
2008 Sustainability Summary
Carmen de Andacollo

Letter from the General Manager

The Compañía Minera Teck Carmen de Andacollo (Teck CDA) copper mine is a growing operation located adjacent to Andacollo, a municipality providing 85% of our employees. We are proud of the special relationship that exists between the operation, our employees and the local community and we constantly strive to uphold our commitment to being a good neighbour and corporate citizen. The active participation of our stakeholders in Teck's projects is a fundamental pillar in the success of our operations.

A major focus for us in 2008-2009 was the Hypogene Project. The project, which will extend the life of the mine by 21 years, is currently in the construction phase of the mine life cycle. The project provides us with the opportunity to generate a new form of relationship with the communities of the Coquimbo Region, according to the high standards of quality and social responsibility of Teck.

We firmly believe that our relationship with the communities of the Coquimbo Region must be founded upon trust, respect, effective communication, dialogue, sustainability and mutual value creation. We recognize that we can improve our relationship with the community and that we did not sufficiently establish the trust and dialogue required for a sustainable relationship.

We are actively re-building relationships based on dialogue, efficient and timely communication, trust and mutual understanding. Our goal is

to respect and incorporate the community's perceptions, apprehensions and expectations into our decision making process and we are working hard to demonstrate this commitment through our everyday actions.

At Teck CDA, our understanding of the importance of maintaining good relations with our local stakeholders is demonstrated by the implementation of programs to support the social and economic development of Andacollo communities. In 2007 we developed a Community Interaction Plan with the goal of improving the lives of our neighbours through participative community development projects. In 2009, we responded to the concerns of our communities with a new commitment to working with them by introducing the new role of Superintendent of External Affairs, empowered to lead our community relations team.

Environmentally, one of the primary challenges for us at Teck CDA is dust control. During 2008, a key accomplishment was the development of the Dust Emissions Control Plan. Dust suppressants were applied to community roads, roads inside the mine site and roads within the mine. These measures resulted in an improvement in air quality with the concentration of fine particulate matter (PM10) in the Plaza Urmeneta monitoring station falling by 16% in relation to 2007. Consequently, the air shed is now compliant with the 24-hour Air Quality Standard. Studies and tools were also developed to evaluate the impact of mining emissions upon the air quality of Andacollo.

The construction of the Hypogene Project was developed complying with all environmental commitments considered in the Environmental Monitoring Plan. Two Environmental Commitment Fulfillment Reports were filed with the Authorities and no adverse comments were received.

One of our main concerns is the potential impact of the Hypogene Project on the El Culebron aquifer and its users, as the Project demands the use of a greater volume of water than the existing facility. Our solution to this challenge is to build a pipeline to bring water from the more suitable long term source at Elqui Baje. In the meantime, we will be drawing water from the El Culebron aquifer, but only for the 18 month period required to complete the new pipeline.

We are also actively participating in the Pan de Azúcar Water Committee (Mesa Hídrica), contributing to the sustainable future of water use in the Pan de Azúcar area. This committee has driven the development of an Early Alert Plan, a community participative monitoring program and is generating solutions designed to ensure long term water quality and quantity for all users.

At Teck CDA, we are proud of the efficiency of our operation, our outstanding safety performance in 2008, our community partnership programs and our ongoing commitment to sustainable mining and we are focused upon the further improvement of our record in all of these areas as we move forward.

Piero Venturini
General Manager

Overview of Operation/Facility

Teck CDA is a mid-sized copper mine, located approximately 2 km from the small town of Andacollo, and 56 km south-east of the city of La Serena, in the central zone of Chile. Using a hydro-metallurgical process, the company produces 20,000 tons of copper cathodes per year. Teck has a 90% interest in the operation and the Chilean Government, the remaining 10%, through Empresa Nacional de Minería. By the end of 2008, the company had a total of 429 employees, 85% of them from Andacollo, and 248 contractors, 90% of them also from Andacollo.

From its inception, the company identified the following strategic pillars to assure the long-term operational success: safety, operational excellence and protection of environmental and social resources, with our people as its foundation. These principles form the basis of our operational policies and procedures.

Goals and Objectives

During 2008, the construction of the Hypogene Project began in compliance with all established environmental commitments. The necessary permits were obtained without any objections being raised by the Environmental Authority concerned. For 2009, the target is to complete the development of the Hypogene Project on schedule and in compliance with all our environmental commitments.

An environmental authorization was obtained to extend the leaching area, allowing an increase in the leaching cycle in order to, improve the copper recovery and the production of copper cathodes. The previously rejected environmental authorization for the electric power supply line was obtained for the the Hypogene Project Concentrator Plant.

The zero lost time Incident goal was reached in the operational areas obtaining a TRIFR of 0.15 (combined employees and contractors). The site received the John T. Ryan Award, as well as the Honorary Mention of the Annual Contest on Mining Security granted by the National Service of Geology and Mining (SERNAGEOMIN) for safety management in 2007.

During 2008, we began both the promotion and implementation of Teck EHSC Management Standards under the supervision of the Superintendent of EHSC. For 2009, the implementation of the Teck EHSC Management Standards will continue, to produce a change in the safety culture at Teck CDA, moving us closer to our goal of zero incidents.

Environmental Programs

We monitor air quality with two PM10 Air Quality Monitoring Stations located in Urmeneta and Chepiquilla, 1 Acid Aerosols Monitoring Station located in Chepiquilla, and 5 SPM Monitoring Stations. During 2008 we did not exceed the 24-hour Air Quality Standard, and the annual averages of both stations were 16% and 10% lower than the comparable figures in 2007. However, the three-year moving average of the Urmeneta Station still exceeds the annual air quality standard by 2%.

Surface and groundwater observations received from the Environmental Authority during 2008 indicates that groundwater quality standards exceeds the water quality standard for irrigation. This situation has taken place since before the beginning of the operation and which is recorded in the environmental baseline of the first Environmental Impact Study of Teck CDA that was carried out in 1996.

During 2008, the Management System for Hazardous and Non-Hazardous Solid Industrial Residues was consolidated and authorization was received to operate the Temporary Storage Yard for Hazardous and Non-Hazardous Residues. This followed the correction of all instances of non-compliance with regulations governing the handling of hazardous residues observed by the Sanitary Authority during 2007. The valuation in cement ovens of the lubricant oils and greases used and the recycling of 16% of the generated residues was carried out.

The execution of the Dust Emission Control Plan during 2008 considered the application of dust suppressant on approximately 20 km of community roads, service roads within the site, and roads inside the Mine itself. In order to measure the efficiency of these suppressants, the PM10 and PM2.5 monitoring campaigns are continuously carried out on the roads inside the Mine by the on-site monitoring equipment.

Other initiatives included the successful replanting of cacti and the recovery of archaeological sites located in construction areas of the Hypogene Project.

Safety and Health

During 2008, a total of 2,743,480 hours were worked without the occurrence of any injuries that resulted in time off work (Lost Time Incidents). The site operations have now accrued 1,146 days without a Lost Time Incident. A demanding work plan is in place to reduce non-compliance with legal requirements and improve the site safety standards. During 2009 we will continue to improve in this area and our efforts to achieve our safety vision – Everybody Going Home Safe and Healthy Every Day.

The results of the Industrial Hygiene Program indicated that the occupational health standards for all evaluated areas of occupational risk are being met.

Funds were approved to implement the Emergency Brigade, with the 2009 goal of building a consolidated Brigade able to provide an internal response to emergencies.

Tailings Management

During 2008, the construction of the North-East wall for the Tailings Deposit was successfully carried out.

Reclamation

In order to comply with a request from SERNAGEOMIN, the National Service of Geology and Mining, a conceptual Closing Plan was developed for the mine site during 2008. This Closure Plan focused on ensuring that no health risks to workers and members of the community will arise upon the closure of the mine. The Closure Plan also considered all costs related to its implementation.

Conservation and Biodiversity Initiatives

Monitoring programs were conducted for two relocated species of cacti. These programs confirmed that almost all of the specimens are in good condition, subsequent to their relocation.

The conditions of flora and fauna in the tailings deposit zone and the water supply line of the Hypogene Project were monitored. There was an emphasis on the following:

- Seeds of the protected species “Guayacan” were harvested; there is a plan to develop a greenhouse program for the re-planting (reclamation) program for this species; and,
- Reptiles were relocated from the tailings deposit zone and the water supply line of the Hypogene Project.

In addition, two monitoring programs related to marine environmental conditions in the vicinity of the Port of Coquimbo were also conducted.

Internal Audit

During 2008 areas of non-compliance with Regulations on Mining Safety and Handling of Residues identified by the internal audit of 2007 were resolved.

An audit was performed on the process for obtaining construction permits for the Hypogene Project, and a number of minor issues raised by the audit were promptly resolved.

Energy, Efficiency and GHG Emissions Management

No initiatives were developed in relation to power efficiency and management of GHG.

Community Outreach, Engagement and Dialogue

In 2008, stakeholder engagement and dialogue focused upon our immediate area of influence in the municipality of Andacollo, including the localities of Matadero, Nueva Churrumata, Chepiquilla, El Toro, El Manzano, El Curque, the Municipality, Police Department, Fire Department, Hospital, Church, Schools and Communal Union of Neighbours’ Associations.

Whilst important progress was made in terms of communication and trust with these communities, we can more effectively engage all our stakeholders and communities of interest, especially those affected by the new Hypogene Project. In 2009, these stakeholders expressed their dissatisfaction with our approach and raised strong opposition to our proposed plans, particularly regarding water extraction from the El Culebron aquifer and the increased disturbances resulting from higher activity and traffic levels.

We listened and have now adopted a new approach to community engagement and dialogue. We established our first Superintendent of External Affairs to manage our relationships with stakeholders and advance our commitments to sustainable community development;

we developed a strategy and management systems; we enrolled assistance from our corporate headquarters and training for our communities and environment staff; we established an open doors visitor program to the mine and enabled our staff to reach us through email, a 1-800 number and comment boxes; we further implemented a formal feedback mechanism to hear concerns and respond appropriately. We will continue to develop our new approach in 2010.

Aboriginal Relations

There are no known indigenous groups in our area of influence.

Community Development / Good Neighbor Practices

Community development projects have been a core activity through the Community Interaction Plan established in 2007. During 2008, projects were developed with six localities in close proximity to the immediate surroundings of our operations: Matadero, Nueva Churrumata, Chepiquilla, El Toro, El Manzano and El Curque. A methodology was developed to set criteria for the identification of projects involving community support, shared effort and participation, coverage, autonomy, sustainability, impact and relation with the business.

Each project was developed through community recommendations resulting from focus groups and meetings which resulted in an initial focus on the promotion and creation of skills to empower the community in social projects. Our goal for 2010 is to develop projects through a process involving more community participation and the broadening of our area of interest to include the communities of Pan de Azúcar and Coquimbo to capture our broader area of influence.

We also worked to apply the same methodology to other stakeholders of the commune of Andacollo, such as the Police Department, the Fire Department, the Hospital, the Church, the Municipality, Schools and the Communal Union of Neighbours' Associations. Five projects and seven training courses were carried out with these partners in 2008, focused on micro-enterprises within the communities. Likewise, three training courses were financed by collaborating companies.

Awards and Recognition

In the area of safety, CDA received the SERNAGEOMIN "Honorary Mention Category B" in the "Annual Contest of Mining Safety". Additionally, the site was awarded the John T. Ryan Award. Both of these awards were received in 2008 for 2007 safety performance.

	2007*	2008
Health & Safety Statistics		
Total Recordable Incident Frequency	1.39	0.15
Fatalities	0	0
Lost Time Injuries (LTI)	0	0
LTI Frequency	0.00	0
Severity	0.00	0
Energy Use		
Fuel (TJ)		452
Electricity (TJ)		289
Carbon Energy Intensity in Product (GJ/t)		21.5
Energy Intensity in Product (GJ/t)		35.2
GHG Emissions		
CO ₂ equivalents (kt) (Direct)		33
CO ₂ equivalents (kt) (Indirect)		32
CO ₂ equivalents (kt) (Total)		64
Carbon Intensity in Product (t/t) (Direct)		1.54
Carbon Intensity in Product (t/t) (Indirect)		1.50
Carbon Intensity in Product (t/t) (Total)		3.04
Production – Metal Contained in Concentrate (kt)		
Copper		21
Mined Materials		
Total waste rock (kt)		17,545
Permit Compliance		
Number of Permit Exceedances		100%
Total Parameter Count – Air		395
Total Count over Permit Limit – Air		1
% Compliance Air		100%
Total Parameter Count – Water		196
Total Count over Permit Limit – Water		0
% Compliance Water		100.00%
Reportable Spills		
Number		1
Volume (L)		20,000
Weight (kg)		0
Waste Management & Recycling		
Total solids recycled (tonnes)		78
Total solid hazardous material incinerated (tonnes)		0
Water Conservation		
Total groundwater withdrawal (m ³ /yr)		1,506,060
Total surface water withdrawal (m ³ /yr)		0
Total volume of water recycled/reused (m ³ /yr)		557,242
Total percentage water recycled/reused %		37.00%

* Teck acquired Carmen De Andacollo mine in August 2007. Only complete data is available from 2008.

Compañía Minera Teck
Carmen de Andacollo
Camino a Chepiquilla s/n
Andacollo
Región de Coquimbo, Chile

+56 51 431 589 Tel
+56 51 431 587 Fax
sustainability@teck.com
www.teck.com