Horizons

2017 Sustainability Report

Teck

About This Report

Teck's 2017 Sustainability Report marks our 17th year of annual reporting on the economic, social and environmental topics that are most material to our stakeholders and to our business. Available in English and Spanish, our report is in Core accordance with the Global Reporting Initiative (GRI) Standards and G4 Mining and Metals Sector Disclosures, and is aligned with the principles of integrated reporting. Our 2017 Annual Report provides further detail on our financial and operational performance.

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

This report has been reviewed and approved by Teck's senior management team and Board of Directors.

Assurance

PricewaterhouseCoopers LLP independently reviewed our application of the GRI Standards and the alignment of our practices with the International Council on Mining and Metals (ICMM) 10 Principles, guided by the ICMM Assurance Procedure. See pages 99–101 for their assurance letter. PricewaterhouseCoopers LLP is also Teck's independent auditor.

Learn More

In an effort to make our report more concise and reader-friendly, additional information about our approach to managing various sustainability topics is available on our website at www.teck.com/responsibility. Content such as our GRI Index and Glossary is also available online. See Methodology and Restatements on page 98 for information about our reporting scope.

Contact

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

On the Cover: Aaron Sangha, Geotechnical Engineer, testing rock hardness at Highland Valley Operations. Pictured above: Fording River Operations, British Columbia.

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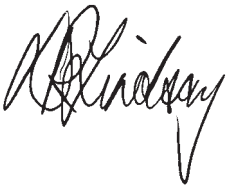
Icons Used in This Report

This icon denotes how our activities are aligned with the UN Sustainable Development Goals (SDGs). Learn more about our work towards the SDGs on page 12.

This icon denotes where readers can learn more about our material topics from internal and external publications.

Message from the CEO



Donald R. Lindsay
President and Chief Executive Officer
Vancouver, B.C., Canada
April 26, 2018

It was 105 years ago that Teck was first formed to develop a gold deposit on the shores of Kirkland Lake, Ontario. Since that time, we've grown to become Canada's largest diversified resource company, with nearly 10,000 employees in operations worldwide providing products that are essential to improving people's quality of life: steelmaking coal, copper, zinc and energy.

Now, more than ever, major shifts like massive urbanization, a rapidly growing middle class and the transition to a low-carbon economy are driving increasing demand for the metals and minerals we produce. For example, the average electric vehicle requires four times the copper of a standard vehicle. Meeting that demand in a responsible and sustainable way is essential to the continued growth and success of our business.

Economic Progress

In 2017, we achieved record revenues of $12.0 billion and record cash flow from operations of $5.1 billion, thanks to continued strong prices for our products and solid operating results. This performance was despite some challenges during the year as outlined in my letter in the 2017 Annual Report. During the 12 months ended December 31, 2017, we exceeded the record we set in 2011, when commodity prices for steelmaking coal and copper were significantly higher, and it serves to reinforce the results of our ongoing focus on productivity and cost control at our core assets.

In January this year, we reached a significant milestone for our energy business unit, achieving first oil at our Fort Hills oil sands mining and process operation, a partnership with Suncor Energy and Total E&P. Fort Hills is a long-life asset that will generate significant value for our company for decades to come. It's important to note that life cycle carbon intensity for the Fort Hills product is projected to be lower than approximately half of the oil currently refined in North America.

Health, Safety & Sustainability

Nothing is more important than the health and safety of our people and I am proud to report that in 2017 we had our best-ever safety performance. Total Recordable Injury Frequency was down by 12% compared to the previous year, Lost-Time Disabling Injury Frequency and High-Potential Incident Frequency both declined by 14%, and we had no fatalities. Despite our progress, there was a fatal accident at our Fording River Operations in southeastern British Columbia in April 2018. This tragic occurrence reminds us that we cannot let our focus on safety waiver as we work towards our vision of everyone going home safe and healthy every day. We are learning all that we can from this occurrence, and we are increasing our focus on identifying and addressing the root causes of serious incidents.

At Teck, we make sustainability a part of everything we do, because we know that responsible mining and mineral development are fundamental to our current and future success. In fact, strong sustainability performance is a competitive advantage. It helps to build community support and acceptance for our operations and projects, reduce costs and create more efficient operations.

In 2017, we were able to advance our work in sustainability and strengthen our safety performance, all while achieving record revenues and cash flow. For example, we reduced energy use by 582 terajoules and greenhouse gas emissions by 281 kilotonnes, improved the diversity of our workforce with women comprising 29% of new hires, we continued to implement water quality improvement measures at our operations in the Elk Valley and we reused water at our operations an average of four times.

Collaborating for the Future

Through our membership and work with external organizations, we contribute to improving responsible resource development practices, which will help solve global sustainability challenges. This includes working with the United Nations Global Compact, the International Council on Mining and Metals Sustainable Development Framework, and the Mining Association of Canada's Towards Sustainable Mining initiative, among others. Through these collaborations, we have also expanded on our work to contribute and advance the United Nations Sustainable Development Goals. See case studies throughout this report for examples of how our activities support achieving these goals.

Despite our strong performance in 2017, we know there is more work to be done to advance our sustainability strategy in a changing world. This is reflected in the theme of our 2017 Sustainability Report, *Horizons*. As we look to the future, we are focused on continually improving our performance and building on our contributions to making a better world.

A Conversation with Marcia Smith

Senior Vice President, Sustainability and External Affairs

Why is sustainability important for Teck?

Mining is a transformative business, which gives us the ability as individuals and as a company to change our world for the better. The materials we produce – copper, zinc, steelmaking coal and energy – are the building blocks of society, and contribute to a better quality of life for people around the world. For us, strong sustainability performance means responsibly producing these materials while also being good neighbours in the communities near our operations. It means taking care of the land and natural resources around us. And, it means doing our part to make the world a better place because that's important to all of us. That is why sustainability is a core value at Teck—it is fundamental to everything we do.

What is Teck's approach to managing sustainability risks and opportunities?

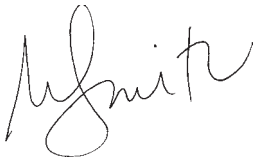
We focus on six critical topics: Community, Water, Our People, Biodiversity, Energy and Climate Change and Air. For each area, we've established goals that we want to reach in five years, and we've set out a longer-term vision that we want to achieve by 2030. This keeps us focused and motivated, and gives us the ability to keep track of how we are doing and to report on our progress to others.

What are some of the major sustainability issues that Teck was focused on in the past year?

Around the world, the biggest issue is how to have a strong economy that produces less carbon pollution. This is an important challenge for the mining industry and for Teck. We are constantly looking for ways to do things differently to make our business more energy efficient and to use cleaner sources of energy. We're also very focused on responsible use of water and strengthening our relationships with Indigenous Peoples. We listen carefully to the concerns of others and always look to improve how we operate.

What is Teck doing to fight climate change?

We're a big source of GHG emissions and we see plenty of opportunity to build on the 9% emissions reduction we have achieved since 2011. Probably the greatest impact we could see in the near-to-medium term would come from the development of zero emission mining equipment to substantially reduce or even eliminate our use of diesel fuels. In the meantime, we are proud to operate in regions, such as B.C., where we are able to source more than 90% of our electricity from renewables. Over half of our operations are in jurisdictions where carbon emissions are taxed, which we support. Taxing carbon emissions acts as an incentive for companies like ours to find ways to reduce the amount of carbon we emit. We support a lot of policy work with governments in this area—and we're working to keep them focused on the fact that change needs to happen in competing jurisdictions at the same time. Otherwise, the result will be that those operations paying the taxes become less competitive than their peers, jobs will be lost locally and the emissions will occur in jurisdictions that don't pay carbon taxes.



Marcia Smith
Senior Vice President,
Sustainability and External Affairs
Vancouver, B.C., Canada
April 26, 2018

Water stewardship is another major global challenge. What is Teck's approach to water?

Access to water is a human right. People need it to live. Farmers need it to produce food to sustain life. The planet needs water for survival. Companies' use of water, including ours, needs to embrace these principles.

Water issues at our sites vary. In Chile, water is scarce and people are concerned about how much water is needed for mining operations and where the water comes from. We're currently working on our Quebrada Blanca Phase 2 project where the plan is to build a desalination plant so we can use seawater rather than freshwater that can be used for other purposes.

In other parts of our business—at our steelmaking coal sites for example—our neighbors want to know that we are protecting water quality. We're putting a lot of time and resources into studying and improving our approach to make sure the health of our shared watersheds is maintained.

How is Teck working to advance relationships with Indigenous Communities?

The United Nations has adopted the Declaration on the Rights of Indigenous Peoples. It includes specific reference to the free, prior and informed consent of Indigenous Peoples as a pre-requisite for activities of companies like ours, and we embrace this as outlined in our Indigenous Peoples Policy.

We have agreements with Indigenous Peoples at all our mining operations that are within or adjacent to their territories. This requires us to maintain and develop skills and processes that in the past wouldn't have been part of how a mining business is run. There is no doubt in our minds that this is the right direction.

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

We view Indigenous People as partners in responsible resource development. We don't look at engagement with Indigenous communities as a cost, a burden or something else we have to do. Indigenous Peoples are active partners in our industry and play a key role in our future success. According to the Canadian Council for Aboriginal Business, Indigenous businesses contribute more than $12 billion to the Canadian economy, including working with our operations as suppliers and contractors.

What is Teck doing to promote inclusion and diversity in your workforce?

As a woman in a business traditionally dominated by men, I am a big believer in the value of having different experiences and perspectives around the decision-making table. More diverse inputs simply make for more informed outputs and, we believe, better outcomes. In 2017, women comprised 29% of our total hires. While this is step forward, women still make up only 17% of our workforce. We know there is much more work to be done. We've been retooling our recruitment practices, training managers in subjects like unconscious bias, and making a concerted effort to have more Indigenous Peoples join our company and help shape our thinking for the future.

What is next for sustainability at Teck?

Technology and innovation is poised to reshape nearly every aspect of our industry and sustainability is no exception. New ideas, new tools and new techniques have the potential to dramatically improve our sustainability performance. Ideas like zero emission haul trucks, and using natural processes to treat water and electrostatic fields to eliminate dust, are no longer fiction. All of these ideas, and more, are under active development at Teck. By embracing technology and innovation, and bringing these ideas to life, we intend to drive step changes in our sustainability performance.

Recognition in 2017

- Named to the Dow Jones Sustainability World Index for the 8th straight year
- Listed on the Euronext Vigeo World 120 Index
- Named to the Bloomberg Gender Equality Index
- Ranked on the Corporate Knights Best 50 for the 11th straight year
- Canada's Top 100 Employers by Mediacorp.
- Canada's Most Admired Corporate Cultures by Waterstone Human Capital
- CN EcoConnexions Award in recognition of railway carbon emissions reduction
- Global Compact Network Canada Gender Equality Award
- 2017 Towards Sustainable Mining (TSM) Leadership Awards from the Mining Association of Canada for Cardinal River, Greenhills and Trail operations
- Hardrock Mineral Environmental Award by the U.S. Bureau of Land Management for our closed McCracken mine
- Responsible Business Award for Sustainability Report of the Year by Ethical Corporation
- CPA Canada Award of Excellence in Sustainability Reporting and Platinum Award for Financial Reporting, Corporate Governance Disclosures and Electronic Disclosure
- Finance and Sustainability Initiative Award for Best Sustainability Report
- Listed on the MSCI World ESG Leaders Index

Who We Are, Where We Operate and How Our Products Are Used

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

Operations and Major Projects:

Steelmaking Coal
1. Cardinal River
2. Steelmaking coal sites in B.C.
   - Fording River
   - Greenhills
   - Line Creek
   - Elkview
   - Coal Mountain

Copper
1. Highland Valley Copper
2. Antamina
3. Quebrada Blanca (including Quebrada Blanca Phase 2 project)
4. Carmen de Andacollo
5. NuevaUnión

Zinc
1. Red Dog
2. Trail Operations
3. Pend Oreille

Energy
1. Fort Hills
2. Frontier

Corporate Head Office
- Vancouver

Operation | Project

Our Business Units

Steelmaking Coal

We are the world's second-largest seaborne exporter of steelmaking coal, with six operations in Western Canada with significant high-quality steelmaking coal reserves.

How is it used?

Steelmaking coal is an essential ingredient in the primary production of steel. Also called metallurgical or coking coal, it is necessary for building infrastructure, such as rail, bridges and schools, and for improving the quality of life for people around the world. Steel, and the steelmaking coal used to make it, is also required for everything from clean energy projects like wind or solar power to transportation alternatives like rapid transit, buses and hybrid vehicles.

Copper

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

How is it used?

Copper plays an important role in meeting the world's growing demand for infrastructure and is a vital component in power generation and transmission, construction, clean technology and electronics. The next generation of electric cars requires four times as much copper as the internal combustion cars of the past. A single car can require nearly 6 kilometres of copper wiring, and demand for electric cars is predicted to rise dramatically.

Zinc

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

How is it used?

Zinc protects steel by improving its durability. The primary uses of zinc are for galvanizing steel to protect against weather and corrosion, for producing brass and bronze, and in die-casting to produce a wide range of metal products. Zinc can also increase crop yields and crop quality. And it is an essential nutrient in human development and disease prevention.

Energy

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

How is it used?

Energy is essential to our lives. We all rely on energy to keep the lights on, to get to work, and to heat or cool our homes. As populations around the globe — particularly in developing nations — grow and become increasingly urbanized, the demand for energy is increasing.

Approach to Business and Sustainability

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

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

As represented in Figure 1 below, each of our operations affects and is affected by communities, economies and environments. Each operation has three major phases: exploration and project development, operation (which includes mining and processing, sales and transportation), and closure and reclamation. Sustainability is foundational throughout the phases of the mining life cycle:

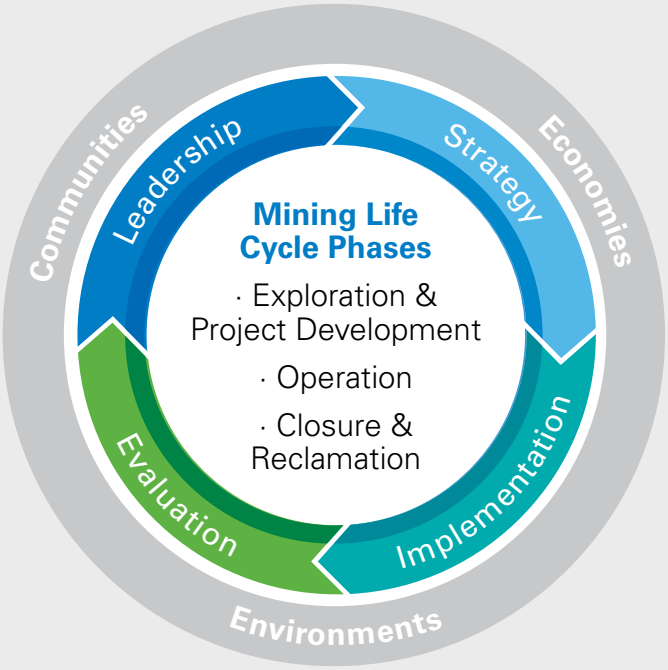
Figure 1: Sustainability During the Mining Life Cycle

Leadership:

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

Strategy:

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



Evaluation:

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

Implementation:

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

Board and Executive Leadership in Sustainability

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

The Safety and Sustainability Committee of the Board assists the Board in overseeing health, safety and sustainability policies, systems, performance and auditing, including our Health, Safety, Environment and Community (HSEC) Management Standards. The Safety and Sustainability Committee met four times in 2017. As with each Board committee, our governance procedures require that we evaluate the effectiveness of the performance of the Safety and Sustainability Committee on an annual basis. A self-assessment was completed and recommendations were implemented, such as increased direct engagement with operations and providing further detail about the status of community relations practices at our sites.

Enhancing Board Knowledge of Sustainability

The Board works to enhance its understanding of economic, environmental and social topics at regular meetings, strategy sessions and site visits. For example, we hosted external speakers on the current global economic climate for our Board and held special presentations for the Safety and Sustainability Committee, including presentations on the following topics in 2017: Teck's sustainability strategy, Indigenous agreements, mine closure, legacy properties, permitting, tailings management, water quality, climate change, climate action strategies and carbon pricing, safety, occupational health and hygiene, political environments and updates on regulatory developments in the areas where we operate.

Board Diversity, Qualifications and Expertise

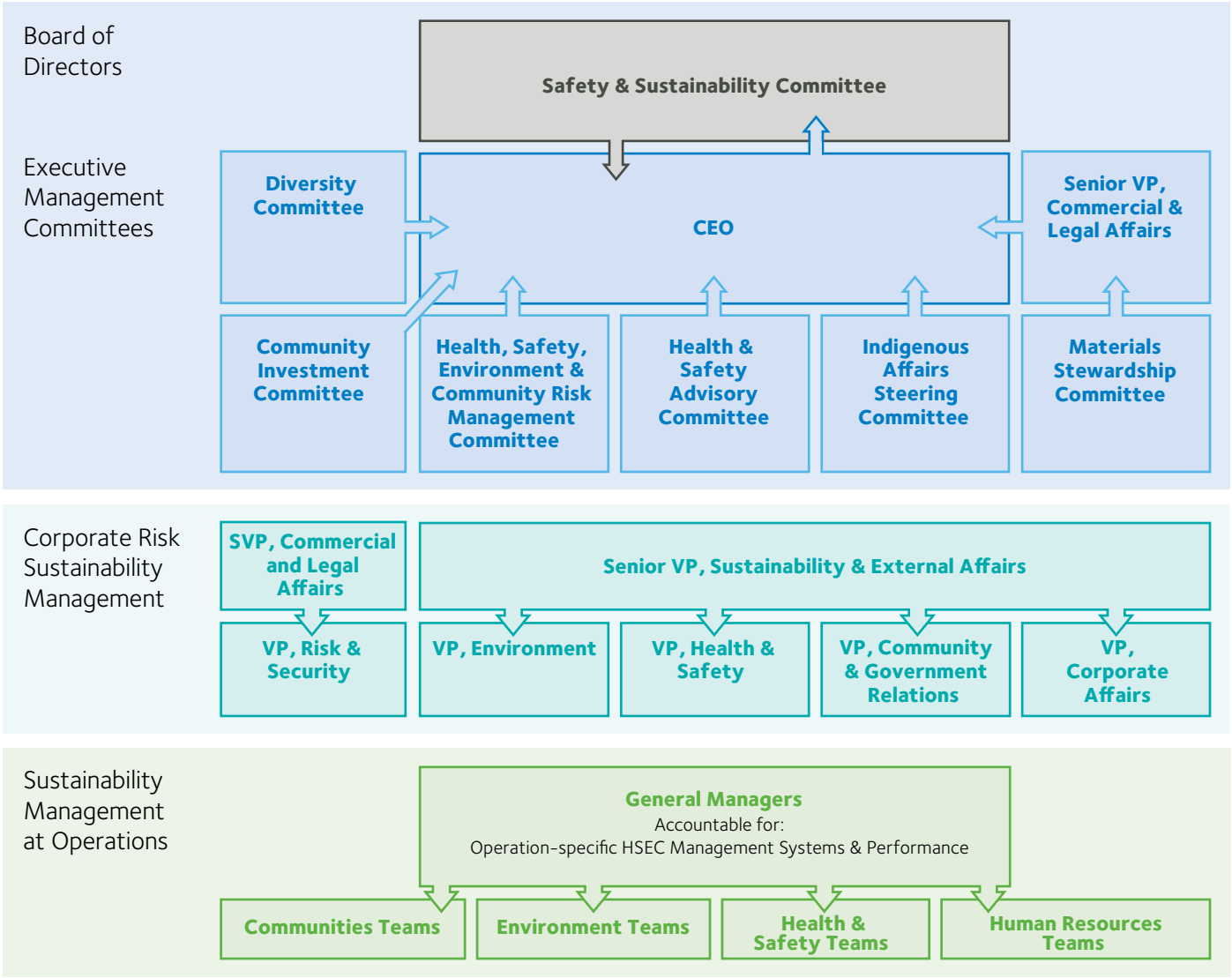
The Corporate Governance and Nominating Committee believes that a Board with directors from diverse backgrounds with different experiences benefits the company by enabling the Board to consider issues from a variety of perspectives. When assessing potential candidates for nomination to the Board, corporate governance, corporate responsibility and sustainable development experience are part of the selection criteria for Board members. The Board also considers gender, ethnicity and national origin in addition to business skills, qualifications and career history when assessing potential candidates. Please view our Management Proxy Circular, pages 27–29, for further details on the qualifications, experience and diversity practices of Teck's Board.

Executive Sustainability Management Committees

As summarized in Figure 2, the following management committees are responsible for overseeing the management of sustainability issues:

- **The Health, Safety, Environment and Community Risk Management Committee** (HSEC RMC), chaired by the CEO, is responsible for providing oversight and direction to ensure continual improvement in sustainability performance as well as the implementation of appropriate processes and policies across the company. Key topics reviewed by this committee include: health and safety, environmental management and regulations, air quality, energy and climate change, community engagement and social management, HSEC assurance, sustainability strategy and disclosure, Indigenous affairs and agreements, human rights, and water stewardship.
- **The Health and Safety Advisory Committee** evaluates and informs health and safety policy change and initiative planning and provides additional oversight of performance. It is chaired by the Vice President, Health and Safety.
- **The Materials Stewardship Committee** is responsible for understanding our products' risks and impacts, making recommendations on new product applications, managing packaging requirements, monitoring product regulations and issues, monitoring our customers' use of our products, supply chain risk management, and establishing policies and procedures related to materials stewardship. This committee is chaired by the Vice President, Risk and Security.
- **The Indigenous Affairs Steering Committee** approves policy and mandates for the negotiation of agreements with Indigenous Peoples, and provides oversight and direction for the negotiation and implementation of agreements with Indigenous groups. This is a senior management committee that is chaired by the Senior Vice President, Sustainability and External Affairs.
- **The Community Investment Committee** oversees our community investment program to ensure that contributions are made in a manner that benefits our communities of interest, and that contributions are aligned with our business objectives. The committee sets community investment policies and reviews major funding requests. It is chaired by the Senior Vice President, Sustainability and External Affairs.
- **The Diversity Committee** oversees our diversity-related initiatives. This is a senior management committee that is chaired by the Vice President, Human Resources.

Figure 2: Sustainability Management Structure



Our Senior Vice President of Sustainability and External Affairs reports directly to our CEO and is the main senior executive responsible for sustainability, health and safety, environment, community, and Indigenous affairs, among other areas. Her direct reports include the:

- **Vice President, Community and Government Relations:** leads the corporate sustainability strategy and activities related to social responsibility, community engagement, government relations and Indigenous affairs
- **Vice President, Environment:** leads the corporate sustainability strategy along with the VP Community and Government Relations and oversees compliance with environmental standards for projects, operations and our legacy properties, and regularly reviews environmental performance risks and strategic issues, including tailings, biodiversity, water, air, and energy and climate change
- **Vice President, Health and Safety:** provides strategic guidance in the development of a culture of safety, and assists with the development and monitoring of health and safety strategies
- **Vice President, Corporate Affairs:** is responsible for managing the company's public affairs, sustainability reporting, brand management and employee communications

Our senior management team is responsible for overseeing our sustainability strategy, including goal development and progress against our goals. We also have a dedicated corporate team of nearly 80 Teck employees whose primary job responsibilities are focused on providing senior oversight on our collective efforts on environmental, social and community issues.

General Managers are accountable for implementing HSEC Management Standards at their operation, for conformance with and certification under the International Organization for Standardization ISO 14001 standard where applicable, and for continual progress towards annual HSEC targets, including our sustainability goals. Each General Manager reports to either a Vice President or the Senior Vice President of his or her respective business unit.

Sustainability Strategy and Commitments

Sustainability is embedded in our operational practices. Although there were many examples of environmental stewardship, health and safety initiatives, and community engagement throughout our history, in 2009 we established a cross-functional group to develop a coordinated approach to sustainability, culminating in the launch of our sustainability strategy in 2011.

Our sustainability strategy sets short-term goals to 2020 and long-term goals to 2030 in six focus areas representing the most significant sustainability issues and opportunities facing our company: Community, Water, Our People, Biodiversity, Energy and Climate Change, and Air. A focus area is a topic that has a material impact on our business and communities of interest, represents an area of significant opportunity and/or risk, and requires company-wide focus and engagement.

Our strategy is integrated into decision-making by embedding it into management standards, into remuneration and into corporate, site and employee annual plans and objectives. Corporate, site and employee objective-setting and evaluation processes are updated to reflect the broader performance objectives set out in our strategy to align priorities at all levels of the company.

Throughout the year, our senior management team and the Safety and Sustainability Committee of the Board review performance against our sustainability strategy and approve future actions. As we move forward, we are focused on achieving our sustainability goals while managing emerging risks and embracing opportunities that increase our competitiveness and contribution to sustainable development.

Internal Commitments

The sustainability strategy is supported by our company-wide commitments as outlined in the following policy documents:

- Code of Sustainable Conduct
- Code of Ethics
- Anti-Corruption Policy
- Health and Safety Policy
- Human Rights Policy
- Indigenous Peoples Policy
- Inclusion and Diversity Policy
- Water Policy
- Expectations for Suppliers and Contractors

External Commitments

We take into consideration external standards and best practices in our governance of sustainability. Through our membership and involvement with several external organizations, we are able to contribute to and engage with others on the development of best practice in areas of sustainability performance and global sustainability trends. Three of our key memberships that help to drive our performance and management of sustainability are outlined below. A full list of Teck's memberships and partnerships related to sustainability is available on our website.

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

Mining Association of Canada (MAC) – Towards Sustainable Mining (TSM): MAC promotes the growth and development of Canada's mining and mineral processing industry for the benefit of all Canadians. Through MAC, we are required to implement the Towards Sustainable Mining (TSM) program, which aids in improving industry performance through the alignment of actions with the priorities and values of Canadians. As a MAC member, we conduct self-assessments at our operations and are subject to third-party verification of our self-assessments in accordance with TSM standards for social and environmental responsibility.

International Organization for Standardization (ISO): The ISO 14001 environmental management standards exist to help organizations manage environmental impacts. Currently, 10 of our 12 operations are certified under ISO 14001.

Key activities in 2017 related to our memberships and partnerships included:

- **Engaging with ICMM** on a variety of topics, including their new water and tailings management position statements, health and safety, GHG emissions reductions, and providing feedback on new sustainability standards to the Global Reporting Initiative and the CDP.
- **Engaging with MAC** with a focus on chairing the Tailings Working Group, contributing to revisions of the TSM Tailings Protocol, working with the MAC Aboriginal Affairs Committee on the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), participating in the development of the TSM Preventing Child and Forced Labour Protocol and Water Protocol, engaging with the Canadian government on carbon pricing policies, and contributing to the Science and Environment Committee's input to Canadian legislative reviews, including reviews of the *Canadian Environmental Assessment Act* and the *Fisheries Act*.
- **Advancing our Zinc & Health program,** we were proud to join our partners in the Zinc Alliance for Child Health (ZACH) — the Government of Canada and Nutrition International — to announce a $4 million commitment to extend ZACH through 2020.

United Nations Sustainable Development Goals (SDGs)

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

- Goal 3: Ensure healthy lives and promote well-being for all at all ages
- Goal 5: Achieve gender equality and empower all women and girls
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 13: Take urgent action to combat climate change and its impacts

An overview of the work Teck is doing to help address each of the 17 Sustainable Development Goals is available on our website. Throughout this report, we describe how our activities are related to the SDGs in the SDG Spotlight found in several material topic sections.

Pictured Above: Anees Fatima, Community Mobilization Coordinator in Uttar Pradesh, India. Learn more about Anees's work through the ZACH partnership in this case study.

Implementation of Sustainability Governance

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

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

Incentive compensation of the CEO and senior officers is performance-based and includes several sustainability performance indicators. For all executives, the bonus weighting for sustainability ranges from 15% to 20% of their overall bonus. In addition, the personal component of executive bonus ratings often includes specific objectives related to sustainability matters.

Integrated Risk Management

Our management objective for sustainability is to work within the social, economic and environmental contexts in a way that ensures positive outcomes for our business and our stakeholders in the short and long term. Our process for integrating risk management throughout the business starts with identifying, evaluating and addressing economic, social and environmental risks and opportunities on a regular basis. The risks and impacts associated with our business are multi-faceted and require effective collaboration among departments, business units and external stakeholders. See Table 1 for descriptions of our major risks in the phases of the mining life cycle.

We mitigate these risks in several ways, including:

- **Health and safety risk assessments** and associated plans are completed throughout the business
- **Economic Feasibility Studies and Social and Environmental Impact Assessments** to determine if developing an orebody is feasible
- **Social, Environmental and Regulatory Approval** committees, established for new projects, made up of internal experts to ensure the social and environmental risks associated with our current and future activities are identified, assessed and properly managed
- **Environmental and social baselines** to analyze and quantify the relevant parameters for an area containing the footprint of a future mine before any project activities have taken place
- **Environmental management** (water, air, biodiversity, waste, energy and climate change) during and after operations to ensure we meet regulatory requirements and commitments to communities
- **Customer assessments** to ensure our products are processed responsibly
- **Closure planning** to create post-mining economic vitality in communities
- **Reclamation activities** to facilitate new, productive uses of areas disturbed by mining
- **Stakeholder consultation and engagement** to provide communities with information about our activities and to understand local concerns and priorities

While certain sustainability issues remain constant from year to year, we regularly evaluate changes in the regulatory, economic, societal and environmental landscape to inform the continual improvement of our management approach. Information on emerging risks can be found in the material topics pages, and further information on current risks can be found in our Annual Information Form.

Table 1: Mining Life Cycle Risks

Phases of Mining Life Cycle	Major Risks
Exploration, Project Development and Mining	Land and water access, uneconomic mineral deposits, permits and regulations, support from communities and Indigenous Peoples, labour relations, cost fluctuations, health and safety incidents, natural disasters, environmental incidents, and climate change
Sales and Transportation	Trade regulations, customer environmental management, supply and demand fluctuations, product substitution, and transportation infrastructure and services
Closure and Reclamation	Environmental legacies and liabilities, and support from communities and Indigenous Peoples

Health, Safety, Environment and Community Management Standards

Teck's Health, Safety, Environment and Community (HSEC) Management Standards outline a high-level framework for the identification and effective management of HSEC issues and risks to support continual improvement in related programs and performance. They also provide context for overarching corporate policies and guidelines, and site-level policies and procedures. The HSEC Management Standards apply to current and closed properties, and to activities including waste management, engineering/maintenance, selection of suppliers and contractors, development of new products and services, product distribution, new projects, exploration, and due diligence of mergers and acquisitions.

Figure 3: Health, Safety, Environment and Community Management Structure

The 20 HSEC Management Standards include:

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

Incident Management

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

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

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

Emergency Preparedness

We identify a comprehensive range of potential emergencies and ensure we are prepared to respond to, and recover from, these situations as quickly and effectively as possible. Potential risks are mitigated through robust risk management measures. A range of emergency scenarios are tested each year via emergency drills to evaluate the adequacy and effectiveness of our emergency preparedness — including human and physical resources. Emergency preparedness and planning is conducted at a corporate and site level as well as within the communities near our operations, as outlined in Table 2.

Table 2: Emergency Preparedness at Corporate, Sites and Communities

Phases of Mining Life Cycle	Major Risks
Corporate Risk Group – Crisis Management Team	· Develops and designs Teck's overall approach to risk management, including the risk management practices related to the development and oversight of sites' emergency preparedness plans, which includes annual review and design and development of crisis simulations and training at sites · Provides risk identification and analysis support for individual sites · Coordinates additional training, capacity building and simulations as necessary
Individual Sites	· Develop emergency preparedness plans tailored to site-specific risks · Work closely with the Corporate Risk Group to ensure alignment with Teck's overall risk approach · Conduct training and simulations to ensure readiness and capabilities of workers and managers · Coordinate with local stakeholders as described below
Local Communities	· Develop their own emergency preparedness and response plans · May collaborate and conduct joint simulations with adjacent Teck sites · May exchange information and best practices with adjacent and non-adjacent Teck sites

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

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

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

Cybersecurity

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

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

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

Regulation, Permitting and Approvals

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

We engage directly and indirectly (through industry groups) with governments and regulators to support permitting processes that are practical and effective in protecting the local environment and communities. Once permits are granted, our environmental assurance program verifies that we continue to meet all relevant requirements.

We track our permit and other requirements, and the management of those requirements, such as discharge monitoring, in our compliance and task management systems.

Evaluation of Sustainability

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

Internal and External Audits

Our environmental assurance program is designed to verify that requirements are met, as defined by the applicable permits, legislation and regulations in each jurisdiction. We conduct compliance audits on a three-year rotational basis for all operations, and plans are developed to address the findings based on risk priority criteria.

Corrective actions for findings from corporate-led audits are developed and completed in accordance with established timelines based on risk. Our HSEC Management Standards set the expectation that all corrective action plans will be completed within two years, or less, from the date of the audit. After two years, corrective action effectiveness is confirmed by a follow-up audit focused on action plan completion. We monitor and report to our HSEC Risk Management Committee on the progress of our assurance program on a quarterly basis. We also conduct external verification for the purpose of regulatory or external commitments. Table 3 provides an overview of the types of audits and evaluations that are conducted across our operations. We conduct third-party audits to assess regulatory compliance on a regular basis.

Table 3: Internal and External Audits of HSEC Management

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

Managing Sustainability in Our Value Chain

Teck procures goods and services that support large-scale mining and refining operations, such as mobile equipment, machinery, fuel and lubricants, explosives, and a range of other products and services.

The following stakeholders are included in our value chain:

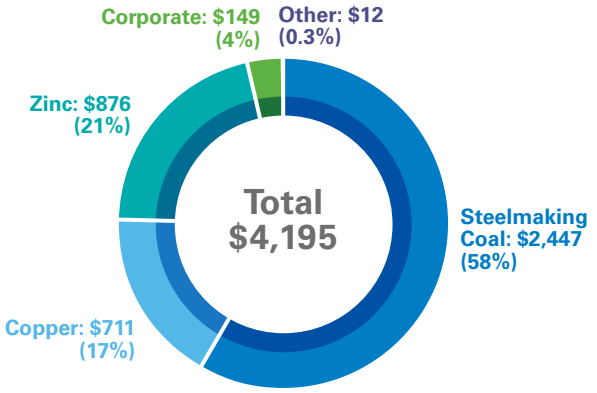
- **Suppliers:** We rely on an international network of suppliers to provide the products, materials and goods needed to support our operations. These include mining equipment and spare parts, tires, fuel and lubricants, explosives, electricity, operating materials and consumables, and chemicals for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

2017 Suppliers and Critical Suppliers

In 2017, we had an overall global spend of approximately $4.2 billion. See Figure 4 for a breakdown.

Critical suppliers are suppliers of goods or services that, in the event of an interruption in the supply chain, can have a significant impact on Teck's production, costs and/or revenues.

Figure 4: 2017 Supply Chain Spend by Business Unit (millions)



Suppliers may also be considered critical due to the nature of their products and the potential risk and impact on health, safety, the environment and the communities in which we operate. Critical suppliers include inbound suppliers of mobile equipment, fuels, tires, ammonium nitrate, process equipment, consumables such as grinding media, and suppliers of related parts and services; and outbound suppliers of rail, marine, trucking, bulk terminal and related distribution services. In 2017, critical suppliers represented approximately 52% of our total procurement spend.

Table 4: 2017 Spend on Critical Suppliers

Business Area	Total (millions)	Critical (millions)	% of Total That Are Critical
Steelmaking Coal	$ 2,447	$ 1,686	40.2%
Copper	711	272	6.5%
Zinc	876	203	4.8%
Corporate	149	–	–
Other	12	–	–
Total	**$ 4,195**	**$ 2,161**	**51.5%**

Within critical suppliers, there are two types: those managed on-site and those managed at a corporate level. Our supplier qualification, management and assessment depends on supplier type, as outlined in further detail below.

Supply Chain Management at Teck

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

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

Management Guidelines and Expectations

As our operations and the majority of our business activities are in lower-risk jurisdictions that have strong legal frameworks, we expect and have a good level of assurance that our suppliers' and contractors' business conduct is aligned with robust environmental and labour legislation and regulation. In addition, we provide clear communications to suppliers about our expectations and requirements. All suppliers are required to follow our Expectations for Suppliers and Contractors, (which builds on our Code of Ethics, Human Rights Policy and Anti-Corruption Policy. We articulate our standards for suppliers and contractors through the Expectations, which include our requirement that suppliers and service providers will address issues relating to ethics, health and safety, environmental stewardship and human rights, including numerous labour law requirements. In addition, the Expectations integrate stipulations regarding fair working conditions, non-discrimination and the abolition of child labour.

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

Through responsible supply management, our objective is to ensure that we minimize our potential impacts on people and on the environment.

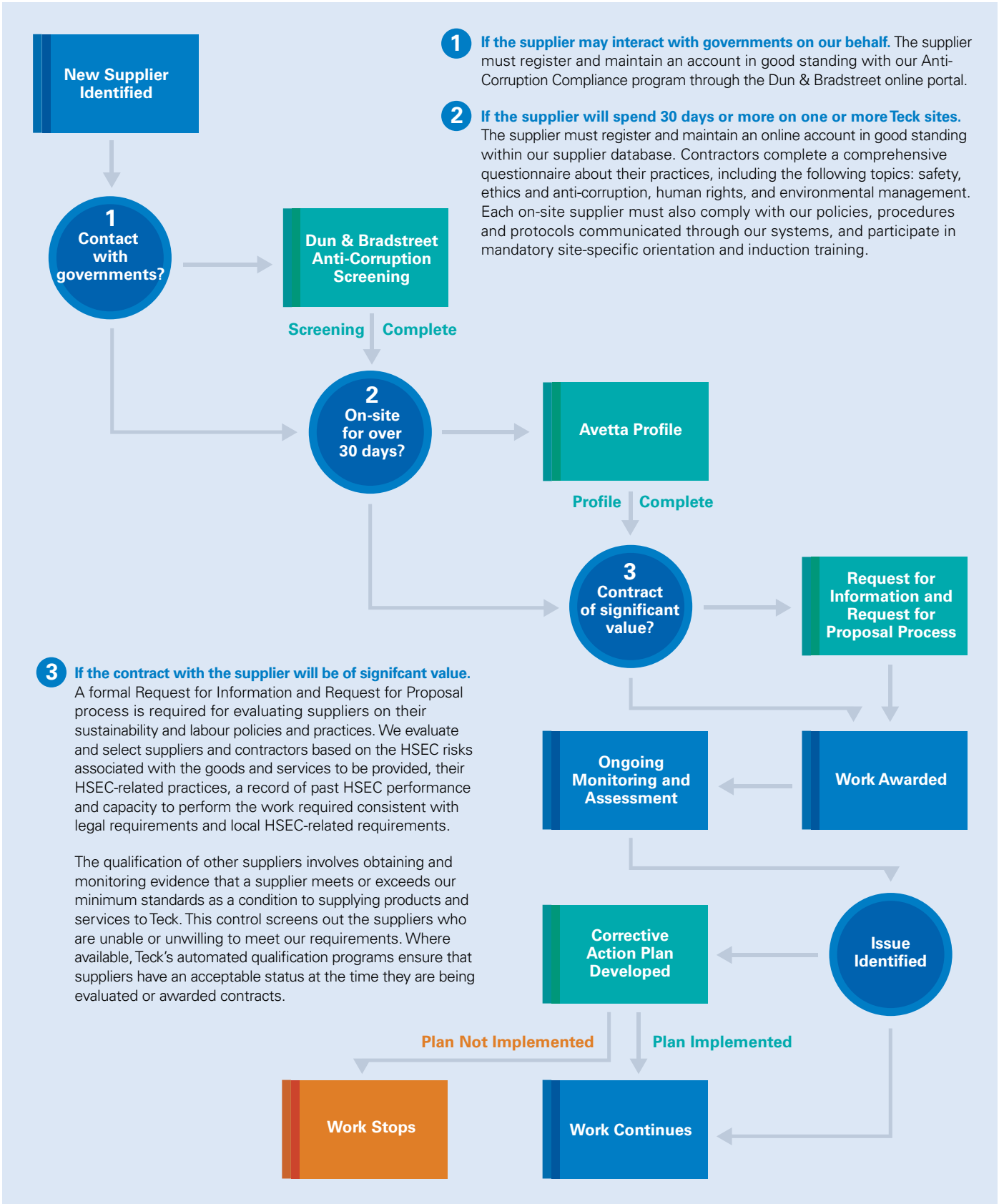
Identifying and Managing Sustainability Risks in the Supply Chain

Inbound supply chain risks are initially identified as part of the analysis and identification of critical suppliers by our Supply Management group. Outbound supply chain risks are identified by the Logistics and Transportation group as well as by the Materials Stewardship working group, which advises and develops active risk management processes to reduce the impacts of our products and to ensure products satisfy or exceed regulatory, environmental and societal needs. For example, as we are heavily reliant on third parties to transport our products, we conduct a risk-based screening of our transportation providers based on the volume and commodity transported. This screening enables us to select transportation providers who will handle our products safely and who share our commitment to safe and responsible supply chain management.

Supplier Qualification

As outlined in Figure 5, there are three factors that determine supplier qualification processes. For suppliers who do not meet any of these three factors, there is a process of ongoing monitoring and assessment. This involves the Corporate Risk Group collecting information, conducting assessments and implementing risk processes to identify and assess HSEC risks associated with suppliers.

Figure 5: Supplier Qualification and Assessment Process



Case Study

Standardizing Our Aviation Safety Expectations

Teck's Red Dog Operations is located in a remote part of northwest Alaska and requires flight access for our employees and suppliers. In addition to a regular commercial flight to the mine, several operators provide aviation services with multiple stops in small communities.

Our challenge is that on-demand air services in remote areas tend to have some of the highest accident rates in the world. As a result, we go beyond government regulation and collaborate with aviation providers to implement additional safety governance, risk management and auditing practices to protect workers.

Even with robust management systems, incidents can occur. In August 2016, one of the aviation operators had a fatal event in Alaska, and while no Teck employees or suppliers were involved, we ceased all work with the operator. As a result of the incident, we conducted a comprehensive safety audit and assessment of all operators who fly to Red Dog to identify gaps in their systems and where corrective action plans may be put in place.

Following the assessment, we engaged all of our aviation operators to communicate the results and put forward the corrective action plans. The specific operator in question fully implemented the plan, and as of early 2018, we have begun working with them again.

The assessment at Red Dog led to the update and enhancement of a Teck-wide Aviation Standard along with supplemental documents that cover commercial air travel, helicopter external load operators, remotely piloted aircraft operations, airborne geophysical survey operators and aviation safety audits. The Standard is aligned with the Basic Aviation Risk Standard (BARS), which is officially supported by the International Council on Mining and Metals.

Setting this Aviation Standard has allowed us to achieve some efficiencies, such as a common approach to aviation safety and targeted risk-reduction activities to support our remote location work. More importantly, the Aviation Standard makes it clear to all providers that Teck has a commitment to everyone, from employees to suppliers, that all should go home safe and healthy every day.

Pictured Above: Employees arriving at Red Dog Operations.

When higher risk has been identified with selected suppliers, a detailed sustainability assessment is conducted. If an issue is identified during the assessment, work is stopped, an investigation is conducted and a corrective action plan is developed in collaboration with the supplier. If the plan is implemented to our requirements, work with the supplier will resume. If the plan does not meet our requirements, further work with the supplier to correct the finding will be conducted and/or the contract with the supplier may be terminated. In 2017, 21 reviews against the criteria outlined in our Supplier Expectations were initiated and assessments are still ongoing. Of the reviews conducted, there were no material social or economic impacts identified, such as child labour issues.

In addition to responding to the Expectations questionnaire, 100% suppliers (580 in total) updated their information in our supplier database. Where a potential risk is identified, the process calls for gathering additional information on the supplier. This process may involve the use of third-party consultants to gather and review additional information.

Measuring Supply Chain Risk Management Performance

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

1. Company-wide procurement from local suppliers: page 43
2. Company-wide procurement from Indigenous suppliers: page 57
3. Contractor health and safety: pages 62–64

Managing Product Impacts through Materials Stewardship

A major component of supply management is materials stewardship, an active risk management process that minimizes the impact of our products throughout their life cycle on employees, communities and the environment, and ensures our products satisfy or exceed regulatory and societal needs.

All products at Teck are listed on a Master Product List (MPL) that is owned and managed by the MSC. To be added to the MPL, operations where products are produced require project leaders to submit a detailed application to the MSC. The Committee reviews the application and either approves or refuses the product, based on a set of requirements and other considerations. These requirements must be met and considered from the perspective of the whole product life cycle, and include customer assessments, legal jurisdiction reviews, logistics and form of transportation, hazardous materials and emergency response, contracts, and financial rate of return.

The MSC commissions and conducts customer assessments. These assessments help ensure products are handled safely, as some may cause harm if handled unsafely by smelters, refineries or other end users. Customer assessments help us uphold business ethics, regulatory requirements and external expectations. The Committee works to ensure users, including our own and those downstream, have sustainable management practices in place. Five customer site assessments were carried out in 2017.

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

Responding to Regulatory Requirements

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

The Materials Stewardship Committee (MSC) employs life cycle thinking to understand the potential risks and impacts of our products, beginning with the extraction of raw material from the earth, through to production/processing, transportation, product sales, customer use and recycling.

Engaging with Stakeholders and Indigenous Peoples

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

In particular, stakeholder identification helps us to ensure we:

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

Direct and Indirect Stakeholder Engagement and Management

Our direct engagement of stakeholders is organized into three broad levels: information disclosure, dialogue and participation. All such engagement is informed by the AA 1000 principles of inclusivity, materiality and responsiveness.

Our corporate teams also carry out direct engagement on an ongoing basis, which often includes engagement with government, industry associations, peers, shareholders and potential investors.

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

Engagement with Local and Indigenous Communities

All of our operations, exploration sites, projects and closed properties identify, prioritize and directly engage local and regional stakeholders. Working with local and Indigenous communities is particularly important in terms of:

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

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

Pictured Above: Teck working with Ktunaxa Nation Council members.

Table 5: Stakeholder and Indigenous Peoples Issues Identified and Managed in 2017

Stakeholder	Description	Priority Engagement Topics in 2017	Learn More
Our Workforce	Union, non-union, full-time employees, part-time employees and contractors	· Cost containment and productivity · Tailings management · Environment and sustainability · Permitting · Agreement implementation · Health, safety strategies and well-being · Inclusion and diversity	Page 70
Community	Indigenous communities, non-Indigenous communities, community-based institutions, and those outside of project/site-affected communities	· Tailings management · Air quality · Community investment · Water quality · Health and safety · Indigenous rights and title and traditional land use · Land and resource use	Page 37
Civil Society, Non-Governmental and Multinational Organizations	Regional, national and international organizations focused primarily on advocacy	· Community investment opportunities · Global development topics · Payment transparency · Climate change and carbon pricing	Page 80
Academic and Research	Academic institutions and research organizations	· Research partnerships · Training programs	Page 84
Government	Local government body or institution, provincial/sub-national governments and national/federal governments	· Environmental management · Hiring and procurement · Economic impact and market volatility · Climate change and carbon pricing · Indigenous agreements · Implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). · Infrastructure · Innovation · Legislation and regulation · Gender equality	Page 80
Indigenous Governments and Communities	Agencies representing an Indigenous group, organizations run by/for an Indigenous group, Indigenous-controlled goods and service providers, and traditional land users	· Agreements negotiation and implementation · Our Indigenous Peoples Policy · Water quality · Community investment opportunities · Indigenous rights and title · Protection of heritage sites · Regulatory approvals · Traditional knowledge and land use	Page 51
Commercial Interests	Joint ventures, large contractors and customers	· Commercial, operational and financial matters · Logistics and transportation · Materials stewardship · Supply chain sustainability	Page 17
Industry Associations	Associations representing businesses (e.g., mining associations, sustainable business organizations)	· Regulatory issues · Social issues · Environmental management · Tax competitiveness	Page 11
Investors	Institutional investors, other equity holders, debt holders and banks	· Environmental management · Financial performance and state of the company	Page 65

Material Topics

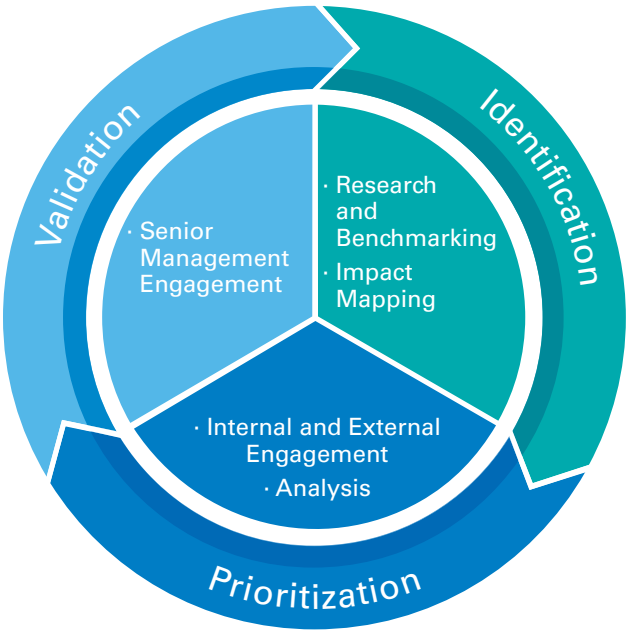
In our report, a material topic is one that reflects our company's significant economic, environmental and social impacts, or that could substantively influence the assessments and decisions of our stakeholders, per guidance from the Global Reporting Initiative. For each of our 11 material topics, we provide information as to why the topic was material in 2017, Teck's approach to managing risks and opportunities associated with that topic, our performance, and our outlook for 2018.

2017 Materiality Assessment

The content of our annual sustainability reporting is determined through a detailed materiality assessment, which is a process for identifying and evaluating the topics that mattered most to our business and our communities of interest during the previous year and for the near-term future.

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

Figure 6: Materiality Assessment Process



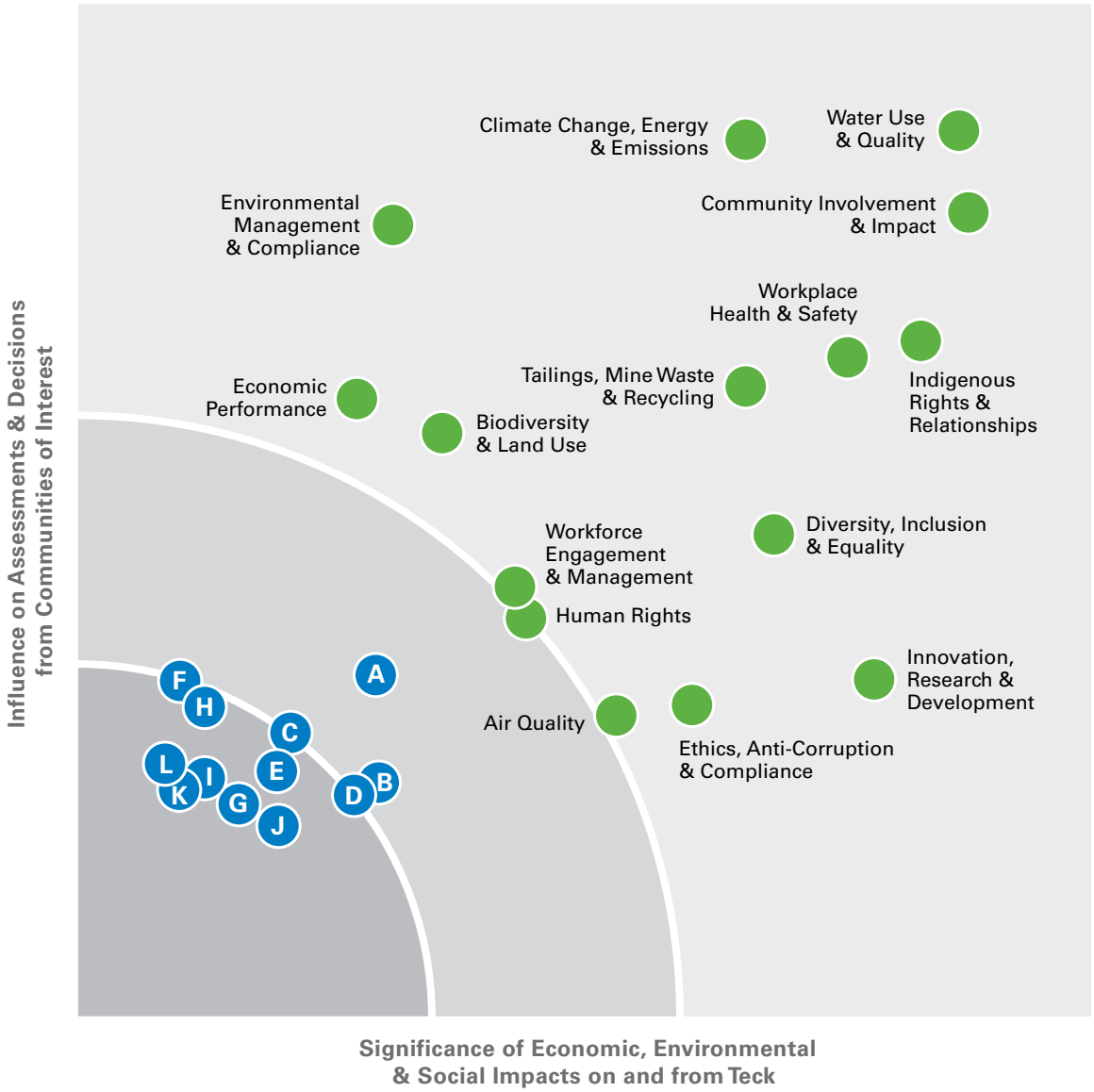
In 2017, we conducted a comprehensive materiality assessment and began a new three-year cycle. During the identification phase, we conducted research on trends in our industry and evaluated internal strategy documents, including the five-year plans for each of our business units. We also mapped our impacts and the boundary of our material topics across the value chain with a cross-functional group of 16 internal experts. In this phase, we identified 26 potentially material topics.

During the prioritization phase, we conducted one-on-one interviews with 20 internal and external stakeholders and used more than 20 inputs such as industry reports, survey results and internal workshops to determine the most significant risks and opportunities facing our business and our communities of interest in the past year. During interviews with internal and external stakeholders, a range of topics were identified as most significant in terms of risks and opportunities in 2017. For internal stakeholders, the most significant topics were water management, relationships with communities, and business ethics. For external stakeholders, the topics that were considered most significant were energy and greenhouse gas emissions, biodiversity, and dialogue with communities. In this phase, 15 topics were identified as potentially meeting our threshold for reporting.

We recognize that many of our material topics are interrelated; for example, a topic such as Relationships with Indigenous Peoples is connected to several topics, such as Biodiversity and Reclamation, Water Stewardship and Human Rights.

During the validation phase, we engaged several members of the senior management team, including the Senior Vice President, Sustainability and External Affairs, who reviewed and confirmed the matrix (Figure 7) as well as the consolidation of 15 topics into 11 topics to increase the readability of this report. We recognize that many of our material topics are interrelated; for example, a topic such as Relationships with Indigenous Peoples is connected to several other topics, such as Biodiversity and Reclamation, Water Stewardship and Human Rights. For the sake of clarity and ease of reference, we report on these topics individually, and where appropriate, we include a description of the interconnection that was significant in the reporting period. For a detailed description of each topic and to see how the topics interconnect, view our interactive materiality matrix on our website.

Figure 7: 2017 Materiality Matrix



Lower Materiality Topics

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

2017 Material Topics Summary and Performance Highlights

Water Stewardship

What is in this topic?

Performance information on total and new water use, water recycled and reused, water intensity, a company-wide water balance, as well as progress against our 2020 goals.

Page 29

Water was reused and recycled approximately **4** times at our mining operations.

Introduced a new **Water Policy and Water Governance** framework.

Relationships with Communities

What is in this topic?

Progress against our 2020 goals, as well as our engagement on impacts, progress in implementing the Social Management and Responsibility at Teck (SMART) framework, feedback, grievances and disputes, and economic benefits for communities, including local hiring, local procurement and community investment.

Page 37

$13.2 million disbursed through community investment.

No significant community incidents at our operations and projects.

Energy and Climate Change

What is in this topic?

Performance in energy use and efficiency initiatives, climate change-related risks, carbon pricing and greenhouse gas emissions, climate policies and regulations as well as progress against our 2020 goals.

Page 45

582 terajoules of reduced energy consumption from efficiency projects implemented.

281 kilotonnes reduction reduction in greenhouse gas emissions.

Relationships with Indigenous Peoples

What is in this topic?

Performance related to recognizing and respecting the rights of Indigenous Peoples, such as cultural awareness training and responding to grievances, negotiating agreements, procurement, community investment and progress against our 2020 goals.

Page 51

23 new agreements reached with Indigenous Peoples and **$138** million spent with Indigenous-owned businesses.

Health and Safety

What is in this topic?

Progress against our 2020 goals as well as building a positive culture of safety, high-potential risk control, and occupational health and hygiene, and our safety performance against leading and lagging indicators.

Page 58

Zero fatalities and reduced Total Recordable Incident Frequency by **12%** and High-Potential Incident Frequency by **14%**.

Tailings, Mine Waste and Environmental Management

What is in this topic?

Our tailings and waste management performance; environmental compliance; learnings from significant environmental incidents; our involvement in environmental litigation, fines and penalties; and our progress on permits and approvals.

Page 65

Cardinal River, Greenhills and Trail operations each received the **2017 Towards Sustainable Mining Leadership Award** from the Mining Association of Canada.

Diversity and Employee Relations

What is in this topic?

Progress against our 2020 goals as well as our global workforce demographic profile, work in labour relations, talent attraction, retention, training and development, diversity and equal opportunity, and non-discrimination.

Page 70

Women make up **17%** of our total workforce, and **29%** of total hires in 2017 were women.

Business Ethics

What is in this topic?

Reporting on alleged violations against our Code of Ethics through our *Doing What's Right* program, auditing of our anti-corruption policies, reporting on payments to governments, public policy initiatives and contributions.

Page 80

2 new corporate governance policies released: Political Donations Policy and Tax Policy.

Published first annual **Economic Contributions Report**.

2017 Material Topics Summary and Performance Highlights (continued)

Biodiversity and Reclamation

What is in this topic?

Performance related to our biodiversity management plans, reclamation, closure planning, maintenance of legacy sites, and progress against our 2020 goals.

Page 84

30 hectares of land reclaimed in 2017 and supported the creation of a **Centre for Ecosystem Reclamation** at Thompson Rivers University.

Air Quality

What is in this topic?

Progress against our 2020 goals as well as performance related to improved emissions management and control. Emissions and air quality control at our operations, including ambient air quality and emissions of sulphur dioxide (SO_2).

Page 89

100% of selected community-based stations with annual average ambient concentrations of particulate matter of size less than 2.5 microns within World Health Organization guidelines.

Human Rights

What is in this topic?

Our work in respecting and observing human rights, actively supporting the protection of human rights, avoiding complicity in human rights abuses, and engaging with stakeholders, as well as our performance on these topics.

Page 95

Carried out training with key staff on **identifying actual and potential human rights impacts** that could occur during community engagement.

Water Stewardship

Global concerns regarding water availability and quality continue to increase. The World Economic Forum considers water to be a unique resource that underpins all drivers of growth. Ensuring that water is fairly allocated is an important issue, particularly in areas of water scarcity or where water quality can be negatively affected by human activity.

Ensuring the efficient use of water and the protection of water quality are essential in the mining industry for both the social licence and the regulatory licence to operate. Due to the large volumes of water used for mining processes, there is potential to affect water quality, which in turn can affect other water users. Mining companies can demonstrate leadership in water stewardship by using water efficiently, maintaining water quality, and engaging with communities to collaboratively manage a shared water resource throughout the mining life cycle. In 2017, the International Council on Mining and Metals (ICMM) released a new position statement on water stewardship[1] focused on strong and transparent corporate water governance, managing water at operations effectively, and collaborating to achieve responsible and sustainable water use. We are taking steps to align our practices with the position statement.

Leadership in water stewardship is a strategic priority for Teck. Communities with whom we share watersheds care about access to sufficient quantities of clean water for physical and spiritual health, quality of life, economic well-being and the preservation of the local environment, and we share those same values.

In 2017, we released a new Water Policy and established a Water Governance framework for improving water stewardship across our company. In addition, we continued our participation in the CEO Water Mandate, a United Nations Global Compact initiative that mobilizes business leaders to advance water stewardship, sanitation, and the Sustainable Development Goal 6 in partnership with the United Nations, governments, peers, civil society and others. Implementation of Teck's Elk Valley Water Quality Plan also continued to be a key focus in 2017. We also continue to integrate water stewardship into community engagement and permitting activities across our operations.

Pictured Above: Recruiter Annie Macdonald and family enjoy Island Lake near Sparwood, British Columbia.

1 Position Statement on Water Stewardship. International Council on Mining and Metals. 2017

Our Performance in Water Stewardship in 2017

Our Targets and Commitments

Our vision is to contribute to the balance between the social, economic, recreational and cultural benefits of water resources, within ecologically sustainable limits. We aim to be a leader in water stewardship by improving our understanding of the quantity and quality of water used at our mining operations, by achieving measurable improvements in water use and quality, and by engaging with other water users in our areas of influence. The following tables summarize our performance against 2020 sustainability goals.

2020 Goal	Status	Summary of Progress in 2017
Contribute to watershed management in water-stressed regions through water use efficiency projects, use of alternative water sources, water quality improvement measures and capacity building.	On Track	Conducted ongoing implementation of the Elk Valley Water Quality Plan. Quebrada Blanca and Carmen de Andacollo operations completed the identification and prioritization of water use efficiency projects and have initiated implementation.
Increase our understanding of groundwater and proactively assess groundwater risks.	On Track	Groundwater information from all operations was analyzed. Highland Valley Copper, Carmen de Andacollo and Red Dog operations were identified for the development of a site-wide groundwater model; activities to support modelling began in 2017.
Collaborate in developing innovative water technology and practice.	On Track	Full-scale trial of saturated rock fill technology underway to help understand water treatment alternatives to address water quality issues in the Elk Valley.

2017 Key Performance Indicators

Indicator

Water reused and recycled, as a percentage of new water use at mining operations

Learn More: Page 34

Indicator

New water use intensity per tonne of raw coal processed at coal operations (m^3)

Learn More: Page 35

Indicator

New water use intensity per tonne of ore processed at milling and flotation operations (m^3)

Learn More: Page 36

GRI Indicators and Topic Boundary

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

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

How Does Teck Manage This Topic?

Information about how we manage water, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility.

Introducing our new Water Policy

We have long recognized that water is an important sustainability challenge. Moving forward, this challenge will continue to increase unless we find opportunities to improve our water stewardship and water use efficiency. Our longevity also requires us to be effective water stewards so we can maintain acceptance by the communities where we operate and build trust in the locations where we plan to develop projects. In response to these challenges, Teck's Board of Directors approved a new Water Policy in November 2017 that commits us to apply consistently strong and transparent water governance, to manage water at operations efficiently and effectively, and to collaborate to achieve responsible and sustainable water use.

Water Policy

Teck recognizes that access to water is a human right and that water is essential to stakeholders in the watersheds where we operate. Teck is committed to protecting water and the life it sustains by being an industry leader in water stewardship. Teck will:

- Apply consistently strong and transparent water governance
- Manage water at operations efficiently and effectively
- Collaborate to achieve responsible and sustainable water use

We will integrate the cost and value of water into business decisions, including project development, business planning, and closure planning activities. We will proactively assess water risks in our supply chain and value chain.

We are committed to the safe, efficient and sustainable use, reuse, management, treatment and discharge of water. We will drive water conservation and efficiency improvements at our operations. We will monitor our water performance, set targets and report publicly on progress against these targets. We will build resiliency to the variability of climate and extreme events into our operations and logistics. We will engage proactively with stakeholders in the watersheds where we operate. We will provide access to safe drinking water and sanitation facilities for all of our employees.

We will strive for continual improvement by developing and investing in water technology and innovation, developing water expertise internally and externally, and engaging proactively in water-related public policy and regulatory developments.

This policy is supported by our Health, Safety, Environment, and Community Management Standards and other internal guidance, and will be regularly reviewed and updated as required.

Pictured Above: More than 4,000 Teck employees call the Elk Valley region of British Columbia home. Watch this video on how we conduct water quality monitoring in the region to protect this precious resource.

Protecting Water Quality

Throughout the year, we continued to monitor water quality and implement controls to mitigate risks. For example, we continued the construction of a multi-layer groundwater interception system at Quebrada Blanca Operations, began development of site-wide groundwater models at Highland Valley Copper, Red Dog and Carmen de Andacollo operations, began operation of a groundwater treatment facility at Trail Operations, and are continuing the implementation of the Elk Valley Water Quality Plan, including construction of a full-scale trial of a saturated rock fill to reduce concentrations of selenium and nitrate.

Managing Water Quality in the Elk Valley

We continue to implement the water quality management measures under the Elk Valley Water Quality Plan (EVWQP), which was approved in 2014 by the B.C. Minister of Environment. The goal of the EVWQP is to stabilize and reverse the increasing trend of mine-related constituents to ensure the health of the watershed while allowing for continued sustainable mining in the region. The plan establishes short-, medium- and long-term water quality targets, which are protective of the environment and human health, for selenium, nitrate, sulphate and cadmium, as well as a plan to manage calcite formation.

Monitoring Aquatic Health

We are conducting extensive monitoring to improve our understanding of water quality and aquatic health. Our activities include:

- **Regular water quality monitoring** at more than 100 surface water stations.
- **Quarterly regional groundwater monitoring** at 37 wells.
- **Monitoring of aquatic health** through our Regional Aquatic Effects Monitoring Program and Local Aquatic Effects Monitoring Programs, which includes monitoring water quality, sediment quality and calcite; periphyton (algae); benthic invertebrates (bugs); and fish. In some cases, monitoring also includes birds and amphibians.

Active Water Treatment Facilities

We are implementing the EVWQP, which includes progressing design and construction of active water treatment facilities. Our first facility, the West Line Creek Active Water Treatment Facility (AWTF), was constructed at our Line Creek Operations, and we are advancing development of a Fording River Operations AWTF, planned for operation in 2021, and the Elkview Operations AWTF, planned for operation in 2022.

We have been working to address a challenge in the performance of our West Line Creek AWTF related to selenium compounds in discharge water. In late 2017, we completed the successful piloting of a new advanced oxidation process (AOP) that has been identified as a solution to this challenge. We are now preparing for full installation of the AOP at the water treatment facility, which is anticipated to be completed in summer 2018.

In 2017, we constructed our full-scale trial saturated fill project at Elkview Operations at a total cost of $41 million and commissioned the project in January 2018. This alternative treatment strategy has the potential to replace active water treatment plants in the future and/or enhance our ability to meet the objectives of the Elk Valley Water Quality Plan. We also completed the successful installation and commissioning of our first calcite management system at Greenhills Operations to support our understanding of calcite treatment and prevent calcite precipitation in the environment downstream from our operations.

We plan to spend approximately $86 million on water treatment in 2018, taking into account facility design modifications as well as the engineering and commencement of construction of the Fording River AWTF.

Based on our current plans, the total spend on water treatment in the Elk Valley from 2018 to 2022 is expected to be in the $850 to $900 million range. This includes completion of modifications to the Line Creek AWTF, the construction of the Fording River AWTF and two others in the Elk Valley, as well as the commencement of construction of a fifth AWTF.

See www.teck.com/elkvalley for more information.

Collaborating to Ensure Fair Allocation of Water

Access to clean and sufficient water by users in our areas of influence is important to us and to our stakeholders. When implementing our water management practices, we consider and engage with other water users in the watersheds where we operate. We promote water stewardship at all of our operations.

At Carmen de Andacollo Operations in Northern Chile, we are working to reduce our intake of fresh water by increasing recovery of water from the thickener, by reducing water used for dust suppression and by implementing other projects.

We are also evaluating alternative approaches for meeting water needs in new development projects. At Quebrada Blanca Phase 2 (QB2) and NuevaUnión, which are both located in water-stressed regions of Chile, we are evaluating the use of desalinated seawater in order to protect and conserve local sources of fresh water for community and agricultural use. At the same time, using seawater is a significant investment, as it requires the construction of desalination plants and associated pipelines, along with additional energy to desalinate the water and pump it from the coast to our sites (approximately 170 kilometres to QB2 and 125 kilometres to NuevaUnión). For these two projects, we are focusing on the protection of local supplies of fresh water while simultaneously exploring opportunities to offset some of the emissions from the required electricity generation through using renewable sources.

At our Zafranal project, we are evaluating the use of brackish groundwater, which is not suitable for farming or human consumption, to minimize impacts on local watersheds.

Case Study

Putting Bacteria to Work: Addressing Historical Impacts at Our Trail Operations

People often have a negative association with bacteria, but the millions of bacteria now living and thriving in our Groundwater Treatment Plant at Trail Operations are actually helping us to clean the water.

Clare North, Superintendent of Environmental Remediation at Teck's Trail Operations, is focused on creating the perfect living conditions for growing this bacteria. She, and more specifically Trail's new Groundwater Treatment Plant, is helping to clean up historical impacts underneath the operation.

"We rely on bacteria to do very important work for us," says Clare, explaining how bacteria is used to remove ammonia from groundwater beneath the operation. "We have nutrients and supporting structure placed in the tanks that look like little cartwheels that are essentially houses for the bugs. The bacteria cling to them so they can do their work."

Research and Planning

A hydrogeologist by training, Clare was a consultant with Teck studying Trail Operation's impact on groundwater quality, a result of historical operations and materials storage prior to the 1980s. In 2011, she came to Teck full-time, joining a dedicated team of scientists, engineers and other professionals to create a plan to remediate impacted groundwater and meet regulatory requirements.

Clare and the team undertook a series of drilling campaigns that identified where the groundwater had higher concentrations of ammonia and several metals. After analyzing the extent of the issue, they determined that hydraulic interception was the best method to treat the water, using underground pumps to direct water through a treatment plant before it is sent to the Columbia River.

"Studies conducted to date have found that the fish populations in the river are not affected by the groundwater, and the water quality of the river meets drinking water standards," explains Clare. "That being said, we are committed to remediating the groundwater impacted by our historical activities."

Putting the Plan into Action

Construction of the $46 million groundwater treatment facility began in 2015 and was completed in the spring of 2017. Testing began with small volumes of water, and by the fall, they were up to full treatment rates. The treatment process works in two stages. The first stage extracts the metals, which are then added into our current metallurgical processes. The second phase addresses the ammonia, which is where the bacteria come in. These bugs use the ammonia as food, removing it from the water.

Pictured Above: Groundwater Treatment Plant at Trail Operations.

Improving Water Efficiency

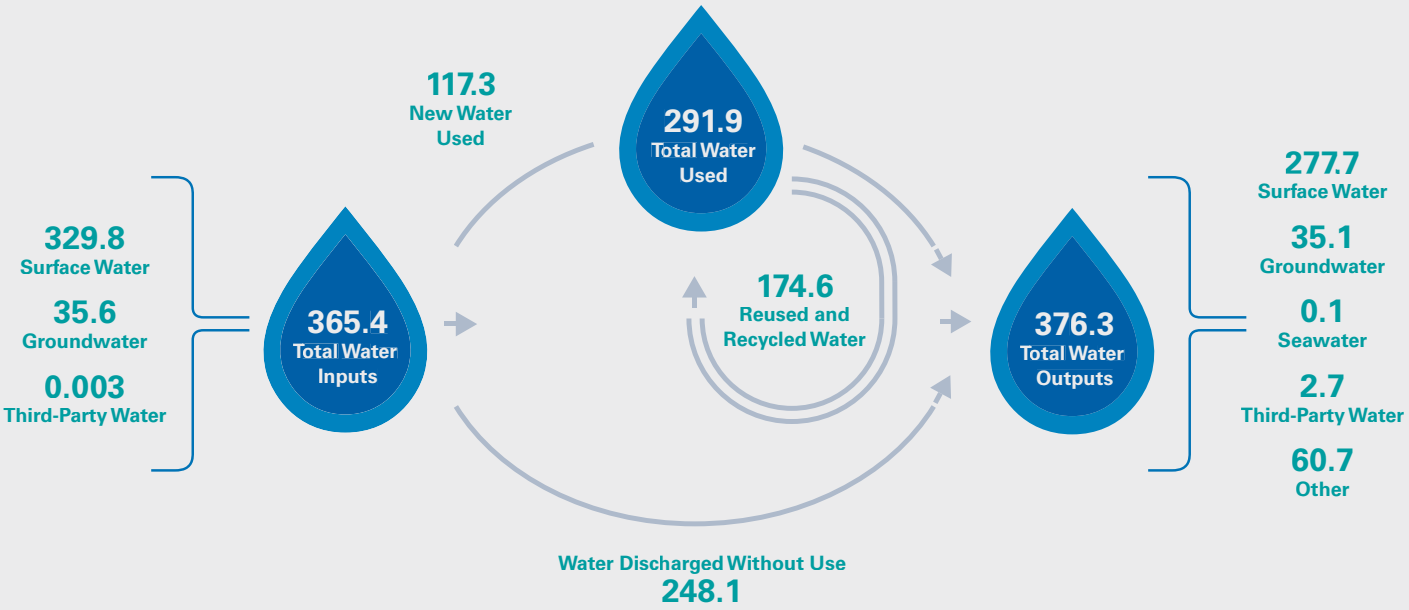
We track water data for all our operations using site-wide water balances. Site-wide water balances provide an understanding of water inputs, consumption, reuse/recycle and discharge volumes at each operation. Water balances are developed using a mix of measurements and modelling computation. The company-wide water balance is complex, due to the variability of natural factors such as rainfall, snowmelt and the diversity of the climates and geological conditions where our operations are located. Understanding our water balance is key to improve water management practices and to enable better decision-making.

Key water performance metrics include total water use, water reused and water recycled. In 2017, 60% of our total water use was from reused/recycled water. Water reused and recycled, expressed as a percentage of new water use, was 149% across the company. At our mining operations only (excluding Trail, which is our zinc and lead smelting and refining facility), this percentage was 378%. This means that our mining operations recycled and reused the same water approximately four times on average before returning that water to the environment.

Trail Operations accounts for nearly 25% of our total water use and about 60% of our new water use. Almost all of the water used at our Trail Operation is for cooling purposes, meaning that it does not come into contact with chemicals or reagents, and the only change it undergoes is a slight increase in temperature before being returned to the environment within regulatory approved conditions. We track this water separately from the data for our mining operations.

Figure 9 illustrates the new water use and total water use trends over the past four years. In 2015, the significant reduction of total water use across all our operations was largely due to the implementation of a cooling tower retrofit project at our Trail Operations. Since 2015, our new water use has remained relatively constant, and we have been improving our practices and increasing our reuse/recycle water use to meet our water needs.

Figure 8: Company-Wide 2017 Water Balance (million m³)



Water inputs: water that is received, extracted or managed (i.e., collected and conveyed through an operation's infrastructure). Water inputs exclude water diverted away from operational areas.

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

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

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

Water accumulated: the difference between water inputs and water outputs. This is indicative of the change in the stored water volume at our operations.

Water outputs: water that is returned to the environment or is not available for further use after it has been collected, used, treated or stored.

Types of Water

Surface Water: water from precipitation and runoff that is not diverted around the operations. Also includes water inputs from surface waterbodies that may or may not be within the boundaries of our operations.

Groundwater: water from beneath the surface of the ground that collects or flows in the porous spaces in soil and rock.

Seawater: water obtained from a sea or ocean.

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

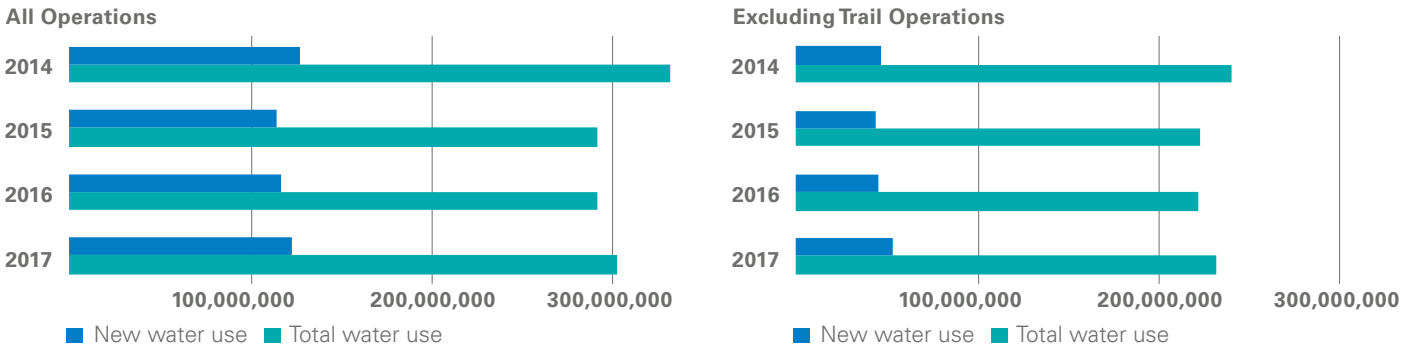
Other: includes water that has evaporated and/or is not recoverable (e.g., contained in ore concentrate or tailings).

Table 6: Water Used, Reused and Recycled

	2017	2016	2015	2014
Total water inputs (m^3)	**365,399,000**	346,462,000	333,150,000	391,637,000
Total water outputs (m^3)	**376,285,000**	353,414,000	340,227,000	388,667,000
Total water use (m^3)	**291,930,000**	285,268,000	285,864,000	326,727,000
New water use (m^3)	**117,319,000**	117,930,000	115,466,000	128,355,000
Water reused/recycled (m^3)[1]	**174,611,000**	167,338,000	170,371,000	198,372,000
Reused/recycled as % of total new water use[1][2]	**149%**	142%	148%	155%

(1) The figures for 2014-2016 have been restated due to improved methodology for reporting total water reuse at our Red Dog Operations.
(2) The percentage calculation is based on the total volume of water reused/recycled divided by the total volume of new water used.

Figure 9: Total and New Water Use (m^3)



Water Intensity

We benchmark our water performance on the basis of a new water use intensity metric, as shown in Tables 7 and 8. Our new water use intensity is defined as the annual volume of new water used per unit of material processed by our steelmaking coal and by our milling and flotation operations.

These water metrics allow us to more consistently evaluate our water use performance, independent of variations in annual precipitation and ore grades. In addition, these metrics will allow us to inform water management decisions and improvement projects at our operations.

Table 7: New Water Use Intensity at Coal Operations

Coal Operations[1]	2017	2016	2015	2014
New water use (million m^3)	**11.3**	15.5	14.9	15.4
Raw coal processed (tonnes)	**40,705,653**	38,871,000	35,302,000	40,424,000
New water use intensity (m^3/tonne)	**0.28**	0.40	0.42	0.38

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

Table 8: New Water Use Intensity at Milling and Flotation Operations

Milling and Flotation Operations[1]	2017	2016	2015	2014
New water use (million m^3)	**33.1**	28.0	27.2	29.5
Ore processed (tonnes)	**74,355,735**	72,262,000	69,186,000	72,565,000
New water use intensity (m^3/tonne)	**0.45**	0.39	0.39	0.41

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

Table 9: New Water Use at Quebrada Blanca and Trail Operations (million m^3)

	2017	2016	2015	2014
Quebrada Blanca (water used primarily in metal leaching process)	**1.7**	1.6	1.7	1.7
Trail (water used primarily for cooling)	**71.1**	72.8	71.7	81.6

Our 2017 new water use intensity metrics showed that our steelmaking coal operations improved relative to 2016, and that our base metal milling and flotation operations increased relative to 2016. The improvements in our coal operations are primarily due to improved practices at Greenhills and reduced tailings pond storage capacity at our Fording River Operations. At our Greenhills Operations, a number of system improvements within the process plant increased return flows to the tailings storage facility, providing more water for later reuse. At our Fording River Operations, the combination of a reduced tailings facility water storage capacity and an increase in water inputs from tailings slurry meant that more water was reused in 2017 than in previous years. The increase in new water use intensity at our milling and flotation operations is primarily due to a combination of factors, including:

- **At Highland Valley Copper Operations,** increased production rates resulted in an increase of make-up water requirements, which had to be sourced from new water sources
- **At Carmen de Andacollo Operations,** a considerably wetter 2017 resulted in more new water (rainwater and surface runoff) accumulating in the tailings storage facility, providing more new water for use

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

Outlook for Water Stewardship

In 2018, we will work towards implementing a Water Governance framework across the organization to support our new Water Policy. We will also continue to advance our work towards our sustainability goals for water by increasing our understanding of groundwater at priority operations and by contributing to watershed management in water-stressed regions through water use efficiency projects and watershed-based planning and mitigation activities. To enable sustainable implementation of the Elk Valley Water Quality Plan, training, research and development, construction and other activities in the Elk Valley will proceed in 2018. As in past years, we will also continue to collaborate with communities to ensure equitable access to water in water-stressed regions near our operations in Chile.

Learn More

ICMM Position Statement on Water Stewardship

Relationships with Communities

While businesses typically generate economic growth and opportunity in communities in the form of jobs and procurement, the expectation for companies to address challenges such as access to water and air quality continued to increase in 2017. Businesses are facing increasing pressure to better integrate community input, demonstrate the value of their activities and operations and contribute to sustainable development.[2]

While community engagement can be considered a normal part of doing business for mining companies, the importance of building support for projects and operations continues to increase and evolve. Conflicting interests between communities and companies can result in project delays, operational disruption and increased costs. Maintaining trust through effective community engagement in order to mitigate negative impacts and to maximize positive impacts is a critical component of maintaining social licence to operate, which was ranked as one of the top business risks facing the mining and metals sector in 2017/18 by EY.[3]

Communities may be affected by the environmental and social impacts of mining, such as competition for water and energy, air emissions, and stress on public services. At the same time, there can be significant opportunities, such as local economic benefits and enhanced infrastructure, when these impacts are well managed in collaboration with communities. In recognition of these risks and opportunities, the International Council on Mining and Metals (ICMM) established stakeholder engagement as one of their 10 Principles. ICMM members, including Teck, are expected to proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner.

While specific opportunities and concerns about the impacts of our activities vary among communities in the areas where we operate, one of the common expectations of communities is meaningful engagement throughout the mining life cycle and maintaining strong relationships. These relationships continued t o be a strategic business priority across all of our sites in 2017. Engagement focused on exploring and advancing shared benefit opportunities as well as managing and mitigating potential impacts on the environment and on human health and, in particular, issues related to air, water, tailings and biodiversity. For example, community engagement has been critical to the social and environmental impact assessment process for our Quebrada Blanca Phase 2 project. We engaged communities in relation to the development of all of our projects, including NuevaUnión, and our Zafranal and San Nicolás projects, in Peru and Mexico respectively, and continued to advance relationships with communities near our operations.

Pictured Above: A child from a community program in Andacollo.

2 Sara Enright, Roger McElrath, and Alison Taylor. The Future of Stakeholder Engagement. Research Report. BSR. 2016. 3 Top 10 Business Risks Facing Mining and Metals in 2017-2018. EY.

Our Performance in Relationships with Communities in 2017

Our Targets and Commitments

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

2020 Goal	Status	Summary of Progress in 2017
Refine our business policies and practices based on results of our social risk assessments, our work in human rights, and developments in the rights of Indigenous Peoples.	On Track	Implemented integrated social risk assessment practices across all operations. Advanced human rights due diligence through updates to feedback and engagement management systems. Implemented a community incident reporting framework and piloted a new human rights training program in Chile.
Engage with communities to identify social, economic and environmental priorities and to mutually define outcomes and measures of success.	On Track	Revised SMART framework to better integrate practices in feedback management, community investment and closure planning. Updated Teck's Community Investment Program to enhance financial and program performance. Conducted community perception surveys across all operations to collect information on what matters most to communities.

2017 Key Performance Indicators

Indicator	Target		
# of significant community disputes	Zero significant community disputes	0 disputes	Learn More: Page 41
Procurement spend on local suppliers	Increase procurement spend on local suppliers relative to total spend	23% spend on local suppliers	Learn More: Page 43
Average % of local employment at operations	Increase % of local employment at operations relative to total employment	72% local employment	Learn More: Page 43
Amount of funds disbursed through community investment	At least 1% of our average annual earnings before interest and tax during the preceding five-year period	$13.2 million	Learn More: Page 44

GRI Indicators and Topic Boundary

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

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

How Does Teck Manage This Topic?

Information about how we manage relationships with communities, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility.

Engagement on Actual or Potential Impacts

Guided by our HSEC Management Standards and our SMART framework, we require all 12 (100%) of our operations, all four (100%) of our major projects, and all of our exploration activities to engage and consult with stakeholders and communities to address current and emerging issues and to maximize opportunities that provide strategic value for both Teck and those communities. In addition, we conduct more significant community consultation processes, including with Indigenous communities, as part of permitting processes for major projects.

We demonstrate our performance in community consultation and engagement by reporting on impact management, general feedback received, grievances and disputes.

Activities across the mining life cycle may result in a range of social, economic and environmental impacts, both positive and negative. Examples of specific impacts experienced at our operations in 2017, and major engagements undertaken, are discussed in Table 10. Please refer to page 22 for a detailed discussion on how we engage our stakeholders to understand their concerns and avoid, minimize and mitigate issues.

Table 10: Selected Major Engagement Activities in 2017

Actual or Potential Impacts on Communities from Our Activities	Sites	Major Engagement Activities
Environmental/Socio-Economic: impacts on livelihoods and community well-being related to dust from mining activities	Carmen de Andacollo Operations	We engaged with El Toro and other Andacollo community organizations due to their concerns related to our blasting procedures and the timeliness of our responsiveness to their complaints. We will continue to undertake improvements to manage both actual and perceived impacts associated with dust from blasting. A priority for 2018 is enhancing the notification system and communications related to our blasting practices.
Community: concerns about company response to environmental and social feedback as well as distribution of community benefits		We formalized working tables with municipal and community leaders, which will represent significant engagement opportunities to identify issues with local impacts and support investment in community priorities in 2018.
Socio-Economic: impacts on livelihood as a result of the sale of the Waneta Dam to BC Hydro	Trail Operations	We undertook extensive engagement with community members and local government leading up to, and following the agreement, to sell the asset and transition to a lease agreement.
Environmental: impacts associated with historical lead in local environment		We engaged the Trail Health and Environment Committee on ongoing management strategies to address lead exposure in children and to support provincial strategies for remediation in the region.
Environmental: impacts associated with natural events and impacts on water and air	Highland Valley Copper Operations	We collaborated with local communities, agencies and Indigenous groups to mitigate impacts from flooding and wildfires in the region, and to support relief efforts.
Community: impacts of activities as related to subsistence resources, traditional land use and community health	Red Dog Operations	We advanced engagement through the Memorandum of Agreement with the community of Kivalina through the Siñgamiut Working Group to set strategies related to community health, promotion of traditional land use, and subsistence activities. We continued to work with the Subsistence Committee to review all subsistence-related issues and guide subsistence protection activities at the mine.
Socio-Economic: impacts associated with shortfalls in local taxation and community benefits to the region		We established an agreement with the Northwest Arctic Borough to establish a Payment in Lieu of Taxes (PILT) and a new Village Improvement Fund for 11 identified villages in support of local development. We continued to undertake direct visits to communities within the region to address local concerns, advance local hiring initiatives and identify community investment opportunities.

Table 10: Selection of Major Engagement Activities in 2017 (continued)

Actual or Potential Impacts on Communities from Our Activities	Sites	Major Engagement Activities
Socio-Economic/Environmental: impacts associated with potential new project development in the region	Cardinal River Operations	We undertook extensive engagement with First Nations, communities and regulators related to the MacKenzie Redcap exploration program in order to establish impact benefit agreements with First Nations in the region.
Environmental/Socio-Economic: impacts on livelihoods and community well-being related to dust from mining activities	Elkview Operations	We responded to community-related dust concerns, (including perceived impacts on health and property) and educated residents on current dust management strategies being undertaken on-site. This engagement will continue on an ongoing basis. We undertook a year-long engagement with the District of Sparwood to draft a Socio-Community Economic Effects Management Plan as part of the Baldy Ridge Extension project, establishing a shared process for adaptive management of community environmental impacts and targeting opportunities to improve community livability.
Environmental/Socio-Economic: impacts associated with expanding operations at Quebrada Blanca	Quebrada Blanca Phase 2 Project	We undertook extensive engagement with local Indigenous and non-Indigenous communities following our regulatory submission for Quebrada Blanca Phase 2, with the objective of establishing agreements with critical communities in support of final project approval.
Environmental: impacts on the environment	Frontier Project	We advanced Teck's proposals to further protect biodiversity and improve wildlife management in the Lower Athabasca region, which includes engagement with the Mikisew Cree First Nation in their efforts to establish a Biodiversity Stewardship Area in the region.

Pictured Above: A new era of child healthcare began in 2017 as the new Teck Acute Care Centre at B.C. Children's Hospital opened its doors to patients. Teck donated $25 million to support child health in B.C., where approximately 6,000 of our employees live and work. Watch this video to learn more.

Teck's SMART Framework

In 2017, we launched an update to Teck's SMART framework that placed increased emphasis on the integration of key social management activities across Teck's sites. This framework continues to be supported by guidance and toolkits to support consistency and quality of key social practices at sites. In 2017, improvements included updates to negative feedback management guidance, community incident reporting guidance, community investment (benefits management) policies and guidance, and frameworks to support social aspects of closure planning.

Measuring Our Relationships with Communities

In 2017, Teck launched an annual company-wide opinion research program for communities near our operations. The quantitative data obtained during the first survey provides a baseline to measure and help guide improvements to our performance, assess the impact of events, inform our five-year planning process and support our reporting. The survey was conducted by an independent polling company.

Feedback, Grievances, Disputes and Incidents

Having a feedback mechanism that is widely accessible to community members, and providing effective remedies through this mechanism, is an important way for us to understand our impacts on communities, which in turn allows us to work to minimize negative impacts and maximize positive impacts. All of Teck's operations and major projects and most exploration projects have implemented feedback mechanisms. Feedback received is recorded using our TrackLine system and categorized into four levels:

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

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

Feedback

In 2017, we received 906 instances of feedback through direct feedback mechanisms established across our sites, compared to 1,006 in 2016.

Feedback levels will vary from year to year for several reasons, including the level of permitting or project activity, which tends to increase the amount of feedback, and community use of feedback mechanisms. As efforts increase by our sites to improve the extent to which feedback mechanisms are used, we may see an increase in the amount of feedback received.

Grievances

In 2017, of the total feedback received, 147 items were considered grievances. Grievances are reflective of perceived or actual events taking place as a result of company activities, and therefore do not necessarily constitute an actual negative impact or non-conformance event by the company. Teck's practice is that all feedback, which includes grievances, is acknowledged and assessed, and a response is communicated to the complainant, with the goal of providing a satisfactory reply or resolution in a timely manner.

Figure 10: 2017 Feedback Received by Category[1]

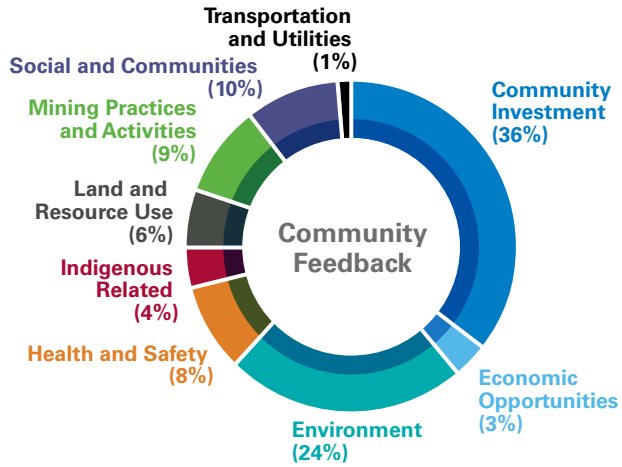
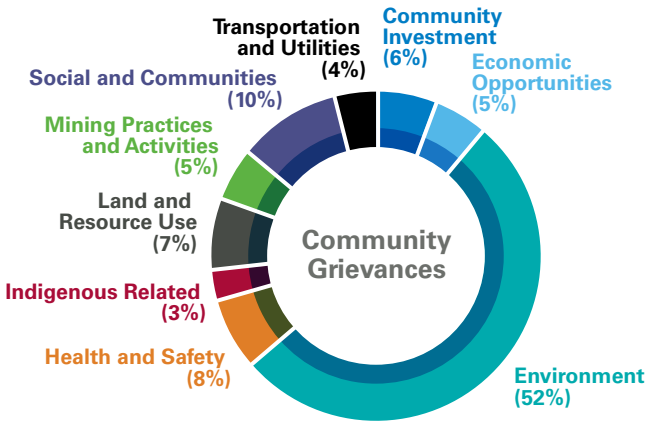


Figure 11: 2017 Grievances Received by Category[1]



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

Disputes

Disputes represent conflicts between the company and the impacted community related to land use and the customary rights of local communities and Indigenous Peoples. One example of a dispute that Teck is engaged in is related to a lack of available land for housing near our Carmen de Andacollo Operations. In the past, this has been a source of conflict between Teck and the community. Teck is working with local and regional governments, and with housing associations, to understand obstacles and opportunities that are within Teck's control, in an effort to assist in finding a collaborative solution.

Disputes are considered significant when they cannot be resolved jointly within a reasonable time frame, are repeated or widespread, or represent potentially significant or long-term financial, legal or reputational consequences for the company. In 2017, none of Teck's sites experienced significant disputes.

Community Incidents

An incident is an occurrence where individuals or groups may cite real or perceived breaches of law or company policy, real or perceived impacts on human rights (particularly related to land use) or the customary rights of Indigenous Peoples, and/or real or perceived impacts resulting in death or serious illness. In the vast majority of cases, an incident is immediately managed and has no significant implications. We actively monitor, manage, investigate and learn from incidents, including those related to health and safety, communities and the environment. To ensure we are capturing and responding to all community concerns in addition to those raised through our usual feedback mechanisms, we established a new community incident reporting system across all operating sites in 2017.

All community incidents reported were assessed on a severity scale using multidisciplinary consequence criteria that are based on impacts both on Teck (financial, legal and reputational) and on communities (quality of life, Indigenous rights, and subsistence impacts). Such incidents may be subject to further investigation within Teck. In 2017, Teck had no significant community incidents (Level 4 severity or higher) reported; however, we have included two incidents categorized as moderate (Level 3 severity) below:

- **A resident of Kivalina** near our Red Dog Operations was not notified in time that their on-site job interview had been cancelled and thus incurred significant travel costs. Following an investigation, procedural changes were made and a remedy was provided to the individual in line with the impact.
- **A First Nations partner** near our Highland Valley Copper Operations reported that procurement processes defined under our impact benefit agreement with them had been breached. A number of changes were subsequently made to our procurement procedures to prevent reoccurrence.

Economic Value Generated and Distributed

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

Table 11: 2017 Breakdown of Economic Value Generated and Distributed (millions)

	Economic Value Generated	Economic Value Distributed								Economic Value Retained
		Payment to Suppliers[2]		Employee Wages and benefits[3]		Payments to providers of capital[4]	Income and Resource Taxes [5]	Community Investments [6]	Total	
	Revenues[1]	Operating Costs	Capital Expenditures	Operating Costs	Capital Expenditures					
U.S.	$ 1,865	$ 792	$ 76	$ 161	$ 6	$ –	$ 284	$ 1	$ 1,320	$ 545
Canada	9,182	4,573	1,287	1,073	9	988	396	7	8,333	849
Chile	731	407	173	106	12	–	1	4	703	28
Peru	905	253	58	101	–	–	198	–	610	295
Other	–	8	–	8	–	–	–	1	17	(17)
Inter-segment elimination[2]	(635)	(635)	–	–	–	–	–	–	(635)	–
Total	$ 12,048	$ 5,398	$ 1,594	$ 1,449	$ 27	$ 988	$ 879	$ 13	$ 10,348	$ 1,700

(1) Revenues are presented based on an accrual basis. Internal cross-border sales are eliminated as shown.
(2) Operating costs include operating expenses at our mining and processing operations and our general and administration, exploration and research, and development expenses and costs relating to production stripping. Operating costs excludes depreciation, and employee wages and benefits, which are specified separately. Capital expenditures are payments for purchases of property, plant and equipment, excluding the component relating to capitalized wages and benefits, which is specified separately.
(3) Wages and Benefits reflects total amounts paid to employees relating to wages and benefits, including payroll taxes.
(4) Payments to providers of capital include dividends paid to shareholders, interest paid to debtholders, and payments for share repurchases less issuance of shares.
(5) Income and resource taxes include amounts paid in the year.
(6) Community investments include voluntary donations paid during the year.

In 2017, we had a profit attributable to shareholders of $2.5 billion or $4.34 per share. This compares with a profit attributable to shareholders of $1.0 billion or $1.80 per share in 2016, and a loss of $2.5 billion or $4.29 per share in 2015. See our Annual Report for more detailed information on our financial performance.

Local Hiring and Procurement

The tables below reflect our tracking of local employees and local procurement until the end of 2017. Increases and decreases in this data are influenced primarily by site-level construction and maintenance activity as well as by the availability of suitable suppliers in the local area.

We continue to focus on hiring people locally as it helps to share the economic benefits of our industry with the communities in which we operate.

Some of our sites utilize site-specific local hiring procedures. In 2017, we increased our overall average of local employees to 72% of our operational workforce, compared to 65% in 2016.

Table 12: Local Employment in 2017[1],[2]

Operation	Local Employees	Percentage of Local Employees	Senior Management Roles Filled by Locals[3]
Cardinal River	340	88%	75%
Carmen de Andacollo	378	59%	0%
Coal Mountain	113	69%	50%
Elkview	638	66%	100%
Fording River	711	59%	93%
Greenhills	422	68%	94%
Highland Valley Copper	1,260	95%	26%
Line Creek	337	62%	100%
Pend Oreille	197	72%	13%
Quebrada Blanca	215	49%	0%
Red Dog	492	73%	23%
Trail Operations	1,410	99%	89%
Total	**6,513**	**72%**	**55%**

(1) Data is not directly comparable between operations, as there are differences in how each operation defines "local" and how each operation tracks data.
(2) "Local" is defined as persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organization's operations. The community can range from persons living adjacent to operations to isolated settlements at a distance from operations, but individuals are still likely to be affected by these operations.
(3) Senior management is defined by their compensation band, which is determined by job responsibilities.

Table 13: Percentage of Total Spend with Local Suppliers

Operation	2017	2016	2015	2014
Cardinal River	**12%**	9%	8%	8%
Carmen de Andacollo	**13%**	18%	19%	9%
Steelmaking Coal Operations in the Elk Valley	**26%**	41%	48%	19%
Highland Valley Copper	**37%**	30%	29%	27%
Pend Oreille	**14%**	20%	12%	13%
Quebrada Blanca	**12%**	33%	24%	18%
Red Dog	**41%**	59%	55%	59%
Trail Operations	**29%**	27%	24%	33%
Total	**23%**	30%	27%	23%

Table 14: Community Investment by Site[1],[2],[3],[4]

Operation	2017	2016	2015	2014
Carmen de Andacollo	**$ 1,773,000**	$ 1,929,000	$ 2,310,000	$ 2,157,000
Steelmaking Coal Operations[1]	**675,000**	679,000	672,000	1,970,000
Duck Pond	**180,000**	263,000	309,000	297,000
Highland Valley Copper	**391,000**	410,000	456,000	579,000
Pend Oreille	**16,000**	25,000	18,000	8,000
Quebrada Blanca	**256,000**	368,000	513,000	623,000
Red Dog[2]	**541,000**	948,000	1,284,000	556,000
Trail Operations	**338,000**	339,000	480,000	334,000
Corporate Offices and Projects[3]	**8,956,000**	6,844,000	10,602,000	12,755,000
Exploration	**80,000**	35,000	89,000	69,000

(1) Steelmaking coal operations include Cardinal River, Coal Mountain, Elkview, Greenhills, Fording River and Line Creek operations.
(2) The 2014 Red Dog numbers were recalculated to include investments that Vancouver Head Office made in the Northwest Arctic Borough.
(3) Includes Calgary, Santiago, Spokane, Toronto and Vancouver offices as well as resource development projects (Frontier, Galore Creek, Quebrada Blanca 2 and Quintette).
(4) The numbers represent Teck's portion of ownership (Carmen de Andacollo 90%, Quebrada Blanca 76.5%, Quebrada Blanca 2 76.5% and Galore Creek 50%).

Community Investment

We continue to meet our target of donating at least 1% of our earnings before interest and taxes on a five-year rolling average basis. Our earnings before interest and taxes are calculated against total (100% of) revenues. Our community investment expenditures in 2017 were $13.2 million. Information on our community investment reporting framework is available on our website.

Given that our community investment budget target is tied to earnings on a five-year rolling average, our target continued to decrease in 2017. However, to ensure continuity of programs at a community level, Teck chose to maintain 2017 community investment targets consistent with 2016 levels, thus exceeding the budget target for 2017.

Team Teck

Team Teck offers our employees the opportunity to amplify their donations to causes that they care about through donation matching from Teck. In 2017, employees across Teck supported several initiatives, such as disaster relief for the British Columbia wildfires and the major earthquake in Mexico, animal shelters, community food banks, and development charities working across the world, for a total of $97,000 provided by Teck in matching funding.

Outlook for Relationships with Communities

In 2018, we will continue to engage with communities at and near our sites and work towards maintaining or increasing community support for our activities. In particular, we will focus on engaging Indigenous Peoples and stakeholders as we advance our Frontier, Quebrada Blanca Phase 2 and NuevaUnión projects, and projects included under Project Satellite (Zafranal and San Nicolás). Using our redeveloped SMART framework, we will also continue to improve our social management approach by further implementing guidance and procedures for feedback management, updating our information management systems for tracking and reporting, and better integrating social incident reporting and management into existing systems. For community investment in 2018, we will be implementing a new framework for sites that better aligns program decisions with Teck's SMART framework to improve the quality of program outcomes. Within our community investment program, we will also continue to advance our Zinc & Health and Copper & Health programs.

Learn More

Understanding Company-Community Relations Toolkit, ICMM

Energy and Climate Change

Climate change is an increasingly important global challenge for businesses and communities, and is addressed in the United Nations Sustainable Development Goal 13 on climate action. In 2017, the World Economic Forum again rated "failure of climate-change mitigation and adaptation" as the number five risk in terms of global impacts.[4]

Addressing this challenge and supporting the transition to a lower-carbon economy will require change in how energy is produced and consumed, and how greenhouse gas emissions are managed. Businesses are increasingly taking a role in climate action and advocating for fair and broad-based climate-related regulation, including carbon pricing.

Demand for commodities is likely to shift in response to a lower-carbon environment, and certain commodities may be more significantly affected than others. The metals and minerals we produce are essential to building the technologies and infrastructure necessary to reduce GHGs and adapt to the effects of climate change. For example, renewable energy systems can require up to 12 times more copper compared to traditional energy systems; steel, and the steelmaking coal required to make it, is necessary for infrastructure that reduces emissions, such as rapid transit and wind turbines.

In response to the Paris Agreement and United Nations SDG 13, a number of major mining jurisdictions announced climate change commitments. In 2017, the Government of Canada advanced the Pan-Canadian Framework on Clean Growth and Climate Change. This plan was developed with Canadian provinces and territories and in consultation with Indigenous Peoples to meet emissions reduction targets, grow the economy and build resilience to a changing climate.

As mining operations require large amounts of energy to produce and transport their products, energy is one of their most material costs. As large energy consumers, mines also produce significant GHG emissions, which exposes them to potential new costs, both as a carbon price is introduced, and as additional costs when the price increases. We recognize that our activities consume energy and generate significant GHG emissions. This is why Teck has set ambitious targets to reduce our carbon footprint and why we advocate for policies that support the world's transition to a lower-carbon economy. In early 2018, we released a Climate Action and Portfolio Resilience report where we summarize Teck's climate action strategy, goals and performance; discuss key climate-related risks and opportunities for our businesses; and consider the potential implications for Teck of two commonly used climate-related scenarios. While not forecasts, these scenarios describe two possible futures looking forward to 2040.

Pictured Above: Fording River Operations, British Columbia.

4 The Global Risks Report 2017 World Economic Forum.

Our Performance in Energy and Climate Change in 2017

Our Targets and Commitments

We take action to reduce GHG emissions by improving our energy efficiency and implementing low-carbon technologies. The following tables summarize our performance against our targets and 2020 sustainability goals.

2020 Goal	Status	Summary of Progress in 2017
Implement projects that reduce energy consumption by 2,500 terajoules (TJ).	On Track	Reduced 2,132 TJ of energy consumption since 2011 baseline.
Implement projects that reduce GHG emissions by 275 kilotonnes (kt) of CO_2-equivalent (CO_2e).	On Track	Met the goal early and reduced 64,000 tonnes in GHG emissions as a result of projects implemented in 2017. Reduced 281,000 tonnes in GHG emissions since 2011 baseline.
Assess opportunities and identify potential project partners toward achieving our 2030 alternative energy goal.	On Track	Completed a desktop assessment of five renewable energy technology opportunities for 31 Teck properties, including select legacy properties, operations and projects.
Engage with governments to advocate for effective and efficient carbon pricing.	On Track	Teck's Senior Vice President of Sustainability and External Affairs named co-chair of the B.C. Climate Solutions and Clean Growth Advisory Council.

2017 Key Performance Indicators

Indicator

Energy consumption (TJ)

Target

2,500 TJ reduction by 2020

Reduced 582 TJ in 2017

Learn More: Page 48

Indicator

GHG emissions by direct CO_2e (kt)

Target

275 kt reduction by 2020

Reduced 64 kt in 2017

Learn More: Page 49

GRI Indicators and Topic Boundary

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

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

How Does Teck Manage This Topic?

Information about how we manage energy and greenhouse gas emissions, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility.

Case Study

SDG 13 Spotlight: Rethinking Energy and Emission Reductions at Highland Valley Copper Operations

It started with a cup of coffee. James Myers, Energy Coordinator at Highland Valley Copper (HVC) in south-central British Columbia, was talking with a mining engineer and in the process, uncovered a major unrealized opportunity.

The Mining Engineering department had recently made a change to the mine plan that would save several million litres of diesel over a 10-year period. It got Myers thinking. Traditionally, HVC pursued energy and emission reductions directly with energy-focused projects. But since energy is tied so closely to every mining activity, shouldn't nearly every effort to improve our mining business also produce an energy reduction?

"In past years, our energy reductions came from energy efficiency projects and involved a small number of people," said James. "This year, most of our energy and GHG reductions came from reducing equipment wear, minimizing costs or increasing throughput without overloading equipment. By supporting efforts to improve our business, we reduced our energy use and GHG emissions."

In 2017, James and his team identified 15 projects that will save 2.35 million litres of diesel, 9.1 million kilowatt hours of electricity and 7,445 tonnes of GHG emissions every year. This achieves approximately four times HVC's annual energy and GHG emissions reduction targets. One of the projects was as simple as increasing the capacity of a crusher that was causing a backup of haul trucks. The trucks had sat idling, waiting for their turn to unload, or were diverted to a different crusher several kilometres away. By eliminating the bottleneck at the crusher, haul trucks were able to dump and get back to work quickly, saving HVC more than 900,000 litres of diesel per year.

In another project, density in six ball mills was increased, resulting in improved grinding, and aiding metal recovery, but with less energy. The control system is yet to be optimized but is already saving approximately 8.3 million kilowatt hours of electricity per year.

"Efficiency projects get harder to find with each passing year, but the ongoing effort of so many of our innovative and talented people never wears thin," says Geoff Brick, General Manager, Highland Valley Copper. "Sustainability is critical to how we operate and drives our decision-making. It's the right thing to do, and it also makes our business stronger."

Sustainability by the numbers

- **15:** The number of HVC projects identified as saving energy and reducing GHGs in 2017
- **2.35 million:** Litres of diesel saved per year
- **9.1 million:** Kilowatt hours of electricity saved per year
- **7,445 tonnes:** The amount of GHG emission reductions per year

Pictured Above: Jacqui Schneider, Senior Community Affairs Officer and Stuart Marcus, Mill Operator III, at Highland Valley Copper Operations.

Positioning Teck to Thrive in the Low-Carbon Economy

Energy Use and Reduction

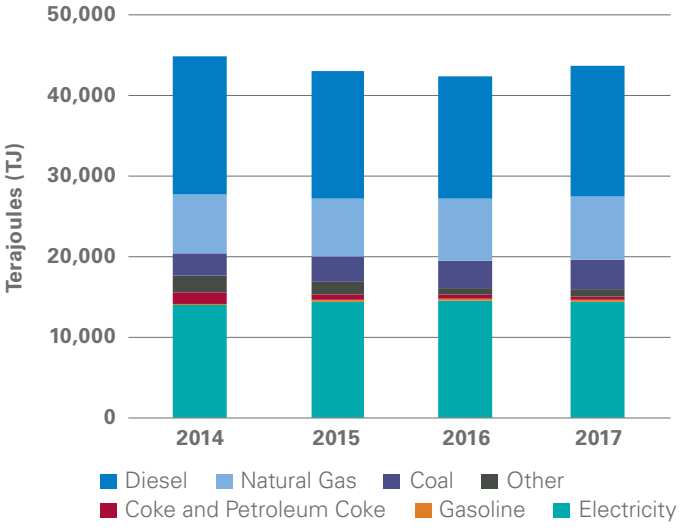
In 2017, we consumed a total of 43,899 TJ of energy (i.e., electricity and fuels), as compared to 42,538 TJ in 2016. Trends in fuel and electricity consumption for the past four years are shown in Figure 12. In 2017, six of our operations (Cardinal River, Coal Mountain, Carmen de Andacollo, Highland Valley Copper, Quebrada Blanca and Trail Operations) reduced their absolute energy consumption from 2016.

Collectively, projects implemented in 2017 have reduced annual energy consumption at our operations by 582 TJ — enough to power 5,404 homes for a year. Since 2011, our efforts have resulted in reduction projects totalling 2,132 TJ.

In 2017, approximately 27% of our energy requirements (i.e., electricity and fuels) were supplied by non-carbon-emitting sources, primarily hydroelectricity, compared to 28% in 2016. Of our total electricity consumption in 2017, 81%, or 11,719 TJ, was from renewable energy sources, the majority of which is hydroelectricity.

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

Figure 12: Energy Consumption by Type[1]



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

Energy Intensity

In Figures 13 to 15, we outline our energy intensity, or the amount of energy used per tonne of product. This is a measure of efficiency that helps us to better manage our performance.

Figure 13: Steelmaking Coal Production Intensity

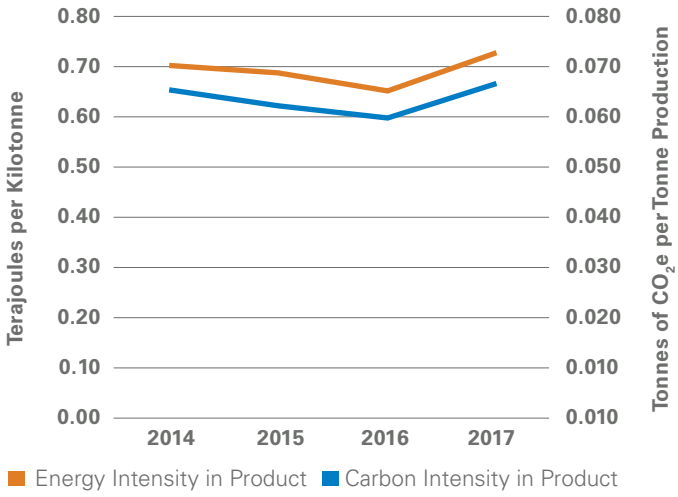


Figure 14: Zinc and Lead Production Intensity

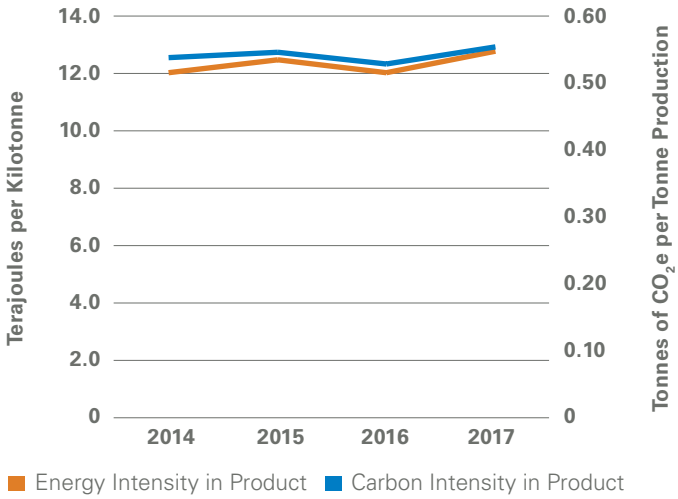
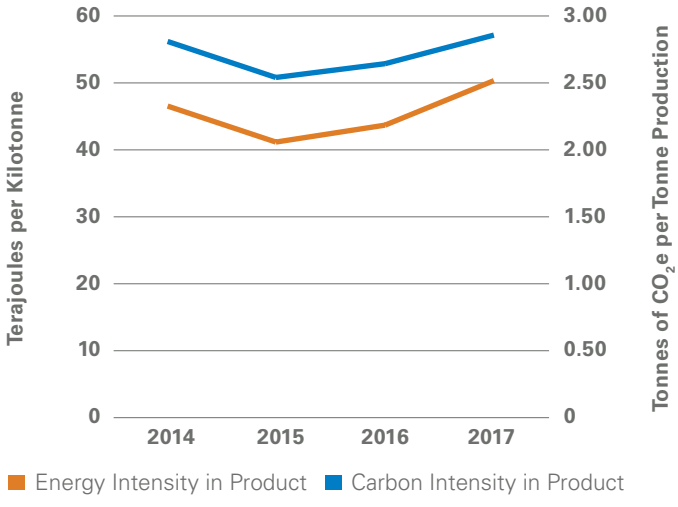


Figure 15: Copper Production Intensity



Energy and carbon intensity for the production of steelmaking coal increased in 2017 (Figure 13). This change is due to an increase in strip ratios at our steelmaking coal operations, where energy use and the associated emissions were focused on moving non-product materials to a greater degree than in previous years. It is natural for strip ratios to vary over time, so while the emissions intensity of coal has increased in 2017 and may increase again in the future, the intensity will conversely decrease in the future when strip ratios decrease.

Carbon intensity is a measure of the GHG emissions generated during production of a given unit of a commodity, e.g., the amount of carbon dioxide (CO_2) generated per tonne of copper or steelmaking coal produced. According to data from the International Council of Mining and Metals (ICMM), at 67 kilograms of CO_2-equivalent per tonne of steelmaking coal produced, the emissions intensity of our steelmaking coal is less than half the industry average of more than 150 kilograms. Similarly, our copper production averages 2.6 tonnes of CO_2-equivalent per tonne of copper produced, which is 35% below the industry average of 4 tonnes. Our goal is to continue to improve the carbon intensity of our operations and future projects.

Reducing Our Carbon Footprint[5]

In 2017, our total GHG emissions (Scope 1 and Scope 2), as CO_2e, were 3,010 kilotonnes (kt), compared to 2,931 kt in 2016. Of those totals, our direct (Scope 1) GHG emissions were 2,682 kt in 2017, compared to 2,552 kt in 2016. Figure 16 shows a breakdown of our emissions by fuel type. We estimate our indirect (Scope 2) GHG emissions associated with electricity use for 2017 to be 328 kt, or approximately 11% of our total emissions. These emissions are associated primarily with our Cardinal River, Carmen de Andacollo and Quebrada Blanca operations, as their electricity power grids are based heavily on fossil fuels. Elsewhere, our indirect emissions were relatively small, as operations in B.C. and Washington state obtain a significant proportion of their electricity from hydroelectric generation.

We met our 2020 GHG reduction goal of 275 kt of CO_2e emissions early, with reductions already estimated at approximately 281 kt of CO_2e emissions at the end of 2017.

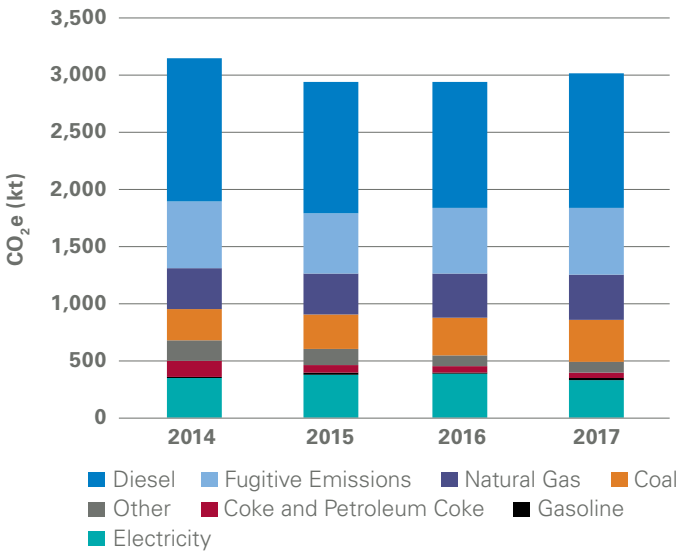
We implemented several energy and GHG reduction projects that contributed to our energy goals in 2017 and six of our operations reduced their GHG emissions. One of the largest contributors to our progress to date has been the sourcing of solar power at our Quebrada Blanca Operations in northern Chile. The amount of solar energy sources is equivalent to 30% of the total electricity consumed at Quebrada Blanca, and avoids approximately 39,000 tonnes of GHG emissions per year.

Scope 3 Emissions

Scope 3 emissions are other emissions that arise from sources owned or controlled by other entities within our value chain. For example, Scope 3 emissions include those arising from business travel by employees, the use of our products, and the transportation of materials that we purchase and sell. Consequently, Scope 3 emissions cover a wide spectrum. Our approach is to identify and quantify those that are material to Teck.

Our most material Scope 3 emissions are from the use of our steelmaking coal product by our customers. Unlike the majority of coal, which is burned to generate electricity, steelmaking coal has special properties that make it a suitable input for manufacturing steel. Based on our 2017 sales volumes, Scope 3 emissions from the use of our steelmaking coal are approximately 78,438 kt of CO_2e, compared to 79,053 kt of CO_2e in 2016.

Figure 16: Scope 1 and Scope 2 GHG Emissions by Fuel Type[(1),(2)]



(1) Scope 1 (Direct) GHG emissions are those that occur from energy sources that are owned or controlled by the company.
(2) Scope 2 (Indirect) GHG emissions are those that occur from the generation of purchased electricity consumed by the company, and physically occur at the facility where electricity is generated. For electricity emissions in Canada, the emission factors use 2010 as a base year and are based on the 2012 Canadian National Inventory Report.

5 In 2016, we updated the Global Warming Potential values for all of our GHG accounting to align with regulatory requirements; therefore, historical values have been restated. Global Warming Potentials are the factors that convert greenhouse gases — like methane (CH4) — to a carbon dioxide equivalent (CO_2e), thereby standardizing the quantification of GHG emissions.
6 Fugitive emissions from our coal operations (i.e., estimated methane release) are captured as direct emissions.

Carbon Pricing and Advocating for Climate Action

We believe that broad-based pricing of carbon is one of the most effective ways to incentivize real reductions in GHG emissions by ensuring that all emitters contribute to the solution. As such, Teck advocates for broad-based carbon pricing, and we integrate it into a variety of decision-making processes, ranging from annual operating budgets developed at the site level, to corporate decision-making for large capital investments. We also calculate and consider our carbon exposure in terms of absolute costs incurred on an annual basis and projected out for at least five years. Teck has used an internal price on carbon for a decade. Currently, all of our steelmaking coal operations are covered by carbon pricing, as is half of our copper business and all of our metals refining business. While there is uncertainty in determining the future financial implications of carbon costs, we start with the assumptions that carbon prices will be continuously adopted around the globe, and will increase over time.

Carbon pricing is integrated into a variety of decision-making processes, ranging from annual operating budgets developed at the site level, to corporate decision-making for large capital investments. We also calculate and consider our carbon exposure in terms of absolute costs incurred on an annual basis and projected out for at least five years. Where a clear and certain carbon price is present, we incorporate that price and any known or planned changes to the carbon price. Where uncertainty exists, we typically conduct sensitivity analyses to better understand what our exposures and risks are under different carbon pricing and regulatory scenarios. In addition, we continue to advocate for carbon pricing policies that maintain the global competitiveness of trade-exposed industries to prevent carbon leakage, which is when GHG emissions move from one jurisdiction to another as a result of differences in carbon prices.

Following the adoption of the Paris Agreement in 2015, the Provinces of B.C. and Alberta completed reviews of their climate change plans, including a re-examination of their primary carbon price policies, the carbon tax in B.C. and the Specified Gas Emitters Regulation in Alberta. In 2017, the Province of B.C. announced a planned increase to the carbon tax beginning in 2018, increasing by $5 per tonne of CO_2-equivalent (CO_2e) per year until reaching $50 per tonne of CO_2e. At the same time, the B.C. Government made a commitment to addressing impacts on emissions-intensive, trade-exposed industries to ensure that B.C. operations maintain their competitiveness and to minimize carbon leakage. In 2017, the Province of Alberta also consulted on the Carbon Competitiveness Incentive Regulation, the industry-specific carbon pricing policy set to replace the previous Specified Gas Emitters Regulation, which concluded in 2017.

In 2017, the Government of Canada continued its consultation on the national Pan-Canadian Framework that includes a national floor price on carbon. Canadian provinces have until 2018 to implement a carbon price, starting with a minimum price of $10 per tonne in 2018, increasing $10 per year to $50 per tonne by 2022.

We will continue to assess the potential implications of the updated policies on our operations and projects. In 2017, our most material carbon pricing policy impacts were related to B.C.'s carbon tax. For 2017, our seven B.C.-based operations incurred $52 million in provincial carbon tax, primarily from our use of coal, diesel fuel and natural gas.

Adapting to Physical Impacts

We are taking steps to guard against the future impacts of climate change, as we recognize that ongoing changes to climate could pose a potential physical risk to our mining operations and to related infrastructure. In response, we are incorporating a range of climate parameters into our project designs and ongoing mine planning processes — including closure and reclamation planning — to minimize our vulnerability to climate variability and to ensure robustness. In 2017, we participated in the Pacific Climate Impacts Consortium as members of the Program Advisory Committee, and in the Sustainable Water Management in the Athabasca River Basin Initiative as members of the Working Group that includes a focus on addressing climate variability and climate change in a watershed management context.

Outlook for Energy and Climate Change

Energy will continue to be one of the most significant costs in our business. As such, we will continue to focus on improving our efficiency and reducing our greenhouse gas emissions. In 2018, we will continue to advocate for broad-based, effective carbon pricing, reduce our emissions and support the development of alternative energy technologies: efforts that support United Nations Sustainable Development Goal 13, to take urgent action to combat climate change and its impacts. We will continue to evaluate opportunities for alternative energy at our operations, major projects and legacy properties and to advance our Climate Action and Portfolio Resilience report.

Learn More

Teck's Climate Action Strategy

Carbon Pricing Leadership Coalition

Relationships with Indigenous Peoples

Historically, Indigenous Peoples have suffered abuse, discrimination and marginalization, and we know that Indigenous Peoples have not typically fully shared in the benefits and opportunities of resource development. Indigenous Peoples and their communities were often left out, and their rights, cultures and practices were not considered or accommodated when development took place. Together, we can help move into a new era of reconciliation that bridges social and economic gaps and builds relationships with Indigenous Peoples. Doing so will also help to advance UN SDG 8 on decent work and economic growth.

The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), the International Labour Organization Convention No. 169 (ILO No. 169) and the International Finance Corporation (IFC) Performance Standard 7 provide guidance for government and private sector interaction with Indigenous Peoples. Reconciliation with Indigenous Peoples is an important societal process taking place around the world. While UNDRIP and ILO No. 169 provide an important framework and guidance for reconciliation, every post-colonial nation with Indigenous populations has unique circumstances that require a unique path forward. In 2017, there was a renewed commitment to reconciliation with Indigenous Peoples by various governments, particularly in Canada, whose government established principles to guide the work required to fulfill the commitment to renewed nation-to-nation, government-to-government and Inuit-Crown relationships.

In many cases, mining activity is often located within or adjacent to the traditional territories of Indigenous Peoples. Mining-related activities can have positive and negative impacts that can be uniquely felt by Indigenous Peoples due to their inherent connection to the land and proximity to mining projects. Positive impacts can include employment creation, opportunities for education and training, local economic development, such as procurement from Indigenous sources, and valuable community investment projects. Negative impacts can include environmental impacts, economic volatility and changes to social dynamics and well-being.

Ten of our 12 operations[7] in Canada, Chile and the United States and the majority of our exploration and development projects are located within or adjacent to Indigenous People's territories. As such, we recognize that respecting the rights, cultures, interests and aspirations of Indigenous Peoples is fundamental to our business and to meeting our commitment to responsible resource development. We work to ensure that Indigenous communities are true partners in the sharing of the benefits of resource development. We believe that stable, constructive and mutually beneficial relationships with Indigenous Peoples are typically reflected through the development of clear and predictable benefit agreements.

Pictured Above: Pat Cardinal, Senior Driver, Fording River Operations.

7 Includes Cardinal River, Highland Valley Copper, Quebrada Blanca, Red Dog, Trail and steelmaking coal operations in the Elk Valley. Does not include operations in which Teck has/had an ownership interest but is not the operator, e.g., Antamina and Fort Hills.

Our Performance in Relationships with Indigenous Peoples in 2017

Our Targets and Commitments

Teck respects the rights, cultures, interests and aspirations of Indigenous Peoples and is committed to building strong and lasting relationships that help us understand each other's perspectives and priorities as outlined in our Indigenous Peoples Policy. The following tables summarize our performance against our targets and 2020 sustainability goals.

2020 Goal	Status	Summary of Progress in 2017
Refine our business policies and practices based on results of our social risk assessments, our work in human rights and developments in the rights of Indigenous Peoples.	On Track	Advanced Indigenous and human rights through updates to feedback and engagement management systems. Piloted Indigenous rights training program at operations in Chile.
Work with Indigenous Peoples to identify and participate in initiatives to support the self-defined goals of Indigenous communities.	On Track	Continued negotiation of additional impact benefit agreements with Indigenous Peoples, particularly for the Frontier and QB2 projects.
Develop metrics for monitoring Indigenous training, employment and procurement to establish baselines and drive progress.	On Track	Completed a summary of commitments in major impact benefit agreements related to Indigenous employment, training and procurement for incorporation into our internal data tracking framework.

2017 Key Performance Indicators

Indicator

Procurement spend with Indigenous suppliers

Target

Increase procurement spend with Indigenous suppliers relative to total spend

$138 million

Learn More: Page 57

Indicator

Number of agreements with Indigenous Peoples

Target

Negotiate agreements with Indigenous Peoples affected by our activities

23 new agreements

Learn More: Page 55

Indicator

Significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples

Target

Zero significant disputes

0 disputes

Learn More: Page 54

GRI Indicators and Topic Boundary

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

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

How Does Teck Manage This Topic?

Information about how we manage relationships with Indigenous Peoples, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility.

Case Study

SDG 8 Spotlight: Tracking the Implementation of Agreements at Highland Valley Copper Operations

We have entered into four agreements with local Indigenous organizations representing 16 communities near our Highland Valley Copper (HVC) Operations in British Columbia. These agreements have helped to build on our positive relationships, including the creation of commitments for comprehensive engagement processes, with joint decision-making based on consensus. The agreements also ensure early engagement on regulatory matters with all levels of the community.

To support implementation of agreement commitments, HVC has developed a performance management dashboard that is reviewed each quarter by the operation's senior management team. The dashboard includes key performance indicators and targets for all areas of implementation. Thanks to the dashboard, there is increased awareness and alignment across the operation to improve performance and achieve agreement commitments.

A core component of our agreements with Indigenous Peoples is procurement. In 2016, HVC developed new procurement guidelines to better incorporate agreement commitments into the procurement process, manage business risk and substantially increase the contracts awarded to local Indigenous businesses. The guidelines were piloted in the same year and resulted in the percentage of contracts, in relation to total number of local contracts awarded, increasing significantly.

In 2017, we received community feedback related to our procurement practices, specifically in relation to a construction contract that was awarded to a non-Indigenous organization. Since then, we have engaged the agreement holders to provide feedback on the bid process, to listen to and understand their concerns, and to implement corrective actions, including an update to our procurement guidelines.

Pictured Above: Highland Valley Copper Operations.

Recognizing and Respecting the Interests and Rights of Indigenous Peoples

We continue to engage with Indigenous Peoples early in our planning processes and work to achieve their free, prior and informed consent when proposing new or substantially modified projects, as outlined in our Indigenous Peoples Policy.

Teck is committed to continually increasing our awareness and understanding of the unique rights, cultures, history and perspectives of Indigenous Peoples in the areas where we explore and operate.

Significant Disputes and Litigation

While there were no significant disputes for Teck involving Indigenous Peoples in 2017, there were developments in relation to a past dispute. In 2015, there was a significant dispute at our Red Dog Operations where the Kivalina IRA Council filed a petition with the Environmental Assessment Agency to commence a Preliminary Assessment to determine if activities at Red Dog posed a human health or environment risk. To address this concern, in April 2017, Teck, the Kivalina IRA Council and the NANA Regional Corporation entered into a Memorandum of Agreement (MOA) to ensure that the Kivalina residents' health and welfare concerns regarding the mine are addressed through a collaborative approach. Subsequent to the signing of the MOA, the parties began implementation of the agreement including establishing the tripartite working group and hiring a project manager.

We have also reported on two community incidents involving Indigenous Peoples in the Relationships with Communities section on page 42.

For more information on progress in our investigations of environmental conclusions in the Upper Columbia River, or the continuing environmental litigation regarding the Upper Columbia River and involving the Confederated Colville Tribes and the Spokane Tribe of Indians, visit our website or pages 108–110 of our 2017 Annual Information Form.

Cultural Awareness Training

We regularly deliver training on Indigenous Peoples' rights, cultural awareness and human rights for exploration, operations and management staff. This training is particularly important for those who have extensive contact with Indigenous Peoples in their day-to-day roles and for other business leaders.

In 2017, approximately 250 people attended Cultural Awareness Orientation at our Red Dog Operations in addition to approximately 800 previous participants who received refresher training. This orientation addresses the meaning of culture and cultural awareness, encourages appreciation for cultural diversity and encourages maintaining a safe and respectful work environment in alignment with Teck's culture, values and beliefs. A key aspect of the orientation for our employees was a focus on Iñupiat Ilitqusiat: the values of the local Iñupiaq people.

At our Highland Valley Copper (HVC) Operations, 80 people participated in cultural awareness training in 2017, bringing the total number to 290 from previous years. HVC is well on the way to achieving its goal of having 100% of employees and contractors trained in this regard by mid-2019. Collaborating with Indigenous communities on the delivery of this training is an important feature of this work.

Action on Reconciliation

Teck is committed to playing a role in reconciliation with Indigenous Peoples, particularly in Canada, and is working in partnership with Reconciliation Canada to support their vision of revitalizing the relationships among Indigenous Peoples and all Canadians. As part of this effort in British Columbia, Teck is working on the implementation of the B.C. Business Council's B.C. Assembly of First Nations Memorandum of Understanding on economic reconciliation. Additionally, we are continuing to proactively engage in government-led initiatives to improve the lives of Indigenous Peoples in Canada through their participation in mining-related activities. In September 2017, we participated in the Walk for Reconciliation in Vancouver, B.C., as a partner with Reconciliation Canada. In early 2018, we developed our first Reconciliation Action Plan (RAP). Our RAP provides a framework for our work with Indigenous Peoples. It brings together our existing Indigenous policies and initiatives, and outlines practical actions we are taking to build a shared future with Indigenous Peoples. The RAP is built on four pillars: Respect, Relationships, Responsiveness and Reporting, and will be released later in 2018.

Negotiating and Implementing Agreements

In 2017, there were 54 active agreements in place with Indigenous Peoples, including 23 new agreements ranging from exploration agreements to impact benefit agreements.

Exploration agreements were also signed with numerous Indigenous groups in Canada, Chile and Australia. For a full list of our active agreements with Indigenous Peoples for projects and operations, see our 2017 Sustainability Performance Data spreadsheet.

Table 15: Summary of Engagement with Indigenous Peoples in 2017

Site	Major Activities
Cardinal River Operations	We signed participation agreements with the Ermineskin Cree Nation and the Whitefish Lake First Nation for our Cardinal River Operations, and engaged with the Alexis Nakota Sioux Nation, Mountain Cree and O'Chiese First Nation, with a focus on potential mine development in the MacKenzie Redcap area. We conducted consultation on exploration activities and mine development, including the completion of several traditional land use studies for the area.
Frontier Project	Our engagement activities were focused on negotiating agreements with potentially affected Indigenous groups near the project. Three agreements were concluded in 2017 with the Métis Nation of Alberta Association Fort McMurray Local Council 1935, the Métis Nation of Alberta, Lakeland Local Council 1909, and a letter of intent with Fort McMurray First Nation. Additional engagement efforts included consultation with the Athabasca Chipewyan First Nation, Mikisew Cree First Nation and Fort McKay First Nation.
Highland Valley Copper Operations	Our engagement activities were focused on the implementation of four agreements with 16 Indigenous communities. We held regular meetings to discuss aspects of our agreements such as Indigenous business opportunities, employment, environmental and land use interests. Closure planning and contracting were also key engagement topics in 2017.
Quebrada Blanca Phase 2 Project	Through ongoing dialogue, our engagement addressed technical issues and social concerns related to the project. Funding was provided to Indigenous communities to complete independent studies, including social and environmental baselines, impact assessments and mitigation proposals. The regulatory Indigenous consultation process was initiated and is currently underway.
Red Dog Operations	We conducted engagement related to the Kivalina Memorandum of Agreement with Red Dog, the Subsistence Committee and the Northwest Arctic Borough Village Investment Fund. Items discussed were related to the proposed Aktigiruq exploration road route, changing the colour of the Port Concentrate Storage Building roof (which elders believe may affect marine animals) and reviewing how haul truck road closure decisions are made to protect caribou migration in the region.
Steelmaking coal operations in the Elk Valley	2017 was the first full year of implementation of the agreement with the Ktunaxa Nation with engagement directed through joint working groups on environmental, cultural, employment and procurement aspects as well as major regulatory applications. Through these working groups, we developed annual work plans, including the identification of indicators and a monitoring framework, as well as identifying opportunities for inter-group collaboration. We continue to work jointly on the development of a cultural management plan for our activities within the Ktunaxa territory and to build internal capacity.

Indigenous Agreements Commitments Register

The number and variety of agreements Teck has in place with Indigenous Peoples requires the management of commitments set out in those agreements to support effective implementation. In order to ensure that the obligations in agreements are understood, tracked and fulfilled, Teck began incorporating commitments into our internal data tracking framework in 2017. This will ensure that agreements with Indigenous Peoples continue to be integrated into our business management systems at all levels, which will result in better outcomes for both Teck and Indigenous Peoples, particularly in areas such as Indigenous procurement, employment and training.

Case Study

Safer Sanitation: the Kivalina Biochar Reactor

A different kind of shipping container arrived at the port near Teck's Red Dog Operations in Northwest Alaska in December 2016. Instead of carrying supplies or fuel like most that arrive here, this container brought the world's first winterized human waste bioreactor, destined for the remote village of Kivalina.

Lack of Central Sewage System

With an average annual precipitation of only 8.6 inches per year, Kivalina is not able to a maintain water repository and sanitation system to sustain the entire community. Without a central sewage system, flushing household toilets are not supported and so community members currently resort to using honey-buckets (bucket latrines), which poses a health risk to the village of nearly 500.

Adopting Innovation for the Arctic

The new Biochar Reactor is a key tool for addressing this challenge. The bioreactor, an arctic adaption of technology prototyped by the Climate Foundation with support from the Gates Foundation as part of its Reinvent the Toilet Challenge, is a pipe-less, relocatable sanitation system. It processes solid human waste using a process called pyrolysis and transforms the waste into biochar—a carbon-rich, pathogen-free, value-added byproduct. Biochar can be used to filter odor, boost plant growth as a soil amendment, and remediate pollution at contaminated sites.

Improving Community Health

"The Kivalina Biochar Reactor is a safe way for the community to dispose of their sewage as well as an effective solution to an overflowing landfill and declining public infrastructure budgets," said Jennifer Marlow of the community group Re-Locate. "It can reduce the volume of solid human waste disposed at landfills, offer an alternative to piped infrastructure, lower monthly homeowner costs and transform waste from health hazard into a resource."

Funded by Teck and the NANA Economic Development Program, the bioreactor was identified as a priority by Kivalina City Council and the Native Village Council in 2015. Community group Re-Locate and bioreactor developer Biomass Controls, supported the project and provided operator training.

"The bioreactor is a great example of a village-led initiative with long-term health, environmental and economic benefits," said Henri Letient, General Manager, Red Dog Operations.

The Biochar Reactor was delivered to Kivalina in July, 2017, and a second operator training session will be held in 2018.

Pictured Above: Kivalina Biochar Reactor Training. Front row (left to right): Jerry Frank Norton (Kivalina Trainee), Jeff Roy (Lead Fabricator/Biomass Controls); Back row (left to right): Michael Gerace (Re-Locate), Stephen M. Koenig (Kivalina Trainee), Oral Robert Hawley (Kivalina Trainee), Jeff Hallowell (President, Biomass Controls), and Tony Donald Oktollik (Kivalina Trainee).

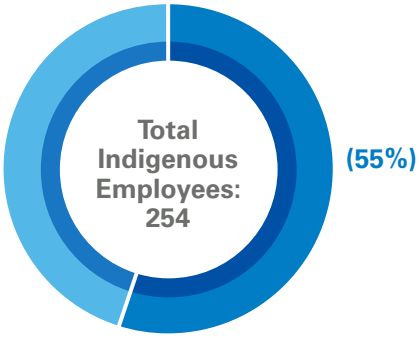
Sharing Economic Benefits

Employing Indigenous Peoples

Employment is one way in which local communities can benefit from our operations, and we work with local Indigenous communities to improve the number of Indigenous Peoples employed at Teck. Commitments related to employment are an important consideration within our impact benefit agreements. Commitments in these agreements reflect the priorities of the local community and can include offering specific roles exclusively to qualified Indigenous Peoples, offering intern opportunities for Indigenous students, establishing employment processes and key performance indicators, and supporting local apprenticeship and training programs.

We are also pursuing company-wide approaches to increasing Indigenous employment, training and retention through the implementation of our Indigenous Peoples Policy and our sustainability strategy. In 2017, we made progress in the review of potential metrics for monitoring Indigenous training, employment and procurement, with the aim of establishing baselines and driving progress. Starting in July 2017, we began tracking the number of Teck's new hires that self-identify as Indigenous. We will begin reporting this data beyond that for only Red Dog (see below), in our 2018 Sustainability Report.

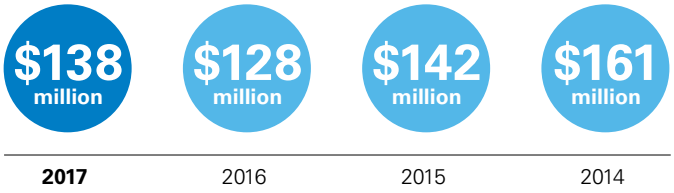
Figure 17: Indigenous Employment at Red Dog Operations



Procurement from Indigenous Suppliers

In 2017, our operations spent approximately $138 million on suppliers who self-identified as Indigenous; this represents an overall increase compared to 2016. Since 2010, our operations have spent over $1 billion on suppliers who self-identified as Indigenous. The vast majority of this spending in 2017 is at our Red Dog Operations, where Indigenous procurement is one of the cornerstones of our operating agreement, which governs the operation of the mine. In 2017, 38% ($105 million) of Red Dog's spending was with Indigenous suppliers.

Figure 18: Procurement Spend on Suppliers Who Self-Identified as Indigenous



Community Investment Focused on Indigenous Peoples

In 2017, 18% ($2.3 million) of our total community investment went towards Indigenous-specific investments, compared to 37% ($4.6 million) in 2016. One of our more significant investments in this area was our support for a program with UN Women and the Government of Chile on a collaborative project to promote the empowerment, leadership, and economic and social participation of Indigenous women in northern Chile.

Outlook for Our Relationships with Indigenous Peoples

As Teck moves forward with the negotiation and implementation of agreements with Indigenous Peoples, we will continue to engage early and at all stages of the mining life cycle. In 2018, we will specifically focus on advancing Teck's first Reconciliation Action Plan and improving our processes for collecting Indigenous-related data to support improved reporting practices related to Indigenous procurement, employment and training. These efforts will be in support of working with Indigenous Peoples to identify and participate in initiatives that support the self-defined goals of Indigenous communities. In 2018, we will also focus on implementing our existing agreements with Indigenous Peoples and working to achieve new agreements with Indigenous Peoples in the area of our Frontier and Quebrada Blanca Phase 2 projects. We will also work on implementing the Kivalina Memorandum of Agreement near our Red Dog Operations.

Learn More

Indigenous Peoples and Mining Good Practice Guide, ICMM

Health and Safety

The importance of health and safety is reflected in the International Council on Mining and Metals (ICMM) 10 Principles. ICMM Principle 5, to "pursue continual improvement of our health and safety performance", states that member companies must implement management systems focused on continual improvement of health and safety performance and take all practical and reasonable measures to eliminate workplace fatalities, injuries and diseases among employees and contractors. We believe the mining industry has a responsibility to ensure that hazards associated with operations are controlled to ensure the safety and longer-term health of workers.

While Teck had no fatalities in 2016, among members in the ICMM there was an overall increase in the number of fatalities and injuries in 2016 compared to 2015.[8] The majority of fatalities were attributed to a fall of ground in underground mines, mobile equipment and transportation. These results remind us that there is still more work to be done industry-wide to improve safety. We recognize our responsibility to identify and mitigate health and safety risks, and we believe it is possible for our people to work without serious injuries and occupational diseases.

Strong sustainability practices are an essential part of reducing risk, lowering costs, recruiting talented people, increasing access to opportunity, and building long-term shareholder value, and health and safety is a core part of our approach to sustainability. Protecting the health and safety of our workforce is fundamental to achieving long-term success and upholding our commitment to sustainability.

Poor health and safety performance can significantly impact the lives of our employees, their families and the greater communities. Moreover, low performance in health and safety can negatively impact labour costs, productivity, morale and reputation, in addition to resulting in fines and other liabilities. In 2017, we achieved our best-ever safety performance. We had no fatalities, and continued to build on our efforts to improve safety performance and reducing incident frequency. While we are pleased with our improvements, we must remain diligent as we work to reach our ultimate goal of everyone going home safe and healthy every day.

Pictured Above: Sadi Lynch, Loss Prevention Officer at Fording River Operations.

8 Benchmarking 2016 Safety Data: Progress of ICMM Members. International Council on Mining and Metals.

Our Performance in Health and Safety in 2017

Our Targets and Commitments

We engage and develop our people, and ensure everyone goes home safe and healthy every day. The following tables summarize our performance against our targets and 2020 sustainability goals.

2020 Goal	Status	Summary of Progress in 2017
Reduce serious injuries and eliminate fatalities by ensuring our high-potential risks have effective controls in place and by enhancing our culture of safety.	On Track	All operations met or exceeded the requirement to complete four Work Team Risk Assessments and six Effectiveness Reviews. More than 6,000 employees and contractors attended Teck's Courageous Safety Leadership 4 program in 2017.
Implement improved occupational health and hygiene monitoring and exposure control to protect the longer-term health of workers.	On Track	All operations met the target to complete the development of exposure reduction plans before the end of 2017. Completed the development of an occupational hygiene sampling training program and commenced implementation with a pilot session at our North American operations.

2017 Key Performance Indicators

Indicator[1]	Indicator[1]	Indicator[1]	Indicator[1]
Work-related fatal injuries	Lost-Time and Disabling Injury Frequency	Total Recordable Injury Frequency	High-Potential Incident Frequency
Target	**Target**	**Target**	**Target**
Zero fatalities	10% year-over-year reduction	10% year-over-year reduction	Year-on-year improvement
Zero	14% reduction	12% reduction	14% reduction
Learn More: Page 62	Learn More: Page 62	Learn More: Page 62	Learn More: Page 62

(1) All indicators include employees and contractors.

GRI Indicators and Topic Boundary

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

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

How Does Teck Manage This Topic?

Information about how we manage health and safety, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility.

Building a Positive Culture of Safety

This year, we commenced implementation of the fourth phase of our Courageous Safety Leadership (CSL) program. Launched in 2009, CSL focuses on challenging existing values, beliefs and attitudes towards safety, and builds commitment from individuals to work safely and foster safe practices at our operations. For CSL4, we created a one-day training session that builds on previous phases of the program for both employees and contractors. CSL4 requires front-line leaders to facilitate a six-hour session with their teams to explore our culture of safety — including safety strengths, safety opportunities and safe production challenges. For each of these areas, they identify and select commitments to work on as a team to help improve their safety journey. They must also identify a means to hold each other accountable for achieving their commitments.

In 2017, we surpassed our goal of training at least 60% of employees on CSL4, with a total of more than 6,000 employees, representing 85% of our operational workforce, participating. Employee feedback on the program was positive, and we will continue to implement CSL4 throughout the company in 2018.

As part of Teck's culture of safety, it is critical that new employees and contractors understand the importance of CSL, the journey we have been on to develop our culture and safety improvements, and the part they can play in moving it forward. During the year, we had a working group complete the development of an Introduction to CSL program for new hires. All new hires to Teck will be required to complete this module within approximately six months of joining the company. Introduction to CSL will be rolled out across the company in 2018.

High-Potential Risk Control

As part of our High-Potential Risk Control (HPRC) strategy, we set a target for each operation to complete four Work Team Risk Assessments and six Effectiveness Reviews in 2017. The Corporate Health and Safety team supported operations to reach their target by undertaking dedicated HPRC coaching sessions across operations to review risk assessment and effectiveness review quality. We also developed improved guidance for what "good" looks like, both for risk assessments and for effectiveness reviews. As of the end of the year, all operations met or exceeded their targets for 2017. As a result of our improved risk assessment efforts across the company, we identified and shared stories of positive change. Teams across the company have tightened their controls for several key serious injury and fatality risks. We will continue to identify and share more stories in 2018.

Occupational Health and Hygiene

In 2017, we worked to enhance our occupational health and hygiene risk assessments, monitoring and exposure controls to protect the long-term health of employees. We also began to develop leading and lagging indicators for occupational health and hygiene reporting, and to incorporate these indicators into health and safety performance reporting.

We set a lead indicator target for 2017 for every operation (excluding those in closure planning) to complete the development of an exposure reduction plan. The objective of these plans is to demonstrate how each operation will address the outcomes of their exposure risk assessment completed in 2016, and to meet the requirements of the company's standard for occupational hygiene programs. At the end of 2017, all of our operations successfully developed their plans, which are linked to company-wide business plans and associated budgets. We also continued our exposure risk assessment efforts by completing assessments at our CESL facility and at the Sullivan Mine legacy property in B.C., and at exploration activities in Turkey.

As part of our broader occupational health and hygiene strategy, we completed planning for the introduction of a new software application to significantly improve the capture and management of our occupational exposure monitoring data. The project will be piloted at our Trail Operations in 2018, followed by company-wide implementation thereafter.

Our Occupational Health and Hygiene Committee completed the development of a comprehensive sampling training program in 2017. The objective of the program is to provide all personnel who have a role in collecting hygiene samples with standard training for the collection of quality samples — including the collection of respirable particulate samples, and noise monitoring and mapping. The training program was piloted with a group of personnel from our North American operations and will be fully implemented in 2018.

Finally, in 2017, we began developing health and safety design criteria for use in project design. Teck also continues to work with ICMM on good practice guidance for occupational exposure controls (e.g., dust controls).

Case Study

A Safe Distance: Improving Vehicle Safety at Highland Valley Copper Operations

The safety challenge facing Highland Valley Copper (HVC) seemed straightforward. Develop a plan to eliminate dangerous collisions between heavy vehicles, such as haul trucks, and light vehicles.

The solution, or solutions as it turned out, are complex and took a significant shift in both mine design and employee training. In 2015, Health and Safety Superintendent Aaron Wylie led an analysis of all the high-risk events at HVC between 2012 and 2015 to identify priority safety projects.

"We identified that light-heavy vehicle interaction was our highest risk and we see the most of them out of any high potential event," says Wylie. "Such collisions represented 35 percent of all high-potential safety events."

Tackling the Highest Risk Collisions Head On

Wylie, along with senior management, mine maintenance and mine operations team members, quickly realized that reducing such incidents would require a three-pillared approach.

The first project, completed in the first half of 2017, was planning and building a service road network where light vehicles could get around the mine with minimal interaction with haul trucks. The new network reduced the overall amount of light vehicle traffic in the active mining area, and reduced the number of pit access points from over 14 to just five and the number of haul road crossings from nine to two, thus reducing the overall chance of collisions.

The second project was to develop and implement a pit licence program that required anyone driving in the active mining area to successfully complete a customized pit driving safety course and get a licence. Anyone without a pit licence are no longer permitted to drive in the area.The licensing program began in late 2016 and more than 700 employees and contractors have been licensed to date.

The third, and most complex project, involved a complete redesign and reconstruction of the ready line where heavy vehicles are serviced. It's one of the most congested spots in the mine because of its proximity to the crusher, maintenance area and main access point for all major mine facilities.

A solution would require innovative design and significant construction. The goal was to overhaul the maintenance yard to eliminate the key safety risks.

"The most important thing for us was identifying the blind spots on the haul trucks causing a lot of the collisions," says Wylie. "We needed to re-design the site so that everything just moves forward instead of backing up on its first move."

The final design included a separate drive-thru lane for down equipment, separate bays so operators know where to go to pick up equipment, a pedestrian walkway, double service lanes so mechanics can move service trucks around easily and meridians made of buried truck tires so there is no chance of collision.

"The Ready Line redesign wasn't a small feat by any stretch but we now have complete segregation," says Baker. "There are tremendous learning opportunities to pass on to other operations. From a design perspective, the best thing you can do is build these into your plans before a shovel hits the grounds."

Safety by the Numbers

- **9** Haul truck and light vehicle crossings before new light vehicle network
- **2** Haul truck and light vehicle crossings after new light vehicle network
- **700** HVC employees and contractors who are trained and have received a new pit licence
- **0** The number of haul trucks that have to travel in reverse when leaving on the ready line

Pictured Above: Haul truck at Highland Valley Copper Operations.

Safety Performance

In 2017, we continued to build on our safety performance in areas of greatest risk. There were no fatalities, and we improved our Total Recordable Injury Frequency (TRIF) by approximately 12% compared to 2016. High-Potential Incident Frequency was 14% lower than in 2016; our Lost-Time Disabling Injury Frequency decreased by 14%. Teck's TRIF is slightly above the average compared to the ICMM, which is made up of many of the world's largest mining companies. Companies vary in terms of how they define "injury" under TRIF, as does each company's individual culture of reporting, which means that a direct comparison may not be completely accurate. Our safety performance is summarized in Table 16.

Despite our progress in safety in 2017, we are deeply saddened to report that on April 9, 2018, an incident occurred resulting in the death of an employee of a contract company. We are saddened by this tragic incident, and are currently conducting an investigation. A more detailed account of the incident will be reported in the 2018 Sustainability Report.

Occupational Diseases

We report the incidence of occupational diseases at Teck, based on accepted workers' compensation claims from each jurisdiction in which we work, for the following disease categories. For Tables 17, 18 and 19, workers' compensation claims data are for accepted claims over the past four years, and are for employees only; contractor data is not included.

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

Innovation and Technology to Improve Health and Safety

As we advance our health and safety strategies, we are investigating and testing several technologies that have potential to reduce harm to our workforce. These include:

- Evaluation of trials that have been completed on fatigue detection and intervention technology
- Further evaluation of proximity detection technology to reduce the risk of light vehicle and heavy vehicle interaction
- Pilot implementation of real-time exposure monitoring devices to assist in the pinpointing of activities requiring enhanced exposure control
- Continued adoption of improved respiratory protection devices that are more comfortable for the user and that provide a higher level of protection for respirable particulates

We will share results of these trials across our operations.

Table 16: Health and Safety Performance[1],[2],[3],[4],[5],[6]

	2017	2016	2015	2014
Total Recordable Injury Frequency	**1.01**	1.13	1.27	1.03
Lost-Time Injuries	**89**	73	84	74
Lost-Time Injury Frequency	**0.45**	0.42	0.47	0.41
Disabling Injury Frequency	**0.17**	0.28	0.27	0.26
Lost-Time Disabling Injury Frequency	**0.62**	0.72	0.74	67
Lost-Time Injury Severity	**24.4**	28.4	18.6	80.9
Number of Fatalities	**0**	0	0	2

(1) Our safety statistics include both employees and contractors at all of our locations (operations, projects, closed properties, exploration sites and offices). For sites where Teck owns more than 50%, safety statistics are weighted 100%; for sites where Teck owns 50% or less, safety statistics are weighted according to Teck's ownership of the operation. This includes the Antamina mine, in which we have a 22.5% interest. We define incidents according to the requirements of the U.S. Department of Labor's Mine Safety and Health Administration. Frequencies are based on 200,000 hours worked. Severity is calculated as the number of days missed due to Lost-Time Injuries per 200,000 hours worked.
(2) Increase in severity in 2014 is a consequence of the two fatalities, which are automatically counted as 6,000 lost days.
(3) A Lost-Time Injury is an occupational injury that results in loss of one or more days beyond the initial day of the injury from the employee's scheduled work beyond the date of injury.
(4) A Disabling Injury is a work related injury, which by orders of a Qualified Practitioner, designates a person although at work, unable to perform their full range of regular work duties on the next scheduled work shift after the day of the injury.
(5) A fatality is defined as a work-related injury that results in the loss of life. This does not include deaths from occupational disease or illness.
(6) Frequency indicators in this table are calculated by the number of events in the period multiplied by 200,000 and divided by the number of exposure hours in the period. Hours of exposure refers to the total number of actual hours worked by employees and contractors at a site where one or more employees/contractors are working or are present as a condition of their employment and are carrying out activities related to their employment duties. Hours of exposure may be calculated differently from site to site; for example, time sheets, estimations and data from human resources are inputs into the total number of exposure hours.

Table 17: Occupational Diseases Cases[1],[2],[3]

Disease Category	2017	2016	2015	2014
Respiratory Disorders	**3**	1	3	2
Hearing Loss	**5**	9	15	12
Musculoskeletal Disorders	**6**	9	9	14
Cancer	**0**	0	1	3
Other Medical Disorders	**4**	2	1	0
Total	**18**	21	29	31

(1) Does not include global exploration or marketing offices.
(2) Occupational diseases are defined as an adverse, generally chronic and irreversible health effect associated with overexposure to chemical, physical or biological agents in the workplace (e.g., silicosis, bladder cancer, berylliosis, metal fume fever, asthma).
(3) The reporting for hearing loss may be under-reported, due to limited data availability.

Table 18: Occupational Disease Cases by Gender

	2017	2016	2015	2014
Female	**2**	0	1	5
Male	**16**	21	25	23
Total	**18**	21	29	31

Table 19: Occupational Disease Rate

	2017	2016	2015	2014
Total Occupational Disease Rate (per 200,000 hours)	**0.09**	0.12	0.17	0.17
Total Occupational Disease Rate (per 1,000,000 hours)	**0.47**	0.61	0.84	0.83

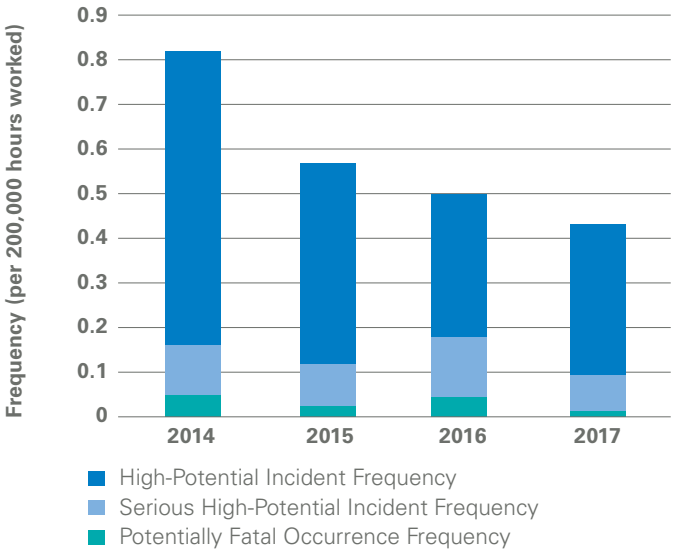
Since we began the tracking of High-Potential Incidents (HPIs) in 2010, we have seen an overall decrease in HPI frequency.

This improvement has been driven by our focus on learning from past incidents, and on sharing lessons learned and associated best practices across our company. While total HPI frequency and severity has declined, our business units and operations continue to experience HPIs. As such, we continue to focus on improving our understanding of high-potential risk and control effectiveness.

In 2017, there were two Potentially Fatal Occurrences reported at Teck-operated locations, which were investigated and for which corrective actions were developed. Where relevant, the results are shared with all of our operations in order to facilitate a local gap analysis against the findings to prevent similar occurrences.

Pictured Above: Cardinal River Operations mine rescue team. Read this case study on their success in competitions in 2017.

Figure 19: High-Potential Incident Performance



Process Safety Events

Process safety events are those that typically involve an unexpected mechanical integrity failure in a pipeline system or processing facility that may result in a fire, explosion, rupture or hazardous chemical leak. During the year, we reported six process safety events from our total high-potential incidents. All high-potential incidents (including process safety events) were thoroughly investigated to identify corrective actions to minimize the potential for reoccurrence.

Outlook for Health and Safety of Our Workforce

Safety is a core value at Teck, and we are committed to continuously improving our performance. In 2018, we will continue to focus on reducing serious injuries and eliminating fatalities by ensuring our high-potential risks have effective controls in place and by enhancing our culture of safety. We will also continue the implementation of the fourth version of our Courageous Safety Leadership program, improve occupational health and hygiene monitoring, and improve exposure controls to protect the longer-term health of workers.

Learn More

Benchmarking 2016 Safety Data: Progress of ICMM Members

Health and Safety Critical Control Management: Good Practice Guide, ICMM

Tailings, Waste and Environmental Management

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

Responsible environmental management creates value for the communities near mining operations as well as for our stakeholders and shareholders. Meeting or exceeding environmental standards contributes to support for mining, recruitment and retention of employees and, on the global stage, helps to meet the objectives of several UN Sustainable Development Goals.

The recently released International Council of Mining and Metals (ICMM) position statement on tailings management focuses on a governance framework that includes six key elements: accountability, responsibility and competency; planning and resourcing; risk management; change management; emergency preparedness and response; review and assurance.[9]

Responsible environmental management is embedded in Teck's values through our commitment to sustainability, as well as in our Code of Sustainable Conduct. We also work in highly regulated jurisdictions with stringent and rigorously applied environmental legislation, which also makes environmental and waste management a key compliance issue. Changes in environmental laws may have a material effect on our operations, both in terms of effort required to receive permits and investments required to achieve and maintain compliance. Successfully acquiring major regulatory approvals remained a key strategic priority across our business units in 2017.

Tailings and mine waste rock are common by-products of mining practice. Tailings facilities are typically well managed with very few incidents; however, a tailings incident has the potential to make a significant impact. As such, responsible management of tailings and waste rock is a key element of protecting environmental and human health in mining.

Tailings storage facilities at all of our operating and closed sites meet or exceed regulatory requirements, and we are continually improving the management of our facilities by developing and incorporating best practices. In 2017, Teck continued to play an active role in promoting best practices for tailings facility management, both in our own operations and across the mining industry. This included joining a project consortium co-funded by the Australian Research Council, an initial three-year applied research program, along with four universities in Australia and several other mining companies, focused on finding more effective tools for predicting and avoiding tailings facility failures.

Pictured Above: Garry Luini, Environmental Officer at Greenhills Operations.

9 Preventing Catastrophic Failure of Tailings Storage Facilities. International Council on Mining and Metals. 2016.

Our Performance in Tailings, Waste and Environmental Management in 2017

Our Targets and Commitments

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

Tailings Management Performance

In 2017, we managed 62 tailings facilities (31 active and 31 closed) across our operations and legacy properties. We had no significant incidents at our tailings storage facilities in 2017, and all facilities performed as intended, with their inspections and reviews conducted as scheduled. The main focus was to improve management by ensuring that we had a consistent and appropriate level of internal review and independent external review for our facilities. Where warranted, we also adjusted our organizational structure to allow for more effective risk management. Tailings Governance Reviews, a new and additional level of facility oversight we have introduced to our performance program, were conducted at our Pend Oreille, Fording River, Red Dog and Carmen de Andacollo operations and at our Louvicourt legacy site to evaluate conformance with our internal tailings guidance documents and policy.

Tailings Review Activities

In 2016, a cross-business and cross-functional Tailings Working Group (TWG) and Tailings and Water Retaining Structures governance framework was established. All of our major facilities were reviewed against our internal policy and guidance documentation as of the end of 2017, as indicated by the Governance Review column in Table 20. Elkview has several smaller facilities and will be completed in 2018, as will the Quintette legacy property. In addition, all of the dam safety inspections and reviews completed by our external Engineers of Record, along with all Independent Review Board activities, were reviewed for conformance with both our internal and applicable regulatory requirements.

GRI Indicators and Topic Boundary

306-103, 306-2, G4-MM3

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

How Does Teck Manage This Topic?

Information about how we manage tailings and mine waste, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility. Information about environmental management is included as part of our approach to business and sustainability on page 14.

Pictured Above: Rainbow trout and bull trout are now thriving in the Sphinx Creek watershed, thanks to the successful reclamation effort of one of our mined pits at Cardinal River Operations (CRO). Learn more in this case study.

Table 20: Status of Major Tailings and Water Retaining Structures

Location	Annual Dam Safety Inspections[1]	Dam Safety Reviews[2]		Independent Review Board Activity[3]	Governance Reviews
	Up to Date	Up to Date	Next Scheduled		
Carmen de Andacollo	✓	✓	2018	✓	Second review completed in 2017 Third review scheduled for 2019
Elkview	✓	✓	2018	✓	Initial review scheduled for 2018
Fording River	✓	✓	2019	✓	Initial review completed in 2017 Second review scheduled for 2019
Greenhills	✓	✓	2022	✓	Initial review completed in 2016 Second review scheduled for 2018
Quintette	✓	✓	2021	✓	Initial review scheduled for 2018
Highland Valley Copper	✓	✓	Highland 2022 Trojan/Bethlehem 2018 Highmont 2018	✓	Initial review completed in 2016 Second review scheduled for 2018
Red Dog	✓	✓	2020	✓	Initial review completed 2017 Second review scheduled for 2019
Sullivan[4]	✓	✓	2018	✓	Initial review completed in 2015 Second review scheduled for 2018
Louvicourt[4]	✓	✓	2020	✓	Initial review completed in 2017 Second review scheduled for 2020

(1) Dam Safety Inspection: The Engineer of Record performs a detailed examination of the facility, its related infrastructure and the records relating to these, to identify any conditions or changes that might contribute to or signal the potential for a compromise to the safety and reliability of the structure.
(2) Dam Safety Review: A facility review by an independent, third-party engineer not affiliated with the Engineer of Record or the Tailings Review Board. The frequency of these reviews depends on the failure consequence risk-rating of that structure.
(3) Independent Review Boards: Review by a team of independent senior subject matter experts who review the facility design approach, surveillance results and a site's overall approach to tailings management including performance of the engineer of record.
(4) Legacy Property

Industry Association Activities

In November 2015, an independent task force commissioned by the Mining Association of Canada (MAC) submitted its review of tailings management requirements and guidance under MAC's Towards Sustainable Mining (TSM) initiative. The MAC Board approved several changes designed to implement the Task Force's 29 recommendations and tasked MAC's Tailings Working Group with addressing the recommendations. Teck chairs that Working Group, which produced a revised Tailings Management Guide in November 2017 representing global best practice. In late 2016, ICMM released a Tailings Position Statement, and through 2017, it worked with its members on implementation. Teck is an active participant in this work.

Our internal guidelines are consistent with both ICMM and MAC principles and guidance. As a result of our ongoing Tailings Governance Review processes, and based on themes from the MAC and ICMM advancements, we are further strengthening our guidance related to change management, enhancing integration of risk evaluation and critical controls.

Regulator Activities

The governments of Alaska, British Columbia and Alberta all updated their requirements related to tailings facilities in terms of external review, design guidelines and operational practices. All of our facilities are in compliance with the relevant requirements.

Waste Management Performance

In 2017, our operations generated approximately 917 million tonnes of mineral waste, with the vast majority being waste rock from the extraction of ore and coal.

We do not currently track office and construction waste, which are managed by licensed external waste service providers.

Figure 20: 2017 Mineral Waste

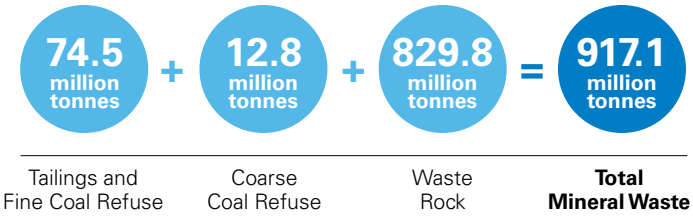
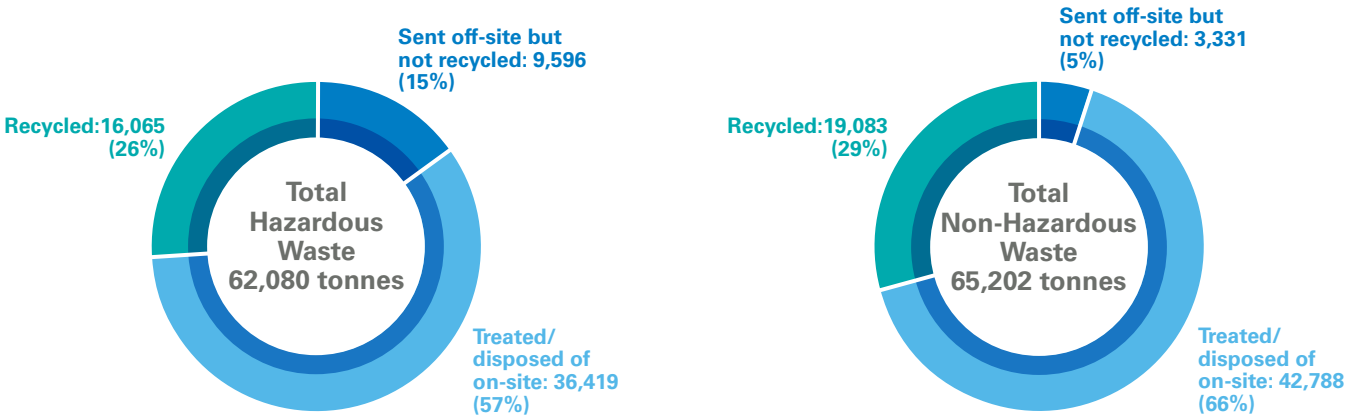


Figure 21: Hazardous and Non-Hazardous Waste in tonnes[1]



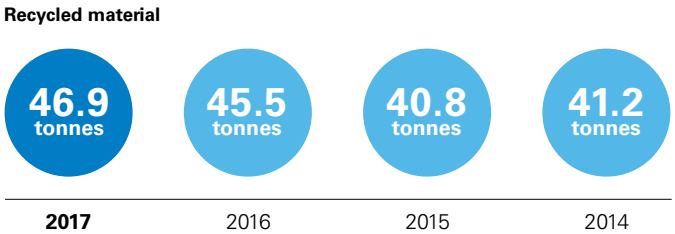
(1) Recycled waste includes waste that is diverted from the landfill through recycling and reuse. Waste sent off-site but not recycled includes waste disposed of at appropriate facilities, landfills and deep-well injections.

Recycling

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

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

Figure 22: Recycling Program at Trail Operations



Regulation, Permitting and Approvals

Our licence to operate depends on our ability to meet legal compliance requirements and demonstrate value to both shareholders and communities. We continually monitor and manage the social and environmental aspects of our activities in order to meet or exceed regulations and to ensure regulatory compliance and performance.

In 2017, we received permits to commence mining in new areas at the Fording River, Elkview and Greenhills operations, which will extend the lives of these mines and allow us to increase production to compensate for the closure of Coal Mountain Operations in 2018.

At our NuevaUnión project in central Chile, we conducted environmental baseline studies and ongoing community engagement in support of a prefeasibility study. At the Zafranal copper-gold project in southern Peru, the project team completed environmental, social and archaeological studies. A feasibility study commenced in 2017 at Zafranal, along with expanded community engagement activities and the permitting work necessary to prepare a social and environmental impact assessment (SEIA). At the San Nicolás copper-zinc project in Zacatecas, Mexico, environmental and social baseline studies, preliminary hydrogeological studies, and project engineering programs were initiated in the third quarter of 2017 in support of a prefeasibility study and SEIA.

The review of the environmental assessment application for Teck's Quebrada Blanca Phase 2 project in northern Chile continued during 2017 after the application was submitted in September 2016. A decision to proceed with development will be contingent upon market conditions and receipt of regulatory approvals, among other considerations. Given the timeline of the regulatory process, such a decision is not expected before the second half of 2018.

Significant Environmental Incidents

We assess the severity of environmental incidents based on their potential environmental, safety, community, reputational and financial impacts. Based on our incident severity criteria, there were no environmental incidents at any of our projects and operations that were considered significant in 2017.

As noted in the Water Stewardship section on pages 29–36, we are continuing to implement the water quality management measures under the Elk Valley Water Quality Plan (EVWQP).

In 2017, we were challenged to meet permit limits associated with nitrate levels at the Line Creek Operations compliance point. Working with regulators, we developed a nitrate Compliance Action Plan (CAP) that outlines a path forward and the timing of activities that will support bringing Line Creek Operations back into compliance with the nitrate limits. These activities include improved blasting practices such as the lining of blastholes, reducing misfires and minimizing the amount of time that blasting materials are kept in boreholes, and improved water management including increased diversion and pit dewatering capacity. The CAP will be updated as required to incorporate learnings from monitoring and the regional water quality model update to continue to support reduction of nitrate concentrations in Line Creek.

Additional information on our monitoring program is available in the 2017 Environmental Monitoring Committee Public Report.

Environmental Litigation

Upper Columbia River Litigation

Environmental litigation regarding the Upper Columbia River and involving the Confederated Colville Tribes and the Spokane Tribe of Indians continues. For more information, see pages 108–110 of our 2017 Annual Information Form.

Charges, Fines and Penalties

In March 2017, Teck was ordered to pay $285,000 to the Habitat Conservation Trust Foundation and a $15,000 penalty to regulators as a result of three violations of the B.C. Environmental Management Act associated with maintenance work being done to upgrade a sedimentation pond at Elkview Operations in 2012. Teck did not notify the Ministry of Environment and Climate Change Strategy of changes to the works, which is required by permit. Two unauthorized discharges of sediment-laden water were made from the sedimentation pond, which released to Goddard Creek. One of the two discharges was not immediately reported to the Ministry.

In May 2017, Teck was ordered to pay $195,000 to the non-profit Habitat Conservation Trust Foundation and a $5,000 fine under the B.C. Environmental Management Act related to a 2014 sheep mortality incident at Greenhills Operations. In July 2014, five deceased bighorn sheep were found in an area at Greenhills Operations where materials used for blasting are kept. It is believed the sheep died as the result of ingesting materials stored in the area. Following the incident, Greenhills and their supplier of blasting materials implemented additional safeguards and procedures, including increased materials storage and handling measures, video surveillance, and enhanced training for employees.

In October 2017, Teck received a $1.425 million fine in relation to charges under the Fisheries Act relating to the October 2014 fish mortality incident that occurred in the area of the water treatment works at the West Line Creek Active Water Treatment Facility at our Line Creek Operations during commissioning of the facility. Funds are expected to be used for purposes related to the conservation and protection of fish or fish habitat or the restoration of fish habitat in the East Kootenay region of B.C. Following the incident, an extensive investigation was undertaken, and numerous measures to prevent a reoccurrence were implemented. These included improved monitoring and incident response programs, additional process controls, and the creation of an effluent buffer pond to allow early identification and management of potential issues before discharge of water.

In November 2017, Teck paid an Administrative Penalty of $78,100 related to effluent non-compliances experienced at the Heavy Duty Steambay at Line Creek Operations from 2014 to 2017. Improvements to the Steambay effluent collection system were made to prevent recurrence of the non-compliances.

Outlook for Tailings, Waste and Environmental Management

As the mining industry reviews and improves best practices for tailings management, Teck will continue to play an active role in collaborating with industry partners in 2018. We will also update our policies, governance structure and guidance documents applicable to all of Teck's tailings and water retention facilities based on recommendations from MAC and ICMM, released in 2017. We will also continue to improve our environmental safeguards and prevent reoccurrence of environmental incidents on a site-by-site basis. Finally, we will enhance our capacity to share learnings and identify best practice by further strengthening our internal environmental community of practice.

Learn More

Position Statement on Preventing Catastrophic Failure of Tailings Storage Facilities

Diversity and Employee Relations

Across industries, technology, globalization and the desire to increase diversity in the workplace are shaping the global labour market. Over the past two decades, there has been a shift away from manufacturing to services, meaning that jobs increasingly require new skills, training and flexibility. In the same period, women and potentially disadvantaged groups have been better integrated into the workforce in the majority of OECD countries.[10] This is grounded in the United Nations prioritizing diversity in SDG 5 as well as full and productive employment for all in SDG 8. Companies are responding to these trends by investing in the development of employee skills, and working to attract and retain a diverse workforce to maximize performance.

In the mining industry, an aging workforce is another major trend. According to the Mining Industry Human Resources Council, over the last decade, the percentage of the population that is 55 years and older has increased from 25% in 2007 to 30% in 2016.[11] With lower levels of young people employed and fewer workers to transition skills and knowledge to, this presents a significant challenge for the industry. An aging workforce, ongoing competition for talent and the need to increase productivity have continued to make training, development and succession planning a major focus for many in the industry.

Diversity is also becoming a more significant priority for the mining industry, where women, Indigenous Peoples and other minorities are under-represented. In 2017, women accounted for 17% of the mining labour force in Canada, compared to 48% in the overall labour force.12 Closing this gap can have significant business and social benefits. A diverse workforce, which integrates a wider range of people, backgrounds and perspectives, not only helps enhance corporate performance, but it also makes local economies more resilient. As of 2017, women make up 17% of Teck's total workforce, which is a 31% increase since 2014, while 27% of Teck's board of directors are women as of April 2018. In addition, Teck undertook a company-wide gender pay equity review in 2017 with the objective of ensuring that female and male employees across the organization receive equitable pay. The review found no indication of any systemic gender pay issue at Teck and similar reviews will be conducted regularly to ensure Teck continues to maintain pay equity.

In 2017, we worked to improve productivity and employee relations by maintaining constructive labour relations as we worked through contract negotiations at our Highland Valley Copper, Quebrada Blanca, Cardinal River and Trail Operations. We also conducted planning for short- and long-term changes in our workforce and advanced diversity initiatives across the company. Employee health and safety is also a core value and remained an important focus through 2017.

Pictured Above: Employee at Quebrada Blanca Operations.

10 OECD Employment Outlook 2017. OECD Publishing, Paris. 2017. 11 Canadian Mining Labour Market Outlook 2017. Mining Industry Human Resources Council.

Our Performance in Diversity and Employee Relations in 2017

Our Targets and Commitments

We are committed to having a diverse workforce that is representative of the communities where we operate. By establishing a culture of safety, employee engagement and support for diversity in our workforce, we are able to do more, and be more, together. The following tables summarize our performance against our 2020 sustainability goals and targets.

2020 Goal	Status	Summary of Progress in 2017
Build a diverse workforce that includes more women and Indigenous Peoples.	On Track	The percentage of permanent female employees increased by 29% in 2017, and starting in July 2017, we began tracking the number of applicants to Teck who self-identify as Indigenous.
Develop leaders who can confidently and efficiently manage safe, respectful and productive operations.	On Track	This year, more than 270 employees participated in our Leading for the Future program, and more than 6,000 participated in our Courageous Safety Leadership 4 program.

2017 Key Performance Indicators

Indicator

% of women working at Teck

Target

Increase % of women at Teck

Learn More: Page 77

Indicator

% of total employee turnover

Target

Keep total employee turnover under 10% each year

Learn More: Page 74

GRI Indicators and Topic Boundary

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

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

How Does Teck Manage This Topic?

Information about how we manage diversity and employee relations, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility.

Global Workforce Demographic

At the end of 2017, there were 10,109 employees, temporary and permanent, working at Teck-operated mining and metallurgical operations and offices.

Figure 23: Global Workforce in 2017

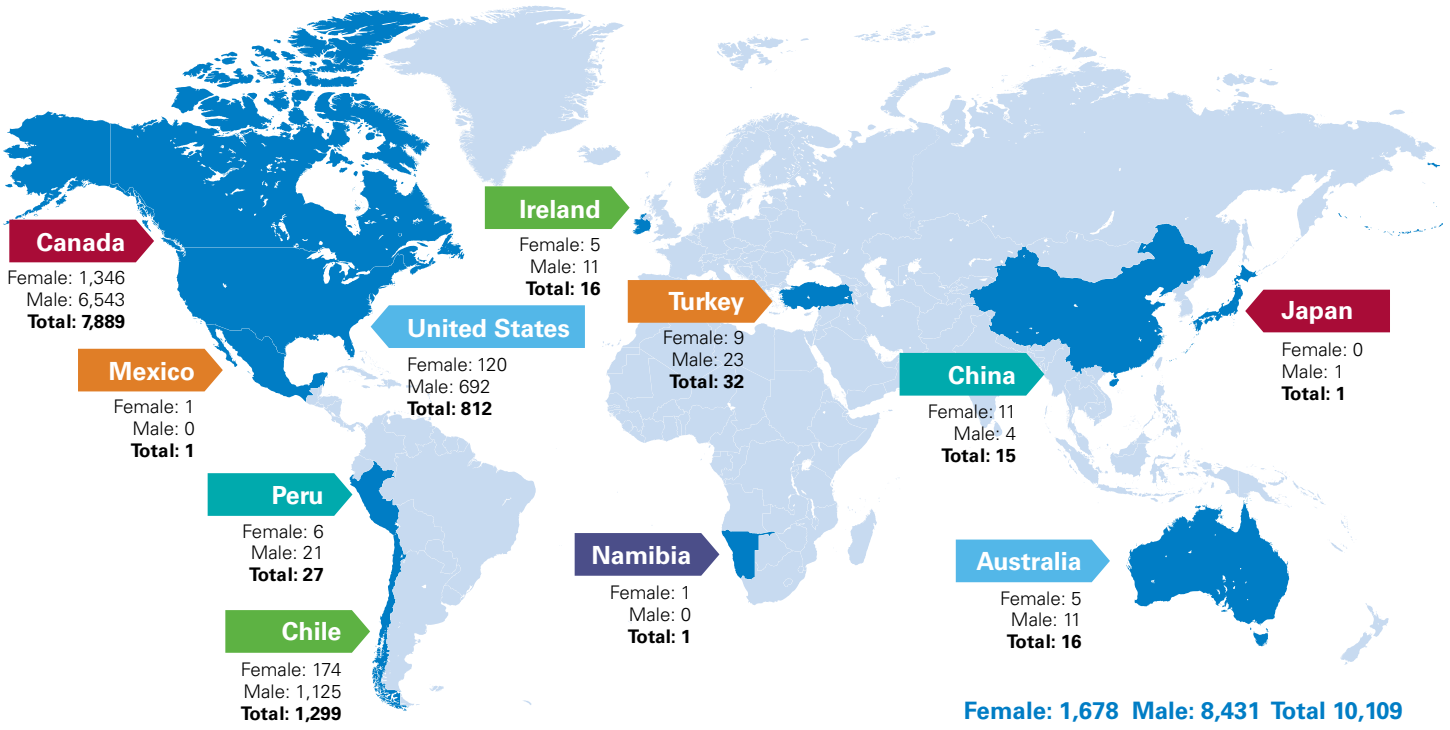


Figure 24: Global Workforce by Employment Level (as at year-end)

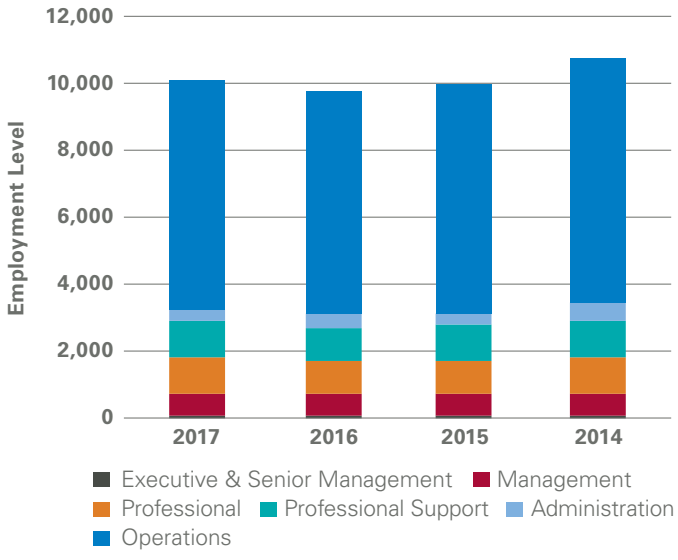
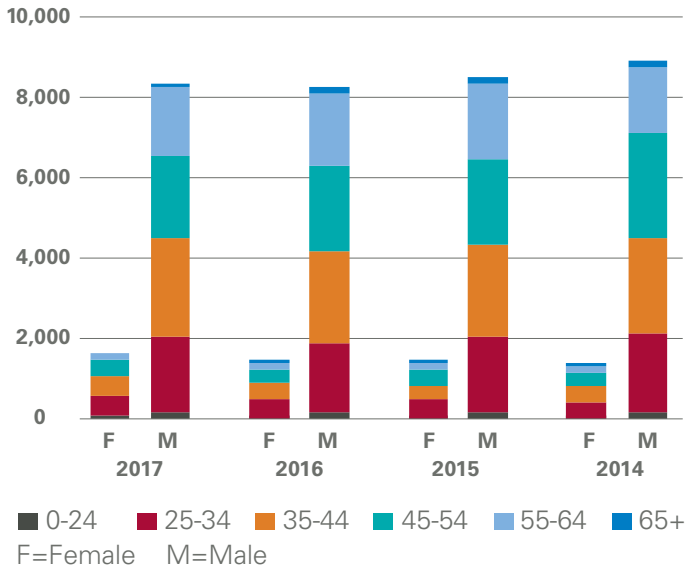


Figure 25: Global Workforce by Age and Gender



Labour Relations

Collective bargaining was completed at our Highland Valley Copper, Cardinal River, Trail and Quebrada Blanca operations in 2017. 58% of our workforce was unionized in 2017. In December 2017 at our Quebrada Blanca Operations, the Union of Workers of Quebrada Blanca, which represents 105 employees, went on strike for seven days before a collective agreement was reached the same month.

Talent Attraction

In 2017, we implemented new global applicant tracking software to strengthen the security of data, to streamline and enhance the management of recruitment, and to provide additional information on the diversity of our applicants. The system allows applicants to self-identify their ethnic background, and we have begun tracking this data with a focus on women and Indigenous Peoples across our operations.

We conducted recruitment events in several Canadian towns and universities. These activities ensure we attract top talent and sufficient volume of applications to fill vacancies, with a focus on co-op students and Professionals in Training (e.g., Engineers and Geologists). In 2017, we increased our efforts in digital recruitment, primarily through social media, in an effort to reach more diverse applicants, with a focus on women.

We developed new marketing and advertising campaign strategies that target local women to build awareness and promote career opportunities. As a result, the number of female applicants for haul truck positions more than doubled in 2017 compared to 2016. In terms of hiring, 155 women joined Teck in haul truck or labour positions in 2017, representing 29% of all new hires in these positions for the year.

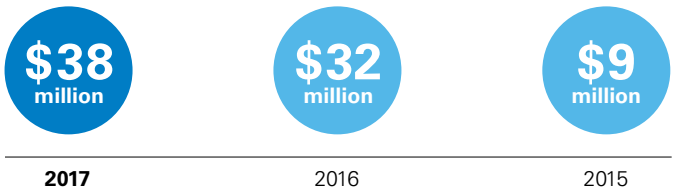
Table 21: New Hires by Age Group and Gender

Gender	Country	Under 30 Years Old	30 to 50 Years Old	Over 50 Years Old
Female	Canada	165	188	44
	Chile	12	14	3
	United States	37	22	4
	Other	4	3	0
Total Female		**218**	**227**	**51**
Male	Canada	365	475	101
	Chile	12	33	6
	United States	91	89	22
	Other	5	2	2
Total Male		**473**	**599**	**131**
Grand Total		**691**	**826**	**182**

Retention, Training and Development

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

Figure 26: Investment Spend on Training



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

Employee Turnover

For overall understanding of workforce dynamics and changes, we track employee turnover, including voluntary resignations, involuntary layoffs and retirements. In 2017, total turnover was 9%, compared to 7% in 2016, 10% in 2015 and 12% in 2014. Our voluntary turnover rate was 6% in 2017, compared to 6% in 2016.

Table 22: Average Hours of Training in 2017 per Employee

Type	Male	Female
Hourly	98	104
Staff	16	19
Total	**67**	**49**

Table 23: Total Employee Turnover

Gender	Country	Under 30 Years Old	30 to 50 Years Old	Over 50 Years Old
Female	Canada	5	43	32
	Chile	3	6	1
	United States	6	5	3
Total Female		**14**	**54**	**36**
Male	Canada	38	179	281
	Chile	11	97	43
	United States	20	47	22
	Other	1	5	3
Total Male		**70**	**328**	**349**
Grand Total		**84**	**382**	**385**

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

	2017	2016	2015	2014
Number of employees who took parental leave	**123**	122	93	116
Number of employees who returned to work after parental leave ended	Data for 2017 will be available in the 2018 Sustainability Report	96	77	111
Return to work and retention rate of employees who took parental leave (%)		79%	83%	96%

Case Study

Preparing for Closure of Coal Mountain Operations

One of our five steelmaking coal operations in the Elk Valley region of British Columbia, Coal Mountain (CMO), will reach the end of mine life in early 2018. After developing a detailed plan for reclamation (see this case study), one of the biggest challenges in closure planning is the transition of workers. With more than 300 valued employees working at CMO, some for 30+ years, our goal was to find employment opportunities for them at other Teck sites within the area.

"We did not want to say goodbye to the employees who had given Teck so many years of excellent service, and who had put down roots in this community with their families," said Jared Whidden, Superintendent Human Resources, Line Creek Operations.

With careful consideration and internal engagement with human resources, business development and senior leadership, we developed a plan to transition employees from CMO to other sites in the Elk Valley. Keeping employees in the Elk Valley helps Teck to retain decades of experience, and helps employees and their families to stay settled in local communities.

We started by analyzing the needs of the other sites in the Elk Valley, assessing their hiring requirements that arose through normal attrition. From haul truck drivers to maintenance workers, we looked to find a new role for employees at CMO. During this time, Teck worked with local unions to ensure a smooth transition across sites starting in 2017, with additional employees to be transferred in spring 2018. A core team will remain at Coal Mountain while this work is undertaken.

"Many of our employees were born and raised in the Elk Valley, and uprooting their lives and families was the last thing they wanted to do," stated Jared. "We see this result as a huge win for our closure planning and human resources teams."

Pictured Above: Coal Mountain Operations in British Columbia

Building Strength with People

We evaluate employee engagement by measuring the effectiveness of our Building Strength with People program, a framework through which salaried employees have regular performance reviews, development planning, and career conversations with their supervisors. On an annual basis, we conduct a survey of participants to evaluate their satisfaction with the program from 0% to 100% in each of the three categories of the framework.

The overall score on the survey in 2016 was 76%, compared to 77% in 2015. In the performance area, there was an improvement to 86% from 84% in 2015. In development, there was a decrease to 70% from 74% in 2015, and in career conversations, there was a slight improvement to 69% from 68% in 2015. 2017 results will be available in mid-2018.

A number of recommendations were made to improve the program going forward, particularly to address the results for development. This includes increasing the visibility of senior leadership, simplifying the software, scheduling training for supervisors and conducting a full review of the program.

Leadership Development

Teck's approach to leadership development is primarily focused on four programs: Leading for the Future, Leading for Excellence, Leadership Challenges and Emerging Leaders. In 2017, we conducted five Leading for the Future program cohorts, three Leading for Excellence cohorts, seven Leadership Challenges and the sixth cohort of our Emerging Leader Program. In the Leadership Challenge, past Leading for Excellence graduates act as group coaches, while Leading for the Future graduates work with both their supervisors and coaches to identify a development area and practise a leadership competency for a 10-week period following a three-day on-site workshop. In a joint evaluation assessment, each participant and his or her supervisor evaluated the participant's level of effectiveness and found an 83.5% increase in capability and effectiveness in leadership development, as well as sustained improvement six months later.

Diversity and Equal Opportunity

In 2017, we continued to work towards building a diverse workforce that includes more women and Indigenous Peoples, focusing on a number of initiatives tied to the six areas of our Inclusion and Diversity Plan.

Table 25: Implementation of Inclusion and Diversity Plan

Area of Inclusion and Diversity Plan	2017 Activities
1. Develop our people — grow a culture of inclusion that values diversity	Approximately 760 leaders across Teck participated in Gender Intelligence workshops and 97% of feedback survey respondents rated the workshops as good or excellent.
2. Measure and report	We measure and report on gender diversity metrics internally and externally in the sustainability report.
3. Attract the right people — strengthen our recruitment practices	We conducted a variety of recruitment events targeted to women. At our steelmaking coal operations, we hosted a Women in Mining Career Fair and information workshop in Sparwood, B.C., which had a strong turnout and resulted in several new hires.
4. Foster a more inclusive culture and increase employee engagement	We are piloting a childcare benefit program in Canada (as outlined on page 79), enhancing development plans for high-potential women, improving the interview process to ensure diverse candidates and interviewers, and developing flexible work schedules for select site-based roles. In Chile, the Inclusion and Diversity Working Group developed a plan for cultural change. We also conducted a pay equity review, as outlined on page 79.
5. Remove systemic barriers and biases — make processes more inclusive	Job titles were updated across Teck to be inclusive. In Chile, changes were made to human resources policies with respect to daycare as well as to dependent eligibility, so that all eligible employees' spouses who are not working may receive coverage, regardless of gender or sexual orientation. The Quebrada Blanca Phase 2 project team reviewed the project design with respect to diversity considerations of the facilities, employment plan and leadership composition.
6. Continuing to build our brand as an inclusive and diverse company	We feature content about diversity in our employee communications. We also partner with the University of British Columbia and the Engendering Success in Science, Technology, Engineering and Math (STEM) Consortium to improve the attraction and retention of women in STEM.

For information about Indigenous employment in 2017, please go to the Relationships with Indigenous Peoples section on page 57.

Representation of Women at Teck

There were 1,678 women working at Teck at the end of 2017, which represents 17% of the total workforce, compared to 1,452 women and 15% of the total workforce in 2016.

Engaging Employees through our Company Magazine

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

Remuneration at Teck

Teck is committed to providing a fair living wage to all employees and contractors. For our hourly employees, see the ratios of their entry level wage compared to local minimum wage by gender in Table 27.

For Canada, Teck wages are compared against the B.C. minimum wage. In Washington state and Alaska, they are compared against the Washington state and Alaska minimum wages, respectively. In Chile, they are compared against the national minimum wage. Teck provides competitive wages that are above the local minimum for all significant areas of operation.

Women make up 17% of our total workforce, and 29% of total hires were women in 2017.

Table 26: Women in Leadership and Technical Positions

Category	2017	2016	2015	2014
Board of Directors	**21%**	14%	14%	25%
Senior Management	**7%**	8%	7%	6%
Management	**19%**	17%	16%	16%
Operational or Technical Positions	**10%**	9%	8%	8%
Of the Operational or Technical Positions, the % in Leadership Positions	**6%**	5%	5%	4%

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

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

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

Case Study

SDG 5 Spotlight: Advancing the Diversity Dialogue with Gender Intelligence Training

As part of our journey to increasing inclusion and diversity at Teck, we knew that creating a safe space for dialogue and providing training about the value of diversity was critical. In 2017, as part of advancing our Inclusion and Diversity Policy, we launched training with the Gender Intelligence Group across our operations.

During half-day workshops, more than 760 employees — from senior management to front-line supervisors — learned to recognize and value the differences between men and women, and to employ tactics to increase equality in the workplace.

What Is Gender Intelligence?

Gender intelligence is a mindset founded on the neuroscience that underlies gender-specific behaviours. The Gender Intelligence Group advocates that women and men have unique behaviours, and that equality comes from recognizing and valuing those behaviours. Based on their research, there are biological reasons behind the way women and men think and act; the differences between genders are complementary and can lead to more innovative thinking, greater productivity and engagement.

What Are the Benefits of Diversity in the Workplace?

Studies have shown that more diversity at a company can lead to better financial performance, especially at the Board and senior management level.[12] Recognizing the value in unique perspectives from both women and men has also been found to result in a higher retention of all employees and less discrimination company-wide.

The Gender Intelligence Group training also addressed one of Teck's most important values — safety. According to a Stanford University research project in 2014, it was found that there was an 84% increase in safety with greater gender diversity in the oil sector.[13] These safety performance improvements were due to less risk-taking and improved decision-making.

Our Diverse Future

Our goal is to continue to increase diversity at Teck, with a focus on women and Indigenous Peoples, and to ensure that our workplaces are welcoming and inclusive for all. We will continue to conduct Gender Intelligence training in 2018.

Pictured Above: Sophie Penhall, Geotechnical Engineer, and Taylor Sherven, Mining Engineer, at Fording River Operations.

12 Barbara Shecter. "What's a woman on the board worth to stock investors? About 300 bps, according to CIBC study." Financial Post. 2017.
13 Robin J. Ely and Debra Meyerson. "Unmasking Manly Men: The Organizational Reconstruct of Men's Identity." Harvard Business Review. 2008.

Gender Pay Equity Review

A company-wide Gender Pay Equity Review was conducted in 2017, with the objective of ensuring that female and male employees across the organization receive equitable pay. The review was conducted by our compensation team, with results reviewed and validated by a leading third-party global consultancy. The review focused primarily on permanent, salaried employees located in Canada, Chile and the United States, with a wide range of pay component data being collected and analyzed. The review found no indication of any systemic gender pay issue within our company. This key finding was important; to ensure that we continue to maintain gender pay equity in the organization, similar reviews will be conducted regularly.

Table 28: Ratio of Basic Salary and Remuneration in 2017

Employee Category	Average Basic Salary (Male : Female)	Average Remuneration (Male : Female)
Canada		
Executive & Senior Management	1.1 : 1	1.2:1
Management	1.0 : 1	1.0:1
Professional	1.1 : 1	1.1:1
Professional Support	1.3 : 1	1.3:1
Administration	1.1 : 1	1.1:1
United States		
Executive & Senior Management	n/a	n/a
Management	1.0 : 1	1.0 : 1
Professional	1.0 : 1	1.0 : 1
Professional Support	1.2 : 1	1.2 : 1
Administration	0.8 : 1	0.8 : 1
Chlle		
Executive & Senior Management	1.0 : 1	1.1 : 1
Management	1.2 : 1	1.2 : 1
Professional	1.0 : 1	1.0 : 1
Professional Support	0.9 : 1	1.0 : 1
Administration	0.9 : 1	1.0 : 1

Teck was named Canada's Top 100 Employers for 2018 and Canada's Most Admired Corporate Culture 2017.

Workplace Flexibility

A childcare benefit program is being piloted with employees in Calgary, Richmond, Toronto and Vancouver and at Highland Valley Copper. The one-year program with Kids & Company supports access to childcare services. During the pilot, eligible employees will have priority access to several services and benefits, including flexible part-time daycare, a guaranteed childcare spot within six months of registration, camp programs during school closures, and more. Participating employees are responsible for covering the cost of the program.

Employee Feedback and Grievances

In 2017, we dealt with individual reports of harassment through our human resources procedures and received four allegations of discrimination through our whistle-blower hotline. The allegations were based on issues of race, physical disability, family status, and entitlement to retirement benefits. Following the complaints, interviews were conducted with all concerned (except for anonymous reports), and the issues were either resolved completely or we are progressing toward reaching a resolution. It is important to note that allegations may be reflective of perceived or actual events, and therefore do not necessarily represent an actual negative impact or act of discrimination. Teck's practice is that all feedback is acknowledged and assessed, and a response is communicated to the complainant, with the goal of providing a satisfactory reply or resolution in a timely manner.

Outlook for Diversity and Employee Relations

We will continue to implement our strategy to attract, engage, retain and develop the best people to meet our current and future business needs. In 2018, we will continue to implement our inclusion and diversity plan, upgrade our human resources software platforms, support the business as it evaluates new and emerging technologies, enhance employee engagement by improving our Building Strength with People program, provide access to new training programs, and develop resources in order to accelerate the transition of skills and knowledge from experienced workers to younger workers.

Learn More

Canadian Mining Labour Market Outlook 2017

Business Ethics

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

According to the global professional services firm EY, regulatory risk continued to increase for the mining and metals industry in 2017 as governments demand a greater return from, and oversight of, their natural resources. There is also increasing public pressure for, and regulation requiring, greater transparency around how companies engage with, lobby or influence governments. As a global industry that operates in a wide range of jurisdictions, including underdeveloped and developing countries, business ethics and anti-corruption are a major focus for the mining industry. The importance of business ethics is reflected in Principle 1 of the International Council on Mining and Metals (ICMM) 10 Principles: to implement and maintain ethical business practices that seek to prevent bribery and corruption.

Maintaining open and transparent communications with governments and regulatory parties is essential to mitigating risk and responding to future regulatory changes.

We focus on being a collaborative, solutions-based partner with governments in the jurisdictions where we work, and we regularly engage with government on public policy initiatives primarily focused on maintaining and enhancing the competitiveness of, and the social, environmental and economic sustainability of our industry. In 2017, our public policy engagement focused on climate change, water management, tax competitiveness and Indigenous Peoples, among other topics.

Pictured Above: Employee at Quebrada Blanca Operations.

14 Top 10 Business Risks Facing Mining and Metals in 2017-2018. EY.

Our Performance in Business Ethics in 2017

Our Targets and Commitments

We are committed to upholding high moral and ethical principles as affirmed in our Code of Ethics. The Code of Ethics applies to all Teck employees and contractors. Teck expects suppliers, contractors and service providers to adhere to the same fundamental principles, including those related to legal compliance, fairness and honesty, and anti-corruption. The Code of Ethics applies to sites that are managed by Teck.

While Teck's business practices must consider the business and social practices of the communities in which we operate, we believe that honesty is the essential standard of integrity in any locale. Thus, although local customs may vary, Teck's practices are based on honesty, integrity and respect.

Doing What's Right Program

Our employees are required to report any violations, or potential violations, of our Code of Ethics through our *Doing What's Right* program, which includes a whistle-blower hotline and web portal that are managed by a third party. Through this program, we received 22 reports of alleged violations of our Code of Ethics in 2017. The areas for which we received the greatest number of reports were in relation to employee relations (27%), health and safety (22%), discrimination (18%), and allegations regarding commercial fraud (9%). By the end of 2017, 17 cases were closed following investigation or were closed on the basis that no investigation was necessary. The remaining five cases were still under investigation. No criminal cases regarding bribery were brought against Teck or any of its affiliates in 2017, 2016 or 2015.

Anti-Corruption

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

The Internal Audit department reports to the Audit Committee on a quarterly basis on any cases of fraud identified, other than those reported through the whistle-blower hotline. No instances of fraud were reported to the Audit Committee through normal channels during 2017. In 2017, we had no involvement in any anti-competitive investigations.

GRI Indicators and Topic Boundary

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

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

How Does Teck Manage This Topic?

Information about how we manage business ethics, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility.

Pictured Above: Teck's Copper & Health program is building partnerships, raising awareness and scaling up the use of antimicrobial copper as an innovative solution to healthcare-acquired infections. To learn more, visit www.coppersaveslives.com.

Public Policy Initiatives

We focus on being a collaborative partner with governments in the jurisdictions where we work and regularly engage on public policy initiatives that support the competitiveness and the social, environmental and economic sustainability of our industry. In 2017, we engaged with governments on several public policy and regulatory initiatives of relevance to Teck, including:

- **Advancing reconciliation objectives with Indigenous Peoples:** Teck continued active and direct engagement in advancing reconciliation through our participation in the BC Assembly of First Nations – Business Council of BC Champions Table, through ongoing work with Reconciliation Canada, and through engagement in various government legislative reviews that included Indigenous components. We also developed and advanced our Reconciliation Action Plan in 2017, the first of its kind created by a Canadian mining company. The Plan will be released later in 2018.
- **Joining the Government of Canada in fostering a more dynamic innovation culture:** Teck actively pursued several government initiatives to advance innovation in our operating jurisdictions, led by our work to participate in the Government of Canada's Innovation Superclusters Initiative. Teck was a founding member of two supercluster proposals that advanced to the final round of evaluation in 2017: Canada's Technology Digital Supercluster and the Clean, Low-energy, Effective, Engaged and Remediated mining sector submission.
- **Submitting solutions to the Government of Canada's reviews of environmental permitting processes and legislation:** The federal government advanced comprehensive reviews of key environment-related legislation — which we made several recommendations to, while working closely with industry associations to advance constructive approaches to improving legislative structures. Our advocacy focused on our intent to strengthen public confidence in project assessment processes, enhance Indigenous People's participation and decision-making in these processes, and support sustainable economic growth while ensuring greater certainty for all parties involved.
- **Providing input into Canada's Coal Mining Effluent Regulations (CMER) Review:** Teck was actively engaged in the review process for these draft regulations through 2017. For Teck, the final design of these regulations is critical for the long-term planning for our steelmaking coal operations in Western Canada. We will continue to participate in the review and dialogue process with the Government of Canada to help ensure the CMERs are well-designed and science-based, and that they enhance regulatory certainty and environmental protection.
- **Advocating for cost-competitiveness policies in British Columbia:** Teck continued to engage the B.C. Government to address cost-competitiveness issues related to carbon taxation, rising costs in electricity input expenses, ongoing efforts to detail the administrative inefficiencies around the provincial sales tax (PST), and expanding the tax exemptions framework. Overall, we continue to advocate for cost-competitiveness measures that support key provincial objectives, including job growth and effective and efficient environmental policy.
- **Supporting effective climate change policies:** We support the development of effective and efficient carbon pricing regimes globally, and, in 2017, we were the first Canadian natural resource company to join the Carbon Pricing Leadership Coalition. In Canada, we engaged in a working group to analyze the B.C. system and explore and recommend policy options for the development of competitiveness mechanisms for emissions-intensive and trade-exposed (EITE) sectors. We also engaged with the Canadian government on issues related to the Pan-Canadian Framework on Clean Growth and Climate Change, including providing feedback on backstop EITE-related legislation and on the proposed Clean Fuel Standard.
- **Advocating for changes to the Canada Transportation Act:** Teck continued to advocate for changes to Canada's transportation legislation in order to enable a transparent, fair, efficient and safe rail freight regime that meets the needs of all users. As Canada's largest rail user, Teck has advanced recommendations to the Government of Canada aimed at enhancing the performance and reliability of Canada's rail system to ultimately balance the railway-shipper relationship. We are actively engaged in the review of the proposed legislative changes to the Canada Transportation Act tabled in late 2017.
- **Supporting efforts to enhance diplomatic and economic ties with key international markets:** As a major Canadian exporter with virtually all our output destined for markets abroad, we continued to support the Government of Canada in enhancing diplomatic and economic ties with export destination countries primarily in Asia, as well as the United States. We continued to support Canada-China free trade negotiations as well as the ratification and implementation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. As the U.S. is the third-largest export jurisdiction for Teck's products, we support the Government of Canada in maintaining and enhancing the certainty and shared benefits of the North American Free Trade Agreement. Teck also participated in a visit by Canada's Minister of International Trade, Philippe Champagne, to Chile as part of the 20-year anniversary celebration of the Canada-Chile Free Trade Agreement.
- **Partnering to empower Indigenous women in Chile:** In early 2018, UN Women and Teck announced an extension of their partnership and the development of a new training centre to empower Indigenous women in Northern Chile, funded through a US$1 million investment from Teck. The investment support the goal of providing Indigenous women with access to high-quality, culturally relevant, flexible training programs with a focus on economic development, entrepreneurship, and business management skills.
- **Furthering two major public health initiatives:** Through our Zinc & Health program, we were proud to join our partners in the Zinc Alliance for Child Health (ZACH) — the Government of Canada and Nutrition International — to announce a $4 million commitment to extend ZACH through 2020. Our new Copper & Health program addresses the growing risk of healthcare-acquired infections (HAIs) in Canada. In 2017, we launched an antimicrobial copper study in four hospitals across Canada to build on the existing evidence base and help understand how to use copper to reduce HAI rates in hospitals.

- **Advocating for a comprehensive approach to address the fiscal deficit challenge in Alaska:** As Alaska's state legislature continued to look at both revenue and spending solutions to address a significant budget deficit, we continued to work closely with industry associations and state legislators to support a comprehensive approach across different industries. While no review of the mining sector taxation occurred in 2017, the modest recovery in commodity prices has the state of Alaska focused on ensuring growth of the tax base to build a stronger fiscal foundation.
- **Regulatory engagement in Chile:** We made significant progress advancing the Quebrada Blanca Phase 2 project through the Chilean Environmental Assessment process. We conducted regular engagement and dialogue with government agencies responsible for oversight and implementation of the process.
- **Developing employment skills in the mining industry in Chile:** Teck and Fundación Chile, an innovative non-profit organization, launched a technical training program called Programa Elige Crecer. The program aims to assist people in developing new skills that can be applied in the mining industry. The program provides resources and tools that will help to boost employability in the mining industry, specifically in the Tarapacá region.
- **Improving mine productivity and technical training in Chile:** As part of Teck's participation in Consejo Minero (Mining Council of Chile), Teck participated in an international benchmarking study organized by the Consejo Minero's productivity commission for large-scale copper mining, and facilitated a visit to our Highland Valley Copper Operations in Canada. In addition, we helped to coordinate a visit between Chilean and B.C. authorities to discuss public policies for the assessment and approval of mining projects. Teck also participated in the Eleva Project, which promotes innovation and improvements to professional or technical education in mining. The project is backed by the Chilean Ministry of Economy, the Ministry of Education, the Ministry of Labor and Social Security, Corfo, the Mining Competency Council and is coordinated by Fundación Chile.

Contributions to Industry Associations

We are members of numerous industry associations and are involved in organizations that provide a platform for advancing best practice in our industry. As we implement our sustainability strategy, our involvement with these organizations provides us with guidance and opportunities to share best practices and contribute to industry standards. Our five largest contributions in 2017 in this area were all to trade associations. Contributions, as membership fees, totalling $3.6 million in 2017 went to the International Copper Association, Canada's Oil Sands Innovation Alliance, the International Zinc Association, the Mining Association of Canada, and the Mining Association of British Columbia.

Political Donations Policy

In 2017, we developed and released a Political Donations Policy. This policy confirms that Teck does not make political donations and does not make use of corporate resources, including funds, goods, property or services, for the purpose of contributing to a political party or any individual candidate seeking election at any level of government in any jurisdictions. Prior to the release of our policy, we had historically made political contributions in British Columbia, including in early 2017. All contributions were made in accordance with applicable laws. We have not made political contributions outside of British Columbia.

Table 29: Political Contributions

Political group	Donation amount in 2017
BC Liberal Party	$ 15,500
BC New Democratic Party	$ 50,790
Total	**$ 66,290**

Commitment to Transparency

Teck publicly reports on payments to governments in the countries where we operate, as required under the Canadian Extractive Sector Transparency Measures Act (ESTMA). These payments include taxes, royalties and other payment types, by country and on a project-by-project basis, in relation to the commercial development of oil, gas and minerals. See our ESTMA disclosure on the public filings archive page of our website. In 2017, Teck began publishing an annual voluntary Economic Contributions Report to complement and enhance our ESTMA disclosure. This report demonstrates our overall value generation in the areas where we operate through wages and benefits, payments to contractors and suppliers, community investment, payments to governments, and other payments. See the Economic Contributions page for more information.

Extractive Industries Transparency Initiative

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

Outlook for Business Ethics

Teck remains committed to upholding high moral and ethical principles as affirmed in our Code of Ethics. In 2018, we will continue to deliver our *Doing What's Right* and anti-corruption programs, and engage in public policy initiatives. We will continue to ensure that we are compliant, transparent, cooperative and ethical in all matters, and that we meet our reporting requirements.

Learn More

Extractive Industries Transparency Initiative

Country reports on the implementation of the OECD Anti-Bribery Convention

Biodiversity and Reclamation

Protecting and enhancing biodiversity, which is the abundance and variety of living organisms and ecosystems in nature, is integral to global sustainability. Many of the world's ecosystems are being altered, and loss of biodiversity is a concern. The United Nations has set government and business on a path towards addressing biodiversity on a global scale in their Sustainable Development Goal 15 on sustainably managing forests, combating desertification, halting and reversing land degradation, and halting biodiversity loss.

Mining activities have the potential to impact biodiversity and to alter ecosystems in a significant and highly visible way. Direct impacts can result from any mining activity that involves land disturbance or discharges to waterbodies or the air. Indirect impacts can result from social or environmental changes that are induced by mining operations, particularly when mining opens up an area for other economic activities and increased habitation. In cases where mines are developed in landscapes where other pressures on biodiversity are present, the potential for cumulative impacts must also be considered.

Regulatory requirements are changing in response to widening recognition of these impacts on biodiversity. This includes requirements to tailor reclamation with a focus on wildlife and plants of greatest conservation concern, and requirements to implement biodiversity offsets to mitigate impacts that cannot be fully addressed through avoidance, minimization and rehabilitation. Since 2003, the International Council on Mining and Minerals (ICMM) has had a world-leading Position Statement on respecting biodiversity. Therefore, in accordance with the statement, Teck does not explore or mine in World Heritage sites and respects all legally designated protected areas.

All of our operations are adjacent to or within areas of high biodiversity value, including arid and arctic areas, boreal forests and deserts. Communities near our operations depend on the land, plants and animals around them for their quality of life, livelihoods and leisure activities. Indigenous Peoples rely on the land to maintain traditional ways of life. Stakeholders and Indigenous Peoples expect us to contribute to the conservation of biodiversity and to work collaboratively with them to develop integrated approaches to land use. Effectively managing biodiversity is integral to meeting regulatory and permit requirements and to maintaining community support for our activities.

Pictured Above: Garry Luini, Environmental Officer at Greenhills Operations, discusses reclamation plans.

Our Performance in Biodiversity and Reclamation in 2017

Our Targets and Commitments

Our vision for biodiversity is to work towards achieving a net positive impact on biodiversity in areas affected by our activities. The following tables summarize our performance against our targets and 2020 sustainability goals.

2020 Goal	Status	Summary of Progress in 2017
Implement biodiversity management plans for each of our operations.	On Track	Each of our operations continued to implement their biodiversity management plans. Operation-specific examples are included in Table 30 on page 86.
Integrate the consideration of biodiversity into the exploration, construction and closure stages of the mining life cycle.	On Track	We continued working on integrating biodiversity into the exploration stage, with a focus on the collection of baseline ecosystem data and reclamation of exploration disturbances (e.g., roads and drill sites). A new Teck framework for closure plans was developed and used in developing a detailed closure plan for our Coal Mountain Operations. This closure plan fully includes biodiversity considerations during the active closure and post-closure stages, and provides a template for completing future detailed closure plans at Teck.
Enhance our contributions to biodiversity conservation knowledge through collaboration in research, education and conservation.	On Track	Continued to support external organizations such as the Vancouver Aquarium, whose research and conservation activities include breeding and release programs for two species of frogs whose populations are at risk in British Columbia.

GRI Indicators and Topic Boundary

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

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

How Does Teck Manage This Topic?

Information about how we manage biodiversity and reclamation, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility.

Pictured Above: Cougar caught on a wildlife camera at Quebrada Blanca Operations.

Working to Achieve a Net Positive Impact

As part of our work to achieve our vision of having a net positive impact on biodiversity, we continued to implement biodiversity management plans at our operations in 2017, while also operating in accordance with the ICMM Mining and Protected Areas Position Statement. Per the position statement, we do not explore or mine in protected areas, including those protected by national or regional law or designated by international organizations such as the United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage sites and International Union for Conservation of Nature (IUCN) category Ia, Ib, II, III or IV protected areas.

Table 30: Key Activities and Accomplishments in Biodiversity in 2017

Operation	Performance Highlight
Cardinal River Operations	Completed reclamation and applied for certification to enable an area of the former Luscar mine that includes Sphinx Lake to be returned to the Province of Alberta. Sphinx Lake was constructed by filling a closed pit with rock and water and creating an inlet channel and outlet, so that the lake and stream now provide valuable trout habitat.
Carmen de Andacollo Operations	Progressed the identification and assessment of potential biodiversity offsets and continued maintenance of the Runco Project established in 2014.
Highland Valley Copper Operations	Supported the creation of a Centre for Ecosystem Reclamation at Thompson Rivers University by contributing funding for a new Natural Sciences and Engineering Research Council Industrial Research Chair position. Conducted a workshop with Indigenous communities of interest and completed a preliminary and high-level review of potential biodiversity offsets.
Quebrada Blanca Operations	Conducted studies on wildcat ecology and native plant propagation. Made significant progress in the evaluation of potential biodiversity offset opportunities.
Red Dog Operations	The Red Dog port facility was recognized as an Outstanding Partner by the U.S. Fish and Wildlife Service, which recognizes external partners who have made significant contributions to the conservation of natural resources in Alaska. This award was a result of the facility's support for the Chukchi Sea polar bear fieldwork program.
Steelmaking Coal Operations in the Elk Valley	Installed a network of wildlife cameras to collect and analyze data on wildlife movement patterns in an effort to minimize disturbance and inform future reclamation activities. Finalized and began using a vegetation quality monitoring framework for measuring reclamation success in a manner that allows comparison against local biodiversity/ecosystem benchmarks and objectives.
Trail Operations	Continued to develop the framework for the Lower Columbia Ecosystem Management Program with input from the regional steering committee of communities of interest. This program represents the terrestrial biodiversity management program for Trail, which is aimed at addressing residual impacts of historical smelter emissions on habitats. The first detailed plan for an ecosystem restoration pilot project was developed.

Reclamation

In 2017, at our Highland Valley Copper Operations, we established new reclamation trials to test methods for rehabilitating lands in line with the end land use objectives determined in 2016, such as shifting our targets from grasslands to forests. At our steelmaking coal operations in the Elk Valley, we successfully employed new site preparation techniques and reclamation seed mixes aimed to more closely align with the original ecosystems.

Area Reclaimed and Disturbed

At the end of 2017, Teck had a total footprint of 29,800 hectares (ha), of which 23,475 ha are yet to be reclaimed and 6,325 ha have been reclaimed. As this data relates to active operations, the area of land yet to be reclaimed will generally increase over time until the mining areas are closed and become available for reclamation.

Case Study

Safe Haven — Protecting Vulnerable Species in Chile

The biodiversity in the central-north part of Chile resembles that of an island - a vast number of its unique flora and fauna species do not migrate. As a result, a large portion of these species are endemic, meaning they are found nowhere else on earth. Unfortunately, many of these species have not fared well over the past few decades. Along with birds and mammals, native plants have suffered from challenges such as habitat loss and the spread of invasive species.

n 2014, our Carmen de Andacollo (CdA) Operations launched the Runco Project, which aims to protect the most vulnerable flora and fauna in the Andacollo region. The area, spanning 20 hectares of semi-desert landscape, contains hills with low vegetation and rocky outcrops, which is the ideal habitat for unique cacti, reptiles, birds and small mammals.

The Runco Project includes over 4,000 endemic species as well as a nursery for endemic seeds. The area is recognized by the Chilean Ministry of Environment, who have agreed to support the preservation of the species contained within Runco.

At the start of the project, we planted 200 native trees and shrubs that became an ideal shelter for a wide range local birds and mammals. One example of the native trees we planted, is the guayacan. In Chile, the guayacan tree is found between the Limarí and Colchagua provinces, on the slope of hills, ravines, and valleys exposed to the sun. Given those conditions, the species grew for many years in the area of Andacollo. However, the guayacan was near extinction due to the overuse of wood from the tree for craft purposes. Today, the Runco Project is home to more than 900 guayacan trees.

The conservation area that Runco encompasses, provides shelter to a wide range of local animals, such as the yaca, the degu and the chiricoca. The yaca is a small Chilean marsupial with nocturnal and climbing habits. Weighing less than one pound, this species is now a rare find beyond the project area.

"The Runco Project is part of our vision of having a net positive impact on biodiversity," said Manuel Novoa, General Manager, CdA. "Here we have thousands of unique species that will be left in an improved state thanks to this project."

The Runco Project is accessible to the public and community of Andacollo, so that everyone can share in the benefits of this blossoming natural environment.

Pictured Above: The degu, a small rodent endemic to central Chile.

Table 31: Area Reclaimed and Disturbed[1],[2]

	2017	2016	2015	2014
Area reclaimed during the current year (ha)	**30**	147	199	77
Area disturbed during the current year (ha)	**388**	421	508	908
Area of land yet to be reclaimed (ha)	**23,477**	22,917	22,708	22,414
Total area of land reclaimed (ha)	**6,325**	6,520	6,421	6,438
Total footprint (ha)	**29,803**	29,437	29,201	28,852

(1) The area of land disturbed in the current year may include land that was previously reclaimed and has been re-disturbed. The total area of land reclaimed may decrease in a year due to unsuccessful reclamation attempts or the mining of a previously reclaimed area. Total footprint is the sum of total area of land yet to be reclaimed and total area of land reclaimed. Values based off of estimates stemming from the use of Geographic Information Systems. In an effort to constantly refine the values, annual surveys are conducted and estimates are refined, which may lead to restatements of historical values.
(2) This data only applies to active operations, with the exception of Duck Pond Operations, which closed in June 2015.

Closure and Closure Planning

Closure planning and closure progressed at several of our active and closed operations in 2017:

- **Duck Pond Operations,** which closed in 2015, continued to execute the approved closure plan. Following the implementation of the plan, the property will begin transitioning from a property in active closure to a legacy property, possibly in 2018.
- **Coal Mountain Operations,** which is scheduled for closure in the second quarter of 2018, developed a detailed closure plan after extensive consultation with stakeholders; the plan has been approved by the provincial government. We established the Coal Mountain Operations Closure Task Group as a subcommittee of a Community of Interest Advisory Initiative to address the social aspects and risks associated with mine closure, and to facilitate ongoing engagement between Teck and local communities. We involved a diverse selection of stakeholders who provide input into both the process of closure and the decisions related to end land use.
- **Cardinal River Operations** began the process of developing a detailed closure plan, as the operation is scheduled to reach the end of its current mine life in 2019.
- **Highland Valley Copper** (HVC) Operations completed an updated closure plan in late 2016, which was circulated for stakeholder review and then submitted to the B.C. Government in 2017. Reserves and resources at HVC are projected to support mining at current planned production rates until 2028.

Post-Closure

A legacy property is a property previously explored, constructed and/or operated (usually by Teck, but not always) that is in an inactive state (no longer being explored, developed or operated), not expected to become active again, and permanently closed. We track more than 100 legacy properties, where the majority are no longer owned or controlled by Teck, in our legacy properties database. In 2017, we updated our legacy properties management system to further evaluate the current portfolio of legacy properties. The update included a greater focus on Health, Safety, Environment and Community (HSEC) risks that are of potential consequence and concern to communities, Indigenous Peoples, and regulators. In total, we actively monitor 38 of these properties, and carry out ongoing management actions on a subset of 32 of these sites, including the Sullivan mine in Kimberley, B.C., Louvicourt in Quebec, Pine Point in the Northwest Territories, the Warm Springs phosphate complex in Montana, and the Pillara mine in Western Australia.

Outlook for Biodiversity and Reclamation

In 2018, we will continue to work towards reaching our biodiversity goals set for 2020, including advancing integration of biodiversity into the exploration, construction and closure stages of the mining life cycle. We will also continue to implement, improve and enhance the biodiversity management plans at all operations. Our steelmaking coal operations will continue their transition to an ecosystem-based approach to site preparation and reclamation planning, monitoring the resulting vegetation quality and wildlife use patterns. Trail Operations will conduct a pilot in ecosystem restoration under the Lower Columbia Ecosystem Monitoring Program. Highland Valley Copper Operations will conduct several trials of reclamation techniques to enable the evaluation of new sources of organic amendments and planting prescriptions aimed at achieving the updated, ecosystem-based land use objectives.

Learn More

A Cross-Sector Guide for Implementing the Mitigation Hierarchy, ICMM

Air Quality

Air pollution is a major global health concern and communities are increasingly concerned about the quality of air. In some regions, increasing urbanization and the growth of industrial development has created greater pressure on air quality through airborne emissions from sources such as personal and commercial transportation, manufacturing, energy generation and resource extraction.

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

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

Our communities and stakeholders have increasingly identified air quality as a key concern at many of our operations. For example, in the Elk Valley and at our Carmen de Andacollo Operations in Chile, residents have reported dust in relation to mine operations as a concern. Not only do we see increasing community concerns related to air emissions near many of our operations, but also along our supply chain through transportation of our products. Air quality concerns are increasing at certain locations and require close collaboration with local stakeholders. In 2017, there was a particular concern with air quality in communities surrounding our steelmaking coal operations in the Elk Valley and Highland Valley Copper Operations, due to the smoke from the large number of wildfires in British Columbia.

Pictured Above: Alison Beck, Haul Truck Driver, Greenhills Operations.

Our Performance in Air Quality in 2017

Our Targets and Commitments

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

2020 Goal	Status	Summary of Progress in 2017
Improve monitoring and understanding of our releases to air and the potential impacts on people, communities and the environment.	On Track	Improvements to ambient air quality monitoring programs at Elkview and Cardinal River operations is underway.
In consultation with communities, governments and other organizations, set air quality goals and establish risk-based action plans to achieve goals.	On Track	Improved dust management at Carmen de Andacollo Operations and advanced construction of a new acid plant at Trail Operations.
Strengthen the integration of air quality considerations into early-stage project development.	On Track	A list of air quality considerations and mitigation options, such as stockpile covers and minimizing wind erosion, has been developed for incorporation into early project planning stages.

2017 Key Performance Indicators

Indicator

Sulphur dioxide emissions from stacks, stationary and mobile fossil fuel combustion

4,894 tonnes

Learn More: Page 92

Indicator

% of selected community-based air quality stations with annual mean concentrations of ambient $PM_{2.5}$ within World Health Organization guidelines

100% of stations

Learn More: Page 94

GRI Indicators and Topic Boundary

305-103, 305-7

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

How Does Teck Manage This Topic?

Information about how we manage air quality, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility.

Minimizing Emissions to Improve Air Quality

In 2017, we implemented measures to minimize impacts on the local air quality within the vicinity of our activities.

Table 32: Air Quality Improvements in 2017

Operation	Air Quality Improvement
Carmen de Andacollo	Through improved dust management and monitoring practices and operational adjustments, the site achieved a reduction in PM_{10} emissions of over 65% compared to 2010 levels. Using remote cameras to monitor potential sources of dust and adjust activities accordingly, restricting blasting during adverse weather conditions, and applying effective dust suppression products contributed to this improvement.
Steelmaking coal operations in the Elk Valley	As an improvement to existing dust management and suppression programs that are in place at all of our operations, alternative dust suppression products were identified and are being evaluated for efficacy compared to products currently used. At Elkview Operations, a new water truck was purchased and fitted with a mister system for improved watering on spoils, to control dust that is at times visible from the town of Sparwood.
Trail Operations	In 2017, construction of a new acid plant advanced, which will help to reduce SO_2 emissions relative to the existing plant it is replacing. In 2017, the annual average lead in community air was 0.16 micrograms per cubic metre. This achieves and exceeds our 2018 Air Quality goal of 0.2 micrograms per cubic metre. The completed construction of the Smelter Recycle Building and additional dust management activities implemented on-site contributed to this improvement.

Monitoring and Reporting

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

Sulphur dioxide emissions from stacks and fossil fuel emissions in 2017 were approximately 4,895 tonnes, compared to 4,712 tonnes in 2016. The change in emissions from 2016 to 2017 was due in large part to process and production variability at Trail Operations.

Pictured Above: Trail Operation's new Smelter Recycle Building.
The building is a key component of Trail's Fugitive Dust Reduction Program, and is helping improve air quality.

Table 33: Sulphur Dioxide Emissions from Stacks, Stationary and Mobile Fossil Fuel Combustion (tonnes)[2],[3],[4]

Operation	2017	2016	2015	2014
Cardinal River	**3.6**	7.6	2.9	7.5
Coal Mountain	**1.4**	3.5	0.1	0.1
Elkview	**6.4**	5.4	0.6	0.1
Fording River	**21.7**	3.6	1.2	2.3
Greenhills	**4.7**	4.5	2.7	36.8
Highland Valley Copper[1]	**2.1**	1.6	36.0	37.0
Line Creek	**2.1**	1.1	0.3	0.3
Pend Oreille	**4.7**	4.4	3.8	0
Quebrada Blanca	**33.7**	18.8	385.1	178.3
Trail	**4,814.0**	4,665.0	4,069.5	3,923.9
Total	**4,894.4**	4,717.9	4,504.8	4,187.8

(1) From 2013 to 2015, Highland Valley Copper's SO_2 emissions included those from blasting.
(2) Information current at time of publication. However, values will be added, confirmed and/or changed once regulatory reporting for the 2017 period is complete. See our website for up-to-date information.
(3) Requirements and methods for determining air emissions can vary widely. Not all sites have monitoring equipment in place to measure releases from all sources and activities, and the frequency of sampling can vary.
(4) Our Canadian sites report annually to the National Pollutant Release Inventory (NPRI) and American operations report to the Toxic Release Inventory (TRI), which have different reporting requirements and calculation methods. Information in this table may not reflect exactly the contents of NPRI and/or TRI reports, due to different reporting definitions concerning site boundaries as well as the inclusion of mobile equipment in the above table, which is not required in some regulatory reporting requirements.

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

Ambient Air Quality Monitoring

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

The information contained in the tables below summarizes the ambient air quality during 2017 as measured at a number of community-based monitoring stations that we manage. Two values are presented:

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

For all of the stations listed in Table 34, the annual average concentration of $PM_{2.5}$ was below the World Health Organization (WHO) Guideline value of 10 µg/m3. For the annual average concentration of PM_{10} at the stations listed in Table 35 of the stations were below the WHO Guideline value of 20 µg/m^3.

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

Case Study

Air Quality and Dust Management at our Elk Valley Operations

Air is one of our key sustainability focus areas and we have implemented several air quality initiatives across our operations, including at our steelmaking coal operations in the Elk Valley of British Columbia. We know that a proactive approach for managing dust to protect air quality is critical.

As part of this approach, we established a Regional Air Working Group with representatives from each of our operations in the Elk Valley and from our environmental and social responsibility team in Sparwood. The dust management program, led by the Regional Air Working Group, includes, but is not limited to, road suppressant and pit watering, hydroseeding and wind fencing. Our Elkview Operations in the Elk Valley also purchased a new water truck in 2017, which was fitted with a mister system for improved watering on waste rock piles, the primary source of visible dust to the community.

Enhanced monitoring programs are being evaluated in order to develop triggers to alter activities at the mine site in case of dusting events. If any activities are perceived to create too much dust, the activities can be modified or suspended to minimize dust generation. In order to keep the communities of the Elk Valley informed on the current state of dust management, air quality, and continual improvement opportunities, site employees regularly engage in public outreach activities to share information with residents about dust levels and impacts.

"We are taking a continuous improvement approach when it comes to protecting the air near our operations," said Scott Maloney, Vice President, Environment. "New learnings and technologies are constantly becoming available to us and it is our responsibility to take advantage of that."

Pictured Above: Haul Truck at Fording River Operations, British Columbia.

Table 34: Ambient Particulate Matter of Size Less Than 2.5 Microns (µg/m³)

Station	Nearest Operation	2017		2016	
		Average Annual	98th Percentile	Average Annual	98th Percentile
Urmeneta	Carmen de Andacollo	**8.15**	**14.12**	9.67	15.58
Downtown Sparwood	Elkview	**5.23**	**21.33**	4.69	14.46
Elkford High School	Greenhills	**6.79**	**48.56**	3.58	8.03

Table 35: Ambient Particulate Matter of Size Less Than 10 Microns (µg/m³)

Station	Nearest Operation	2017		2016	
		Average Annual	98th Percentile	Average Annual	98th Percentile
Urmeneta	Carmen de Andacollo	**28.57**	**51.03**	37.14	70.00
Downtown Sparwood	Elkview	**14.14**	**44.39**	10.79	32.07
Elkford High School	Greenhills	**10.29**	**45.98**[(1)]	6.97	19.05
Butler Park	Trail	**17.68**	**54.27**	18.21	38.35

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

Collaborating with Communities and Partners to Improve Air Quality

In 2017, community grievances reported through our feedback mechanisms regarding perceived or actual environmental impacts continue to be largely related to air quality concerns in Canada at Trail Operations and at our steelmaking coal operations in the Elk Valley region, and in Chile at our Carmen de Andacollo Operations. All complainants' grievances have been responded to. Engagement with communities at the following three operations was largely focused on addressing air quality concerns:

- **At our Carmen de Andacollo Operations,** the communities team engaged with local residents to address their concerns regarding dust generated from operating activities.
- **At our steelmaking coal operations** in the Elk Valley, we engaged communities through newsletters and open houses to report on our air quality performance. This included updates on dust management activities and progress towards meeting the social engagement requirements of the Baldy Ridge Extension permit.
- **At our Trail Operations,** we continued leadership on the Trail Area Health & Environment Program, with a focus on working towards our commitments to reduce lead emissions to air through operational controls applied at the operation.

Outlook for Air Quality

Managing air quality will continue to be an integral part of the environmental management activities at our operations. In 2018, we will continue to evaluate more effective forms of dust suppressant for haul roads and tailings facilities, conduct models to better understand air emissions, develop dust response plans at Elkview Operations, install a monitoring station at our Line Creek Operations to better gauge impact to Grave Lake and install an additional station in the community of Sparwood. We will continue the construction of the new acid plant at Trail Operations and identify other operational controls to reduce sulphur dioxide emissions.

Learn More

National Pollutant Release Inventory, Environment Canada

Toxic Release Inventory, United States Environmental Protection Agency

Human Rights

Companies have the potential to impact human rights both positively and negatively wherever they operate. As businesses are becoming increasingly globalized, they may operate in areas with higher risks to human rights or where economic and political conditions increase the likelihood of human rights issues and infractions. The risks to business of not respecting human rights are significant: projects can be delayed or cancelled, conflict can impact project or operating costs, reputations can suffer, and legal action can be taken.[14]

According to the United Nations Guiding Principles (UNGP), businesses must refrain from violating human rights, wherever and however they do business. Companies must know their human rights impacts and take steps to improve them through due diligence, even if governments do not fulfill their own duties. In addition, companies must have processes that allow for communities to file grievances and allow them to participate in remedies.

Mining requires access to a variety of resources; therefore, there is a risk that companies can potentially infringe on a broad range of human rights, such as those related to water, land access, Indigenous Peoples, local communities, health and safety, and security. In recent years, ensuring greater alignment between business practices and human rights requirements has been a significant objective for the mining sector. Organizations such as the International Council on Mining and Metals (ICMM) are fully supportive of the UNGP, and were deeply involved in the consultations that led to their development.

Industry associations have also come together to advance key initiatives that are aligned with human rights objectives, such as the Mining Association of Canada (MAC), who has worked with all members, including Teck, to develop a common approach to advancing the Voluntary Principles on Security and Human Rights. As part of this work, MAC announced a new Towards Sustainable Mining (TSM) Protocol in 2017 that requires members, including Teck, to reconfirm their commitments to respecting the rights of workers and not engaging in practices of forced or child labour, as defined in ILO Conventions 29, 138 and 182.

While Teck operates in jurisdictions that are characterized by stable political and economic conditions, we recognize that the potential remains for our activities to impact human rights. We are committed to improving systems for preventing human rights-related incidents, impacts and grievances. We are improving our reporting to align with the UNGP by providing more information on how our activities may impact human rights and how issues with relevant human rights aspects are being addressed.

Pictured Above: Matthew Stewart, Certified Plant Millwright, Process Maintenance at Line Creek Operations.

14 Doing Business with Respect for Human Rights: A Guidance Tool for Companies. SHIFT, Oxfam and Global Compact Network Netherlands. 2016.

Our Performance in Human Rights in 2017

Updates to Human Rights Management Practices

In 2017, we worked to further embed the principles in our Human Rights Policy into our procedures and practices, such as social risk assessments, feedback/grievance management, and incident identification and management. We also piloted new training programs and conducted ongoing integration of the policy into project development frameworks. Through the Human Rights Working Group, we continued to ensure that Teck's policies remained consistent with human rights objectives and that salient issues for the company were identified. Through ongoing engagement at the site level, we continued to identify opportunities to advance human rights values in the areas where we operate, as identified in collaboration with communities of interest.

Progress on Human Rights Management

Teck is focused on ensuring that human rights perspectives are integrated into our broader social management practices. We believe that awareness and active management of human rights-relevant issues should be aligned with our broader approaches to managing social performance across the business. Our efforts on human rights are focused in three areas:

Embedding Due Diligence: We proactively identify areas of highest human rights risk through regular internal and external reporting so we can prevent adverse impacts from occurring. This includes conducting human rights assessments at our operations over the past four years. In 2017, we integrated human rights considerations into Health, Safety, Environment and Community (HSEC) risk assessment tools and carried out training with key HSEC staff (approximately 40 people) in Vancouver and Santiago on identifying actual and potential human rights impacts that could occur during community engagement.

As part of our work to embed human rights-related due diligence into our activities, we undertook the following activities in 2017 at two of our operations:

- At Carmen de Andacollo Operations, we undertook an in-depth review of our grievance mechanism processes, which is a key component for alignment with the UN Guiding Principles on Human Rights. Areas for improvement were identified, such as timeliness of responses; actions to begin improving these processes will occur in 2018.
- Highland Valley Copper Operations continued to implement their social management system, which includes in-depth reviews of their feedback mechanism.

Teck's human rights due diligence practices are also integrated into multiple departments company-wide. For example, in 2017, we undertook exposure risk assessments at all operations to ensure the right to health of our employees (read more on page 60) and we conducted gender intelligence training to ensure our employees' rights to non-discrimination (read more on page 78).

In 2017, Teck's Human Rights Working Group continued to identify and improve our internal business policies and practices where human rights aspects may be relevant.

Resolving Feedback and Incidents: We focus on identifying human rights issues, resolving them and learning from those events. In 2017, we focused on integrating human rights considerations into existing feedback and incident identification and reporting processes. We also made improvements to our stakeholder engagement tracking tool, which is focused on improving the ability of community practitioners to track and assess the effectiveness of responses.

Governance, Policy and Reporting: We promote Teck's Human Rights Policy across the company through integration with other policies and into communication and training for employees, mainly as part of onboarding. In 2017, Teck's Human Rights Working Group continued to identify and improve our internal business policies and practices where human rights aspects may be relevant. Human rights-related issues and responses are increasingly integrated into enterprise risk management, including reporting on incidents and feedback to the Risk Management Committee and the Safety and Sustainability Committee of the Board.

GRI Indicators and Topic Boundary

412-103, 412-1

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

How Does Teck Manage This Topic?

Information about how we manage human rights and relationships with communities, including relevant policies, procedures, management practices and systems is available on our website at teck.com/responsibility.

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

Salient Issues Category	Associated Rights
Labour	Freedom of association, assembly and collective bargaining[2]
	Right to safe and healthy working conditions[3]
	Right to not be subjected to slavery, servitude or forced labour (specific to supply chains)[4]
	Right to work[5]
	Right to non-discrimination[6]
Environment	Right to clean water and sanitation[7]
	Right to health[8]
Land and Livelihoods	Right to land[9]
	Right to work[10]
	Right to take part in cultural life[8]
Personal Security	Right not to be subjected to torture and the right to liberty and security of person[11]
	Freedom of association and right to protest, speech and expression[11]

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

Our Salient Human Rights Issues

As part of the UNGP, we determine and report on our most significant or salient human rights issues. A company's salient human rights issues are those human rights that represent the most significant impact through the company's activities or business relationships. Below is a summary of the human rights issues that were salient to Teck in 2017, based on human rights assessments conducted over the last four years. In 2018, we will undertake a saliency impact review and disclose the outcome in line with the UNGP requirements.

Human Rights Incidents

The severity of community incidents is rated by Teck on a five-level scale where Level 1 is minor and Level 5 is very significant. No significant community incidents (Level 4 or higher) were reported in 2017.

Outlook for Human Rights

In all of our activities, Teck remains committed to respecting and observing human rights and to aligning our practices with the UNGP. In 2018, we will continue to integrate human rights into Teck's social management practices. In particular, through continued evaluation of human rights impacts and integration into risk assessment activities, we will further embed due diligence activities to prevent adverse events. We will enhance our knowledge of salient impacts through structured analysis with the Human Rights Working Group and through updating human rights assessments at our operations. We will ensure appropriate management and remedy of negative feedback and significant incidents, through improving our feedback mechanisms and the reporting and management of incidents. Finally, we will drive continued improvements to human rights-related governance, policy and reporting across the organization through training for practitioners, ongoing reporting to senior management on human rights risks, and through collaboration with industry partners such as ICMM.

Learn More

For more information, see a brief video introduction on the UN Guiding Principles on Business and Human Rights

Methodology, Restatements and Assurance

This report discloses sustainability data for the fiscal year ending December 31, 2017. The scope of this report covers all of the operations managed by Teck and also, where appropriate, key issues at exploration and development projects and at joint venture operations. Data for joint ventures not operated by Teck is not presented unless otherwise stated.

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

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

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

- Antamina
- NuevaUnión
- Fort Hills

Countries where we sell our products are as follows:

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

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

Where available, we include comparative historical data to demonstrate trends. Historical data is reported based on the scope of the report for the respective year. The scope of the report can change year to year, depending on acquisitions or sales of assets. In our efforts to continually improve and standardize our annual reporting process, the interpretation of data from year to year can often change. Certain comparative amounts for prior years have been reclassified or restated to conform to the presentation adopted for this reporting period.

Independent Assurance Report

April 26, 2018

To the Board of Directors and management of
Teck Resources Limited

Scope

We have been engaged by Teck Resources Limited (Teck) to perform an independent limited assurance engagement on selected sustainability subject matter areas presented within the Teck 2017 Sustainability Report (the Report) for the period January 1, 2017 to December 31, 2017.

Selected Subject Matter

Our limited assurance engagement was performed on the following selected subject matter:

- Teck's assertion that it has incorporated the requirements of the 10 Sustainable development principles of the International Council on Mining and Metals (ICMM Subject Matter 1) into its own policies, strategies and standards.
- Teck's assertions regarding the approach that it has adopted to identify and prioritize its material sustainable development risks and opportunities (ICMM Subject Matter 2).
- Teck's assertions regarding the existence and status of implementation of systems and approaches used to manage the following selected sustainable development risk areas (ICMM Subject Matter 3):
  - Water Stewardship
  - Relationships with Communities
  - Energy and Climate Change
  - Relationships with Indigenous Peoples
  - Health and Safety
  - Tailings, Waste and Environmental Management
  - Diversity and Employee Relations
  - Biodiversity and Reclamation
  - Air Quality
  - Human Rights
- Teck's company-wide reported performance data for sustainable development risk areas identified under ICMM Subject Matter 3 (such reported performance data is referred to as ICMM Subject Matter 4); data for reviewed performance measures, listed below, is included in the addendum: "selected performance measures reviewed":
  - Number of work-related fatalities, number of lost-time injuries, and lost-time injury frequency
  - Occupational Disease Frequency Rate, per 200,000 hours
  - Direct scope 1, indirect scope 2 and indirect scope 3 greenhouse gas (GHG) emissions
  - Total new water use
  - Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples
  - Total area of land reclaimed, total land disturbed and yet to be rehabilitated
  - Air quality – SO_2 emissions
  - Air quality - Percentage of selected community-based air quality stations (three stations) with annual mean concentrations of ambient $PM_{2.5}$ within WHO guidelines
- Teck's self-declaration of reporting in accordance with the Global Reporting Standards (GRI Standards) Sustainability Reporting Guidelines (ICMM Subject Matter 5).

Reporting Criteria

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

- ICMM principles and mandatory requirements set out in ICMM Position Statements; and Global Reporting Standards and the G4 Sector Disclosures for Mining and Metals.
- Teck's company-wide reported performance data (ICMM Subject Matter 4) have been assessed against the definitions referenced in the addendum below.

Independence and Quality Control

We have complied with relevant independence requirements and other ethical requirements of the *Code for Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. PricewaterhouseCoopers applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities

Management's Responsibility

Management is responsible for the preparation and presentation of the Report in accordance with the reporting criteria. Teck is a member of the ICMM and is therefore committed to obtaining assurance over specified subject matter in its Report in line with ICMM's Sustainable Development Framework: Assurance Procedure (the Framework). Management is also responsible for such internal control as management determines necessary to enable the preparation of the selected subject matter that is free from material misstatement.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the selected subject matter based on the limited assurance procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000 Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information and the guidance set out in ICMM's Sustainable Development Framework: Assurance Procedure (the Framework) document. ISAE 3000 requires that we plan and perform this engagement to obtain limited assurance about whether the selected subject matter is free from material misstatement.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures and agreeing or reconciling with underlying records. Given the circumstances of the engagement, our procedures included but were not limited to:

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

Limited Assurance

This engagement is aimed at obtaining limited assurance for our conclusions. A limited assurance engagement is restricted primarily to enquiries and analytical procedures, and the work is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures and the procedures performed in response to the assessed risks.

Inherent Limitations

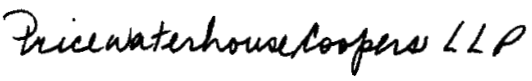
Non-financial performance information, such as that included in the selected subject matter within the Report, is subject to more inherent limitations than financial information, given the characteristics of the information and the methods used for determining and calculating such information. Qualitative interpretations of relevance, materiality and the accuracy of data are subject to individual assumptions and judgments. Furthermore, the nature and methods used to determine such information, as well the evaluation criteria and the precision thereof, may change over time. It is important to read our report in the context of evaluation criteria.

Restriction on Use

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

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected subject matter for the year ended December 31, 2017 has not been prepared, in all material respects, in accordance with the Reporting criteria.



PricewaterhouseCoopers LLP
Vancouver, B.C.
Chartered Professional Accountants

Independent Assurance Report (continued)

Addendum: Selected Performance Measures Reviewed

The following corporate-wide performance measures were included in PwC's review of selected sustainability subject matter areas within Teck's Sustainability Report for the year ended December 31, 2017.

Performance Measure	2017	Page Reference[1]
Number of fatalities	0	62
Number of lost-time injuries (LTI)	89	62
Lost-time injury frequency (LTIF)	0.45	62
Occupational Disease Frequency Rate	0.09	63
GHG emissions – direct scope 1 (CO_2e kt)	2,682	49
GHG emissions – indirect scope 2 (CO_2e kt)	328	49
GHG emissions – indirect scope 3 (use of coal product sold) (CO_2e kt)	78,438	49
New water use (m^3)	117,319,000	35
Total area of land reclaimed (ha)	6,325	88
Total land disturbed and yet to be rehabilitated (ha)	23,477	88
Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples	0	42
Air quality – SO_2 emissions (tonnes)	4,894	92
Air quality – Percentage of selected community-based air quality stations (three stations) with annual mean concentrations of ambient $PM_{2.5}$ within WHO guidelines	100	94

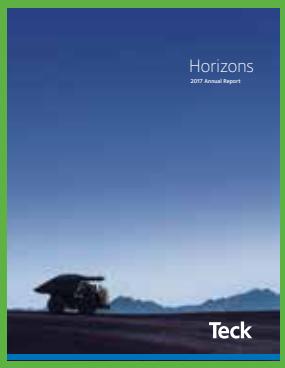
(1) Teck have disclosed the basis of preparation for each of their selected Performance Measures within the body of the Sustainability Report. The page references refer the reader to where definitions can be found.

Cautionary Note on Forward-Looking Statements

Certain statements contained in this report constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of the Securities Act (Ontario) and comparable legislation in other provinces (collectively, "forward-looking statements"), concerning our business, goals, operations and strategy. Some forward-looking statements may be identified by words like "expect", "anticipate", "plan", "estimate", "potential", "may", "will", "should", "believe", "focus", "targets" and similar expressions. Forward-looking statements in this report include, but are not limited to, statements relating to our sustainability goals and plans and our expectations regarding those goals and plans, including but not limited to our water policy goals, our spending projections relating to the Elk Valley water treatment, as well as statements regarding planned capital investments and the life of certain of our operations. The forward-looking statements in this report are based on current estimates, projections, beliefs, estimates and assumptions of the management team and are believed to be reasonable, though inherently uncertain and difficult to predict. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, experience or achievements of Teck to be materially different from those expressed or implied by the forward-looking statements. Risks and uncertainties that could influence actual results include, but are not limited to, operational problems, regulatory action, changes in laws and governmental regulations, development and use of new technology, natural disasters and adverse weather conditions, changes in commodity prices, general business and economic conditions, and the future operation and financial performance of the company generally. Certain of these risks and other additional risk factors are described in more detail in Teck's Annual Information Form and its management's discussion and analysis and other documents available at www.sedar.com and in public filings with the United States Securities and Exchange Commission at www.sec.gov. These statements speak only as of the date of this Report. Teck does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

Teck Resources Limited
Suite 3300, 550 Burrard Street
Vancouver, British Columbia, Canada
V6C 0B3
+1.604.699.4000 Tel
+1.604.699.4750 Fax
www.teck.com

Setting Possibilities in Motion



2017 Annual Report

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