

An aerial photograph of a town nestled in a valley. A river flows through the middle of the town, with a bridge crossing it. The town is surrounded by dense evergreen forests. In the background, there are large, rugged mountains with patches of snow. The sky is blue with scattered white clouds. A dark blue diagonal banner is overlaid on the left side of the image, containing the title text.

2020 Economic Contribution Report

Teck

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About This Report

We believe it is important to provide information about our activities so that communities of interest have a clear understanding of the economic benefits generated by our mining activities and our payments to governments.

Teck has a long history of providing detail and disclosure on our overall tax and economic contribution. Through our Annual and Sustainability reports, Teck discloses taxes accrued and paid in accordance with applicable accounting standards and has supplemented this with additional voluntary disclosure.

Our annual Economic Contribution Report provides even greater detail, as an independent report of our payments to governments and other economic contributions, including wages and supplier spending. In this report, we provide an analysis of our tax payments in 2020 by type, country and level of government. We also include additional detail on the value Teck generates for the communities in which we operate—including Indigenous communities—through wages, payments to suppliers and contractors, and other economic activities.

This is Teck's fifth annual Economic Contribution Report, and it complements our annual reporting under the *Extractive Sector Transparency Measures Act (ESTMA)*.

This report covers all of the operations managed by Teck and, where material, exploration projects, development projects, joint venture operations and legacy properties. Data included in this report is from January 1 to December 31, 2020, across our copper, zinc, steelmaking coal and energy operations and projects in Canada, the United States, Chile and Peru.

All dollar values are in Canadian currency unless otherwise stated. A description of key terms, an explanation of the scope of reporting and the definitions applied for each type of tax payment are provided on page 19.

Total payments to governments in accordance with ESTMA of \$375.7 million included in the report have been audited by PricewaterhouseCoopers LLP. For their independent auditor's report in relation to the ESTMA information, see page 27.

Total Payments to Governments and Economic Contribution at a Glance

Teck's total payments to governments and economic contribution are significant in the areas where we operate. Our economic contribution includes taxes paid, employee wages and benefits, spending with local suppliers, and community investment. The total economic contribution from Teck in 2020 was \$10.8 billion.

Some highlights of our total economic contribution include:

- \$1.6 billion: payments to employees in wages and benefits
- \$8.4 billion: supplier spend
- \$19.0 million: community investment

Our economic contribution occurs throughout the mining life cycle; however, the payments vary across the cycle.^{1,2}

Operations & Major Projects:

Copper

- 1 Highland Valley Copper
- 2 Antamina
- 3 Quebrada Blanca
- 4 Carmen de Andacollo
- 5 Quebrada Blanca Phase 2

Zinc

- 1 Red Dog
- 2 Trail Operations

Steelmaking Coal

- 1 Steelmaking Coal Mines in B.C.
 - Fording River
 - Greenhills
 - Line Creek
 - Elkview

Energy

- 1 Fort Hills

- ☐ Producing Operation
- ☐ Development Project



¹ This map totals \$11.2 billion, as it includes \$464.0 million in intra-segment elimination. After that intra-segment elimination, our total economic contribution in 2020 was \$10.8 billion.

² As of June 2020, Cardinal River Operations has transitioned to closure.

Table 1: Type and Number of Managed Operations and Total Employees by Country⁽¹⁾

Canada	
Copper	1 Operation: Highland Valley Copper
Zinc	1 Operation: Trail Operations
Steelmaking Coal	4 Operations: ⁽²⁾ Fording River, Greenhills, Line Creek, Elkview
Energy	1 Operation: Fort Hills
Total Employees	8,296
Chile	
Copper	2 Operations: Quebrada Blanca, Carmen de Andacollo
	1 Project: Quebrada Blanca 2 (QB2) ⁽³⁾
Total Employees	1,416
United States	
Zinc	1 Operation: ⁽⁴⁾ Red Dog
Total Employees	643
Peru	
Copper	1 Operation: Antamina
Total Employees	24⁽⁵⁾

(1) Approximate number of employees at the end of 2020, including temporary and permanent, working at Teck-operated mining and metallurgical operations and offices, as reported in the 2020 Sustainability Report.

(2) As of June 2020, Cardinal River Operations has transitioned to closure.

(3) To date, the construction of QB2 has created over 22,000 direct contractor jobs; this number is not included in the total number of employees.

(4) As of July 2020, Pend Oreille has transitioned to care and maintenance.

(5) Approximate number of employees at the end of 2020, including temporary and permanent, working at Teck-operated mining and metallurgical operations and offices, as reported in the 2020 Sustainability Report. As such, total employees in Peru does not include the Antamina mine, which is a non-operated joint venture in which Teck holds a 22.5% interest. Please see the [Antamina website](#) for their latest sustainability report. Spanish content only.



Employees at Fording River Operations, Canada.

Approach to Transparency and Tax

Mining is a capital-intensive business. Significant initial capital investment is required to construct a mine, and it can take many years to generate a return on investment. We believe in and are supportive of paying legislated taxes on profits in the country where value is created over the course of the mining life cycle. We advocate for tax systems that consider the long-term contribution from the mining industry, that are effective and competitive, and that support economic growth, job creation and sustainable tax contributions. Our approach to taxation is aligned with our [Code of Ethics](#) and our [Approach to Business and Sustainability](#). That approach is outlined in our [Tax Policy](#).

We voluntarily provide information on our income and resource tax payments in our principal operating countries on a country-by-country basis in our [Annual Sustainability Report](#) and have done so since 2006. In 2020, we started reporting our full country-by-country tax payments aligned to the new Global Reporting Initiative (GRI) requirements in our [Sustainability Performance Data spreadsheet](#). Our other (or “non-tax”) payments to governments are also reported to the Canadian government by country and on a project-by-project basis as required under the [Extractive Sector Transparency Measures Act](#). Teck is a member of the [Extractive Industries Transparency Initiative \(EITI\)](#), which is a voluntary global initiative that promotes transparency in payments to governments and revenues for extractive industries. Our aim is to clearly disclose our payments to governments and to highlight our role in providing social and economic benefits in the areas where we operate.



Employee at Carmen de Andacollo Operations, Chile.

Our Tax Policy

In 2020, we updated our Tax Policy, which commits us to be compliant, transparent, cooperative and ethical in all tax matters. Our policy is composed of the following 12 points:

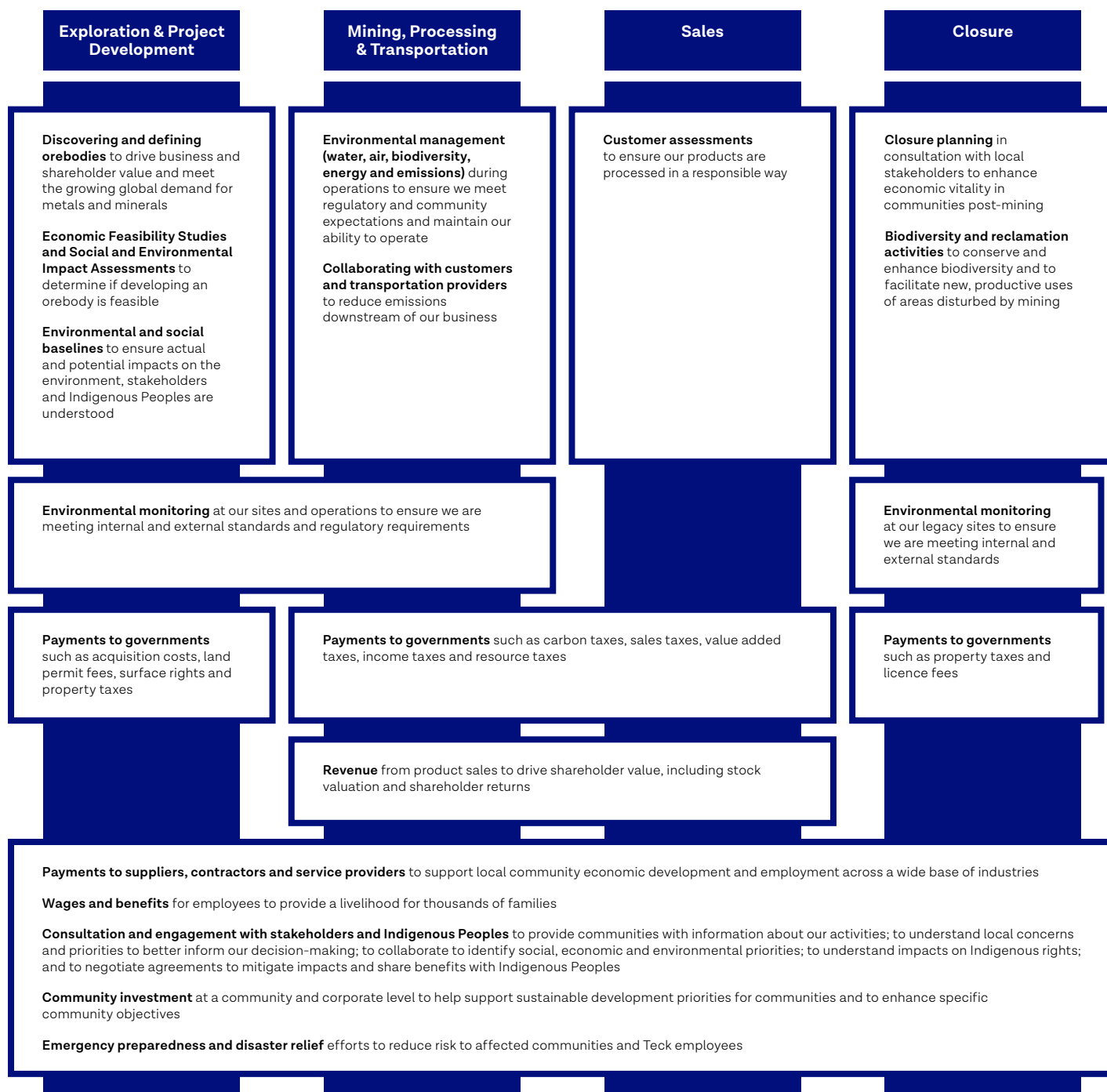
- 1.** The success of Teck's business depends on our ability to create value in a way that meets the needs of the company, our shareholders, communities and stakeholders, while accounting for the broader environmental, social and economic context in which we operate. Operating in accordance with Teck's Code of Ethics and complying with both the spirit and letter of applicable local laws, including tax laws, is a fundamental part of our commitment to the communities in which we operate. This Tax Policy aligns our approach to tax matters with our approach to sustainability generally.
- 2.** Taxes are a material cost of our business and the timely compliance with all tax obligations, the timely payment of all taxes and the accurate provision for tax in our financial statements are an important part of our obligations to stakeholders and to the communities in which we operate.
- 3.** In all tax matters we are compliant, transparent, cooperative and ethical. We file all required tax returns and information slips on an accurate and timely basis. We pay our taxes on time and in full.
- 4.** We respond openly and fully on a timely basis to all government requests for information pertaining to our legal structure, our financial results and our taxes in the course of their audits. We do not engage in tax planning that relies on the non-disclosure of activity or of ownership in tax havens or secrecy jurisdictions.
- 5.** We actively engage with the tax authorities of the jurisdictions in which we operate. We seek to build open and trusting relationships with them, building on the common interest we have with the authorities in efficiently reaching a timely and accurate determination of our financial responsibilities for taxes. Disputes, when they occur, are resolved through statutory processes based on full disclosure and legal principles. Where possible, we will reach an agreed statement of relevant facts.
- 6.** We monitor tax planning to ensure it does not create inappropriate financial risk and is consistent with our commitment to communities. We undertake tax planning in accordance with the commercial substance of our business activities. We undertake tax planning in full compliance with applicable laws and tax policy in relation to matters that arise in the ordinary course of our business. We seek to comply with both the letter and intent of the relevant laws. We pay tax where value is created in the normal course of our business.
- 7.** The tax consequences of material transactions are the subject of written analysis supported, where appropriate, by written external opinions and/or local government authority advance tax rulings. We value certainty and compliance in our tax affairs and seek to minimize the financial and reputational risk associated with our tax affairs.
- 8.** Material transfers of goods and services between Teck and its subsidiaries are effected at arm's length prices and on arm's length terms in accordance with the substance of the commercial transaction and in compliance with international transfer pricing standards such as the Organisation for Economic Co-operation and Development (OECD) guidelines. Contemporary documentation is prepared and made available to the tax authorities on request.
- 9.** We have a limited presence in off-shore financial centers. Our activities in any such jurisdictions are fully disclosed to all relevant tax authorities in accordance with applicable law, are conducted on arm's length terms in accordance with applicable transfer pricing rules, are related to the ordinary course and commercial substance of our business and are fully compliant with the tax laws and policy applicable in all relevant jurisdictions.
- 10.** Where there is a clear, unambiguous and material error in a filed tax return, we will disclose the error to the relevant tax authority if the error is discovered before the completion of the relevant tax audit cycle.
- 11.** We engage constructively in national and international dialogue with governments, business groups and civil society to support the development of effective tax systems, legislation and administration.
- 12.** This Tax Policy is reviewed annually by the Vice President, Tax and presented annually to the Audit Committee of Teck's Board. This Tax Policy is annually circulated to and reviewed by all members of the Tax Group at Teck. The Vice President, Tax, is responsible for ensuring compliance with this Tax Policy and reports regularly to the Chief Financial Officer and to the Audit Committee of Teck's Board.

Overall Economic Contribution

Payments and Contributions throughout the Value Chain and Mining Life Cycle

Teck works to generate value from the extraction, processing and sale of mineral, steelmaking coal and metal resources, as well as bitumen (Figure 1). This requires our operations to be economically viable across a range of commodity prices. We achieve this by focusing on maximizing the cost-efficiency of our operations and ensuring we receive full value for our products. This in turn helps to ensure the longer-term sustainability of our operations and their economic contribution to communities, including employment, procurement, capital investment, payments to governments including Indigenous governments, community investment and returns to shareholders. We focus on facilitating long-term economic opportunities through local hiring and procurement, coupled with strategic community investments, to encourage lasting mutual benefits for our stakeholders.

Figure 1: Creating Value throughout the Mining Life Cycle



Economic Contribution by Country

In 2020, we generated approximately \$8.9 billion in revenue and distributed \$10.8 billion in economic value as defined by the Global Reporting Initiative (GRI). Our [2020 Annual Report](#) includes more detailed information on our 2020 financial performance.

The table below summarizes economic value that Teck generated and distributed in 2020, segregated by the countries in which we operate.

Table 2: 2020 Economic Contribution by Country (CAD\$ millions)

	Economic Value Generated	Economic Value Distributed								
	Revenues ⁽¹⁾	Payments to Suppliers ⁽²⁾		Employee Wages and Benefits ⁽³⁾		Payments to Providers of Capital ⁽⁴⁾	Income and Resource Taxes ⁽⁵⁾	Community Investments ⁽⁶⁾	Total	Economic Value Retained
		Operating Costs	Capital Expenditures	Operating Costs	Capital Expenditures					
Canada	\$ 6,437	\$ 4,441	\$ 1,161	\$ 1,161	\$ 15	\$ 606	\$ 41	\$ 10	\$ 7,435	\$ (998)
USA	1,521	782	161	140	4	8	53	1	1,149	372
Chile	558	274	1,629	90	47	50	21	6	2,117	(1,559)
Peru	896	253	100	100	-	2	118	0.5	573	323
Other	-	16	12	4	-	1	-	1	34	(34)
Inter-segment elimination ⁽¹⁾	(464)	(464)	-	-	-	-	-	-	(464)	-
Total	\$ 8,948	\$ 5,302	\$ 3,063	\$ 1,495	\$ 66	\$ 667	\$ 233	\$ 19	\$ 10,846	\$ (1,896)

(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; our general and administration, exploration, and research and development expenses; and costs relating to production stripping. Operating costs exclude depreciation, employee wages and benefits, and change in inventory, which are specified separately. Capital expenditures are payments for purchases of property, plant and equipment, excluding the component relating to capitalized wages and benefits, which is specified separately. Deferred stripping is included in operating costs and not capital expenditure.

(3) Wages and benefits reflects total amounts paid to employees relating to wages and benefits, including payroll taxes.

(4) Payments to providers of capital include dividends paid to shareholders, interest paid to debtholders, and payments for share repurchases less issuance of shares.

(5) Income and resource taxes include amounts paid in the year.

(6) Community investments include voluntary donations paid during the year; does not include community investments in Antamina.

Canada

Canada is a global leader in responsible mining, and the Canadian mining industry is an important contributor to the national economy through employment and generation of local economic activity. The industry employs over 700,000 individuals in Canada, and offers high-quality, well-compensated jobs with an annual average compensation of \$126,000 per job, about twice the all-industry average of \$63,000.³

Teck is headquartered in Vancouver, British Columbia, and owns or has an interest in seven producing operations in Western Canada. This includes four steelmaking coal operations⁴ in British Columbia with significant high-quality reserves. Steelmaking coal is an essential ingredient in the primary production of steel. Also called metallurgical or coking coal, it is required for everything from clean energy infrastructure like wind or solar power to low-carbon transportation alternatives like rapid transit, buses and hybrid vehicles. Trail Operations, located in southern British Columbia, is one of the world's largest fully integrated zinc and lead smelting and refining complexes. Highland Valley Copper Operations is Teck's copper and molybdenum mine located in south-central British Columbia. In addition, Teck has a 21.3% interest in the Fort Hills oil sands operation in northeast Alberta.

Total tax and economic contribution to the Canadian economy in 2020:

\$7.4 billion

Number of employees:

8,296

³ Natural Resources Canada. [Minerals and the economy](#). 2020.

⁴ As of June 2020, Cardinal River Operations has transitioned to closure.

Case Study

Partnering to Test Germ-Killing Copper on Vancouver Public Transit

At Teck, we explore new and innovative ways to support the health and safety of our communities. We are partnering to test antimicrobial copper products on high-touch surfaces on public transit vehicles in Metro Vancouver, B.C. The project is the first of its kind on a transit system in North America and the latest in Teck's ongoing efforts to promote the use of antimicrobial copper surfaces in healthcare and public spaces through our [Copper & Health Program](#).

The pilot project is fully funded by Teck and is in partnership with TransLink, Vancouver Coastal Health, the VGH & UBC Hospital Foundation, the Coalition for Healthcare Acquired Infection Reduction (CHAIR) and the University of British Columbia.

Phase one of the pilot began in November 2020 and lasted five weeks. Three copper products were installed on frequently touched surfaces on two buses and in two SkyTrain cars. During the pilot, the copper surfaces were swabbed twice a week to test for the presence of bacteria and viruses. Beyond bacterial load, the study also assessed product durability and maintenance, along with customer trust and comfort.

Results from TransLink's industry-leading trial show that copper is effective at killing bacteria on high-touch transit surfaces. Based on testing performed on the transit samples and previous lab results, the trial concluded that select copper products on transit are durable and kill up to 99.9% of all bacteria within one hour of the bacteria's contact with the surface.

"These results reinforce the effectiveness of copper's antimicrobial properties in killing germs and contributing to better public health," said Don Lindsay, President and CEO, Teck. "Through our Copper & Health program, Teck has been working with healthcare professionals, academia and others to help make communities safer with copper. We look forward to continuing to work with TransLink and all the partners and working to expand the use of copper on public high-touch surfaces to protect human health."

"We are excited about the positive results in the first phase of our copper pilot, and we look forward to finding out more about copper's impact on viruses such as the ones that cause COVID-19 in the pilot's second phase. TransLink is proud to be the first North American agency to conduct such a trial to understand how we can continue to make transit safer for our customers. This research could help us, other transit agencies and anyone with surfaces in shared public spaces keep high-touch areas as clean as possible," said Gigi Chen-Kuo, TransLink Interim CEO.



Antimicrobial copper products were piloted on high-touch surfaces on Translink vehicles in Metro Vancouver, B.C., Canada.

To expand on phase one's results, a second phase will be launched in the coming months to verify the results with a larger sample of data.

The pilot's second phase will include:

- Testing copper products in more SkyTrain cars and on buses
- Testing over a longer amount of time to analyze varied conditions
- Focused tests on the products that were most effective in our transit environment
- Public engagement to measure copper's impact on customer confidence

TransLink was the first transit agency in North America to test copper on transit surfaces. The pilot was launched as part of TransLink's COVID-19 response through the [Safe Operating Action Plan](#) because of [preceding studies](#) showing that copper is both durable and effective at killing bacteria. Pilot results could help inform decision-making for TransLink and other transit agencies across the globe. The research could also benefit any industry that relies on shared public spaces.

Chile

With close to a 28% share of the world's production, Chile is the largest producer of copper in the world. Mining is at the centre of the Chilean economy, with large-scale mining representing 10% of the country's gross domestic product and over half of the country's total exports.⁵ The mining industry provides an estimated 8% of total employment, of which 31% is direct employment.⁶

Teck's Carmen de Andacollo and Quebrada Blanca operations produce copper—a commodity with increasing importance in meeting the world's growing demand for infrastructure, and one that also is a vital component in the world's transition to a low-carbon economy, including for power generation and transmission, construction, clean technology, and electronics. Quebrada Blanca Phase 2 (QB2), the expansion of Quebrada Blanca Operations, is Teck's major copper growth project currently under construction. Once complete, it will double Teck's annual copper production on a consolidated basis, with an initial mine life of 28 years and significant potential for further growth. It also supports local and Indigenous employment and procurement as part of our commitment to long-term, sustainable economic development in the regions near QB2. To date, the construction of QB2 has created over 22,000 direct contractor jobs, and during operations will employ around 2,000 operational and corporate support employees during its 28-year mine life. NuevaUnión, located in central Chile, is a 50/50 joint venture between Teck and Newmont Corporation. The project is one of the largest undeveloped copper-gold-molybdenum projects in the Americas.

Total tax and economic contribution to the Chilean economy in 2020:

\$2.1 billion

Number of employees:

1,416

⁵ International Trade Administration. [Chile—Country Commercial Guide—Mining](#). 2021.

⁶ Consejo Minero. [Updated Mining Figures](#). 2020.

Case Study

Supporting Female Entrepreneurs in Andacollo through a Microenterprise Development Fund

Supporting female-led businesses helps to strengthen communities, unlock talent, and improve security and diversity. However, the global entrepreneurship gap shows us that women are 4–6% less likely to start businesses, and that these businesses are less likely to survive.⁷

To support female entrepreneurs in Andacollo, Chile, Teck's nearby Carmen de Andacollo Operations created the Microenterprise Development Fund (Fondemi). The funding program provides emerging and pre-established entrepreneurs in Andacollo and the Alfalfares sector in La Serena with small grants to grow their business and thrive.

What sets this fund apart is that almost 80% of applications have been submitted by female entrepreneurs.

The program makes two financing streams available to applicants. The first is the Línea Fondo Inicia, or Beginners Fund, aimed at individuals wishing to strengthen or formalize their businesses, and offering a maximum financing of 1,000,000 Chilean pesos (CLP) or about CAD\$1,700. The second is the Línea Fondo Empresa, or Enterprise Fund, aimed at microentrepreneurs who have more established businesses; the maximum financing for these projects is CLP 2,000,000 or about CAD\$3,400.

Female entrepreneurs from a variety of backgrounds and stages of their business, but with a shared strong growth mindset, provided feedback about their experience.

Luz María Aguilera is a representative of the Agua de la Montaña Cooperative and one of the beneficiaries of the fund. The Cooperative produces purified drinking water for the local community and the grant they have received will allow them to purchase a shrinkable heat tunnel to improve their production.

"These contributions help us develop, achieve our goals and dreams, and continue to grow. It is very good that they support us, because with these resources we become more competitive, and help support each other in Andacollo," said Aguilera.

Nora Barahona has been working in her textile sewing and embroidery workshop in Andacollo for 10 years and the Fondemi contributions she has received will allow her to develop her business.



Fund recipient at her candy store.

"With these resources, I will be able to buy another machine for my business and continue my work making corporate clothing for institutions and schools. So, I am very happy and proud to be a beneficiary, because this will allow my company to grow," said Barahona.

Juana Álvarez runs a small business that bakes kneaded bread for distribution in her community and surrounding areas.

"I really want to continue doing this. Before the social crisis, in October 2019, I was baking 40 kilos of flour and I delivered my products door to door in La Cortadera, El Manzano, El Peñón and the school where my children study. These resources will help me purchase the tools needed to expand my products, such as a tray cart and a bread kneading machine, because in addition to the kneaded bread, I also want to incorporate other types of bread preparations, such as hallulla. We are strong women, and we are grateful that these funds are destined for those of us who have the desire and motivation to thrive," said Álvarez.

These recipients have shown determination to strengthen their skills and acquire the tools for success. Teck continues to support local employment and businesses as part of our commitment to long-term sustainability and economic development in the communities in which we operate.

Learn more about our approach to [Relationships with Communities](#) on our website.

⁷ Forbes. [Closing the Entrepreneurial Gender Gap Could Increase the Global Economy by \\$5 trillion](#). 2019.

United States

The United States is one of the largest global producers and consumers of metals and minerals. The metals and minerals sector supports over 1.3 million direct and indirect jobs and contributes over \$200 billion to the U.S. gross domestic product.⁸

Teck has one zinc operation⁹ in the United States: Red Dog Operations, which is one of the world's largest zinc mines, located about 170 kilometres north of the Arctic Circle in northwest Alaska. The primary uses of zinc are for galvanizing steel to protect against 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.

Total tax and economic contribution to the American economy in 2020:

\$1.1 billion

Number of employees:

643

⁸ National Mining Association. [Economic Contributions of Mining](#). 2021.

⁹ As of July 2020, Pend Oreille has transitioned to care and maintenance.

Case Study

Partnering with the Northwest Arctic Borough to Support Local Communities

In Alaska, a partnership between the Northwest Arctic Borough (NAB) government and Teck is supporting essential programs and services to improve the quality of life for all residents within the region.

The Northwest Arctic Borough (NAB), which comprises over 93,000 square kilometres along the Kotzebue Sound and the Wulik, Noatak, Kobuk, Selawik, Buckland and Kugruk rivers, is the second-largest borough in Alaska. The population of the community is primarily Iñupiat, and mining is a pillar of the local economy.

Red Dog Operations (RDO) is one of NAB's largest employers. RDO was developed under an innovative operating agreement between the landowner NANA Regional Corporation (NANA), an Alaska Native Corporation, and Teck. For more than 30 years, RDO and the people of the northwest Arctic region have worked together to create jobs and opportunities to strengthen the region.

The Village Improvement Fund

In 2017, NAB and Teck entered into a new Payment in Lieu of Taxes agreement, within which a new Village Improvement Fund was created. The Fund is dedicated to support critical projects, infrastructure and quality of life services within the 11 communities served by NAB.

An advisory body made up of representatives from each village ensures that people in the villages have meaningful input and participation into how the Fund is spent. NAB ensures that funds are fairly distributed, that potential Fund projects are evaluated based on eligibility criteria and that approved projects move toward completion.

Projects for funding are selected from a list of priorities determined by each community. Once priorities are determined, project applications relevant to those priority areas are submitted to the Village Improvement Commission. Each project is then evaluated based on 14 key criteria, including whether the project can be self-sustained in the long term.

"The Fund is administered by representatives from local communities with no influence from external parties. They ultimately determine where and how the money is spent, based on the communities' own priorities. This is what is unique about this Fund structure," said Wayne Hall, Manager, Community and Public Relations at Red Dog Operations.



"NANA is interested in responsible resource development and ensuring that our communities are seeing the economic benefits resulting from it," said Liz Cravalho, Vice President of Lands for NANA Regional Corp. "We are happy that the Fund is addressing critical regional needs in a collaborative manner and supporting overall community well-being."

As of February 2019, some approved projects include:¹⁰

- An energy efficiency project in Ambler
- A water treatment plant in Kiana
- An evacuation road in Kivalina
- A community solar power project in Kotzebue
- A boiler restoration and community trash cleanup in Noatak
- A landfill cleanup in Noorvik
- A water/sewer system rehabilitation in Selawik

For more information on projects, NAB provides a publicly available [annual report](#) detailing expenses related to the fund to maintain transparency and trust.

Learn more about our approach to [Relationships with Communities and Indigenous Peoples](#) on our website.

¹⁰ NAB. [Village Improvement Fund Annual Report](#). 2019.

Economic Contribution by Operation

Our operations in Canada, Chile, the United States and Peru generate significant economic contribution for their respective countries and local communities. Below is a summary of the major contributions—payments to suppliers, wages and benefits, income and resource taxes, and community investment—at each of our operations.

Table 3: 2020 Economic Contribution by Operation (CAD\$ millions) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾

Operation	Payments to Suppliers	Employee Wages and Benefits	Income and Resource Taxes	Community Investment	Total
Antamina	342	97	118	36 ⁽⁹⁾	593
Carmen de Andacollo	239	43	15	2.1	299
Highland Valley Copper	460	199	24	0.6	684
Quebrada Blanca	1,674	69	(1)	1	1,743
Red Dog	814	135	53	1	1,003
Steelmaking coal operations ⁽⁸⁾	3,069	600	13	1.4	3,683
Trail Operations	1,466	196	-	0.8	1,663

Local Hiring and Procurement

Taxes and royalties are only one part of mining's overall contribution to countries and communities. Wages paid to employees, as well as capital investment and operating expenditures, also contribute considerably to the local economy.

In 2020, we employed 10,452 people worldwide, in a wide range of activities related to mining and mineral processing, including exploration, development, smelting, refining, health and safety, environmental protection, social performance, product stewardship, recycling and research.

Local hiring and local procurement are a priority at Teck operations. Whenever possible, sites look for opportunities to utilize local suppliers, providing that they meet our standards and requirements. At a number of our sites, local suppliers also include those who self-identify as Indigenous Peoples. Commitments regarding

procurement and hiring practices may also be included in agreements between Teck and Indigenous communities. In 2020, 72% of our employees are "local", in that they are from areas near our operations or offices.

By sourcing local goods and services and hiring local people, we help build community support for our activities, enhance our local knowledge, increase capacity, mitigate risks and share the economic benefits of our industry with the communities in which we operate. For more information on our local hiring and procurement practices, please see the Providing Benefits section of [Our Approach to Relationships with Communities](#).

(1) Payments to suppliers and contractors for materials and services include operating costs and capital expenditures. Operating costs include operating expenses at our mining and processing operations and our general and administration, exploration, and research and development expenses and costs relating to production stripping. Operating costs excludes depreciation, employee wages and benefits, and change in inventory, which are specified separately. Capital expenditures are payments for purchases of property, plant and equipment, excluding the component relating to capitalized wages and benefits, which is specified separately. Deferred stripping is included in operating costs and not capital expenditure.

(2) Wages and benefits reflect total amounts paid to employees relating to wages and benefits, including payroll taxes.

(3) Income and resource taxes and employer payroll taxes include amounts paid in the year. Income and resource taxes also include local or municipal taxes paid.

(4) Community investments include voluntary donations paid during the year.

(5) See full table on Payments Made by Country and Level of Government for breakdown of municipal taxes paid.

(6) Does not include payments made to capital providers. See Table 2: 2020 Economic Contribution by Country for this information.

(7) Does not include economic contributions from Fort Hills or corporate offices.

(8) Steelmaking coal operations include Cardinal River, Coal Mountain, Elkview, Greenhills, Fording River and Line Creek operations. Coal Mountain is in care and maintenance and Cardinal River has transitioned to closure in June 2020.

(9) Data from Antamina includes donations, social responsibility expenses and other expenses related to Asociación Ancash, community relations and sustainable development.

Sharing Economic Benefits with Indigenous Communities

We report on payments to governments, including Indigenous governments, in all of our principal operating countries (Canada, USA, Chile and Peru), including taxes and other payment types, by country and on a project-by-project basis as part of this Economic Contribution Report and as required under the Canadian [Extractive Sector Transparency Measures Act \(ESTMA\)](#).

At Teck, developing strong and lasting relationships with Indigenous Peoples is a fundamental part of how we operate as a responsible resource company. This includes working with Indigenous communities to establish agreements that will help to shape, and ensure benefits from, resource development in their territories. Where we have agreements in place, the payments made to Indigenous groups under those agreements vary. The agreements are developed based on a formalized process for negotiation, where the details of specific agreements are typically confidential. For more information, please see [Our Approach to Relationships with Indigenous Peoples](#).



Employee at Red Dog Operations, U.S.A., 2016.

Community Investment

Community investment is a key pillar of our company's overall commitment to the communities where we live and work. We contribute to community organizations to help build strong relationships and create lasting mutual benefits. Through community investment, we support local development priorities.

Our community investment program is guided by best practices from the International Finance Corporation, the London Benchmarking Group and Imagine Canada. We aim to contribute at least 1% of our earnings before taxes on a five-year rolling average basis to community investment. With our target tied to earnings, our success as a company directly impacts our ability to invest in the communities where we operate. For more information, please visit [Community Investment](#) on our website.

In 2020, we established a \$20 million COVID-19 community support fund to help local organizations in areas where Teck operates. These include organizations that are directly involved in responding to COVID-19 (such as healthcare and social services) and organizations directly experiencing impacts resulting from COVID-19. Contributions include:

- Establishing an application-based community response program in Canada and the U.S. for non-profit organizations to apply for grants to support urgent COVID-19 responses, including dedicated funding for Indigenous Peoples
- Providing on-site personal protective equipment (PPE) to hospitals and emergency responders in Canada and the U.S., and investing in healthcare equipment and facilities in the Tarapacá and Coquimbo regions in Chile
- Contributing to national and international relief efforts through the Canadian Red Cross, UNICEF and the China Foundation for Poverty Alleviation
- Investing in research organizations focused on COVID-19 treatments, rapid testing and PPE effectiveness
- Making an additional \$1 million available through Teck's Copper & Health program to advance the use of copper products in infection control and prevention
- Collaborating with and assisting organizations historically supported by Teck in lieu of cancelled public events and fundraisers

Our community investment expenditures in 2020 were \$19.0 million, which includes \$10.75 million specifically dedicated to urgent programs related to COVID-19 as the first phase of Teck's \$20 million response program. For a detailed breakdown of community investments made from 2017 to 2020 by site, please see Table 24: Community Investment by Site on page 79 of our [2020 Sustainability Report](#).

Figure 2: Community Investment: What We Support (CAD\$ millions)

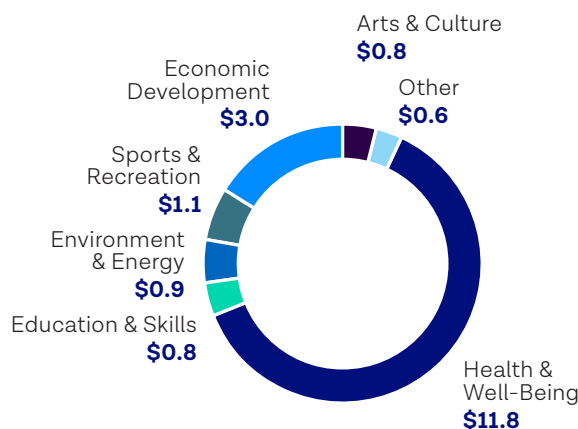


Figure 3: Community Investment: Where We Contribute (CAD\$ millions)

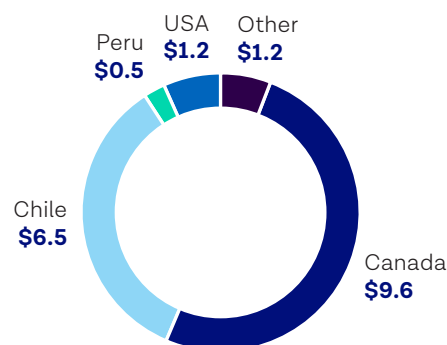
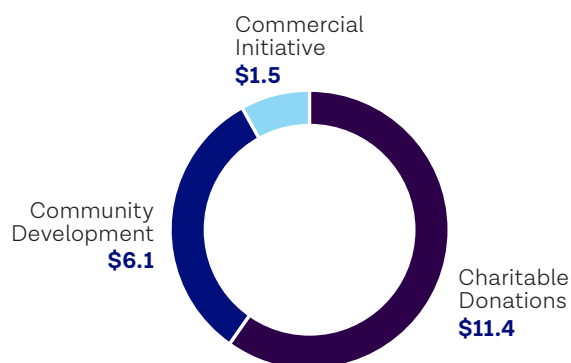


Figure 4: Community Investment: Why We Contribute (CAD\$ millions)



Basis of Report

We have prepared the 2020 Total Payments to Governments (Report) on pages 19–22 to provide a comprehensive view of the overall tax and economic contribution made by Teck.

Taxes, royalties and other payments to governments are presented in this Report on a cash basis for the year ended December 31, 2020. Taxes reported in this Report are different from the income tax expense amounts on our financial statements, which only include corporate income taxes and resource taxes, and are prepared on an accrual basis in accordance with International Financial Reporting Standards. The income tax provision in our financial statements represents an estimate of the income taxes payable for the applicable reporting period, including any resolutions of prior period provisions. See page 26 for the reconciliation of income tax expenses to income tax paid, as reported in our financial statements for the year ended December 31, 2020.

This Report includes all such payments paid by Teck Resources Limited and all of its subsidiaries. The data has been prepared on a 100% basis for all operations where we have a controlling interest, and on a basis proportionate to our ownership interest in jointly controlled entities. Our significant controlled operating subsidiaries include Teck Metals Limited, Teck Alaska Incorporated, Teck Highland Valley Copper Partnership, Teck Coal Partnership, Teck Washington Incorporated, Compañía Minera Teck Quebrada Blanca S.A. and Compañía Minera Teck Carmen de Andacollo. In certain cases, our economic interest in these entities is less than 100%.

All payments to governments in this Report have been presented in Canadian dollars. Payments denominated in currencies other than Canadian dollars are translated for this Report at the closing exchange rate on December 31, 2020, as permitted by the *Extractive Sector Transparency Measures Act* (ESTMA).

Payments to Governments: ESTMA

This Report is prepared taking into account the intent of ESTMA, the Global Reporting Initiative's Economic Standards and the International Council on Mining and Metals' Transparency of Mineral Revenues Position Statement, and is presented in accordance with Natural Resources Canada (NRCan) Technical Reporting Specifications.

Our ESTMA Report for the year ended December 31, 2020, is available on our [website](#).

For the year ended December 31, 2020, Teck has reported \$375.7 million in payments to governments under ESTMA. The following is a summary of judgments and definitions that we have made for the purpose of preparing the ESTMA Report.

Cash and In-Kind Payments

Payments are reported on a cash basis and have been reported in the period in which the payment was made. In-kind payments are converted to an equivalent cash value based on cost or, if cost is not determinable, the in-kind payment is reported at the fair market value. The valuation method for in-kind payments, if any, has been disclosed in the notes section of the ESTMA Report. For the year ended December 31, 2020, there were no reportable in-kind payments to a payee.

Payments to the "same payee" that meet or exceed CAD\$100,000 in one category of payment are disclosed. Payments are rounded to the nearest \$10,000.

Payee

For the purposes of ESTMA, a payee is:

- a) Any government in Canada or in a foreign state;
- b) A body that is established by two or more governments; or
- c) Any trust, board, commission, corporation or body or other authority that is established to exercise or perform, or that exercises or performs, a power, duty or function of a government for a government referred to in paragraph (a) above or a body referred to in paragraph (b) above.

Payees include governments at any level, including national, regional, state, provincial, local or municipal levels. Payees may include non-governmental entities if the benefit bestowed would have otherwise been provided by the government. Payees also include any government-owned or government-controlled entities that exercise or perform a power, duty or function of government.

Aboriginal and Indigenous groups/organizations may also be regarded as a payee under the Act. Payments to foreign and Canadian Aboriginal governments are reported.

Reportable Payments

A reportable payment for ESTMA purposes is one that:

- a) Is made in relation to the commercial development of oil, gas or minerals; and
- b) Totals, as a single payment or multiple payments, CAD\$100,000 or more in the year in one of the following prescribed seven payment categories.

Taxes

Taxes include corporate income taxes, resource taxes, property taxes, withholding taxes on cross-border dividends, and other levied taxes, excluding consumption and personal income taxes. Corporate income and resource taxes are payments to governments based on income, profits or production under legislated income tax rules in relation to the commercial development of oil, gas or minerals. In the Consolidated Statement of Income, prepared in accordance with International Financial Reporting Standards and included in our Annual Report, corporate income taxes and resource taxes are both presented as income tax. We report taxes net of credits or refunds where those amounts are adjusted for in determining the amount of taxes to be paid in cash. Refunds received separately in cash are excluded from reported payments.

Royalties

Royalties are paid to governments in relation to the rights to extract oil, gas and mining resources. In the Consolidated Statement of Income, prepared in accordance with International Financial Reporting Standards and included in our Annual Report, royalties are not presented as an income tax.

Fees

Fees are amounts levied on the initial or ongoing right to use a geographical area for commercial development of oil, gas and minerals. Fees include licence fees, permit fees, entry fees, regulatory charges and other payments for licences and/or concessions. Amounts paid for goods and services in the ordinary course of commercial transactions are excluded.

Production Entitlements

Production entitlements are a payee's share of oil, gas or mineral production under a production sharing agreement or similar contractual or legislated arrangement. For the year ended December 31, 2020, there were no reportable production entitlement payments to a payee.

Bonuses

Bonuses are payments to governments for signing, discovery, production and any other type of bonus paid in relation to commercial development of oil, gas or minerals. For the year ended December 31, 2020, there were no reportable bonus payments to a payee.

Dividends

Dividends are payments to governments with an ownership interest in Teck's subsidiaries, excluding payments to governments that are ordinary shareholders of Teck or its subsidiaries.

Infrastructure Improvement Payments

Infrastructure improvements are payments for the construction of infrastructure such as public roads, libraries and hospital facilities, excluding payments made in circumstances where the infrastructure is expected to be primarily used for mine operational purposes.

Payments by Project Level

Payments have been reported at the project level as required by ESTMA. A "project" means the operational activities are governed by a single contract, licence, lease, concession or similar legal agreement that forms the basis for a payment liability with a payee. If multiple such agreements are substantially interconnected, they would be considered a single project. "Substantially interconnected" means forming a set of operationally and geographically integrated contracts, licences, leases or concessions or related agreements with substantially similar terms that are signed with a government and give rise to payment liabilities.

We have determined that the operational activities governed by surface or mineral lease contracts related to key operational areas are substantially interconnected and have reported payments related to each such area as a single project. We have considered geographical location and common infrastructure as two key indicators for making this determination.

Payments presented on a by-project basis represent payments made by an entity when specifically attributable to a project. Payments that are not specifically attributable to projects are presented as Corporate or Head Office. There are instances where two or more projects report and make payments under one tax entity, and the tax payment may not be attributable to a specific project. As permitted under the NRCan Technical Reporting Specifications, when a payment is not attributable to a specific project, it may be reported without disaggregation by project.

Commercial Development

ESTMA defines commercial development of oil, gas or minerals as:

- a) The exploration or extraction of oil, gas or minerals;
- b) The acquisition or holding of a permit, licence, lease or any other authorization to carry out any of the activities referred to in paragraph (a); or
- c) Any other prescribed activities in relation to oil, gas or minerals.

Payments made to payees relating to the commercial development of oil, gas or minerals are disclosed in this Report. The ESTMA Report excludes payments that are not related to commercial development activities. Commercial development does not include ancillary and preparatory activities such as construction of an extraction site. Commercial development also excludes post-extraction activities such as marketing, distribution, transportation, refining, smelting or processing of minerals once they have left the mine gate.

Significant Judgments

The preparation of the ESTMA Report in accordance with the ESTMA legislation requires the use of judgments and assumptions.

Joint Control and Attribution

ESTMA requires the reporting of payments made by entities that are controlled by the Reporting Entity. This Report includes payments made by entities controlled by Teck, directly or indirectly as assessed under International Financial Reporting Standards. For payments made by joint arrangements, ESTMA and related guidance requires the reporting of payments to governments made directly by Teck or any such payments made on our behalf. Payments made by our joint arrangements are reported under ESTMA as follows:

- a) Fort Hills Energy Limited Partnership (Fort Hills): We own 21.3049% of Fort Hills as of December 31, 2020. As Suncor Energy Inc. is the operator, they are reporting 100% of the payments to governments related to Fort Hills.
- b) NuevaUnión, Galore Creek Partnership and Antamina: We are reporting our proportionate share of payments to governments relating to our 50% ownership of NuevaUnión, our 50% ownership of Galore Creek Partnership and our 22.5% ownership of Antamina.

Government Payee

Any payments to a payee that is not a payee under ESTMA are not reported. We have determined that Alaska Native Corporations (ANCs) created under the *Alaska Native Claims Settlement Act* are not considered a government payee based on the criteria in ESTMA. ANCs are for-profit

corporations with shareholders of shared Indigenous heritage. ANCs do not assume any regulatory, licensing or taxing roles that would grant them the power, duty or function of a government. ANCs are also not federal- or state-recognized tribes, per the United States Bureau of Indian Affairs. As such, payments made to ANCs, including NANA Regional Corporation, have been excluded from the ESTMA Report.

Corporate Social Responsibility (CSR) Payments

The ESTMA Report only includes CSR payments that we are obligated to make to a payee, or to another party under the direction of a payee, where the payee may control the nature, timing or extent of the payment, relating to the commercial development of oil, gas or minerals.

Payments to Governments: A Comprehensive View

ESTMA and the similar disclosure requirements imposed in other countries provide transparency into the extractive resources sector. To supplement the mandatory disclosure and to provide a clearer and more comprehensive view of our economic contribution, we have voluntarily disclosed information regarding payments to governments that is beyond the scope of ESTMA. The total payments reported voluntarily as well as under ESTMA include \$895.5 million of payments to governments and \$354.9 million of tax withholdings that Teck collected on behalf of its employees.

The significant categories of payments that we report voluntarily and that are not required under ESTMA are as follows:

Joint Arrangements

ESTMA only applies to entities that are controlled by Teck. For payments made by joint arrangements, ESTMA and related guidance requires the reporting of payments to governments made directly by Teck or any such payments made on our behalf. For our voluntary report, to be consistent with the presentation of these joint arrangements in our financial statements, we are reporting our proportionate share. For example, this includes our 21.3049% share of payments to governments for Fort Hills Limited Energy Partnership.

Commercial Development

ESTMA applies only to payments made in connection with commercial development of oil, gas and minerals, which includes permitting, exploration, extraction, remediation and reclamation of a project. However, it excludes post-extraction activities such as refining, smelting, marketing, distribution, transportation or export. In this voluntary report, we have included payments to government relating to post-extraction activities. For instance, this includes any payments in relation to our refinery in Trail, B.C., Canada, and payments in relation to transportation paid to the Alaska Industrial Development and Export Authority for our Red Dog Operations.

NANA Regional Corporation

Payments made by Teck to NANA Regional Corporation (NANA), which is an Alaska Native Corporation, are not reportable under ESTMA. However, we have included our payments to NANA in this Report, as we believe these payments are a significant socio-economic contribution to the NANA region.

Indirect Tax

These are payments made to governments in the nature of carbon tax, sales tax, value added tax, and non-refundable goods and services tax.

Employer Payroll Taxes

These are the employer's portion of payments to governments for employees in the nature of social security, healthcare premiums, unemployment insurance, pensions and workers' compensation.

Employee Payroll Taxes Collected

These are tax-related withholdings from wages and benefits paid to our employees that are then remitted to governments on behalf of our employees.



Greenhills Operations, Canada.

2020 Total Payments to Governments

Payments Made by Country and Level of Government

	Payments as Defined by ESTMA						Additional Payments					
(CAD\$ thousands)	Taxes	Royalties	Fees	Dividends	Infrastructure Improvement Payments	Total Payments as Defined by ESTMA	Taxes	Royalties	Fees	Other Payments	Total Payments to Governments ⁽¹⁾⁽²⁾	Employee Withholding (Collected)
Government of Canada	130	-	350	-	-	480	570	-	80	68,840	69,970	289,690
Government of British Columbia	29,180	-	6,220	-	-	35,400	1,240	-	4,300	105,950	146,890	-
Government of Alberta	9,180	-	1,210	-	-	10,390	40	5,020	450	1,250	17,150	-
Municipality of Wood Buffalo	-	-	-	-	-	-	11,750	-	-	-	11,750	-
City of Trail	-	-	-	-	-	-	11,120	-	-	290	11,410	-
District of Sparwood	6,400	-	200	-	360	6,960	-	-	-	30	6,990	-
District of Elkford	6,150	-	-	-	-	6,150	-	-	-	-	6,150	-
Ktunaxa Nation Council	-	1,810	2,900	-	-	4,710	-	-	-	100	4,810	-
Citxw Nlaka'pamux Assembly	-	-	3,050	-	-	3,050	-	-	-	60	3,110	-
District of Logan Lake	3,070	-	-	-	-	3,070	-	-	-	20	3,090	-
Mikisew Cree First Nation	-	-	2,860	-	-	2,860	-	-	-	20	2,880	-
Provincial Health Services Authority ⁽³⁾	-	-	-	-	-	-	-	-	-	2,660	2,660	-
Nlaka'pamux Nation Tribal Council	-	-	2,030	-	-	2,030	-	-	-	-	2,030	-
Lower Nicola Indian Band	-	-	1,770	-	-	1,770	-	-	-	-	1,770	-
Fort McKay First Nation	-	-	1,300	-	-	1,300	-	-	-	40	1,340	-
United Nations	-	-	-	-	-	-	-	-	-	510	510	-
University of British Columbia	-	-	-	-	-	-	-	-	-	500	500	-
UN Women	-	-	-	-	-	-	-	-	-	500	500	-
Yellowhead County	240	-	-	-	-	240	-	-	-	200	440	-
Athabasca Chipewyan First Nation	-	-	420	-	-	420	-	-	-	20	440	-
Ermineskin Cree Nation	-	130	200	-	-	330	-	-	-	-	330	-
Alexis Nakota Sioux Nation	-	-	310	-	-	310	-	-	-	10	320	-
Métis Nation of Alberta 1935	-	-	290	-	-	290	-	-	-	20	310	-
Government of Ontario	-	-	-	-	-	-	-	-	-	270	270	-
City of North Vancouver	-	-	-	-	-	-	270	-	-	-	270	-
Tahltan Nation	-	-	190	-	-	190	-	-	-	70	260	-
Stk'emlupsemc Te Secwepemc Nation	-	-	250	-	-	250	-	-	-	20	270	-
Kanaka Bar Indian Band	-	-	220	-	-	220	-	-	-	-	220	-
Fort McMurray First Nation	-	-	200	-	-	200	-	-	-	20	220	-
City of Kimberley	190	-	-	-	-	190	-	-	-	-	190	-
College of the Rockies	-	-	-	-	-	-	-	-	-	180	180	-
Shuswap Indian Band	-	-	140	-	-	140	-	-	-	30	170	-
Métis Nation of Alberta Region 1	-	-	150	-	-	150	-	-	-	20	170	-
O'Chiese First Nation	-	-	170	-	-	170	-	-	-	-	170	-
Lakeland Métis	-	-	150	-	-	150	-	-	-	10	160	-
Whitefish Lake First Nation	-	130	-	-	-	130	-	-	-	-	130	-
District of Tumbler Ridge	110	-	-	-	-	110	-	-	-	-	110	-
Canada Total	54,650	2,070	24,580	-	360	81,660	24,990	5,020	4,830	181,640	298,140	289,690
NANA Regional Corporation	-	-	-	-	-	-	-	194,350	10	20	194,380	-
State of Alaska	29,980	-	1,000	-	-	30,980	-	-	-	50,930	81,910	-
Government of United States	29,570	-	-	-	-	29,570	80	-	-	8,530	38,180	26,760
District of Northwest Arctic Borough	43,560	-	-	-	-	43,560	-	-	-	230	43,790	-
Native Village of Kivalina	-	-	1,050	-	-	1,050	-	-	-	260	1,310	-
State of Washington	-	-	-	-	-	-	-	-	-	780	780	20
State of Texas	660	-	-	-	-	660	-	-	-	-	660	-
City of Pend Oreille	380	-	-	-	-	380	-	-	-	-	380	-
State of Minnesota	-	-	130	-	-	130	-	-	-	10	140	40
State of Ohio	-	-	-	-	-	-	-	-	-	140	140	-
State of Oregon	-	-	-	-	-	-	-	-	100	10	110	-
United States Total	104,150	-	2,180	-	-	106,330	80	194,350	110	60,910	361,780	26,820

(1) Payments denominated in a foreign currency are translated using the closing spot rate on December 31, 2020. Exchange rates used for translation per \$1 Canadian dollar are as follows: PEN 0.3526; USD 1.2754; CLP 0.0018; TRY 0.1715, MXN 0.0641; AUD 0.9831; EUR 1.5596.

(2) Total 2020 net refunds from governments on income and resource taxes, indirect taxes, and infrastructure improvement payments were \$40 million. These refunds were not included in the table above.

(3) In-kind payments are valued at the cost of the donated goods.

Payments Made by Country and Level of Government (continued)

	Payments as Defined by ESTMA						Additional Payments					
(CAD\$ thousands)	Taxes	Royalties	Fees	Dividends	Infrastructure Improvement Payments	Total Payments as Defined by ESTMA	Taxes	Royalties	Fees	Other Payments	Total Payments to Governments ⁽¹⁾⁽²⁾	Employee Withholding (Collected)
Government of Peru	111,980	-	3,910	-	2,850	118,740	-	-	-	4,670	123,410	16,100
Region of Ancash	-	-	-	-	-	-	-	-	-	3,100	3,100	-
Provincial Municipality Of Huarmey	-	-	-	-	-	-	-	-	-	140	140	-
Peru Total	111,980	-	3,910	-	2,850	118,740	-	-	-	7,910	126,650	16,100
Government of Chile	40,260	-	4,400	8,480	-	53,140	-	-	-	34,660	87,800	20,400
Quechua Indigenous Community of Huatacondo	-	-	2,010	-	-	2,010	-	-	-	-	2,010	-
Iquique Health Service ⁽³⁾	-	-	-	-	-	-	-	-	-	1,310	1,310	-
Aymara Indigenous Association from Caleta Chanavaya	-	-	1,120	-	-	1,120	-	-	-	-	1,120	-
Wilamasi Indigenous Association of Mamaq'Uta Fishermen, Caleta Chanavaya	-	-	1,040	-	-	1,040	-	-	-	-	1,040	-
Municipality of Las Condes	1,030	-	-	-	-	1,030	-	-	-	-	1,030	-
Salar de Coposa Aymara Indigenous Association	-	-	790	-	-	790	-	-	-	-	790	-
Municipality of Andacollo	720	-	-	-	-	720	-	-	-	20	740	-
Municipality of Pica	350	-	360	-	-	710	-	-	-	-	710	-
Servicio Nacional de Aduanas	-	-	-	-	-	-	-	-	-	340	340	-
Human Groups belonging to Indigenous Peoples from Copaquire	-	-	220	-	-	220	-	-	-	-	220	-
Human Groups belonging to Indigenous Peoples from Tamentica	-	-	190	-	-	190	-	-	-	-	190	-
Suma Yapu Indigenous Association	-	-	170	-	-	170	-	-	-	-	170	-
Yatin UTA Matilla's Indigenous Association	-	-	140	-	-	140	-	-	-	-	140	-
Copaquire Livestock Indigenous Association	-	-	100	-	-	100	-	-	-	-	100	-
Chile Total	42,360	-	10,540	8,480	-	61,380	-	-	-	36,330	97,710	20,400
Government of Turkey	6,160	-	910	-	-	7,070	-	-	-	2,720	9,790	350
Turkey Total	6,160	-	910	-	-	7,070	-	-	-	2,720	9,790	350
Government of Ireland	-	-	-	-	-	-	-	-	-	560	560	400
Ireland Total	-	-	-	-	-	-	-	-	-	560	560	400
Northern Territory Government	-	-	290	-	-	290	-	-	-	-	290	-
Government of Australia	-	-	-	-	-	-	-	-	-	80	80	990
Government of Western Australia	-	-	-	-	-	-	-	-	-	130	130	-
Australia Total	-	-	290	-	-	290	-	-	-	210	500	990
Government of Mexico	-	-	250	-	-	250	-	-	-	70	320	140
Mexico Total	-	-	250	-	-	250	-	-	-	70	320	140
Grand Total	319,300	2,070	42,660	8,480	3,210	375,720	25,070	199,370	4,940	290,350	895,450	354,890

(1) Payments denominated in a foreign currency are translated using the closing spot rate on December 31, 2020. Exchange rates used for translation per \$1 Canadian dollar are as follows: PEN 0.3526; USD 1.2754; CLP 0.0018; TRY 0.1715, MXN 0.0641; AUD 0.9831; EUR 1.5596.

(2) Total 2020 net refunds from governments on income and resource taxes, indirect taxes, and infrastructure improvement payments were \$40 million. These refunds were not included in the table above.

(3) In-kind payments are valued at the cost of the donated goods.

Payments Made by Country and on a Project-by-Project Basis

	Payments as Defined by ESTMA						Additional Payments					
(CAD\$ thousands)	Taxes	Royalties	Fees	Dividends	Infrastructure Improvement Payments	Total Payments as Defined by ESTMA	Taxes	Royalties	Fees	Other Payments	Total Payments to Governments ⁽¹⁾	Employee Withholding (Collected)
Corporate Office - Coal	12,940	1,810	4,360	-	360	19,470	-	-	-	74,093	93,563	53,890
Highland Valley Copper	28,100	-	8,270	-	-	36,370	-	-	-	20,880	57,250	46,530
Trail	-	-	-	-	-	-	12,360	-	4,380	25,880	42,620	44,700
Head Office - Canada	280	-	260	-	-	540	605	-	-	23,680	24,825	50,580
Fording River	810	-	1,830	-	-	2,640	-	-	-	13,090	15,730	31,890
Elkview	880	-	820	-	-	1,700	-	-	-	8,940	10,640	22,450
Greenhills	2,050	-	590	-	-	2,640	-	-	-	5,238	7,878	15,610
Line Creek	40	-	580	-	-	620	-	-	-	5,500	6,120	16,550
Cardinal River	9,260	260	1,810	-	-	11,330	-	-	-	2,558	13,888	6,400
Fort Hills	-	-	-	-	-	-	11,700	5,020	450	-	17,170	-
Frontier	165	-	5,440	-	-	5,605	60	-	-	140	5,805	-
Neptune Bulk Terminals	-	-	-	-	-	-	270	-	-	1,440	1,710	890
Coal Mountain	-	-	330	-	-	330	-	-	-	100	430	200
Galore Creek	20	-	200	-	-	220	-	-	-	80	300	-
Quintette	85	-	20	-	-	105	-	-	-	-	105	-
Bullmoose	30	-	80	-	-	110	-	-	-	-	110	-
Duck Pond	-	-	-	-	-	-	-	-	-	-	-	-
Canada Total	54,660	2,070	24,590	-	360	81,680	24,995	5,020	4,830	181,619	298,144	289,690
Red Dog	72,350	-	1,869	-	-	74,219	-	194,350	10	58,400	326,979	23,590
Corporate Office - US	31,420	-	135	-	-	31,555	75	-	-	1,930	33,560	2,010
Pend Oreille	380	-	-	-	-	380	-	-	100	580	1,060	1,180
Mesaba	-	-	130	-	-	130	-	-	-	10	140	40
US Exploration Properties	-	-	50	-	-	50	-	-	-	-	50	-
United States Total	104,150	-	2,184	-	-	106,334	75	194,350	110	60,920	361,789	26,820
Antamina	111,710	-	3,200	-	2,850	117,760	-	-	-	7,741	125,501	14,130
Zafranal	280	-	170	-	-	450	-	-	-	170	620	1,450
Peru Exploration Properties	-	-	506	-	-	506	-	-	-	-	506	360
Corporate Office - Peru	-	-	30	-	-	30	-	-	-	-	30	160
Peru Total	111,990	-	3,906	-	2,850	118,746	-	-	-	7,911	126,657	16,100
Quebrada Blanca	5,920	-	9,160	-	-	15,080	-	-	-	24,670	39,750	3,000
Carmen de Andacollo	24,160	-	830	8,480	-	33,470	-	-	-	360	33,830	4,510
Corporate Office - Chile	12,190	-	-	-	-	12,190	-	-	-	11,310	23,500	11,930
NuevaUnión	70	-	540	-	-	610	-	-	-	-	610	960
Chile Total	42,340	-	10,530	8,480	-	61,350	-	-	-	36,340	97,690	20,400
Corporate Office - Turkey	6,160	-	390	-	-	6,550	-	-	-	2,720	9,270	350
Turkey Exploration Properties	-	-	320	-	-	320	-	-	-	-	320	-
Halilaga	-	-	70	-	-	70	-	-	-	-	70	-
TV Tower	-	-	60	-	-	60	-	-	-	-	60	-
Belen	-	-	40	-	-	40	-	-	-	-	40	-
Kizildam	-	-	30	-	-	30	-	-	-	-	30	-
Turkey Total	6,160	-	910	-	-	7,070	-	-	-	2,720	9,790	350
Corporate Office - Ireland	-	-	-	-	-	-	-	-	-	560	560	400
Ireland Exploration Properties	-	-	-	-	-	-	-	-	-	-	-	-
Ireland Yotal	-	-	-	-	-	-	-	-	-	560	560	400
Australia Exploration Properties	-	-	290	-	-	290	-	-	-	-	290	-
Corporate Office - Australia	-	-	-	-	-	-	-	-	-	210	210	990
Lennard Shelf	-	-	-	-	-	-	-	-	-	-	-	-
Australia Total	-	-	290	-	-	290	-	-	-	210	500	990
Corporate Office - Mexico	-	-	-	-	-	-	-	-	-	70	70	140
San Nicolas	-	-	190	-	-	190	-	-	-	-	190	-
La Verde	-	-	60	-	-	60	-	-	-	-	60	-
Mexico Total	-	-	250	-	-	250	-	-	-	70	320	140
Grand Total	319,300	2,070	42,660	8,480	3,210	375,720	25,070	199,370	4,940	290,350	895,450	354,890

(1) Payments denominated in a foreign currency are translated using the closing spot rate on December 31, 2020. Exchange rates used for translation per \$1 Canadian dollar are as follows: PEN 0.3526; USD 1.2754; CLP 0.0018; TRY 0.1715, MXN 0.0641; AUD 0.9831; EUR 1.5596.

Income and Resource Taxes Paid

Table 4: Reconciliation of Total Recovery for Income Taxes to Income Taxes Paid in 2020

(CAD\$ millions)	2020	Tax Rate (%)
Loss before taxes	\$ (1,136)	
Tax recovery at the Canadian statutory income tax rate of 26.58%	(302)	(27%)
Tax effect of:		
Resource taxes	106	
Resource and depletion allowances	(68)	
Withholding taxes on foreign earnings	40	
Non-temporary differences	28	
Other	4	
Total recovery of income taxes	\$ (192)	17%
Temporary differences:		
Net operating loss carryforwards	465	
Property, plant and equipment	(316)	
Decommissioning and restoration provisions	362	
Other	55	
Total current income tax expense	374	33%
Net taxes paid relating to prior years	(53)	
Net taxes payable in subsequent years	(88)	
Total current income taxes paid	\$233	21%

Overall Effective Tax Rate

Our overall effective tax rate in 2020 was a 17% recovery on a consolidated loss of \$1,136 million. While this is less tax recovery than would arise from the Canadian statutory corporate income tax rate of 27%, the actual rate depends on the effective tax rate of each jurisdiction in which we operate and the proportion of our profits or losses from those operations, including the impact of any asset impairments. This rate reflects the two main types of income taxes we pay: corporate income taxes and resource taxes on mining profits. Head office corporate, non-operating, and finance expenses are generally only deductible for corporate income tax purposes at the statutory tax rate. We also note that some of our expenses, for example, stock-based compensation costs and capital losses, are not wholly deductible for tax purposes in Canada or elsewhere. These limitations can cause our overall effective tax rate to be skewed much higher during periods of lower operating margins.

In 2020, despite an overall loss for Teck Resources Limited on a consolidated basis, we continued to incur resource taxes and, in profitable jurisdictions, corporate income taxes.

Income Tax Expense vs. Income Taxes Paid

Our overall income tax expense recorded in our financial statements will differ from current taxes payable due to the timing of the recognition of certain income and expense items by each jurisdiction in which we operate. The timing of income and deductions is set for tax purposes by taxation authorities, while recognition for financial statement purposes is based on International Financial Reporting Standards, as required by securities regulators. This results in differences in the timing of when income is recognized and when the related taxes become payable, but not in the ultimate amount of taxes paid. Taxes paid may also be different because legislated payment schedules base initial tax instalments on projected or historical profits, rather than on the actual taxes due for any year, with final payments occurring in the following year, or years in the case of refunds. We are subject to assessments by various taxation authorities, who may interpret tax legislation differently than we do. The final amount of taxes to be paid depends on a number of factors, including the outcomes of audits, appeals or negotiated settlements. The resolution of any assessments resulting in payments or refunds may occur after the year in which the items to which they relate occur.

Independent Auditor's Report

To the Board of Directors of Teck Resources Limited

Our opinion

In our opinion, the accompanying selected subject matter contained in the 2020 Economic Contribution Report (the "Report") of Teck Resources Limited and its subsidiaries (together, the "Entity") for the year ended December 31, 2020 is prepared, in all material respects, in accordance with the basis of accounting described in the "Payments to Governments: ESTMA" section of the basis of report on pages 19 to 21.

What we have audited

The Entity's selected subject matter comprises the total payments as defined by the Extractive Sector Transparency Measures Act (the "ESTMA") as included in the tables "Payments made by Country and Level of Government—Payments as Defined by ESTMA" on pages 23 to 24 of the Report and "Payments made by Country and on a Project-by-Project Basis—Payments as Defined by ESTMA" on page 25 of the Report (the "selected subject matter").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the selected subject matter* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the selected subject matter in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter—basis of accounting and restriction on use

We draw attention to the "Payments to Governments: ESTMA" section of the basis of report on pages 19 to 21, which describes the basis of accounting. The selected subject matter is prepared to assist the Entity in complying with the reporting requirements of the ESTMA. As a result, the selected subject matter may not be suitable for another purpose. Our report is intended solely for the Entity.

We neither assume nor accept any responsibility or liability to any third party in respect of this report.

Our opinion is not modified in respect of this matter.

Other matter

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information contained in the Report, except for the selected subject matter. Accordingly, we do not express an opinion on information contained in the other pages of the Report.

Responsibilities of management and those charged with governance for the selected subject matter

Management is responsible for the preparation of the selected subject matter in accordance with the basis of accounting described in the "Payments to Governments: ESTMA" section of the basis of report on pages 19 to 21, and for such internal control as management determines is necessary to enable the preparation of selected subject matter that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the selected subject matter

Our objectives are to obtain reasonable assurance about whether the selected subject matter as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this selected subject matter.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the selected subject matter, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the selected subject matter. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Lana Kirk.


/s/PricewaterhouseCoopers LLP


Chartered Professional Accountants
Vancouver, British Columbia
May 26, 2021


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. Forward-looking statements in this report include, but are not limited to, statements relating to our targeted contribution levels, our focus on maximizing cost-efficiency of our operations, policy goals (including but not limited to our goals and expectations relating to creating value throughout the mining life cycle), operational and sustainability goals and plans, and our expectations regarding those goals and plans, our statements about our projects and their anticipated life and impacts, and our statements around expectations of our economic contribution to stakeholders. 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 the following: changes in Teck’s policies, regulatory action, changes in laws and governmental regulations, 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.

Corporate Directory

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[2020 Annual Report](#)



[2020 Sustainability Report](#)

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