a responsible manner and thoroughly investigate and assess risks associated with their operation, use and management.

### **The Product Stewardship Committee (PSC)**

The PSC is a cross-functional team of corporate officers and senior managers, which oversees existing product information and risk management and provides guidance and direction on new products and business acquisitions. The Committee members attend four pre-scheduled meetings per year, plus ad hoc meetings of the full or partial Committee, to provide timely direction on issues of product/business development and product stewardship.

The PSC carries out reviews to assess and determine product responsibility. For example, the Committee reviews proposals for new products, new uses for existing products, new jurisdictions of sale and the acquisition of new businesses and then performs a risk assessment and reports to the CEO with appropriate recommendations. Annually, the PSC reviews current approved uses of products listed on the Master Product List and re-evaluates these uses, as required, to limit potential product liability risks. The PSC also provides guidance and direction to the Responsible General Managers, Responsible Sales Persons and regulatory and technical experts regarding substantive issues and corporate policies concerning product stewardship.

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***Our investment in product development is directed at improving the utility and value of our products.***

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Stewardship issues may also require PSC guidance in areas such as the extent to which the downstream uses and ultimate fate of a product should be investigated, the extent to which current and potential customers, their facilities and their worker health, safety and environment management practices should be evaluated, and the extent to which international regulatory requirements beyond the U.S. and Canada should be investigated and followed.

**Social Performance: Labour Practices and Decent Work**

<b>Aspect: Employment</b>	<b>GRI Indicator</b>	<b>Teck Cominco's Performance in 2005</b>
LA1	- Breakdown of total workforce by employment type and by region.	- Total number of employees is 4,122 (see table on page 49).
<b>Aspect: Labour Management Relations</b>		
LA4	- Percentage of employees represented by independent trade union organizations or covered by collective bargaining agreements.	- At the end of December 2005, unions represented approximately 2,892 Teck Cominco employees. This is over 70% of the total workforce.
<b>Aspect: Safety and Occupational Health</b>		
LA6	- Percentage of workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational safety programs.	- Pend Oreille—At present we have 9.5% of our total workforce who are miner's representatives. These employees are selected by the workforce to represent them in on site health and safety related matters. - Hemlo—100% - Trail—85% of the workforce is represented by the United Steelworker union. A Senior Joint Committee is in place to monitor and advise on H&S programs and issues. The committee consists of three full-time union representatives and seven part-time representatives elected by the employees in the various business areas within the plant. - Pogo—We did not have an OHSC in 2005, due to the property starting up.
LA7	- Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities.	- Injury rate: 0.92 (lost-time injuries; per 200,000 hours worked) - Lost-day rate: 120 (per 200,000 hours worked) - Fatalities: 2
LA8	- Education, training, counselling, prevention and risk-control programs in place for assisting workforce members, their families or community members affected by HIV/AIDS or other serious communicable diseases.	- HIV/AIDS is not a widespread health problem in areas where our operations are located. As a result there are no formal programs in place for assisting workforce members. - All Teck Cominco employees can receive confidential, professional counseling for a broad range of personal and family problems through an Employee and Family Assistance Program (EFAP) provider.

Aspect: Safety and Occupational Health (con't)	GRI Indicator	Teck Cominco's Performance in 2005
LA10	- Health and safety topics covered in formal agreements with trade unions.	<ul style="list-style-type: none"> <li>- Pend Oreille—At present we have 9.5% of our total workforce who are miner's representatives. These employees are selected by the workforce to represent them in on site health and safety related matters.</li> <li>- Hemlo—Many of the existing H/S policies are covered in the David Bell mine collective agreement. The Williams mine is not unionized.</li> <li>- Trail—Safety Program Implementation and review, accident Investigations, H&amp;S Inspections, paid time for union representation, all other aspects of the Health and Safety Management System.</li> <li>- Pogo—Pogo is not unionized. They have implemented an OHSC inspection/audit program but under no agreements.</li> </ul>
<b>Aspect: Emergency and Preparedness</b>		
MM12	- Describe approach to identifying, preparing for and responding to emergency situations affecting employees, communities, or the environment. Include a description of the nature of existing skills, teams who respond to emergency situations, training, drill, review processes and community involvement.	- See Crisis Management and Emergency Preparedness, page 47.
<b>Aspect: Training and Education</b>		
LA12	- Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	<ul style="list-style-type: none"> <li>- In partnership with Simon Fraser University, MBA-level courses are offered to employees in technical and line management roles. The Company also offers a number of development programs.</li> <li>- Each operation runs formal production, maintenance and supervisory training programs.</li> </ul>
LA14	- Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	- There is one woman on the 14-member Board of Directors, five members fall within the 50-65 age category, seven members are older than 65. Management is comprised of 11 females out of 109 (10%) while the total female representation in our corporate offices is 133 out of 304 (44%).

**Social Performance: Human Rights**

<b>Aspect: Non-Discrimination</b>	<b>GRI Indicator</b>	<b>Teck Cominco Performance in 2005</b>
HR4	- Incidents of discrimination.	- None
<b>Aspect: Freedom of Association</b>		
HR5	- Incidents of violations of freedom of association and collective bargaining.	- None
<b>Aspect: Child Labour</b>		
HR6	- Incidents of child labour.	- None
<b>Aspect: Forced and Compulsory Labour</b>		
HR7	- Incidents of forced or compulsory labour.	- None
<b>Aspect: Disciplinary Practices</b>		
HR8	- Procedures for complaints and grievances filed by customers, employees and communities concerning human rights, including provisions for non-retaliation.	- An independent company, the Network, has been retained to provide an anonymous reporting service for business conduct issues including harassment and discrimination for employees.
<b>Aspect: Security Practices</b>		
HR9	- Percentage of security personnel trained in the organization's policies or procedures regarding human rights.	- Trail has policies and procedures regarding searches and surveillance.
<b>Aspect: Indigenous Rights</b>		
HR10	- Incidents involving rights of indigenous people.	- Two members of the Confederated Tribes of the Colville Reservation brought a citizen's suit against the Company for natural resource damages and cost recovery with respect to Lake Roosevelt. The details of the status of this case are available at <a href="http://www.teckcominco.com">www.teckcominco.com</a> . - The residents of Kivalina, a community near the Red Dog mine, have expressed concerns over discharges. Details of the issue and current progress on addressing them can be found at <a href="http://www.teckcominco.com">www.teckcominco.com</a> .

**Social Performance: Society**

<b>Aspect: Community</b>	<b>GRI Indicator</b>	<b>Teck Cominco Performance in 2005</b>
S01	- Programs and practices for assessing and managing the impacts of operations on communities, including entering, operating and exiting.	- The Community Rights and Public Consultation Management Standard includes a requirement that new project developments will include the identification of communities of interest and consultation with those who will be affected by the project. Concerns expressed shall be considered in project design and execution.
MM7	- Describe significant incidents affecting communities during the reporting period, and grievance mechanisms used to resolve the incidents and their outcomes.	- A strike at Trail commenced in mid-July and was resolved in early October with a new three-year contract. For more information see text or go to <a href="http://www.teckcominco.com">www.teckcominco.com</a> . - See HR 10.
MM8	- Describe the programs in which the reporting organization has been involved that addressed artisanal and small-scale mining within company areas of operation.	- None
<b>Aspect: Land Rights</b>		
MM11	- Describe process for identifying local communities' land and customary rights, including those of indigenous peoples, and grievance mechanisms used to resolve any disputes.	- Standard 4 of the EHS Management Standards requires consideration of social issues in all capital project developments and business transactions. Environmental Impact Assessments (EIAs) are a prerequisite to all project developments. Land use regimes, traditional uses and local and indigenous people's land use plans and planning objectives are specifications under the EIA process. Standard 9 guides community rights and consultation processes throughout the mine life cycle.
<b>Aspect: Resettlement</b>		
MM9	- Describe resettlement policies and activities. Identify sites where resettlement took place and the number of households resettled in each. Include practices regarding resettlement and compensation and the degree of alignment with the World Bank Operational Directive on Involuntary Resettlement.	- In 2005, the Antamina community relations team worked together with the state, non-government organizations and the community to achieve the launch of a social housing project to relocate over 30 families from substandard living conditions beside the port in the area of Huarney. As disclosed in the Mining Sector Supplement's MM9 Indicator, the Company follows the World Bank Operational Directive on Involuntary Resettlement, which helps identify, plan, implement and monitor involuntary resettlement to minimize displacement and restore incomes.
<b>Aspect: Operations Closure</b>		
MM10	- Number or percentage of operations with closure plans, covering social—including labour transition, environmental and economic aspects. Describe company policy, stakeholder engagement process, frequency of plan review and amount and type of financial provisions for closure.	- The Code states that Teck Cominco will: "Include closure and reclamation plans as a critical component of all development projects, undertake progressive reclamation at operating mines and reclaim dormant sites to ensure long-term protection of the environment." All of Teck Cominco's mines have closure plans and the communities are consulted to plan for mine closure. The engagement process is operation-specific, depending on the make-up of the area, however, the Company works with a facilitator to help ensure that a multi-stakeholder approach is taken.

**Social Performance: Society - continued**

Aspect: Operations Closure (con't)	GRI Indicator	Teck Cominco's Performance in 2005
MM10 (con't)		<ul style="list-style-type: none"> <li>- Closure plan development and plan review is a relatively continuous process. Formal revisions are undertaken approximately every five years.</li> <li>- Where required, financial assurance is provided to governments in the form of a letter of credit, bonds or corporate guarantees for reclamation and closure costs.</li> </ul>
<b>Aspect: Corruption</b>		
S02	- Extent of training and risk analysis to prevent corruption.	- The Code of Ethics has a specific section on "Dealing with Public Officials" that guides employees with respect to payments and dealings with public officials and other persons. The Code is monitored through an annual review by supervisors and a report to the Board.
S03	- Actions taken in response to instances of corruption.	- No actions have been necessary.
<b>Aspect: Public Policy</b>		
S04	- Participation in public policy development and lobbying.	- Teck Cominco participates in advocacy activities through industry associations like the Mining Association of Canada and the Prospectors and Developers Association of Canada and other organizations like the Canadian Chamber of Commerce. Meetings are held with government officials to present the perspectives and experiences of the Company as part of the consultation process in the development of public policies.
S05	- Total value of contributions to political parties or related institutions broken down by country.	- \$121,460 to the Liberal Party of B.C.
<b>Aspect: Anti-Competitive Behaviour</b>		
S06	- Instances of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes.	- Teck Cominco Metals Ltd. cooperated with the continuing investigation in Canada into the marketing of custom copper concentrates. (See Annual Report, page 82, for more details.)

**Social Performance: Product Responsibility**

Aspect: Customer Health and Safety	GRI Indicator	Teck Cominco Performance
PR1	- Procedures for improving health and safety across the life cycle of products and services.	- Teck Cominco maintains up-to-date Material Safety Data Sheets on all its products, together with a system for regular updating and distribution to customers.
Aspect: Products and Services		
PR3	- Procedures for product and service information and labelling.	- To ensure that our products are used safely and responsibly, we have developed training programs that provide product health and safety information for customers. Teck Cominco has a 24 hour/7 day a week emergency response phone number at Trail Operations. Customers can contact this number for any product emergencies. The Company also maintains an Emergency Response Team that is available for assistance at customers' facilities.

# Operations and Site Performance

## ● ACTIVE OPERATIONS

- 1 Red Dog, AK
- 2 Pogo, AK
- 8 Highland Valley Copper, BC
- 10 Trail, BC
- 11 Pend Oreille, WA
- 13 Elk Valley Coal, BC
- 14 Hemlo, ON
- 17 Antamina, Peru

## ● ACTIVE CLOSURES

- 3 Polaris, NU
- 6 Bullmoose, BC
- 7 Quintette, BC
- 12 Sullivan mine, BC

## ● SELECTED HISTORIC AND DORMANT SITES

- 4 Churchill Copper, BC
- 5 Pinchi Lake, BC
- 9 Port McNeill Site, BC
- 15 Howey mine, ON
- 16 Viburnum, MO



Teck Cominco has mining operations in three countries and a number of active closure projects. The historical and dormant sites noted on the map are discussed in the following pages. In addition, we have exploration projects around the world. We recognize the importance of providing more specific information on our activities and performance for the benefit of our local communities and other stakeholders.

In the following section we provide a brief discussion highlighting our achievements and outlining our challenges at many of our sites. We also present three-year performance data for key environmental indicators and provide a contact point for each operation so that questions and comments can be directly addressed to the local manager.





***Teck Cominco has invested over \$1 billion toward modernization at our Trail operations, including improvements to environmental performance. These have contributed significantly to the environment in Trail and throughout the Columbia River basin.***

**The Columbia River at the U.S.-Canada border consistently meets the stringent regulatory water quality standards set by both nations.**

# Active Operations



Smelting operations at Trail, B.C.

## TRAIL OPERATIONS

British Columbia, Canada  
Mike Martin, General Manager  
mike.martin@teckcominco.com

### Operational Overview

Trail Metallurgical Operations is one of the largest fully integrated smelting and refining complexes in the world. Production capacity totals approximately 290,000 tonnes/year of zinc and 120,000 tonnes/year of lead. The operation also produces over 20 other metal and chemical products. Trail, 100% owned by Teck Cominco Metals Ltd., currently employs approximately 1,435 people who work in 24 separate production facilities.

### Environmental Highlights

After a pilot period in 2004, the Trail electronic waste recycling program became fully operational. This program will initially capture over 3,000 tonnes per year of electronic materials such as computers, monitors and televisions that would otherwise go to landfills.

Trail Operations performs more than 100,000 compliance determinations annually, and there were 10 permit non-compliance incidents in 2005, representing a compliance rate of 99.99%. Seven of these incidents were related to four different events where ambient sulphur dioxide concentrations were elevated. Plans are underway to install a system to capture additional sulphur dioxide to ensure compliance and improved environmental protection in the future.

The quantity of most metals released to water was at a level similar to 2004, with one positive exception. The amount of zinc released to water was substantially reduced as a result of a new sand filter installed in late 2004.

Metal emissions to air of lead, zinc and mercury remained at or near record low levels, while cadmium and sulphur dioxide emissions did increase. Trail's air emissions continue to be amongst the lowest in the world for its type of integrated metals production facility, especially on a per tonne of product basis.

Remediation initiatives included the construction of a \$3 million permanent storage facility for historical wastes and contaminated soils. Additionally, a total of 75 hectares of reclaimed lands were planted with native conifers under a federal demonstration project (Forest 2020).

An Ecological Risk Assessment (ERA) was initiated in 2000 in accordance with the B.C. Contaminated Sites Regulation provisions for wide area sites. Teck Cominco Metals Ltd. is completing a comprehensive landscape-scale detailed ERA, and for the past several years the Company has been conducting this study in the Trail area. The final ERA reports, together with the human health risk assessment (referenced below), will be used to develop a remediation plan for the region. Key components of the ERA have been completed, and the documents can be found on-line at [www.teckcominco.com](http://www.teckcominco.com).

As of August 2005, over \$22 million has been spent on demolition and greening projects to restore the surrounding lands, reduce the environmental footprint and improve the outside appearance of the operation.

### Safety and Health

It is with sincere regret that Trail Operations reports one fatality in 2005 involving a contractor during maintenance of the Lead Smelter. While WorkSafe B.C. did not find fault with Teck Cominco in this incident, the site has reviewed its health and safety systems and identified opportunities for improvement.

For 2005 the operation's lost-time injury (LTI) frequency for its employees and contractors was 1.8 and the severity rating was 45. Compared to 2004 results (frequency of 1.7; severity of 66), the LTI frequency rating saw little change, while there was a notable decrease in the severity rating. Following a comprehensive review of our Health and Safety System in 2005, additional EHS programs are being put in place that will move the operation to a new level of success. These include: improved education in hazard identification and risk management, expanded investigation processes and more focused plant-level health and safety meetings.

## Performance Trends

	2003	2004	2005
<b>Safety and Health Statistics</b>			
Fatalities	0	0	1
Lost-time injuries	15	27	24
Lost-time Injuries (LTI) frequency	1.02	1.70	1.82
Severity	26.1	65.9	45.5
<b>Permit Compliance</b>			
Number of excursions	5	10	10
<b>Reportable Spills</b>			
Number	16	11	6
<b>Metals Released in Effluent (tonnes)</b>			
Zinc	26.8	24.4	7.1
Lead	1.61	1.99	1.69
Cadmium	0.160	0.150	0.153
Mercury	0.011	0.013	0.017
<b>Emissions to Air from Permitted Sources (tonnes)</b>			
Zinc	5.9	4.6	3.5
Lead	2.00	3.80	1.92
Cadmium	0.07	0.09	0.14
Mercury	0.119	0.093	0.147
Sulphur dioxide	3,669	3,970	4,143
<b>Average Ambient Air Quality, (PM-10 mg/m<sup>3</sup>)</b>			
Zinc	0.2042	0.2007	0.1480
Lead	0.0738	0.1085	0.0769
Sulphur dioxide (ppm)	0.0132	0.0110	0.0108
<b>GHG Emissions</b>			
CO <sub>2</sub> equivalents (kt)	338	354	261
Carbon intensity in product (t/t)	0.91	0.93	0.89
<b>Energy Use</b>			
Electricity (TJ)	6,078	6,395	4,828
Fuel (TJ)	4,396	4,578	3,480
Carbon energy intensity in product (GJ/t)	12	12	12
Energy intensity in product (GJ/t)	28	29	28
<b>Production (tonnes)</b>			
Zinc	283,100	296,000	223,200
Lead	87,800	84,300	68,600
<b>Total</b>	<b>370,900</b>	<b>380,300</b>	<b>291,800</b>

## Community Sustainability

A strike at Trail commenced in mid-July and was resolved in early October with a new three-year contract. Teck Cominco Metals Ltd. and the unions at the Company's Trail Operations, United Steelworkers Locals 480 and 9705, ratified the terms of a new collective agreement with the assistance of a mediator. The collective agreement, applicable to 1,235 unionized employees, is for a three-year term from June 1, 2005 to May 31, 2008. It provides for wage increases of 10 percent, a 12 percent improvement in the basic pension, enhancements to a number of benefits and a \$3,500 cash payment.

Trail Operations is working with community stakeholders on issues related to community health. The extended shut down of the operation due to the labour dispute delayed work in this area. An update on the human health risk assessment will now be completed in 2006. Measures to reduce the overall levels of metal-bearing dusts leaving the site remain a priority. The average blood lead level among Trail-area children tested in September 2005 by the B.C. Interior Health Authority was 4.6 µg/dL, versus 5.1 µg/dL in 2004. This is the lowest level recorded since the inception of the testing program. However, the shut-down period is likely a contributing factor.

The economic impact of Trail Operations in the community of Greater Trail is significant. Annual payroll is approximately \$120 million and the Company purchases over \$80 million/year in goods and services from local suppliers. The operation has facilitated commercial, retail, golf course and residential developments in the community. It is also a major supporter of numerous community programs and events that are focused on youth, education, health, arts and culture.

## SPOTLIGHT: ISO 14001

Trail Operation's Environmental Management System is now fully compliant to the ISO 14001:1996 standard, and formal certification of the operation was achieved in 2005. This is a major accomplishment for Trail in that there are 24 separate production processes from Zinc and Lead Production to Gas Handling. This achievement was made possible by the hard work of employees.



Valley Pit, Highland Valley, B.C.

### HIGHLAND VALLEY COPPER

British Columbia, Canada  
Wolf Nickel, General Manager  
WNickel@hvcopper.com

#### Operational Overview

Located in south-central British Columbia, Highland Valley Copper (HVC) is Canada's largest copper mine and is owned 97.5% by Teck Cominco. Annual production averages 400,000 tonnes copper concentrate, or 179,000 tonnes of contained copper per annum. In 2005, the operation employed 155 staff and 729 union employees.

In September 2005, Teck Cominco announced that it will proceed with a plan to extend the mine life by five years to September 2013.

#### Environmental Highlights

In 2005, Highland Valley Copper achieved notable results in the context of innovative waste reduction, recycling and land reclamation programs.

The operation applied approximately 28,000 tonnes of residual biosolid material from a regional wastewater treatment plant to reclaimed lands as a source of nutrient-rich organic fertilizer. The mine redirected a variety of materials to recycling depots including wood pallets, scrap steel, tires, batteries, office paper, cardboard, beverage containers and electronic waste, reducing volumes reported to the landfill by approximately 50%. The operation has proposed a municipal solid waste landfill project, which will

include facilities to process recyclable materials and convert landfill gas to energy. This project is part of a sustainability initiative aimed at contributing to diversification of the local economy and generating long-term, stable employment for the region. The facility would utilize a state-of-the-art triple containment lined system and would be located on the "brown field" waste rock dumps at the mine site. In 2005, the environmental impact pre-application process was started and consultations were held with regulators and local First Nations groups.

Operational reclamation continued in 2005. In accordance with the end land use plan of approximately 6,110 hectares of disturbed land, over 2,240 hectares have been re-vegetated with a combination of grasses, legumes and both coniferous and deciduous seedlings. Work continued to focus on areas at the former Bethlehem mine and the Highmont tailings dam. A total of 35,370 seedlings were planted, with most of the deciduous stock coming from a local nursery operated by the Shackan Indian Band. Also in 2005, HVC joined the District of Logan Lake and Ducks Unlimited to fund a wetland restoration project near Logan Lake.

There was one reportable chemical spill in 2005 at the Highmont East Pit. There were four instances of permit non-compliance. These were related to discharges of effluent exceeding concentration and/or volume levels allowed by the permit. All causes were investigated and corrective action taken. The provincial MoE was informed of each occurrence.

#### Community Sustainability

Highland Valley Copper makes a significant contribution to the local economy. In addition to taxes paid to the municipality, the operation has a workforce of 884 and in 2005 HVC purchased over \$68.6 million in goods and services from 401 different local suppliers. The mine supports a variety of community economic development initiatives as well. These are implemented with local governments, First Nations and citizens groups. This collaboration delivers significant economic and social benefits for the community, which will continue long after the mine is closed.

Employees at Highland Valley Copper raised \$162,438 for the region's United Way Campaign. With the Company matching funds, this totalled \$243,007, representing the largest single contribution in Kamloops. Collectively employees and the Company donated \$18,500 to the regional hospital and over \$21,000 to the B.C. Children's Hospital Foundation in Vancouver.

## Performance Trends

	2003	2004	2005	
<b>Safety and Health Statistics</b>				
Fatalities	0	0	0	
Lost-time injuries (LTI)	9	5	5	
Lost-time injuries (LTI) frequency	0.92	0.53	0.51	
Severity	16.8	11.2	8.1	
<b>Permit Compliance</b>				
Number of excursions	2	8	4	
<b>Reportable Spills</b>				
Number	2	0	1	
<b>Average Concentrations in Effluent (mg/L)—Trojan Creek Discharge to Witches Brook</b>				<i>Permitted</i>
Copper	0.021	< 0.01	0.022	0.030
Zinc	0.005	0.005	0.007	n/a
Molybdenum	0.145	0.226	0.244	0.350
<b>Stream Water Quality—Witches Brook, Downstream of Discharge</b>				<i>Avg. Upstream</i>
Copper	0.0043	< 0.01	0.0048	0.0029
Zinc	0.0042	0.0046	0.0052	0.0017
Molybdenum	0.0346	0.0339	0.0326	0.0098
<b>Cumulative Reclamation Progress</b>				
Reclaimed (ha)	2,210	2,279	2,322	
To be reclaimed (ha)	3,135	3,010	3,004	
Trees/shrubs planted	36,889	98,138	65,370	
<b>GHG Emissions</b>				
CO <sub>2</sub> equivalents (kt)	89	69	78	
Carbon intensity in product (t/t)	0.52	0.40	0.44	
<b>Energy Use</b>				
Electricity (TJ)	3,416	3,427	3,467	
Fuel (TJ)	1,324	1,039	1,172	
Carbon energy intensity in product (GJ/t)	7.8	6.1	6.5	
Energy intensity in product (GJ/t)	27.8	26.2	25.9	
<b>Production—Metal Contained in Concentrate (000 tonnes)</b>				
Copper	170	170	179	



Rod Guild, Pit Training Supervisor, with new hires in Valley Pit

### Safety and Health

In 2005, we achieved our second consecutive record year in terms of reducing the frequency of time-loss injuries. There were three disabling injuries recorded against close to 1.8 million hours worked. In 2005, Highland Valley Copper received the John Ash Safety Award for working a minimum of 1,000,000 hours with the lowest disabling injury frequency in 2004. Highland Valley Copper has won this award 13 times over a 16-year period.

### Awards

Highland Valley Copper received the Mining Association of British Columbia's (MABC) Mining and Sustainability Award for 2005 in recognition of its commitment to responsible business practices, environmental stewardship and social responsibility.

## SPOTLIGHT ON SAFETY

Highland Valley Copper has been recognized as the safest large mine in B.C. in 13 of the past 16 years. This successful record is attributed to the employees and their ongoing commitment to health and safety. The past year was Highland Valley Copper's best year ever in terms of performance with a Lost-time injury (LTI) frequency of only 0.51 per 200,000 hours worked.



The Red Dog mine is the largest zinc mine in the world

### RED DOG MINE

Alaska, United States of America  
John Knapp, General Manager  
john.knapp@teckcominco.com

#### Operational Overview

The Red Dog zinc/lead mine, mill and port facility are located in northwestern Alaska, 130 kilometres north of Kotzebue. Red Dog has a production capacity of over 600,000 tonnes per annum of zinc contained in concentrate. The operation is the largest zinc mine in the world both in terms of zinc reserves and zinc concentrate produced. Operating in a remote location, without road access, the operation is self-reliant, with power generation, an airport, worker housing and ocean shipping facilities.

The mine is owned and operated by Teck Cominco Alaska Incorporated (TCAK—an indirect subsidiary of Teck Cominco Limited) under an agreement with the NANA Regional Corporation (NANA—an entity wholly owned by the Native Inupiat people of northwest Alaska). The workforce totals 460 employees and contractors, of which 56% are NANA shareholders.

#### Environmental Highlights

In April 2004, Red Dog became the first mine in Alaska to achieve certification under ISO 14001. The first annual third-party audit occurred in the summer of 2005. In that audit, Red Dog demonstrated continued conformance with the ISO 14001:2004 standard.

In 2005, the Kivalina Relocation Committee filed a citizens' suit under the U.S. *Clean Water Act* alleging numerous violations of the mine's National Pollutant Discharge Elimination System permit. At the time, the mine was engaged in the renewed process for the permit and the U.S. Environmental Protection Agency and the State of Alaska had consented to a number of variations in the current permit.

Significant environmental achievements in 2005 include:

- Construction of a new water treatment plant to lower total dissolved solids (TDS) in the tailings impoundment;
- Construction of a pipeline from the Bons Reservoir to the sand filters to allow better TDS management of treated discharge and improve sand filter performance;
- Completion of stream studies which demonstrated that TDS levels in the stream did not affect fish fertilization and hatching of the grayling eggs;
- Research on seals which showed normal population levels and no elevation of metals in animals harvested for traditional use;
- Completion of a number of operational and engineering improvements to reduce metal-bearing fugitive dust at the mine and along the port road;
- Public review of a draft Ecological and Human Health Risk Assessment Report which identifies potential risk from the release of fugitive dust and related mitigation measures;
- Reduction in the number of spills and incidents in part due to the EMS target of reducing spills and related employee incentives;
- Initiation of a drilling program for natural gas supplies that could replace current diesel fuel use for power generation and thereby significantly reduce particulate matter, NO<sub>x</sub> and SO<sub>2</sub> air emissions.

#### Community Sustainability

Under the TCAK/NANA Agreement, a community-based Subsistence Committee was established. This Committee meets quarterly to review all subsistence issues with the mine staff. The Committee provides input on operations management strategies as they relate to caribou and whale migrations.

Red Dog management routinely meet with various governments and stakeholders. Once a year, all 11 villages are visited and an operational update is provided in a public meeting. Meetings with the two closest local villages, Noatak

## Performance Trends

	2003	2004	2005	
<b>Safety and Health Statistics</b>				
Fatalities	0	0	0	
Lost-time injuries (LTI)	4	16	18	
Lost-time injuries (LTI) frequency	0.90	3.0	3.3	
Severity	42.1	109.0	119.0	
<b>Permit Compliance</b>				
Number of excursions	12	15	7	
<b>Reportable Spills</b>				
Number	154	144	128	
<b>Metals Released in Effluent (tonnes)</b>				
Cadmium	0.002	0.002	0.004	
Lead	0.002	0.003	0.003	
Zinc	0.244	0.225	0.330	
<b>Average Concentrations in Effluent (mg/L)</b>				<i>Permitted</i>
Cadmium	0.0006	0.0006	0.0007	0.002
Lead	0.0006	0.0008	0.0005	0.081
Zinc	0.0663	0.0571	0.0581	0.120
<b>Natural Loadings—Red Dog Creek (tonnes)</b>				
Cadmium	0.09	0.12	0.18	
Lead	0.64	0.62	0.18	
Zinc	8.7	11.0	31.8	
<b>GHG Emissions</b>				
CO <sub>2</sub> equivalents (kt)	189	179	192	
Carbon intensity in product (t/t)	0.27	0.27	0.29	
<b>Energy Use</b>				
Electricity (TJ)	n/a	n/a	n/a	
Fuel (TJ)	2,642	2,499	2,680	
Carbon energy intensity				
in product (GJ/t)	3.8	3.7	4.0	
Energy intensity in product (GJ/t)	3.8	3.7	4.0	
<b>Production—Metal Contained in Concentrate (000 tonnes)</b>				
Zinc	579	554	568	
Lead	125	117	102	
<b>Total</b>	<b>704</b>	<b>671</b>	<b>670</b>	



Emergency preparedness exercise with Red Dog employees and the U.S. Coast Guard

and Kivalina, are held on a more frequent basis. In addition, Red Dog has engaged several statewide and national NGO groups to discuss such issues as the fugitive dust risk assessment and the closure planning process.

#### Safety and Health

Red Dog has an Occupational Health and Safety Committee that comprises a cross-section of employees from the workplace. During the year, 12 members of the Committee traveled to Highland Valley Copper to view its award-winning safety programs and see what might be successfully adapted to the Red Dog operation.

The decreasing trend in safety performance from 2003 to 2005 is of concern and measures were implemented over the year to reverse this trend in 2006.

## KIVALINA EMERGENCY

Red Dog personnel participated in an emergency erosion control effort in the village of Kivalina. Past ocean storms have removed shoreline and made the village vulnerable to further erosion and property damage. A storm in the fall of 2005 jeopardized the village's fuel storage tanks, school and runway. In partnership with the Northwest Arctic Borough, Red Dog provided equipment and manpower to install an emergency erosion control barrier.



Pend Oreille mine surface facilities

## PEND OREILLE

Washington State, United States of America  
Mark Brown, Mine Manager  
mark.brown@teckcominco.com

### Operational Overview

The Pend Oreille mine (POM) is an underground zinc/lead mine with on-surface ore processing facilities. The property was acquired in 1996, and mine production commenced in January 2004. The operation produces zinc concentrate with an annual capacity of 85,000 tonnes and lead concentrate with an annual capacity of 15,000 tonnes. The mine is owned 100% by Teck Cominco American Incorporated and is located 80 kilometres from the Trail metallurgical complex. The site employs 185 people, 45 staff and 38 contractors.

### Environmental Highlights

Since 2004, an Environmental Management System (EMS) has guided operational procedures. In 2005, POM achieved environmental targets in water treatment, recycling, tailings management and pollution prevention.

Programs to monitor, assess and modify the methods that have been designed to control and treat the sources of pollutants to mine water discharges were initiated during the year. Specifically, POM has developed and implemented a water treatment system 900 feet below the surface. This treatment system utilizes sulphur reducing bacteria (SRB) that exist in the natural environment to remove zinc and lead from mine discharge water. The SRB bind with soluble sulphur compounds containing the lead and zinc, forming

solid particles which settle as sediments within the flooded, abandoned workings. The treated water is then suitable for discharge.

It is important to note that in 2005, pre-treatment water contained an average zinc concentration of 0.2 mg/L, ranging to a maximum concentration of 0.5 mg/L. Regulated limits for zinc in discharge waters allow for an average monthly concentration of 0.444 mg/L and a maximum daily concentration of 0.890 mg/L. POM evaluated methods for reducing metals in discharge waters and voluntarily set out to achieve a stricter zinc target of 0.1 mg/L. The SRB system has successfully reduced zinc levels in post-treatment discharge water to as low as 0.08 mg/L through the end of 2005. However, at that time, elevated lead levels were identified in the discharge water. During the latter half of 2005, POM conducted a review of the system to determine the reason for this slight upward trend and implemented multiple actions, including acetate analysis, sump cleanouts, and improved sump maintenance operations to correct the problem.

POM introduced a used oil recycling program in 2005. Used oil is paid for and transported off-site by a contractor for re-use. This offsets transportation and disposal costs.

The initial deposition of tailings began in January 2004. The Leachate Collection Recovery System (LCRS) monitors the leakage of tailings liquid through the plastic liner of the tailings pond. POM's discharge permit allows a leakage rate of 18.9 litres per minute (lpm) prior to initiating a base level response. The average leakage rate for 2005 was 1.14 lpm, which is well below the LCRS response limit.

The first-year reporting (2004) for the Toxic Release Inventory (TRI) was completed, and six reportable compounds were identified: zinc, lead, mercury, cyanide, copper and chromium. There were no reportable spills in 2005, a significant improvement over last year when there were five spills. However, there were four incidents of permit non-compliance, which is an increase from the two that occurred in 2004.

### Community Sustainability

The Pend Oreille mine actively dialogues with the local community through quarterly Selkirk Community Teck Cominco Planning (SCTCP) meetings attended by members of the local community and mine personnel. The purpose of SCTCP is to keep the local community informed of mining activities and closure plans, and to plan for future community-related socio-economic activities.

The General Manager attends the Metaline Chamber of Commerce monthly meetings, and bi-monthly mine updates are featured in the local paper.



**Performance Trends**

	2003	2004	2005	
<b>Safety and Health Statistics</b>				
Fatalities	0	0	0	
Lost-time injuries (LTI)	1	3	9	
Lost-time injuries (LTI) frequency	0.70	1.70	4.4	
Severity	13.9	19.2	64.7	
<b>Permit Compliance</b>				
Number of excursions	–	2	4	
<b>Reportable Spills</b>				
Number	–	5	0	
<b>Average Concentrations in Effluent (mg/L)</b>				
				<i>Permitted*</i>
Zinc	0.4390	0.0960	0.1220	0.440
Lead	0.0420	0.0750	0.1770	0.200
<b>Stream Water Quality—Downstream of Discharge</b>				
Zinc	<0.005	<0.005	<0.005	
Lead	<0.005	<0.005	<0.010	
<b>GHG Emissions</b>				
CO <sub>2</sub> equivalents (kt)	–	1.4	2.3	
Carbon intensity in product (t/t)			0.04	
<b>Energy Use</b>				
Electricity (TJ)	–	117	158	
Fuel (TJ)	–	18	30	
Carbon energy intensity in product (GJ/t)			0.6	
Energy intensity in product (GJ/t)			3.5	
<b>Production Metal Contained in Concentrate (tonnes)</b>				
Lead			8,000	
Zinc			45,000	
<b>Total</b>			53,000	



Double-lined tailings pond at Pend Oreille mine

The operation supports local community efforts in Northern Pend Oreille County and has made multiple donations to several non-profit organizations including the Selkirk Humanities Foundation, Northern Pend Oreille County Special Olympics, North Pend Oreille Valley Lions Club and the Cutter Theater.

Safety performance over the first year of production was a concern. However, most of the incidents occurred in the first half of the year of the initial start-up phase. A task force implemented safety program improvements that substantively improved results in the second half of the year.

***In 2005, Pend Oreille met environmental targets in water treatment, recycling, tailings management and pollution prevention.***



The Williams mine, one of the Hemlo mines

## HEMLO MINES

Ontario, Canada  
Chris Woodall, General Manager  
CWoodall@hemlomines.com

### Operational Overview

Teck Cominco Limited has a 50% interest in Hemlo mines, a gold mining and processing operation located about 350 kilometres from Thunder Bay, Ontario. The operation consists of the Williams mine (an underground mine, with an open pit and a mill) and the David Bell mine (an underground mine). The mines are jointly operated by Teck Cominco and Barrick Gold Corporation. Teck Cominco's share of gold production was 230,000 ounces of gold in 2005.

The Williams mine employs 181 full-time staff and 365 contractors, while the David Bell mine employs 116 contractors.

### Environmental Highlights

As part of a corporate continuous improvement initiative, the mines commenced implementation of an energy management program in 2005. This program consists of underground heat recovery systems, underground air system improvements, mill water consumption reduction, mill heat recovery systems and the installation of energy efficient pumps. In 2005, the program realized a 10% overall energy cost reduction compared to 2004, despite an 18% increase in energy prices. The energy cost reduction translates into \$1.5 million in annual savings.

### Safety and Health

Employees at Williams and David Bell mine continued to participate in emergency response training programs held during the year. The Emergency Response Team comprises employee volunteers and regular drills help keep them ready to assist others in the event of an emergency. It is the responsibility of each and every employee and contractor on site to ensure best practices are maintained ensuring safety for everyone.

The Williams mine continued the "Wellness Program" in 2005 to promote healthier lifestyles for employees. Initiatives included raising employee awareness of lifestyle changes needed to lead healthier lives as well as an incentive program developed to assist employees in increasing their physical activity levels and improving or maintaining a healthy body weight.

### Community Sustainability

Hemlo personnel meet regularly with the Town of Marathon, the Pic River First Nation and the Pic Mobert First Nation to discuss issues of concern. The mine partnered with the local Confederation College, Job Connect and two First Nations groups to develop a Heavy Equipment Mechanics apprenticeship program. This program has a current capacity for 12 people and targets First Nations' workers for potential placement in the Hemlo workforce.

The operation employed 30 to 35 employees through labour contracts with the neighbouring Pic River and Pic Mobert First Nations. Regular meetings are held with the Nations on contract issues and partnership opportunities supporting community development initiatives.

In 2005, Hemlo donated \$125,000 towards the Marathon ski hill and sponsored the Marathon Music Festival, the Marathon Figure Skating Inter Club Competition and the Toronto Maple Leafs alumni game. The mine welding department also constructed a new welcome sign for the Town of Marathon.

### Awards

Williams mine has been recognized as one of the safest mines in Ontario and received the following three awards in 2005:

- The Mines and Aggregates Safety and Health Association (MASHA) Award of Excellence in Safety (250-999 employees category);
- J.T. Ryan Safety Award, Metal Mines, Ontario region;
- The Levitt Safety Trophy for the Most Improved in Safety for the previous two years.

**Performance Trends**

	2003	2004	2005	
<b>Safety and Health Statistics</b>				
Fatalities	0	0	0	
Lost-time injuries (LTI)	6	6	3	
Lost-time injuries (LTI) frequency	0.72	0.71	0.37	
Severity	15.7	41.7	11.8	
<b>Permit Compliance</b>				
Number of excursions	0	0	0	
<b>Reportable Spills</b>				
Number	6	9	6	
<b>Average Concentrations Effluent (mg/L)</b>				
				<i>Permitted</i>
Cyanide	0.025	0.019	0.013	1.0
Copper	0.022	0.022	0.013	0.3
Zinc	0.013	0.016	0.022	0.5
<b>Cumulative Reclamation Progress</b>				
Reclaimed (ha)	176	170	215	
To be reclaimed (ha)	415	457	489	
<b>GHG Emissions</b>				
CO <sub>2</sub> equivalents (kt)	37.2	36.2	34.7	
Carbon intensity in product (t/oz)	0.07	0.07	0.08	
<b>Energy Use</b>				
Electricity (TJ)	1,029	1,039	1,012	
Fuel (TJ)	553	539	518	
Carbon energy intensity in product (GJ/oz)	1.03	1.09	1.13	
Energy intensity in product (GJ/oz)	2.95	3.19	3.33	
<b>Production (oz)</b>				
Gold	536,000	495,000	460,000	



Underground at the Hemlo mines, Ontario

***In 2005, the Williams mine received three safety-related awards.***

**SPOTLIGHT ON SAFETY**

The Hemlo Operations' Courageous Leadership Program stands out, not just for its commitment to zero incidents and its rigorous training program, but in results. In December 2005, Hemlo recorded its first perfect month, with no lost-time injuries, no medical aids, no first aids and no environmental incidents—an impressive achievement for the 700 workers at the David Bell and Williams mines.



Surface facilities at Pogo mine, Alaska

## POGO MINE

Alaska, United States of America  
Bob Jacko, General Manager  
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### Operational Overview

The Pogo mine, located in eastern Alaska, is presently expected to produce an average of 400,000 ounces of gold per annum over a 10-year mine life. Teck Cominco is the operator of the project and holds a 40% interest. Subsidiaries of Sumitomo Metal Mining (51%) and Sumitomo Corp. (9%) hold the remaining 60% interest. The underground mine and surface mill was under construction in 2005, with start-up achieved during the first quarter of 2006. The mine continues to ramp-up to commercial production, expected in the first quarter of 2007. In 2005, 143 people were employed at Pogo, 50 of whom were full-time staff.

### Environmental Highlights

Pogo worked with nearby property owners to review wildlife management issues and strategies along the Pogo access road. Pogo consulted with the Northern Alaska Environmental Center (NAEC) to begin the process of rebuilding the relationship that became strained in 2004 when the NAEC appealed Pogo's water discharge permit issued by the U.S. Environmental Protection Agency. Construction work was halted pending resolution of the appeal. By June 2004, all project permits were approved, and the appeal of the key water discharge permit for the mine was withdrawn, allowing the construction of the Pogo Project to resume.

In 2005, Pogo developed 15 environmental management standards as part of its EMS program covering environmental monitoring, emergency response, spill management, waste management and wildlife management.

The operation successfully achieved its goal of a full year of project construction with zero permitting compliance enforcement actions or agency directives. The operation carried out post-construction reclamation on the access road and high-voltage transmission line areas in accordance with the approved reclamation plan.

Its 2006 goal is to update and implement the four key environmental aspects identified by the site's Environmental Management System. These four aspects include waste management, wildlife management, spill management and emergency response.

### Community Sustainability

TeckPogo Inc. entered a Payment in Lieu of Taxes Agreement with the community of Delta Junction. In accordance with this agreement, the operation will issue payments of US\$1.25 million to the City of Delta Junction for the next three years. If the area residents choose to form a larger borough government, payments will increase to a minimum of US\$2 million per year.

In 2005, the Pogo Stakeholders Group was formed and the inaugural meeting was held. The group consists of seven community members, selected by the State of Alaska Commissioner of Natural Resources, to represent fishing, mining, residents, subsistence, hunting and environmental interests. The group will meet at least twice annually to review mine operations and environmental compliance data.

In efforts to attract local labour for employment, Pogo contacted regional community leaders to solicit their help directing applicants to an entry level miner training course. This training, delivered by the Delta Mine Training Center, occurred in the fall and had eight participants. The operation also worked with the Alaska Department of Labor, the Delta Mine Training Center and construction contractors to recruit and train 43 entry level construction trade apprentices. Upon successful completion of the training, all trainees were hired into the Pogo mine construction effort.

### Safety and Health

Pogo mine and its contractors place a high priority on safe work practices, and 2005 performance is provided in the Performance Trends table.

## Performance Trends

	2003	2004	2005
<b>Safety and Health Statistics</b>			
Fatalities	0	0	0
Lost-time injuries (LTI)	0	5	4
Lost-time injuries (LTI) frequency	0.0	1.32	0.64
Severity	0.0	1.84	28.2
<b>Permit Compliance</b>			
Number of excursions			2
<b>Reportable Spills</b>			
Number			66
<b>Metals Released in Effluent (tonnes)</b>			
	<i>Pogo was not operating in 2005 (under construction)</i>		
<b>Average Concentrations in Effluent (mg/L)</b>			
	<i>Pogo was not operating in 2005 (under construction)</i>		
<b>Cumulative Reclamation</b>			
Reclaimed (ha)			0
To be reclaimed (ha)			180
Trees/shrubs planted			0
<b>GHG Emissions</b>			
	<i>Pogo was not operating in 2005 (under construction)</i>		
CO <sub>2</sub> equivalents (kt)			19,520
Carbon intensity in product (t/oz)			
<b>Energy Use</b>			
Total energy use (GJ)			312,622
Carbon energy intensity in product (GJ/oz)		<i>no product produced</i>	
Energy intensity in product (GJ/oz)		<i>no product produced</i>	
<b>Production (oz)</b>			
	<i>Pogo was not operating in 2005 (under construction)</i>		
Gold			



Pogo mine Fire Department

***Pogo mine and its contractors  
place a high priority on  
safe work practices.***

## SPOTLIGHT

During construction, Pogo maintained an active program to segregate and recycle all aluminum (such as cable trays and wire), copper wire and copper products and steel and rebar. By recycling this material, Pogo minimized the solid waste disposal volumes at local landfills.



Cheviot mine, one of Elk Valley Coal's Alberta operations

**ELK VALLEY COAL PARTNERSHIP**

British Columbia and Alberta, Canada  
 Dermot Lane, Director, Corporate Communications  
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**Operational Overview**

Elk Valley Coal Partnership (EVCP) is the northern hemisphere's largest producer of hard coking metallurgical coal for the global steel industry, supplying about one-sixth of the world's seaborne metallurgical coal market.

EVCP operates six open-pit mines, five located in southeastern British Columbia and one in west-central Alberta. These operations include: Fording River, Greenhills, Line Creek, Elkview, Coal Mountain and Cardinal River. As managing partner, Teck Cominco holds a 39% partnership interest in EVCP and a 5.3% indirect interest through its investment in Fording Canadian Coal Trust, which owns 60% of EVCP.

By year-end 2005, EVCP operations employed over 3,000 men and women, an increase of almost 20% from the workforce in place when the Corporation formed in 2003.

**Environmental Highlights**

All EVCP operations are accountable for long-term, socially responsible environmental stewardship. To EVCP operations, environmental stewardship means avoiding or mitigating potential negative impacts during operations, as well as ensuring reclamation occurs to return the land to a pre-mining end land use.

All operations have been, and continue to be, subject to extensive environmental assessment processes, which includes public and aboriginal consultation. The mines diligently follow through on all of the commitments and regulatory requirements made.

**Environmental Management System Achievements**

By 2007, all EVCP operations are planning to have achieved ISO 14001 certification. At the end of 2005, the following sites achieved certification of their environmental management systems:

- Fording River Operation (FRO) achieved ISO 14001:1996 certification in 2001. At year-end 2005, FRO was working toward ISO 14001:2004 certification;
- Greenhills achieved ISO 14001:1996 in 2005 and is working towards ISO 14001:2004;
- Coal Mountain achieved ISO 14001:1996 in 2005 and is working towards ISO 14001:2004.

**Reclamation**

Reclamation of disturbed land to a pre-mining end land use is a significant objective at all six operations. Reclamation is integrated into the ongoing mining activities and is conducted continually on waste dumps and other disturbed sites. Progress in 2005 is as follows:

	Reclaimed to date (ha)	Reclaimed in 2005 (ha)	Seedlings planted in 2005
Fording River	620	34	39,843
Greenhills	449	18	26,075
Line Creek	413	57	8,000
Elkview	994	20	2,500
Coal Mountain	134	0	474
Cardinal River	1,074	20	56,500

**Community Sustainability**

The majority of employees working in the Elk Valley's five mines live in Sparwood, Fernie, Elkford, Crowsnest Pass and rural Elk Valley. Alberta operation employees live primarily in Hinton and the surrounding area. In many of these communities, the EVCP mines are the primary employer. The approach to community engagement is to support and encourage employees to be active citizens in the communities within which they live. Employees participate in local government, Chambers of Commerce and any number of areas of personal interest.

EVCP's policy is to procure goods and services preferentially from local suppliers, including local First Nation businesses, whenever possible. An example of local procurement from

First Nations business includes the purchase of native species seedlings for reclamation planting from the Aqam Native Plant Nursery on the St. Mary's Reserve.

EVCP's charitable giving program is focused on supporting the communities within which our employees live. Giving in 2005 covered a realm of sponsorships, from arts and library development, to local sporting events, to STARS air ambulance, and supporting First Nations' cultural celebrations.

The largest employee-driven donation campaign at EVCP is the Caring for Kids campaign. In the past 10 years, EVCP and its predecessor companies have dollar-to-dollar matched the funds raised by employees, resulting in more than \$1 million donated to date to the children's hospitals in B.C. and Alberta.

**Safety and Health**

The formation of EVCP in 2003 led to a renewed focus and commitment to safety. This commitment to improvement continues to be the common driver in all operations.

Each EVCP operation manages its own health and safety program. An integral part of these programs is the Joint Health and Safety Committees. These committees are made up of representatives from management and an equal or greater number of representatives from the hourly workforce. These committees report directly to the site General Manager. At the corporate level, a manager of health and safety supports each operation's health and safety efforts. A senior management health and safety committee reviews and comments on each operation's performance.

As shown in the safety indicators for EVCP, regrettably there have been two fatalities over the last three years. In both circumstances, investigations were conducted and corrective and preventative measures undertaken.

Health and Safety Statistics	2003	2004	2005
Fatalities	1	0	1
Lost-time injuries (LTI)	31	24	35
LTI frequency	1.24	0.95	1.21
Severity	266.0	32.9	239.8

**Awards**

In 2005, the Line Creek Operation was awarded the Edward Prior Award for Best Safety Performance in British Columbia for a mine with less than one million man-hours in a year.

The 2005 Citation for Outstanding Achievement for reclamation at a Coal Mine was awarded to the Elkview Operations. Elkview has been a recognized leader in the development of reclamation solutions for more than 30 years. EVCP is proud to report that recent wildlife surveys indicate the presence of the largest recorded populations of elk and mule deer on the Elkview property in more than 20 years.

Fording River Operation was awarded the 2005 British Columbia Jake McDonald Mine Reclamation Award for outstanding reclamation achievement. This marks the third time in its operating history that Fording River mine has received this award, and reflects the fact that reclamation has been an integral part of the mining process at Fording River since mining began in the 1970s.

**SPOTLIGHT**

EVCP's Fording River and Elkview Operations were both recognized for their work in mine site reclamation in 2005. Both operations have over 30 years of reclamation research experience, identifying new reclamation solutions that create high-value wildlife habitat. Fording River has pioneered the development of techniques for successfully establishing forest stands on coal mine waste at high elevations. Elkview has demonstrated a comprehensive approach to the creation of highly productive wildlife habitats in high alpine areas, as well as in lower altitude winter-range areas, based on innovative nutritional research on local elk populations. The mines currently support a diverse range of wildlife, including elk, bear, mountain sheep, deer, moose and a host of other species. Such reclamation knowledge and techniques have been shared with other active and planned mining operations in ungulate habitat areas throughout North America.



The open pit at the Antamina mine, Peru

## ANTAMINA

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### Operational Overview

The Antamina mine, located in the Andes mountain range, 270 kilometres north of Lima, Peru, is one of the largest zinc/copper mines in the world. Teck Cominco has a 22.5% interest and is partnered with BHP Billiton (33.75%), Xstrata (33.75%) and Mitsubishi Corporation (10%).

Construction of the Antamina open-pit mine and ore processing facility was completed in 2001. Concentrate is transported through a 300 km underground pipeline and then shipped overseas from the Puerto Punta Lobitos port in Huarmey on the Pacific coast. The mine is expected to produce an average of 675 million pounds of copper and 625 million pounds of zinc annually over its first 10 years of production and has an expected mine life in excess of 20 years. Antamina also produces molybdenum, silver, lead and bismuth as secondary by-products of the production process.

Antamina currently employs 1,460 workers, over 98% of whom are Peruvian. Antamina also provides indirect employment to a similar number of contractors.

### Environmental Highlights

Antamina is committed to the efficient use of resources, the reduction and prevention of pollution and the protection of biodiversity. Environmental management systems were developed in accordance with international standards.

The port operation near the community of Huarmey earned ISO 14001 environmental certification in 2005. It is the first mining port to receive ISO 14001 certification in Peru. Certification verifies that the Company's copper and zinc concentrates are received, filtered, stored and shipped in an environmentally responsible manner and represents a commitment to continuous improvement by all employees and contractors partners working at port facilities. During the last few years, performance at the port improved substantially, particularly in regard to the management of the concentrate storage tanks, effluent ponds and plant maintenance programs. The Antamina mine anticipates ISO 14001 certification in 2007.

Environmental achievements in 2005 include:

- Improvements in water quality—water quality improvements at the mine operations have reached 99.4% conformance to the standards;
- Mine area reforestation—9,008 trees were planted;
- Use of treated mine water—approximately 1,603,000 m<sup>3</sup> of treated water were sent from the mine to a forestry plantation near the port of Punta Lobitos for irrigation.

### Community Sustainability

The Antamina mine influences five provinces with an estimated population of 220,000 people. The area stretches from the Andean region of Ancash to the coast, where the Company's port is located, and includes the communities along the 300 km pipeline route and access road. In 2005, Antamina prepared a four-year strategic plan to guide its efforts to ensure that the people of the region benefit directly, now and over the long term, from the activities of the mine. The resulting community development programs aim to improve the living conditions of local communities, through enhanced health and educational services, expanded infrastructure and new economic development projects.

In 2005, the Antamina community relations team worked together with the state, non-governmental organizations and the community to achieve the following significant results:

- Allocation of US\$1.5 million in core funding to the Asociación Ancash, a not-for-profit regional civil association devoted to regional sustainable development through



projects intended to preserve local cultural heritage, to promote improvements in education and health, to build capacity and to foster efficient and transparent governance.

- Launch of a US\$2.25 million Extraordinary Fund, related to “Antamina’s Support to Sustainable Development” (FEAD) (Pre-Canon Bridge Project) undertaken by Antamina and managed by Asociación Ancash in November 2005.
- Approval of 18 FEAD projects that will build capacity in the use of the Canon Minero revenues among local authorities.
- Implementation of a local employment program which put 800 people to work on 37 infrastructure improvement projects.
- Initiation of a social housing project to relocate over 30 families from substandard living conditions beside the port in the area of Huarmey. As disclosed in the GRI’s Mining Sector Supplement’s MM9 Indicator, the company follows the World Bank Operational Directive on Involuntary Resettlement which helps identify, plan, implement and monitor involuntary resettlement to minimize displacement and restore incomes.
- Commitment of US\$1.0 million per year for the next three years for the Huarmey Sustainability Fund.
- Completion of a number of projects under the Centromin Payment Fund in the areas of education, health, environmental education, water, sewage, power and other community development initiatives.

- Planning for programs for each of the provinces of Huari and Fortaleza Valley in the areas of tourism development, agriculture, health, sanitation, education and culture.
- Contribution of US\$100,000 to a local sport association in Ancash.

The operation continues to foster new forms of collaboration between government, community, non-profit groups and international agencies to build capacity and strategic frameworks, which will help to ensure the benefits from tax revenues effectively contribute to the wealth and health of local communities.

#### Awards

The 2006 Sustainable Development Prize was awarded to Compañía Minera Antamina S.A. in recognition of the Polylepis Forest Conservation and Restoration Project undertaken in Southern Conchucos. This new award, which acknowledges Antamina’s environmental performance within the direct area of influence of its operations, was presented during the celebration of the 110th anniversary of the National Society of Mining, Petroleum and Energy (SNMPE) by SNMPE President Carlos del Solar.

## SPOTLIGHT

The Polylepis Forest Conservation and Restoration Project began in 2003 with the initiation of Antamina’s Environmental department, in coordination with the Mountain Institute and the Andean Ecosystem Association (ECOAN), with the support—in management terms—of Asociación Ancash and Conservation International (CI). This project is designed to preserve Polylepis forests that are facing extinction.

The project involves the restoration and conservation of existing Polylepis forests in the area and the protection of a forest corridor in the Conchucos valley, from Huascarán National Park to Huayhuash Reserve in the region of Ancash. About 200,000 hectares, of which 50,000 are directly included in the program, are expected to benefit from the project.

Polylepis is the scientific name given to the Queña tree, a tree species native to the Andes region in South America. In the past, Polylepis forests used to cover vast areas of the country. However, according to recent estimates, only 3% of these forests remain.

# Active Closures



Kimberley, B.C., the community nearby the closed Sullivan mine

## SULLIVAN MINE

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### Operational Overview

The Sullivan mine, located at Kimberley in southeastern British Columbia, closed its doors in 2001 after 92 years of producing lead, zinc and silver. Closure activities, ongoing since 2002, continued in 2005. Reclamation of the mine site will cost \$70 million by the time it is completed late in 2006.

### Environmental Highlights

Environmental achievements for the year include:

- Completion of field investigations on Mark and Lois Creek for the Human Health and Ecological Risk Assessments (HHERA);
- Continued progress on the development of an underground mine dewatering system. The system will collect and deliver contaminated water to the Drainage Water Treatment Plant (DWTP) prior to final discharge to the St. Mary River;
- The effluent discharge at the DWTP consistently meets all B.C. MoE permit requirements;
- Re-vegetation of 141 hectares of reclaimed land, which included the planting of 54,000 woody species seedlings;

- Over 195 hectares of tailings ponds and waste dumps were covered with glacial till in preparation for further reclamation work;
- Evidence that wildlife have returned to 13-year-old reclamation sites, demonstrating the success of the reclamation program to date;
- The removal of 300 tonnes of demolition scrap from the site for recycling.

### Community Sustainability

The Sullivan Public Liaison Committee (SPLC) provides a venue for government and public input on the shutdown activities at Sullivan. In October, the SPLC reviewed the 2005 closure progress and discussed 2006 planned activities as presented by Teck Cominco. A committee actively reviews documents associated with the Human Health and Ecological Risk Assessments.

Teck Cominco also works with the City of Kimberley in its transition from a mining community to a diversified economy. The City and Teck Cominco developed kiosks and trail maps to enhance a system of integrated walking, biking and skiing trails on portions of Teck Cominco lands managed by the City. The final section of the water system owned by the Company was turned over to the City, allowing it to transfer water from one portion of the city to another.

Teck Cominco also works with the City of Kimberley's Interface Fire and Forest Management Committee to implement its Forest Management Program to reduce the risk of wildfire and improve the health of the forests.

### Safety and Health

In 2005, there was one lost-time accident in over 93,000 hours worked. A contractor re-injured his back while working underground.

We regret to report that on May 17, 2006, four people lost their lives after entering an environmental sampling shed that was later found to contain an oxygen-deprived environment. The circumstances of this tragic event were investigated by the Chief Mines Inspector of British Columbia who concluded that the accident was unprecedented. The company has implemented the Chief Mines Inspector's recommendations and is committed to providing information on this accident to other mining operations around the world to help prevent a similar accident in the future. For further information, go to [www.teckcominco.com](http://www.teckcominco.com)

## Performance Trends

	2003	2004	2005
<b>Health and Safety Statistics</b>			
Fatalities	0	0	0
Lost-time injuries (LTI)	0	0	1
Lost-time injuries (LTI) frequency	0.0	0.0	1.4
Severity	0.0	0.0	123.0
<b>Permit Compliance</b>			
Number of excursions	0	0	0
<b>Reportable Spills</b>			
Number	0	0	1
<b>Metals Released in Effluent (tonnes)</b>			
Lead	0.0059	0.0008	0.0005
Zinc	0.153	0.133	0.196
<b>Stream Water Quality—St. Marys River Zinc Concentrations</b>			
Upstream	0.0017	0.0012	0.0029
Downstream	0.0096	0.0054	0.0061
<b>Cumulative Reclamation Progress</b>			
Reclaimed (ha)	659	676	817
To be reclaimed (ha)	430	419	283
Trees/shrubs planted	11,300	0	54,000



Former tailings pond at the Sullivan mine

***Teck Cominco continues to work with the City of Kimberley in its transition from a mining community to one that enjoys a diversified economy.***

### Sullivan—Beyond the Life of a Mine, Kimberley, British Columbia

Teck Cominco works collaboratively with community stakeholders to diversify the local economy in advance of mine closure. Teck Cominco's Sullivan mine (1909–2001) gave birth and growth to the town of Kimberley, B.C. Teck Cominco has always supported the city and its citizens, most recently in its transition to a tourism economy.

Teck Cominco has made lands available for tourism infrastructure and amenities. Following a land exchange with the Province of British Columbia, 3,000 acres were developed into an integrated walking, biking and skiing trail system. Other company lands were designated for residential development. The Company, the developer, the city and local citizen groups have ensured this development will be

consistent with the broader community development plan and its values related to wildlife and recreation. Also in support of the local economy, Teck Cominco joined the provincial and federal governments to fund the Sullivan Mine and Railway Historical Society to improve the railway tour. The funds will be used to extend the existing rail line to include a 230-metre-long "underground experience" segment and provide for upgrades to the museum facilities.

In 2005, just four years after mine closure, the city tax base has shifted from industrial to resort and residential and a new economy is emerging. Kimberley now enjoys a strong foundation for mountain resort tourism and offers a unique lifestyle that makes it a popular place in which to live and work.



The Polaris mine, winner of a 2005 Award for Environmental Excellence

## **POLARIS MINE**

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### **Operational Overview**

Located on Little Cornwallis Island in Nunavut, in Canada's high arctic, the Polaris mine was the most northerly metal mine in the world. Polaris was an underground lead/zinc mine that commenced production in 1980 and closed in September 2002. In its day, the mine processed about 1 million tonnes of ore per year.

The mine closure program was based on environmental site assessment work conducted in 1999 and 2000. After extensive regulatory and public consultations, all approvals were received from Nunavut and federal authorities. The two-year, \$53 million decommissioning and reclamation program was essentially completed in September 2004. Prior to 2005, metals and hydrocarbon contaminated soils were cleaned up, materials from demolition of surface facilities and buildings were placed in a surface limestone quarry and capped, and hazardous materials from the site were transported to southern Canada for recycling or disposal. In 2005, the first full year of monitoring after completion of closure activities took place.

### **Environmental Highlights**

The primary monitoring focus is on water quality in Garrow Lake where, historically, tailings had been discharged. The 2005 inspections related to water quality in the lake confirmed concentrations of zinc at or below both the Water Licence and Metal Mine Effluent Regulations (MMER) limit of 0.5 mg/L. Zinc and lead concentrations are expected to gradually decline now that tailings deposition has ceased.

A geotechnical inspection of the decommissioned dam confirmed that its slopes are stable and are not being eroded.

The operation removed 50% of site litter that remained after reclamation was completed. The balance will be removed in 2006.

### **Community Sustainability**

The nearest community, made up of fewer than 200 Inuit people, is Resolute Bay, located approximately 100 kilometres southeast of the mine. During operation, the mine held regular meetings with the Hamlet Council and local residents. Since closure, Teck Cominco continues to keep the community informed of monitoring activities.

## **SPOTLIGHT: POLARIS WINS ENVIRONMENTAL AWARD**

Teck Cominco Limited received the 2005 Award for Environmental Excellence from the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories and Nunavut (NAPEGG). This award was given for the Company's work during the demolition and reclamation of the Polaris mine site. The reclamation operation demonstrated environmental leadership under challenging conditions and set a high environmental standard for other mine and industrial operators to follow in the Canadian North.

*Teck Cominco has developed a rigorous corporate audit assurance program. All operations are audited once every 3 years and must report quarterly on the status of audit action commitments.*

A view of reclaimed land at Line Creek (Elk Valley Coal Partnership), one of the sites that the Teck Cominco corporate office audited for compliance in 2005.



Fertilizing the Quintette tailings area

## QUINETTE

British Columbia, Canada  
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### Operational Overview

The Quintette mine is situated in the eastern foothills of the Rocky Mountains, approximately 22 kilometres from Tumbler Ridge, B.C. The mine produced 67 million tonnes of high quality metallurgical coal from 1983 until its closure in August 2000. Three separate areas have been mined, two at high elevation and the other in the Murray River valley. Since the mine closure, the focus of activity has shifted to reclamation, salvage and demolition.

In February of 2003, Elk Valley Coal Partnership (EVCP) assumed possession of the plant site portion of the Quintette property. On December 31, 2004, the remainder of Quintette's assets were transferred to EVCP. However, Teck Cominco continues to be responsible for reclamation of all disturbed areas, excluding the plant site. One staff person is employed at this site.

### Environmental Highlights

During the year, the B.C. MoE approved decommissioning plans for two of the sedimentation ponds. Reclamation efforts took place at the ponds along with landscaping of a few miscellaneous areas of one of the pits.

Approximately 12,000 m<sup>3</sup> of contaminated waste were sent for remediation and another 300 tonnes of special waste were moved off-site to an approved facility.

The MoE requested that a property-wide monitoring program be conducted to assess sediments and biological communities potentially exposed to selenium and other contaminants. A sampling plan was approved and completed in 2005. The results of the program will be reported in 2006. A water quality sampling program for metals was also initiated in 2005 and will be completed in 2006.

A comprehensive contaminated sites investigation program was conducted in 2005 and will be completed in 2006/2007.

A total of 27 hectares was seeded during the year. At the end of 2005, 91% of the disturbed area was reclaimed, leaving 312 hectares to be reclaimed. Over 20,000 willow cuttings were planted in the tailings impoundment areas in 2005.

The islands of native plants established in the high elevation pits are being monitored through a study by EBA Engineering Consultants Ltd. of Calgary. Results of the study indicate that the plants are sustaining themselves and are producing seed. Maintenance of the islands and planting of additional islands will be considered in the future to ensure the success of the program.

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***At the Quintette mine site,  
91% of the disturbed area  
has been reclaimed so far.***

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## BULLMOOSE

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### Operational Overview

The Bullmoose mine, located near Tumbler Ridge, B.C., in the eastern foothills of the Rocky Mountains, produced 34 million tonnes of high quality metallurgical coal from 1983 until its closure in April 2003. Teck Cominco, which operated the mine, owns 61%, BHP-Billiton 29% and Sojitz Corporation 10%. Activities in 2005 consisted of salvage, demolition of infrastructure and reclamation of disturbed areas of the property. Three staff people are employed at this site.

### Environmental Highlights

During the year, reclamation activities focused on completing the demolition of the plant site and main shop facilities. Relocation of demolition waste to the landfill was completed in September 2005.

Landscaping and seeding were performed on 39 hectares, and 5,000 willow cuttings were planted in the tailings pond. At the end of 2005, 97% of the disturbed area at the site had been reclaimed. The remaining reclamation work consists of the rail load out facility (24 ha) and the plant site area (6 ha).

Bullmoose has completed a selenium monitoring program to assess sediments, water and biological communities potentially exposed to selenium and other contaminants. The operation also conducted a comprehensive contaminated sites investigation program, which will be completed in 2006.



Reclamation efforts continue at the former Bullmoose mine

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***At the end of 2005, 97% of  
 the disturbed area at the site  
 had been reclaimed.***

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## SPOTLIGHT

The reclamation objective at the Bullmoose mine is the re-creation of wildlife habitat. Reclamation has progressed to the point where the majority of the landscaping and re-vegetation was complete by the end of 2005. Wildlife habitat has been re-created by using proven reclamation techniques including contouring, and re-vegetation with agronomic species, as well as planting of conifers and willow cuttings. During 2005, wildlife usage increased. A resident pack of wolves denned near a reclaimed dump and were seen throughout the summer and fall seasons. The area is also frequented by mule deer and caribou, and marmots have taken up residence in several areas.

# Historic and Dormant Sites



Pinchi Lake near Fort St. James, B.C.

Abandoned mines have been drawing increased international attention due to concerns over their environmental and social impacts. Teck Cominco recognizes the importance of this issue and accepts responsibility for the conditions at older mining and industrial operations that were created by the Company and its predecessors. Given the long tenure of our Company, we have many properties under care and maintenance, some of which can be classified as true historic operations.

We currently have more than 25 former mines and industrial properties under active care and management. They are located in eight provinces and territories in Canada and six states in the United States. Programs at these sites range from large-scale remediation and reclamation projects to monitoring and assessment. Virtually all activities are being undertaken voluntarily, either independent from or under agreements with regulatory authorities. Expenditures on the program in 2005 exceeded \$9 million.

The following summaries provide examples of activities carried out at some of our properties in 2005:

## **Churchill Copper Mine**

The 2005 Citation for Outstanding Achievement for Reclamation at a Metal Mine was awarded to Teck Cominco Limited and the former Ministry of Sustainable Resource Management by the B.C. Technical & Research Committee on Reclamation for the Muskwa Kechika Joint Project. The Muskwa Kechika Joint Project involved the further reclamation of the Churchill Copper mine and the Wokkpash Corridor Access Route. The Churchill Copper mine operated

in the 1960s and intermittently in the 1970s and was later acquired by Teck Cominco through the purchase of another company. The mine included a millsite and several tailings ponds located on the banks of the Racing River.

Previously, Teck Cominco had reclaimed the mine in accordance with the requirements of an early reclamation permit. The government retained responsibility for the Wokkpash Corridor Access Route as it was left in place to facilitate future development in the area. However, over time the Racing River continued to erode the tailings, redistributing garbage buried within them. The mine openings, road and bridges became a safety hazard. The site did not meet the standards of this special management area.

Since the British Columbia government had responsibility for the road, an equal cost-sharing agreement was established, with Teck Cominco conducting the work under contract to the Ministry of Sustainable Resource Management. The program, conducted over 57 days during the summer of 2004, included relocating the Racing River landfill to the mill building area, moving most of the remaining tailings from the North Tailings Pond to above the river flood plain, and covering, seeding and fertilizing of the mill site and mine areas. The approach to the ore dump was excavated and four adits were in-filled for public safety. Bridges were dismantled and piers removed at the Racing River, Wokkpash Creek and MacDonald Creek crossings. All of the steel was buried and the approaches were recontoured and seeded. The Wokkpash Area Access Route was also narrowed in several locations to allow access for ATVs only, consistent with the requirements of the management area.

## **Pinchi Lake Mine**

This former mercury mine at Pinchi Lake near Fort St. James, B.C., had two periods of operation in 1940–44 and 1968–75. The first period of war-time operation employed crude methods of mercury recovery that resulted in mercury contamination of sediments in Pinchi Lake, the signature of which is still reflected in elevated levels of mercury in lake trout today. During the second period the mine was operated with more efficient processing methods and environmental controls.

The Company has been conducting studies related to mercury concerns and remediation/reclamation projects at the mine and in the area for a number of years but under a less than satisfactory relationship with two local First Nations. This difficulty continued in the early part of the year, but relations improved dramatically when all parties agreed to negotiate a protocol establishing a cooperative path forward on issues concerning the Pinchi Lake mine closure. This protocol was subsequently signed and under full implementation by June 2006.



During the year, the remediation of two lagoons associated with the more modern operation was completed and monitoring in the lake following a spill in late 2004, confirmed no detrimental impacts. Additional field studies to support ecological risk assessment related to the mine were carried out, the results of which are being fully shared with the First Nations.

**Port McNeill Site**

This property located on the shore near Port McNeill, B.C., on northern Vancouver Island is owned by another party but was used as a copper concentrate storage facility associated with the Benson Lake mine that operated between 1962 and 1972. Activities on the property resulted in significant copper contamination of soils. Since 2000, Teck Cominco has carried out assessments, and in 2004 the first phase of remediation involved the excavation and removal of about 16,000 tonnes of contaminated soils for disposal, under permit, in the Highland Valley Copper (HVC) tailings pond.

In 2005, the final phase of this complex remediation program was completed, with 15,000 tonnes of contaminated soils being removed and shipped to HVC. A risk assessment, to be carried out in 2006, will allow for industrial/commercial use of the Port McNeill property by the owner.

**Howey Mine**

This underground gold operation was the first producing mine in the Red Lake area of Ontario, Canada, and is located within the municipal boundaries of the community of Red Lake, which owns surface rights over the mine. Reclamation work and ground stability assessments were carried out at the mine through to the late 1990s.

Although public safety responsibilities at this former mine are shared with the community of Red Lake and the Ontario government, the latter requested in 2004 that Teck Cominco prepare a closure plan for the mine that addressed public safety risks from potential ongoing subsidence of underground workings. This plan, which includes the re-routing of a public road, was prepared in 2005 and will be submitted for approval in 2006.

**Viburnum Trend Haul Road Clean-up**

Teck Cominco owned the former Magmont lead/zinc/copper mine in Missouri, U.S., that operated between 1968 and 1994. This operation and mines of other companies shipped concentrates by truck to smelters and trans-shipment points over local county roads in the area. Investigations by the State of Missouri and the U.S. EPA in the 2002-03 period identified levels of lead that were elevated above criteria in yards adjacent to the roads.



Shari Weech, PhD Researcher, funded to work with eagles at Pinchi Lake

Since 2004, a group of the companies involved in the concentrate shipments has been cooperating to address the concern. Early in 2005, this group reached agreement with the U.S. EPA on the path forward and by the end of the year in excess of 14,000 tonnes of contaminated soil were removed from the yards that were a priority.

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***Given the long tenure of our Company, we have many properties under care and maintenance, some of which can be classified as true historic operations.***

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# Exploration



Ramón Corlango, Field Assistant, Sonora, Mexico

Teck Cominco’s global exploration activities are conducted from 11 exploration offices with the objective to provide the Company with high quality growth opportunities through the discovery or acquisition of economic mineral deposits. Globally, there are 137 full-time staff persons assigned to exploration.

Recognizing that mineral exploration often takes place in new, highly diverse and rapidly changing regions, and that in many cases this may be a local community’s first exposure to the minerals industry, it is imperative that work be carried out with key sustainability pillars governing all efforts. To Teck Cominco, those pillars are economic achievement, excellence in environmental performance and meaningful social contribution.

**Customized Health and Safety Guidelines have been developed that recognize the unique elements of exploration work.**

## ENVIRONMENTAL, HEALTH AND SAFETY PROGRAMS

Teck Cominco’s Environment, Health and Safety (EHS) Management Standards have been distributed to all exploration offices. In collaboration with the Environment Group, EHS reviews are being conducted at all exploration offices and representative project sites to assist in the implementation of the standards and to ensure the benefits of compliance with these standards are realized. In 2005, an EHS review was successfully completed at the Perth, Australia office and near the Lennard Shelf project site. Further reviews are planned in 2006.

## RECLAMATION AND CLOSURE

Reclamation programs designed to meet corporate standards are conducted before all exploration properties are relinquished. In many cases, exploration properties require ongoing reclamation activities during active exploration. For example, at the Morelos project in Mexico, regular road grading and establishment of drainage structures are required to mitigate erosional effects caused by the wet-dry seasonal cycle. Active road maintenance and monitoring are conducted to avoid road wash-out during break-up at the Kudz Ze Kayah project in northern Canada due to the freeze-thaw conditions in the region.

## ENVIRONMENTAL, HEALTH AND SAFETY PROCEDURES

Attention to Environmental, Health and Safety issues is a priority for the Exploration Group. EHS Coordinators are present in each exploration office and are involved in ensuring safe practices by providing training as well as monitoring and reporting EHS performance. The Exploration Group’s strong commitment to EHS issues is evident in the statistics shown below. Exploration has met or exceeded annual targets and continues to strive for improvement.

### Exploration—Health and Safety Record

Year	LTI Frequency*		LTI Severity*	
	Target	Actual	Target	Actual
2002	2.6	2.5	26	22
2003	2.3	2.0	23	14
2004	2.1	1.7	20	10
2005	1.9	1.5	18	2
2006	1.7		16	

\* Denotes number of lost-time injuries and number of days lost respectively, per 200,000 work hours.

## EMERGENCY PREPAREDNESS

Customized Health and Safety Guidelines have been developed that recognize the unique elements of exploration work. Background information and standard reporting formats ensure that exploration personnel are prepared and able to respond effectively to emergencies, accidents and incidents. In collaboration with the Corporate Risk and Insurance Group, personnel are educated, trained and provided with the tools needed to work safely in diverse environments throughout the world.

## ENGAGING AND CONTRIBUTING TO COMMUNITY RELATIONS

The engagement of and contribution to communities has become an operational directive for Teck Cominco and is extremely important to the Exploration Group. Whether it is providing educational presentations to youth in Vancouver or conducting community information sessions in locations such as Ross River, Yukon, or Holman, Northwest Territories (N.W.T.), the Exploration Group actively engages those with interests in our activities and in the regions where we work. As much as possible, local employment opportunities are maximized and, in many cases, training is provided. When open communication lines are created, they provide an important two-way opportunity to learn how local communities can benefit from exploration activities in the area.

Recent examples of this collaborative approach include:

### **R15/Kudz Ze Kayah, Yukon Territory, Canada**

At the R15 polymetallic project, Teck Cominco has entered into an innovative agreement that allows for exploration work to be conducted on lands subject to the Land Claims process. Both the government and the local communities have concerns with the regional caribou populations. Teck Cominco has responded to these concerns and voluntarily is assisting by providing qualified local personnel and funds to aid caribou herd monitoring.

On the adjoining Kudz Ze Kayah property, the initial road lease was subject to extensive community consultation. As a result of these consultations and as a condition of the road lease, Teck Cominco provides a security gatehouse to limit road access. In addition, Teck Cominco is responsible for road maintenance and reclamation.



Exploration and EHS Review personnel in R15 drilling area

### **Victoria Island, N.W.T./Nunavut, Canada**

At the Victoria Island diamond project, local residents have been hired to specifically monitor wildlife and to assess wildlife populations in the tundra environment. Community consultation with a number of local groups remains a significant priority to ensure all interested parties are informed of our progress.

### **Morelos, Guerrero, Mexico**

At the Morelos gold project, the Company's proactive community engagement initiatives provide the local community with an understanding of the exploration process. Reception from local communities is open and friendly.

Similar experiences have also occurred at the Company's exploration operations in Australia, Peru, Turkey and the United States.

# Glossary of Terms

## **CERMC**

Corporate Environment and Risk Management Committee

## **CIJVC**

Canadian Intermountain Joint Venture of the North American Bird Conservation initiative

## **CO<sub>2</sub>e**

Carbon dioxide equivalents

## **e-scrap**

Electronic waste such as cellular phones, computers and fax machines

## **EHSMS**

Environmental Health & Safety Management Standards

## **EMS**

Environmental Management System

## **EPA**

Environmental Protection Agency

## **G3**

The draft version of the GRI's Guidelines (third generation) used for this report.

## **GHG**

Greenhouse Gases

## **GRI**

Global Reporting Initiative

## **Human Rights**

Human rights refers to the concept of human beings as having universal rights, or status, regardless of legal jurisdiction or other localizing factors, such as ethnicity, nationality, and sex.

## **ICMM**

International Council on Mining and Metals

## **ILO**

International Labour Organization

## **Indigenous peoples**

Cultural groups and their descendants who have a historical association and continuity to a particular region or part of a region. They have a cultural identity and as minorities may be vulnerable to current social and economic systems.

## **Indirect Economic Impacts**

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

## **ISO 14001**

International standard for environmental management systems

## **Licence to operate**

Earning, securing and maintaining trust from the communities in which we operate and from regulators in order to conduct present and future business operations.

## **Life-cycle Analysis**

A full assessment of a product's lifespan, from mining the product to process and function.

## **lpm**

Litres per minute

## **LTI**

Lost-time injuries

## **MABC**

Mining Association of British Columbia

## **MAC**

Mining Association of Canada

## **MDGs**

Millennium Development Goals are eight goals that all 191 United Nations member states have agreed to try to achieve by the year 2015.

## **MoE**

Ministry of Environment

## **NEIC**

National Enforcement Investigation Centre

## **NGO**

Non-governmental organization

## **NPRI**

National Pollutant Release Inventory

**OHSAS 18001**

OHSAS 18001 is an Occupational Health and Safety Assessment Series for health and safety management systems.

**PTC**

Product Technology Centre

**PM-10**

Particulate matter less than 10 microns

**Stakeholders**

Any people or group of people that may be affected positively or negatively by the financial, environmental (including health and safety) and social aspects of our operations.

**Sustainability**

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs—as defined by the World Commission on Environment and Development (Bruntland Commission), 1987.

**TCL**

Teck Cominco Limited

**TRI**

Toxic release inventory

**TSM**

Towards Sustainable Mining is a strategy for improving the mining industry’s performance by aligning its actions with the priorities and values of Canadians.

**Universal Declaration of Human Rights**

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

**UNGC**

United Nations Global Compact is an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on them.

**CONVERSION FACTORS**

Unit Definitions & Conversion Factors	
<b>t</b>	tonnes (1,000 kg)
<b>kt</b>	kilotonnes (1,000 tonnes)
<b>mg</b>	milligram (0.01 g)
<b>µg</b>	microgram (0.000001 g)
<b>ppm</b>	parts per million
<b>L</b>	litre
<b>m<sup>3</sup></b>	cubic metre (1,000 L)
<b>GJ</b>	gigajoule (10 <sup>9</sup> joules)
<b>TJ</b>	terajoule (10 <sup>12</sup> joules)
<b>kWh</b>	kilowatthour (0.0036 GJ)
<b>GWh</b>	gigawatthour (10 <sup>6</sup> kWh)

Greenhouse Gas Conversion Factors for Fuel				
	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	GJ
Diesel	2730 g/L	0.12 g/L	0.1 g/L	38.68 GJ/m <sup>3</sup>
Gasoline	2360 g/L	0.19 g/L	0.39 g/L	34.66 GJ/m <sup>3</sup>
Natural gas	1880 g/m <sup>3</sup>	0.048 g/m <sup>3</sup>	0.02 g/m <sup>3</sup>	0.03723 GJ/m <sup>3</sup>
Propane	1530 g/L	0.03 g/L		25.53 GJ/m <sup>3</sup>
Heavy fuel oil	3090 g/L	0.12 g/L	0.013 g/L	38.68 GJ/m <sup>3</sup>
Coal	2110 g/kg	0.015 g/kg	0.05 g/kg	30.5 GJ/t
Coke	2480 g/kg	0.12 g/kg		28.83 GJ/t

Source: Mining Association of Canada

Carbon Dioxide Equivalents (CO <sub>2</sub> e) <i>A measure of global warming potential</i>	
1 tonne carbon dioxide (CO <sub>2</sub> )	1 tonne CO <sub>2</sub> e
1 tonne methane (CH <sub>4</sub> )	21 tonnes CO <sub>2</sub> e
1 tonne nitrous oxide (N <sub>2</sub> O)	310 tonnes CO <sub>2</sub> e

Source: Government of Canada

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## **Keith E. Steeves, 74**

*Chartered Accountant*

Officer of Teck Corporation 1981–1996. Senior Vice President Finance and Administration at Bethlehem Copper Corporation until 1981. Member of the British Columbia and the Canadian Institutes of Chartered Accountants and the British Columbia and the Canadian Financial Executives Institutes. (2), (4)

## **Donald R. Lindsay, 48**

*Queens Univ. (B.Sc., Honours)  
Harvard Business School (M.B.A.)*

Appointed President of Teck Cominco Limited in January 2005, a Director in February 2005 and Chief Executive Officer in April 2005. Director of Fording (GP) ULC. Former President, CIBC World Markets Inc. 2001–2004. Head, Asia Pacific Region, CIBC 2000–2004. Head, Investment and Corporate Banking, CIBC World Markets Inc. 1997–2004. Head, Global Mining Group, CIBC World Markets Inc. 1989–2004. (1)

## **Jalynn H. Bennett, 63**

*Univ. of Toronto (B.A. Economics)*

President of Jalynn H. Bennett and Associates Ltd. Director of CIBC, Nortel Networks Limited, Nortel Networks Corporation and Cadillac Fairview Corporation Limited. Director of the Hospital for Sick Kids Foundation; a Member of the Lawrence National Centre for Policy and Management Advisory Council, Richard Ivey School of Business and the Canadian Millennium Scholarship Foundation. (2)

## **Chris M. T. Thompson, 58**

*Rhodes Univ., SA (B.A. Law & Economics)  
Bradford Univ., UK (M.Sc.)*

CEO and Chairman of the Board of Gold Fields Ltd. 1998–2002. Chairman of the Board of Gold Fields Ltd. until November 2005. Chairman of the World Gold Council 2002–2005. (1), (2), (5), (6)

## **Derek Pannell, 60**

*Metallurgical Engineer  
Imperial College, London, England (B.A. Sc)  
Honorary Professor of the Universidad Nacional de Ingeniería, Lima, Peru*

Chief Executive Officer of Noranda and Falconbridge Limited from June, 2002 to October, 2006. President and Chief Operating Officer for Noranda Inc. between September 2001 and June 2002. Former Chair of the Mining Association of Canada and Board member of the International Council on Mining and Metals. (6)

## **David A. Thompson, 67**

*London School of Economics (B.Sc. Econ.)  
Harvard Business School (Advanced Management Program)*

Currently serving as Co-chair B.C. Competition Council. Deputy Chairman and Chief Executive Officer of Teck Cominco 2001–2005. President and Chief Executive Officer of Cominco 1995–2001. Director of Teck Corporation since 1980 and Cominco since 1986. Director of Fording (GP) UCL. Co-managing Director of Messina (Transvaal) prior to joining Teck in 1980 as Chief Financial Officer. (4)

## **Hugh J. Bolton, 68**

*Chartered Accountant  
Univ. of Alberta (B.A. Economics)*

Currently Chairman of Epcor Utilities Inc. Chairman and CEO of Coopers & Lybrand Canada 1991–1998. Managing Partner of Coopers & Lybrand Canada 1984–1990. Director of the Toronto Dominion Bank, Canadian National Railway Company, WestJet Airlines Ltd., Matrikon Inc. and the Alberta Shock Trauma Air Rescue Society (STARS). (2)

## **Takuro Mochihara, 61**

*Univ. of Tokyo, Faculty of Law*

Currently General Manager, Projects, Minerals Resource Division & Non-Ferrous Metal Division of Sumitomo Metal Mining Co. Managerial positions at Mitsubishi Canada Ltd. and Mitsubishi Corp. 1986–2000. (1)

## **NOTES:**

- (1) Member of the Executive Committee of the Board
- (2) Member of the Audit Committee of the Board
- (3) Member of the Compensation Committee of the Board
- (4) Member of the Pension Committee of the Board
- (5) Member of the Corporate Governance & Nominating Committee of the Board
- (6) Member of the Environment, Health & Safety Committee of the Board

\* Directors in place at the date of issuance of this report.

# Officers\*

**Norman B. Keevil**

Chairman

**Robert J. Wright**

Deputy Chairman of the Board and Lead Director

**Donald R. Lindsay**

President and Chief Executive Officer

**Peter Kukielski**

Executive Vice President and Chief Operating Officer

**Douglas H. Horswill**

Senior Vice President, Environment and Corporate Affairs

**G. Leonard Manuel**

Senior Vice President and General Counsel

**Ronald A. Millos**

Senior Vice President, Finance and Chief Financial Officer

**Peter C. Rozee**

Senior Vice President, Commercial Affairs

**Ronald J. Vance**

Senior Vice President, Corporate Development

**Michael E. Agg**

Vice President, Refining and Metal Sales

**Michael J. Allan**

Vice President, Engineering

**Dale E. Andres**

Vice President, International Mining

**Fred S. Daley**

Vice President, Exploration

**Michel P. Fillion**

Vice President, Environment, Health and Safety

**Gary M. Jones**

Vice President, Business Development

**Robert G. Scott**

Vice President, North American Mining

**Andrew A. Stonkus**

Vice President, Concentrate Marketing

**John F. H. Thompson**

Vice President, Technology

**James A. Utley**

Vice President, Human Resources

**Gregory A. Waller**

Vice President, Investor Relations and Strategic Analysis

**Karen L. Dunfee**

Corporate Secretary

**Howard C. Chu**

Controller

**Lawrence A. Mackwood**

Treasurer

**Anthony A. Zoobkoff**

Assistant Secretary

\* Officers in place at the date of issuance of this report.

*The 2005 Teck Cominco Sustainability Report has been prepared by Teck Cominco Limited based on data drawn from internal sources (draft annual report, consolidated Group report, proprietary reports and other Company documents), applying the indicators and standards of the Global Reporting Initiative's G3 Draft Guidelines. The document has not been independently assured.*

*Unless otherwise indicated, information in this report is accurate to December 31, 2005. For more recent information, please refer to Teck Cominco's public disclosure available on our website at [www.teckcominco.com](http://www.teckcominco.com)*

*The matters discussed in this report may include forward-looking statements that involve risks and uncertainties. These forward-looking statements are based on estimates and assumptions made by management of the Company and are believed to be reasonable, though inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements.*

*GRI has not verified the contents of this report, nor does it take a position on the reliability of information reported herein. For further information about GRI, visit [www.globalreporting.org](http://www.globalreporting.org).*

**teckcominco**

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