our commitment

YOUR CONCERNS.
OUR RESPONSE.
PAGE 22

LIQUID ASSETS.
ASSESSING WATER RISK.
PAGE 29

OUR PERFORMANCE
PAGE 30

SHAPING TOMORROW THROUGH
TECHNOLOGICAL INNOVATION
PAGE 43

Teck
SUSTAINABILITY REPORT 2007

VOLUME ONE
our performance at a glance

Deloitte & Touche LLP reviewed selected environmental, health and safety data in the 2007 Sustainability Report. Their Independent Reviewers’ Report is available on page 54. To see a more complete list of reviewed indicators please see our Operations’ Sustainability Summaries at www.teck.com. Only performance data with the following symbol 🏆 was independently reviewed by Deloitte & Touche LLP.

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ABOUT US</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees</td>
<td>8,867</td>
<td>7,316</td>
<td>7,103</td>
</tr>
<tr>
<td>Operations</td>
<td>18</td>
<td>14</td>
<td>13</td>
</tr>
<tr>
<td>Awards and Recognition</td>
<td>✓</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Corporate Audits Conducted</td>
<td>✓</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>ISO Certified Operations</td>
<td>✓</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>WORKPLACE SAFETY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fatalities</td>
<td>1</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Total Recordable Incident Frequency (TRIF)</td>
<td>2.58</td>
<td>2.91</td>
<td>3.02</td>
</tr>
<tr>
<td>Lost-Time Injury Frequency (LTIF)</td>
<td>0.97</td>
<td>0.94</td>
<td>0.94</td>
</tr>
<tr>
<td>Severity</td>
<td>59.9</td>
<td>203.7</td>
<td>119.2</td>
</tr>
<tr>
<td><strong>THE ENVIRONMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permit Excursions</td>
<td>85</td>
<td>132</td>
<td>100</td>
</tr>
<tr>
<td>Reportable Spills</td>
<td>307</td>
<td>274</td>
<td>277</td>
</tr>
<tr>
<td>ENERGY USE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total electricity and fuel used (TJ)</td>
<td>28,932</td>
<td>20,116</td>
<td>16,892</td>
</tr>
<tr>
<td>GHG EMISSIONS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO₂ equivalents (kt) (Total)</td>
<td>1,754</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>WASTE &amp; RECYCLING</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid waste material recycled (t)</td>
<td>49,100</td>
<td>35,928</td>
<td>27,439</td>
</tr>
<tr>
<td>MANAGED WASTE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total waste rock (‘000 tonnes)</td>
<td>459,257</td>
<td>24,271</td>
<td>n/a</td>
</tr>
<tr>
<td>RECLAMATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trees planted</td>
<td>486,853</td>
<td>430,858</td>
<td>279,210</td>
</tr>
</tbody>
</table>
contents

About Teck 2
Message from the CEO 4
Our Approach to Reporting 6
Materiality 8
Our Goals and Progress 10
The Five Stages of Mining 14
A Sustainability Blueprint 16
Stakeholder Engagement 18
Challenge Creates Opportunities 20
Your Concerns. Our Response. 22
Our Socioeconomic Performance: Working with Communities 24
Our Performance 30
Our Environmental Performance: From the Ground Up 32
Our Social Performance: Locally Relevant 44
Safety 46
People 48
Glossary and Acronyms 51
Independent Reviewers' Report 54

SEE BEST PRACTICES AND TECHNICAL INNOVATIONS IN focus

Applied Research & Technology 43
Corporate 26, 29, 49, 50
Elk Valley Coal 40, 47
Highland Valley Copper 39
Lennard Shelf 25, 36
Trail 29

COVER PAGE Elk herd grazing near the reclaimed mine area at Cardinal River Operations, Alberta
Teck is a diversified mining company, headquartered in Vancouver, Canada. Shares are listed on the Toronto Stock Exchange under the symbols TCK.A and TCK.B and the New York Stock Exchange under the symbol TCK. A diversified resource leader, Teck is committed to responsible mining and mineral development across a spectrum of major commodities including copper, metallurgical coal, zinc, gold, energy and specialty metals.

We own, or have interests in, 17 operating mines in Canada, the USA, Australia, Chile and Peru, as well as one metallurgical complex in Canada. We have expertise across the full range of activities related to mining, including exploration, development, smelting, refining, safety, environmental protection, product stewardship, recycling and research. The company is actively exploring in over 15 countries throughout the Americas, Asia Pacific, Europe and Africa. Further information can be found at www.teck.com.
Thank you for your interest in our sustainability report which signals Teck’s commitment to managing key challenges of economic, environmental and social performance.

All of the materials we use in our day-to-day lives come from one or two sources: they are either grown or they are extracted from the earth. That should make one pause to think about the tremendous role that metals play in advancing quality of life. The more society embraces sustainability as a strategy in caring for our planet, the more we will need the products of mining.

Sustainability considerations are embedded in policies, programs and throughout the stages of Teck’s business operations. In this report we describe our progress and performance on sustainability. We intend the report to be a vehicle for publicly establishing our accountability to all of our shareholders and stakeholders.
**OUR 2007 PERFORMANCE**

As previously reported, we suffered a fatality in January, 2007 at our Pend Oreille Operation when a contract employee was struck by falling rock. We wish to express our deepest condolences to Phillip Markhart’s family, and confirm that we implemented all recommendations from our investigations into the incident to help prevent future tragedies. In addition, in 2007 we reissued our safety and health policy, “Towards Zero Incidents” which further fortifies our “culture of safety” as an inflexible core value and proactive approach instilled in every employee.

The company’s continued growth and success detailed in our 2007 Annual Report has most certainly been underpinned by a strategic approach to integrating the pillars of sustainable development into management processes; international standards and best practices continue to guide our thinking on sustainability issues. From our commitment to implementing the International Council for Mining and Metals’ (ICMM) sustainable development framework to our formal endorsement of the UN Global Compact, we are inspired and energized by the great work being done by our employees to make socially and environmentally responsible business operations a reality.

We continued to manage the impacts and benefits of our operations to ensure that our activities, to the extent possible, provide a significant source of local revenue and development, while avoiding harm to the national and cultural resources in the locale.

A great source of pride in 2007 was our acquisition of Aur Resources Inc., including its Quebrada Blanca, Carmen de Andacollo and Duck Pond copper mines.

**LOOKING TO THE FUTURE**

Our plans for 2008 are substantial and ambitious. Teck will be clearly partitioned across commodity lines, whereby strategic business units (SBU) of copper, zinc, coal, gold and energy will be supported by shared corporate services. As we grow, sustainability management will continue to be a core part of our decision-making, and we will ensure that these practices are transferred to all new Operations. We plan to more closely align our strategy with the UN Millennium Development Goals, and will continue to use the Global Reporting Initiative as a roadmap for transparent and accountable sustainability-related disclosure to our stakeholders.

Inter-divisional collaboration will produce a thorough assessment of the physical, general and financial risks that we face from current or anticipated effects of climate change. We will formalize a comprehensive biodiversity strategy by reviewing processes currently in place, creating and distributing an internal Biodiversity Guidance Manual which will complement practical mining techniques.

Our Community Engagement programme grew during the past year, as we developed an internal handbook and introduced it at Operations across Canada. Our objective for the coming years is to provide formal training and establish an internal corporate network to share best practices across the company.

Energy costs are a key driver for our Operations, and we take our responsibility for climate stewardship seriously. International policy is prompting private sector investment in pollution abatement technology and energy efficiency by way of emissions control regulations, tradeable permits and carbon taxation. In addition to improving energy efficiency and reducing carbon emissions, we will continue engaging with governments on policy development to encourage cross-jurisdictional consistency. As zinc-air battery energy storage capacity exceeds that of hydrogen-air cells, we will seize opportunities to expand and enhance our product technology lines applied to energy storage and transmission.

We see added potential to provide inputs such as germanium, indium and cadmium to the rapidly growing solar cell industry.

Sustainable development is not simply an ideology; it’s a pragmatic approach to business realities which looks beyond the horizon of the next quarter. Join us as we continue to pursue sustainability.

Donald R. Lindsay  
President and Chief Executive Officer
**our approach to reporting**

This is a summary of our socioeconomic, environmental and social performance which complements the full report available on our website.

This report is prepared in accordance with the Global Reporting Initiative (GRI) Third Generation (G3) Guidelines, based on which we disclose sustainability data from January to December 2007. We also adhere to AA1000 standards guiding the reporting process and its principles of materiality, completeness and responsiveness. The GRI Reporting Principles, Technical Protocols, Indicator Protocols and the Mining Sector Supplement (2005) guided the development of this report. Historical data from two previous years (2005 and 2006) are included for comparative purposes where appropriate in order to demonstrate trending of certain indicators.

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### TECK’S REPORTING CYCLE

#### COMMUNICATE AND OBTAIN FEEDBACK
- Reader’s guide
- Surveys
- Workshops
- Panel review

#### REPORT ASSESSMENT
- Media monitoring
- Interviews
- Operations visits

#### WRITE AND REVIEW
- Internal review
- External review assurance providers and stakeholder panel
- Approval from Disclosure Committee

#### POLICIES RISK MANAGEMENT STRATEGY

#### INTEGRATE KEY FINDINGS INTO STRATEGIC PLANNING

#### COLLECT AND ASSESS RESULTS
- Operations submit data to corporate headquarters
- Third party review conducted
- Roll-up data to group level

#### MATERIALITY ANALYSIS
- Identify key stakeholders and engagement objectives
- Identify material issues for printed report
- Identify issues for website
- Create content outline

#### MONITOR AND MEASURE PERFORMANCE
- Compile data based on ERI indicators and materiality test where applicable

---
When Teck Cominco was formed seven years ago, two strong Canadian companies with a tradition of excellence in mining and metal refining were brought together. Since then, our company has gained strength through the acquisition and development of a diversified range of commodities. Reflecting this expanding portfolio of assets, which now includes significant investments in coal and oil, Teck Cominco changed operating identity, brand and logo to Teck, effective October 1, 2008. The Teck name is well-known and highly-regarded among our customers and business partners as a company of choice. It is also a name commonly used within the global mining community to refer to our company. Subject to the approval of shareholders at the next Annual General Meeting (April 2009), the legal name will change to Teck Resources Limited. In the meantime, the company’s legal name will continue as Teck Cominco Limited. The addition of “resources” to our legal name more fully describes and reflects the diversity of our asset base and our ambition to continue to grow as a global leader in responsible and innovative resource development.

Selected environmental, health and safety indicators were independently reviewed by Deloitte & Touche LLP. Their Independent Reviewers’ Report is available on page 54.

Only performance data with this symbol next to it was independently reviewed by Deloitte & Touche LLP.

Our 2007 Performance summary on page 30 presents numerical data using the metric system, and all currency values are in Canadian dollars unless otherwise noted.

The matters discussed in this report may include forward-looking statements that involve risks and uncertainties. These forward-looking statements are based on estimates and assumptions made by management of the company and are believed to be reasonable, though inherently uncertain and difficult to predict. Actual results or experience could differ materially from the forward-looking statements. Teck does not accept responsibility to update any forward-looking information if situations change.

In accordance with the Guidelines and as per the Report Application Levels grid shown above, we have self-declared our report to be at the A+ Application Level.
This year, we supplemented our printed report with a more detailed web-based version. To ensure our alignment with the GRI principle of materiality for defining content, we conducted a materiality analysis.

Subject matter and indicators in a GRI-compliant sustainability report should reflect a company’s most significant environmental, socioeconomic and social impacts, and should help stakeholders make informed assessments and decisions. Therefore, we used the results of our materiality analysis to set the content in this year’s report.

For sustainability reporting, our definition of ‘material information’ is: information that may impact or influence the company, and has the potential to influence the perception of stakeholders who intend to make decisions and assessments about Teck’s commitment to sustainability.

Our Materiality Analysis comprised the following steps:

1. Review stakeholder groups and compile issues raised from engagement activities and various topics covered by the media.
2. Collate issues raised from internal risk assessments and from our sustainability report working group.
3. Review issues in sustainability reports produced by our peers and industry associations (e.g. ICMM, MAC).
4. List regulatory requirements, commitments to stakeholders, and requirements of voluntary initiatives.
5. Rate the level of importance to Teck by applying the Five-Part Materiality Test to each issue and assign a score (see table 1 on opposite page).
6. Rate the level of awareness and importance to each stakeholder group by (see diagram 1 on opposite page):
   a. what we know
   b. what stakeholders tell us
   c. what we hear in the media
   (and assign a score)
7. Based on the assigned scores, situate the issue in a “Materiality Matrix” for internal planning purposes. (see diagram 2 on opposite page)

Based on our assessment, the subjects of greatest importance to our stakeholders and/or to Teck in 2007 are below, in no particular order:

- Employee Retention and Attraction
- Climate Change
- Community Engagement and Development
- Environmental Management and Industry Issues
- Safety and Health
TABLE 1
5-Part Materiality Test
When testing each issue to rate the level of importance to Teck, we considered:

<table>
<thead>
<tr>
<th>MATERIALITY TEST</th>
<th>RELEVANT SOURCES OF INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Does the issue have direct short-term financial impacts?</td>
<td>Issues relating to business strategy and plans, risk assessments, accidents and penalties/fines, areas of lobbying expenditure.</td>
</tr>
<tr>
<td>B. Does Teck have a related (or strategic) policy?</td>
<td>Corporate policies and existing commitments to stakeholders.</td>
</tr>
<tr>
<td>C. Are Teck’s competitors (industry peers) considering this issue to be material?</td>
<td>Sustainability reports, stated policies and practices of competitor organizations. Issues highlighted by industry associations and corporate responsibility organizations (i.e. International Business Leaders Forum, the World Business Council for Sustainable Development).</td>
</tr>
<tr>
<td>D. Is this issue one that our stakeholders consider important enough to act on (now or in the future)?</td>
<td>(see also Stakeholders Perception of Issues, below).</td>
</tr>
<tr>
<td>E. Is this issue considered a “social norm”?</td>
<td>Areas of regulation, proposed regulation and international agreement, voluntary codes and multi-stakeholder frameworks/initiatives. Emerging norms highlighted by governments, intergovernmental bodies and NGOs.</td>
</tr>
</tbody>
</table>

DIAGRAM 1
Stakeholders’ Perception of Issues
When assessing importance to stakeholders based on level of awareness, we considered:

0 not relevant
1 awareness amongst a few, but no real concern
2 broader awareness, but little concern
3 considerable concern amongst a minority
4 considerable concern amongst many
5 high level of widespread concern

DIAGRAM 2
Materiality Matrix
# Our Goals and Progress

## Economic

### 2006/2007 Goals and Progress

<table>
<thead>
<tr>
<th>Goal</th>
<th>2008 Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess and report on our indirect economic impacts in communities of interest.</td>
<td>· Identify personnel experienced and capable of driving community relations program</td>
</tr>
<tr>
<td>· Partially achieved: we are currently moving towards developing greater consistency in our community relations programs, but have insufficient data to thoroughly respond to this indicator</td>
<td>· Roll-out company-wide strategy, which will include specific targets by Operation.</td>
</tr>
<tr>
<td>· Cumulative assessments pertaining to socioeconomic impacts are conducted, but a greater emphasis is required for assessing the indirect economic impacts or monitoring these as a project progresses</td>
<td>· Implement measures to achieve Towards Sustainable Mining Level 3 certification for energy use and greenhouse gas emissions-management across Canadian sites.</td>
</tr>
<tr>
<td>· Our target was over-ambitious, and in our efforts to achieve it, we realised that a community relations infrastructure had to be built first.</td>
<td>· Implement biodiversity principles (found in the Code of Management Standards) by providing a set of tools to guide site-level staff through a series of key questions for addressing biodiversity issues throughout the mining cycle.</td>
</tr>
</tbody>
</table>

### Environment

<table>
<thead>
<tr>
<th>Goal</th>
<th>2008 Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue to identify and implement measures to improve energy efficiencies.</td>
<td>· A number of indirect energy projects (electricity-reduction) underway/under consideration for 2008 are listed in this Report in the Environment Section under Initiatives to Reduce Indirect Energy Consumption (Energy Conservation and Efficiency Improvements).</td>
</tr>
<tr>
<td>· Partially achieved: <em>ad hoc</em> sharing of best practices continued in 2007; an inventory of best practices is being established.</td>
<td>· We intend to expand the scope of our indirect energy consumption estimates to all Operations.</td>
</tr>
<tr>
<td>Set targets for energy efficiency and implement strategies to meet targets.</td>
<td>· Roll-out company-wide strategy, which will include specific targets by Operation.</td>
</tr>
<tr>
<td>· Not achieved.</td>
<td>· Implement measures to achieve Towards Sustainable Mining Level 3 certification for energy use and greenhouse gas emissions-management across Canadian sites.</td>
</tr>
<tr>
<td>Appoint a corporate energy leader as part of the Towards Sustainable Mining Initiative.</td>
<td>· Implement biodiversity principles (found in the Code of Management Standards) by providing a set of tools to guide site-level staff through a series of key questions for addressing biodiversity issues throughout the mining cycle.</td>
</tr>
<tr>
<td>· Achieved.</td>
<td>· Create a biodiversity strategy and accompanying Guidance Manual</td>
</tr>
<tr>
<td>Set targets for Greenhouse Gas (GHG) intensity reduction.</td>
<td>· Implement strategy company-wide via training, workshops.</td>
</tr>
<tr>
<td>· Not achieved, but GHG emissions reduction is a top priority and one of the most material issues for this company, strategies for emissions-management and reduction are under development, with strong consideration for industry best practices.</td>
<td>· Implement strategy company-wide via training, workshops.</td>
</tr>
<tr>
<td>Include biodiversity and conservation in policies and standards.</td>
<td>· Implement biodiversity principles (found in the Code of Management Standards) by providing a set of tools to guide site-level staff through a series of key questions for addressing biodiversity issues throughout the mining cycle.</td>
</tr>
<tr>
<td>· Achieved; the Code of Sustainable Conduct now includes an element related to biodiversity; moreover, the Environment, Health, Safety and Community Management Standards (EHSCMS) include management standards relating to the need to consider biodiversity in all stages of the mine life cycle.</td>
<td>· Create a biodiversity strategy and accompanying Guidance Manual</td>
</tr>
<tr>
<td>Assess ICMM Good Practices Guidance for Mining and Biodiversity.</td>
<td>· Implement strategy company-wide via training, workshops.</td>
</tr>
</tbody>
</table>
2006/2007 Goals and Progress

Identify best environmental practices and implement across Operations.

- Partially achieved: sharing currently occurs through Quarterly Reports, meetings and conferences. Best practices are shared, but not tracked for implementation at this stage.

Achieve 100% permit compliance and achieve targets for emissions and effluents reductions.

- Not achieved: In 2007, there were a total of 85 permit excursions including those of the six Elk Valley Coal Operations. However, comparing performance with the same Operations that we reported on in 2006, we saw a 52% decrease in non-compliance events. Water sampling compliance was at 99.35%, and air sampling compliance was 99.98%.

Reduce the number of spills.

- Not achieved: in 2007, a total of 307 contained spills occurred, up from 274 in 2006
- 7 of these spills were considered significant, in that they resulted in releases beyond the Operations or involved large volumes of materials on site. These are summarized in the Spills section on page 42 of this Report. There were no long-term consequences to people or the environment as a result of any of these spills.

Achieve ISO 14001 certification at remaining Operations.

- Not achieved.

Extend the use of electronic management information systems (EMIS) to all Operations.

- Achieved: several sites were using EMIS at year’s end in 2007, and the rest will have them in place by end 2008.

2008 Goals

- Host quarterly meetings and one annual conference.

- Achieve 100% permit compliance and achieve targets for emissions and effluents reductions.

- Reduce total number of spills and have 0 spills classed as significant.


- Roll out EMIS program to all remaining sites.

- Solidify partnerships and all applicable licenses.

Product Responsibility

Seek out new business opportunities and partnerships to expand the recycling operations.

- Partially achieved: this goal relates specifically to E-waste facility at Trail: International partnerships are currently being negotiated, licensing requirements are being investigated and Trail Smelter’s capacity to handle larger quantities of e-waste is being evaluated accordingly.
## Our Goals and Progress

### Product Responsibility (continued)

<table>
<thead>
<tr>
<th>2006/2007 Goals and Progress</th>
<th>2008 Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission CESL plant with Vale, and complete feasibility study for Highland Valley Copper mine plant.</td>
<td>• Complete commissioning of CESL plant in Brazil.</td>
</tr>
<tr>
<td>・ Partially achieved: construction was delayed, commissioning shifted to 2008</td>
<td></td>
</tr>
<tr>
<td>・ Study completed, deemed not feasible.</td>
<td></td>
</tr>
<tr>
<td>Develop commercial applications for zinc-air battery technology.</td>
<td>• Support advancement of zinc-air energy technology.</td>
</tr>
<tr>
<td>・ Partially achieved; commercial applications continued to be explored.</td>
<td></td>
</tr>
</tbody>
</table>

### Labour Practices and Decent Work

**Assess completeness of training programs in relation to the Code of Sustainable Conduct.**

・ Partially achieved. Workshop training was provided regarding the sustainability report and its contents. The Code, the Charter, and policies within the Management Standards have been communicated to employees. Internal audits ensured that Management Standards were being implemented and conformed with at five Operations.

**Track company training corporately.**

・ Partially achieved: some Operations track training, but this is not consistently tracked at the corporate level.

**No fatalities.**

・ Not achieved: one fatality in 2007 (Pend Oreille mine).

**Less than one lost-time incident per 200,000 hours of work**

・ Achieved: 0.97.

**Human Rights**

**Formally support the principles of the UN Declaration of Human Rights.**

・ Achieved: This is now found on Teck’s website, and is included specifically in the Management Standards.

**Measure and report on compliance with international human rights obligations.**

・ Partially achieved: measured and reported on GRI indicators.

・ Implement the Declaration above and beyond what is stated in the MSSC, specifically: improve processes and formalize lines of accountability at all Operations.

・ Conduct a company-wide risk assessment.
### 2006/2007 Goals and Progress

**Engage national and international stakeholders.**
- Partially achieved: we conducted an assessment of our engagement programs at Operations to give us a baseline of the level of engagement. An Engagement Handbook first draft was developed (see Engagement section of this Report for more details).

**Secure stakeholder critique of company performance.**
- Partially achieved
- From internal stakeholders we obtained feedback through reporting workshops. We also received feedback from stakeholders through our online questionnaire.

**Assess and document best practices for engagement with indigenous peoples.**
- Not achieved.

**Develop corporate donations guidelines and articulate policy and strategy to sites.**
- Partially achieved, in progress. Community engagement must inform community investment, therefore we are in the progress of linking the community investment program more closely to the new community engagement program, which is still under development.

### 2008 Goals

- Take steps to fully engage employees across the company to ensure their voices are heard; appoint a Director of Employee Communications and Engagement
- Establish consistent feedback processes across Operations to track engagement aspects and manage community grievances
- Add a specific security/workplace violence provision to the Code of Conduct. At each Operation, engage appropriate and interested civil society organizations
- Improve results as identified by Towards Sustainable Mining indicators for community engagement.

- External stakeholder panel review of sustainability report scheduled for January 2009; results of this review will be publicly available on company website.

- Establish an Indigenous Peoples’ Coordinating Committee.

- Develop strategy and roll out and communicate to Operations; track employee volunteerism and product/service donations.

### New Goals for 2008

- Launch “Courageous Leadership” programme across Operations
- Conduct an investigation of the practices of best-performing companies
- Launch Health and Wellness programmes across Operations.

- Formalise mine closure policies and procedures.

- Form partnerships to advance efforts towards eliminating zinc deficiency in people and soils across the world.
A PRIMER: THE FIVE STAGES OF THE MINING LIFE CYCLE

Teck works with host communities through meaningful dialogue to achieve mutual benefits throughout the mining life cycle. The information communities need in order to participate in mining activity decision-making includes basic knowledge of the five stages of the mining life cycle: mineral exploration; deposit evaluation; mine planning; construction and operation; and mine closure (reclamation).

STAGE 1: MINERAL EXPLORATION

Mineral exploration is the search for deposits in the earth’s crust, and can take between two and four years. Stage 1 activity does not dictate that a mine will be developed; only 1 in 10,000 ‘grass roots’ projects eventually become a mine. During exploration, geologists review maps and reports, and use satellite imagery, sensors and computers to survey large areas of land. If the results are encouraging, trenching, exploratory drilling (obtaining rock samples from within bedrock), sampling and mineral assays are undertaken. If warranted, larger, more intensive drill programs are conducted. Early research on communities commences, and engagement processes ensure that information is provided to all relevant stakeholders.

STAGES 2 AND 3: DEPOSIT EVALUATION AND MINE PLANNING

Stages 2 and 3 can span five to 10 years, and incorporate a range of studies to determine mine feasibility, as well as consultations with governments, local communities and citizen groups.

Deposit evaluations or pre-feasibility activities include social and environmental baseline studies, escalating the intensity of geological and metallurgical studies through increased drilling, evaluating the preliminary design and engineering, and assessing the economic outlook for the resource.

Deposit evaluations usually involve on-site geologists and several large drill rig operators. Typically a camp is set up with support staff and perhaps a community relations team. This stage presents opportunities for the exploration team to engage host communities in participatory processes related to project design by: providing information on the mining cycle; possible mine development scenarios and timing; education on social, environmental and development/socio-economic needs and priorities; and understanding local concerns.
The feasibility study phase involves more detailed design, engineering and economic evaluations and decisions as to whether the mine will be open pit or underground, the infrastructure required, location of related facilities, and thorough impact and mitigation assessments of any facility. Throughout the feasibility study and mine planning stage we engage with, seek feedback from, and incorporate community input. This consultation process contributes to the understanding of the social and environmental impact assessments, and is incorporated into operating, closure and reclamation plans. After analyzing these studies, a decision about whether development should continue is made in conjunction with local and government authorities.

**STAGE 4: MINE CONSTRUCTION AND OPERATION**

Mine construction and operation can last from five to 100 years. Construction employs the greatest number of people in the mine cycle, utilizing numerous trades associated with building infrastructure, for example: trades helpers (carpenters, electricians, pipe fitters), heavy equipment operators, housekeeping personnel, warehouse technicians, safety coordinators, environmental technicians, managers, engineers, geologists, scientists and accountants.

Mine operation involves extracting, processing, producing and transporting the mineral product. This stage employs professionals, management and labourers in four main work areas: excavation, processing plants, waste storage and support services. Aspects such as water quality and quantity, biodiversity, human rights, wildlife conservation, wastewater management, air quality, fisheries, etc. are also considered in order to minimize/mitigate socio-economic and environmental impacts. Typically, there are opportunities to implement long-term community development programs that focus on locally-identified needs, community participation and stakeholder partnerships in program design, implementation and monitoring.

**STAGE 5: MINE CLOSURE**

Mine closure spans from two to 10 years, and post-closure water treatment and control may require perpetual management and funding. The process of converting an operating mine to a closed site involves three main phases:

- decommissioning – dismantling the infrastructure (e.g. facilities, buildings)
- reclamation – restoring disturbed areas (e.g. re-vegetating)
- post-closure care and maintenance – monitoring success of reclamation works, long-term water capture and treatment
Corporate governance, management systems and transparency provide a blueprint for how we incorporate sustainability into our business. Teck’s Core Values: safety, integrity, excellence, discipline, commitment, teamwork, innovation and respect; guide the Company’s decisions and actions.

corporate governance

Demonstrating good corporate governance is an important priority for the directors and senior executives of Teck. The Board of Directors has a Corporate Governance Committee, and our general counsel actively participates in the Committee’s efforts to ensure that our governance practices are up to date and meet the highest standards in Canada and abroad wherever we carry on business.

Our Code of Ethics affirms our commitment to uphold high moral and ethical principles and specifies the basic norms of behaviour for those conducting business on our behalf. While our business practices must be consistent with the business and social practices of the communities in which we operate, we believe that honesty is the essential standard of integrity in any locale. Thus, though local customs may vary, Teck’s activities are to be based on honesty, integrity and respect. For more information on governance, please see the Corporate Governance section on our website.
sustainability governance and management structure

The Safety and Sustainability Committee (SSC) (formerly the Environment, Health and Safety Committee) of the Board of Directors provides policy direction and monitors the company’s environmental, social and safety performance. The Corporate Environment and Risk Management Committee (CERMC), chaired by the CEO, is a senior management committee that sets priorities and direction for environment, health, safety and community programs, tracks performance and measures results. The Vice President of Environment, Health and Safety oversees compliance with environmental and safety standards and regularly reviews performance risks and strategic issues. The Vice President of Environment, Health and Safety and the Vice President of Sustainability set goals and objectives approved by the Board of Directors to manage sustainability performance in areas such as: water management, biodiversity, community relations, human rights, and climate change. Both Vice Presidents report to the Senior Vice President of Sustainability and External Affairs, accountable for sustainability reporting to the CEO.

management systems

Our commitment to sustainability is integrated throughout our company and is embodied in four interrelated documents:

- Our Charter of Corporate Responsibility is a set of principles related to business ethics, environment, safety, health and community that govern Teck’s operating practices and provides the overarching sustainability governance commitments
- The Code of Sustainable Conduct outlines the company’s commitments to sustainable development
- Our Code of Ethics sets out the company’s commitment to uphold high moral and ethical standards, and specifies the basic norms of behaviour for those conducting business on its behalf
- Our Safety and Health Policy, Toward Zero Incidents outlines our commitment to providing leadership and resources for managing safety and health.

Together, these documents provide the foundation that guides our commitment to sustainability throughout all of our Operations world-wide.

Our Charter, Codes and the Safety and Health Policy provide a foundation and a framework for the Environment, Health, Safety and Community Management Standards (EHSCMS) comprised of 19 standards that guide all business activities and form an integral part of management decision-making. These standards are based on the ISO 14001:2004 international standard for Environmental Management Systems and OHSAS 18001:2007 for Standards on Health and Safety, incorporating additional social sections. In 2007, the EHSCMS were reviewed and revised to reflect the Code.
Stakeholder engagement is a key function of our ability to conduct our activities as sustainably as possible. At the very least, effective engagement can help manage risk as follows: by mitigating conflict; by maintaining our social license to operate; and, by building strong community relations. Beyond risk management, effective stakeholder engagement can help us to learn by identifying emerging issues that may influence business and market conditions; by understanding societal perspectives and expectations of corporate responsibility and issues; and, by gaining a better understanding of how we can work with communities that are affected by our activities. Strategically, effective engagement can help establish trust-based relationships, seek new solutions, and establish credibility as a partner of choice.
stakeholder engagement programs

A key goal in 2007 was to develop a standardized stakeholder and community engagement program across the company. Community engagement, planning, stakeholder identification and issues and data management are now also commitments made through our membership in the Mining Association of Canada (MAC).

An initial assessment clarified strong corporate-level engagement commitments already in place, and found that many sites were implementing cutting-edge engagement initiatives with impressive results. Not all Operations were as proactive as others, it became clear that a more uniform approach was necessary to ensure that ‘on the ground’ engagement occurred consistently and strategically across our Operations and exploration sites.

In 2007, using international standards and guidelines, we began to develop an Engagement Handbook and data management system to guide stakeholder engagement at the local level. Throughout 2008, we plan to test this new system at the corporate level, and then introduce it to Operations for feedback for improvement.

One of our main challenges for effective engagement is to thoroughly train our personnel to assess community needs, make locally-informed and culturally-sensitive decisions, and engage in meaningful dialogue and community decision-making.

The following resources informed the development of our Engagement Handbook:

- AccountAbility1000 Stakeholder Engagement Standard (SES)
- ICMM Community Development Toolkit
- IFC Performance Standards for Social and Environmental Sustainability
- MAC’s Towards Sustainable Mining – External Outreach Component
- The Sullivan Roundtables
- Anglo American’s SEAT Tool
- Stakeholder Engagement Manual: From Words to Action
- The UN Millennium Development Goals.

We continued to develop our engagement program while consulting with Operations and exploration divisions to identify stakeholder groups and issues similar to the map outlined in our 2006 sustainability report. We assessed our current engagement efforts at the corporate level as Operations provided information on key topics and concerns, logistical information on their community relations programs, methods of tracking engagement and objectives, as well as information on engagement plans for 2008.

A challenge in 2007 was an ongoing blockade by members of one of two communities near the Morelos exploration project in Mexico, which has limited our access to part of the Morelos property. This experience has reinforced the company’s commitment to strengthening our employees’ engagement capacity and skills training.

While we engaged with a number of external stakeholders in 2007, one particular area of focus was our own employees in corporate affairs and community relations groups across the company. We trained environment and corporate affairs employees on Teck’s sustainability initiatives and effective sustainability reporting at a workshop, and conducted similar workshops on visits to North American Operations. The purpose of these visits was to engage representatives who provide information for the report, to understand the individual Operations’ sustainability challenges and opportunities, to understand how we can better streamline reporting efforts, and to solicit feedback on the whole process.

Vanessa Rivera Hoarte after her checkup at the clinic in Carhuayoc Peru. Carmela Fiori (at right) of Antamina’s Corporate Affairs addresses her concerns.
Engagement processes are opportunities for companies and stakeholders to enter into meaningful dialogue, exchange information, and create decision-making processes which can lead to innovative solutions to business development challenges.

Engaging with multiple stakeholder groups during early stages of exploration differs from simple project-related information-sharing in that efforts are made to incorporate community input into project design. An example of this would be inquiring about land uses prior to developing early drilling programs; local people have invaluable local knowledge, including seasonal climatic variations and the cultural significance of land and space. Project planners who engage with local people and empower them to inform the exploration plan based on experiential knowledge will encounter fewer project planning complications. Listening to, learning about, and demonstrating respect for local values is most meaningful when reflected in behaviours. Field teams increase the likelihood of project advance by acknowledging the importance of expressed community values, by modifying their behaviours, and manifesting these shifts through avenues such as consideration of alternative project design options.

Engaging with local communities and creating fora where ideas can germinate often leads to sustainable initiatives that exist beyond the mine’s life cycle. Company-community partnerships are an excellent investment because they strengthen trust and feelings of ownership, and more importantly, because such partnerships support community health and well-being—which can directly impact the stability and health of the mine development.
The Issue: The US EPA’s Toxics Release Inventory (TRI) Report says that Teck’s Red Dog Mine is the Biggest Polluter in North America

WHAT IS TRI?

The Toxics Release Inventory (TRI) is a publicly-available Environmental Protection Agency (EPA) database on toxic chemical releases and waste management activities reported annually by certain industries and federal facilities. Mining companies operating in the United States have been required to report TRI numbers to the EPA since 1998. Find out more at www.epa.gov/tri.

WHY ARE RED DOG’S TRI NUMBERS SO HIGH?

The mining industry as a whole reports high TRI numbers due to materials identified as toxic (ie: lead) that are naturally contained in rock excavated from mine sites. For example, when miners at Red Dog move a pile of rock from one place to another, naturally-occurring lead is deemed “released” by the US EPA, and is thus subject to TRI reporting requirements.

Due to the high-grade rock and ore at Red Dog, this mine has reported the nation’s largest TRI ‘release’ for the past few years. However, these releases are not pollution in the conventional sense. Our records of TRI releases indicate that 99.9% of the total reported releases are in the form of piles of rock that have been mined, stored and thoroughly managed in an environmentally-responsible way on-site. The remainder (0.1%) is primarily from the use of drilling products (methanol for ice melting) necessary to conduct our activities in the Arctic winter months.

HOW ARE THE TRI MATERIALS MANAGED AT THE MINE SITE?

Rock piles containing these naturally-occurring minerals are heavily regulated according to strict permitting and environmental compliance rules. At Red Dog, the rock piles are constructed in a way to collect all run-off (which would be hazardous to the environment) and continuously monitored. The mine is also certified to the ISO 14001 Environmental Management Standard, which further ensures strict oversight over the rock piles.

The Issue: Upper Columbia River Risk Assessment

Stakeholder concern regarding past disposal practices at the Trail Smelter in British Columbia, including subsequent legal action by the Colville Tribe and the State of Washington, led Teck to seek guidance on how to best respond to this issue in our sustainability report. We asked several investor groups to engage with us on the issue and provide us with questions that they have or have heard from the investment community. The following is a result of that collaboration.

WHAT WAS THE TIMELINE OF EVENTS? (INCLUDING DISPOSAL PRACTICES, LEGAL ACTION, REMEDIATION, FINES, ETC.)

Disposal of granulated slag into the Columbia River is a legacy practice that our affiliate, Cominco Ltd., conducted up to 1995, in accordance with Canadian regulatory permitting and reviews by US and Washington State agencies, and was common practice. The discharge of slag ceased in 1995, when new processing methods produced slag suitable for sale to the cement industry.

In 1999, the Colville Tribe petitioned the United States Environmental Protection Agency (EPA) to list Lake Roosevelt and the Upper Columbia River in the Superfund (see below) primarily as a result of past discharge practices of mines, mills, and smelters in the northeastern part of Washington and adjacent British Columbia. The EPA conducted a preliminary investigation in 2002 and determined that elevated concentrations of metals were present in river and the reservoir sediment.

In 2003, Teck began a series of negotiations with the EPA to agree on a voluntary process to assess the risks to human and environmental health resulting from past disposal practices at Trail. These negotiations broke down when the EPA insisted that...
Teck defer to US jurisdiction despite Trail’s Canadian location. In December 2003, the US EPA issued a Unilateral Administrative Order (UAO) compelling the company to conduct a Remedial Investigation and Feasibility Study (RI/FS) under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA; or “Superfund). The company declined, based upon its assertion that the US EPA had no jurisdiction over a Canadian Operation, but continued to seek a compromise solution.

In June 2004, two members of the Colville Tribe filed a lawsuit in Federal District Court, seeking to compel the company to comply with the UAO. Teck moved to dismiss based on jurisdiction, but the motion was denied and immediately appealed to the 9th Circuit. The 9th Circuit ruled that the US EPA did have jurisdiction in the matter, since the effects of the discharge came to rest primarily in the US. The company sought an appeal to the US Supreme Court, which denied its petition to hear the case in 2008.

The motion, now effectively dismissed, means that the original complaint and additional claims for natural resource damages and costs filed by the Colville Tribe and the State of Washington will be heard in the Federal District Court. In June of 2006, Teck and the US EPA reached a settlement resulting in the conduct of a voluntary, risk-based assessment of the effects of the disposal practices on Human Health and the Environment. The investigation is now proceeding, and will determine what, if any, risk the historic depositions pose to human health or the environment.

In September 2008, the District Court dismissed the plaintiffs’ claims for civil penalties for our failure to obey the EPA order prior to its withdrawal and their claims for costs and attorney’s fees. The decision effectively eliminates the risk of penalties in this regard unless facts change after the EPA remedy is implemented.

WHAT WAS DISCHARGED INTO THE COLUMBIA RIVER WHICH CAUSED CONCERN? WHAT ARE HEALTH AND ENVIRONMENTAL RISKS ASSOCIATED WITH THIS DISCHARGE? WHAT IS THE STATUS OF THE RELATED HUMAN HEALTH AND ENVIRONMENT RISK ASSESSMENT STUDY?

The primary concern regarding the Trail facility historically was the discharge of slag into the Columbia River. Granulated slag is the final waste product of the smelting process, and is essentially a glass composed primarily of iron, calcium, and silica, with up to 3% base metals. No studies to date indicate that Trail slag poses risks to human health or the environment. Discharge of slag ceased in 1995. Slag is not classified a Hazardous Waste in either Canada or the USA, and is now sold to cement manufacturers.

More recently, charges by plaintiffs in a lawsuit over this discharge claim that the normal liquid effluent of the facility, discharged under strict permits issued by the British Columbia government, are an additional and perhaps more harmful source of contaminants. The research proposed as part of the remedial investigation and feasibility study is designed to assess both of these sources of discharge. Current studies are slated for completion in 2011.

WHAT ACTIONS HAVE YOU TAKEN TO ALLEVIATE HISTORICAL IMPACTS AND PREVENT FUTURE OCCURRENCES?

Trail ceased discharging slag into the Columbia River in 1995 and has since implemented environmental and process changes at the site which have significantly improved operations. The facility complies with all current discharge permits and has voluntarily engaged in projects to further reduce environmental impacts. Notable progress includes the closure of area dumps and implementation of the Trail Blood Lead program, which has markedly decreased exposure levels of children in the area. Teck takes environmental stewardship very seriously, and we continue to work diligently to make Trail an Operation of which we can be proud.

WHAT IS THE CURRENT STATUS OF THE LAWSUIT, AND WHAT IS YOUR EXPECTATION FOR THE FUTURE? WILL IT HAVE AN IMPACT ON THE AGREEMENT WITH THE EPA?

Following the denial of our petition for review by the US Supreme Court in January 2008, the Lake Roosevelt litigation reverted to the Federal District Court for Eastern Washington. Judgment on the first phase of the litigation dealing with issues associated with an EPA order issued in December 2003 and withdrawn in June 2008 was delivered on September 19, 2008. All the claims associated with the order were dismissed, including the plaintiffs’ claims for costs and attorneys’ fees. On October 3, 2008, the plaintiffs filed a joint motion for partial reconsideration of the decision and asked that it be entered as a final judgment to clear the way for an appeal.

The second phase of the trial is expected to deal with liability and the plaintiffs’ claims for natural resource damages and costs. This phase of the case has been deferred until the remedial investigation being conducted by our affiliate, Teck Cominco American Incorporated, has been substantially advanced or completed. Until such studies have been completed, it is not possible to estimate the amount of damages, if any, that the plaintiffs have sustained or may claim.

ARE THERE ANY MISCONCEPTIONS YOU SEE OUT IN THE MEDIA THAT YOU’D LIKE TO CLARIFY?

As noted above, Teck takes environmental stewardship very seriously, and we continue to work diligently to ensure that operations have no lasting deleterious impacts on human health and the environment. From the start, we have made every effort to achieve a mutually-agreeable resolution with US regulatory agencies on this issue and we stand by our commitment to continue assessing past and future impact and implement remedial measures.
our socioeconomic performance
working with communities

The creation of long-term value for our shareholders, employees, local communities, governments and suppliers as well as other stakeholders is an integral component of sustainability. We now turn our attention to report on our economic contributions, product stewardship and a discussion on the economics of climate change.

ECONOMIC PERFORMANCE
In 2007, we achieved net earnings of $1.6 billion, the second highest in the company’s history following our all-time record set the previous year. More information on our financial performance is available in our 2007 Annual Report and our 2007 financial statements.

The table on page 25 is intended to provide information on how we create wealth for stakeholders through direct economic value generated, distributed and retained as defined by GRI. We contribute to our stakeholders’ wealth and prosperity at local, national and global levels via tax and royalty payments, direct and indirect employment, and the creation of broader economic opportunities.

COMMUNITY INVESTMENT
Teck’s investment in community partnerships and corporate giving has escalated from $500,000 in 2003 to $17 million in 2007. In 2006, we followed Imagine Canada’s recommendations and began publicly disclosing our donations; today, we are committed to donating 1% of earnings before interest, taxes and depreciation (EBITDA) on a 5-year rolling average basis. In addition, we invest in community development programs through participation agreements at projects and Operations. For example, Antamina Operation contributed $60.2 million USD, 3.75% of operating profits (our contribution of 22.5% ownership was $13.6 million USD), to the Fondo Minera Antamina (FMA) sustainability fund created to help improve living conditions throughout the Ancash region where the mine is located.

We envision a community investment program in which our commitment to sustainability is exemplified through support for initiatives that will benefit present and future generations, and create lasting legacies that also support the long-term viability of our business. Our success will ultimately be determined by:

- strong, resilient local communities
- the protection and regeneration of ecosystems
- an employee culture of “giving back”
- obtaining and retaining the social license to operate.

Julian Aguirre tends chickens at the Cochao experimental farm near San Marcos, Peru which is supported by the Antamina Mine.
local aboriginal participation

We believe our ability to contribute to these goals builds Teck’s competitive advantage — creating a competitive and loyal workforce, being a partner of choice and mitigating risk in sensitive communities and ecosystems.

**TABLE OF ECONOMIC VALUE GENERATED AND DISTRIBUTED IN 2007 AS REQUIRED BY GRI (IN $ MILLION)**

<table>
<thead>
<tr>
<th>ECONOMIC VALUE GENERATED</th>
<th>Revenue (1)</th>
<th>$ 6,371</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECONOMIC VALUE DISTRIBUTED</td>
<td>Operating costs (2)</td>
<td>$ 3,546</td>
</tr>
<tr>
<td></td>
<td>Admin wages and benefits</td>
<td>$ 41</td>
</tr>
<tr>
<td></td>
<td>Payments to providers of capital</td>
<td>$ 426 (dividends)</td>
</tr>
<tr>
<td></td>
<td>Taxes (3)</td>
<td>$ 1,283</td>
</tr>
<tr>
<td></td>
<td>Community Investments</td>
<td>$ 17</td>
</tr>
<tr>
<td>Total economic value distributed</td>
<td>$ 5,362</td>
<td></td>
</tr>
</tbody>
</table>

(1) Per income statement (fiscal year).
(2) Per income statement (fiscal year). Operating costs include operating expenses at our mining and processing operations and our general and administration, exploration, and research and development expenses. Employee wages and benefits are included in the total.
(3) This figure reflects income and resource taxes paid. Other taxes (property, payroll, royalty, etc.) are not included, but some taxes may be reflected in sites’ operating costs. Breaking this figure down to reflect all components is beyond the scope of this report.

**TAXES PAID BY COUNTRY (IN $ MILLION)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount (in $ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canadian</td>
<td>$ 725</td>
</tr>
<tr>
<td>US</td>
<td>$ 274</td>
</tr>
<tr>
<td>Peruvian</td>
<td>$ 253</td>
</tr>
<tr>
<td>Chilean</td>
<td>$ 31</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,283</td>
</tr>
</tbody>
</table>

(1) These figures reflect income and resource taxes paid. Other taxes (property, payroll, royalty, etc.) are not included, but some taxes may be reflected in sites’ operating costs. Breaking this figure down to reflect all components is beyond the scope of this report.

**OUR APPROACH TO COMMUNITY INVESTMENT**

Teck supports community initiatives in the areas in which we live and work. Our donations target is managed at the corporate level by the Donations Committee. While each Operation has an individual budget for community giving, the Committee also reviews additional applications submitted from Operations and distributes extra funding to local projects based on the categories listed below. Our 1% target includes cash contributions, and will track in-kind support, administration costs, and employee volunteerism in the future.

- Arts & Culture – spans visual and performing arts organizations, libraries, museums, cultural centres etc.

The high concentration of mining activity in Western Australia was making the Lennard Shelf Operation’s employee recruitment and retention especially challenging, but the local aboriginal community, who represented the richest labour pool in the region, had suffered a series of negative experiences with previous mine operators, and were reluctant to engage.

General Manager Dan Gignac realized that the Operation’s existing heritage agreement with the Goonyandi Traditional Landowner Group needed to be revisited; the agreement contained a broad commitment to “maximize” local participation through employment, but this had proven difficult to achieve.

Several extra training roles specifically for local indigenous people were created and funded from a separate budget. To attract the highest-potential local candidates, the Operation recruited a Community Relations Officer well-known and well-respected by indigenous communities in the Pillara area. The Officer developed a process which identified suitable applicants from the full range of language groups and clans near Pillara.

Originally recruited to work within the Concentrator area, the new employees were soon integrated into roles in process, geology, mobile plant maintenance, camp administration and product transport, with considerable success. As trainees gained skills and demonstrated their ability to work safely and reliably, they were assigned to crew vacancies as these arose; nearly 30 employees, or 10% of the Operation’s workforce, have been either directly employed or offered long-term contracts through this initiative.

Turnover rates among former trainees have proven to be significantly lower than overall site rates, which has reduced recruitment costs and fortified the Operation’s commitment to expand and enrich the program. Lennard Shelf has learned to help trainees identify a broad range of obstacles which may be confronted during their transition to full employment; respectful dialogue ensures that satisfactory coping strategies are developed, and also guarantees commitment on both sides to overcoming those obstacles. Any participants who choose to leave the training role are thoroughly interviewed to inform program development and fine-tune the methodology.

Lennard Shelf has become a workplace where indigenous staff add a unique flavour to the workplace culture, and where all employees feel comfortable and valued. Additionally, this initiative has solidified a mutually-beneficial reciprocal arrangement between the Operation and the surrounding community, and has become a source of significant pride for all involved.
climate change and carbon strategy

The topics of carbon emissions, global warming, climate change and greenhouse gases (GHG) have evoked much debate. With public, media and government attention focused on climate change, governments will continue to develop policy and legislation to constrain carbon and regulate emissions. The competitive landscape will change as a result of legislation, and Teck is committed to understanding its own drivers, risks, challenges and opportunities, as we work with governments on policy development and implementation.

Although carbon management and reporting is a long-standing practice at Teck, 2007 saw an increased focus on strategic management and standard-setting. We conducted internal scenario planning sessions and assembled special research teams to produce industry-wide surveys and reports aimed at enriching the corporate understanding of climate change, energy and emissions. Recommendations emerging in April 2007 highlighted key issues, including: accountability lines and implementation of company standards; internal and external communication plans; refining our understanding of our operating footprint; and incorporating carbon issues into decision-making models.

Broad concerns were refined, grouped and assigned to members of the company’s Energy & Carbon Task Force, established in March 2008, and comprising a cross-functional team of representatives from corporate departments. The first order of business was to lead a two-day Carbon Workshop on April 3-4 2008, attended by almost 50 participants from all areas of the company. The workshop detailed the evolution of Teck’s Energy & Carbon Program to date, provided historical and regulatory backdrops to ensure that participants had a similar knowledge pool, and featured a guest lecture on climate policy by Dr. Mark Jaccard of Simon Fraser University’s School of Resource & Environmental Management.

“Sharing Best Practices” was the theme of day two, with speakers from each Operation presenting recent energy efficiency projects, future opportunities and key constraints. Dialogue flowed around solutions and parallel applications, as well as establishing communities of practice. Breakout groups formed to discuss key aspects of energy and carbon program elements including Monitoring & Metrics, Energy Efficiency Projects, Internal Engagement Initiatives, Communication & External Commitments, Financial Markets, Regulatory Issues, Technology and Research & Development, and Adapting to Climate/Weather Change.

Workshop information, presentations, outcomes and employee input are now being shared across the company, and will serve to refine Teck’s energy and carbon strategy.

- Education – includes institutions of higher learning, with particular emphasis on mining at the undergraduate and graduate levels, or programs which are of relevance to the mining and metals industry
- Environment – includes support for responsible and objective environmental organizations as well as organizations that operate projects supporting wetlands reclamation and fish/wildlife habitat conservation
- Medical Research & Health – includes national health organizations and fundraising drives, such as the Children’s Hospitals in British Columbia and Ontario
- Social & Community – includes federated drives such as the United Way as well as community organizations, facilities and activities in the vicinity of our Operations. This category also includes support for athletic events which sponsor specific charities, amateur teams in and aboriginal organizations in communities where significant numbers of the company’s employees live.

ALIGNING OUR CONTRIBUTIONS WITH UN MILLENNIUM DEVELOPMENT GOALS

In the coming years, we aim to ensure that a portion of our community investments demonstrate measurable, sustainable benefits that align with our sustainability values by following a consistent global framework for tracking tangible progress in sustainable development: the UN Millennium Development Goals.

As a signatory to the UN Global Compact, we support these Goals and truly understand the sustainability issues faced by the Global North and the Global South communities in which we operate.

**COMMUNITY INVESTMENT RESULTS ($)**

<table>
<thead>
<tr>
<th>Operation</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal Mountain EVCP</td>
<td>11,000</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Cardinal River EVCP</td>
<td>53,000</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Elkview EVCP</td>
<td>42,000</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Fording River EVCP</td>
<td>54,000</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Greenhills EVCP</td>
<td>31,000</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Line Creek EVCP</td>
<td>24,000</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Hemlo mines</td>
<td>143,000</td>
<td>195,000</td>
<td>108,000</td>
</tr>
<tr>
<td>Highland Valley Copper</td>
<td>860,000</td>
<td>248,000</td>
<td>265,000</td>
</tr>
<tr>
<td>Lennard Shelf</td>
<td>166,000</td>
<td>21,000</td>
<td>n/a</td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>25,000</td>
<td>32,000</td>
<td>16,000</td>
</tr>
<tr>
<td>Red Dog</td>
<td>1,252,000</td>
<td>156,000</td>
<td>74,000</td>
</tr>
<tr>
<td>Trail</td>
<td>464,000</td>
<td>169,000</td>
<td>114,000</td>
</tr>
<tr>
<td>Pogo</td>
<td>4,000</td>
<td>9,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Corporate</td>
<td>14,076,000</td>
<td>3,254,000</td>
<td>973,000</td>
</tr>
</tbody>
</table>

* 2007 investment totals were calculated based on percentage ownership. 2006 and 2005 numbers were not calculated this way as to remain consistent with past reports.
CLIMATE CHANGE ECONOMICS

In 2007, Teck participated in a number of processes to evaluate climate change, including our annual risk report, the Carbon Disclosure Project, a carbon scenario planning session, and a Case Study completed by several employees.

Our assessment of the potential impacts of climate change including risks and opportunities has been reviewed, through an annual Risk Assessment process, by the company’s senior governance body, the Board of Directors.

For the past two years, Teck has participated in the Carbon Disclosure Project (CDP), which provides a coordinating secretariat for institutional investors with a combined $57 trillion of assets under management. On behalf of participants, CDP seeks and obtains information from the world’s largest companies on the business risks and opportunities posed by climate change, as well as greenhouse gas emissions data.

A carbon scenario planning session organized to evaluate future business decision making in a carbon-constrained world was conducted with Board members, senior executives, managers, and external climate change experts.

The objectives for the process of developing strategies based on scenarios were to:

• Clarify the key issue(s) facing the company or specific strategic decision(s) with applicable expertise on those issues
• Expand understanding of the forces driving change and the key uncertainties shaping the future
• Develop relevant, challenging and equally-probable scenarios describing a range of future outcomes
• Use the scenarios as the context for generating and evaluating strategic options
• Identify decision criteria and strategic risks and opportunities in implementing different options
• Develop tactics and action plans for implementing preferred strategic options
• Build a shared understanding and consensus within management on the context, strategies and tactics.
RISKS DUE TO PHYSICAL CHANGES ASSOCIATED WITH CLIMATE CHANGE

It is difficult to assess risks in weather patterns and how our Operations will be affected without more local information on the impacts of changing weather. However, there is now general consensus on overall patterns that predict likely occurrences, in particular: increase in periods of severe weather, rising sea levels, prolonged drought in some areas, heavy rainfall and flash flooding in other areas. Extreme weather may also cause significant population displacements, which can lead to an increase in disease and poverty levels, while undermining basic human requirements for healthy communities.

REGULATORY RISKS

We believe that with public, media and government attention focused on climate change, governments will develop legislation to constrain carbon and regulate emissions. Representatives from Teck have joined a mining industry task force, working directly with Premier Gordon Campbell’s British Columbia Climate Action Team. We also continue to work with industry associations to guide the development of regulations, mining and smelting industry policies and practices on energy/GHG emissions at national and provincial levels.

OPPORTUNITIES TO DEVELOP AND IMPLEMENT NEW TECHNOLOGIES TO ADDRESS CLIMATE CHANGE CHALLENGES

Climate change presents Teck with several process- and product-oriented commercial opportunities.

There is potential to expand existing efficiency projects across all Operations. An example is the energy efficiency program at our Hemlo Operation, where improved energy management practices reduced costs by approximately $1 million while reducing GHG emissions. This best-practice effort was shared with other Operations at a recent carbon strategy workshop.

Demonstrating excellence in resource management, Teck has an opportunity to leverage research and development and on-going technological advances. These include zinc-air fuel cell applications for the green energy sector and Cominco Engineering Services Limited’s (CESL) hydrometallurgical method for recovering copper (an alternative to the smelting process).

Zinc-Air Fuel Systems

Research, development and demonstration of zinc applications for the green energy sector have been a focus of our Product Technology Centre (PTC). PTC and partners are developing regenerative zinc-air fuel cell systems which have potential as a “green” power source offering a range of possible uses from mass transit to portable power.

The CESL Hydrometallurgical Process

This alternative process to smelting is currently being tested at a prototype plant in Brazil with Companhia Vale do Rio Doce (Vale) and provides several environmental benefits including:

- Zero gas emissions from the CESL process, except for a small amount of pure steam produced by the autoclave and in certain instances, an evaporator. The production of sulphur dioxide, a precursor to acid rain, is also avoided in this hydrometallurgical process.

- Innovative CESL design virtually eliminates all effluents. All liquids are recycled through the plant, and impurity levels are controlled prior to the process using a precipitation circuit.

- An on-site process that eliminates intensive shipping requirements associated with traditional smelting methods and concentrate sales. In turn, emissions are significantly reduced.
E-waste is generated in enormous and increasing volumes every year; Environment Canada estimates that Canadians produced 156,000 tonnes of e-waste in 2005, and predicts that amounts will reach approximately 224,500 tonnes by 2010. The projected 34% increase over eight years reflects consumer trends favouring ‘disposable’ technology; this is most apparent in the average three-year turnover for laptops and two-year turnover for cell phones. In addition to the sheer volume of trash our society generates, there is another issue to consider – e-scrap contains metals and hazardous materials that escape their protective casings when these are broken during disposal, and leak into the soil and waterways surrounding landfills.

Landfilling of e-waste, therefore, is a questionable practice for environmental reasons in addition to being a loss of valuable metals. Rapid innovations and turnover of electronic equipment has far outpaced industry’s ability to handle its disposal; e-waste destined for recycling often finds its way to developing countries, where it is manually dismantled in unregulated, outdated and unhealthy ways. Taking care of our own e-waste in Canada breaks this cycle of exporting the problem to countries less capable of dealing with it safely.

In Trail Operation’s fuming process, shredded e-waste is added as supplemental feed to the furnace. Metals such as germanium, zinc, indium and lead are recovered as metal powder and integrated into the standard products of Trail Operation. Plastics and wood from old TVs are consumed as fuel, generating steam that is recovered and used to heat vessels elsewhere onsite. Materials such as silica and iron are incorporated into the final product, which is then sold for use in Portland cement manufacturing.

Over 6,600 tonnes of e-waste was processed through the fuming furnace in 2006 and 2007, representing about 150 tonnes of lead that has been recovered, reused and kept out of landfills. By the end of 2007, Trail Operation had been accepted as a processor for the BC, Alberta and Saskatchewan provincial electronic recycling programs, having met their requirements. In the past few years, the business development team at Trail Operation has been working to adapt Teck’s Trail smelter complex furnace technology to responsibly recycle thousands of tonnes of end-of-life TVs, monitors, computers and printers – or “e-waste” – in Western Canada and the United States.

In addition to the e-waste feed, the Trail smelter has been working to adapt to receive and process urban ore.

In the past few years, the business development team at Trail Operation has been working to adapt Teck’s Trail smelter complex furnace technology to responsibly recycle thousands of tonnes of end-of-life TVs, monitors, computers and printers – or “e-waste” – in Western Canada and the United States. Teck is also researching capabilities to recycle other types of e-waste such as DVD players, VCRs, audio/visual equipment, gaming stations, cell phones and household alkaline batteries (e.g., A, AA, AAA, C, and D cells).

It is commonly known that water demand already exceeds supply in many parts of the world, with even more areas expected to experience this imbalance in the near future. In the knowledge that water scarcity is a problem, Teck conducted a Global Water Risk Assessment in 2007 to assess water-related business risks.

In a joint effort, Teck partnered with Strategic Sustainability Consulting (SSC) to:

• Analyze water scarcity issues that may arise and affect our Operations, and evaluate the potential need for water management plans in the future
• Map company sites to identify whether any employees live in water-scarce areas that lack access to safe water and/or sanitation
• Use a model to quantify and benchmark total water use and efficiency

**METHODOLOGY USED IN WATER ASSESSMENT**

The World Business Council for Sustainable Development’s Global Water Tool was leveraged to analyze the following 14 sites: Elkview, Cardinal River, Coal Mountain, Fording River, Greenhills, Line Creek, Hemlo, Red Dog, Pogo, Highland Valley Copper, Pend Oreille, Trail, Lennard Shelf and Antamina. The 2006 data for these Operations was examined most closely because they have water processing needs beyond those of employee-only sites, and thus have the largest potential impact.

**RESULTS**

The Water Tool process creates key water Global Reporting Initiative indicators, inventories, risk and performance metrics, as well as geographic mapping (which links to Google Earth for a global perspective) for use in prioritizing sustainability actions. Six of the 14 sites conducted measured water withdrawals, and all sites were mapped in order to assess the level of water scarcity. The Elkview Operation, located in Sparwood, BC, was the only site which produced results warranting the development of a water management plan.

**CONCLUSION**

This water impact assessment process will grow over time; in 2008, a water audit will be carried out in all of Teck’s industrial sites, and will include fresh and non-fresh water withdrawals, discharge, usage levels, and all other key indicators. Site-specific conservation goals will be set, with special attention paid to critically water-scarce Operations.

According to the Pacific Institute, only 20% of companies address water risk in their reporting, and mentions tend to be theoretical rather than forward-looking. This baseline knowledge of Teck’s water needs in relation to localized externalities gives us a clear competitive advantage within this water-intensive industry. Annual data collection and analysis will bolster Teck’s ability to increase employee awareness on sustainability issues, and help the company provide accurate data in our reports as well as to stakeholders and interested parties.
The operations included in the 2007 data are:

- Trail Metallurgical facilities
- Lennard Shelf mine
- Highland Valley Copper mine
- Andacollo mine (Employees, General Indicators and Health and Safety Results only)
- Elk Valley Coal Corporation (6 mines)
- Williams and David Bell mines
- Pend Oreille mine
- Red Dog mine
- Pogo mine
- Antamina mine (General Indicators and Health and Safety results only)
- Duck Pond mine (Employees, General Indicators and Health and Safety Results only)
- Quebrada Blanca mine (Employees, General Indicators and Health and Safety Results only)

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<th></th>
<th>2007</th>
<th>2006</th>
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<td><strong>ABOUT US</strong></td>
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<td>Employees</td>
<td>8,867</td>
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<td>Significant EHS Incidents</td>
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<td>Permit Excursions ¹</td>
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<td>Water Sampling % Compliance</td>
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<td>Air Sampling % Compliance</td>
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<td>Reportable Spills ¹</td>
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<td>Enforcement Actions</td>
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<td>Energy Intensity in Gold Product (GJ/oz)</td>
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<tr>
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<td>Carbon Intensity in Gold Product (t/oz) (Direct)</td>
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<td>0.13</td>
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<td>Carbon Intensity in Gold Product (t/oz) (Total)</td>
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<td><strong>Waste &amp; Recycling</strong></td>
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<tr>
<td>Solid Waste Material Recycled (t) (^1)</td>
<td>49,100</td>
<td>35,928</td>
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<td>Solid Waste Material Recycled (m(^3))</td>
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<td>Liquid Materials Recycled &amp; Reused (m(^3))</td>
<td>4,789</td>
<td>1,678</td>
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<td>Solid Waste Material Recycled (items) (^1)</td>
<td>28,969</td>
<td>32,392</td>
<td>18,745</td>
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<td>Saleable Wastes</td>
<td>106,297</td>
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<td><strong>Managed Waste</strong></td>
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<td>Total Waste Rock (’000 tonnes)</td>
<td>459,257</td>
<td>24,271</td>
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<tr>
<td>Total Tailings Dry (’000 tonnes)</td>
<td>56,982</td>
<td>61,288</td>
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<tr>
<td>Total Solid Non-Hazardous Materials to Landfill (’000 tonnes)</td>
<td>17.02</td>
<td></td>
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<tr>
<td>Total Solid Non-Hazardous Materials Incinerated (’000 tonnes)</td>
<td>0.28</td>
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<tr>
<td><strong>Water Conservation</strong></td>
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<tr>
<td>Total Groundwater Withdrawal (m(^3)/yr)</td>
<td>12,869,779</td>
<td>8,171,764</td>
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<tr>
<td>Total Surface Water Withdrawal (m(^3)/yr)</td>
<td>111,463,729</td>
<td>105,915,979</td>
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<tr>
<td>Total Volume of Water Recycled/Reused (m(^3)/yr)</td>
<td>119,077,909</td>
<td>90,244,657</td>
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<tr>
<td>Total Percentage of Water Recycled/Reused (%)</td>
<td>95.77</td>
<td>79.10</td>
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<tr>
<td><strong>Reclamation (^6)</strong></td>
<td></td>
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<tr>
<td>New Reclamation for the Year (ha)</td>
<td>391.5</td>
<td>n/a</td>
<td>n/a</td>
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<tr>
<td>Reclaimed to Date (ha) (^1)</td>
<td>10,869</td>
<td>10,622</td>
<td>10,473</td>
</tr>
<tr>
<td>Land to be Reclaimed (ha) (^1)</td>
<td>17,733</td>
<td>17,471</td>
<td>16,821</td>
</tr>
<tr>
<td>Trees Planted (^5)</td>
<td>486,853</td>
<td>430,858</td>
<td>279,210</td>
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<tr>
<td><strong>Environmental Costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$ 60,703,419</td>
<td>$ 42,184,686</td>
<td>n/a</td>
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<tr>
<td>Capital Costs</td>
<td>$ 39,101,720</td>
<td>$ 23,464,050</td>
<td>n/a</td>
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<tr>
<td>Reclamation/Remediation Costs (^7)</td>
<td>$ 20,400,000</td>
<td>$ 30,500,000</td>
<td>$ 28,900,000</td>
</tr>
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</table>

n/a Not Available.

\(^1\) Historical data (2005-2006) for EVCC has been included where available.

\(^2\) The safety and health statistics reported in the 2007 Sustainability Report are slightly different than those reported in our 2007 Annual Report due to injury upgrading/downgrading, claim denial by medical professionals, or investigative results.

\(^3\) Safety statistics include both employees and contractors. TRIF, LTIF and Severity rates are based upon 200,000 hours worked.

\(^4\) Data is stated based on a proportionate basis: Hemlo 50%, EVCC 52%, and Lennard Shelf 50%.

\(^5\) The GRI formula for calculation of Total Percentage of Water Recycled (total volume used/total volume recycled) is inconsistently applied within the industry. We are working toward standardizing the methodology.

\(^6\) “New reclamation for the year” is reclaimed amount for specified year. “Reclaimed to date” is a cumulative total of reclaimed land; “Land to be reclaimed” is disturbed land that has yet to be reclaimed.

\(^7\) Costs for operations and dormant properties were recalculated for 2005 and 2006 as compared to the 2006 Sustainability Report, based on revised figures from the TC Finance Department.

Deloitte & Touche LLP reviewed selected environmental, health and safety data in the 2007 Sustainability Report. Their Independent Reviewers’ Report is available on page 54. To see a more complete list of reviewed indicators please see our Operations’ Sustainability Summaries at www.teck.com. Only performance data with the following symbol 🌐 was independently reviewed by Deloitte & Touche LLP.
our environmental performance
innovation from waste: new products and services

We apply the principles of sustainability to the management of materials that were traditionally thought of as waste. An ever-growing list of materials are now used as or converted to useful products. Important examples include:

**TRAIL SMELTER**
- Ferrous granules, once part of the waste stream, are now used in the production of ground slag cement, and as an iron supplement in cement production. 201,500 tonnes of ferrous granules were sold for these purposes in 2007
- The Smelter also recycles lead from lead-acid batteries shipped in from across Canada and the United States. In 2007, a total of 25,239 tonnes of lead was processed
- Trail also expanded its recycling business to recover metals and materials from electronic waste (e.g. old computers, monitors, televisions, etc.) known as e-scrap
  - By meeting strict environmental requirements, in 2007 Trail was accepted as a processor of e-scrap collected from western Canadian provincial recycling programs
  - 4,485 tonnes of e-scrap were processed in 2007; as the program grows, we expect to process up to 20,000 tonnes per year, effectively diverting material that would otherwise go to solid waste landfills in western Canada and the United States.

**SULLIVAN MINE**
At this closed mine, another former waste product, calcine, which is rich in iron, is being recovered, marketed, and sold. Calcine was a by-product of the iron plant which operated at Sullivan mine. It is managed in a secure impoundment and is not a cause for environmental concern. In 2007, about 39,856 wet metric tonnes were sold to the cement industry; a quantity on par with 2006 volumes. Revenues from calcine sales are used to offset closure and reclamation costs and long-term costs associated with the water treatment plant.

reuse and recycling of waste materials

Overall, 2007 total recycled volumes from Operations increased significantly, due mainly to the addition of data from seven Operations to the company total (six Elk Valley Coal mines and the Lennard Shelf mine). The solid recycling volume increased from 35,928 tonnes in 2006 to 49,100 tonnes in 2007; these materials included a 37% increase in: lead–acid batteries, scrap metal and electronic waste (or “e–waste”, refer to table on page 34). The volumes of liquid recycling increased significantly from 1,678 m³ in 2006 to 4,789 m³ in 2007, again largely due to reporting of data from the additional Operations. Liquid materials consisted mainly of used oil and oily water. The “item count” of materials recycled in 2007 remained similar to last year, numbering almost 29,000 items including fleet tires, fluorescent tubes, plastic pails, drums, gloves, and raingear.

Teck is a responsible steward of the lands that we manage. Our aim is to minimize our footprint, mitigate our impacts and, once mining operations have ceased, leave behind land that will support productive uses for future generations.
Stewardship of waterways and the efficient use of water is of paramount importance to Teck. Water, is required for industrial processing, while potable water is required for employee use. Teck programs involve assurance that water use is appropriately monitored and that operations investigate and implement conservation opportunities where appropriate and feasible.

We require water for industrial processing and potable water for employee use. A variety of Teck programs ensure that water use is appropriately monitored and that Operations investigate and implement conservation opportunities where appropriate and feasible. Major environmental risks and opportunities related to water supply were assessed at Teck through the World Business Council on Sustainable Development water tool.

Water recycling and water use reduction programs are in place at many of Teck’s Operations. In 2007, a total of 124,334,000 cubic metres (m³) of water was consumed, of which 119,078,000 m³ were recycled. The percentage of recycling varies across sites, with some as high as 1,547% (in cases where tailings pond water is re-used several times throughout the mill or process plant), others at 0% (where tailings systems are not designed in this way). Alternatives, such as filtration of tailings into a solid or tailings slurry backfill into used open pits, are typically used in these cases. The latter alternatives yield other environmental benefits such as minimizing the volume of tailings for long-term storage. The average overall water recycling rate for all of our Operations is 96%.

At our Hemlo Operation, a water recycling target of 95% was set in 2006 and a Water Management Team was established to guide the effort. In 2007 facilities for open pit stormwater recycling were completed, with commissioning taking place in 2008. Due to these efforts, Hemlo achieved the goal of meeting its water needs using recycled mine stormwater, thereby significantly reducing the volume of fresh water required from the licensed surface water source of Cedar Creek.

It is important to note that the formula for calculating the percentage of water recycled is inconsistently applied across the industry, but we are working toward standardizing a methodology.
The solid recycling volume increased from 35,928 tonnes in 2006 to 49,100 tonnes in 2007.

The following figures detail our efforts in 2007.
Greenhouse Challenge Plus Cooperative Agreement

When our Lennard Shelf Operation heard about the Australian Federal Government’s Greenhouse Challenge Plus initiative, they were quick to join the campaign to reduce greenhouse gas (GHG) emissions. GHG-control is a challenge for our company, and this programme presented an opportunity to participate in a community of practice and explore innovative process efficiencies for reducing waste, saving money and optimizing energy use. Challenge participants had access to advisors, workshops and other planning tools, and qualified for a diesel fuel rebate.

The Challenge involved an agreement between Lennard Shelf and the Australian Government to create and execute appropriate, practical and cost-effective actions to reduce GHG emissions and encourage peers and external stakeholders to implement similar measures.

Using the Challenge’s specially-designed Online System for Comprehensive Activity Reporting (OSCAR), Lennard Shelf employees tracked the progress of its Action Plan. OSCAR helped participants report GHG abatement activities while concurrently identifying opportunities for GHG savings.

The broad range of commitments and activities included:

**Direct Actions**

- Reduce GHG emissions from facilities, fixed plant & office equipment:
  - shut down all non-essential equipment when the office is unoccupied
  - install clotheslines in camp to reduce the use of dryers
  - support renewable energy development (ie: tidal power in Derby).

- Reduce GHG emissions from vehicles
  - ensure that all vehicles are kept in good operating condition – maintenance on-site
  - consider tidal influence in pushing barge to ship loading – use the tide to pull the barge out rather than working against the tide.

- Reduce GHG emissions from waste products
  - educate site personnel to minimize electricity and diesel use as part of the Environmental Management System.

**Influence Actions**

- GHG-reduction commitments will be promoted to contractors and service providers, who will be encouraged to implement similar measures within their contract agreement.

**Offsets**

- Purchase Green power
  - support construction of possible tidal power in West Kimberley.

**Other Offsets**

- fund research into Practical Carbon Sequestration Though initial expenditures related to Challenge participation proved significant, the Operation recognized the long-term financial benefits of increased efficiency. Not only does Lennard Shelf aim to influence external stakeholders such as suppliers, customers and subcontractors, the Operation is also considering potential spin-offs; any technology developed as a result of this initiative could have considerable resale value as global GHG restrictions are tightened.

**biodiversity and land management**

We are developing a biodiversity strategy for land slated for development as well as lands adjacent to our facilities. Characteristics which underpin the long-term health, function and viability of the natural environment are identified, analyzed and evaluated prior to any disturbance. When rare or scarce natural resources are identified, relevant areas may be avoided, a mitigation plan put in place, or partners engaged to offset the disturbance by conserving resources elsewhere in the vicinity of the operations.

In June 2008, an internal meeting at corporate office in Vancouver was convened with personnel from across the company to discuss Teck’s biodiversity commitments and tools. Facilitated by external consultants who had been assisting in the preparation of a biodiversity Guidance Manual for Operations, the group evaluated the utility of providing checklists for each phase of mining (exploration through closure) and adding biodiversity-specific policies into our Management Standards.

Historically, the terms “reclamation” and “biodiversity plans” were used interchangeably at Teck, though have not always referenced International Union for Conservation of Nature (IUCN)–listed species or sensitive habitats for local, endemic species. Teck had previously reported having no biodiversity plans in place because, due to our broad and strict reclamation plans, we concluded that no additional plans were needed. This position was re-evaluated with reference to GRI indicator MM3: “number/percentage of sites identified as requiring biodiversity management plans, and number/percentage of sites with plans in place.” Following internal strategy sessions, it was agreed that Teck’s 2007 response to this indicator will include our progressive mine reclamation plans. The case study at Highland Valley Copper on page 39 is an example, as is the Quintette Coalmine high elevation native species island program described in the 2004 Sustainability report.

**PARTNERsHIPS IN CONSERVATION**

Some recent examples of our partnerships in support of conservation include:

- Antamina Polylepis
- Fort Shepherd Land Conservation Area
- Highland Valley Copper–Witches Brook–Winter Moose Pasture Land Reserve
- Canadian Intermountain Joint Venture – corporate partners in Grassland Conservation endeavors.

During operations, disturbed areas are progressively contoured and vegetated after they are no longer required for active mining. Moreover, many of our sites have nurseries where native species of grasses, shrubs and trees are grown in preparation for re-vegetation activities. Reclamation, or closure plans, are developed for each of our sites and are followed progressively through to closure.
At closure, in order to return the remaining disturbed land to a stable state for post-mining land use, we remove, relocate, demolish or transfer ownership of buildings and physical infrastructure; close pits and shafts; stabilize underground workings; treat tailings and waste water appropriately; and slope, contour, cap or cover and vegetate our waste rock dumps and tailings impoundments. In fact, Teck’s leading role in such reclamation and closure practices have won numerous industry and government awards for its reclamation activities.

**LAND STATUS**

About 38% of the lands managed by Teck and affected by mining have been fully reclaimed. The graph to the right includes Elk Valley Coal Corporation (EVCC) properties; data collected from EVCC was reconciled in 2007, so figures listed in previous reports have been corrected and restated to include EVCC data. Our progressive reclamation policy continues to apply to all Operations.

The location and size of our land adjacent to protected areas and areas of high biodiversity value were reported in our 2006 Sustainability report. Red Dog, Antamina and Cardinal River mines continue to work with local community groups and government agencies to ensure responsible care and protection of these lands.

Teck’s progressive reclamation policy is ongoing. During 2007, we planted 486,853 native trees and seedling stock, taking great care to control the provenance of native seeds used in these programs in order to guarantee that the genetic component of vegetation remains consistent.

<table>
<thead>
<tr>
<th>Rect Hects of Land</th>
<th>Yearly Reclamation</th>
<th>Reclaimed to Date</th>
<th>To be Reclaimed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

View of reclamation at Cardinal River Operations, looking west.
emissions and effluents

The recovery and production of minerals, metals, and fuels requires energy. As part of our sustainability initiatives, Teck is committed to the efficient use of energy for this purpose and to the responsible management of the associated greenhouse gas (GHG) emissions. Rapidly climbing energy costs, coupled with emerging regulatory fees and GHG constraints have prompted Teck to place considerable effort into refining our strategy with regards to this important set of issues. Our long-term goal is to achieve a reduction in such emissions, through energy efficiency improvements, the increased use of renewable energy, and if necessary, through the use of credits and offsets. We will achieve this challenging goal with ingenuity, creativity and investment of time and resources.

Our short-term efforts will focus on:

- Establishing Operation-specific targets and further improving processes for monitoring and reporting energy use and GHG emissions
- Enhancing our efforts to identify, assess and implement opportunities to improve energy efficiency, reduce GHG emissions and increase the share of energy derived from renewable sources
- Investing in research and development of low-carbon technology for mining and smelting, as well as carbon capture and storage opportunities
- Advancing the application of our products, particularly metals, in areas that support an overall reduction in society’s carbon footprint.

We will accomplish these goals for the benefit of the environment and our stakeholders, including employees and shareholders.

DIRECT ENERGY CONSUMPTION

In this year’s report, data pertaining to energy use and GHG emissions includes all Elk Valley Coal Partnership (EVCP) Operations. Teck’s direct and indirect ownership is approximately 52% of this partnership, and we are the operator of these facilities. Given that this is the first year of including EVCP, past years’ data is also presented for a clearer analysis of company-wide historical trends. Also of note is that energy and GHG data for Operations acquired by Teck from Aur Resources in the third quarter of 2007 are not included in this report. We are beginning to collect current and historical information on these Operations for future inclusion.

Teck has tracked company-wide energy use and GHG emissions since 1996. In 2007, Operations consumed a total of 28,932 TJ (terra joules) of energy, including electricity, fuels and 52% of EVCP consumption, or 20,222 TJ excluding EVCP. This represents a slight rise over Teck’s use of 20,116 in 2006 due primarily to increased production at Pogo mine and the first full year of operation at Lennard Shelf mine. This was partially offset by reduced energy use at the Trail smelter as a result of a month-long scheduled maintenance shutdown.

Electricity and fossil fuel use for previous years are illustrated in the chart below (excluding EVCP data).

![Energy Consumption Chart](chart.png)
GHG programs

GREENHOUSE GAS MANAGEMENT SYSTEMS
Specific best practices on energy management systems can be found in the Mining Association of Canada’s Toward Sustainable Mining (www.mining.ca). Our continued reporting against these standards is provided in the detailed site sustainability summary reports for Trail, Highland Valley Copper and the Hemlo Operations available for download from our website.

GREENHOUSE GAS EMISSIONS
Teck’s direct GHG emissions (as CO₂ equivalent) increased to 1,602 kilotonnes (kt) in 2007, largely as a result of including emissions from EVCP (on a 52% basis). Emissions excluding EVCP totaled 778 kt compared to 728 kt in 2006. Key increases in 2007 were a consequence of the first year of operation for Lennard Shelf and a rise in emissions at HVC due to additional truck and shovel use for the mine life extension work noted above.

Note that our reported direct GHG emissions now include estimated emissions associated with the Waneta Dam hydroelectric facility which we own. Approximately 1900 GWh of energy from this facility is used at Trail Operations, while 900 GWh is sold to the export market. Estimated emissions from the dam are reported separately from those for Trail Operation in order to ensure that comparisons with other zinc production facilities, which do not typically own the facility which supplies their electrical power, can be made on a more consistent basis. At present, the emissions factor we use for this hydro facility is based on electricity usage for the province of B.C. (0.02 kg CO₂e/kWh). We believe that actual emissions from this hydro facility are considerably lower, and are working towards developing a more accurate emissions factor. It should also be noted that direct emission results for previous years at Trail have been restated based on slightly revised methane and nitrous oxide emission factors associated with the use of coal and coke.

We also track our indirect GHG emissions associated with electricity use; 2007 estimations are 162 kt, or approximately one tenth of our direct emissions. Our indirect emissions are relatively small as many of our Operations are in regions which obtain a significant proportion of their electricity from hydro generation, such as British Columbia and Washington State.

The Highland Valley Copper (and molybdenum) mining complex is set in the beautiful Thompson–Nicola region of British Columbia, where the Thompson River flows between hills and desert adjacent to several major British Columbia provincial parks. Its neighbouring communities include popular outdoor recreational destinations including Logan Lake, Kamloops, Ashcroft and Cache Creek. The Operation and has a long record of sound environmental performance recognized by numerous awards; its protection of the natural environment is not only a key policy priority, but an extension of the culture of this region.

Accordingly, Highland Valley Copper (HVC) Operation has undertaken studies of vegetation, aquatic environments and even winter use by moose. To focus more intently on its biodiversity goals, HVC’s most innovative project to date is a three-year formal documentation of the bird community’s response to mining and reclamation activities.

In 2005, HVC retained an environmental consulting firm to collect information including bird habitat, disturbed vs. reclaimed land species use, breeding evidence, diversity, abundance and ecological roles. This inventory phase came to a close at the end of 2007, resulting in a total of 10,592 observations made of 46,212 individual birds.

Findings were both interesting and surprising: researchers documented the use of the property by 192 species of birds, which surpassed the initial predictions for this high-elevation site. It was discovered that species moved between the native and altered habitats, but in general, 72% of them were observed using habitats resulting exclusively from mining disturbance and reclamation. Most of the species visit the site for summer breeding, pass through during spring and fall migration, or are winter visitors. Reclaimed tailings ponds and an abundance of newly-formed wetlands, with associated riverside habitats, are responsible for much of the variety in bird life. Reclaimed dry tailings and rock dumps have been converted to grasslands, which are well-used by virtually all of the species that can be expected in such habitats at higher elevations.

While the actual numbers of birds in some species groups was estimated as having declined as the region became more industrialized, overall biodiversity has remained comparatively robust because some species that favour mining and reclamation habitats have actually “migrated in” to the area.

In order to replace cavities lost during the conversion of forested habitats to grasslands, the Operation has established a nest box program that successfully attracts both Mountain Bluebirds and Tree Swallows; this initiative produced higher numbers of young per nest than a similar program in Kamloops. From a sustainability perspective, the potential to supplement these boxes with zero-maintenance, high-longevity cavities is being examined.

With these positive results from the inventory program, future monitoring activities will indicate how well the habitats continue to function and sustain the diversity of bird life. This data will guide HVC’s reclamation initiatives in creating the habitats necessary for healthy and growing bird populations, and the study itself has also served as a public information piece to explain reclamation activities, ecosystem restoration and subsequent wildlife uses to interested residents and visiting outdoor enthusiasts.
landfarm rehabilitation

Elk Valley’s Coal Mountain Operation faced the challenge of shifting tonnes of hazardous waste to make space for other purposes. Following the presentation of a new product by a waste management contractor, Environmental Officer Warn Franklin took the initiative to develop an environmentally-friendly remediation technique that saved the Operation a great deal of time and money. Here, Warn answers some questions and tells the story in his own words:

WHAT IS A LANDFARM, EXACTLY?
Contrary to other dump sites at a mine, a landfarm is set up for dealing with hydrocarbon-contaminated soil created through on-site oil spills or hydraulic oil spills, and also contains hydrocarbon-contaminated sediment from the steam wash bay. Waste sent to a landfarm really has nothing to do with mining process, but comes from the equipment involved.

WHY WAS COAL MOUNTAIN IN A RUSH TO MOVE THIS LANDFARM?
Because it was in the way—we had planned on dumping right overtop, and so needed to remediate it as soon as possible. We could either ship the waste offsite, which would’ve meant paying someone else to solve our problem, or we could try something new. A waste management contractor told us about new corn and bran-based hydrocarbon-degrading granular bacteria, which is quite a bit more concentrated than the standard absorbent usually used in remediation. It piqued our interest, and we started researching what it could do for us.

WHAT’S SO SPECIAL ABOUT THESE BACTERIA?
The granular blend is made up of naturally-occurring, scientifically-selected microbes. There are no genetically-modified organisms, and the blend is biodegradable, non-toxic, non-caustic, non-acidic and non-pathogenic. The bacteria in the blend are specifically chosen for their ability to consume hydrocarbons; they feed on the contamination, deriving nutrition for growth and reproduction. The hydrocarbons are metabolized by the bacteria and reduced to water and carbon dioxide; the contamination is consumed completely or reduced to safe compounds.

After deciding to test it on eight landfarm cells, we had to move quickly; we had only the short window of time between August and September, because bacteria perform better in summer temperatures. We added straw, hay, fertilizer and a non-toxic, non-corrosive and environmentally-friendly reliquification product—it smells like grapefruit! Each ingredient plays an integral role in the mix:

- the reliquification product separates hydrocarbon (oil) from the soil particles so that bacteria can get at it more readily
- the straw and hay act as bulking agents, which provide oxygen for the soil and a carbon source for the bacteria
- fertilizer supplies the bacteria with nutrients.

DID IT WORK?
The initial application was on August 9 and cells were given a ‘booster shot’, as per manufacturer’s recommendations, on August 23. Landfarms were tilled with an excavator every week; a good stirring ensured that additives were dispersed thoroughly to produce optimum results and to aerate the soil. We took care to provide the mix with lots of water—we needed to maintain 30% moisture to keep the bacteria happy.

The results were astounding: out of the eight cells total, only one failed the Contaminated Sites Regulation cut-offs, because hydrocarbon levels were unfortunately just a sliver too high to meet the requirements.

HOW IS COAL MOUNTAIN’S REMEDIATION PROCESS DIFFERENT FROM ‘BUSINESS AS USUAL’?
By handling the problem ourselves, we saved the money that would’ve been spent either building a new landfarm or hiring a waste management contractor to haul the material off-site. This also allowed us to ensure that the waste was treated in an environmentally-sound manner.

Those considerations aside, our unique mix was the main difference. Traditional methods use a fibre-based product that’s inoculated with microbes—this serves as an absorbent first, and its microbial properties play a secondary role. Standard methods may take longer than one year to yield success, while ours had a two-month turnaround.

Our soil, which had formerly been hazardous waste, has since been used as cover soil on our coarse coal refuse slopes. It will be grass-seeded, and will contribute towards our Operation’s reclamation efforts.

Yes, this was an experiment, but we were committed to doing it right—not using products or a methodology that would potentially leave more of a mess behind.
Teck also reports on GHG emissions and energy consumption in the Mining Association of Canada’s Annual Progress Report (see www.mining.ca). Reports on our facilities emitting more than 100 kt CO₂e/annum under Canada Federal requirements are available at www.ghgreporting.gc.ca.

**DIRECT GREENHOUSE GAS EMISSIONS IN CO₂e (kt)**

**COMPANY ROLL-UP (EXCLUDING EVCP)**

**CARBON INTENSITY IN PRODUCT (t/tonne)**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smelter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trail</td>
<td>0.88</td>
<td>0.90</td>
<td>0.87</td>
<td>0.94</td>
<td>0.92</td>
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<tr>
<td>Large Open Pit Metal Mines</td>
<td>0.51</td>
<td>0.39</td>
<td>0.43</td>
<td>0.50</td>
<td>0.82</td>
</tr>
<tr>
<td>EVCC Total</td>
<td></td>
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<td></td>
<td></td>
<td>0.07</td>
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<tr>
<td>Large Open Pit Coal Mines</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**OPEN PIT AND UNDERGROUND METAL MINES**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<tbody>
<tr>
<td>Red Dog</td>
<td>0.27</td>
<td>0.27</td>
<td>0.29</td>
<td>0.27</td>
<td>0.27</td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>0.04</td>
<td>0.05</td>
<td>0.07</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lennard Shelf</td>
<td></td>
<td></td>
<td></td>
<td>1.05</td>
<td></td>
</tr>
</tbody>
</table>

**INTEGRATIVES TO REDUCE GHG EMISSIONS**

As noted, a considerable portion of the electricity used by Teck comes from hydroelectric power. At present, this is the only renewable energy source used by our Operations, but we are currently examining opportunities to use wind power at Red Dog. As Red Dog’s power is currently generated using diesel-fired, internal combustion engines, additional work is continuing on the assessment of a potential source of natural gas near the mine site. A shift to natural gas would significantly reduce atmospheric emissions (particulate matter, carbon dioxide, nitrous oxides, and sulphur dioxide), while providing economic benefits to the mine and region.

The use of diesel for vehicles such as large haul trucks and shovels forms a significant component of our GHG emissions. Consequently, operations are evaluating several initiatives, aimed at reducing GHG emissions through improved fuel efficiency or by shifting to low-carbon forms of energy such as hydroelectricity. These initiatives include:

- The evaluation of fuel additives and biodiesel for haul trucks
- Efforts to reduce idling of vehicles including awareness programs as well as the evaluation of engine heaters in cold climates to allow engine shut down rather than idling
- The use of improved fuel filters and a complete fuel filtration system which will result in cleaner burning and allow the use of new Tier 3 engines
- The purchase of more fuel efficient haul trucks when replacing old models or adding to the fleet.
Tiffany Scott, an Inupiaq Eskimo from Kotzebue, Alaska. For two summers she has worked at Red Dog Operations, where several family members are employed. After graduation she plans to return to Alaska to practice medicine.

Teck’s goal is to operate in compliance with all environmental regulatory requirements and permits. On occasion spills, upset conditions, or storm events result in exceedances of permit or other regulatory limits (non-compliance events). In 2007 there were a total of 85 permit excursions including those of the six Elk Valley Coal Operations. However, performance comparisons with 2006, demonstrated a substantial 52% decrease in non-compliance events.

On an annual basis, tens of thousands of samples are taken to monitor compliance with permit conditions in air and water. Across all Operations, 2007 compliance rates were 99.98% for air and 99.35% for water.

Highland Valley Copper Operation has two rather unique initiatives underway. The first is an early-stage research effort on carbon sequestration. The program is designed to assess the opportunities associated with sequestering carbon in certain types of waste rock as well as with lime-rich tailings pond water. The second initiative proposes the creation of a state-of-the-art landfill for municipal wastes using a small portion of the already disturbed land at the mine site. The proposed landfill would include methane capture and thereby produce 1/2 the amount of the fossil-based GHGs of a conventional landfill, and would produce 1/8 of the fossil-based GHGs of an incinerator. An Environmental Impact Assessment is being prepared for the proposed project.

Teck’s goal is to operate in compliance with all environmental regulatory requirements and permits. On occasion spills, upset conditions, or storm events result in exceedances of permit or other regulatory limits (non-compliance events). In 2007 there were a total of 85 permit excursions including those of the six Elk Valley Coal Operations. However, performance comparisons with 2006, demonstrated a substantial 52% decrease in non-compliance events.

On an annual basis, tens of thousands of samples are taken to monitor compliance with permit conditions in air and water. Across all Operations, 2007 compliance rates were 99.98% for air and 99.35% for water.

**COMPLIANCE**

Operations report to the Teck corporate office on a wide variety of environmental parameters including: program development activities, permit compliance, incident information (spills), air and water quality, energy consumption, GHG emissions, material use, recycling information, biodiversity programs, land reclamation and other GRI indicators. Progress towards, and maintenance of, certified environmental management systems is also required on a quarterly basis. This information is stored in a corporate environmental data system.

Teck Operations collect significant amounts of air, water, terrestrial and biological data to evaluate performance in meeting the identified permit conditions and other regulatory and voluntary requirements, and to assess receiving environment conditions. Findings are maintained in a secure database, evaluated for compliance and trends are reported, in accordance with regulatory requirements.

**AIR QUALITY MANAGEMENT**

Dust monitoring is conducted at all sites and attention to community concerns is paramount to our Operations. Of the total non-compliance numbers shown in the composite table, a total of 18 were associated with permit air limits or guidelines.

In 2007, with the decision to extend the Highland Valley Copper mine life to 2019, new infrastructure was required to develop a new portion of the pit. In 2008, Highland Valley Copper will be completing construction of a cover over one of the coarse ore stockpiles to reduce dust emissions.

**ENVIRONMENTAL SPILLS**

Controls are in place at all of our Operations to reduce to a minimum the likelihood of chemical or fuel spill events, and mitigate the potential for any spills to impact the environment. These control measures include: spill containment, meters, alarms, regular inspections and identification of potential issues through internal and corporate risk assessments and audits. The vast majority of spills are confined on-site within primary or secondary containment, and are immediately controlled, reported, and cleaned up.
In 2007, Teck’s Applied Research and Technology (ART) group demonstrated how collaboration with Operations and implementation of best-in-class process technology can increase top line revenues and drive down unit costs. Continuous Improvement projects contributed about $40 million in additional operating profit to Teck in 2007.

The sustainability of Teck’s business was addressed under ART’s Environmental Technology and Knowledge Management programs. Four new Communities of Practice were established to increase knowledge transfer between technology experts in the company.

Of the many accomplishments in 2007, one highlight was a collaborative ART-Red Dog Operation investigation into new methods to treat water. ART expertise in technology evaluation complemented the Operation’s strong onsite experience in project implementation, while representatives from corporate office in Vancouver assisted in a review of literature, research and bench tests. Two process options were ultimately identified to produce treated water for discharge from the Red Dog tailings impoundment, and the more technically feasible method was selected for full implementation during the 2008 discharge season.

In 2008, ART will be working with Elk Valley Coal Operations to decrease the discharge of selenium into rivers and streams in the Elk River Valley, and research will continue on treatment methods involving naturally-occurring microorganisms to aid in removing trace elements including selenium.

At our Pend Oreille Operation, further testing of a natural microbial process, currently being used to treat mine water, will determine if tailings impoundment water can be treated in the same system.

A new area for ART is greenhouse gas (GHG) sequestration; research will be initiated as the company considers expansion into Alberta’s oil sands. A particularly promising initiative is the company’s sponsorship of the Consortium Enbridge Alberta Saline Aquifer Project, where the feasibility of carbon dioxide sequestration in natural saline aquifers is being investigated. Redirecting excess CO₂ into saline aquifers located miles underground would ‘lock up’ thousands of tonnes of this greenhouse gas, and thus keep it out of the atmosphere.

In 2007, a total of 307 spills occurred but were contained within our Operations. The majority were under 1 litre in volume; larger spills (>100 L) were rare and typically related to the malfunction or failure of hoses on mobile equipment in work areas. Thorough investigations were conducted to identify root causes and to implement measures to prevent future occurrence or similar events. A total of 7 spills were considered significant in 2007, in that they resulted in releases beyond the boundaries of Operations or involved large volumes of materials on site (see the Spill section on our website). No long-term consequences to people or the environment resulted from any of these spills, and no enforcement actions or fines occurred in connection with any environmental incident or permit issue in 2007.

**ENVIRONMENTAL COSTS**

<table>
<thead>
<tr>
<th>Environmental Costs (excl. Antamina) in $ millions</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Costs</td>
<td>$ 60.7</td>
<td>$ 42.2</td>
<td>n/a</td>
</tr>
<tr>
<td>Capital Costs</td>
<td>$ 39.1</td>
<td>$ 23.4</td>
<td>n/a</td>
</tr>
<tr>
<td>Reclamation/remediation costs</td>
<td>$ 20.4</td>
<td>$ 30.5</td>
<td>$ 28.9</td>
</tr>
</tbody>
</table>

Environmental costs for 2007 are shown above; operating and capital costs total almost 1 billion dollars.
Our Code of Sustainable Conduct emphasizes the company’s commitment to act in a respectful way and foster dialogue and collaborations with Communities of Interest (COIs). The Environment, Health, Safety and Community Management Standards provide Operations with guidance on working with communities, including requirements for identifying stakeholders/COIs and issue management, establishing mechanisms for understanding community concerns, working with local and indigenous peoples, procuring locally-sourced goods and services (where applicable) and engaging COIs who we may impact or who have the potential to impact our activities, in an inclusive and appropriate manner for all parties.

**BEFORE, DURING AND AFTER PROJECT COMPLETION**

It is essential that we engage with local communities. Whether we are directly within the community or in a remote location, as a mining company we always operate in an area used by a COI. Therefore, it is our responsibility to acknowledge and minimize our potential impacts on COIs prior to, during operation, and after mine closure.

This is an important GRI indicator, especially as poor community engagement and ignoring our social impact poses numerous risks. This is why we consistently assess how our effect on host communities to ensure that we do not adversely impact peoples’ capacities to care for themselves and their families. It is particularly vital in remote communities that we provide people with skills training in alternative livelihoods to empower and enable them beyond the limitations of the mining project cycle.

An effective engagement strategy reduces the risk of forfeiting our social and environmental licenses to operate. It can also mitigate the risk of incorrect information spreading across communities. Our strategy to avoid such scenarios includes:

- Providing sufficient and meaningful information early in the mining cycle and in a way that resonates with COIs
- Building a common understanding of the basics of our activities and current Operations, which often requires the building of understanding around technical terminology
- Ensuring inclusive engagement comprising minority groups, women, marginalized and vulnerable groups, or those who do not have the opportunity to raise concerns.

We will continue to develop our understanding of impacts to COIs early on in our activities. Our key strategies will include delegating appropriate people to these activities, and providing mechanisms and methodologies to engage effectively and ensure accountability through documentation.

Many of these practices were implemented in a particularly successful community engagement program established at a Teck exploration project in Turkey, as outlined in the case study on page 49.

**PRIOR TO ENTERING A COMMUNITY**

A high level of due diligence and scoping studies (e.g., social, legal, economic, environmental) are often completed. Once the exploration team has entered the area, social and environmental baseline and impact assessment studies are conducted, many of which are mandatory for permitting processes as per host country and/or international requirements. Social scientists use a variety of methodologies to gather this information.

**WHILE OPERATING IN THE COMMUNITY – CASE EXAMPLE: ENSURING SAFE BLOOD LEAD LEVELS IN TRAIL**

At our Trail Operation, as part of the program to assess and manage the impacts of fugitive metal-bearing dust on community health, ambient air lead levels in the community and the lead blood levels in children age 6 to 60 months are regularly measured and monitored. The percentage of results within certain ranges is
tracked year-over-year to assess trends and to gauge the effects of mitigating actions and climatic and operational variances. The families of children with elevated levels receive assistance and advice in lead exposure reduction from a community health nurse with the Interior Health Authority.

WHILE MAKING DECISIONS TO EXIT THE COMMUNITY
Mine closure planning is a requirement for all of our Operations. The Sullivan mine in Kimberley, BC, has been recognized as ‘best practice’ in mine closure planning. In 2005, just four years after mine closure, the city tax base has shifted from industrial to resort and residential and a new economy is emerging, partly as a result of the joint efforts of the Sullivan mine and local stakeholders.

The Red dog mine closure plan process (outlined in a Case Study on page 13 in our 2006 Sustainability Report) is another example of a participatory process with the community to assist in the development of a comprehensive and consultative mine closure plan.

human rights

Wherever we operate in the world, we meet or exceed local laws and our corporate policies. Human rights are “the basic rights of each human being, independent of race, sex, religion, political opinion, social status, or any other characteristic.”

We support the Universal Declaration of Human Rights. As part of our commitment to the United Nations Global Compact (UNGC), we are committed to:

- Supporting and respecting the protection of international human rights
- Remaining free of complicity in abuses of human rights.

Until recently, we have operated mainly in Canada and the Unites States, and therefore have not had the same human rights challenges that other mining companies face in areas with different government regulations. However, as we expand our operations—and as the scope of human rights continues to evolve and include aspects such as the right to water, the right to education, and the right to participate in cultural life—we understand the need to continue integrating business practices consistent with global human rights standards.

Our investment agreements currently do not include specific human rights screening components, but Operations/business units establish processes to verify that all business activities comply with Teck policies.

PERFORMANCE
To remain free of complicity in human rights violations due to inappropriate security enforcement, we must ensure that our security personnel, both directly and indirectly employed by Teck, receive human rights training.

In Canada, where employees generally perform security duties as part of their other duties, many are aware of human rights issues and those related to privacy, labour, etc., but have no specific human rights training per se. In the US however, and primarily at Red Dog, those employees who perform security duties at the airport undergo human rights awareness training as part of the instruction for Homeland Security/Airport Screening.

Third-party security personnel who work for Teck at any of our global Operations also undergo human rights training. In areas of higher risk, security workshops are hosted by Teck’s Risk Management Group, and include training on human rights.

There were no reported incidents of human rights violations during 2007.
SAFETY

Our revised Safety and Health policy, “Towards Zero Incidents”, was established and approved in October 2007 and is found below:

Safety is a core value of our company. Teck believes that all incidents that cause harm to people, environment and property are avoidable.

Teck is committed to providing leadership and resources for managing safety and health. We are responsible for ensuring that our people have the knowledge and training to safely perform their duties. We will strive for continual improvement and hold ourselves accountable through verification and reporting of our performance.

We expect all employees and contractors to be leaders in safety and health through identification of hazards and the elimination and control of risk. All employees and contractors share in the responsibility for their own safety and that of their co-workers. Working together we can achieve “Zero Incidents” in the workplace; we will accept nothing less. Everyone has the right to a safe and healthy workplace.

Operating management is responsible for safety performance at each site. At the corporate level, the President and CEO is the most senior position responsible for safety and health policy, while the Senior Vice President of Sustainability & External Affairs, Vice President of Environment, Safety & Health and the Director of Safety & Health provide corporate oversight and leadership, and act as a bridge between our Operations and corporate office.

PERFORMANCE

Teck did not achieve our Zero Incidents goal in 2007. We share the loss of a fatality that occurred at our Pend Oreille mine early in the year. We wish to express our heartfelt condolences to the family, friends and co-workers of our colleague, Mr. Phillip Markhart, and renew our collective commitment to our goal of Zero Incidents in his memory.

Work continued in 2007 to address the causes of the four tragic fatalities that occurred in 2006 at our Sullivan reclamation project. We implemented the recommendations of the Jury in the Coroner’s Inquest into this incident, are into a second year of research by an independent technical panel to develop a complete understanding of causes of the incident and are collecting relevant information related to mine dump respiration. Further data collection, analysis and modeling are continuing, with an emphasis on developing knowledge for the prevention of similar situations by the broader mining industry.

We have begun to use Total Reportable Incident Frequency Rate (TRIFR) as a key measure of safety performance. This indicator takes into account both “lost-time” incidents and incidents requiring medical aid, and provides us with a comprehensive measure of performance by raising the profile of what may historically have been classified as minor incidents. Most importantly, TRIFR provides an early warning of declining safety performance, allowing us to rectify problems before more serious incidents occur.
Based on this measure, our combined employees and contractors saw an 11% reduction in the TRIFR between 2006 and 2007. We currently do not track rates of occupational diseases at the corporate level.

<table>
<thead>
<tr>
<th>HEALTH AND SAFETY STATISTICS*</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total reportable incident frequency (1)</td>
<td>2.58</td>
<td>2.91</td>
<td>3.02</td>
</tr>
<tr>
<td>Fatalities</td>
<td>1</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Lost-time injuries (LTI)</td>
<td>158</td>
<td>125</td>
<td>119</td>
</tr>
<tr>
<td>LTI frequency (3)</td>
<td>0.97</td>
<td>0.94</td>
<td>0.94</td>
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<tr>
<td>LTI severity (1)</td>
<td>59.9</td>
<td>203.7</td>
<td>119.2</td>
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</tbody>
</table>

(1) Frequencies and severities are based on incidents per 200,000 hours.

* The safety and health statistics reported in the 2007 sustainability report are slightly different than those reported in our 2007 Annual Report due to injury upgrading/downgrading, claim denial by medical professionals, or investigation results.

As 2006 came to a close, Elkview Operations reviewed its safety record and saw a plateau; while the Operation’s overall performance wasn’t cause for concern, it certainly didn’t seem to be improving. General Manager Robin Sheremeta decided that the site needed a recognition program that would pull its employees together as a unit as opposed to operating on an individual performance-based safety program. The resulting Courageous Leadership program has helped generate the lowest lost-time incident numbers in Elkview’s history.

“We can run this mine with zero injuries.”

Robin challenged everyone to establish a new, pro-safety value system based on principles of Courageous Leadership, set a milestone of 750,000 hours without a lost-time incident (LTI) as being the indicator of success, and set out to engage employees.

Robin explains his philosophy: “Safety is the number one company priority, but only when all persons at our site take a proactive leadership role in health and safety can we achieve a work environment free of significant incidents, and become an industry leader.”

“Although it’s had great success at other sites, our existing Bonus Points program didn’t produce the results we were looking for at Elkview, and it certainly didn’t provoke a broad shift in values and beliefs. Courageous Leadership differs from Bonus Points by getting away from a ‘what’s in it for me’ attitude—it looks at the issue more holistically, and gets individuals working together as a team towards achieving safety goals. Our focus was redirected towards rewarding accomplishments achieved as a group, we wanted to celebrate, as a site, significant milestones that represented evidence that we were moving in the right direction.”

“And we encourage employees to engage themselves as courageous leaders, they have to believe that we as a company will guarantee them a right to a safe and healthy workplace—and that they have the right and obligation to refuse unsafe work.”

Now every employee and new hire gets an individual introduction to the Milestone programme, and care is taken to create celebrations that resonate with all staff. Robin lists some examples:

“When we achieved 1,000,000 hours LTi-free, every employee received a leather jacket. Every 750,000 hours we go without a lost-time injury, we give our employees a day off with pay to take around Christmas—the idea is to spend that time with family. When we achieved a full year LTi-free in 2007, we brought a photographer in to take pictures of our employees at work and then presented everyone onsite with a book of the Elkview property and its employees, with a message thanking everyone for their efforts. This year’s John Ash award, which we earned with zero LTIs will be celebrated with a choice of a handheld GPS unit, a travel GPS unit or an iPod—the GPS theme being ‘finding our way in safety.’

“Now when we recognize our achievements, the site celebrates together and there is a greater feeling of appreciation and team accomplishment.”
Employee retention and attraction is currently a significant challenge for our industry. In 2007, we continued to see strong competition for employees in all occupations related to exploration, mining and metal refining, and we expect this to continue in 2008.

All of our management employees receive regular performance and career development reviews. Turnover rates are tracked for purposes of planning and developing strategies for recruitment, retention and diversity. Part of our strategy to attract and retain employees is to deliver programs that assist personnel in enhancing skills which can help advance their careers. Our human resources programs are based on the premise that our employees will differentiate us from our competitors and drive our success. Our goal is to attract and retain skilled employees in all facets of our business, and provide them with training and resources required to achieve pursuit goals and objectives.

Increasing Our Profile Among University Students
In 2007, we hired 49 newly-graduated engineers. Once employed, these new engineers commence a four-year Engineer-In-Training development program, which includes rotation into various departments throughout the facility at which they were hired. We also offer an Engineer Development Program which enables our employees to participate in job exchanges across other Operations.

MBA-Level Business and Management Courses
In 2007, we provided a variety of leadership, business and management programs to our employees, including MBA-level business courses leading to a Graduate Diploma in Business Administration. These courses complement the technical training and experience of many of our employees, increasing knowledge and understanding of finance and accounting, marketing, economics, law and leadership. To date, over 200 employees have participated in individual courses within this program, and 30 have completed the requirements for the graduate diploma. This program will be expanded to a full MBA in 2008 to support development plans for participating employees.

Building Strength with People
We have implemented our performance management program, Building Strength with People, throughout our Operations. This program integrates performance reviews, employee development and career planning, while aligning individual performance with organizational objectives, as well and ensuring recognition of individual performance. Information generated and tracked through this program helps establish our annual compensation, training and succession plans.

Teck is committed to attracting, developing and retaining the highest quality workforce possible. The Vice President of Human Resources is responsible for establishing company-wide employment, labour management, training, education, diversity and equal opportunity policies.

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TECK COMINCO LIMITED  SUSTAINABILITY REPORT 2007
Workforce
As of December 31, 2007, our workforce comprised 8,867 employees, (refer to table on the opposite page for more details) including employees from all newly-acquired Aur properties and not including Antamina mine. We operate in 50 different locations and 14 countries worldwide, including our various exploration and administrative offices.

Scholarship Program
We have established a number of scholarship programs to support students pursuing academic excellence and encourage consideration of studies that would lead to challenging careers in the minerals industry. In addition to our Higher Education Awards, which support qualifying children of our Canadian and American employees entering post secondary institutions, we have developed Undergraduate Scholarships at selected universities around the world in the areas of mining engineering, mineral processing, geoscience, metallurgy and related disciplines. In partnership with universities, we designed these scholarship to fulfill our objective of supporting high potential students who have demonstrated a strong commitment to giving back in their community. In addition to one scholarship to honour and recognize the valuable contribution of a recently retired employee, Mr. Walter Kuit, other scholarships have been created to support unique programs at a variety of institutions, including a number in South America.

Labour/Management Relations
We fully recognize the rights of employees to freely associate and join trade unions. At a number of our Operations, there is a combination of collective and individually-regulated employment arrangements which in no way affect the right to join trade unions.

In 2007, new long-term contracts were settled at four of our Operations without labour disruptions, including a five-year agreement reached at Elk Valley Coal's Cardinal River mine and a three-year contract at our Hemlo Gold Operation with David Bell personnel. Early negotiations with our new Chilean Operations were successful. Between December 2007 and February 2008, new four-year contracts were settled with the staff and production groups at both our Carmen de Andacollo and Quebrada Blanca copper mines.

In early 2007, Teck Arama ve Madencilik San. Tic. A.S (TCAM) Exploration Group commenced drilling of three potential ore bodies in Western Turkey, specifically Hallaga, Ay Dagi, and Kirazli. The latter two gold projects were known resources, while the former was potentially a new copper-gold discovery.

A multi-disciplinary Community Relations team made presentations and facilitated discussions regarding the early exploration program with area residents in key communities, all levels of government, civil society and media groups. However, in the fall, Turkish citizens rolled-out a national anti-mining media campaign which included NGO-organized rallies focused on three main issues: the increasing presence of foreign mining companies in Turkey, use of cyanide in gold mining, and development-related environmental degradation.

Led by the Community Relations team, TCAM’s Exploration Group responded to these actions by increasing the intensity of outreach activities with stakeholder groups. Regular meetings and presentations were held with a cross-section of community members, academic institutions, media groups, NGOs, and government agencies to communicate Teck’s vast mining experience, as well as awards received for environmental stewardship and reclamation activities. To clarify misconceptions and ensure that all stakeholders had the same knowledge base, TCAM held numerous open houses in the core shack and toured interested stakeholders around active drill sites. Geologists also made presentations to school groups, highlighting the importance of metals and minerals in everyday products. To address cyanide concerns, the TCAM Country Manager worked closely with the Gold Miners Association of Turkey to create booklets detailing the country’s mining regulations, which were distributed by Community Relations staff throughout Western Anatolia and all of Turkey.

Looking ahead to 2008, the TCAM Community Relations team will closely monitor the effectiveness of these efforts while continuing to engage with stakeholder groups and government. As well as providing information and seeking local input for project planning, sustainable initiatives developed in consultation with the local community will include installing a water well. We are also investigating the potential of partnering with women and underemployed people in microfinance initiatives.
“Going for Gold” Challenge

I am pleased to introduce to you the Going for Gold Challenge. This challenge is about getting involved in your community and at work, getting active, being safe, and thinking up some creative ideas on sustainability and innovation. And, if you take the challenge and get involved, you will have the opportunity to be one of twenty employees to support the Canadian Olympic Team at the Beijing 2008 Summer Games and experience the excitement first-hand.”

President and CEO Don Lindsay kicked off the Going for Gold Challenge in September 2007. Running until 31 December 2007, this web-based program was designed to recognize employees who embrace Olympic and Paralympic ideals through positive action, and to encourage participation in the areas of safety, volunteerism, health and wellness, community sustainability, innovation and productivity.

The challenge was open to all employees of Teck and its affiliated entities; employee engagement campaigns focused on health and local community benefits of program participation, with the added incentive that participants had the chance to be randomly selected to win a trip to watch the Canadian Olympic Team compete in Beijing in the summer of 2008.

Participants tracked their progress towards “challenges” by working through itemized lists of activities and behavioral changes specifically compiled for each of the five categories listed above. A sampling of the challenges for Community Sustainability included:

- Consistently turned off my computer and/or unplugged any electronic equipment (cell phone charger, coffee pot, etc.) at the end of each work day
- Used/installed a programmable thermostat in my home, or manually adjusted the temperature to decrease the heat when I am away or going to sleep
- Regularly recycled at work (kitchen and paper products, etc.)
- Regularly recycled at home
- Completed a home energy-efficiency audit
- Used an alternate energy source in my home (solar, geothermal, wind, etc.)
- Purchased locally-grown fruits and vegetables
- Installed or use a compost or worm bin at home
- Regularly maintained my vehicle(s) to minimize pollutants and maximize energy efficiency
- Cleaned a community park (picked up litter, pulled weeds, planted new vegetation, etc.) in 2007

Once the program was completed and participation assessed, the success was evident: over 1700 employees participated in the challenge, at the time that represented 20% of our workforce. Overall, the category that proved most popular among employees was Sustainability.

“It made me think about what I did, and I asked myself why I didn’t do more—so I started doing things I would not have done otherwise. It had co-workers talking about the challenge; we conversed and motivated each other. Altogether, it’s a better community.”

—“Going for Gold” participant
glossary and acronyms

ART : Applied Research and Technology, Teck’s technology group, based in Trail, British Columbia. ART provides geometallurgical, process and environmental technical support to Teck Operations and develops process technology solutions for new projects in partnership with exploration, engineering and business development.

Biodiversity : Short for “biological diversity”, the concepts of biodiversity include the variety of living organisms, genetic diversity, habitat diversity and the processes that create and sustain variation in the environment. Different species – plant, animal, fungal and microbial—interact with each other in a variety of ecological processes to form ecosystems. Biodiversity is valuable because the combination of a diversity of life forms has made Earth a uniquely habitable place for humans; it sustains human livelihoods and life itself.

Bituminous metallurgical coal : Also known as hard coking coal, produced for the purpose of making coke for blast furnaces. Most coal types can be used for heat generation, but only a coal with high-carbon and low-moisture characteristics, as well as high coke strength, can be used to make coke for steel making. See: Elk Valley Coal.

CERMC : Corporate Environment and Risk Management Committee.

CESL : Cominco Engineering Services Ltd. The CESL division developed a hydrometallurgical process for the refining of copper and/or nickel from sulphide concentrates.

Closure plan : A plan, usually required in order to be issued an operating license, for a specific facility to establish procedures for the closure of the site. This plan typically lays out a timetable for remediation stages; a revegetation or soil stabilisation program; and proposals for post-closure monitoring, maintenance and use.

CO₂e : Carbon dioxide equivalents.

COI : Communities of Interest. Also referred to as stakeholders.

Cost of carbon : The shadow price of carbon (SPC) is used to value the increase or decrease in emissions of greenhouse gas emissions resulting from a proposed policy. Put simply, the SPC captures (“prices”) the damage costs of climate change caused by each additional tonne of greenhouse gas emitted, expressed as carbon dioxide equivalent (CO₂e) for ease of comparison.

CSR : Corporate Social Responsibility.

Cyanide : A chemical species containing carbon and nitrogen used to dissolve gold and silver from ore. In cyanidation, exposed gold or silver grains from crushed or ground ore are extracted by dissolving it in a weak cyanide solution. This process may be carried out in tanks inside a mill or outside in heaps (Mining Explained).

Direct Energy Use : The consumption of primary energy sources owned or controlled by Teck.

EHSCMS : Environment, Health, Safety and Community Management Standards.

Engagement : A process of contact, dialogue and interaction that ensures all parties of interest are informed and participating in decisions that affect their future.

Environmental Management Information System (EMIS) : An Environmental Management Information System system consists of formalised steps to capture information, as well as fixed procedures to retrieve this information. The EMIS includes the collection of information about the various environmental issues facing a particular site, supports strategy formulation and action planning (including mapping), and covers the gathering of information necessary for institutionalization of the Environmental Management System.

Environmental Management System (EMS) : Framework developed by an organization to help improve its environmental performance by taking environmental considerations into account when making decisions and managing risks.
epa: U.S. Environmental Protection Agency.

Externalities: In economics, an externality is defined as a cost or benefit attributable to an economic activity that is not reflected in the price of the goods or services being produced.

GHG: Greenhouse Gases.

GRI: Global Reporting Initiative is arguably the world’s most popular sustainability reporting methodology, consisting of 79 indicators which serve to guide an organization’s reporting on economic, environmental and social performance. Teck uses the third generation of GRI Guidelines, known as “G3”, for this report.

Hydrometallurgy/hydrometallurgical process: Hydrometallurgy is part of the field of extractive metallurgy involving the use of aqueous chemistry for the recovery of metals from ores, concentrates, and recycled or residual materials. CESL has developed a hydrometallurgical process for refining copper and/or nickel from sulphide concentrates which is environmentally superior to smelting in that it doesn’t produce sulphur dioxide gas and has no significant effluents.

Human Rights: Human rights refers to the concept of human beings having universal rights, or status, regardless of legal jurisdiction or other localizing factors, such as ethnicity, nationality and sex.


Indigenous peoples: Cultural groups and their descendants who have a historical association with and continuity in a particular region or part of a region. They have a cultural identity, and as minorities may be vulnerable to current social and economic systems.

Indirect Economic Impact: As defined by the GRI Economic Indicator Protocols Set, they are the result, often non-monetary, of direct economic impacts (the transactions between the organization and its stakeholders).

Indirect Energy Use: The energy used by Teck but generated by sources owned and controlled by another company (imported electricity, heat or steam).

ISO 14000: A management tool enabling an organization of any size or type to: identify and control the environmental impact of its activities, products or services; improve its environmental performance continually; and implement a systematic approach to setting environmental objectives and targets, to achieving these and to demonstrating that they have been achieved.

Legacy: Mining legacy refers to adverse environmental and socio-economic impacts produced by past mining activities.

Life-cycle Analysis: A full assessment of a product’s lifespan, from mining the product to process and function.

Ipm: Litres per minute.

LTI: Lost-Time Injuries.

MABC: Mining Association of British Columbia.

MAC: Mining Association of Canada.

Materiality: Information that may impact or influence our company, and has the potential to influence the perception of stakeholders who intend to make decisions and assessments about Teck’s commitment to sustainability.

MSDS: Material Safety Data Sheet.

NGO: A non-governmental organization is a nonprofit group largely funded by private contributions, and operates outside of institutionalized government or political structures. In general, NGOs have as their agendas social, political, and environmental concerns.

NPRI: The National Pollutant Release Inventory is Canada’s legislated, publicly-accessible inventory of pollutants released, disposed of and sent for recycling by facilities across the country.

OSHA: United States Department of Labor Occupational Safety & Health Administration.

OHSAS 18001: An Occupational Health and Safety Assessment Series for health and safety management systems.

PM-10: Particulate matter less than 10 microns.

PTC: Product Technology Centre. Based in Mississauga, Ontario, the PTC group develops products and technologies that support metal sales and Teck’s customers, particularly related to zinc and lead but also various specialty metals.
Reclamation: The restoration of a site after mining or exploration activity is completed. (Source: Mining Explained) Reclamation initiatives are used to create diverse environments that are similar to the pre-mining landscape which will be attractive to a variety of wildlife species and function in ways that will sustain biodiversity over time. Developing an inventory of animals using reclaimed sites is an important first step towards understanding wildlife responses to reclamation efforts.

Social License to Operate: Of particular interest and importance to the extractive sector, earning a social license to operate involves securing free, prior and informed consent from indigenous peoples and local communities. This is acquired through mutual agreements in a forum that gives communities leverage to negotiate conditions. (Source: World Bank Extractive Industries Review 2003).

Stakeholder: Any person or group of people that may be affected positively or negatively by the financial, environmental (including health and safety) and social aspects of our operations, and those who have an interest in, or those who have an influence on our activities. Stakeholders are also referred to as communities of interest (COI).

Sustainability: Development that meets the needs of the present without compromising the ability of future generations to meet their own needs—as defined by the World Commission on Environment and Development (Bruntland Commission), 1987.

Tailings: Material rejected from a mill after most of the recoverable valuable minerals have been extracted (source: Mining Explained).

Tailings pond: A low-lying depression used to confine tailings, the prime function of which is to allow enough time for heavy metals to settle out or for cyanide (used in dissolving gold and silver from ore) to be destroyed before water is discharged into the local watershed (source: Mining Explained).

TRI: The Toxics Release Inventory (TRI) is a publicly available EPA database that contains information on toxic chemical releases and waste management activities reported annually by certain industries as well as federal facilities.

TRIFR: Total Reportable Incident Frequency Rate.

TSM: Towards Sustainable Mining is an initiative sponsored by MAC for improving the mining industry’s performance by aligning its actions with the priorities and values of Canadians.

UNGC: United Nations Global Compact is an initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies and to report on them.

Universal Declaration of Human Rights: The Universal Declaration of Human Rights (also UDHR) is a declaration adopted by the United Nations General Assembly, describing the human rights guaranteed to all people.
To the Board of Directors and Management of Teck Cominco Limited (Teck Cominco)

WHAT WE LOOKED AT: SCOPE OF OUR WORK
We have reviewed the selected indicators (as denoted by the symbol ☑) presented in the Teck Cominco Sustainability Report (Report) for the year ended December 31, 2007. Teck Cominco management is responsible for collection and presentation of the indicators and information within the Report. Our responsibility is to determine as to whether anything has come to our attention to suggest that the selected indicators are not presented fairly in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (G3 2006 version). The GRI G3 definitions can be found at http://www.globalreporting.org/ReportingFramework/G3Guidelines/.

The scope of our review included:
- selected indicators from the following categories:
  - Health and Safety Statistics
  - Permit Compliance
  - Reportable Spills
  - Metals Released in Emissions
  - Average Concentrations in Effluent
  - Energy Use
  - Green House Gas Emissions
  - Recycling
  - Managed Waste
  - Water Conservation
  - Reclamation
- the scope of our review also included the following stand-alone indicators
  - Awards and Recognition
  - Corporate Audits Conducted
  - ISO Certified Operations

WHAT WE DID: ASSURANCE PROCESS AND STANDARDS
Our review was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000, developed by the International Federation of Accountants. As such, we planned and performed our work in order to provide limited, rather than absolute, assurance with respect to the selected indicators that we reviewed.

Our review consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by Teck Cominco management. Our work included but was not limited to:
- understanding, analyzing and reviewing on a sample basis the collection, aggregation, calculation and reporting of the selected indicators
- reading and analyzing the content of the Report against the findings of our work.

WHAT WE FOUND
A review does not constitute an audit and consequently we do not express an audit opinion on the selected indicators. Based on our review, except as footnoted by management, nothing has come to our attention that causes us to believe that the selected indicators reviewed are not, in all material respects, presented fairly in accordance with the GRI G3 2006 version.

\[Signed\]

Deloitte & Touche LLP
Chartered Accountants
Vancouver, BC, Canada

September 12, 2008
our memberships and supported initiatives

environmental benefits statement

By using paper made from 100% post-consumer recycled content, the following resources have been saved.

| 58 fully grown trees | 80,332 litres of water | 40 million BTU of energy | 1,231 kilograms of solid waste | 2,310 kilograms of greenhouse gases |

Environmental impact estimates were made using the EnvironmentalDefense Paper Calculator. For more information visit: http://papercalculator.org.

Teck is the Official Mining Company of the Vancouver 2010 Olympic and Paralympic Winter Games.

FOR FURTHER INFORMATION PLEASE CONTACT:

David R. Parker
Vice President, Sustainability

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Vancouver, British Columbia, Canada V6C 0B3

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F: 604 699 4750  W: www.teck.com
elements for life
learn more at www.elementsforlife.ca
Your Concerns, Our Response: What actions have you taken to alleviate historical impacts [of slag discharged into the Columbia River] and prevent future occurrences? – page 23

Our original response to this concern might lead the reader to infer a connection between elevated blood lead levels in Trail and the historical discharge of slag from Trail Operation, when in fact slag has not been a factor in children's lead exposure.

Trail Operation’s discharge of slag into the Columbia River stopped in 1995. Numerous and ongoing improvements in equipment, processes and procedures have reduced the frequency and magnitude of effluent releases and accidental spills to the river.

In 2005, the United States Environmental Protection Agency (EPA) completed a "risk screening" for recreational use at fifteen popular beaches along Lake Roosevelt and the Upper Columbia River. The results showed that twelve of the fifteen beaches are safely below health-based risk standards for all the contaminants tested. One or two contaminants were slightly above screening levels at three beaches, but the EPA deemed them safe for seasonal recreation as well.

Due to be completed in 2011, the EPA’s Human Health Risk Assessment and Teck Cominco’s Environmental Risk Assessment will determine if there are any risks related to the slag and other effluents discharged into the river.

Trail Smelter – page 33
201, 500 tonnes of ferrous granules were sold for [the production of ground slag cement] in 2007.

Partnerships in Conservation – page 36
The name of the conservation area in Trail should read "Fort Shepherd Conservancy Area"

Environmental Costs – page 43
Environmental Costs (excl. Antamina) in $ millions

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Environmental costs for 2007 are shown above; operating and capital costs total almost $100 million.

Unit Definitions & Conversion Factors – page 53
GJ           gigajoule (1x10^9 joules)
TJ           terajoule (1x10^12 joules)
GWh          gigawatt-hour (1x10^6 Wh)