

Business Ethics



Pictured above: Employee at Fording River Operations, Canada.

Business Ethics

As the world builds back after the global COVID-19 crisis, tax disclosure and transparency are viewed by governments as a means to promote economic recovery.⁴¹ Improved disclosure standards focused on tax reporting, anti-corruption and lobbying are being implemented in many countries. Along with these new expectations, transparency, trust and cooperation are expected to help organizations thrive financially and deliver long-term value for their stakeholders.⁴²

As an industry that operates in a wide range of jurisdictions, business ethics and anti-corruption are a major focus for mining. Mining activities can make a significant contribution to national, regional and local economies through the provision of employment and training, tax and royalty payments to governments for essential services, local procurement, social development and environmental stewardship. Maintaining open and transparent communications with governments and regulatory parties is essential to mitigating risk and responding to future regulatory changes, and to forming good relationships with government entities, agents and intermediaries. This is reflected in the International Council on Mining and Metals (ICMM) Principles: to implement and maintain ethical business practices that seek to prevent bribery and corruption.

Teck operates primarily in Canada, the United States, Peru and Chile, which have generally robust legal systems and well-established political processes. Our aim is to minimize adverse impacts from our activities and to build partnerships to support sustainable development and growth. We focus on being a collaborative, solutions-based partner, and regularly engage with governments on regulatory and public policy initiatives that are primarily focused on maintaining and enhancing the competitiveness of our industry as well as its sustainability. In 2021, our public policy engagement focused on advocacy for action to address climate change, innovation, socio-economic initiatives, conservation and environmental management, and reconciliation with Indigenous Peoples, among other topics.

GRI Indicators and Topic Boundary

102-12, 102-13, 102-17, 201-4, 203-2, 205-103, 205-1, 205-2, 406-103, 415-103, 415-1

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

How Does Teck Manage This Topic?

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

⁴¹ Strengthening Tax Transparency In 2021. Forbes. 2021. ⁴² Global Integrity Report 2020. EY. 2020.

2021 Highlights

Published **fifth annual Economic Contribution Report**, providing transparency on our payments to governments and economic contributions where we operate

Worked with federal and provincial governments to **develop and implement a COVID-19 rapid testing program across our offices and operations in B.C.** that supported the health and safety of our employees and communities where we operate, and allowed for continued responsible work at our sites

Our Performance in Business Ethics in 2021

Our Commitments

Our [Code of Sustainable Conduct](#) requires employees and contractors to comply with applicable laws and regulations and with all Teck policies and standards. We are committed to upholding high moral and ethical principles, as affirmed in our [Code of Ethics](#).

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

Our [Political Contributions Policy](#) includes our commitment to zero direct corporate political contributions and compliance with rules relating to election activities and attending partisan events.

These policies provide clear guidance around how we should conduct our business, and they set standards on topics such

as bribery and corruption, sponsorships and donations, conflicts of interest, confidentiality, data privacy and third-party due diligence. While Teck's business practices must consider the local customs of the communities in which we operate, we maintain the same standards of behaviour in all jurisdictions, and our business practices are fundamentally based on honesty, integrity and respect.

Teck's activities are subject to a number of laws within the jurisdictions in which we operate. When engaging public officials, in addition to our own policies, the laws, regulations and rules of the country in which the engagement by a Teck employee occurs will apply. In addition, the applicable laws, regulations and rules of the country in which the Teck employee resides may, based on statute or treaty requirement, carry over to foreign jurisdictions.

Doing What's Right Program

Doing What's Right describes what is expected of everyone at Teck to ensure our business is conducted with honesty, integrity and respect. Teck's Code of Ethics outlines in detail how to meet this expectation and it aligns with our values, most notably the commitment to being responsible, courageous, respectful and inclusive. Our employees have a duty to report any violations, or potential violations, of our Code of Ethics through our *Doing What's Right* program, which includes a whistle-blower hotline and web portal that are managed by a third party. The hotline is available in all relevant languages in the countries where we operate. Teck has a strict policy prohibiting retaliation in relation to Code of Ethics reports made in good faith.

Through this program, we received 59 reports of alleged violations of our Code of Ethics in 2021. The areas for which we received the greatest number of reports were in relation to Employee Relations (46%), Discrimination (8%) and Safety (8%). Of these 59 cases, 39 were closed following an investigation or were closed on the basis that no investigation was necessary. The remaining 20 cases are still under investigation. The Audit Committee receives and reviews reports on the investigation and resolution of complaints raised through the whistle-blower hotline.

No criminal cases regarding bribery were brought against Teck or any of its affiliates in 2021, 2020 or 2019.

Anti-Bribery and Corruption

In 2021, we updated our [Anti-Bribery and Corruption Compliance Policy and Interpretation Guide](#) to ensure clarity and effectiveness in application.

All operations and business activities are assessed for risks related to bribery and corruption, and internal audits are conducted on a periodic basis to assess compliance with our Anti-Bribery and Corruption Compliance Policy and Interpretation Guide. No new significant risks associated with corruption were identified through these assessments.

The Internal Audit department reports to the Audit Committee on a quarterly basis on any cases of fraud identified, other than those reported through the whistleblower hotline. One such instance of fraud was reported to the Audit Committee during 2021, and we had no involvement in any investigations regarding alleged breaches of competition laws.

Teck's Anti-Bribery and Corruption Compliance Policy and Interpretation Guide supplements the Code of Ethics and reinforces Teck's commitment to anti-bribery and anti-corruption, which is an integral part of employees' performance appraisals. Select employees in potentially high-risk role are required to certify that they have read and understood these policies and standards and that nonconformity would lead to disciplinary action. They also undergo anti-corruption training at least every two years. We have criteria in place to determine which employees are required to complete anti-corruption training based on location, engagement with government and a number of other factors. Based on these criteria, 2,609 employees were required to participate in anti-corruption training in 2020/21, and over 85% of those employees had completed the training as of December 31, 2021. Table 41 provides more information about training on anti-corruption policies and procedures.

Table 41: Number of Employees Who Have Received Training in Anti-Corruption During the 2020/21 Training Cycle

Country	Number of Employees
Canada	1,540
United States	124
Chile	872
Other Locations (China, Australia, Ireland, Mexico, Namibia, Peru, Turkey and Japan)	73
Total	2,609

In addition to engaging with employees, Teck communicates its anti-corruption policies and procedures to all members of our governance body.⁴³ In 2021, 100% of Teck's governance body members reviewed and approved our updated Anti-Bribery and Corruption policy. The Chief Executive Officer, who is a governance body member, receives anti-corruption training in the role as an employee of Teck, and all governance members are expected to complete an annual Code of Ethics Acknowledgement.

Teck expects our supply chain partners to also adhere to the same fundamental principles, including those relating to legal compliance, fairness and honesty, anti-corruption and human rights that are outlined in [Teck's Expectations for Suppliers and Contractors](#). All of Teck's significant supply chain partners are provided with Teck's Expectations for Suppliers and Contractors. In 2021, 26% of our supply chain partners were further qualified to perform work on Teck's sites, and they provided written acknowledgement of their adherence to these principles. Teck's Anti-Bribery and Corruption Compliance Policy and Interpretation Guide resides on the Teck corporate website for members of the public, investors, joint venture partners and others to review.

We also implement a third-party due diligence program under Teck's Anti-Bribery and Corruption Compliance Policy. Consultants, agents or intermediaries who may have contact with, or do business with, a government official on behalf of Teck must undergo sufficient due diligence to enable us to conclude with reasonable assurance that the service providers understand and will fully abide by applicable anti-corruption laws and with our policy. Under our risk analysis, service providers who may have contact with, or who have the potential to have contact with, government officials on Teck's behalf will be included in Teck's due diligence program. In 2021, no potential or existing suppliers were flagged as having anti-corruption and/or anti-bribery risks that disqualified them from conducting business with Teck.

⁴³ 'Governance body members' is interpreted as the Board of Directors at Teck.

Cybersecurity

Teck manages cybersecurity risk through stringent oversight and governance of digital technology. Our risk-based cybersecurity strategy is supported by a custom framework based on industry-leading practices from organizations such as the Information Systems Audit and Control Association (ISACA), Capability Maturity Model Integration (CMMI), Cybersecurity Maturity Model Certification (CMMC), the Canadian Centre for Cyber Security (CCCS), the ISA Cybersecurity, the Factor Analysis of Information Risk (FAIR) Institute, the National Institute of Standards and Technology (NIST) and the Cloud Security Alliance (CSA).

In 2021, we enhanced our cyber capabilities to intelligently and holistically manage cyber risks and to embed

cybersecurity in Teck's workplace culture. We established a network of 78 Cybersecurity Champions across Teck to be liaisons for maintaining and improving the online security and health of our digital systems. We implemented a third-party security program to strengthen our security capabilities related to vendors and to minimize external risks, and we continue to maintain our Advanced Cyber Threat Intelligence and Intrusion Response capabilities to mitigate global threats and to protect our environment from cyberattacks. Building on successful anti-phishing education programs, we also launched a company-wide cybersecurity awareness training program, to build employee awareness on how individuals can help reduce cybersecurity risks.

Public Policy Initiatives

We focus on being a collaborative partner with governments in the jurisdictions where we work, and we regularly engage in public policy initiatives that support the competitiveness and sustainability of our industry. In 2021, we engaged with governments on several public policy and regulatory initiatives of relevance to Teck

Environmental Initiatives

Supporting effective climate change policies: Teck continued advocating to governments across Canada for policies that support the transition to a lower-carbon economy while ensuring the competitiveness of Canadian emissions-intensive, trade-exposed (EITE) sectors. We engaged the Government of Canada, the B.C. Government and the Alberta Government in support of climate action policies that are designed to address the competitiveness challenges that come from a global trade environment that has uneven climate change policies. Included in this support has been our role on the B.C. Climate Solutions Council, our contributions to designing guidance for the federal Strategic Assessment of Climate Change under the *Impact Assessment Act*, and our assessment of the paths of the Government of Canada and the B.C. Government to net-zero greenhouse gas emissions by 2050.

Advancing the development of Canada's Coal Mining Effluent Regulations: Teck remained actively engaged in the development process of the draft regulations through 2021. For Teck, the final form of these regulations will be critical for long-term planning for our steelmaking coal operations in Western Canada. We will continue to participate in the review and dialogue process with the Government of Canada in 2022 to help ensure the regulations are well-designed, science-based and protective of aquatic life.

Progressing biodiversity and conservation initiatives: Teck is committed to supporting biodiversity and land conservation in the areas where we operate. As part of this

commitment, we welcomed the intent of the bilateral Nature Agreement between the Government of Canada and the B.C. Government that aims to enhance biodiversity, conservation and protection for species at risk in B.C. In Chile, we have entered into a collaboration with the Ministerial Regional Secretary of the Environment in the Tarapacá Region to protect coastal ecosystems. We are engaging governments and meaningfully contributing to shared objectives to strengthen conservation and to build a better economy through integrated economic growth, climate and biodiversity goals.

Supporting the Government of Chile's tailings removal plan: Teck's Carmen de Andacollo Operations (CdA) voluntarily committed to the removal of legacy tailings unrelated to our operations in the Andacollo community. This initiative was formalized through a cooperation agreement with Servicio de Evaluación Ambiental and the municipality of Andacollo, which has expedited the removal work that will begin in 2022. This initiative is aligned with Teck's sustainability objective of managing tailings in a safe and environmentally responsible manner and also supports the implementation of the Government of Chile's tailings removal plan.

Socio-Economic Initiatives

Collaborating with governments in Canada on COVID-19 response: Teck engaged governments in Canada to accelerate the procurement of rapid screening tests for COVID-19. These efforts supported the development and implementation of a COVID-19 rapid testing program at Teck, which was rolled out across our sites and offices in British Columbia during spring and summer 2021. The program was successful in helping to identify and quarantine numerous asymptomatic COVID-19 cases, supporting the health and safety of our employees and communities where we operate, and allowing for continued responsible work at our sites.

Case Study: A Year of Extreme Weather – Partnering with Local Governments and Communities to Assist Those in Need

We know that climate change has resulted in changes to temperature and precipitation, and in the likelihood of extreme events such as droughts and floods — all of which have adverse effects on our operations, supply chains and customers. In 2021, many regions of British Columbia, Canada, experienced a series of devastating extreme weather events, including locations where Teck has operations and assets. From wildfires during the

summer months to extreme flooding during the fall and winter, many communities in these regions were deeply impacted and are still recovering from the effects. During these extreme weather events, Teck partnered with communities and charitable organizations to support those in need. Read the full case study at teck.com/news/stories.

Advocating for cost-competitiveness: Teck continued to engage the Government of Canada, the B.C. Government and the Alberta Government to address cost-competitiveness issues relating to carbon taxation and Emissions-Intensive and Trade-Exposed (EITE) sectors, transportation and logistics costs, the ongoing administrative inefficiencies around the provincial sales tax, and other federal and provincial tax and regulatory measures.

Ensuring the competitiveness of Western Canada’s trade corridors: Teck is Canada’s single-largest shipper and a leading commodity exporter from Canada’s Pacific coast ports, and our export competitiveness depends on infrastructure and trade corridors that are reliable, cost-effective and efficient. As such, we continued to communicate with the Government of Canada and the B.C. Government about the need for new federal and provincial investments into infrastructure projects that facilitate efficient trade between Western Canada and key markets abroad.

Enhancing trade relations with key export markets: We continued to work with the Government of Canada in enhancing relationships with key export destinations, primarily in Asia. This included advocating for addressing tariff and non-tariff barriers, as well as advancing the Canada-India Comprehensive Economic Partnership Agreement.

Growing Canada’s critical minerals sector: advocated for the development of a B.C. Critical Minerals Strategy to increase the provincial mining sector’s competitiveness in global markets. Such a strategy would include measures to strengthen regional supply chains and to support the sale and export of these products for use in clean energy infrastructure around the world. We also advocated for action plans within the Government of Canada’s Critical Minerals Strategy that would set specific short- and long-term objectives and milestones for growing Canada’s critical minerals sector. Metals and minerals are essential in the development of green, low-carbon technologies. At the same time, critical minerals markets are competitive, and global mining jurisdictions are vying to become the world’s supplier of choice.

Reviewing potential for amendments to U.S. mining legislation: Teck continued to review where potential changes could be made to federal U.S. mining legislation affecting how mineral rights are secured on federal lands

and how these lands could be used for activities ancillary to mining, including community and recreational activities.

Reviewing potential for amendments to Chile mining tax legislation: Teck has been actively involved in discussions in Chile related to proposed new royalties for mining activities. As part of our engagement, Teck presented to the Chilean Senate Mining Committee during the discussion of the proposed bill of law establishing these mining royalties.

Preserving cultural heritage for areas of operation: Teck’s archeological plan for the port areas of the Quebrada Blanca Phase 2 (QB2) project was approved by the National Monuments Council (CMN) in 2021. The plan consists of a series of voluntary actions related to supporting archeological research, and disseminating and enhancing the cultural heritage associated with the coast of Tarapacá and the archeological sites in the port area of the QB2 project. The plan also includes the joint work on heritage management proposed to be carried out by Teck and the CMN, in particular around the port area of the project in the Patache sector, in the municipality of Iquique. This project has attracted the interest of various national and regional authorities, with whom we are sharing the archeological findings.

Teck is also partnering to support the construction of the Regional Anthropological Museum (MAR), “*Tarapacá Dragon*”, which will be designed by the renowned U.S. architect Daniel Libeskind. Teck will support the design of this museum by donating over US\$2 million for the first stage of the initiative. With this support, Teck reaffirms our commitment to the development of the Tarapacá region, the recognition of Indigenous Peoples, and the enhancement of cultural heritage through our community investment programs. This project is expected to enhance tourism in the Tarapacá region and be an important source of new jobs for the local economy.

Innovation Initiatives

Working with governments to foster more innovation in mining: Teck actively pursued government initiatives to advance innovation in our operating jurisdictions, including continuing to work with Canada’s Digital Technology Supercluster (under the federal Innovation Supercluster Initiative) as a Founding Member and engaging the B.C. Government on the development of the MABC’s Mining Innovation Roadmap and the B.C. Mining Innovation Hub.

In Chile, we continue to collaborate with multiple organizations in support of mining innovation. Teck's partnership with the Tarapacá Circular Economy Center seeks to establish education, training and materials development projects in order to leverage the circular economy's role in the ongoing regional economic strategy. Teck also supports the Innova and Emprende Tarapacá programs, which encourage local innovation and entrepreneurship in materials use.

Engaging government on mining innovation and clean technology deployment: Teck engaged the Government of Canada on opportunities for supporting large decarbonization projects at our Canadian operations, including requesting access to federal programs that advance research, development and deployment of new clean technologies that can reduce greenhouse gas emissions at our operations.

Contributions to Industry Associations

We believe it is important to engage with industry associations to advance research, share best practices, and contribute to improving the regulatory systems and industry performance

Commitment to Transparency

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

We also publish an annual voluntary Economic Contribution 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](#) on our website for more information.

We engage in and support the work being done to fight financial corruption by supporting relevant international frameworks such as the Extractive Industries Transparency Initiative (EITI). We participate in the EITI through our ICMM membership. In 2021, Teck engaged with EITI to assess our adherence to its supporting company expectations, and the summary of results is now publicly available on the [EITI website](#).

As outlined in our [Political Contributions Policy](#), Teck does not make use of corporate resources, including funds, goods, property and/or services, for the purpose of contributing to a political party, a campaign for elected office, a nomination process for a political party, a local political constituency and/or any individual candidate

across the extractive sector and beyond. There can be a wide range of views within the membership of each association and, as members, we may not always agree with every position or approach. This is especially the case when the association's membership is large and the mandate is broad, covering a wide range of issues. This diversity of perspectives creates a rich and full debate.

When disagreement arises, Teck may provide greater clarity on our own positions and activities with policy-makers, work with the association to understand alternative points of view and to seek common ground for progress, consider our ability to influence the policies or perspectives of the organization or, ultimately, consider whether to continue participating in the association.

Our five largest contributions in 2021 were to the International Copper Association (\$0.8 million), the World Economic Forum (\$0.8 million), the International Zinc Association (\$0.6 million), the Mining Association of Canada (\$0.6 million) and the International Council on Mining and Metals (\$0.5 million). For a full list of associations to which Teck pays annual membership fees of \$50,000 or more, visit [Memberships and Partnerships on our website](#).

seeking election at any level of government. In 2021, we did not make any direct financial or in-kind political contributions.

Payments Received from Governments

In certain jurisdictions, part of our statutory obligations related to lobbying is to publicly report funding we applied for and received from any government around the world. In 2021, Teck received \$636,225 from two government programs in Canada: the CleanBC Industry Fund and the Student Work Placement Program. The CleanBC Industry Fund invests a portion of carbon tax revenues into businesses working on greenhouse gas emission reduction projects. For 2021, our B.C.-based operations incurred \$81.7 million in British Columbia provincial carbon tax. The Student Work Placement Program supports post-secondary students across Canada with paid work experience related to their field of study.

In 2021, Teck did not receive nor apply for any direct financial assistance relating specifically to COVID-19 from governments — such as the Canada Emergency Wage Subsidy — in jurisdictions in which we operate. However, Teck utilized some COVID-19 tax deferral and temporary tax suspension programs universally put in place for industry. Additionally, in Chile, our contractors used a subsidy program established in the COVID-19 Employment Protection Law that allows employers to suspend contracts with their workers and provide access to unemployment insurance funds. This law benefited Teck by reducing contract suspension costs with our suppliers and facilitating restart activities. We do not have a cost estimate of this benefit for Teck.