

Climate Change

2023 Highlights

- ▶ Completed construction and began operating a Carbon Capture Utilization and Storage (CCUS) pilot project at our Trail Operations to support our Net-Zero Climate Change Strategy
- ▶ Announced agreements with Canadian Pacific Kansas City (CPKC) Limited, Oldendorff Carriers and NORDEN that included provisions aimed at reducing greenhouse gas emissions associated with transportation
- ▶ Completed product carbon footprints for Teck’s Special High Grade (SHG) and Continuous Galvanizing Grade (CGG) refined zinc from our Trail Operations

GRI Indicators

2-23, 2-24, 3-3, 201-2, 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4, 305-5

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

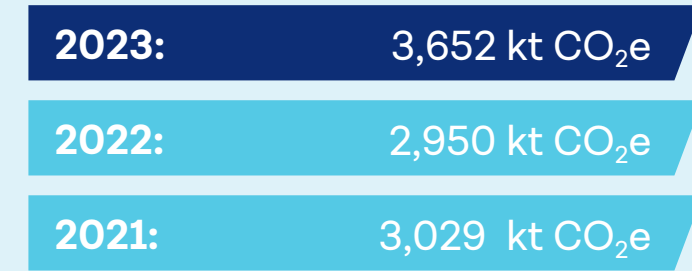
How Does Teck Manage This Topic?

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



Performance Metrics

Indicator Absolute Scope 1 and Scope 2 GHG emissions ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾



Indicator GHG/t copper equivalent ⁽²⁾



Indicator Energy use from non-carbon-emitting sources



(1) See page 27 for definitions of Scope 1 and Scope 2 emissions.
 (2) 2021-2023 performance values were determined by using average commodity prices from 2018-2020 to convert to copper equivalent. This approach is taken to allow for consistent evaluation against our performance in 2020, the baseline year for our carbon intensity target.
 (3) Carbon dioxide equivalent values calculated using Intergovernmental Panel on Climate Change's Fifth Assessment Report (AR5) Global Warming Potential (GWP) factors.
 (4) The Scope 2 GHG emissions in this total are market-based.
 (5) 2023 data includes Q2 as of January 1, 2023.

Our Performance in Climate Change in 2023

Our Targets and Commitments Teck is committed to climate action, as outlined in our [Climate Change Policy](#). The following table summarizes our performance against our new sustainability strategy and goals for climate change.

Sustainability Strategy Goals	Status	Summary of Progress in 2023
Strategic Priority: Achieve net-zero Scope 1 and 2 emissions across our operations by 2050		
Goal: Reduce the carbon intensity of our operations by 33% by 2030.	On track	Carbon Capture Utilization and Storage (CCUS) pilot project at Trail began operating and successfully capturing CO ₂ , supporting our Net-Zero Climate Change Strategy, and providing us with a technical platform to assist our steelmaking coal customers in materially reducing the carbon intensity of their steel production.
Goal: Achieve net-zero Scope 2 emissions by 2025.	On track	Completed studies for priority initiatives, including renewable power for Red Dog and trolley-assisted haul trucks at our steelmaking coal operations. In 2023, our operations in B.C. were powered by a 98% clean electricity grid.
Goal: Accelerate the adoption of zero-emissions alternatives for transportation by displacing the equivalent of 1,000 internal combustion engine (ICE) vehicles by 2025.	On track	Advanced the adoption of zero-emissions alternatives for transportation by displacing the equivalent of 218 internal combustion engine vehicles. Procured two new classes of electric vehicles for Teck Coal, and integrated standard procurement of electric buses to replace retiring diesel buses, into standard procurement processes.
Strategic Priority: Ambition to achieve net-zero Scope 3 emissions by 2050		
Goal: Support partners in advancing GHG reduction solutions capable of reducing the global carbon intensity of steelmaking by 30% by 2030.	On track	Announced an agreement with Canadian Pacific Kansas City (CPKC) Limited that includes a provision aimed at piloting the use of hydrogen locomotives into our steelmaking coal supply chain. Announced an emission reduction freight contract with NORDEN with provisions aimed at reducing emissions in our supply chain.
Goal: Partner with our customers and transportation providers to establish low-emissions supply chain corridors for the transportation of our steelmaking coal and support a 40% reduction in shipping emission intensity by 2030 for shipping we contract.	On track	Announced agreement with Oldendorff to outfit a vessel with Flettner rotors to further reduce emissions.

Global and Industry Context

Climate change, a key global risk, is directly influenced by human activity and requires decisive action. In regions across the globe, climate change is already affecting many weather and climate extremes,¹² and extreme weather events are likely to become more frequent, raising the urgency for action.¹³ Amid the global transition to a net-zero future, the mining and metals industry will play a crucial role in responsibly enabling and supplying the growing demand

for critical minerals needed for wind turbines, solar panels, electric vehicles and other low-carbon technologies.¹⁴ To support the transition to a low-carbon economy, the mining sector must actively reduce its own emissions.¹⁵

Teck is responding to the challenges posed by climate change by supplying critical metals and minerals necessary for low-carbon technologies, advancing our pathway to net-zero and adapting to climate impacts.

Case Study: Lowering Emissions in our Steelmaking Coal Supply Chain

At Teck, we acknowledge our shared responsibility to address climate change as a global challenge, and we are committed to reducing emissions at our operations and in our value chain. To advance this commitment, we are driving efforts to reduce transportation-related emissions through innovative agreements. Our agreement with shipping company NORDEN aims to reduce annual emissions through methods including fuel-efficient ships, alternative fuels like biofuel, and advanced data analytics. The agreement is expected to reduce annual emissions from Teck shipments handled by NORDEN by 25%, or up to 6,700 tonnes of CO₂. We are also partnering with Canadian Pacific Kansas City on a unique pilot program to integrate hydrogen locomotives into the steelmaking coal supply chain. Finally, our joint investment with shipping company Oldendorff Carriers aims to further reduce emissions by outfitting a vessel that carries shipments of Teck steelmaking coal with Flettner Rotors that generate lift from the wind. The addition of the rotors, along with other emission savings measures, is expected to reduce

annual emissions by 55%, resulting in an annual reduction of over 17,000 tonnes of CO₂ emissions.

These efforts align with Teck’s ambition to achieve net-zero Scope 3 emissions by 2050 and our efforts to promote sustainable practices across our industry.

Read the full case study at www.teck.com/news/stories.



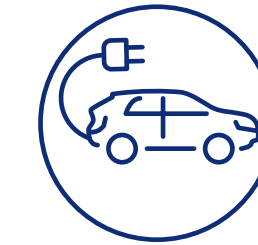
Pictured: A rendering of the Oldendorff ship outfitted with a Flettner Rotor system.

Teck’s Climate Strategy Framework

We identify and evaluate climate-related risks and establish management actions to minimize risks and maximize opportunities. To manage such risks and opportunities, we use a four-pillar framework to guide our strategy.

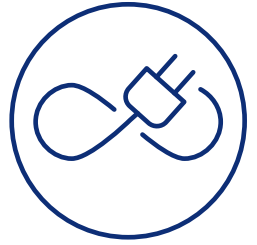
Figure 5: Teck’s Four-Pillar Climate Action Framework

Positioning Teck for a low-carbon economy



- Producing metals and minerals required for the transition to a low-carbon economy
- Rebalancing portfolio towards copper
- Efficient, low-cost and low-carbon operations will keep Teck competitive

Reducing our carbon footprint



Long-term targets:

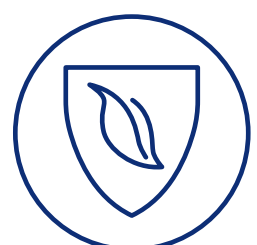
- Net-zero by 2050
- Reduce carbon intensity of operations by 33% by 2030
- Net-zero Scope 2 emissions by 2025
- Ambition Net-zero Scope 3 emissions by 2050

Support for appropriate carbon pricing policies



- We support broad-based, effective carbon pricing
- Best method to encourage global action on climate change
- Work with associations/government on policy solutions to limit climate change to 1.5°C

Adapting to the physical impacts of climate change



- Increase resilience of operations
- Incorporate climate scenarios into project design and mine closure planning

¹² Climate Change 2023: Synthesis Report. IPCC. 2023.

¹³ Climate Related Considerations in the Metals and Mining Sector. S&P Global. 2023.

¹⁴ 2023 Global Mining and Metals Outlook. KPMG. 2023.

¹⁵ Mine 2023: The era of reinvention. PwC. 2023.

Climate Action 100+ Transition Metals Indicators

In 2023, the Climate Action 100+ (CA100) developed a Net Zero Standard for Diversified Mining. Under the standard, indicators 5.ii.a–5.ii.d seek disclosures on production and revenue from what they define as “Key Transition Materials” and “Other Transition Materials”. Under the CA100, copper is defined as a key transition material, and zinc is defined as other transition materials. In 2023, Teck produced 296,500 tonnes of copper and had copper revenue of \$3,425 million. Our zinc production in 2023 was 644,000 tonnes of zinc in concentrate and 266,600 tonnes of refined zinc, with zinc revenue of \$3,051 million, while our lead production was 93,400 tonnes.

Our climate strategy and goals encompass both our own operations and our value chain impacts. We have set an ambition to achieve net-zero Scope 3 emissions by 2050 with supporting short-term goals, and have established a goal that focuses on achieving net-zero Scope 2 emissions by 2025. This reflects our commitment to decarbonize at an accelerated pace across our operations.

To achieve net-zero emissions across our operations by 2050, we have set out an initial roadmap — with corresponding 2025 and 2030 goals — to achieve net-zero, by first avoiding emissions altogether where possible or, if not possible, eliminating or minimizing emissions. This will involve looking at alternative ways of moving materials at our mines, using cleaner power sources and implementing efficiency improvements, among other measures. See Teck’s Roadmap to Net-Zero for more details.

Climate Change Mitigation: Greenhouse Gas Emissions Reduction

Teck’s Roadmap to Net-Zero

For Teck, four major areas of emissions present opportunities for decarbonization: power supply, mobile equipment, stationary combustion and process emissions, and fugitive methane emissions. To decarbonize these emission sources and ultimately achieve our goal of net-zero, we are prioritizing activities to deliver cost-competitive reductions by focusing on tackling our most material sources of emissions first. We are actively evaluating existing solutions and monitoring emerging technologies to determine the current and future viability of the diverse options.

In 2023, we advanced priority initiatives through stages of project development and continued to identify innovative technologies and pathways to reduce emissions. On power supply, our operations in B.C. are already powered by a 98% clean electricity grid, making the sites an ideal location to introduce one of Canada’s first zero-emissions large haul truck fleets, with options for trolley-assist technology. In Chile, our long-term clean power purchase agreement with AES Corporation aims to achieve 100% renewable energy at the expanded QB Operations starting in 2025. In 2023, there was an increase in Scope 2 emissions at QB as it transitioned into operation. Reaching full renewable power for QB will enable us to achieve our goal of net-zero Scope 2 emissions by 2025.

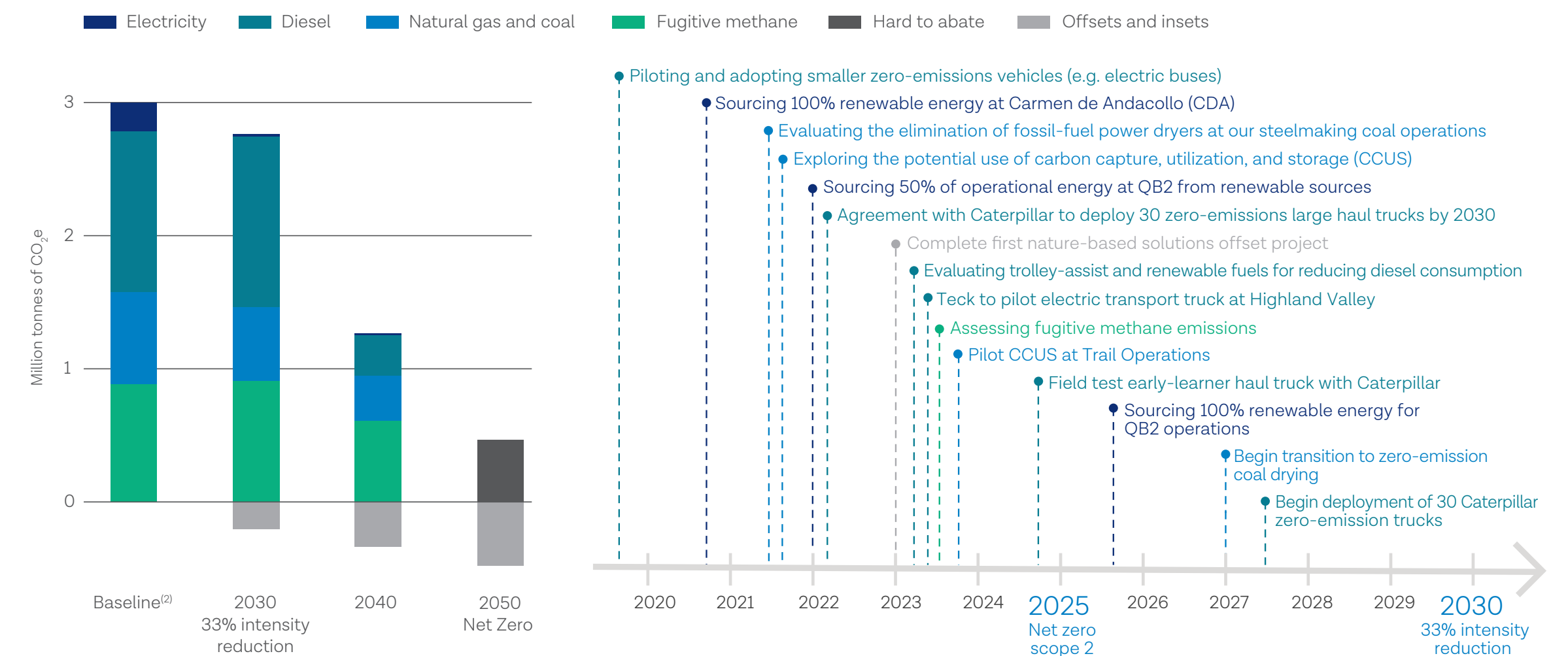
On mobile equipment emissions, in 2023 we continued to advance projects to assess multiple decarbonization technologies such as zero-emissions options for haulage, including battery-electric and hydrogen vehicles. We continued our electric crew bus initiative at CdA and expanded our existing electric bus pilot in the Elk Valley. We also collaborated with industry partners, equipment manufacturers and other suppliers on zero-emission mining fleets, including a zero-emissions haul truck partnership with equipment manufacturer Caterpillar.

On process emissions, we completed construction of our pilot CCUS project at our Trail Operations, which will capture CO₂ from the Acid Plant flue gas at Trail Operations at a rate of approximately 1 tonne per day. As part of the pilot project, we will also evaluate options for the utilization and/or storage of the captured CO₂ at Trail Operations. See the Technology and Innovation section on page 29 for more details.

Teck’s Position on Carbon Offsets

Teck’s priority is to pursue emissions reductions at our operations. Where there are limitations in our ability to avoid, eliminate or reduce our Scope 1 and 2 emissions, we will consider the use of offsets to support our GHG reduction targets. Only offsets that can demonstrate additionality, rigorous quantification and third-party verification will be considered by Teck. Our evaluations will also consider offset attributes, such as permanence, the risk of leakage, and interactions with environmental and social dimensions of any offset project. Teck will transparently disclose any use of carbon offsets against our GHG reduction commitments.

Figure 6: Our Pathway to Net-Zero by 2050⁽¹⁾



(1) See Cautionary Note on Forward Looking Statements regarding uncertainties associated with future decarbonization actions.
 (2) Baseline reflects average emissions from 2016 to 2019. For absolute emissions, this is an appropriate representation of historical performance.

Our GHG Emissions in 2023

As shown in Figure 7, Scope 1 (direct) GHG emissions are those that occur from energy sources that are owned or controlled by the company. Scope 2 (indirect) GHG emissions are those that occur from the generation of purchased electricity consumed by the company and that physically occur at the facility where electricity is generated.

In 2023, our total GHG emissions (Scope 1 and Scope 2), as carbon dioxide equivalent (CO₂e), were 3,652 kilotonnes (kt), compared to 2,950 kt in 2022. Of those totals, our direct (Scope 1) GHG emissions were 3,032 kt in 2023, compared to 2,822 kt in 2022. 31% of our Scope 1 emissions were from methane. We estimate our indirect (Scope 2) GHG emissions associated with electricity use for 2023 to be 620 kt, or approximately 17% of our total emissions. The

temporary increase in Scope 2 emissions for 2023 was expected as our long-term clean power purchase agreement with AES Corporation comes into full effect (in 2025) and as QB transitions to full production.

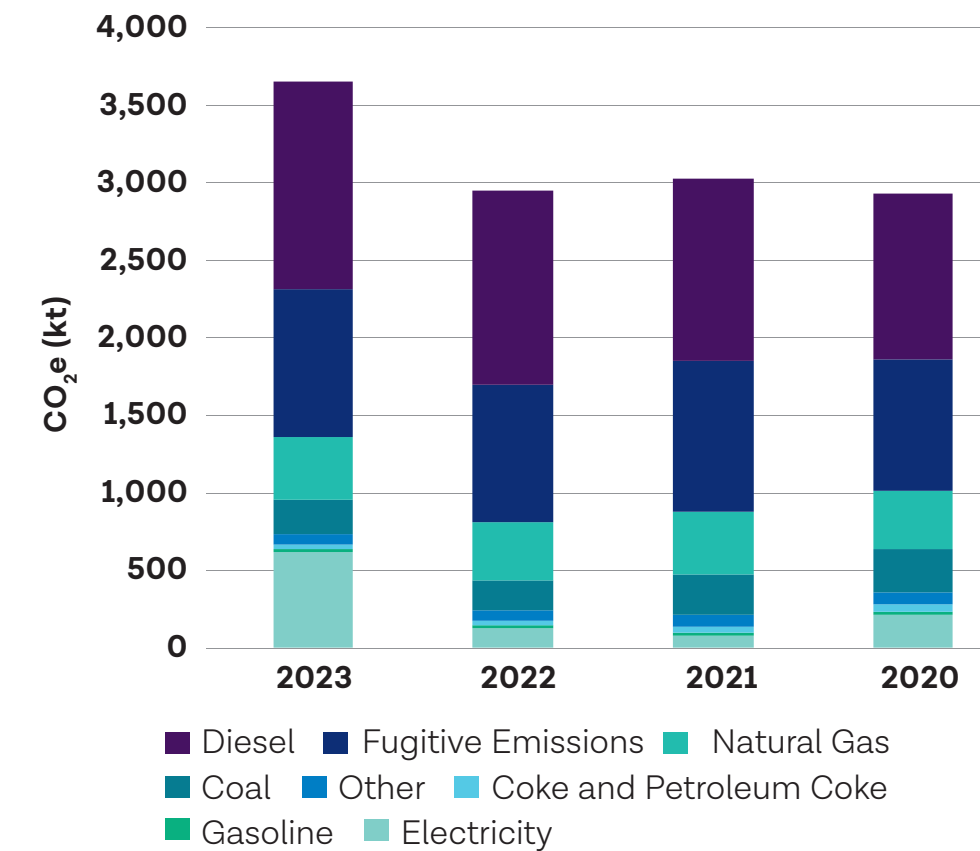
Our largest source of Scope 1 emissions is from fuel consumed by mobile equipment. In the past, the majority of our Scope 2 emissions were from our Carmen de Andacollo (CdA) and Quebrada Blanca (QB) operations, as the electricity supply in Chile was historically based on higher proportions of fossil fuels. We have taken action to reduce these emissions by shifting towards renewable electricity. Elsewhere, our indirect emissions were relatively small, as our operations in B.C. obtain the majority of their electricity from hydroelectric generation.

Table 10: Total Emissions (kilotonnes CO₂e)^{(1),(2),(3),(4),(5)}

	2023	2022	2021	2020
Total Emissions — Direct (Scope 1)	3,032	2,822	2,949	2,725
Total Emissions — Indirect (Scope 2) Market-Based	620	128	80	211
Total Emissions — Indirect (Scope 2) Location-Based	327	219	296	306
Total Emissions (Scope 1 + Scope 2) ⁽⁶⁾	3,652	2,950	3,029	2,936
Total Emissions — Scope 3 (Use of coal product sold)	70,000	65,000	69,000	64,000

(1) Teck's quantification methodology for our Scope 1 and Scope 2 emissions is aligned with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.
 (2) Emissions are stated on a CO₂e basis, which is inclusive of CO₂, CH₄, N₂O, PFCs, SF₆ and NF₃ as appropriate.
 (3) Carbon dioxide equivalent values calculated using the Intergovernmental Panel on Climate Change's Fifth Assessment Report (AR5) Global Warming Potential (GWP) factors.
 (4) Figures have been restated due to changes in third-party emission factors and the use of AR5 GWP factors. See our [Sustainability Performance Data](#) for the full data set.
 (5) 2023 data includes QB2 as of January 1, 2023.
 (6) The Scope 2 GHG emissions in this total are market-based.

Figure 7: Scope 1 and Scope 2 GHG Emissions by Fuel Type^{(1),(2),(3),(4),(5),(6)}



(1) For electricity emissions in Canada, the emission factors are based on the most recent version of the Canadian National Inventory Report.
 (2) Fugitive emissions from our coal operations (i.e., estimated methane release) are captured as direct emissions. For fugitive emissions, the emission factors are based on the most recent version of the Canadian National Inventory Report.
 (3) Carbon dioxide equivalent values calculated using the Intergovernmental Panel on Climate Change's Fifth Assessment Report (AR5) Global Warming Potential (GWP) factors.
 (4) Figures have been restated due to changes in third-party emission factors and the use of AR5 GWP factors. See our [Sustainability Performance Data](#) for the full data set.
 (5) The Scope 2 GHG emissions in this total are market-based.
 (6) 2023 data includes QB2 as of January 1, 2023.

Scope 3 Emissions and Supporting Emissions Reductions in Our Value Chain

Scope 3 emissions are other emissions that arise from sources owned or controlled by other entities within our value chain, such as those arising from the use of our products and the transportation of materials that we purchase and sell. In 2023, our most material Scope 3 emissions were 70,000 kt, which were from the use of our steelmaking coal product by our customers.

In 2023, we released a Scope 1, 2 and 3 Emission Calculation Methodology Report that outlines the boundaries, calculation rationale, methodology and assumptions of Teck's greenhouse gas emissions inventory for the 2022 reporting year. For more information on our 2022 Scope 3 emissions beyond emissions from the use of our steelmaking coal product by our customers, please see page 8 of our [Scope 1, 2 and 3 Emission Calculation Methodology Report](#). This report also includes a third-party limited assurance report (see page 27).

We recognize that, to achieve global GHG reductions that limit climate change to 1.5°C, action will be required not only by Teck but also within our value chain. Our [Climate Change Policy](#) includes a commitment to work with our customers and transportation providers to reduce emissions downstream of our business. We have set an ambition to achieve net-zero Scope 3 emissions by 2050, supported by interim goals targeting 2030, aligning Teck with the International Council on Mining and Metals (ICMM) position statement on accelerating action on Scope 3 GHG emissions.

With the very nature of Scope 3 emissions being within a company's supply chain that they have limited control over, progress on Scope 3 reductions requires action by our supply chain partners. We are evaluating additional opportunities to support our value chain in reducing their emissions.

In 2023, we continued to support our transportation providers to reduce emissions. See the case study on page 25 for more details on our partnerships to lower emissions in our steelmaking coal supply chain.

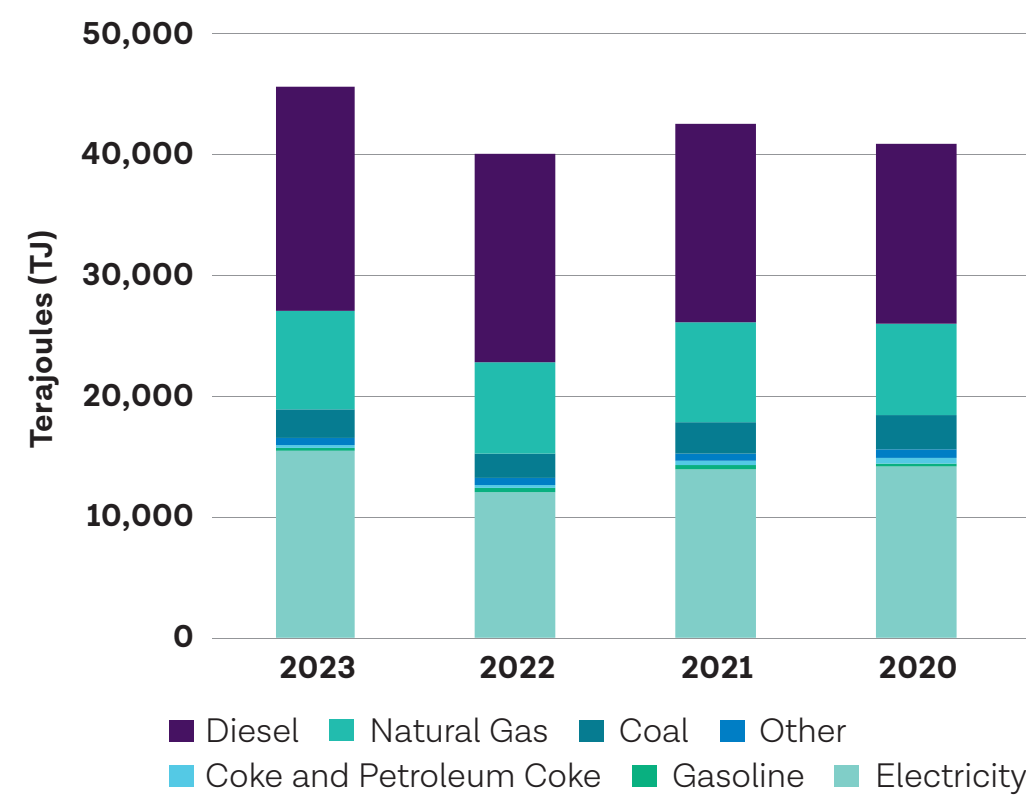
We also collaborated with industry partners, equipment manufacturers and other suppliers on zero-emission mining fleets, continuing our agreement with SAAM Towage to deploy two electric tugboats at Neptune Terminal in Vancouver, B.C., and our zero-emissions haul truck partnership with equipment manufacturer Caterpillar, beginning in 2027.

Positioning Teck to Thrive in the Low-Carbon Economy

Energy and Carbon Performance

In 2023, we consumed a total of 45,487 terajoules (TJ) of energy (i.e., electricity and fuels), as compared to 39,989 TJ in 2022, as shown in Figure 8.

Figure 8: Energy Consumption by Type^{(1), (2)}



(1) Other includes propane, waste oil, fuel oils and other process fuels.
 (2) 2023 data includes QB2 as of January 1, 2023.

In 2023, approximately 28% of our energy requirements (i.e., electricity and fuels) were supplied by renewable sources, primarily hydroelectricity, the same as 28% in 2022. Of our total electricity consumption in 2023, 82%, or 12,643 TJ, was from renewable energy sources. The lower percentage of total electricity consumption from renewable energy sources in 2023 compared to 2022 is due to the newly expanded QB beginning production in 2023. Our energy-use-related Scope 1 emissions intensity was 0.101 t CO₂e/GJ and our energy-consumed Scope 2 emissions intensity was 0.145 t CO₂e/MWh.

In Figures 9 to 16, we outline our energy intensity, or the amount of energy used per tonne of product, and the carbon intensity. We also present our carbon intensity per tonne of product in comparison to other producers, based on research by Skarn Associates. Per this research, we are among the world's lowest carbon intensities for our copper, refined zinc and lead, and steelmaking coal production.

Given the breadth of different commodities produced by diversified resource companies, GHG emissions performance may also be reported on a copper equivalent basis, where all products are converted to a copper equivalent to allow for comparability across companies. As shown in Figure 16, in 2023, Teck's carbon intensity was 3.2 t CO₂e/t Cu Eq. Our goal is to continue to improve the carbon intensity of our operations and future projects.

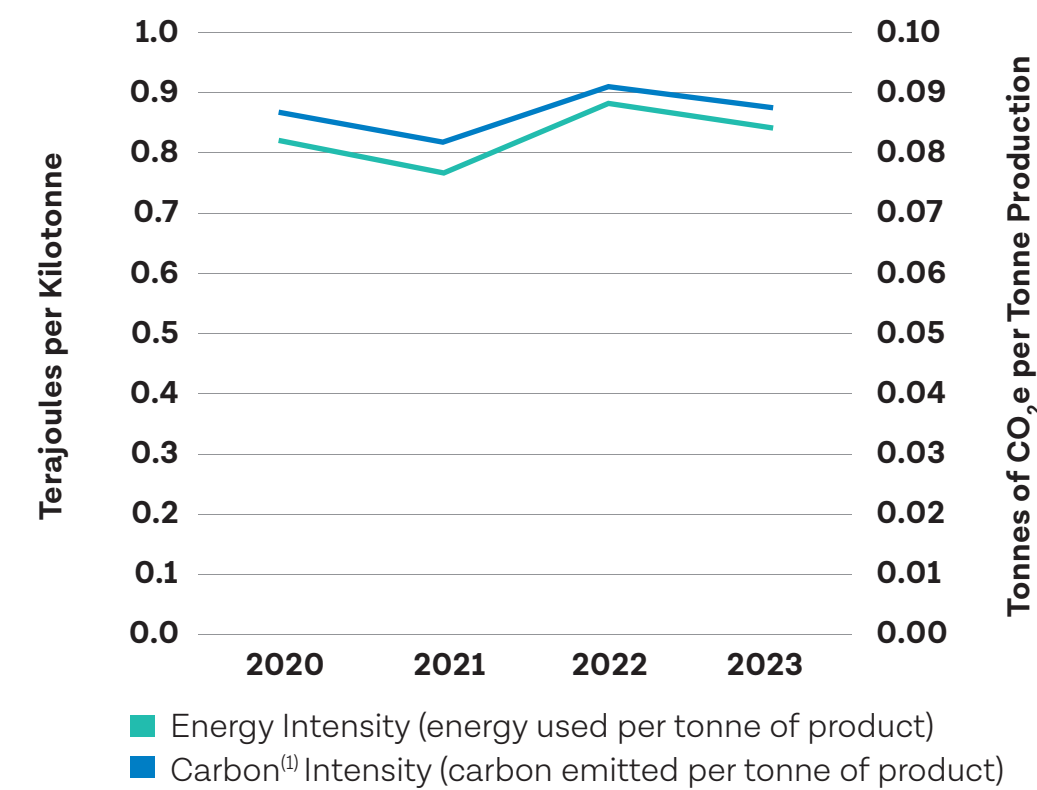
Energy intensity and carbon intensity for the production of steelmaking coal decreased in 2023 (Figure 9). The change in energy and carbon intensity is primarily a result of higher production, which was primarily due to improved plant reliability, most notably at Elkview, which experienced a two-month plant outage in 2022, while emissions remained relatively flat.

Energy and carbon intensity for the production of zinc and lead increased in 2023 (Figure 11). This change is primarily attributed to increased fuel consumption at Trail Operations due to KIVCET furnace conditions.

Energy and carbon intensity for the production of copper increased in 2023 (Figure 14). This change is attributed to QB2 ramping up in the year and experiencing an expected temporary increase in Scope 2 emissions in addition to low production from the commissioning phase. Figure 16 sets out Teck's carbon intensity, which includes total Scope 1 and Scope 2 emissions as reported above against a tonne of copper equivalent. We have used this metric — intensity per tonne of copper equivalent — in order to provide a

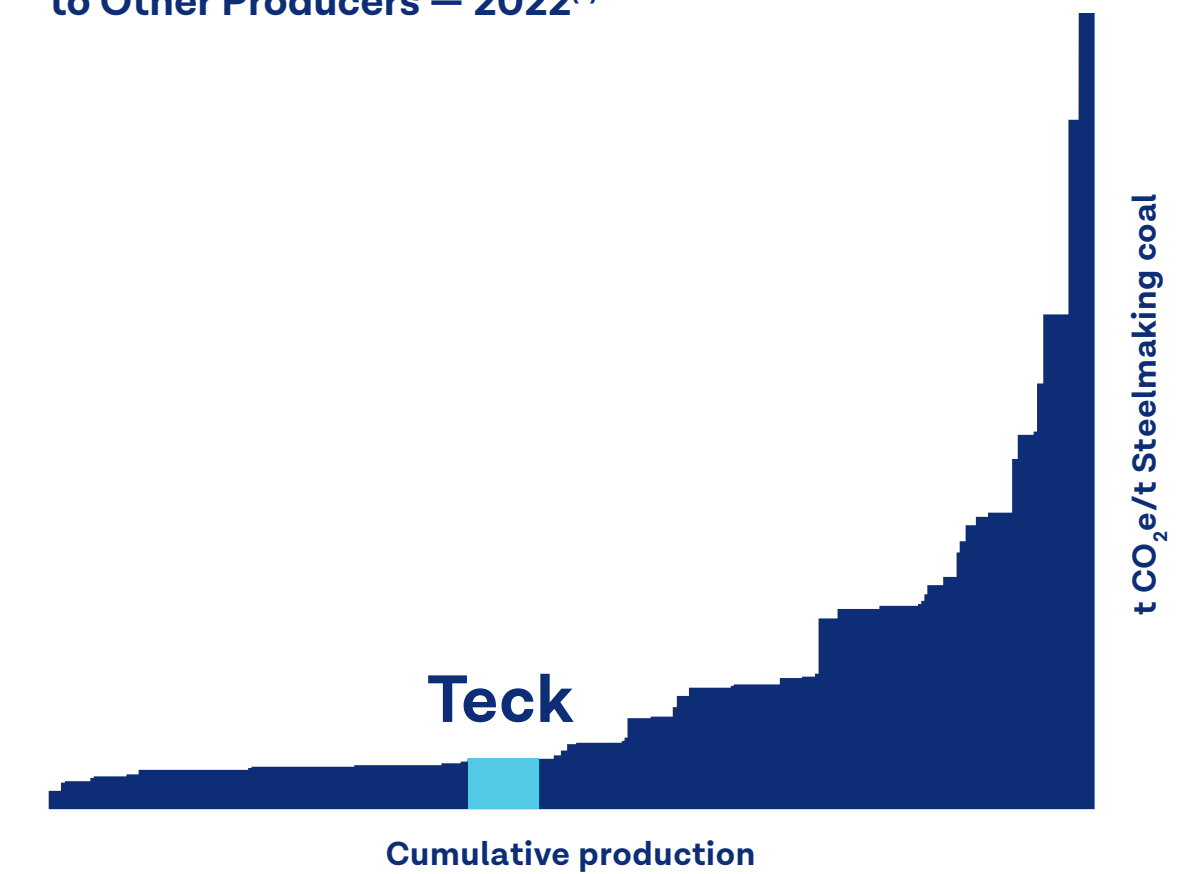
single carbon intensity metric for the organization as a whole. Carbon equivalency was calculated two ways: 1) using a three-year commodity price average, and 2) using 2018–2020 pricing averages across all performance years, as this is the pricing used to establish our 2020 baseline, against which our 2030 targets are being assessed.

Figure 9: Energy and Carbon Intensity for Steelmaking Coal Production⁽¹⁾



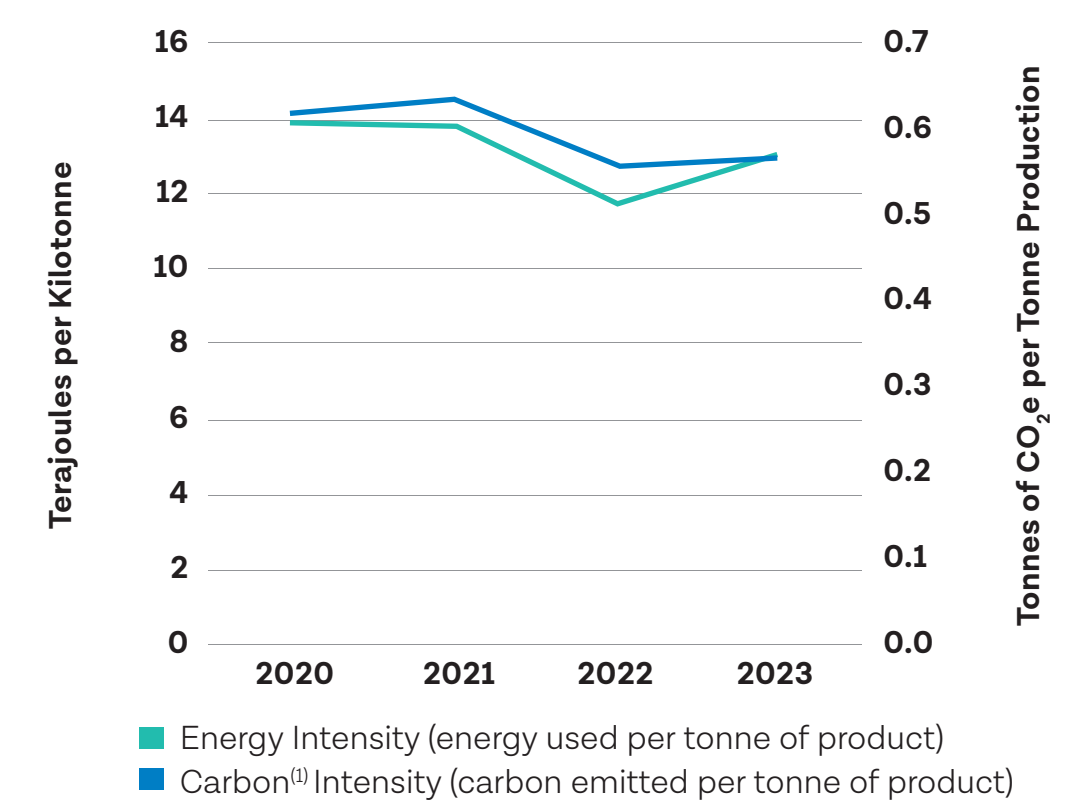
(1) Carbon intensity includes Scope 1 and Scope 2 (market-based) market-based emissions and is stated on a CO₂e basis, which is inclusive of CO₂, CH₄, N₂O, PFCs, SF₆ and NF₃ as appropriate.

Figure 10: CO₂ Coal Intensity Curve — Teck Compared to Other Producers — 2022⁽¹⁾



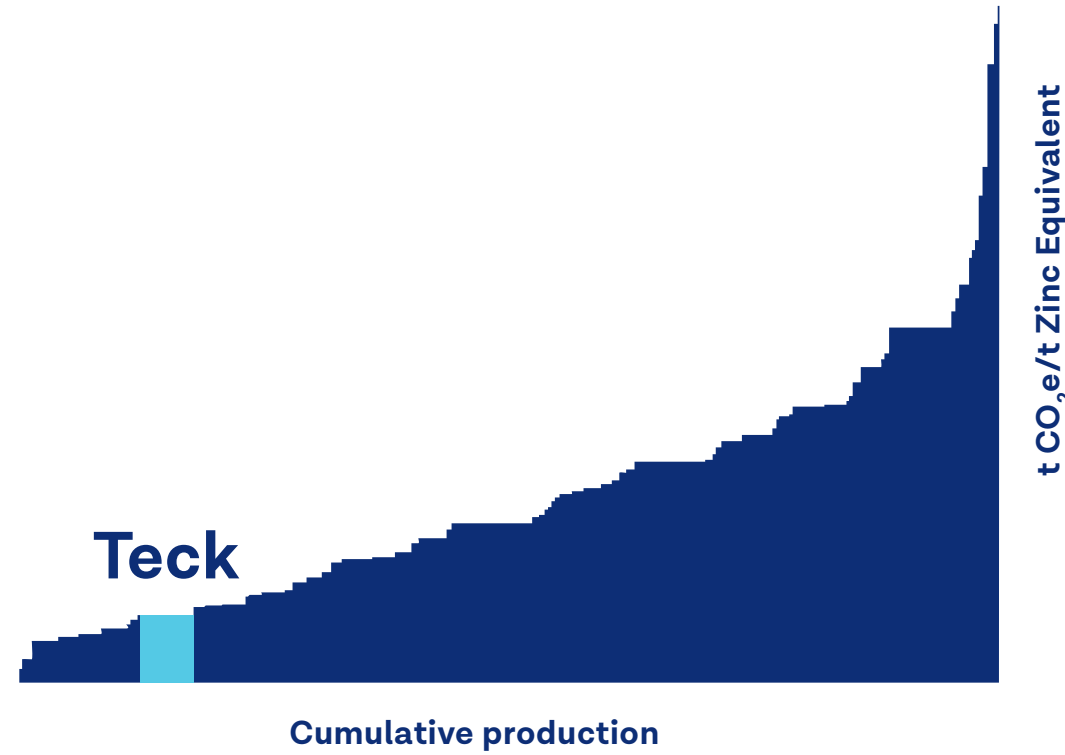
(1) Skarn Associates Limited. 2022.

Figure 11: Energy and Carbon Intensity for Zinc and Lead Production⁽¹⁾



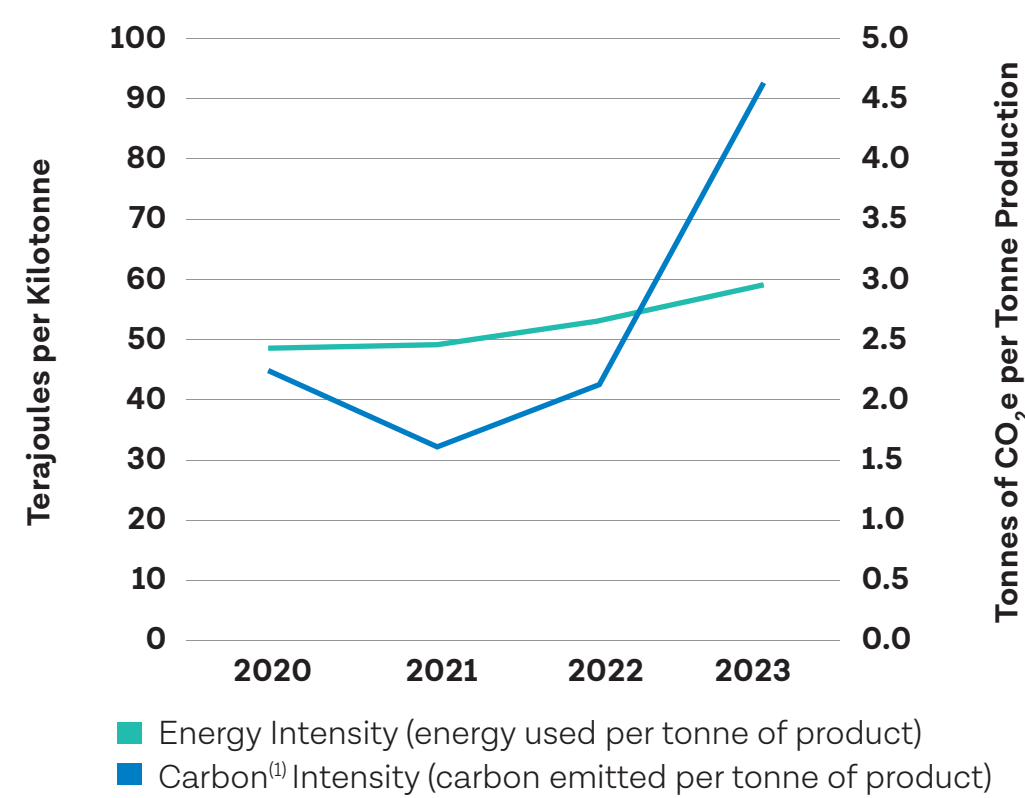
(1) Carbon intensity includes Scope 1 and Scope 2 (market-based) market-based emissions and is stated on a CO₂e basis, which is inclusive of CO₂, CH₄, N₂O, PFCs, SF₆ and NF₃ as appropriate.

Figure 12: CO₂ Zinc Mines Intensity Curve – Teck Compared to Other Producers – 2022⁽¹⁾



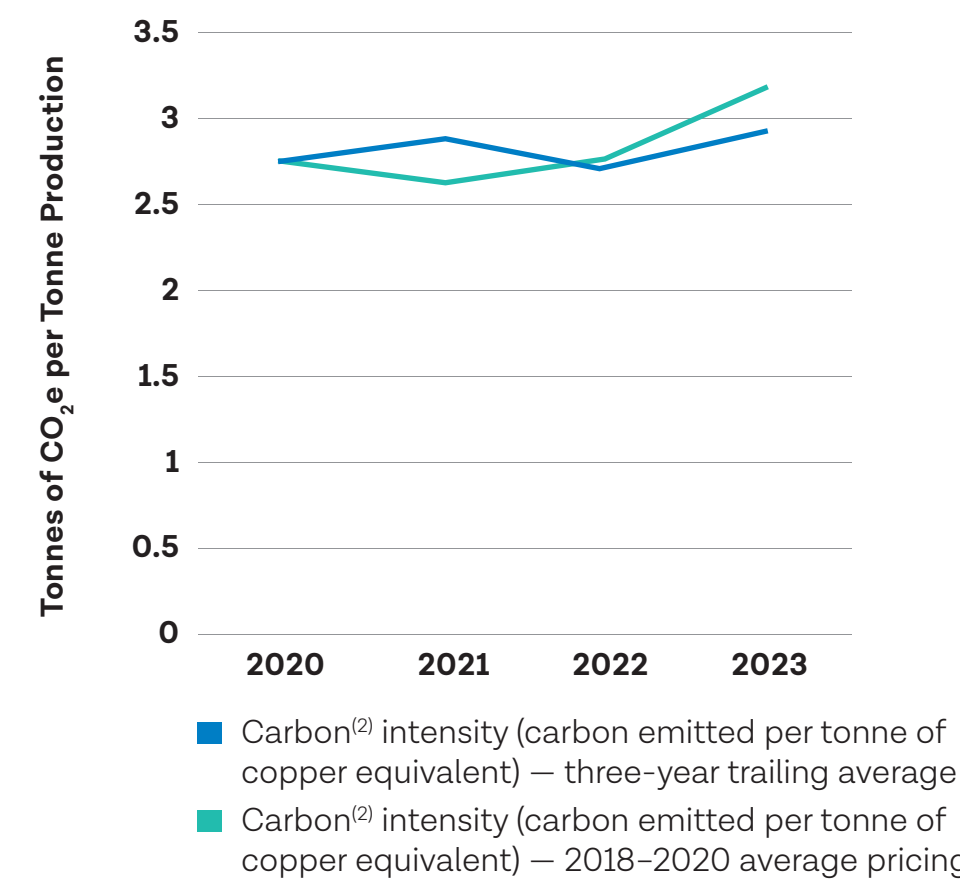
(1) Skarn Associates Limited. 2022.

Figure 14: Energy and Carbon Intensity for Copper Production^{(1),(2)}



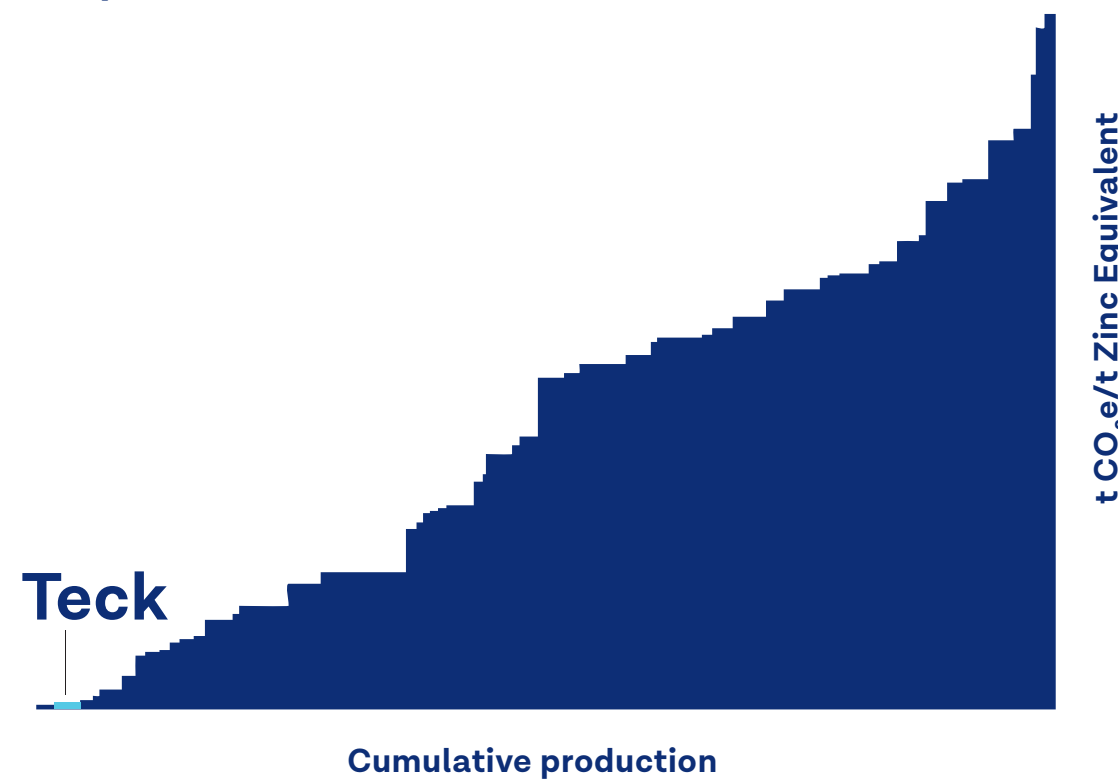
(1) Carbon intensity includes Scope 1 and Scope 2 (market-based) emissions and is stated on a CO₂e basis, which is inclusive of CO₂, CH₄, N₂O, PFCs, SF₆ and NF₃ as appropriate.
 (2) 2023 data includes QB2 as of January 1, 2023.

Figure 16: Teck Carbon Intensity on a Copper Equivalent Production Basis^{(1),(2),(3),(4)}



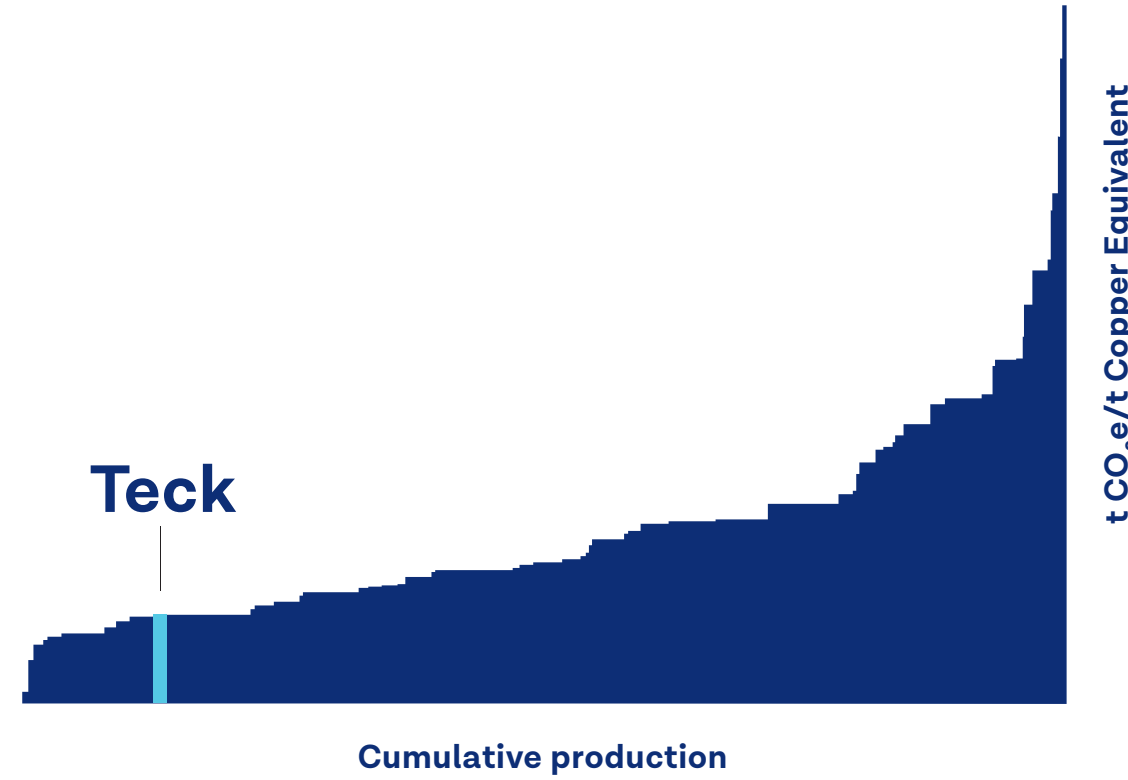
(1) Only the primary commodities we report on – i.e., steelmaking coal, copper, and zinc – from Teck-operated mines are included within the equivalency calculation. Lead has been excluded.
 (2) Carbon intensity on a copper equivalent basis is presented in two manners as shown in this figure. The three-year trailing average reflects our historical reporting practice and includes different commodity prices to convert each year's performance. For example, the 2023 value in the three-year trailing average would use 2023–2021 pricing averages, whereas the 2022 value would use 2022–2020 pricing averages. This reflects how some external groups assess carbon performance. We have also included carbon intensities using the 2018–2020 pricing averages across all performance years, as this is the pricing used to establish our 2020 baseline, against which our 2030 targets are being assessed. We have fixed the commodity pricing for the copper equivalent calculation to ensure consistent accounting over time (from our baseline year to our target year).
 (3) Carbon intensities includes Scope 1 and Scope 2 (market-based) emissions and is stated on a CO₂e basis, which is inclusive of CO₂, CH₄, N₂O, PFCs, SF₆ and NF₃ as appropriate.
 (4) 2023 data includes QB2 as of January 1, 2023.

Figure 13: CO₂ Zinc Smelters Intensity Curve – Teck Compared to Other Producers – 2022⁽¹⁾



(1) Skarn Associates Limited. 2022.

Figure 15: CO₂ Copper Intensity Curve – Teck Compared to Other Producers – 2022⁽¹⁾



(1) Skarn Associates Limited. 2022.

In 2023, we released a report outlining the low-carbon footprints of Special High Grade (SHG) and Continuous Galvanizing Grade (CGG) refined zinc from our Trail Operations. The report confirmed that in 2022, production of each tonne of SHG zinc from Trail Operations generated 0.94 tonnes of CO₂e, compared to the estimated global average of 3-4 tonnes of CO₂e per tonne of zinc production. The CGG zinc produced by Trail Operations generated between 0.99 and 1.11 tonnes of CO₂, depending on the amount of aluminum alloyed with SHG in each CGG grade. PricewaterhouseCoopers LLP provided limited assurance over the carbon footprints of SHG zinc and the CGG zinc grades presented above. Based on 2021 data from Skarn Associates and the International Zinc Association, Teck's SHG and CGG zincs are at least three times lower than the global average. For more information, the report can be found on [our website](#).

Technology and Innovation

In 2023, Teck completed construction and began operation of a Carbon Capture Utilization and Storage (CCUS) pilot project at Trail Operations. The pilot plant is expected to capture carbon dioxide (CO₂) from the Acid Plant flue gas at a rate of 1 tonne per day. The project will also evaluate options for the utilization and/or storage of the captured CO₂ at Trail Operations. If successful, the project could be scaled up to an industrial CCUS plant with the potential to capture over 100,000 tonnes of CO₂ per year at Trail Operations. Our pilot technical learnings will also be shared with our value chain partners, supporting our Scope 3 ambition of working with our customers to reduce the carbon intensity of steelmaking.

Carbon Pricing and Advocating for Climate Action

We continue to see a trend among governments to pursue climate change policies. Some of the most significant action has taken place in Canada, which has some of the highest carbon prices in the world and is where the majority of our operations are located. In 2023, British Columbia's carbon tax under the *Carbon Tax Act* increased to \$65 per tonne of CO₂e. British Columbia also continues to implement the CleanBC Program for Industry to address impacts on emissions-intensive, trade-exposed industries to ensure that B.C. operations maintain their competitiveness and that carbon leakage is avoided.

Currently, all of our steelmaking coal operations are covered by carbon pricing, as is approximately one-third of our copper business and all of our metals refining businesses. For 2023, our B.C.-based operations incurred \$114.8 million in British Columbia provincial carbon tax. As a result of the CleanBC Program for Industry, we received back \$21.7 million of the \$88.4 million we paid under the British Columbia provincial carbon tax in 2022, and we expect to receive a similar portion of our 2023 carbon tax payments back in 2024. For more details, please see page 46 of our [2023 Annual Report](#).

In 2023, the Province of British Columbia stated an intention to transition the regulation of industrial facility GHG emissions from the *Carbon Tax Act* to an Output-Based Pricing System (OBPS), beginning on April 1, 2024. Final details of the OBPS are yet to be released.

We believe that broad-based pricing of carbon is one of the most effective ways to incentivize real reductions in GHG emissions by ensuring that all emitters contribute to the solution. In 2023, we continued to advocate for carbon pricing policies that maintain the global competitiveness of trade-exposed industries to prevent carbon leakage — which is when GHG emissions move from one jurisdiction to another as a result of differences in carbon prices.

We engage policy-makers in all jurisdictions in which we operate and/or have major projects, as well as other jurisdictions through our membership in various industry associations, such as the ICMM and the Mining Association of Canada (MAC). We also review industry association positions on climate change and advocate for their alignment with the Paris Agreement. Across the associations of which Teck is a member, ICMM, MAC and the Mining Association of British Columbia (MABC) are the trade associations that have the greatest amount of engagement on climate action. All three associations have positions aligned with the Paris Agreement. Our climate advocacy and industry collaborations were published in our first-ever [Industry Associations Review](#) last year, which reviews our industry's climate change positions and actions.

In 2023, we continued to provide both policy direction and technical input directly to the government and as a member of MABC, with a view to maintaining the competitiveness of industry in the province. We also engage with the B.C. Government directly through our participation in the B.C. Climate Solutions Council.

Transparency on Climate Disclosure

Our [Climate Change Outlook 2021](#) report looks at how Teck is positioned for a low-carbon economy by analyzing potential business risks and opportunities under three different climate change scenarios. These scenarios provide information on how Teck is analyzing and preparing for the risks and opportunities that may emerge as the global community combats climate change and moves to a lower-carbon future. This report builds on our 2018 and 2019 Portfolio Resilience in the Face of Climate Change reports and aligns with recommendations from the Task

Force on Climate-related Financial Disclosures (TCFD), which we support. We report our emissions data annually to the [CDP](#) and we engage with Climate Action 100+ and other investor organizations. Teck's 2023 CDP response is available on [our website](#).

In 2023, we also released a [Scope 1, 2 and 3 Emission Calculation Methodology Report](#) with details on the boundaries, calculation rationale, methodology and assumptions of Teck's Scope 1, 2 and 3 GHG emissions inventory for the 2022 reporting year.

Climate Change Resilience

In addition to the actions, we are taking to reduce the impacts of climate change by lowering emissions and advocating for progressive climate action strategies, we are focused on managing the potential physical risks and opportunities that may result from the ongoing changes to our climate. Over the past decade, we have been monitoring the development of climate change risk management practices, during which we have seen continued improvement in the quality and accessibility of climate change data and modelling, in understanding the interaction between climate change and our assets, and in best management practices to increase the resilience of the mining sector.

Teck experienced the physical impacts of climate change in 2023 and in previous years. We are taking into account the increased frequency of extreme weather events and we are incorporating climate change scenarios and vulnerability assessments into project design and evaluation, as well as into our operations and logistics chain.

In 2023, to support the identification and assessment of risks related to the physical impacts of climate change, we procured relevant climate change projection data from the most current global climate model data available — CMIP6 — for our operations, portions of our logistics corridors, and

select projects and legacy properties. CMIP6 is the latest phase of collaboration under the Coupled Model Intercomparison Project (CMIP). The data is scientifically robust and provides the foundation for the Intergovernmental Panel on Climate Change's Sixth Assessment Reports. The data sets include time horizons for the near-future (2030s), mid-century (2050s) and end-of-century (2080s) for two of the future climate scenarios proposed by the Intergovernmental Panel on Climate Change's Sixth Assessment Report: a scenario with moderate emissions (SSP2-4.5) and a scenario with the highest concentration of CO₂.

Our logistics chains are particularly exposed to climate hazards. In 2023, we undertook a climate change vulnerability assessment with a qualified third party to model potential disruptions or limitations to the logistics route for our steelmaking coal based on different future climate change scenarios. The vulnerability and impact assessment identified potential instances of more or fewer exceedances of climate thresholds and determined the total impact on logistics downtime across different climate change scenarios. The analysis will be used to inform risk management actions and mitigation strategies moving forward, supporting our efforts to make our operations resilient to the physical risks of climate change.