

Our Approach to Business Ethics

Which Teck sites does this document apply to?

This document summarizes Teck's management approach to Business Ethics. This document applies to all Teck sites and projects. This does not include operations in which Teck has/had an ownership interest but is not the principal operator.

Business Ethics performance information: See our **Annual Sustainability Report**, available for download on our website.



Carmen de Andacollo Operations, Chile, 2017.

Governance and Accountability

Background

Demonstrating ethical behaviour and compliance with applicable laws and regulations is core to our company and essential to continued operations. We recognize that transparency in our business practices is critical for earning trust and maintaining our social licence to operate. Teck operates primarily in Canada, United States, Peru and Chile, which are characterized as relatively stable political and economic environments with robust legal systems. As part of our approach to ethical business practices, we focus on being a collaborative, solutions-based partner with governments in the jurisdictions where we work. We regularly engage with governments on public policy initiatives primarily focused on maintaining and enhancing the competitiveness of our industry and its social, environmental and economic sustainability.

Accountability and Resourcing

Having robust corporate governance is a priority for the Board of Directors and the senior management team. Sound governance puts structures and systems in place to ensure that the company is well managed and to protect the interests of the company, our investors and other stakeholders. The Corporate Governance and Nominating Committee, supported by the Senior Vice President, Commercial and Legal Affairs, regularly reviews and updates our governance practices according to best practices for Canadian companies. The Audit, Corporate Governance and Nominating, and Compensation and Talent Committees of the Board are composed entirely of independent directors.

The following senior leaders at the corporate level are involved in implementing the management of business ethics:

- The Senior Vice President, Commercial and Legal Affairs ensures proactive, timely and effective overview of our company's legal and anti-corruption practices
- The Senior Vice President, Sustainability & External Affairs oversees all of Teck's public policy initiatives and government engagement
- The Vice President, Tax reports regularly to the Senior Vice President and Chief Financial Officer and to the Audit Committee of Teck's Board of Directors on Teck's Tax Policy

Every employee, officer and director of Teck is also responsible for adhering to our Code of Ethics.

Policies and Standards

Teck's [Code of Ethics](#), [Code of Sustainable Conduct](#) and internal [Political Contributions Policy](#) set out our intentions and commitments for conducting our business in an ethical manner. Our [Anti-Bribery and Corruption Compliance Policy](#) and Interpretation Guide supplements the Code of Ethics and reinforces Teck's commitment to prevent and combat corruption in all its forms, including extortion, bribery and anti-competitive behaviour. Our Board of Directors is responsible for the oversight of our Code of Ethics.

Memberships, Partnerships and External Commitments

Teck works with numerous local, national and international organizations and programs to support ethical business conduct:

- **International Council on Mining and Metals (ICMM):** A global industry association that represents leading international mining and metals companies who are required to implement the ICMM 10 Principles, including Principle 1 on ethical business and sound governance (Performance Expectations 1.1-1.5)
- **Mining Association of Canada (MAC):** Promotes the development of Canada's mining and mineral processing industry; through MAC, and requires sound governance through the Towards Sustainable Mining protocols
- **Extractive Industries Transparency Initiative (EITI):** Aims to strengthen governance by improving transparency and accountability in the extractives sector. The only EITI-implementing country where we currently have operations is Peru, and payments from the Antamina mine in that country to government are publicly disclosed in accordance with EITI standards. We engage in EITI through our ICMM partnership.
- **Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises:** Includes voluntary principles and standards for responsible business conduct that address a variety of issues, including employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition and taxation
- **World Economic Forum:** WEF is an international institution committed to improving the state of the world through public-private cooperation; WEF engages political, business, academic and other leaders of society in collaborative efforts to shape global, regional and industry agendas in line with sustainability objectives
- **United Nations Global Compact (UNGC):** Provides a framework for businesses committed to aligning their operations and strategies with 10 principles spanning human rights, labour, the environment and anti-corruption
- **The Copper Mark:** An assurance framework developed by the International Copper Association in 2019 to promote industry-wide responsible copper production practices and to demonstrate the industry's commitment to green transition

Approach to Managing Business Ethics

We conduct our business activities in an honest and ethical manner. We expect our employees and contractors to deal with everyone in a fair and open manner and to conform to the spirit and intent, as well as the technical requirements, of all contracts and agreements that we enter into, and with all laws, regulations and rules that govern us.

Doing What's Right Program

Doing What's Right is our program designed to maintain an ethical and safe workplace and to ensure that our moral and ethical principles within our Code of Ethics are upheld. It also specifies the basic norms and behaviours for those conducting business on our behalf. Our *Doing What's Right* program is supported by additional ethics-related policies and procedures, including:

- Competition and Anti-Trust Law Compliance Policy
- Anti-Bribery and Corruption Compliance Policy and Interpretation Guide.
- Human Rights Policy
- Employee Trading Policy
- Indigenous Peoples Policy
- Employee Concerns Disclosure Program
- Corporate Disclosure Policy

All non-union, non-hourly employees are required to certify compliance with our Code of Ethics annually, and to report any potential infractions. Every two years, these employees undertake a web-based compliance and ethics training program to refresh and enhance awareness of the Code of Ethics, including issues such as insider trading, conflicts of interest, and harassment.

Our employees are given an opportunity 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 and portal are available 24 hours a day, seven days a week, in the languages of all jurisdictions in which we have employees. They provide a confidential and secure means for our employees to anonymously report concerns about conduct that may be contrary to our values and standards.

Teck maintains a database of the complaints that are delivered through the whistle-blower hotline or that are raised to the attention of the Senior Vice President, Legal and Commercial Affairs in another manner. The outcome of each report is tracked within the database. The Audit Committee of Teck's Board of Directors receives reports on the resolution of complaints raised through the whistle-blower hotline and reviews the way in which those complaints are investigated and resolved. The committee requires follow-up when questions arise regarding how complaints are resolved or what measures are taken in response to confirmed violations of the Code of Ethics.

We do not tolerate any form of retaliation against employees raising concerns. All allegations of harassment or intimidation by others as a result of contacting the hotline/web portal are investigated, and if required, appropriate disciplinary actions are taken, which can include dismissal.



Employee at our Highland Valley Copper Operations. 2021.

Anti-Corruption

Our anti-corruption compliance program focuses on higher risk activities, including:

- Working in countries with a high corruption risk
- Sales to state-owned enterprises
- Engaging third parties to interact with Public Officials on behalf of Teck
- The extension of hospitality to Public Officials (including representatives of indigenous communities)

The program provides specific guidance and training to mitigate the risks of such activities, including in respect of:

- Screening and monitoring of high-risk service providers
- Obtaining pre-clearance for the provision of gifts or hospitality to Public Officials in most circumstances
- Assessing proposed community investments and donations for any appearance of impropriety

Our internal audit of the anti-corruption program at specific sites provides a periodic assessment of the implementation and effectiveness of the program at such sites and feedback for continuous improvement.

Charitable Donations and Indigenous Peoples Funding Guidelines

All charitable donations, sponsorships and community investments must comply with Teck's Anti-Bribery and Corruption Compliance Policy and Interpretation Guide and follow Teck's charitable donations and community investment guidelines, which prohibit donations that would improperly benefit a public official or other individuals. Our Indigenous Participation Funding Guidelines provide guidance on payments made to Indigenous Peoples for participating in Teck-related activities, such as regulatory assessment and approval processes. It is not illegal for a company to provide these types of payments to Indigenous Peoples so long as (1) the provision of the

payments is not made corruptly to assist the company in obtaining or retaining business, and (2) the provision of the payments is not prohibited by the applicable country or local laws.

Anti-Corruption Training

We provide anti-corruption training to employees who may be exposed to corruption risks due to the nature and location of their work. For example, employees who work with public officials or who could potentially have contact with public officials are required to complete an anti-corruption training program. Employee anti-corruption training is conducted at least every two years. Third-party service providers, agents and consultants who represent Teck to public officials are asked to complete our Third-Party Anti-Corruption questionnaire and, if it is deemed necessary, also complete the Teck anti-corruption training program.

Conflicts of Interest

Our Code of Ethics contains provisions regarding conflicts of interest for employees. As a Canadian company, we are subject to the *Canada Business Corporations Act*. As such, directors of the Board are required to disclose any material interest in a transaction or opportunity that the company is considering. To ensure the exercise of independent judgment, directors who have disclosed such an interest are prohibited from participating in the Board discussion or voting on the transaction.

Anti-Competitive Practices

Our Code of Ethics outlines our approach to fair business dealings and anti-competitive practices. Teck promotes fair competition and requires its employees to avoid all actions that could be construed as being anti-competitive. Employees must refrain from disparaging competitors or their products, and should not improperly seek competitors'

trade secrets or other confidential information nor take improper or unlawful advantage of others in its business dealings. Teck's Internal Audit department reports to the Audit Committee on a quarterly basis on any cases of fraud identified.

Public Policy

Teck focuses on being collaborative and transparent, with a solutions-based approach in our engagements with public officials. We take a systematic approach to monitoring and identifying political, legislative and regulatory developments to address public policy opportunities and risks in areas pertaining to our business.

As outlined in our internal Political Contributions Policy, Teck does not make use of corporate resources, including funds, goods, property or services, for the purpose of contributing to a political party or any individual candidate seeking election for any public office.

Teck's Government and Regulatory Affairs professionals engage with public officials directly through written advocacy letters and submissions, roundtable and bilateral meetings, and by other means. In some jurisdictions, Teck also seeks and retains support from knowledgeable experts to augment corporate and local in-house professionals. We also engage with public officials directly and indirectly through various business and industry associations. We report on our advocacy efforts in an open and transparent manner, conforming to all lobbying laws and requirements, including publicly reporting on our activities via applicable lobbyist registries in jurisdictions where we undertake such advocacy efforts. We regularly update compliance requirements for all corporate and site-based employees who interact with public officials.

How We Evaluate Effectiveness

Teck regularly evaluates the effectiveness of our public policy engagement by identifying where our advocacy has resulted in outcomes that support our objectives, and those of the broader mining industry. For example, successful outcomes include, but are not limited to, results that:

- Support our sustainability objectives, including improved environmental, social and economic performance/ outcomes, and improved outcomes for Indigenous Peoples and the communities where we operate
- Support identified cost-competitiveness challenges in jurisdictions where Teck operates
- Streamline processes and reduce the administrative burden to lower transaction costs while maintaining or enhancing environmental, social and economic performance

Payment Transparency

Each year, Teck reports on payments to governments in our principal operating countries, including taxes and other payment types, by country and on a project-by-project basis, as required under the Canadian *Extractive*

Sector Transparency Measures Act (ESTMA). Our Economic Contribution Report is our annual independent report of payments to governments and other economic contributions. It complements and enhances our report under ESTMA. To learn more, see the [Economic Performance and Contributions](#) page on our website.

Our Tax Policy commits us to be compliant, transparent, cooperative and ethical in all tax matters. We undertake tax planning in full compliance with applicable laws and tax policy in relation to matters that arise in the ordinary course of Teck's business. We do not engage in tax planning that relies on the nondisclosure of activity or ownership in tax havens or secrecy jurisdictions. We seek to build open and trusting relationships with the tax authorities in all jurisdictions in which we operate. 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. See our [Tax Policy](#) for more details.

Our Targets and Commitments

We are committed to upholding high moral and ethical principles as affirmed in our Code of Ethics. While Teck's business practices must be fully compliant with the legal and ethical standards of the communities in which we operate, we believe that honesty is the essential standard of integrity in any locale. Although local customs may vary, Teck's activities are universally based on honesty, integrity and respect.

Business Ethics-Related Internal Audits

All operations and business activities are assessed for risks related to corruption, and internal audits are conducted on a periodic basis to assess compliance with the Anti-Bribery and Corruption Compliance Policy. Annually, our Internal Audit department evaluates the effectiveness of our system of internal control over financial reporting (ICFR). This includes a consideration of the company's vulnerability to fraud as well as an evaluation of the design and operating effectiveness of those internal controls intended to prevent and/or detect fraudulent activities at a significant level.

We use an online system operated by a third party to screen consultants, agents or intermediaries who may have contact with a public official on behalf of Teck, for prior reports of corrupt activity, and to ensure that these parties are aware of and agree to abide by Teck's policies. This enables Teck to conclude with reasonable assurance that the service providers understand and will fully abide by applicable anti-corruption laws and Teck policies.

We report on our performance in public policy, business ethics, payment transparency, and anti-corruption practices on an annual basis in our [Sustainability Report](#).

Assurance related to Business Ethics

At Teck, we conduct four types of assurance. This includes audits of operations and business units; corporate annual HSEC assurance and mid-year effective checks conducted by Teck’s HSEC Assurance team; corporate annual internal audits conducted by Teck’s Assurance and

Advisory team; and external assurance by independent auditors for relevant regulatory and voluntary membership requirements. Following each of these types of assurance, applicable management teams use the results to inform future actions and Teck’s five-year planning process.

Assurance Related to Business Ethics

| Type | Organization | Items Reviewed |
|----------|--|--|
| External | International Council on Mining and Metals | <ul style="list-style-type: none"> • Principle 1: Ethical Business • Performance Expectations 1.1-1.5 |
| External | Mining Association of Canada: Towards Sustainable Mining | TSM Responsible Sourcing Alignment Supplements: <ul style="list-style-type: none"> • Criteria 1—Legal Compliance • Criteria 2—Code of Conduct • Criteria 3—Combatting Bribery & Corruption • Criteria 4—Political Contributions • Criteria 5—Transparency of Taxes, Ownership and Transfer Pricing • Criteria 6—Accountabilities and Reporting |
| External | The Copper Mark | <ul style="list-style-type: none"> • Issue area 1—Legal Compliance • Issue area 2—Business Integrity • Issue area 32—Transparency and Disclosure |