



2007 Sustainability Summary Elk Valley Coal Operations

Teck

Letter from the President and CEO

In 2007 Elk Valley Coal embarked on a process to ensure sustainability is a core value affecting everything we do. Our goal is for our grandchildren to be proud of us fifty years from now, because of the manner in which we do things today. The activities of our Operations are already industry-leading. In February, we were honoured to receive the 2007 Mining and Sustainability Award from the Mining Association of British Columbia and the Citation for Excellence in Coal Mine Reclamation from the Ministry of Energy Mines and Petroleum Resources for the commitment to sustainability principles demonstrated by our Fording River Operations. Our challenge is to ensure our six mine Operations consistently perform to a uniform standard of excellence, and that we are recognized as a visionary corporate citizen for how we conduct our business.

Our Vice President of Human Resources and Legal Affairs took on the challenge of ensuring the activities of all six of our Operations align with our core value of sustainability. Throughout the year several steps were taken, including commissioning a consultant to do a full-scale review and evaluation of all Corporate Social Responsibility related activities, resourcing our community relations function to be able to effectively focus on stakeholder engagement and community relations, and collecting data compliant with Global Reporting Initiative (GRI) guidelines. For the purpose of this 2007 sustainability summary, Elk Valley Coal's combined operations data is rolled-up as one number with examples drawn from our six minesites to underscore our challenges and activities.

Sustainability includes being transparent about our corporate goals and challenges. Preventing injuries and maintaining a healthy workplace is front and centre. Attraction and retention of quality people for all facets of our business is a key challenge. Being more proactive in our relationships with our many stakeholders through community engagement programs is of increasing importance. Public support through a continued social license to operate and a license to grow is vital to our planned extensions of the Elkview, Line Creek, Fording River and Coal Mountain Operations.

To define our commitment to sustainability as a core business value, we developed Vision and Mission statements. Our Vision is that "Elk Valley Coal will be a leader in the steelmaking coal industry; trusted and valued by our customers, our investors, our employees and our communities." To meet that vision, our Mission is "... to deliver a standard of product and service excellence that is highly valued by our customers. We will shape our destiny by harnessing knowledge and innovation, operational excellence and visionary corporate citizenship. Leadership and integrity will provide safety, opportunity and reward for all Elk Valley Coal stakeholders."

We look forward to participating in Teck's future sustainability reports to highlight our continued success in achieving our goals in this area.

Sincerely,

Boyd Payne
President and CEO

Overview

Elk Valley Coal Corporation is the world's second largest producer of steelmaking coal, supplying about one sixth of the global seaborne steelmaking coal market. The company is owned by Teck and Fording Canadian Coal Trust. Teck is the managing partner and holds a 40% partnership interest and an additional 19.95% indirect interest through its investment in Fording Canadian Coal Trust.

Elk Valley Coal has six open-pit mining Operations. The Coal Mountain, Elkview, Fording River, Greenhills and Line Creek Operations are located in the Elk Valley region of southeast British Columbia. The Cardinal River Operation is located in west-central Alberta. Elk Valley Coal also owns numerous coal resources in British Columbia as well as a 46% interest in Neptune Bulk Terminals, a coal loading facility located in North Vancouver, British Columbia.

Goals and Objectives

Elk Valley Coal's primary goals with regard to sustainability are to:

- Prevent injuries and maintain healthy workplaces
- Attract, train and retain quality people
- Achieve continuous improvement in environmental stewardship through energy conservation and by reducing regulatory excursions, fuel consumption, spills, and waste entering landfills
- Actively track, report and search for innovative ways to reduce Greenhouse Gas Emissions
- Obtain ISO:14001 environmental management standards for all sites
- Pursue community engagement initiatives to proactively respond to stakeholders
- Produce a Global Reporting Initiative (GRI) compliant sustainability report in 2009
- Self-report under the Mining Association of Canada's (MAC) Toward Sustainable Mining initiative beginning in 2008
- Progressive reclamation to previously existing land uses
- Ongoing environmental assessments

- Environmental research, including Selenium and its possible effects
- Improving working relations with First Nations in the areas where we operate.

Environmental Management

Three of the six Elk Valley Coal Operations are ISO: 14001 certified, which means they have been audited and approved as operating within an internationally recognized standard of environmental management. Of the three not yet certified, Line Creek Operations is seeking ISO:14001 certification in April 2008, Cardinal River is building its Environmental Management System with the goal of ISO certification in 2009, and Elkview is also working towards certification under ISO 14001.

Fording River Operations was awarded the 2007 Mining and Sustainability Award presented by the Mining Association of British Columbia and the Ministry of Energy, Mines and Petroleum Resources. This award recognized the Operation's commitment to protecting its employees and the environment they work in, as well as its commitment to local communities and developing relationships with area First Nations.

An example of an environmental management challenge for us is a dusting event at our Elkview Operation in 2007. 'Fugitive' coal dust was blown off a lagoon near the town of Sparwood, due mainly to an extreme and early snow melt which left a coal pile exposed. Coal dust on the lagoon is usually covered by a tackifying agent that seals it off from wind, but in this case the tackifying agent wasn't applied because of an earlier snowfall. Residents impacted by this event had their homes cleaned by Elkview and the site's air monitoring program was revisited. The result has been to increase the number of air monitors and refine protocols to ensure problems are identified earlier and response times are decreased to prevent reoccurrence.

Another example of challenge occurred at Cardinal River. Cardinal River's coal haul road runs adjacent to a river and crosses two creeks. These water bodies are home to important habitat for animals and birds in the area, including Harlequin Ducks which are listed as a species-at-risk by the

Alberta government. The Operation initiated an extensive project in 2007 to perform maintenance and do further enhancements to haul road water management structures. Maintaining these structures is critical to the continued health of the areas watersheds.

Research is an essential part of progressive environmental management. An example of an initiative to reduce unnecessary emissions was undertaken at Greenhills. They tested the use of solar lights to replace 'flare pots' for the purpose of illuminating haul roads. The solar lights were well received and are being implemented at all Elk Valley mines.

Safety and Health

Our goal is to prevent injuries and maintain a healthy workplace. Every employee is an essential contributor to Elk Valley Coal's success, and safety is one of our core values. Elk Valley Coal is committed to involving and engaging all employees to help achieve its goal of zero harm. Each mine has comprehensive safety and loss control programs that incorporate the prevention of accidents, injuries and illnesses into all work routines. Effective use of personal protective equipment and employee training in safe work practices and procedures are significant components of these programs.

At the corporate level, the Environment, Health, Safety and Risk Management Committee comprised of senior managers and chaired by the Chief Executive Officer oversees and directs safety and health performance. In addition, a corporate manager of health and safety supports each mine's health and safety programs. In 2007, each mine focused on developing safety programs within a common set of Health and Safety Management Standards based on the Teck management standards and the implementation of an OSHAS 18001-style safety management system. Throughout the year the book 24/7: The Beginning of a New Safety Culture was used on all sites to highlight the importance of behavioral change required to achieve our goal of preventing injuries and maintaining a healthy workplace.

Elk Valley Coal's lost-time injury rate for employees was a record low of 0.45 in 2007, and two Operations, Elkview and Greenhills, were recognized by the British Columbia Ministry of Energy Mines and Petroleum Resources for outstanding safety performance. Elkview received the John Ash award for its second year in a row. This award is given to a large BC open-pit mine working more than one million person-hours per year and having the lowest Lost Time Injury Frequency.

Greenhills received the Edward Prior award which is awarded to the BC open-pit mine that works between 200,000 and 1,000,000 person-hours and has the lowest Lost Time Injury Frequency.

Tailings Management

Tailing management is a significant part of the environmental management process in any mine site. All Elk Valley Coal Operations must have effective tailings management systems to operate. Specific new activities in 2007 included the draining and decommissioning of Lagoon C at the Elkview Operation in anticipation of reclamation in 2008. Also, at Cardinal River the fine tailings produced at the coal processing plant are currently pumped to an abandoned pit, immediately to the south of the plant. This pit is expected to reach capacity in 2008 and the Cardinal River Operation is currently assessing the use of another exhausted pit as the next containment area for fine tailings. Both Greenhills and Fording River Operations operate a closed-loop tailings process whereby water from their tailings ponds is recovered and recycled for use in the wash plant process.

Reclamation and Closure

Land is reclaimed to a pre-approved end land-use after mining activities are completed. All Elk Valley Coal Operations practice progressive reclamation by reclaiming land in areas where mining is completed while mining continues in other areas of the property. In order to track our progress, the total number of hectares disturbed by mining to date, and the total numbers of hectares reclaimed to date is compared. The number of hectares actually reclaimed on an annual basis can vary widely, depending on availability of areas to be reclaimed. Elk Valley Coal's Operations have been actively engaged in reclamation research since 1969. Results from these research activities have assisted in developing successful reclamation practices. In 2006, the Fording River Operation was awarded the Jake McDonald Annual Reclamation Award for outstanding achievement in mine reclamation in British Columbia, and in 2007, the citation for excellence in coal mine reclamation was again awarded to Fording River for work on the Henretta Creek.

Conservation, Biodiversity Initiatives

Selenium is a natural element that is released at an elevated rate when coal is mined. However, the impacts of increased levels of selenium in watersheds are not totally understood and accordingly Elk Valley Coal actively participates in the Elk Valley Selenium Task Force, a joint committee of government and industry representatives evaluating increased selenium levels in the Elk River watershed.

Elk Valley Coal also supports and actively participates in the Elk Valley Bighorn Sheep Committee, whose goals include development of a sheep management strategy that maintains a determined sheep population on a sustainable basis.

In addition, each of Elk Valley Coal's Operations has its own program to address conservation and biodiversity at the site level. For example, Cardinal River's program includes utilizing seed mixes with short-lived species (as opposed to aggressive and/or long-lived agronomic species) to allow less aggressive native species to re-establish themselves in reclamation areas and a wildlife monitoring program

consisting of quarterly wildlife surveys and annual reports. An important aspect of Cardinal River's program is to measure the success of reclamation programs (in terms of wildlife/biodiversity objectives) to guide planning of future reclamation projects.

Audits

The environmental management programs at each of the ISO 14001 certified Operations (Fording River, Greenhills, and Coal Mountain) are subject to regular periodic internal and external compliance audits. In addition, Teck conducts environmental, health and safety audits at each of Elk Valley Coal's Operations on a multi-year rotating schedule. For example, in 2007 Teck conducted a five-day internal audit of the environment, health and safety program at Cardinal River.

Internal audits are conducted by the safety department at each site throughout the year on various issues such as fire drills, emergency response (mine rescue responding to mock scenarios), and general housekeeping.

Energy Efficiency and GHG Emissions Management

Elk Valley Coal reports greenhouse gas emissions to Environment Canada, GHG Division via Statistics Canada required by CEPA (Canadian Environmental Protection Act) Legislation. In addition, Elk Valley Coal is evaluating using the Mining Association of Canada's Energy Use and Greenhouse Gas Emissions Guide beginning in 2008.

In addition to reporting of emissions, several initiatives are underway across the organization with the goal of improving energy efficiency and lowering greenhouse gas emissions. For example, Greenhills is evaluating ways to increase the heating efficiency of its maintenance complex and electric motor efficiency in its washplant. Fording River recycles its waste oil for use in explosives on site, thereby reducing the amount of clean fuel required. Line Creek has embarked on a strategy to reduce the idling time of all sizes of equipment and has an energy audit of its washplant planned in the coming year.

Community Outreach, Engagement, Dialogue

In 2007, Elk Valley Coal embarked on efforts to more effectively engage the local communities that support its five mining Operations in southeastern BC. An independent communications consultant was retained to undertake an unbiased and anonymous scoping exercise to better understand the opinions, concerns, likes and dislikes of the four closest Elk Valley communities: Crowsnest Pass, Sparwood, Elkford and Fernie. Over 175 in-depth interviews were conducted with individuals such as government leaders and environmental groups, seniors, educators, church ministers, volunteers, business leaders and youth.

This exercise revealed a clear desire by communities and other stakeholders for increased communication and engagement with Elk Valley Coal. In response, Elk Valley Coal embarked on a major revision to its approach to community engagement under the guidance of a new Manager of Community and Governmental Affairs based in the Sparwood office and a rejuvenated corporate communications group based in Calgary office under a new Manager of Corporate Communications. In addition, two new Community Liaisons were hired to work with communities and other stakeholders from the Sparwood office. The objective of this new approach is to proactively seek out, through effective and continuing consultation, opportunities for Elk Valley Coal to engage with communities and other stakeholders in a way that will enhance the reputation of the company and the livability of communities and surrounding areas.

In addition, Elk Valley Coal develops specific engagement programs to support significant permitting applications. One such program under development in 2007 is Elkview Operations' Baldy Ridge permit application. Baldy Ridge is a mountain-top ridge of rock and coal that physically separates the town of Sparwood from the majority of activity in the Elkview mine. In order to access significant coal reserves, Elkview is proposing to mine the top of Baldy Ridge, which will have visual and possibly other impacts on the community of Sparwood. To support this application,

Elkview has engaged a communications company with expertise in public outreach and stakeholder engagement to assist in the creation of a program that will proactively solicit and track the ideas and concerns voiced by all stakeholders and respond to those comments throughout the planning process of the Baldy Ridge development. The program will include several open houses, face-to-face meetings with interest groups and a strong communication link with municipal officials.

Aboriginal Relations

Elk Valley Coal's five mines in southeastern British Columbia are all located in the Ktunaxa Nation Council's asserted traditional territory and have operated on a 'good neighbour' principle with the KNC for decades. However, with the increasing awareness of the nature of aboriginal peoples' interests in land in recent years, Elk Valley Coal has increased its efforts to have a deeper understanding of the KNC and the peoples it represents and to build stronger relationships.

In 2007, a significant milestone in that relationship was achieved when Elk Valley Coal and the KNC entered into a Working Protocol Agreement. The agreement provides a framework for the parties to work cooperatively on a number of important matters they have identified as having a mutual interest in. To celebrate this important achievement, Elk Valley Coal donated \$50,000 to Ktunaxa language preservation programs. Ktunaxa is on the list of the 40 most-threatened languages in the world. There are currently 35 fluent speakers of the language but all are over the age of 65. The company's donation will assist with language preservation initiatives including a project to create an online video record of those living fluent speakers in an effort to preserve as much of the language as possible and to use that record to create online language learning tools.

Community Development/ Good Neighbour Practices

Elk Valley Coal is committed to contributing its financial, material and human resources to enhance the quality of life and the common good of the communities where it operates.

Elk Valley Coal's giving in 2007 covered a broad spectrum of areas including health foundations, sporting and cultural events, heritage preservation, STARS air ambulance, advanced mining education at universities, and local First Nations cultural celebrations. In 2007, Elk Valley Coal contributed approximately \$350,000 to community initiatives. In 2008, as part of the major revision to its community relations programs, Elk Valley Coal adopted a new community investment policy that provides for a significant increase in its giving and sponsorships which is aligned with its community objectives and sustainability initiatives.

In addition, Elk Valley Coal's annual Caring for Kids campaign, an employee-driven donation event raised over \$170,000 in 2007. Over the past 12 years, Elk Valley Coal and its predecessor companies have dollar-for-dollar matched funds donated and raised by employees, resulting in more than \$1 million donated in aggregate to children's hospitals in B.C. and Alberta.

One of the good neighbour practices that Elk Valley Coal Operations exercise is procuring goods and services locally wherever possible. In 2007, the percentage of goods procured locally ranged from 36% by Coal Mountain Operations to in excess of 60% at both the Elkview and Line Creek Operations.

Emergency Preparedness and Risk Management

Elk Valley Coal actively promotes and endorses emergency preparedness, including training and supporting mine rescue teams. Teams of employees at each Operation participate in competitions to hone and practice their important skill sets, and in 2007 the "F" shift mine rescue and first aid teams from the Fording River Operation won the provincial title and an international competition. Each of the mines also work closely with local communities to share emergency response

expertise and equipment. An example of a risk management initiative in 2007 is the investment by the Elkview Operation in a new sprinkler system for its coal delivery conveyor to mitigate the potential for fire.

Human Resources

Elk Valley Coal believes in and promotes work-life balance for its employees. To that end, Elk Valley Coal introduced an "Earned-Day-Off" or "EDO" work schedule for staff employees at all of its Operations that enables employees to take every second Friday as an earned-day-off by working an hour extra each Monday through Thursday. The EDO work schedule is established each year to coincide as closely as is possible with professional days in local schools. The overall objective of the EDO work schedule is to allow for greater family and recreation time and to generally encourage healthy living and active lifestyles. It is also considered to be a key employee retention initiative. The majority of hourly employees at Elk Valley Coal's Operations work a 4 day on, 4 day off work schedule.

Healthy living and active lifestyles are encouraged. For example, in 2007, over 700 Elk Valley Coal employees participated in the community of Sparwood's 'Steps-Out' program which encourages residents to walk across Canada by recording their individual pedometer steps into an internet database that tracks their progress on a virtual map. Elk Valley Coal also participates in Teck's Going for Gold Challenge recognizing Teck's role as an Official Supporter of the 2010 Vancouver Winter Olympic Games. Employees register achievements such as weight loss, exercise regimes and smoking cessation to qualify for Olympics-related rewards, including trips to the Beijing Olympics.

A significant challenge for Elk Valley Coal, and the mining industry generally, is that the majority of new Operations' employees have no previous experience in the mining environment. To address this reality, Elk Valley Coal has developed comprehensive multi-day on-boarding programs with extensive computer-based training applications and workplace orientation modules to introduce employees to important information about working safely. Elk Valley Coal also draws upon its experienced employee base to provide on-the-job training to support high levels of operator competency. Also, with nearly 700 tradespersons throughout its Operations, and the importance of skilled tradespersons to future Operations, Elk Valley Coal is committed to apprenticeship training. In 2007, Elk Valley Coal had 134 apprentices in 10 different trades classifications. The majority of these apprentices were enrolled in the heavy-duty mechanic and electrician trades programs.

In addition, Elk Valley Coal actively supports trades training in general by providing work experience – similar to co-op programs – for individuals enrolled in trade apprenticeship training programs at the College of the Rockies in Cranbrook, British Columbia.

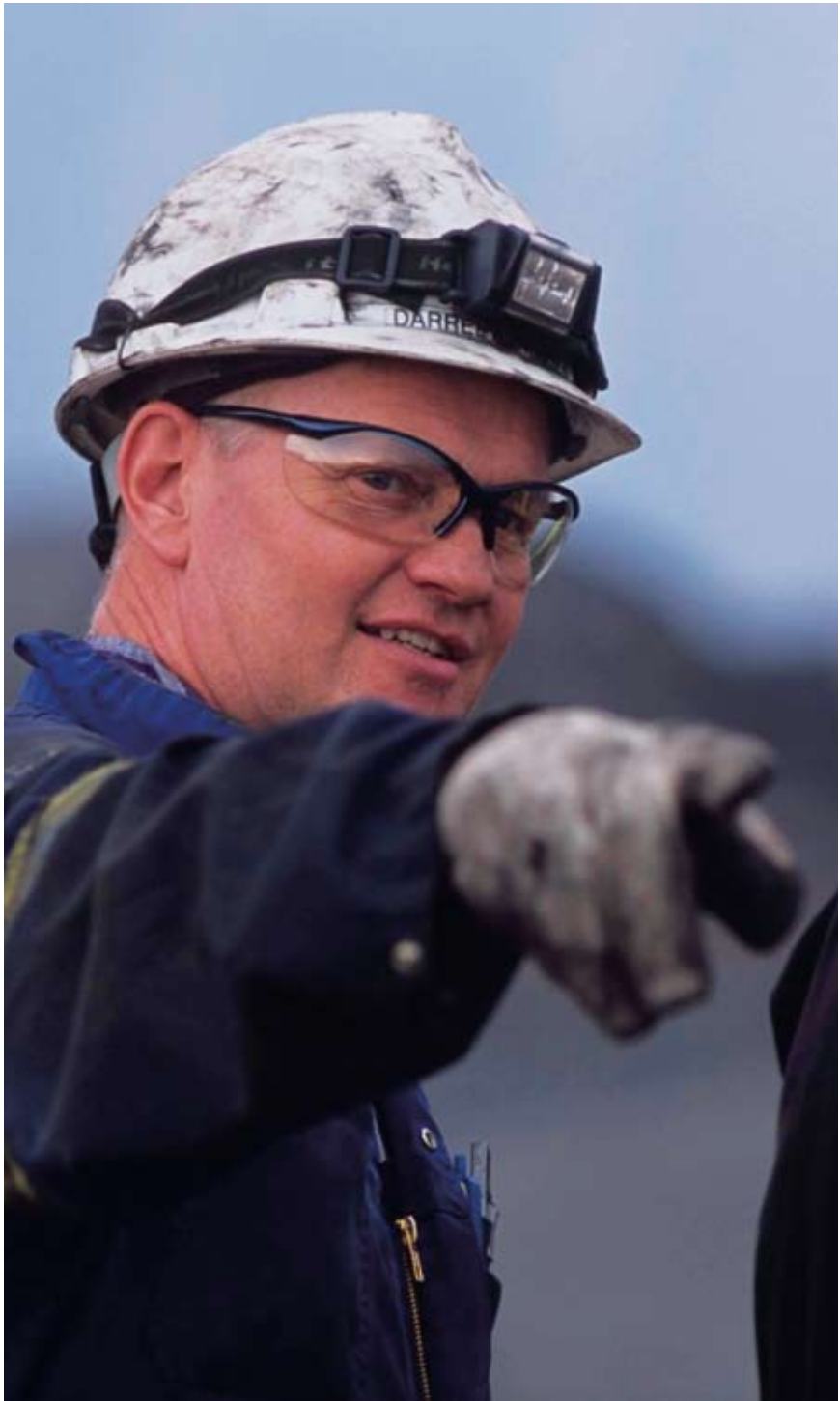
Supervisory training for Elk Valley Coal's over 200 frontline supervisors is also a priority. For the past two years, Elk Valley Coal has partnered with Development Dimensions International to provide a ten-module training course on supervisory best practices. To date, 130 first-line supervisors have completed the program and the rest will complete the training in 2008.

Awards and Recognition

In 2007 Fording River Operations received the Mining and Sustainability Award presented by the Mining Association of British Columbia and the Ministry of Energy Mines and Petroleum Resources. This award recognized Elk Valley Coal's commitment to protecting our employees and the environment they work in, as well as our commitment to the communities in which we operate. In 2007, Fording River also won a citation for excellence in coal reclamation for their work in re-establishing a large creek as well as a fishery, in a mining disturbed area.

The Fording River Mine Rescue Team won the 2007 zone, Provincial and Northwest Regional competitions, the latter in international competition against teams from the Western Provinces and the Western United States. Additionally, the Greenhills Mine Rescue Team, placed first in the East Kootenay Zone Competition.

Two of Elk Valley Coal's Operations were honoured by the British Columbia Ministry of Energy Mines and Petroleum Resources in 2007 for exceptional safety performance in the previous year. Elkview won the John Ash Award for being the safest open-pit mine over one million person-hours worked per year while Greenhills won the Edward Prior award for being the safest open-pit mine under one million person-hours worked.



	2007 ⁽¹⁾	2006 ⁽¹⁾	2005 ⁽¹⁾
Health & Safety Statistics			
Total Reportable Incident Frequency	2.49	4.28	3.76
Fatalities	0	0	1
Lost Time Incidents	19	29	41
LTI Frequency	0.60	0.95	1.28
LTI Severity	24.4	31.0	222.8
Permit Compliance			
Number of Excursions	51	67	69
% Compliance Water	98.31%	n/a	n/a
% Compliance Air	96.68%	n/a	n/a
Reportable Spills			
Number	53	56	69
Volume (L)	34,085	26,672	33,920
Weight (kg)	195	2,900	46
Energy Use			
Electricity (TJ)	1,836	1,300	1,406
Fuel (TJ)	14,914	12,329	13,703
Carbon Energy Intensity in Product (GJ/t)	0.6	0.5	0.5
Energy Intensity in Product (GJ/t)	0.7	0.6	0.6
GHG Emissions			
CO ₂ equivalents (kt) (Direct) ⁽²⁾	1,586	536	469
CO ₂ equivalents (kt) (Indirect)	60	3	0
CO ₂ equivalents (kt) (Total)	1,646	538	469
Carbon Intensity in Product (t/t) (Direct)	0.07	0.02	0.02
Carbon Intensity in Product (t/t) (Total)	0.07	0.02	0.02
Production - Coal (000 tonnes)			
Coal (000 tonnes)	23,401	22,564	26,652
Recycling			
Total solid material (tonnes)	9,664	2,059	2,439
Total liquid materials (m ³)	1,599	554.3	1,981
Total items counted (count)	2,487	6,074	3,420
Managed Waste			
Total waste rock ('000 tonnes)	422,178	430,884	230,197
Total tailings dry ('000 tonnes)	3,270	3,233	1,371
Total solid non-haz. material to landfill (tonnes)	5,930	5,942	
Total solid non-haz./haz. material incinerated (m ³)	423	450	
Total solid non-haz./haz. material incinerated (tonnes)	3		

	2007 ⁽¹⁾	2006 ⁽¹⁾	2005 ⁽¹⁾
Water Conservation			
Total groundwater withdrawal (m ³ /yr)	2,690,009	2,752,405	
Total surface water withdrawal (m ³ /yr)	7,295,192	6,911,811	
Total volume of water recycled/reused (m ³ /yr)	20,232,112	23,431,823	
Total percentage water recycled/reused %	203%	242%	
Reclamation ⁽³⁾			
New reclamation for the year (ha)	245	85.7	68
Reclaimed to date (ha)	3,521	3,418	3,491
Land to be reclaimed (ha)	12,677	12,505	11,940
Trees/shrubs planted (count)	373,801	153,013	134,840

n/a = not available

(1) EVCC Composite rollup includes the 6 EVCC mines; but not all indicators are complete for all 6 mines due to the fact that 2007 was the first reporting year, therefore there are gaps in information for the 2005-2007 periods.

(2) EVCC direct emissions include estimated fugitive methane releases and are based on tonnes of coal processed as opposed to tonnes of product

(3) Reclamation – at all EVCC sites, reclaim and to be reclaimed numbers were reconciled in 2007 and these numbers were rolled back to 2005 and 2006 to be consistent.



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