Proven Ability to Meet a Changing World
# In This Report

**Message from the CEO**

**About Our Report**

**Our Business**
- Teck Business Units
- Performance Overview
- Where We Are
- Adding Value throughout the Mining Life Cycle
- Description of our Value Chain

**Our Sustainability Strategy**
- Our Approach to Materiality
- Communities of Interest
- Progress on 2015 Sustainability Goals

**Managing Responsibly**
- Sustainability Governance
- Management Systems
- External Commitments and Partnerships
- Ensuring Integrity and Compliance
- Preparing for Emergencies
- Managing Environmental Performance

**Community**
- Theme: Working with Communities
- Achieving Community Support
- Improving Air Quality
- Working with Indigenous Peoples
- Theme: Having a Positive Impact on Society
- Optimizing Economic Contributions
- Respecting Human Rights

**Our People**
- Theme: Operating in a Safe Way
- Strengthening our Safety Culture

## Theme: Providing High-Quality Employment
- Building our Workforce

## Water
- Theme: Implementing Responsible Water Stewardship
- Protecting and Conserving Water
- Managing Tailings Responsibly

## Biodiversity
- Theme: Working to Achieve a Net Positive Impact
- Protecting and Conserving Biodiversity
- Planning for Closure

## Energy
- Theme: Managing Energy and Climate Risks
- Using Energy Efficiently and Reducing Emissions

## Materials Stewardship
- Theme: Fostering Sustainability in our Value Chain
- Minimizing Product Impacts
- Managing our Supply Chain

## Performance Overview Table

## Independent Assurance Report

## Case Studies
- Community Consultation at Quebrada Blanca
- Community Environmental Panel at Carmen de Andacollo
- Teck’s Involvement in Elk Valley Economic Initiative
- Dust Reduction at Trail Operations
- 25th Anniversary of Red Dog
- High-Potential Risk Control Strategy
- Developing a Highly Skilled Workforce
- Teck’s Involvement with the Elk River Alliance
- Selenium Management Successes at Cardinal River Operations
- Soil Reclamation in the Elk Valley
- Caribou Penning Program Helps Recovery of Threatened Klinse-Za Herd
- SunMine Solar Farm Project at the Sullivan Site
- ZincNyx Renewable Battery Development

<table>
<thead>
<tr>
<th>Case Study</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Consultation at Quebrada Blanca</td>
<td>52</td>
</tr>
<tr>
<td>Community Environmental Panel at Carmen de Andacollo</td>
<td>53</td>
</tr>
<tr>
<td>Teck’s Involvement in Elk Valley Economic Initiative</td>
<td>54</td>
</tr>
<tr>
<td>Dust Reduction at Trail Operations</td>
<td>56</td>
</tr>
<tr>
<td>25th Anniversary of Red Dog</td>
<td>60</td>
</tr>
<tr>
<td>High-Potential Risk Control Strategy</td>
<td>78</td>
</tr>
<tr>
<td>Developing a Highly Skilled Workforce</td>
<td>88</td>
</tr>
<tr>
<td>Teck’s Involvement with the Elk River Alliance</td>
<td>99</td>
</tr>
<tr>
<td>Selenium Management Successes at Cardinal River Operations</td>
<td>100</td>
</tr>
<tr>
<td>Soil Reclamation in the Elk Valley</td>
<td>114</td>
</tr>
<tr>
<td>Caribou Penning Program Helps Recovery of Threatened Klinse-Za Herd</td>
<td>115</td>
</tr>
<tr>
<td>SunMine Solar Farm Project at the Sullivan Site</td>
<td>127</td>
</tr>
<tr>
<td>ZincNyx Renewable Battery Development</td>
<td>134</td>
</tr>
</tbody>
</table>
Teck 2014 Sustainability Report  |   Adaptability

This past year was undoubtedly challenging for our industry, due in large part to a cyclical downturn in commodity markets. However, throughout our 102-year history, we’ve proven time and time again that we are able to meet the challenges of a changing world. That’s why I believe the word *Adaptability* so fittingly describes the spirit of our company, and why it is the name of our 2014 sustainability report.

**Our Sustainability Progress**

While markets may be cyclical, our commitment to sustainability remains constant. Our people live in the areas where we operate, and we care about doing the right thing for their communities, the environment and future generations. It is for that reason we launched a comprehensive sustainability strategy in 2011 that consists of six focus areas that represent the biggest challenges and opportunities for our work in sustainability. Our strategy also sets short-term goals to 2015 and long-term goals that stretch through to 2030 to help us achieve our vision for sustainability. As outlined in this report, this past year we continued to make progress towards achieving all of our short-term goals.

Our people are fundamental to the success of our sustainability efforts, and nothing is more important than the safety of our employees and contractors. In 2014, we developed and implemented a new High-Potential Risk Control strategy at all of our operations. This helps us identify and evaluate the controls that will most effectively prevent serious injury or loss of life. We also continued to improve our safety performance – our total reportable injury frequency was 25% lower than in 2013, and our high-potential incident frequency rate declined by 22%.

Despite our progress, we were deeply saddened by two fatalities that took place at our operations in 2014 – one at our Coal Mountain Operations in March and one at an exploration project in Chile in November. We have carried out in-depth investigations into each loss to learn as much as possible and to implement measures to prevent a reoccurrence. These learnings have been shared across all of our sites, as well as with our industry peers. These fatalities serve as important reminders that we must remain diligent in our efforts to achieve our vision of everyone going home safe and healthy every day.

Water is another important issue for our company. It is critical for ecosystems, for communities and for mining processes. In November 2014, the government of British Columbia (B.C.) approved our first area-based water quality plan. The Elk Valley Water Quality Plan defines short-, medium- and long-term water quality targets and sets out our approach to achieving them near our five steelmaking coal operations in B.C. Under the plan, we will continue to implement and improve aquatic monitoring, water quality testing and various water quality management measures, including construction of water diversions and water treatment facilities. This marks a significant step forward in our ability to address water quality concerns throughout the watershed.

Unfortunately, in the fall of 2014 we had a fish mortality incident at our new Line Creek Operations water treatment facility as the result of a problem with the start-up of the newly constructed plant. We are now working to restart the facility and are taking steps to prevent a reoccurrence.

We also continue to focus on facilitating long-term economic opportunities and strategic community investments to encourage lasting positive benefits for the communities where we operate. This includes everything from salaries and local spending to taxation and community investment. Notably, we invested almost $20 million in 2014 to support communities in achieving their development and social goals.
Our Operations

Our operations continued to perform well in 2014 and we achieved a number of production milestones. In our copper business, Antamina set a record for throughput of approximately 138,000 tonnes per day. In zinc, we achieved record annual zinc production of 596,000 tonnes at our Red Dog mine. Finally, in steelmaking coal, we saw record annual production of 26.7 million tonnes and sales of 26.2 million tonnes.

We also executed well on a number of major capital projects. The Mill Optimization Project at Highland Valley Copper was completed in 2014 and resulted in a substantial increase in mill throughput, and has already exceeded the design capacity by 10,000 tonnes per day. In addition, our Pend Oreille zinc mine was successfully restarted on time and under budget, and we completed construction of a new acid plant at our Trail Operations that has increased reliability and environmental performance.

In 2015, we will continue to advance our Quebrada Blanca Phase 2 project while working to achieve significant capital cost reductions. We will also maximize learnings from the construction of the Fort Hills oil sands project and establish plans to market our share of bitumen.

Our Response to Global Economic Factors

The changing nature of growth in China is causing ripple effects in our industry, as economic policies introduced by the Chinese government are supporting a shift from an infrastructure- and construction-driven economy to one that is more consumer-led. This shift is one of the contributing factors to changing demand and a fall in prices for certain commodities used in infrastructure development. For some commodities, such as steelmaking coal, this challenge is compounded by market oversupply.

In light of this environment, in 2014 we focused on the factors that were within our control. This has included a major focus on cost reduction that continues to deliver results, with significant sustainable operating cost reductions being achieved. As a result of the hard work of our employees, in 2014 we reduced unit costs at 10 of our operations. We also reduced capital expenditures by approximately $400 million compared with our plans at the start of the year. Further, our liquidity remains strong, as we came to the end of 2014 with a cash balance of $2 billion and we have only $300 million of long-term notes due by early 2017.

We will continue to focus on reducing costs and improving efficiency to ensure we are well-positioned for when markets improve from the current price cycle. We are targeting an additional $100 million in savings through operating excellence and production optimization at our operations in 2015 – while at the same time, prudently managing our capital spending. With continued market weakness and low prices for our steelmaking coal products, we have also taken a disciplined approach to managing coal production in 2015, rather than pushing incremental tonnes into an oversupplied market.

Our External Environment

Recent court decisions have focused attention on the relationship between industry, Indigenous Peoples and local communities in Canada – and the implications for future resource development. These rulings, such as the Canadian Supreme Court’s historic Tsilhqot’in decision, provide clarity on Aboriginal title. They also reinforce our belief that
relations and agreements with Indigenous communities must be based on genuine, respectful engagement and on the creation of shared value for resource development activities. In 2014, we reached a Joint Relationship Agreement with the Nlaka’pamux Nation Tribal Council near our Highland Valley Copper Operations. This agreement formalizes relations between the mine and the local Indigenous community, addressing issues such as revenue sharing, employment, and economic opportunities and, importantly, sets a clear framework for future engagement and consultation.

The breach of the Mount Polley tailings dam in B.C. in August 2014 highlighted the potential risks associated with tailings storage facilities. While this event did not occur at one of our mines, it was seen as a significant event for the mining industry as a whole. Beyond our company-wide approach to frequent and rigorous monitoring and internal inspections, following the incident, we accelerated the regular schedule of our independent formal dam safety inspections in B.C. and we enhanced inspection timelines at our other tailings facilities. These inspections reconfirmed that our tailings facilities are safe, stable and well maintained. We are confident in the long-standing operating, inspection, monitoring and maintenance practices that we have in place. We also welcome the recommendations of the Mount Polley Independent Expert Investigation and Review Report and the subsequent actions taken by the Government of B.C..

Our External Recognition

Our leadership in sustainability was recognized again over the past year by several of the world’s leading corporate sustainability rankings. We were included in the Dow Jones Sustainability World Index (DJSI) for the fifth consecutive year – indicating that our sustainability practices rank in the top 10% of the 2,500 largest companies in the S&P Global Broad Market Index. We were also recognized as the top-ranked Canadian company and the top mining company worldwide on Corporate Knights’ list of the Global 100 Most Sustainable Corporations, and we were recognized as one of the Top 50 Socially Responsible Corporations in Canada by Sustainalytics. While we know we have more work to do in sustainability, we believe that this recognition demonstrates that we continue to move in the right direction.

Our Sustainability Outlook

With the completion of our short-term sustainability goals coming by the end of 2015, we are now in the process of defining our next set of goals as we look ahead to 2020. This includes a particular focus on reviewing our current framework to ensure that the issues we have identified are still relevant to our business and our communities of interest. Through continued refinement of our approach, we know we will move closer to achieving our longer-term 2030 goals.

We continue to participate in organizations that help guide sustainability practices in our industry, including the International Council on Mining and Metals and the Mining Association of Canada. In addition, we are working with international bodies that aim to improve sustainability performance across sectors, such as the World Economic Forum and the United Nations Global Compact, to which we contribute as a Global Compact LEAD company.

Sustainability is deeply engrained in our company and is reflected in the choices made each day by our employees who are committed to doing the right thing for communities, the environment and future generations. As we look ahead, that commitment will ensure our company remains focused on building a stronger, more sustainable future.

Donald R. Lindsay,
President and Chief Executive Officer
Vancouver, B.C., Canada
June 29, 2015
This is Teck’s 14th annual Sustainability Report, covering our 2014 sustainability performance and issues, as well as our approach to managing them. Our 2014 Annual Report provides further detail on financial and operational information.

The audience for this report is our communities of interest (COIs): any individuals or groups that may be affected by, have an interest in, or influence our activities. This broad audience includes our employees, local communities, society at large, government, Indigenous Peoples, media, and those with business-related interest in our company (e.g., shareholders, business partners or industry associations). More information on our COIs is available on page 23.
Changes to Our Reporting
Our sustainability reporting is evolving to reflect new Global Reporting Initiative (GRI) Guidelines, as well as to align with the International Integrated Reporting Council’s (IIRC) Framework.

The fourth generation of GRI Guidelines (GRI G4) was released in May 2013 and this year’s report is a G4 Core report. The International Council on Mining and Metals (ICMM), of which we are a member, has adopted G4 and requires member companies to report to a Core level for their sustainability reports by the end of 2016.

Materiality
Under the G4 Guidelines, organizations focus their reporting on those issues that are specifically material to them and provide greater depth on those issues. This is intended to produce reports that are more relevant by providing a thorough analysis of the most important issues. A discussion on our approach to materiality can be found on page 20.

Disclosure on Management Approach
Similar to earlier versions of the GRI Guidelines, for each material issue addressed, we provide commentary on the following:
• Why the issue is material
• How we manage the issue
• How we performed on the issue in 2014

In addition to the general disclosures on management approach, as outlined above, G4 has introduced additional requirements for disclosures on management’s approach for certain issues. These are discussed in the commentary for each material issue.

Boundaries of Impacts
Under the G4 Guidelines, we are required to examine both our direct and indirect impacts. This includes impacts related to exploration activities, development projects, suppliers, contracting companies and joint venture partners. In this context, the G4 Guidelines also require us to describe our value chain, and to provide details around sustainability impacts linked to our value chain partners. Please see Table 17 in Appendix A.

Moving Towards Integrated Reporting Practices
We are pursuing a longer-term effort to better integrate our sustainability and overall business reporting, assisted by the application of the G4 Guidelines. As a result, we are applying the following principles of the IIRC Framework to our reporting practices:
• Making clearer links between our sustainability performance and our broader operational and financial performance
• Providing analysis of how we interact with our external political, social, economic and regulatory environment
• Providing strategic analysis of the relationship between our strategy, COIs, risks/opportunities and performance

Report Scope, Content and Data
The scope of the report covers all of the operations managed by Teck and also, where appropriate, key issues at exploration and development projects and at joint venture operations. Data for joint ventures not operated by Teck is not presented unless otherwise stated. Our Pend Oreille mine resumed operations in December 2014 and we have included its data where relevant. Operations managed by Teck that are covered by this report are:

• Cardinal River
• Coal Mountain
• Elkview
• Greenhills
• Line Creek
• Quebrada Blanca
• Red Dog
• Trail Operations

Joint venture operations, not managed by Teck, but covered in some areas of this report are:

• Antamina
• Wintering Hills Wind Power Facility

This report discloses sustainability data for the fiscal year ended as at December 31, 2014. Assessment of material issues continued through the first quarter of 2015. The consolidated data for key indicators can be found in our Performance Overview Table on pages 136–137.

Unless otherwise stated, we report data for our operations on a 100% ownership basis (e.g., for a 97.5%-owned operation, we report 100% of the data). Data is reported using the metric system and Canadian dollars, unless otherwise stated.

Where available, we include comparative historical data to demonstrate trends. Some historical data has been restated due to changes in calculation methodologies to improve accuracy, or to correct previous errors in recording or calculating data.

International Council on Mining and Metals’ Sustainable Development Framework
We are committed to implementing the ICMM Sustainable Development Framework. We have incorporated the Framework’s requirements into the scope of our external assurance program in order to have an independent analysis of meeting the ICMM commitments.

Independent Assurance
Deloitte LLP independently reviewed our application of the GRI G4 Guidelines and the alignment of our practices with the ICMM Sustainable Development Framework Principles, guided by the ICMM Assurance Procedure. See pages 138–139 for our assurance letter.

For More Information
Please visit www.tecksustainability.com or email us at sustainability@teck.com.
Our Business

Teck is a diversified resource company committed to responsible mining and mineral development with business units focused on copper, zinc, steelmaking coal and energy. Headquartered in Vancouver, British Columbia, Canada, we own or have an interest in 13 mines, one large metallurgical complex, a wind power facility, and several major development projects in Canada, the United States, Chile and Peru. We have expertise across a wide range of activities related to exploration, development, mining and minerals processing, including smelting and refining, safety, environmental protection, materials stewardship, recycling and research.

Our strategic objective is to ensure that Teck is the premier mining company in the business, in terms of building shareholder value, safety, sustainability, and fair and professional treatment of all of our partners and communities of interest (COIs).
Copper plays an important role in meeting the world’s growing demand for infrastructure and products, and is a vital component in power generation and transmission, construction, clean technology, and electronics.

**Highlights**
- Top 10 global copper producer in the Americas
- Five operating mines in Canada, Chile and Peru – and a pipeline of copper development projects
- Capacity to produce over 330,000 tonnes annually
- Focus on optimizing production, developing a portfolio of potential long-life copper resources, and discovering new resources

Zinc is one of the world’s most widely used base metals. Although its primary use is to protect steel against corrosion, zinc is also important for the production of brass and bronze, for die-casting of thousands of consumer and industrial products, and as an essential nutrient.

**Highlights**
- World’s third-largest producer of mined zinc
- Capacity to annually produce over 640,000 tonnes of zinc in concentrate from three operations in the United States and Peru, and over 280,000 tonnes of refined zinc from our Trail Operations in Canada
Steelmaking coal is an essential ingredient in the production of steel. As a result, it plays an important role in the development of infrastructure ranging from renewable energy facilities through to mass transportation systems, as well as in the other products that make our quality of life possible.

**Highlights**
- World’s second-largest exporter of seaborne steelmaking coal – and the largest in North America
- Six operations in Western Canada
- Capacity to produce 28 million tonnes annually, with capacity for future production expansion
- More than 1 billion tonnes of high-quality steelmaking coal reserves and 3.6 billion tonnes of measured and indicated resources

We are building our energy business unit by advancing mineable oil sands projects in Alberta. These projects fit well with our core competencies in large-scale truck and shovel mining.

**Highlights**
- Focus on diversifying our resource portfolio and generating long-term value
- 20% interest in the Fort Hills oil sands project operated by Suncor in Alberta, with production expected to start in late 2017
- 100% interest in the Frontier oil sands project in Alberta
- 49% interest in the Wintering Hills Wind Power Facility in Alberta

Pictured above: (left) Employees perform preventative maintenance on a haul truck at Greenhills Operations (right) two employees discuss the Fort Hills oil sands project
Teck’s 2014 Revenue and Gross Profit by Business Unit

**Revenues** (before depreciation and amortization)

- 31% Zinc
- 39% Steelmaking
- 30% Coal
- Copper

**Gross Profits** (before depreciation and amortization)

- 27% Zinc
- 32% Steelmaking
- 41% Coal
- Copper

Figure 1

Pictured above: employee on site at Quebrada Blanca Operations in Chile
Performance Overview

2014 Sustainability Highlights

22% annual decrease in our high-potential incident frequency rate

Building on our 2013 focus on safety to identify root causes and contributing factors for High-Potential Incidents (HPIs), in 2014 we developed and implemented a new High-Potential Risk Control strategy at all operations across our company.

$20 million community investment

We target our community investments in a way that delivers sustainable benefits to our local communities, supports our own business objectives, and is aligned with our sustainability strategy. This helps our local communities achieve their development and social goals, helps us manage and mitigate our social risks, and allows us to leverage our activities, competencies and knowledge to add social value.

Top 10% global ranking in the Dow Jones Sustainability Index (DJSI)

We have been named to the DJSI for the last five years, with our latest score placing our sustainability management and performance in the top 10% of the world’s 2,500 largest public companies.

2014 Operational Highlights

$640 million annualized cost reductions

All of our operations maintained positive cash margins in 2014. We are targeting a further $100 million in savings in 2015 through operational optimization and prudent capital management, with all operations expected to achieve their cost targets.

26.7 million tonnes steelmaking coal production

All of our business units met or exceeded their production guidance – with our steelmaking coal business achieving record levels of production.

596,000 tonnes zinc production at our Red Dog Operations

Our Red Dog Operations, one of the largest zinc mines in the world, achieved record levels of production, despite a cost-constrained environment.

2014 Financial Highlights

$8.6 billion revenues

Revenue was down from $9.4 billion in 2013, reflecting lower copper and steelmaking coal prices. The impact of this was partially offset by increased production of zinc concentrate and higher zinc prices.

$2.9 billion gross profit before depreciation and amortization

Gross profit before depreciation and amortization was down from $3.7 billion in 2013, again reflecting lower commodity prices.
Where We Are

Corporate Head Office
Corporate Offices

Operations & Projects:

Copper
1. Highland Valley Copper
2. Duck Pond
3. Antamina
4. Quebrada Blanca
5. Carmen de Andacollo
6. Relincho
7. Galore Creek
8. Mesaba

Zinc
1. Red Dog
2. Trail Operations
3. Pend Oreille

Energy
1. Frontier
2. Fort Hills
3. Wintering Hills

Steelmaking Coal
1. Cardinal River
2. Coal Sites in B.C.
   - Fording River
   - Greenhills
   - Line Creek
   - Elkview
   - Coal Mountain
3. Quintette

- Wicklow
- Toronto
- Vancouver
- Calgary
- Guadalajara
- Lima
- Santiago

- Anchorage
- Richmond
- Spokane
- Guadalajara
Adding Value throughout the Mining Life Cycle

We draw on and apply a range of available resources, which includes natural, human, financial, social and manufactured capital to create value in our business. These range from the resources we extract and process, through to the financial capital that funds our operational activity and growth. Through the application of our governance frameworks, management systems and actions, we capitalize on these resources to produce a range of positive outputs, such as marketable products and financial value.

We recognize that our business activities can produce potentially negative outputs, such as waste and byproducts. We are committed to keeping these to a minimum and to responsibly managing those negative

Table 1

How Teck Adds Value

<table>
<thead>
<tr>
<th>Inputs</th>
<th>The Mining Life Cycle</th>
</tr>
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<tbody>
<tr>
<td>Natural capital:</td>
<td>Exploration</td>
</tr>
<tr>
<td>including water, energy, land, air, biodiversity, and minerals</td>
<td>Near mine and greenfields exploration, aimed at:</td>
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<tr>
<td></td>
<td>• The discovery and/or acquisition of new ore bodies</td>
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<tr>
<td></td>
<td>• The pursuit, evaluation and acquisition of development opportunities</td>
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<tr>
<td></td>
<td>• The delivery of geoscience solutions and services to create value at our existing mines</td>
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<td></td>
<td>In 2014, we spent a total of $60 million on exploration activity. Our greenfields exploration activity is primarily aimed at copper, zinc and gold opportunities in relatively stable mining jurisdictions – ranging from Australia to Turkey.</td>
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<tr>
<td>Human capital:</td>
<td>Project Development (and acquisitions)</td>
</tr>
<tr>
<td>including the skills and expertise of our workforce</td>
<td>We build upon our exploration activities by developing those mineral deposits that offer sufficient economic returns, acceptable levels of risk and the opportunity for us to add value. Activities include:</td>
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<tr>
<td></td>
<td>• The modelling of opportunities to extract resources in a commercially viable and sustainably way</td>
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<tr>
<td></td>
<td>• The design and construction of mines and related infrastructure</td>
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<td></td>
<td>In other cases, we carry out similar activities to:</td>
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<tr>
<td></td>
<td>• Take existing projects that we have purchased at different stages of development into production</td>
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<tr>
<td></td>
<td>• Expand our existing operations</td>
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<td></td>
<td>In 2014, we had several projects, which are located in Canada, Chile and Peru, in our development pipeline.</td>
</tr>
<tr>
<td>Political and legal capital: including government licences and regulatory permits</td>
<td>Mining</td>
</tr>
<tr>
<td>Financial capital:</td>
<td>We physically extract resources from open pits and underground declines. We use targeted drilling and blasting to break up the material and use haul trucks to transport it for processing.</td>
</tr>
<tr>
<td>including equity and debt financing</td>
<td>We own or have interest in 13 mines in Canada, Chile, Peru and the United States that are currently focused on copper, zinc and steelmaking coal.</td>
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<tr>
<td>Social capital:</td>
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<tr>
<td>including community consent and cooperation</td>
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<tr>
<td>Business capital:</td>
<td></td>
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<tr>
<td>including our relationships with joint venture partners, contractors and suppliers</td>
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</table>

(1) The primary hazardous wastes produced at our operations include waste oil, solvents, antifreeze, paint, batteries and fluorescent tubes. Non-hazardous waste includes scrap metal, wood waste, glass, tires, cardboard and paper.
outputs that do occur. We are committed to applying responsible stewardship in our use of – and impact on – the resources available to us, and to understanding the interrelationships between them. By taking this approach, we believe we can maximize the positive value we can create in the long-term, while minimizing our negative impacts on society and the environment.

Integrated business planning helps to ensure our current decision making addresses a complete set of operational, financial and sustainability related issues that support our short- and long-term business sustainability. See Table 1 for further detail on how we add value through our integrated business planning.

Processing
We use physical processing to prepare our copper, zinc and steelmaking coal products for sale.

Our Trail Operations, located in British Columbia, includes one of the largest fully integrated zinc and lead smelting and refining complexes in the world – powered by the Waneta hydroelectric dam and transmission system. Trail Operations produces refined zinc and lead, a variety of precious and specialty metals, chemicals and fertilizer products.

Transportation
We export steelmaking coal by sea to the Asia-Pacific region and elsewhere. This involves the shipment of the steelmaking coal from our mine sites to bulk port terminals in Vancouver by barge and rail. It is then transferred to larger seagoing vessels, which carry it to our target markets.

In terms of copper and zinc, transport of both concentrates and refined products can take place by a variety of means including truck, rail, and ship.

Sales
We sell the majority of our metal concentrates and refined products under long-term sales contracts to smelters and refineries in several countries.

We sell steelmaking coal to traditional customers in Asia, North America and Europe, and we are establishing new relationships in other markets where long-term growth is projected for steel production and steelmaking coal.

Outs (in 2014)

<table>
<thead>
<tr>
<th>Physical:</th>
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<tbody>
<tr>
<td>Steelmaking coal:</td>
</tr>
<tr>
<td>26.7 million tonnes</td>
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<tr>
<td>Copper: 333,000 tonnes</td>
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<tr>
<td>Zinc: 659,700 tonnes (in concentrate) and 277,400 tonnes (refined)</td>
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<tr>
<td>Energy: 83 gigawatt hours (GWh)</td>
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<table>
<thead>
<tr>
<th>Economic:</th>
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<tbody>
<tr>
<td>Value of salaries and benefits: $1.4 billion</td>
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<tr>
<td>Payments to our host governments in the form of taxes and royalties: $406 million</td>
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<tr>
<td>Spending on suppliers (includes fuel and energy, operating supplies, maintenance and repair supplies): $2 billion</td>
</tr>
<tr>
<td>Spending on contractors and consultants: $503 million</td>
</tr>
<tr>
<td>Community investments: $20 million</td>
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<td>Dividends to shareholders: $518 million</td>
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<table>
<thead>
<tr>
<th>Environmental:</th>
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<tbody>
<tr>
<td>Tailings produced: 73 million tonnes of tailings and fine coal refuse</td>
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<td>Non-hazardous waste materials: 57 million tonnes, of which 44% is recycled</td>
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<tr>
<td>Hazardous waste materials: 65 million tonnes, of which 57% is treated/disposed on-site and 19% is recycled</td>
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<tr>
<td>Carbon dioxide-equivalent emissions: 3,066 kilotonnes</td>
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<td>Water outputs: 386 million cubic metres (m³)</td>
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</table>

[1] Water that is returned to the environment or is not available for further use after it has been collected, used, treated or stored. See page 97 for further information on how to read a water balance.
Description of our Value Chain

Our business and influence extends beyond our operations throughout our value chain. Responsible value chain management requires an understanding of a broad scope of issues – ranging from the origins of the goods that we buy, to the ultimate post-sale impacts of our products. It requires us to engage actively with our suppliers and customers on sustainability issues and, where necessary, to use our influence to support and promote improved practices.

Table 2 shows Teck in the context of our broader value chain – as well as some of the sustainability risks and opportunities typically associated with each stage of that chain. This demonstrates that some of our sustainability impacts, both positive and negative, are indirect and can take place through our business relationships.

Table 2

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Service Providers</th>
<th>Joint Venture Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>We outsource many operational activities to third-party companies. This is typically due to their cost-effectiveness, technical capabilities, or for strategic reasons (e.g., where we see benefit in concentrating on our core business capabilities). Typical activities carried out by service providers and contractors include:</td>
<td>Ownership of some of our assets is shared with joint venture partners. This includes, for example, our Antamina mine in Peru and our Fort Hills oil sands project in Alberta, both of which are operated by our partners (Compañía Minera Antamina and Suncor Energy Inc., respectively). We actively engage with our joint venture partners, including those operating shared assets, to promote sustainable operational practices focused on economic, environmental and social performance, as well as business ethics.</td>
</tr>
<tr>
<td>We rely on an international network of suppliers to provide the products, materials and goods needed to support our operations. These include: • Heavy mining equipment, tires and spare parts • Fuel and lubricants • Electricity • Materials (including grinding media, liners, and ground engaging tools) • Explosives • Chemicals for processing</td>
<td>• Mining and waste stripping • Heavy mining equipment maintenance • Transport and logistics • Contractors (mechanical, electrical, general) • Construction • Exploration drilling • Technical/engineering consultancy</td>
<td></td>
</tr>
<tr>
<td>Spending on suppliers (includes fuel and energy, operating supplies, maintenance and repair supplies): $2 billion</td>
<td>As with our suppliers, we communicate our performance expectations to our service providers through our Recommended Protocols for Suppliers and Service Providers. Our priorities include ethics, health and safety, environmental stewardship, and human rights.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Spending on contractors and consultants: $503 million</td>
<td></td>
</tr>
</tbody>
</table>

(1) In the case of steelmaking coal, the steel resulting from its use.
Many of our products need to be further processed before they are marketable. As a result, we either carry out refining and processing ourselves, or we sell our unfinished products to third-party processors.

Our key customers include:

- Third-party smelters and refineries: copper, zinc and other metals (including lead and silver)
- Third-party steel mills: steelmaking coal
- Direct purchasers/traders: various metals and chemical byproducts

We work with customers to ensure their processes, equipment and practices are sufficient to manage our products in an ethical, safe and environmentally sound manner.

**Revenues in 2014: $8.6 billion**

End users that we encourage to use our products\(^{(1)}\) responsibly include the following:

- Engineering and construction industry: steel, zinc, copper
- Transportation, automobile and logistics industry: steel, zinc, copper
- Electronics and telecommunications industry: copper
- Power generation and transmission industry (including renewable energy): copper
- Domestic appliance industry: steel, copper
- Consumers (including consumer goods and nutritional supplements): steel, zinc and copper
- Agricultural industry: zinc
- Multiple users: energy

- Brazil
- Canada
- Chile
- China
- Colombia
- Finland
- Germany
- India
- Indonesia
- Italy
- Japan
- Malaysia
- Mexico
- Netherlands
- Pakistan
- Philippines
- South Korea
- Spain
- Sweden
- Taiwan
- Thailand
- Turkey
- United Kingdom
- United States
- Vietnam

\(^{(1)}\) In the case of steelmaking coal, the steel resulting from its use.
Our Sustainability Strategy

We know that our success depends on our ability to manage social, environmental and economic risks and opportunities by operating responsibly and meeting societal expectations. This is why we view sustainability as an integrated activity at Teck. It is an essential component of our business and a key determinant in our ability to create long-term value.

We have integrated sustainability into our business by considering social and environmental objectives alongside financial objectives in business planning as well as our approach to operating our assets. We are also pursuing a longer-term effort to better integrate our reporting on sustainability and on overall business performance, to show clearer links between sustainability and financial and operational performance.
Consistent with this integrated approach, we have developed a comprehensive sustainability strategy based around the concept of materiality – that is, focusing our efforts on those areas that represent the greatest potential risks or opportunities for our business and our COIs.

In taking this approach, we are mindful of the need to strike the right balance between being responsive to short-term issues – which may also be considered material – while continuing to make progress on the long-term vision and goals as outlined in our sustainability strategy.

In 2010, we brought together a group of employees from across our business to identify the sustainability issues of greatest materiality to Teck – those that represented the most significant challenges and opportunities facing our company in the area of sustainability.

We identified six focus areas – Community, Water, Energy, Biodiversity, Materials Stewardship, and Our People – which are the foundation for our sustainability strategy and the framework for this report. Under each focus area, we have established long-term goals that extend to 2030 and interim 2015 goals to move us towards achieving our vision for sustainability.

Our six focus areas are interconnected, which can require us to balance competing interests in our management of sustainability. For example, replacing the fresh water used for mineral processing with desalinated seawater is likely to increase energy use. The interconnectedness of our focus areas can also create synergies. For instance, reducing overall water use typically results in less water being pumped or treated, which reduces energy use. Therefore, we focus on developing strategies that maximize benefits across our focus areas.

In 2014, we continued to face challenging market conditions, significantly lower commodity prices, and lower margins. Despite these challenges, we remain committed to our sustainability practices and continued to make progress towards our sustainability goals.

Business unit leaders, site leaders, site teams and corporate leaders make up the implementation teams for each focus area. Their responsibilities include developing the strategies to meet our goals as well as monitoring progress. Implementation plans are integrated into annual site-level plans. The Community, Water, Energy and Biodiversity focus area goals, as well as the health and safety aspects of Our People focus area goals, are integrated into our annual bonus plan, which is applied to all business units.

Progress against our 2015 short-term goals is reported in on pages 26–28.
Our Approach to Materiality

As we continue to evolve and advance our business, we need to ensure we continue to address the most material issues facing our company while also aligning with and supporting our long-term business plans and social licence to operate.

To achieve this, we undertake a materiality assessment that considers our COIs, external environment and internal progress. This process allows us to adapt and refine our strategy and to better define our sustainability report content. This materiality analysis happens within two cycles:

- **Materiality Assessment**: Each year, we engage internal resources, consult with COIs, and review aspects of the external environment to identify the issues that are currently most material within each of our six focus areas, as well as key risks and opportunities outside these areas. This process is informed by guidance from the Global Reporting Initiative’s *G4 Principles for Defining Report Content*. See below for further detail on how we conduct our annual materiality analysis process.

- **Comprehensive Sustainability Strategy Review**: Every five years, we conduct a broader review of our current focus areas, visions and goals by assessing global sustainability trends and the key risks and opportunities facing our company and the mining industry in general. This is done to assess whether our focus areas are still relevant and whether they continue to reflect the most material issues facing our company. In addition, this process informs development of our next set of interim five-year goals as we progress towards our long-term 2030 sustainability goals.

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**Annual Materiality Assessment**

Beginning with this report, we applied a new materiality process to help identify and prioritize key emerging or persisting sustainability issues as they pertain to our six focus areas on an annual basis. We identified and prioritized these issues through a structured materiality process, as outlined above. The criteria applied when selecting material issues include the impact of our company on our COIs – and the impact of our COIs on our company.

This process has drawn on a range of internal sources, including our:

- Previous materiality assessments
- Five-year business plans
- Corporate risk analysis
- Mapping and analysis of our COIs

The process also draws on a range of external sources, including:

- Media reports
- Sector assessments of key risks and opportunities in the mining sector
- Peer sustainability reports
- High-level assessments reflective of long-term societal expectations

In addition, it integrates inputs from both internal and external COIs.
Table 3

Our Materiality Process

<table>
<thead>
<tr>
<th>Step One: Desk-based analysis</th>
<th>A review of internal and external sources</th>
</tr>
</thead>
</table>
| Step Two: Initial prioritization of the G4 Guideline aspects | Each of the aspects identified in the G4 Sustainability Reporting Guidelines were prioritized using a structured, quantified scale based on the following criteria:  
  • The potential and/or actual impact of our company and its activities on stakeholders  
  • The potential and/or actual impact of stakeholders on our company and the achievement of its business objectives  
  Each aspect was assessed against a defined numerical threshold to determine whether or not it was material. |
| Step Three: Internal feedback | An internal presentation of the initial results was provided to key managers from across multiple business units. Engagement took place through dedicated, two-way feedback sessions, during which the prioritization of relevant G4 aspects were adjusted in light of feedback, while the related reasoning behind such adjustments was recorded. |
| Step Four: Consolidation of G4 aspects into higher-level material issues | Associated material and non-material aspects were clustered into higher-level material issues. These material issues were prioritized according to the average scores of each aspect and were set out in a draft materiality matrix. |
| Step Five: External feedback | The draft materiality matrix was presented to an external COI panel for feedback. The scores for each material issue were adjusted in light of COI feedback to produce the final material issues. |

Our External Environment

As a global mining company, external factors can heavily influence our business and sustainability performance. These issues, their drivers and the business implications provide important inputs into our materiality analysis, both annually and as part of our five-year comprehensive sustainability strategy review.

In a number of cases, these external issues directly correspond to material issues identified through our analysis. Some are closely connected to financial or operating performance, which further reinforces the need to ensure sustainability is integrated with our overall business activities.

Below are four key issues that affected our business in 2014. Our approach to managing their associated challenges and opportunities is discussed in further detail in the applicable focus area chapter in this report:  
  • Indigenous rights (page 58)  
  • Tailings management (page 101)  
  • Impact of lower oil prices (page 120)  
  • Climate and carbon regulation (page 120)
Our 2014 materiality assessment resulted in the following changes of emphasis in our reporting:
• Increased prioritization of Indigenous Peoples
• Increased prioritization of emergency preparedness (with respect to tailings management)
• Increased prioritization of our economic contributions
• Increased prioritization of human rights
• Decreased prioritization of product impacts

Additional information about the implications of these findings on our disclosures under the G4 Guidelines can be found on page 6.

In addition, a number of issues that are of specifically material to individual business units also emerged; these are set out in our 2014 Sustainability Issues Overview in Table 16. Additional details on boundaries of material issues can also be found in Appendix A.
Comprehensive Sustainability Strategy Review

We will be reaching the end of our first series of short-term goals in 2015. While we have been developing our next set of short-term goals for 2020, we are also conducting a comprehensive review of our sustainability strategy. Under this process, working groups drawing upon expertise from across our sites and offices were brought together for each of our six focus areas. These working groups considered a range of factors, including changes in the external environment and evolving regulations, policies and public perceptions, in order to gauge the relevance of our existing focus areas.

Through this process, we have determined that:
• Five of our current focus areas – Community, Water, Energy, Biodiversity, and Our People – continue to be highly material to our business and our COIs, and will remain as focus areas
• Air quality is a critical area of importance for our operations and for the communities where we operate; consequently, we have determined that a new focus area on Air should be included in our sustainability strategy
• Materials Stewardship will no longer be an area of focus for the purposes of reporting. Many activities that have been captured under this focus area, such as product stewardship, supply chain aspects and recycling efforts, are being integrated into the management of our company, largely with the oversight of our Materials Stewardship Committee.

A more thorough discussion on the evolution of our sustainability strategy, a final progress report on our short-term 2015 sustainability goals, and our new short-term 2020 goals will be shared in our 2015 Sustainability Report.

Communities of Interest

Communities of Interest Identification
The identification, analysis and proactive engagement of our COIs plays a vital role in every level of our business. In particular, these help ensure we:
• Understand the positive and negative impacts that our business has on others
• Understand the risks and opportunities – both for COIs and for our business – associated with these impacts
• Manage these impacts in a responsible and effective manner
• Understand the effectiveness of our management actions

In this context, COIs are selected for engagement based on the degree to which they are affected by our activities and relationships, as well as their ability to influence our achievement of our business objectives.

Direct Engagement
Our direct engagement of COIs is organized into three broad levels: information disclosure, dialogue and participation. All such engagement is informed by the AA 1000 principles of inclusivity, materiality and responsiveness.

Examples of the COIs we engaged in 2014, and the issues raised by and with them, are set out in Table 5. The outcomes of our engagement are reported to the Safety and Sustainability Committee of our Board of Directors and/or to our Health, Safety, Environment and Community (HSEC) Risk Management Committee.

Our corporate teams also carry out direct engagement on an ongoing basis. Typically, this includes engagement with government, industry associations, peers, shareholders and potential investors.

Operational Engagement
At an operational level, all of our operations identify, prioritize and directly engage COIs that have the potential to affect our operational, sustainability or financial performance. This includes regular ongoing engagement of employees (and their representatives), local communities, Indigenous Peoples, regulators, joint venture partners, service providers, and suppliers. Working with local and Indigenous communities is particularly important in terms of:
• Disclosing and appropriately communicating accurate and timely information
• Maintaining an open dialogue, so all parties can fully understand each other’s views and concerns
• Engaging in decision making around our activities
• Collaborating on issues of mutual interest
• Securing and maintaining our social licence to operate

Those responsible for engagement with local and Indigenous communities are trained to take a people-centred approach to dialogue that is focused on relationships, rather than on issues. This helps ensure engagement is productive and constructive, and that it directly contributes to the building and maintenance of long-term, trust-based relationships.

In addition, we implemented a range of feedback mechanisms at all of our operations and major resource development projects. These mechanisms include telephone hotlines, text messaging, comment boxes, emails, multi-stakeholder panels, and visits to remote communities.
Indirect Engagement
We carry out indirect engagement through the application of externally developed standards and frameworks that reflect COI expectations. These include those developed by the following organizations:
- Global Reporting Initiative
- International Council on Mining and Metals
- International Finance Corporation
- Mining Association of Canada Towards Sustainable Mining
- Organisation for Economic Co-operation and Development (OECD)
- UN Global Compact
- World Economic Forum

External Input on Annual Materiality Assessment
In March 2015, we invited a group of external COIs to provide feedback on our materiality assessment process applied in the preparation of this report, as well as the results of this assessment. Participants included those from Indigenous Peoples, academia, government, investment analysts, industry and non-governmental organizations (NGOs).

We presented the results of our materiality assessment to participants and asked for feedback in terms of the selection of issues and their prioritization. This feedback, which was integrated into the assessment, included:
- The COI panel indicated that biodiversity was more significant to them than we had estimated
- The panel expressed the view that human rights have increased in importance for the mining industry. However, given the jurisdictions of Teck’s operations, certain aspects of human rights performance were agreed to be of less relevance to our company. Recommendations were made to highlight our due diligence efforts with respect to human rights in the report.

In addition to commenting on our material sustainability issues, we also asked participants to highlight emerging corporate responsibility issues and key issues of concern to help inform our future management of sustainability and reporting. Key issues highlighted by participants included:
- Cumulative impacts (including climate change, water impacts and land impacts)
- Trans-boundary water impacts
- Holistic approaches to engaging with Indigenous communities (including issues such as land use, water management, economic development, etc.)

COI Issues and Responses
Examples of key COI issues identified and managed in 2014 are set out in Table 5. For a more general overview of our COIs and related issues by business unit and site, please see Appendix A.

Pictured above: friends Lane Ogden and Kalan Therrien fishing in the Elk Valley, B.C., Canada
## Examples of Key Communities of Interest, Issues and Responses

<table>
<thead>
<tr>
<th>Category</th>
<th>Specific COI</th>
<th>Example key issue in 2014</th>
<th>Teck response in 2014</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>Government of British Columbia</td>
<td>Review of safety of mine tailings storage facilities (TSFs) in B.C. in response to the Mount Polley tailings pond breach</td>
<td>Review of all TSFs to confirm the safety of facilities</td>
<td>Completion of third-party-reviewed Dam Safety Inspections for all of our B.C. TSFs, which confirmed that all of our TSFs are safe and in good condition</td>
</tr>
<tr>
<td>Civil society</td>
<td>Micronutrient Initiative, UNICEF, the Government of Canada</td>
<td>Zinc deficiency affects two billion people worldwide and contributes to the death of nearly 450,000 children under five each year</td>
<td>Continued to build on our Zinc &amp; Health program to raise awareness and contribute to short- and long-term solutions to zinc deficiency worldwide</td>
<td>To date, more than 110 million people worldwide have benefitted from Zinc &amp; Health programs and partnerships</td>
</tr>
<tr>
<td>Employees</td>
<td>Teck employees and contractors</td>
<td>Employee safety</td>
<td>Investigations into two fatalities in 2014 to understand their root causes and inform measures to prevent a reoccurrence</td>
<td>Findings from the investigations were shared across Teck and with industry peers; in addition, we have developed and implemented a new High-Potential Risk Control Strategy at all operations</td>
</tr>
<tr>
<td>Communities</td>
<td>Communities and First Nations in the Elk Valley and regulators in B.C.</td>
<td>Increasing selenium trend in Elk River watershed</td>
<td>Development of the Elk Valley Water Quality Plan to address selenium and other water quality constituents with input from communities, the Ktunaxa, governments, and other COIs</td>
<td>The Plan was approved by B.C. Ministry of Environment in November 2014 and is now being implemented</td>
</tr>
<tr>
<td>Communities</td>
<td>Community of Andacollo in Chile</td>
<td>Concerns regarding dust connected with local mining operations</td>
<td>Meetings were held with the community to discuss their concerns and to develop a strategy to address them</td>
<td>Working tables with members from the community and from our Carmen de Andacollo operation were established and facilitated by third parties to focus on the areas of health, environment, economic development and infrastructure</td>
</tr>
<tr>
<td>Indigenous Peoples</td>
<td>Ktunaxa First Nation</td>
<td>Effect of mining activities on the local watershed</td>
<td>Development of the Elk Valley Water Quality Plan to address selenium and other water quality constituents with input from communities, the Ktunaxa, governments, and other COIs</td>
<td>The Ktunaxa Nation Council provided advice and insight as a member of the independent Technical Advisory Committee to the Plan, and participated in the community consultation process</td>
</tr>
<tr>
<td>Investors</td>
<td>Current and potential shareholders</td>
<td>Challenging copper and steelmaking coal market conditions</td>
<td>Continuing to build on our successful cost reduction program</td>
<td>Achieved cost reduction program exceeded initial goals, with approximately $640 million of annualized reductions by end of 2014</td>
</tr>
</tbody>
</table>
Progress on 2015 Sustainability Goals

In 2011, we identified six sustainability focus areas for our company: Community, Our People, Water, Biodiversity, Energy, and Materials Stewardship. In each focus area, we set long-term 2030 and short-term 2015 goals that build on the work we are doing and set out the path to achieve our vision for sustainability. The following tables summarize the progress we have made on our 2015 sustainability goals.

### Community

<table>
<thead>
<tr>
<th>2015 Goals</th>
<th>Status</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Establish uniform measures to assess social risk and performance and manage activities</td>
<td></td>
<td>• Completed Human Rights Assessments at all operations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Continued work towards implementation of community aspects of our HSEC management standards and expanded use of Social Management and Responsibility at Teck (SMART) tools, including closure planning</td>
</tr>
<tr>
<td>2. Implement policies and frameworks to guide interactions with Indigenous Peoples</td>
<td></td>
<td>• Ten agreements reached with Indigenous Peoples. We now have 46 agreements with Indigenous communities in Australia, Canada, Chile, Peru and the United States</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Began development of an Indigenous Peoples Policy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Extensive collaboration with the Ktunaxa First Nation on the development of our Elk Valley Water Quality Plan</td>
</tr>
<tr>
<td>3. Put processes in place to maximize community benefits and collaboration</td>
<td></td>
<td>• Initiated the development of multi-year local, strategic community investment plans</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Community feedback mechanism in place at all 13 operations and at our corporate head office</td>
</tr>
<tr>
<td>4. Build our internal capacity through expanded training in social responsibility, community dialogue, Indigenous Peoples’ rights, cultural awareness and human rights</td>
<td></td>
<td>• Conducted dialogue training for communities teams in Chile, Red Dog and our corporate head office</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Completed Indigenous Peoples cultural awareness training at some operations</td>
</tr>
</tbody>
</table>

### Our People

<table>
<thead>
<tr>
<th>2015 Goals</th>
<th>Status</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reduce overall total reportable injuries</td>
<td></td>
<td>• Total reportable injury frequency was 25% lower than in 2013, and our high-potential incident frequency rate declined by 22%.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• CSL I, II and III fully implemented and the next phase of CSL now being developed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Developed and implemented a new High-Potential Risk Control Strategy at all of our operations</td>
</tr>
<tr>
<td>2. Retain existing employees and skills</td>
<td></td>
<td>• No significant increase in voluntary employee turnover year over year, while the portion of retirements increased</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Conducted formal performance development and career reviews with over 90% of our regular salaried employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 2014 employee survey on the effectiveness of Building Strength with People, our performance and development program, indicated that employee satisfaction increased by 2% over the previous year</td>
</tr>
<tr>
<td>3. Increase employee training and development opportunities</td>
<td></td>
<td>• Introduced a new on-the-job leadership development program designed to embed the skills learned from previous leadership development programs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Introduced new programs to improve performance and development conversation skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Introduced a new-hire orientation program across all of Teck</td>
</tr>
</tbody>
</table>
### Water

<table>
<thead>
<tr>
<th>2015 Goals</th>
<th>Status</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Establish baseline for water use intensity and water quality at all current operations by 2013</td>
<td>✔</td>
<td>• Established a company-wide water balance that provides a more comprehensive account of the volumes of water that flow into and out of our operations</td>
</tr>
<tr>
<td>2. Implement Teck’s Water Management Standard by 2013</td>
<td>✔</td>
<td>• Completed water balances and integrated water management plans at each of our operations</td>
</tr>
<tr>
<td>3. Implement measures to achieve operation-specific targets for improvements in water use intensity and water quality</td>
<td>✔</td>
<td>• Operations have developed site-specific water targets, and are working towards implementing projects and/or initiatives to meet these targets</td>
</tr>
</tbody>
</table>

### Biodiversity

<table>
<thead>
<tr>
<th>2015 Goals</th>
<th>Status</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Develop comprehensive management plans, including targets and actions to minimize impacts at all operations and advanced projects, in accordance with our Biodiversity Guidance Manual and company standards</td>
<td>✔</td>
<td>• Rolled out the Biodiversity Management Plan workbook and guidance document to all sites • Completed Biodiversity Management Plans at eight operations to date</td>
</tr>
<tr>
<td>2. Develop plans at our operations to offset ecosystem impacts that cannot be fully mitigated or rehabilitated by enhancing or protecting similar habitat areas of equal or greater ecological value in the affected regions</td>
<td>✔</td>
<td>• Completed significant land/habitat conservation actions in the Elk Valley and Quintette regions, and developed/advanced ecosystem conservation and restoration planning near Trail. Consulted with various Indigenous and conservation groups on these and other initiatives</td>
</tr>
<tr>
<td>3. Enhance our contribution to biodiversity conservation and knowledge</td>
<td>✔</td>
<td>• Continued investing in biodiversity research projects and partnerships, including caribou studies and population management trials near our Quintette project, and various programs with organizations such as the Vancouver Aquarium, the Royal British Columbia Museum and the U.S. Fish and Wildlife Service</td>
</tr>
<tr>
<td>4. Identify and implement biodiversity improvement and conservation opportunities that would seek to create a net positive impact in our areas of influence</td>
<td>✔</td>
<td>• Improved the prioritization process for managing our dormant mine properties and continued to make progress in implementing closures. • Worked on ecosystem projects in all of our geographic areas of activity</td>
</tr>
</tbody>
</table>
### Energy

#### 2015 Goals

<table>
<thead>
<tr>
<th>Goal</th>
<th>Status</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reduce energy consumption at existing operations by 1,000 terajoules</td>
<td>✔️</td>
<td>• Implemented energy reduction projects resulting in 1,050 terajoules of energy reductions since our baseline year of 2011. Projects ranged from optimizing blasting efficiency for increased grinding efficiency to using more energy-efficient lighting</td>
</tr>
<tr>
<td>2. Reduce greenhouse gas emissions at existing operations by 75 kilotonnes of carbon dioxide-equivalent emissions (CO₂e)</td>
<td>✔️</td>
<td>• Implemented projects that have reduced greenhouse gas emissions by approximately 170 kilotonnes to the end of 2014, including the partial displacement of coal with natural gas for product drying at four of our steelmaking coal sites and anti-idling programs at our British Columbia and Alberta mining operations</td>
</tr>
<tr>
<td>3. Commit to 30 megawatts (MW) of alternative (non-carbon-emitting) energy generation</td>
<td>➡️</td>
<td>• As of the end of 2014, 16.8 MW of alternative energy generation is in operation. Recent efforts included expanding our interest in the Wintering Hills Wind Power Facility from 30% to 49%</td>
</tr>
<tr>
<td>4. Carry out the following for our new projects:</td>
<td>➡️</td>
<td>• Completed an analysis of available energy sources and an evaluation of opportunities to develop new energy sources for selected projects, and completed a comprehensive energy map for our one major project</td>
</tr>
<tr>
<td>• Conduct an analysis of currently available energy sources and evaluate opportunities to develop new energy sources</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Based on best practices, establish energy design criteria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Complete comprehensive project energy maps to facilitate design options, identify opportunities, and determine incremental capital and operating costs for energy reduction projects</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Materials Stewardship

#### 2015 Goals

<table>
<thead>
<tr>
<th>Goal</th>
<th>Status</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Refine materials stewardship programs that identify and manage the risks of our products using life cycle thinking(^{(1)})</td>
<td>✔️</td>
<td>• Deleterious Elements Require Thought (DERT) is an ongoing project with Exploration that helps to identify above-normal levels of deleterious elements that may impact the value of the products from the ore body. This project also helps ensure such information is incorporated into project assessments</td>
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<td>• Potential and existing customer evaluations continue as part of ongoing activities</td>
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<td>2. Promote effective, efficient and economic metals use and recycling in the mining industry through our technology and know-how</td>
<td>✔️</td>
<td>• We continue to work closely with industry associations such as the ICMM and the International Zinc Association (IZA) to improve recycling models for base metals. We provide financial support and actively participate in several industry associations and programs related to recycling</td>
</tr>
<tr>
<td>3. Use our materials stewardship activities to enhance our customers’ use of our key products and services</td>
<td>✔️</td>
<td>• As part of our routine stewardship practices, we continued to conduct smelter reviews and continued our efforts to educate our customers on the management of deleterious elements</td>
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<td>• Set out a strategy to integrate the systematic assessment of our supply chain risks into our overall corporate risk management process. The assessment covers risks associated with primary suppliers’ compliance with Teck expectations on human rights, labour, health and safety, and environmental practices (as defined in our Supplier Protocols)</td>
</tr>
<tr>
<td>4. Communicate materials stewardship throughout our company and in our business dealings with our customers, primary feed material suppliers, and governments</td>
<td>✔️</td>
<td>• Continued to publish articles on key Materials Stewardship principles and activities in our employee magazine and on our internal website for employees</td>
</tr>
</tbody>
</table>

\(^{(1)}\) This goal has been modified from previous wording (“conduct life cycle assessments of key products”), as we have broadened the scope of the goal.
Table 6 represents the interrelationships between our:

- Overall Sustainability Strategy and supporting visions
- COIs and the risks and opportunities that they pose to our business, depending on our ability to implement our Sustainability Strategy
- Example indicators with respect to the implementation of our Sustainability Strategy that are tied to remuneration and our strategic performance over time
- Actions we are taking now to help secure future improvements in our strategic performance
### Strategic Performance

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Vision</th>
<th>Key Communities of Interest</th>
<th>Key Issues Related to COIs</th>
<th>Example Indicators</th>
</tr>
</thead>
</table>
| **Community**     | We collaborate with communities so they genuinely benefit in a self-defined and sustainable manner from our activities and products. Communities consider themselves better off as a result of their interactions with us and offer broad support for our efforts | • Local communities  
                    • Downstream communities  
                    • Indigenous communities | • Establishment/maintenance of social licence to operate  
                    • Maintenance of operational and logistical continuity  
                    • Ability to access and develop new growth opportunities  
                    • Protection of reputation | Dedicated community investment ($ m)  
                        Procurement spending on local suppliers (%)  
                        Local employees (%)  
                        Significant community disputes |
| **Our People**    | We attract, engage and develop people whose passion, skills and motivation lead our journey to a successful and sustainable future | • Employees  
                    • Contract workers  
                    • Unions  
                    • Indigenous Peoples | • Attraction and retention of talent  
                    • Maintenance of a healthy and productive workforce  
                    • Maintenance of a sustainable skills pipeline in the face of demographic challenges  
                    • Managing good labour relations | Total Recordable Injury Frequency  
                        Women in operations and technical roles (%)  
                        Voluntary employee turnover (%) |
| **Water**         | We contribute to the ability of present and future generations to enjoy a balance between the social, economic, recreational and cultural benefits of water resources, within ecologically sustainable limits | • Local communities  
                    • Downstream communities  
                    • Indigenous communities  
                    • Civil society  
                    • Regulators | • Maintenance of social licence to operate  
                    • Ongoing ability to satisfy operational water demand  
                    • Ability to manage water quality  
                    • Protection of reputation  
                    • Obtaining legal compliance | Water use (million m³)  
                        Water reused/recycled (%) |
| **Biodiversity**  | We achieve a net positive impact on biodiversity by maintaining or re-establishing self-sustaining landscapes and ecosystems that lead to viable long-term and diverse land uses in the areas in which we operate | • Local communities  
                    • Indigenous communities  
                    • Civil society  
                    • Regulators | • Maintenance of social licence to operate  
                    • Protection of reputation and civil society's increasing expectation of conservation  
                    • Obtaining legal compliance | Land disturbed/reclaimed (hectares)①  
                        Energy consumption (terajoules)  
                        Carbon intensity to mine steelmaking coal/zinc and lead/copper (kilotonnes of CO₂ per kilotonne production)  
                        Greenhouse gas emissions (CO₂e kilotonnes) |
| **Energy**        | We are a catalyst for introducing new energy and management systems that make a positive contribution to society's efficient use of energy | • Local energy users  
                    • Investors  
                    • Civil society | • Ability to manage energy costs  
                    • Obtaining energy security and operational continuity  
                    • Monitoring evolving carbon regulation |  |
| **Materials Stewardship** | We offer a range of products and services that create maximum value for society with minimal impact on people and the environment | • Suppliers  
                    • Customers  
                    • End users | • Maintenance of sales  
                    • Protection of reputation as a safe supplier of our products  
                    • Managing legal compliance associated with product stewardship | Materials recycled (tonnes)② |

① The increase in land disturbed between 2013 and 2014 is due in part to an increase in soil salvage which will benefit future reclamation efforts. The decrease in land reclaimed between 2013 and 2014 is partly a consequence of reduced reclamation activity at our coal operations due to cost reduction initiatives.
### Table 6: Example Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2014 Performance</th>
<th>2013 Performance</th>
<th>Planning</th>
<th>Impact on Remuneration</th>
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<tbody>
<tr>
<td>Dedicated community investment ($ m)</td>
<td>20</td>
<td>22</td>
<td>• Apply a common framework to assess and manage social risk and performance</td>
<td>• Company-wide safety performance (which falls under the Our People focus area) accounts for 10% of the overall bonus plan result for all eligible employees.</td>
</tr>
<tr>
<td>Procurement spending on local suppliers (%)</td>
<td>27</td>
<td>29</td>
<td>• Enhance our policies/frameworks to guide our interactions with Indigenous Peoples</td>
<td>• Sustainability metrics account for 5% to 10% of the overall bonus plan result for all eligible employees. Sustainability performance is based on: results achieved towards our Water, Energy, Biodiversity, and Communities focus area goals; performance on site-specific environmental goals; and tailings management practices (where applicable).</td>
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<tr>
<td>Local employees (%)</td>
<td>75</td>
<td>81</td>
<td>• Build internal community engagement capabilities through training</td>
<td>• The CEO’s bonus includes a 10% safety performance component and approximately 5% sustainability component.</td>
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<tr>
<td>Significant community disputes</td>
<td>1</td>
<td>3</td>
<td>• Fully integrate social risk and performance considerations into business decision making</td>
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<tr>
<td>Total Recordable Injury Frequency</td>
<td>1.01</td>
<td>1.26</td>
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<tr>
<td>Women in operations and technical roles (%)</td>
<td>6.4</td>
<td>6.2</td>
<td>• Ongoing effort to reduce safety and health risks</td>
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<tr>
<td>Voluntary employee turnover (%)</td>
<td>8</td>
<td>8</td>
<td>• Implementation of training and development opportunities, although scaled back mid-2014</td>
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<td>Water use (million m³)</td>
<td>392.6</td>
<td>329.6</td>
<td>• Development of the Diversity Committee</td>
<td></td>
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<td>Water reused/recycled (%)</td>
<td>205.4</td>
<td>149</td>
<td>• Maintain water balances and management plans</td>
<td></td>
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<tr>
<td>Land disturbed/reclaimed (hectares) (1)</td>
<td>657/101</td>
<td>310/434</td>
<td>• Apply biodiversity management plans (including targets and actions) to minimize impacts at all operations and advanced projects</td>
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<td>• Where impacts cannot otherwise be mitigated or remediated, apply ecosystem offsetting at our operations</td>
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<tr>
<td>Energy consumption (terajoules)</td>
<td>45,336</td>
<td>45,556</td>
<td>• Ongoing energy efficiency improvements at all our operations</td>
<td></td>
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<tr>
<td>Carbon intensity to mine steelmaking coal/zinc and lead/copper (kilotonnes of CO₂ per kilotonne production)</td>
<td>0.062/0.56/2.81</td>
<td>0.063/0.62/2.92</td>
<td>• Integrate energy efficiency considerations into new projects</td>
<td>• Pursue the long-term development of alternative energy projects</td>
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<td>• Continue implementing site-specific projects and initiatives to meet water targets</td>
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</table>

(1) The decrease in materials recycled between 2013 and 2014 is due primarily to: (i) improved reporting from a new waste contractor for the Elk Valley coal sites in which materials are better classified as recycled/non-recycled and hazardous/non-hazardous and (ii) fewer operations undertook site cleanup activities/demolitions due to cost reduction initiatives, thereby resulting in less scrap metal recycled.
Managing Responsibly

Sustainability Governance

We are committed to strong corporate governance. The Board of Directors has a Corporate Governance Committee that works with our General Counsel to ensure that our governance practices are up to date and that they meet applicable standards. Sound governance structures and systems protect the interests of investors and other COIs, and ensure that the company is well managed.

The Audit, Corporate Governance and Nominating, and Compensation Committees are composed entirely of independent directors.
Board of Directors and Board Committees

Our Board of Directors is responsible for the stewardship of our company and ensures that an appropriate corporate governance structure and system are in place. Our key governance practices are described in detail in our Management Proxy Circular, available on our website.

The Board delegates certain responsibilities to specific committees. The following Board committees, which meet at least quarterly, have responsibilities related to sustainability issues:

- The Safety and Sustainability Committee assists the Board with its oversight responsibilities in connection with safety and sustainability, and reviews the policies, systems and resources that are in place to implement our safety and sustainability commitments.
- The Corporate Governance and Nominating Committee considers and recommends corporate governance programs to the Board, proposes nominees for Board and committee appointments, and assists with Board, committee and director evaluations to ensure that our governance practices are rigorous, relevant and appropriate to Teck.
- The Audit Committee assists the Board with its oversight of audit, accounting and risk management in relation to areas such as financial accounting, reporting and disclosure practices, and anti-fraud programs and controls.
- The Compensation Committee of the Board is responsible for recommending compensation policies to the Board and for the annual review of director compensation. This committee reviews and approves the CEO’s corporate goals and objectives, evaluates CEO performance in these areas and makes recommendations to the Board on CEO compensation. This committee also reviews and approves senior officer and director compensation, incentive compensation plans and equity-based plans.

Board Diversity, Qualifications and Expertise

We value diversity at Teck. The Corporate Governance and Nominating Committee believes that a Board with directors from diverse backgrounds and different experiences benefits the company by enabling the Board to consider issues from a variety of perspectives. When assessing potential candidates for nomination to the Board, the committee considers gender, ethnicity and national origin, in addition to business skills, qualifications and career history. In the final analysis, the committee values a broad spectrum of different qualifications and career history. In the final analysis, the committee values a broad spectrum of different qualifications and career history.

The committee considers the level of representation of women in identifying and nominating candidates for election or re-election to the Board. The Board has adopted a written policy in this regard, which includes a requirement that search consultants who are retained to assist with the identification of potential candidates to the Board be instructed to ensure that candidates reflecting the Board’s diversity criteria are brought forward for consideration. Having carefully considered the matter, the Board has elected not to adopt a target number or percentage of women directors, on the grounds that appropriate skills and experience must remain the overriding criteria for nomination to the Board. This also guards against any perception that directors may have been nominated solely or primarily on the basis of gender. In accordance with the Policy when nominees to the Board are considered, the Committee will annually review the process for ensuring that diversity criteria are considered. The Board will measure the effectiveness of the Policy over time by tracking Board diversity and reviewing candidate pools for diversity criteria. In 2014, Tracey McVicar and Laura Dottori-Attanasio were appointed as directors. Director Janice Rennie retired and director Jayynn Bennett passed away. As of the report publication date, 14.3% of the Board, or two out of 14 directors, are women.

It is the responsibility of the Corporate Governance and Nominating Committee to identify necessary competencies and skills for Board members. Corporate governance, corporate responsibility and sustainable development experience are part of the selection criteria. This committee conducts an annual assessment to identify skills deficits and to ensure that succession planning covers all necessary Board competencies.

Shareholder and Employee Feedback to the Board

Shareholder proposals, resolutions and other mechanisms allow shareholders to convey their opinions to the Board. As provided in the Canada Business Corporations Act, registered shareholders are entitled to receive notice of the Annual Meeting of Shareholders, and to vote on resolutions. In 2014, there were resolutions presented at the Annual Meeting of Shareholders regarding the election of directors, the appointment of the auditors, amendments to the company’s stock option plan and executive compensation. Detailed voting results are posted on SEDAR at www.sedar.com following the Annual Meeting of Shareholders.

Investors have the opportunity to provide feedback to our company via the investor relations group through:

- Email through our company’s website
- Direct or telephone contact with an investor relations officer (a contact person is identified in each news release)
• Regular mail
• Quarterly conference calls

Our Board engages directly with shareholders and governance groups with respect to governance matters. Employees can engage our CEO and senior management through our “Let’s Talk” sessions. At these sessions, which are held periodically, employees are able to ask questions and receive answers on a wide range of topics, including social and environmental issues.

**Executive Remuneration**

Incentive compensation of the CEO and senior officers is performance-based. Health, safety, environment and community (HSEC) performance, as well as financial performance and the accomplishment of company annual objectives, are taken into consideration in the annual review of bonus. For all executives, the bonus weighting for HSEC is about 15% to 20% of their overall bonus. In addition, the personal component of executive bonus ratings may include specific objectives related to HSEC. Executive remuneration is fully disclosed in our 2015 Management Proxy Circular.

**Management Committees and Corporate Functions**

The following corporate management committees are responsible for managing sustainability issues:

- The Health, Safety, Environment and Community Risk Management Committee (HSEC RMC) is responsible for providing oversight and direction to ensure continual improvement in health, safety, environment and community performance and the implementation of appropriate processes and policies across the company. The HSEC RMC is a senior management committee that is chaired by the CEO.

- Our Materials Stewardship Committee is responsible for understanding our products’ risks and impacts, making recommendations on new product applications, managing packaging requirements, monitoring product regulations and issues, and establishing policies and procedures related to materials stewardship. This committee is chaired by the Vice President, Risk and Security.

- The Indigenous Affairs Steering Committee approves policy and provides oversight and direction for the negotiation and implementation of agreements with Indigenous groups. This a senior management committee that is chaired by the Senior Vice President, Sustainability and External Affairs.

- The Community Investment Committee oversees our community investment program to ensure that contributions are made in a manner that benefits our communities of interest and are aligned with our business objectives. The Committee sets community investment policies and reviews major funding requests. It is chaired by the Senior Vice President, Sustainability and External Affairs.

- The Diversity Committee oversees our diversity-related workforce initiatives. This is a senior management committee that is chaired by the Vice President, Human Resources.

Our Senior Vice President of Sustainability and External Affairs reports directly to our CEO and is responsible for sustainability, health and safety, environment, community, and Indigenous affairs, among other areas. Her direct reports include the:

- Vice President, Community and Government Relations, who leads the corporate sustainability strategy and activities related to social responsibility, community engagement and investment, government relations and Indigenous affairs

- Vice President, Environment, who oversees compliance with environmental standards for projects, operations and our legacy properties and regularly reviews environmental performance risks and strategic issues, including tailings, biodiversity, water, air and energy

- Vice President, Health and Safety, who provides strategic guidance in the development of a culture of safety, and assists with the development and monitoring of health and safety strategies

- Director, Corporate Affairs, who is responsible for managing the company’s public affairs, brand management and employee communications

Our Vice President, Human Resources, who reports directly to the CEO, is responsible for our human resources management, which includes sustainability goals related to employee attraction, training and development.

Our Vice President, Risk and Security, who reports directly to the Senior Vice President, Commercial and Legal Affairs, is the Chair of our Materials Stewardship Committee and oversees our materials stewardship strategy.

Our Senior Vice President, Commercial and Legal Affairs, oversees our work in managing Human Rights.

General Managers at each of our operations are accountable for operation-specific HSEC management systems, for conformance with and certification under the International Organization for Standardization ISO 14001 standard where applicable, and for continual progress towards annual HSEC targets and our sustainability goals. Each General Manager reports to either a Vice President or the Senior Vice President of their respective business unit.
Management Systems

Health, Safety, Environment and Community Management

Our HSEC Management system provides a structure for implementing our sustainability commitments across the company. It includes overarching corporate policies, the HSEC Management Standards, guidelines and site-level policies and procedures. This structure is illustrated in Figure 3.

Figure 3

Health, Safety, Environment and Community (HSEC) Management System Structure

Our company-wide commitments are outlined in the following key sustainability policy documents:

- **Charter of Corporate Responsibility** — A set of principles related to business ethics, health, safety, environment and community that governs all operating practices and provides our overarching sustainability governance commitment
- **Code of Ethics** — Our dedication to upholding high moral and ethical standards, specifying basic business conduct and behaviour
- **Code of Sustainable Conduct** — Our commitment to sustainable development, focusing on aspects such as community and environmental performance
- **Health and Safety Policy** — Our commitment to providing leadership and resources for entrenching the core value of safety
- **Human Rights Policy** — Our commitment to respecting the rights of our employees, the communities in which we operate and others affected by our activities

Health, Safety, Environment and Community Management Standards

Our HSEC Management Standards (the Standards) integrate requirements from our internal corporate policies and external sustainability commitments and, as such, they form the framework for implementing sustainability at our company. The Standards provide a consistent and systematic methodology for the identification and effective management of HSEC issues and risks, and provide a platform to support continual improvement in HSEC programs and performance. The Standards also provide auditable criteria for evaluating the performance of our HSEC management systems and set out minimum expectations for managing the HSEC-related aspects of our day-to-day activities. More information on the Standards is available at www.teck.com.
External Commitments and Partnerships

Through our membership and involvement with several external organizations, we have commitments that guide and allow us to evolve with emerging sustainability trends and best practices.

The United Nations Global Compact LEAD

We are a member of the United Nations Global Compact (UNGC), which provides companies with a framework to improve their operations and strategies through applying universally-accepted principles covering human rights, labour, the environment and anti-corruption. As a UNGC member, we also contribute to the achievement of the United Nations Millennium Development Goals. Our participation in the UNGC extends to include Global Compact LEAD. The Global Compact LEAD challenges leading companies to pave the way for new efforts aimed at improving sustainability performance.

As a member of Global Compact LEAD, we have committed to implementing the UNGC’s Blueprint for Corporate Sustainability Leadership, a model developed in collaboration with a variety of stakeholders, including business, governments and civil society. Please refer to our GRI Finder for more information on advanced criteria for reporting and alignment with the Global Compact principles.

The International Council on Mining and Metals Sustainable Development Framework

We are members of the International Council on Mining and Metals (ICMM), a global CEO-led industry association in which member companies commit to implementing the 10 ICMM Sustainable Development (SD) Framework principles and position statements. Member companies are also required to produce an externally-verified sustainability report for the Global Reporting Initiative and to adopt the ICMM Assurance Framework. Our involvement helps us improve our performance through access to emerging best practices and evolving international standards, as well as through collaboration with our peers.

The Mining Association of Canada’s Towards Sustainable Mining Initiative

Towards Sustainable Mining (TSM) is an initiative from the Mining Association of Canada (MAC), of which we are a member. TSM is designed to help Canadian mining companies improve performance from an operational, social and environmental perspective. Through TSM, member companies report on their performance against indicators applicable to a number of important issues for mining. Performance is externally verified and results are annually reported to MAC. Our TSM results are integrated within our management compensation structure. All of our Canadian operations have participated in TSM since 2008 or earlier.

The Party School of the Central Committee of the Communist Party of China

The Party School of the Central Committee of the Communist Party of China, otherwise known as the Central Party School (CPS), is the institution of higher learning for the current and next generation of China’s senior and middle-ranking leaders.

In July 2012, Teck entered into a research and collaboration relationship with the CPS, governed by a Memorandum of Understanding, under which we share best practices in areas including sustainable mining, environmental stewardship, safety and community engagement. In return, we have gained insight into China’s economy, political system and public policy developments.

Under this collaboration, we have hosted a total of five delegations of leaders and academics from the CPS to our operations in Canada from 2012-2014. This has provided us with a unique opportunity for collaboration, which has the potential to significantly enhance our knowledge of China and its markets, while contributing to the CPS’s academic thinking on sustainability.
Ensuring Integrity and Compliance

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

*Doing What’s Right* is our program designed to maintain an ethical workplace. To assist employees in this regard, we have a Code of Ethics available in English, Spanish, Chinese and Turkish. This code specifies the types of behaviours required on the job that will assure our business is conducted with honesty, integrity and respect. Our *Doing What’s Right* program is supported by additional ethics-related policies and procedures, including:

- Competition and Anti-Trust Law Compliance Policy
- Anti-Corruption Compliance Policy and Manual
- Human Rights Policy
- Employee Trading Policy
- Employee Concerns Disclosure Program
- Corporate Disclosure Policy

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

**Anti-Corruption**

We engage in and support the work being done to fight corruption by supporting international frameworks such as the United Nations Global Compact (UNGC) and the Extractive Industries Transparency Initiative (EITI). We participate in the EITI through our ICMM membership and more information can be found on our website. Our Code of Ethics requires that we conduct global business in a moral and ethical manner, and that employees comply with all applicable laws. Under our anti-corruption compliance policy, available in English and Spanish (with additional overviews available in Mandarin and Turkish), payments, charitable donations, travel expenses, gifts and entertainment may not be made to government officials to assist us in obtaining or retaining business, nor can employees provide payments, gifts or entertainment that are prohibited by the applicable country or local laws.

The following high-risk factors are considered as part of our anti-corruption compliance program, along with a number of other medium and low risk activities:

- Work in high-risk countries
- Use of independent advisors
- Third-party due diligence
- Sales to State Owned Enterprises

All charitable donations, sponsorships and community investments must comply with Teck’s Anti-Corruption Policy and follow Teck’s charitable donations and community investment guidelines, which prohibit donations that would improperly benefit a government official. Compliance with the Anti-Corruption Policy is subject to periodic review by internal audit. Our Indigenous Participation Funding Guidelines provide guidance on payments made to Indigenous Peoples for participating in Teck-related activities. It is not illegal for a company to provide these types of payments to Indigenous Peoples so long as (i) the provision of the payments is not made corruptly to assist the Company in obtaining or retaining business, and (ii) the provision of the payments is not prohibited by the applicable country or local laws.

We provide anti-corruption training to employees who may be exposed to corruption risks due to the nature of their work. For example, employees who work with government officials or who could potentially have contact with government officials are required to complete an anti-corruption training program.

Employee anti-corruption training is conducted at least every two years. Third-party service providers, agents and consultants who represent Teck to government officials are asked to complete our Third-Party Anti-Corruption questionnaire and, in some instances, to complete our training.

Annually, our internal audit department evaluates the effectiveness of our internal control systems over financial reporting. This includes a consideration of the company’s vulnerability to fraud and corruption, as well as an evaluation of the design and effectiveness of those internal controls designed to prevent and/or detect fraudulent activities at a significant level. In 2014, internal control testing was performed at key locations across all business units, representing approximately 95% of the company’s 2014 consolidated assets.
Facilitating Doing What’s Right

Our employees are required to report any violations, or potential violations, of our Code of Ethics. Our Doing What’s Right program includes a whistle-blower hotline and web portal, which are managed by a third party. These provide a confidential and secure means for our employees to report concerns about conduct that may be contrary to our values and integrity standards. The hotline and portal are available 24 hours a day, seven days a week, in all jurisdictions in which we have employees. We do not tolerate any form of retaliation against employees raising concerns in good faith. All allegations of harassment or intimidation by others as a result of contacting the hotline/web portal are investigated and, if required, appropriate disciplinary action is taken, which can include dismissal.

We received 20 reports of alleged violations to our Code of Ethics in 2014. The majority of these (40%) related to employee relations issues, followed by a range of other matters, including allegations of theft of time, conflicts of interest, and wage/hour issues. By the end of 2014, all 20 reports were closed following investigation, of which 11 resulted in management action, such as discipline or amendments to practices or policies. No criminal cases regarding bribery were brought against Teck Resources or any of its affiliates.

Conflicts of Interest

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

Public Policy Initiatives

In 2014, we engaged directly and indirectly (through industry groups) with governments in several public policy initiatives related to our business. This included efforts to:

• Ensure access to reliable and efficient transportation, electricity and infrastructure in Canada and Chile
• Enhance regulatory certainty for existing and new mining regulations in Canada and Chile, including permitting processes, by ensuring that these are well designed and that they contribute effectively to environmental protection and continual improvement while supporting the continued growth of the sector
• Increase mining-related opportunities for Canadian Aboriginal Peoples and under-represented groups in the areas of human resources, skills development and training
• Develop a Canadian reporting regime for the disclosure of payments to domestic and foreign governments, consistent with approaches in other jurisdictions
• Enhance mining regulatory frameworks in Turkey
• Share best practices in sustainability with the Central Party School of the Communist Party of China, in areas including environmental stewardship, safety and community engagement

We report on our advocacy efforts in an open and transparent manner, conforming to all lobbying laws, including publicly reporting activities via lobbyist registries in jurisdictions where we operate.

Political Contributions

From time to time, we make political contributions in the Canadian provinces in which we operate. In 2014, our contributions totalled approximately $270,650. All contributions are made in accordance with applicable laws. We do not make political contributions outside of Canada.
Nothing is more important to us than the safety of our people and neighbouring communities, and we recognize our responsibility to ensure that precautions are taken to minimize risks. Local communities have the right to feel confident that our activities will not cause harm to them, their property or their local environment.

Our operations often represent major economic drivers in the areas where we operate, and this brings many benefits to local populations in terms of opportunities to improve quality of life. However, we recognize that our operations also bring potential health and safety risks to these very same populations, and we know that management systems, emergency preparedness and best practices must be implemented to mitigate those risks to the best of our ability.

At Teck, we identify a comprehensive range of potential emergencies before they arise, and we ensure we are prepared to respond to, and recover from, emergency situations as quickly and as effectively as possible. The vast majority of these potential situations are prevented through robust and redundant risk management measures; however, this does not diminish the effort and value of our emergency preparedness program.

At each of our sites, potential emergency situations are identified, appropriate plans and resources are in place, and readiness is maintained through regular and frequent testing and live simulations. Our HSEC Management Standards set out base requirements for emergency preparedness, and with the assistance and guidance of our Risk Group, each operation develops site-specific emergency preparedness and response plans based upon those standards. As such, emergency response plans and preparations are appropriate for site-specific conditions and are based on a range of credible, although extremely unlikely, incident scenarios. We also meet or exceed the MAC TSM protocol requirements for crisis management planning across our Canadian operations, as well as at our corporate offices.

Each site develops, implements and maintains various components of an emergency response plan, including:

- Identifying, equipping and training first responders
- Establishing internal and external communication mechanisms
- Maintaining fault detection and alarm instrumentation or systems
- Identifying, procuring and maintaining appropriate emergency response equipment
- Establishing operational contingency plans for protecting equipment or infrastructure assets, which might be affected (e.g., a controlled slowdown, shutdown or diversion)
- Scheduling and conducting tests and drills
- Maintaining documentation

Through the Risk Group, operational risks that may require emergency preparedness and response capabilities are assessed, and collaborative work is undertaken to help that operation improve.

Corporate emergency preparedness is led by a Crisis Management Team (CMT) made up of senior leaders and coordinated by our Risk Group. As part of our Risk Group’s ongoing management activities, we conduct annual reviews of operations’ emergency preparedness and response capabilities.

Our Emergency Preparedness and Response planning is focused on addressing scenarios based on site-specific event risk and probability. For the mining industry, there are some significant risks.

One of the key risks in environment and safety is related to tailings and impoundment storage facilities. For example, our Emergency Preparedness activities for tailings storage facilities include the following:

- Warning systems
- Defined alert levels for instrumentation
- Stockpiled materials for emergency berms/buttresses
- Mutual aid agreements with local emergency responders, where relevant
- Hazard tracking (e.g., storm warnings)
- Training for operators and mine management
- Contingency plans for upset conditions
- Business continuity and business recovery plans
- COI consultation and public relations plan
- Testing of response plan

Ongoing tabletop reviews and live simulations are conducted on a regular basis for a variety of scenarios through a collaborative effort by operations, the Risk Group, corporate CMT and occasionally with multi-jurisdictional participation.

Emergency response plans include the following:

- Clearly defined roles/responsibilities
- Communication systems and procedures
- Response flow chart and call-out procedures
- Mitigation actions for different failure modes
- Flood management plans
- Incident investigation procedures

There were no incidents in 2014 that required the deployment of our emergency response teams.
We are committed to being responsible stewards of the environment. Our aim is to minimize our footprint and mitigate our impacts, and, once mining operations have ceased, to leave behind ecosystems that support productive uses for future generations.

Mining has the potential to have high impacts on the environment, due to its physical disturbance, generation of air- and water-based emissions, use of resources, and associated production processes. Many of these impacts can, if properly managed, be mitigated or even avoided. This increasingly requires a holistic approach to environmental management that recognizes and addresses:

- The interrelated nature of many environmental and social issues
- The cumulative nature of many environmental impacts, in terms of both time and collective contributions
- The need to look at different impacts across the operational and product life cycle
- The potential vulnerability of ecosystems as a whole and, by extension, broader ecosystem services

We believe that strong environmental management is vital for present and future generations, for the protection of our reputation – among investors, host governments, and business partners – and for maintaining our social licence to operate. As a result, an inability – or perceived inability – to minimize our environmental impacts can have significant financial, operational and strategic consequences for our business. We also work in highly regulated mining jurisdictions with stringent and rigorously applied environmental legislation, making environmental management a key compliance issue.

If not responsibly managed, the environmental impacts of mining have the potential to directly affect our communities of interest (COIs). This means that attention must be paid to protecting human health, quality of life, livelihoods and cultural integrity. This type of care must be taken around our operations, along the land- and water-based routes we use to transport our goods, and within our value chain. As a result, it is important to look beyond our direct operational impacts to take account of those who may be indirectly affected by our activities. Our COIs increasingly expect businesses, and, in particular, large resource companies, to be proactive in ensuring that they minimize their individual contributions to collective global challenges such as climate change, ecosystem degradation and energy scarcity.
Within our Health, Safety, Environment and Community (HSEC) Management System, our HSEC Management Standards and our environmental audit program help drive continual improvement and assessment of compliance with environmental regulations. Across all of our operations, our focus is on comprehensive environmental management that facilitates effective environmental stewardship. Additional information on our environmental management approach is provided in the HSEC Management Standards section on page 35 and within the sections in this report that focus on Water, Biodiversity and Energy.

**Environmental Compliance**

Our environmental assurance program is designed to check that requirements are met, as dictated by the applicable permits, legislation and regulations in each jurisdiction. We conduct compliance audits on a three-year rotational basis for all operations, as well as mid-term reviews to assess the resolution of audit findings. In 2014, the following operations underwent a third-party audit to assess regulatory compliance:
- Coal Mountain Operations, British Columbia (B.C.)
- Highland Valley Copper Operations, B.C.
- Line Creek Operations, B.C.
- Red Dog Operations, Alaska

We conduct thousands of measurements to manage and evaluate our environmental performance. As required, we develop corrective action plans based on findings, and we regularly assess the implementation of these plans.

We monitor a range of environmental data, including:
- Emissions to air
- Ambient air quality
- Noise levels
- Geotechnical information related to water retention structures
- Incident information
- Water quality (surface water, groundwater and permitted discharges to receiving water)
- Biodiversity data (including land reclamation)
- Energy consumption and greenhouse gas emissions
- Material use and recycling information

Compliance across all of our operations remained high in 2014. We had 100 permit non-compliance incidents and six regulatory non-compliance incidents. Our significant non-compliance incidents are discussed below, in the Significant Environmental Incidents section.

**Environmental Incidents**

An incident is an unintended event that, in the vast majority of cases, is immediately managed and has no environmental implications. All of our operations have control measures in place to minimize the likelihood of environmental incidents and to mitigate potential effects on the environment for those incidents that do occur. Control measures include facility design considerations, spill containment measures, meters, alarms, standard operating procedures, training, regular inspections, and the identification of potential issues through internal risk assessments and audits. Significant environmental incidents are investigated to identify the root causes, and we implement remedial measures and corrective actions to prevent future occurrence of similar events.

**Significant Environmental Incidents**

We assess the severity of environmental incidents based on their potential safety, environmental, legal, reputational and financial impacts. Based on this assessment of incident severity, we had two significant environmental incidents in 2014; however, only one had demonstrable actual impact.

On January 28, 2014, approximately 25 cubic metres of a solution containing sodium hydroxide were inadvertently discharged from our Trail Operations to a domestic sewer line that connects to the regional district’s sewage treatment plant, which in turn discharges its effluent to the Columbia River. Regulatory authorities were notified, the source of the release was identified, and the interconnecting piping that allowed the transfer of the solution to the regional sewage plant was removed. No impact on fish or the environment occurred as the result of the incident. Since this incident, we have undertaken a further review to ensure that no similar connections exist elsewhere in Trail Operations.

In the fall of 2014, a total of 74 deceased fish were found in the area of our West Line Creek Active Water Treatment Facility (WLC AWTF). The plant was immediately shut down and appropriate regulatory authorities were notified. An investigation was conducted to determine the cause of the incident. This review concluded that the mortality was caused by nitrite in the fish, in combination with low dissolved oxygen in the aquatic environment and other constituents in the treatment facility discharge water, including ammonia, hydrogen sulfide and carbohydrates that are normally managed within the biological treatment process. The constituents were released as the result of a problem with the start-up of the plant, which caused constituents that would normally be removed or consumed during the process to be discharged. Additional monitoring, process controls and incident response are being implemented to prevent a recurrence. It is anticipated that restart of the facility will begin in 2015, with full operation anticipated in the fall.
Environmental Litigation

We and our affiliates are involved in ongoing proceedings in connection with Trail Operations and the Upper Columbia River. Please see page 41 in this report and page 97 in our 2014 Annual Report for more information.

Fines and Penalties

In June 2014, we informed the U.S. District Court for Alaska that, after extensive environmental and technical study, we had determined that a treated water pipeline to the Chukchi Sea was not a technically viable option and would not be built at our Red Dog Operations. The purpose of the pipeline would have been to carry treated water directly to the Chukchi Sea, rather than discharging it to Red Dog Creek. As a result of this decision, Teck paid the U.S. Treasury a stipulated penalty of $8 million, in accordance with an earlier settlement agreement, which reduced permit-related litigation.

In January 2015, we paid penalties of $10,000 relating to a late report submission from our Duck Pond Operations in the first half of 2014.

Permitting and Approvals

Our licence to operate depends on our ability to meet legal compliance and demonstrate value to both shareholders and communities. We continually monitor and manage the social and environmental aspects of our activities in order to meet or exceed regulations, and to ensure regulatory compliance and performance. This helps us obtain and maintain approvals to operate and to grow our business.

The granting of mine permits by local regulatory authorities can be both challenging and time-consuming. Furthermore, it has the potential to bring about significant delays for the project development process and, by extension, to increase project costs. Additionally, permitting processes are becoming more complex due to issues such as:

• Increased regulatory requirements
• Lengthier and broader stakeholder consultation processes
• Increased societal expectations
• Increased interconnectivity through technology

We engage directly and indirectly (through industry groups) with governments and regulators to help ensure that permitting processes are practical and effective while also fulfilling their role of protecting the local environment and communities. Once permits are granted, our environmental assurance program checks that we continue to meet all relevant requirements.

In 2014, the most significant regulatory approval we received was for our Elk Valley Water Quality Plan and our associated Valley-Wide Permit for our coal operations.

External Certification

Since 2009, we have worked towards certification of environmental management systems to conform to the internationally recognized ISO 14001 standard. ISO 14001 certification requires external verification through third-party audits conducted by accredited certification service providers. To date, 10 of our operations have attained and maintained certification. For the three remaining operations: Pend Oreille Operations was not operating and was in care and maintenance for most of 2014; Carmen de Andacollo Operations has ISO 14001 certification for some of its facilities and we are working towards certification for the entire operation; Quebrada Blanca Operations is also working towards certification.

Mine Waste Management

Mining, by its very nature, involves the management of large quantities of material to produce an end product. This process generates waste consisting of rock and overburden from mining and tailings from processing, as well as much smaller amounts of non-mineral wastes, including hazardous and non-hazardous materials.

Hazardous and non-hazardous wastes are segregated and disposed of in accordance with waste management plans and regulatory requirements. The primary hazardous wastes produced at our operations include waste oil, solvents, antifreeze, paint, batteries and fluorescent tubes. This waste is recycled or disposed of off-site by licensed contractors. Non-hazardous waste (e.g., scrap metal, wood waste, glass, tires, cardboard and paper) is recycled whenever possible.

We have systems in place to responsibly manage all of our waste materials. In 2014, our operations generated approximately 912 million tonnes of mineral waste, with the vast majority being waste rock and tailings from the extraction of ore and coal. See our Performance Overview Table on pages 136–137 for a detailed breakdown of mine waste information.

Tailings and Fine Coal Refuse

Tailings and fine coal refuse are the finer fractions of the processed material that have no economically recoverable mineral or coal content. Tailings and fine coal refuse are typically discharged to tailings dams, which are specially designed storage facilities enclosed by dams. In the case of fine coal refuse, several of our operations dewater the fine refuse and either place it in coarse refuse piles or stack it in its own facility. We generated approximately 73 million tonnes of tailings and fine coal refuse from processing ore and raw coal in 2014.

Coarse Coal Refuse

Coarse coal refuse (CCR) is a coarse fraction of raw coal that is separated during processing. CCR is placed in
Managing Responsibly

designated engineered dumps or, if determined not susceptible to metal leaching, may be used as a construction material. It is also mixed with dewatered fine coal refuse within engineered structures at several of our operations for storage efficiency. Long-term storage of CCR is conducted in accordance with approved closure plans involving contouring, covering and revegetation to achieve established land use objectives. We generated approximately 11 million tonnes of CCR from handling raw coal in 2014.

Waste Rock

The rock that is removed to access ores and coal, which typically contains trace amounts of naturally occurring metals and other constituents, is commonly called waste rock. This waste rock must be properly managed to minimize effects on local waterbodies. The bulk of waste rock from our operations is placed in areas that are specifically designed to contain the rock, or it is used to backfill open pits and underground workings. Waste rock that is not susceptible to oxidation processes, which can lead to metal leaching, is also used for reclamation activities and to construct dams and roads. Long-term storage of waste rock is conducted in accordance with closure plans approved by regulatory authorities. These plans include contouring, covering and revegetation to achieve established land use objectives. We generated approximately 829 million tonnes of waste rock in 2014.

Process Materials

We use a broad variety of supplies and materials to aid in the processing of our products. In 2014, our mining operations used the following primary process materials that were not recyclable or reusable:
- Explosives (222,668 tonnes)
- Sulphuric acid (96,932 tonnes)
- Lime (65,261 tonnes)
- Grinding media (42,077 tonnes)

The primary process materials used at our Trail Operations refinery and smelter in 2014 included:
- Zinc concentrates (515,342 tonnes)
- Lead concentrates (132,578 tonnes)
- Ammonia (68,970 tonnes)
- Limestone (38,852 tonnes)
Community

Pictured above: Pintados, a Teck-supported school in Tarapacá Region, Chile
We are dependent on societal support for our activities and communities are the bedrock of our sustainability strategy. If not well managed, our activities can have negative impacts – such as environmental degradation, stresses on social infrastructure such as housing and health services, interruption of subsistence lifestyles, or creation of economic dependence on our company – on community health and well-being. Community opposition to our activities can also delay projects and contribute to rising costs.

Our desire is for the people who live in the areas in which we operate to derive sustainable benefits and opportunities as a result of their interactions with us. We continually engage and collaborate with communities and Indigenous Peoples through all phases of the mining life cycle to identify opportunities to minimize impacts and to maximize shared value in a way that contributes to their long-term well-being.

The key themes and issues identified in 2014 related to Community were:

- Theme: Working with Communities
  - Material Issue: Achieving Community Support
  - Material Issue: Improving Air Quality
  - Material Issue: Working with Indigenous Peoples
- Theme: Having a Positive Impact on Society
  - Material Issue: Optimizing Economic Contributions
  - Material Issue: Respecting Human Rights
Theme:

Working with Communities

Pictured above: AquaVan, Vancouver Aquarium’s mobile aquatic educational program, visits the community of Trail, B.C., Canada
Why is this theme important?
Mining and its related production processes can have positive and negative impacts on local communities, depending upon how they are managed. Although it is ultimately governments that grant mining companies formal permission to operate, in reality many mining operations also need a social licence to operate from their host communities to be able to work profitably and effectively.

For example, communities have a range of channels through which they can adversely influence operations, including the withholding of cooperation or use of political pressure, litigation and even direct activism. This can result in project delays, permitting failures, operational disruption and increased costs. The strength of any mining company’s social licence to operate is ultimately determined by how effectively it:

• Manages its impacts on local communities
• Achieves and maintains effective and meaningful communications with local communities – to help inform its own impact management approaches and to explain the nature of its impacts to those affected

What does it mean for Teck?
Our vision is to work with communities so they genuinely benefit in a self-defined and sustainable manner from our activities.

This means it is vital for us to:

• Deliver shared value at a local level through providing local employment, generating local economic benefits, investing in communities, developing shared infrastructure, and sourcing goods and services from local enterprises
• Minimize our negative impacts, including those affecting the local environment, economy and social landscape
• Develop and maintain respectful, transparent and trust-based relationships with local communities, through which transparent two-way communication can take place

In addition, the nature of our operating environments means we need to place particular focus on our relationships with Indigenous Peoples. The rights of Indigenous Peoples are increasingly being recognized in international instruments of governance and in national law. For example, this is reflected in:

• The principle that natural resource companies should seek the free, prior and informed consent of local Indigenous communities before carrying out major activities – as embodied in the United Nations Declaration on the Rights of Indigenous Peoples
• Growing legal recognition of Indigenous Peoples’ rights, including trends in case law

Our focus in this regard continues to be on the establishment of formal agreements with local Indigenous communities. These are aimed at creating mutual understanding, shared opportunities and transparent relations.

Why is this important to our communities of interest?
The development, operation and closure of mines and processing plants can have positive and negative impacts on local communities. On the positive side, they can include employment creation, local economic development and impactful community investment projects. On the negative side, they can include cumulative environmental impacts, economic volatility and changes to social well-being.

If local communities are to benefit from the presence of mining operations, companies need to:

• Understand the local socio-economic baseline
• Anticipate the potential and perceived impacts of their activities
• Recognize how impacts are likely to change throughout the mining life cycle
• Maximize positive impacts and minimize negative impacts through proactive management actions that are informed by community consultation
• Measure performance to understand the effectiveness of management actions and improve on them where necessary

Indigenous communities can be particularly susceptible to many of the impacts typically associated with mining, including the potential disturbance of local land, water systems, biodiversity and heritage sites – all of which can be of cultural and/or spiritual significance. As a result, it is important to ensure that clear lines of appropriate communication are established to fully understand the cultural and spiritual implications of such impacts and, subsequently, to manage those impacts.
Our focus is on maximizing opportunities and benefits for our communities of interest (COIs) and on managing the social impacts of our activities. Our Social Management and Responsibility at Teck (SMART) Framework provides the systems, processes and tools that help us meet our HSEC Management Standards requirements, as well as internal and external commitments.

**Teck’s SMART Framework**

SMART consists of tools, guides and systems that form the basis for how we manage our social risks and impacts. SMART helps us to identify opportunities to create sustainable benefits throughout the mining life cycle. The SMART tools and guides are categorized into:

- **Thematic guides**, which provide a definition and explanation of relevant themes throughout the mining life cycle; these themes include human rights, the rights of Indigenous Peoples, and vulnerable groups.
- **Process tools**, which provide direction on understanding and managing the social impacts of our activities; these tools include engagement planning, social risk assessment and managing social impacts.
- **Phase-specific tools**, which provide guidance on thematic and process activities specific to a phase in the mining life cycle, such as during the exploration or closure stage of the mining life cycle.

We are on track to meet our 2015 social management goals, where the majority of our operations have completed social baselines and social impact assessments, and all operations have completed social risk assessments. A social baseline enables sites to better understand the people, places, institutions and trends in their surrounding area. A social risk assessment helps us to understand how external factors relevant to our COIs can affect our ability to conduct our business. A social impact assessment helps us to understand how our activities affect our surroundings. The results from these processes inform our management and mitigation measures, which are aimed at creating sustainable benefits and avoiding negative impacts. All operations have community investment programs, and we are working towards the principle of shared value by improving alignment with community development objectives.

### SMART Toolkit

**Thematic Guides**

- **Gender**
- **Vulnerable Groups**
- **Human Rights**
- **Indigenous Peoples**

**Process Tools**

- **Understanding Your Social Context**
  - Area of influence
  - COI identification and mapping
  - Social baseline
  - Social risk assessment
- **Engaging Communities of Interest**
  - Engagement planning
  - Feedback mechanism
- **Assessing and Managing Social Impacts**
  - Managing social impacts
  - Archaeology chance find procedures
  - Resettlement planning
  - Community health
- **Sharing Sustainable Benefits**
  - Strategic community investment
  - Maximizing local hire and procurement
- **Measuring Results**
  - Monitoring, evaluation and reporting
  - Planning with your Communities Team

**Phase-Specific Tools**

- **Exploration**
- **Social Closure Planning**
Why Social Management is Important: Understanding the Social Impacts of Mining on Communities

We define social impacts as any positive or adverse consequences experienced by our communities of interest (COIs) that result from our activities. While the list below is not specific to Teck, activities across the mining life cycle may result in a range of social impacts, including:

- Increased employment and procurement opportunities, and subsequent socio-economic changes
- Competition to access local benefits, such as employment, due to a population influx and migrant workers
- Increased demand for skilled workers, putting pressure on the ability of existing training facilities to supply people with the needed skills
- Increased demand, due to the influx of people, on social infrastructures such as health services
- Changes in social support structures, due to changing work environments (e.g., shift work and working in more remote locations)
- Increased risk associated with additional vehicle traffic generated by employees, by the delivery of supplies for the site and by the delivery of outgoing product
- Payments to government that may support social programs
- Improvements to or expansion of infrastructure such as roads and transmission lines

Social Management Systems

We are working to develop operations-specific social management systems (SMS) that help operations achieve conformance with our HSEC Standards. Similar to environmental management systems, these systems-based approaches are based on the Plan-Do-Check-Act cycle, using a planning, engagement, monitoring and implementation process to drive improvements in managing social risks and opportunities. This entails the following:

- Plan – understanding your social context
- Do – creating and implementing action plans
- Check – improving and updating
- Act – monitoring, evaluating and reporting

Pictured above: students in Pica, Chile, learn about agriculture through a Teck-supported career preparation program
In 2013, Highland Valley Copper Operations developed a Social Management System manual, which lays out the structure for their social management system. In 2014, they piloted the system and, moving forward, they will measure the results of the implementation. The various components of their SMS form a continuous improvement framework that integrates COI engagement throughout the process of planning, implementing and evaluating social performance.

Managing Impacts on Communities

Engagement with communities of interest (COIs) is the primary means through which we understand and evaluate our performance in managing the social impacts of our activities. Engagement is the process of developing relationships and trust with COIs through meaningful interaction and dialogue. It helps us understand COI expectations and identify opportunities for collaboratively managing our impacts and for building sustainable benefits for communities.

For example, at Carmen de Andacollo Operations, we work with artisanal and small-scale miners to assess their need for access to mineral resources on or adjacent to our property. Our Trail Operations has established Trail’s Family Action Network and the Trail Heath and Environment Committee, which are COI groups made up of individuals, health professionals and organizations working to understand and manage the historical impacts of soil contamination on children’s health. At our Red Dog Operations, we have established a Subsistence Committee to minimize and manage potential impacts on hunting and gathering. To improve stakeholder relations, Red Dog partnered with representatives of NANA’s Northwest Arctic Leadership Team to facilitate delivery of the Building Common Ground dialogue training, a program designed for community-based personnel to enhance participatory community development and dialogue.

Understanding the social, economic and health context of the locations in which we operate helps us manage the effects of our activities on COIs. The data gathered by our social baseline studies, social impact assessments and social risk assessments allows us to improve our management of impacts and risks, to plan and prioritize...
engagement activities, and to facilitate the creation of sustainable benefits for communities.

Table 20 in Appendix A shows actual and potential impacts identified through our assessment processes or ongoing community engagement, and our management approach to addressing impacts.

Our steelmaking coal operations in southeast B.C. completed a regional social baseline study that has helped us to understand the cumulative social impacts related to demographics, socio-economic indicators and infrastructure considerations within the same area of influence of five of our steelmaking coal mines. This data allows us to better assess our impacts and to develop appropriate regional management and mitigation plans.

Feedback from Communities of Interest

Community feedback mechanisms provide additional opportunities for COIs to communicate with us. Our feedback mechanisms are designed to enable our COIs to ask questions, to express concerns and provide feedback about any area of our activities, and to receive a timely response. In 2014, we implemented a corporate feedback mechanism through our global website in response to recommendations from our COIs. The purpose is to ensure that we address concerns with COIs who may have more general-based issues as well as COIs who have more specific, locally-based issues. The feedback we received from various COIs internationally and from across the project life cycle through this mechanism enables us to manage potential issues.

We tracked over 1,244 feedback responses in 2014. Common topics were related to environmental questions and concerns, our mining activities, social and community issues, land use, and employment opportunities. See Figures 29 and 30 in Appendix A for data on the categories of feedback received. The number of feedback responses significantly dropped from 2013. We believe that the reason for the decrease is an internal issue with our tracking and reporting system, rather than an actual decrease in feedback received. We are working to address the challenges within our systems to improve the reporting on the feedback we have received.

Feedback from COIs helps us to better manage the actual or potential impacts of our activities across our operations. Tracking and classifying feedback ensures that we respond consistently and appropriately to COI concerns in a timely manner. Our aim is to resolve the issue to the satisfaction of all parties. At the end of 2014, all of our operations and three resource development projects had implemented feedback mechanisms. We investigate all grievance-type feedback to determine the root cause and to implement appropriate actions, and we communicate this information in a timely manner back to the person who submitted the feedback.

On occasion, we cannot reach agreement with our COIs, and a dispute may occur. Disputes are considered significant when they cannot be resolved jointly with the complainant, are repeated or widespread, are breaches of law or company policy, are accusations related to human rights or the rights of Indigenous Peoples, or are related to death or serious illness. We previously reported that three significant disputes arose in 2013 and progress has been made to resolve these disputes. Two of these were related to land use and the customary rights of Indigenous Peoples:

- We were engaged with an Indigenous trplace holder regarding a perceived impact on traditional land use related to our exploration activities. The civil claim from the dispute lapsed and the dispute was resolved.
- Three local Indigenous groups initiated a regulatory hearing regarding impacts of winter exploration work at our Frontier project on their Indigenous rights. The Alberta Energy Regulator approved our regulatory application for winter exploration work. We continue to engage with those Indigenous communities, both on our winter exploration work and on Frontier as a whole, to better understand and address their concerns.

In the other significant dispute, a class action lawsuit was filed against Teck in Washington state in late 2013, alleging that discharges from Trail Operations have negatively impacted the health of the plaintiffs. The suit has since been withdrawn.

In 2014, there was one significant community dispute. Environmental and social concerns have increased in Chile, particularly in those communities in close proximity to mining operations or projects. Concerns at Carmen de Andacollo (CdA) Operation have been focused around dust. In July 2014, a letter was received by CdA with a petition from the community who believed that the operation had not addressed their concerns. In addition to the petition, a demonstration and a property intrusion occurred. There was no property damage or force used, and the protest diffused and de-escalated. A number of meetings were held with representatives of the community to discuss their concerns. The operation was able to respond to the concerns raised in the petition as well as develop a strategy to address root causes of the incident and improve the relationship with the community moving forward. Working tables between the operations and the community, facilitated by third parties, have since been established in the areas of health, environment, economic development, and infrastructure. We have categorized the protest at CdA as significant because it was widespread and related to issues pertaining to human health.
At Teck, our vision for the community focus area of our sustainability strategy is to collaborate with communities so they genuinely benefit in a self-defined and sustainable manner from our activities and products.

Case Study: Community Consultation at Quebrada Blanca

That is why we invited community members and Indigenous groups near our Quebrada Blanca copper operation in Chile to participate in a program of community consultation before we submit the Social and Environmental Impact Assessment (SEIA) for Phase 1 of our operation to regulators. By receiving community feedback before the assessment is submitted, we are able to incorporate that feedback into our assessment and, in some cases, outline new measures to respond to concerns.

Approval of the SEIA will allow us to modernize our facilities and extend the life of mine at our existing Quebrada Blanca operation as we work towards transitioning to Quebrada Blanca Phase 2.

During community consultations in the spring of 2014, we hosted meetings in each related community near Quebrada Blanca, where we presented the baseline studies and scope of the SEIA to allow interested parties to ask questions and provide feedback, including any possible concerns.

Approximately 300 people participated in these sessions. Some of those involved in the engagement process included the communities and Indigenous groups of Copaquire, Tamentica, Colonia Pintados, Matilla, Quisma, Pica, Pozo Almonte, Alto Hospicio, and Huatacondo, and artisanal miners from Choja.

We benefited from the feedback provided by the communities and Indigenous groups nearby. Hearing from them directly allows us to better assess, and improve if necessary, the impact and mitigation plans for Quebrada Blanca Phase 1 – and they benefited from the opportunity to learn more about our operation and to have any questions answered.

By working together, we can ensure that Quebrada Blanca Phase 1 is mutually beneficial, for both Teck and the local community, while we ensure that voices are heard and the environment remains protected.
We have been working with a community group near our Carmen de Andacollo (CdA) copper operation in central Chile in response to a community dispute relating to environmental and socio-economic concerns.

The community group, which is called Comunidad Andacollina Organizada (CAO) – or, in English, Andacollo-organized community – consists of members of the Andacollo community, including representatives of women’s groups, local government and religious leaders. To facilitate our work together, we proposed to CAO a series of roundtables, each focusing on a specific topic of concern to the community. In these roundtables, representatives from CdA and CAO reviewed each issue, defining goals and the actions we could take to achieve them.

The environment roundtable, for example, became known as the Community Environmental Panel in CdA. We hired Casa de la Paz, a well-known and respected non-governmental organization in Chile, to set a framework for the Panel and facilitate the dialogue. Throughout the process, we shared data and hosted tours of CdA so members of the Panel could see first-hand how our environmental measures are implemented and monitored.

The goal of the Panel was, ultimately, to increase knowledge about CdA in the community of Andacollo, particularly the measures being taken to protect the environment. One important example we wanted to communicate were the steps that had been taken in recent years to reduce emissions and improve air quality, both at our operation and in Andacollo. The measures implemented were designed to reduce emissions produced by light vehicles and machinery on-site as well as throughout each step of the mining process, including during blasting. Measures to improve air quality include the application of dust suppressants on mining roads with equipment traffic and the contracting of sweeping equipment for paved streets in Andacollo. These actions, aligned with the Chilean government’s Atmospheric Decontamination Plan, were designed to improve air quality in specific regions of the country.

Through the Community Environmental Panel, Teck and the Andacollo community – as represented by CAO – created a space to address shared environmental priorities, and to communicate successes and challenges. This provided the community with better knowledge of the measures being taken by CdA to protect air quality and the environment. Site visits allowed the community to monitor the effectiveness of the environmental initiatives.

Working together with CAO to promote the long-term sustainability of both our operation and the town of Andacollo – home to many of our employees – reinforced for us that working with the community is the best way to move forward and address shared priorities.
In the Elk Valley of British Columbia, we operate five steelmaking coal mines that employ approximately 4,000 people. Many of our people live and work in the valley, and we support a sustainable future for their communities.

That is why Teck has partnered with the Elk Valley communities of Elkford, Fernie and Sparwood, as well as with local First Nations, through the Elk Valley Economic Initiative (EVEI). The goal of the EVEI is to expand and diversify business opportunities in the region, with the aim of increasing the number of full-time residents in the Elk Valley.

“At Teck, we have a vested interest in ensuring the Elk Valley has a healthy and vibrant economy,” said Sharon Strom, Sustainability Coordinator, Teck, who represents industry on the EVEI and is the initiative’s current chair.

“A vibrant economy brings with it a wide variety of career opportunities that make the region an even more attractive place to live and raise a family,” said Strom. “Helping to generate employment opportunities – in and out of mining – for the spouses of mine employees assists us with our employee recruitment and retention.”

The EVEI has identified priority areas for promoting and advancing regional economic development initiatives:

- Economic investment marketing
- Addressing infrastructure gaps
- Workforce and training
- Business development and diversification

The reason for the approach – working together as a region to tackle economic diversification and business development – lies in the old adage that the whole is greater than the sum of its parts. By thinking and acting as a region, opportunities will be generated that benefit each individual community.

The EVEI launched in 2014 with a strategic planning session. One of the first initiatives proposed is the Mobile Business Licence (MBL), which would allow businesses to provide their services in all participating municipalities by purchasing one licence for the entire region, as opposed to municipality by municipality.

The MBL is intended to support growth and efficiency in the local economy by reducing the regulatory and economic barriers that business owners encounter, thereby increasing choices and services to clients. Cutting down on red tape will help these businesses thrive and create additional opportunities in the region.

Another example of the work underway was to help ensure the availability of reliable broadband Internet service across the region. A November 2014 forum hosted by the EVEI featured guest speakers presenting on regional and local broadband initiatives designed to ensure consistent and competitive service to meet the existing and future needs of business.

Funding for the EVEI is provided by a number of sources, including the Columbia Basin Trust’s Community Directed Funds and Community Futures East Kootenay. Teck and the B.C. Ministry of Jobs, Tourism and Skills Training have provided in-kind support.

The EVEI is working to benefit the region’s more than 10,000 residents by taking steps towards a stronger, more diverse economy.

From Teck’s perspective, we will benefit from a more diverse regional economy that makes the already excellent communities near our steelmaking coal operations even more desirable for individuals and families to live and work in. We are proud to be a member of the EVEI and look forward to continuing our participation throughout 2015.

Pictured above: Sharon Strom, Coordinator, Sustainability, with community members from Sparwood, B.C.
Local air quality within the vicinity of our operations is affected by particulate matter (e.g., fine and coarse dust) that is generated by activities such as blasting, transportation of materials, ore crushing, smelting and refining, and by wind erosion of stockpiles and tailings. We recognize the importance of minimizing the amount of dust generated by our activities, and we implement a number of practices to reduce the amount, including:

- Adjusting blasting practices when winds are unfavourable
- Applying sealants and dust suppressants to material piles, roadways and railcars
- Using water sprays on roadways and while handling dusty materials
- Using road sweepers and washing roads
- Using cover systems for trucks and railcars where appropriate
- Storing and handling materials in buildings where feasible
- Placing cover systems (domes) over coarse ore stockpiles
- Using ventilation systems with particulate filtration for conveyors and buildings

We regularly monitor and report point-source emissions and ambient air quality outside the boundaries of our operations. Monitoring methods include real-time particulate monitors and high-volume monitors programmed to sample air over a 24-hour period, as well as dust fall jars, which provide a simple and effective method of assessing dust levels over longer periods of times (e.g., days or weeks). In addition, weather stations allow us to determine the relationship between dust levels, wind patterns and precipitation, and to react promptly to changes in weather patterns that may affect the surrounding air quality.

In addition to monitoring particulate matter, our operations monitor and report on other air emission parameters in accordance with permit and regulatory requirements. Our emissions to the air in 2014 are summarized in Table 22 in Appendix A.

In late 2014, the Chilean government established requirements aimed at improving air quality (particulate or dust levels) in the community of Andacollo. The plan, which came into force on January 1, 2015, sets out commitments, terms and responsibilities for Teck, for another local mining company and for local government towards improving air quality in the region. Our Carmen de Andacollo operation is working to implement measures to fulfill our requirements, such as modifying or suspending mine blasting during periods of unfavourable weather, improving emissions measurement methodologies, improving road control and cleaning programs, and enhancing our reporting on air quality information.

The transportation of our steelmaking coal can result in dust. We work with our railway transportation partners to apply sealant sprays to materials in railcars, and with our port terminal partners to manage dust on-site, including the use of automated dust-suppression systems.
For more than 100 years, our Trail Operations in southern British Columbia has refined zinc, lead and other base and precious metals that are used in the building blocks of modern technologies, such as rechargeable batteries and mobile phones.

At the same time, these operations can have an impact on the surrounding environment, in particular air quality, which is why Trail Operations has implemented numerous initiatives to improve environmental performance and community air quality over the years.

In 1979, we embarked on a $1 billion modernization program to improve the operational and environmental performance of Trail Operations. With the installation of the KIVCET lead smelting furnace in the mid-1990s and many additional pollution control measures, lead stack emissions have been reduced by more than 99% throughout the past 25 years.

In recent years, Trail Operations has focused on reducing fugitive dust emissions, including sources of dust such as material stockpiles, open mixing of materials, and vehicle traffic.

In 2013, in consultation with the Trail Health and Environment (THE) Committee, Trail Operations developed a comprehensive five-year plan in order to reduce fugitive dust. The THE is a community-led health and environment initiative, chaired by the mayor of Trail, with representatives from the City of Trail, Teck, the Interior Health Authority, the B.C. Ministry of Environment and local community members. The committee, which has initiated numerous programs to improve community health, has achieved many health goals throughout the past 20 years.

Our five-year fugitive dust reduction plan included construction of the Tadanac North materials storage building in 2014, installation of two wheel washes, and a targeted internal and external road cleaning program that was implemented in 2013 and 2014.

Moving forward, Trail Operations is constructing a new Smelter Recycle building that will enclose the storage and mixing of in-process materials, resulting in a reduction of an estimated 25% of total fugitive dust emissions. It will take a lot of space to house all of the materials – the building will be larger than a Canadian football field. Construction of the new building will be completed by summer 2016.

“In partnership with the Trail Health and Environment Committee, we are committed to setting and reaching goals to enhance the health and environment of our community,” said Greg Belland, General Manager, Trail Operations. “The new Smelter Recycle building is a key component of our fugitive dust reduction program, which will result in a significant reduction in dust and contribute to overall air quality.”

Air quality is monitored at a variety of locations throughout the Trail area. Metals (such as lead and arsenic) and sulphur dioxide are measured at four stations throughout the local community 24 hours a day. Dust fall is also collected on a monthly basis at 11 locations. This information is collected and analyzed by Teck’s environment staff and routinely reported at THE Committee meetings, and posted in the meeting minutes on the THE Program website at www.thep.ca.
**Working with Indigenous Peoples**

The majority of our operations are located within or adjacent to Indigenous Peoples’ territories. Consequently, it is our goal to conduct innovative and collaborative work with our Indigenous communities of interest (COIs) so that they benefit from our operations in a self-defined way. For our Indigenous COIs, as with all our COIs, we are committed to maximizing opportunities and benefits, and to managing the social impacts of our activities. Early and meaningful engagement is essential to building trust and long-lasting relationships – which is the foundation for ensuring that our relationships with Indigenous COIs are mutually beneficial. In order to achieve this, we actively pursue the involvement of Indigenous Peoples at every stage of mineral development, from early exploration through project development to closure and reclamation.

**Meaningful Engagement with Indigenous Peoples**

We are developing collaborative and long-term relationships with Indigenous Peoples that recognize their unique history and allow us to contribute to their goals. We seek to understand how our activities may impact the interests and rights of Indigenous Peoples, and we actively pursue the meaningful involvement of Indigenous Peoples to manage impacts and create opportunities.

We conduct our business in a manner that is respectful of Indigenous Peoples, taking into consideration their rights, interests, concerns and aspirations. We recognize that Indigenous Peoples have unique interests and concerns related to development. Their interests include employment and procurement opportunities as well as revenue sharing from mining activities. Their concerns relate to maintaining access to traditional lands and subsistence lifestyles. As such, we are committed to respectful and constructive engagement with Indigenous Peoples who may be impacted by our activities.

**Our Approach**

We recognize the need to develop our internal capacity to engage, and we are working toward the completion of our 2015 goal of providing cultural awareness training to key staff. In 2014, we shifted focus towards another 2015 goal to set operation-specific objectives for training, employment and procurement opportunities for Indigenous Peoples, where applicable. In our Canadian operations, this occurs through Impact Benefit Agreements. We believe that the best foundation for the establishment of stable, constructive and mutually beneficial relations is through the development of clear, concrete and predictable benefit agreements. Agreements, which formalize our long-standing relationships with First Nations, create a framework for greater cooperation and clarity on topics such as consultation and engagement, the environment and land stewardship, and employment and business opportunities, and typically include a financial component.

At our operations, at our resource development projects and, in some cases, at our exploration projects, we support the development of traditional land use studies and other community-based traditional knowledge studies to help us better understand the interests of Indigenous Peoples and our potential impacts on those interests. For example, we supported Indigenous communities near our Quintette project to identify potential impacts on their interests, and to develop possible mitigation and accommodation measures. We integrate these considerations into our decision making, engagement and relationship building with communities.

**Recognizing and Respecting the Interests and Rights of Indigenous Peoples**

We acknowledge and respect Indigenous Peoples’ rights and interests as enshrined in provincial, national and international law, and we understand that the extent to which Indigenous Peoples’ rights are legally recognized varies across countries. In Canada, for example, certain Indigenous Peoples’ rights regarding access to land have been articulated in treaties, while other historical or traditional rights are generally not documented or clearly defined. The law related to Aboriginal title in Canada continues to evolve.

International law continues to shape requirements related to working with Indigenous Peoples. For example, application of International Labour Organization’s Indigenous and Tribal Peoples Convention (ILO-169) is already represented in Chilean law, which requires the state to consult Indigenous Peoples in regards to their lands and resources. Additionally, the Chilean government has recently announced plans to further enhance Indigenous rights and representation within the country. Consultation can play an important role in regulatory approval processes and project development. As required by international conventions and domestic law, many governments have various duties to consult with Indigenous Peoples. In certain situations, some or all aspects of consultation activities may be delegated to us. When our activities have the potential to affect Indigenous Peoples’ rights or traditional access to land, we seek opportunities for meaningful consultation to provide information on our activities, to understand their interests and to develop accommodation measures to address impacts on those interests.
In 2013, ICMM released an Indigenous Peoples and Mining Position Statement, which includes a position on free, prior and informed consent (FPIC). The position statement commits its members, commencing no later than 2015, to work to obtain the consent of Indigenous Peoples for new projects. The position statement uses the definition of Indigenous Peoples from Article 1 of ILO-169. We use the ICMM Indigenous Peoples and Mining Good Practice Guidance, and have recently provided feedback to their update of the 2013 Guidance document. Based on our current Indigenous Peoples engagement practices, we are aligned with ICMM’s position statement. Our Indigenous Peoples Policy, including our position on FPIC, will be released in 2015. The policy is currently in the review phase, where we are engaging feedback from internal and external COIs. We continue to be committed to respectful and constructive engagement with Indigenous Peoples whose cultural heritage or Indigenous rights may be affected by our activities.

External Developments in 2014

Indigenous Rights — Tsilhqot’in Decision

The interpretation of Indigenous rights and their application to the natural resource development industry continues to evolve. For example, in June 2014, the Supreme Court of Canada issued a significant decision with respect to the jurisdictional powers and Aboriginal title rights of First Nations in Canada. The case of Tsilhqot’in Nation v. British Columbia made Canadian history as the first finding of Aboriginal title outside of the treaty process. The decision also clarified and affirmed the ability of the provincial government to establish regulatory frameworks over natural resource development and environmental values, subject to certain consultation and accommodation requirements.

The Tsilhqot’in decision is an historic precedent which establishes an important legal framework for determining Aboriginal title in British Columbia and elsewhere in Canada. The ruling is also consistent with the recent evolution of efforts to reconcile Aboriginal constitutional rights and title interests with development, primarily through the negotiation of mutually beneficial agreements.

Implications

We welcome the additional clarity on Aboriginal title established by Canada’s Supreme Court in the Tsilhqot’in decision. We remain committed to understanding the most recent positions taken by the courts, governments, industry and Indigenous groups to ensure our work with Indigenous Peoples reflects leading practices. We continue to base our relations with Indigenous communities around the world on genuine, respectful engagement, as well as on the generation of tangible shared value from our resource development activities.
Facilitating Indigenous Peoples’ Involvement in Regulatory Processes

Indigenous communities often face challenges participating in regulatory processes for resource development projects near or within their traditional territories. Barriers to participation can include a lack of financial and human resources to adequately review proposed project materials and fully understand potential impacts on their communities.

We have a commitment to engage in meaningful consultation with Indigenous Peoples who may be impacted by our projects. In keeping with this commitment, we work to facilitate the involvement of Indigenous Peoples in regulatory processes. For example, we developed our Elk Valley Water Quality Plan in collaboration with the Ktunaxa First Nation – in addition to other local communities and government officials from both Canada and the United States. The ultimate aim of the Plan is to protect the health of the watershed while allowing for the continuation of sustainable mining. The Ktunaxa Nation Council supported the community consultation process and provided vital advice and insight as a member of the independent Technical Advisory Committee.

Agreements with Indigenous Peoples

Agreements provide an opportunity to formalize relationships, establish mutual interests and develop robust processes for ongoing engagement. They also provide processes to work through grievances and other challenges, and help to fulfill our commitment to improving community well-being in self-defined ways while gaining the broad support of Indigenous communities.

Building constructive relationships with Indigenous Peoples and pursuing understanding and shared commitments through agreements have taken on increasing importance in our activities. Negotiations to reach an agreement can take considerable time, and there must be a shared understanding of the expectations of both parties. Although we recognize that agreements are important milestones, the relationship itself is the true indicator of success.

In 2014, there were 10 agreements as follows:

- **Quintette**: A Participation Agreement with the Saulteau community
- **Highland Valley Copper**: A Joint Relationship Agreement with the Nlaka’pamux Nation Tribal Council
- **Quebrada Blanca**: Two Memoranda of Understanding with the Matilla Indigenous community and the Tamentica/Copaquire communities
- **Kliyul exploration project (Canada)**: Exploration Agreement with the Tsay Keh Dene First Nation
- **CR exploration project (Canada)**: Exploration Agreements with two First Nation groups
- **Lawn Hill Zinc exploration project (Australia)**: Four Native Title and Heritage Protection Agreements with members of the Waanyi People

To date, we have negotiated a total of 46 agreements with Indigenous communities in Australia, Canada, Chile, Peru and the United States, which include the full range of our activities from early stages of exploration through to closure. These agreements range from Memoranda of Understanding to full IBAs, and a comprehensive Development and Operating Agreement (see page 149). Of the 13 operations covered in the scope of this report, 10 are located within or adjacent to Indigenous Peoples’ territories, and we have established or are negotiating agreements with all of these Indigenous groups. Please see Table 23 in Appendix A for a list of agreements in place with Indigenous Peoples at our operations.

In 2014, there were no significant disputes under our existing agreements or through our formal grievance mechanisms involving Indigenous Peoples, although environmental litigation involving the Confederated Colville Tribes and the Spokane Tribes of Indians continues.
On July 14, 2014, Teck and NANA Regional Corporation marked the 25th anniversary of the opening of Red Dog.

Red Dog Operations, one of the world’s largest zinc mines, is located about 170 kilometres north of the Arctic Circle in northwest Alaska. The mine was created in 1989 through an innovative operating agreement between the operator Teck and the land-owner NANA, a Regional Alaska Native corporation owned by the Iñupiat people of northwest Alaska.
“The Red Dog partnership has set the standard for how resource development can create economic prosperity and opportunity while at the same time supporting tradition, culture and heritage,” said Don Lindsay, President and CEO, Teck, at the 25th anniversary celebration.

The deposit that became Red Dog Mine was first discovered by pilot and prospector Bob Baker in the late 1960s. Following the Alaska Native Claims Settlement Act of 1971, it came under ownership of NANA, a Regional Alaska Native corporation owned by the Iñupiat people of northwest Alaska. At the 1980 NANA Annual Shareholder Meeting, NANA shareholders decided to move forward with a plan to develop Red Dog Mine. Following extensive dialogue and consultation within the communities, and discussions with various companies interested in partnering to develop the mine, a development and operating agreement was reached on October 11, 1982, between NANA and Cominco, now Teck. This landmark agreement established provisions and commitments, which, to this day, still dictate how the mine is operated and ensure sustainable benefits for the region and its people.

The agreement signed in 1982 has created mutual benefits: for Teck, it created what has become one of the company’s most profitable operations; for the Iñupiat, it provided royalties and employment opportunities both at the mine and through NANA-owned contractors.

Since mining began, NANA has received $1 billion in proceeds from the mine, of which more than $617 million has been shared with other Alaska Native Regional and Village Corporations. In 2013 alone, Red Dog invested $137 million in the local and state economy, purchasing goods and services from Alaskan suppliers, with 47% of spending with Indigenous suppliers. Currently, 51% of employees at the mine are NANA shareholders.

To ensure the protection of subsistence, the 1982 agreement includes a provision for the creation of an independent Subsistence Advisory Committee, made up of residents from the communities of Noatak and Kivalina that meets regularly with NANA and Teck representatives to review all subsistence-related issues. This committee plays an important role in guiding subsistence protection activities at the mine and associated facilities. For example, because of winter freezing, there is a limited amount of time — about 100 days — where product from the mine can be transported out of the Arctic. That ice-free shipping season usually starts around July, which is near the end of the traditional Iñupiat marine hunting season. To ensure respect for the Iñupiat way of life, Red Dog will not allow a single ship into port until confirmation is received from the Iñupiat that their hunt has been completed for the year and permission is given to proceed.

On July 14, 2014, Red Dog employees and guests from NANA and Teck gathered at the mine to celebrate the anniversary of the 1989 opening. Twenty-five years after opening, the mine remains an economic engine for the communities of northwest Alaska – a positive example of Indigenous Peoples and mining companies working together.

Pictured above: Marie Greene, past president and CEO of NANA (left); unveiling of a plaque to commemorate Red Dog’s 25th anniversary (right)
Theme:

Having a Positive Impact on Society

Pictured above: Frankie Pillifant, Geologist at Red Dog Operations, coaches Eva Johnson as part of the NANA Nordic ski program sponsored by Teck in Alaska.
Why is this theme important?
Our activities and relationships have the potential to directly and indirectly impact a wide range of communities of interest (COIs). Conversely, COIs have the potential to directly and indirectly influence our business. Such impacts include those relating to:
- Creation and distribution of economic values (e.g., wages, procurement, payments to government)
- Human rights

Some companies in the natural resource sector have faced criticism as to how much value they provide to governments and citizens, and the extent to which ethical business practices have been upheld. However, we believe that mining has the potential to be of real, lasting and sometimes even a transformative benefit to host societies if managed in a transparent, responsible, collaborative and sustainable way.

What does it mean for Teck?
As a company that has built its success on the conversion of mineral resources into shared value over more than a century, we recognize our role in contributing to society. Although our ultimate objective is to generate value for our shareholders, we believe that the best way we can achieve this is by:
- Operating in a way that delivers real mutual benefits to both our investors and broader society
- Recognizing that our ability to do business relies not only on our strict adherence to national law, but also on our ability to maintain the trust and goodwill of our COIs

As a result, we are committed to:
- Having a positive economic and social impact on the societies in which we operate
- Minimizing negative impacts we might have on the rights and well-being of our COIs
- Maintaining the confidence of our investors, business partners, employees, contractors, suppliers, host governments and community members by applying the highest ethical standards in all our interactions

Why is this important to our communities of interest?
Our economic contributions to the societies in which we operate are significant. These include payments to our host governments in the form of taxes and royalties, which in turn directly support long-term regional and national development, including public services and infrastructure. We also provide broader economic contributions to society through salaries, procurement and community investment.

Across the globe, COIs expect resource companies to maintain strong ethical standards. This includes strong anti-corruption measures, as well as transparent disclosure around interactions with governments, including lobbying and the payment of taxes and royalties.

There are also strong societal expectations around the need for business to respect human rights. This recognizes that many companies are in a position to potentially undermine or support the human rights of their COIs, either directly (e.g., through their own activities) or indirectly (e.g., through their business relationships, including those with joint venture partners, governments, contractors, suppliers and other third parties). In this context, companies are expected to carry out human rights due diligence in order to better understand and manage their potential and actual negative human rights impacts.
We contribute to the wealth and prosperity of the countries, regions and communities where we operate through tax and royalty payments, direct and indirect employment, the procurement of goods and services, and community investments. We recognize that economic development needs to be managed responsibly so that it does not lead to dependence. We focus on facilitating long-term economic opportunities coupled with strategic community investments to encourage lasting positive benefits for the communities in which we operate.

In 2014, we generated approximately $8.6 billion and distributed approximately $7.3 billion in economic value as defined by the Global Reporting Initiative (Table 7).

### Table 7

**Economic Value Generated and Distributed** *(Dollars in millions)*

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<th>Economic Value Generated</th>
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<th>2013</th>
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<tr>
<td></td>
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<td>Revenues</td>
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**Economic Value Distributed**

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<th>2014</th>
<th>2013</th>
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<tr>
<td>Operating Costs(1)</td>
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<td>Wages and Benefits</td>
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<td>Payments to Providers of Capital</td>
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<td>Interest Paid(2)</td>
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<td>$406</td>
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<tr>
<td>Community Investments</td>
<td>$1</td>
<td>$20</td>
</tr>
<tr>
<td></td>
<td>$807</td>
<td>$7,252</td>
</tr>
<tr>
<td>Economic Value Generated</td>
<td>$444</td>
<td>$1,347</td>
</tr>
</tbody>
</table>

(1) 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 not included in the total.

(2) This table reflects income and resource taxes paid. Other taxes (property, payroll, royalty, etc.) are not included, but some taxes may be reflected in operations’ operating costs. The amount is found in note 10 of our Annual Report. Breaking this table down to reflect all components is beyond the scope of this report.

### Tax Strategy

Our Tax Policy guides our approach in all jurisdictions where we operate. We are compliant, transparent, cooperative and ethical in all tax matters. We respond openly and fully on a timely basis to all government requests for information pertaining to taxes in the course of their audits. Our goal is to support the growth and development of our business in a way that reflects our legal obligations as well as our commitments to our people, our shareholders and the communities in which we operate.
Community Investment

Our community investment is a key pillar of our company’s overall commitment to sustainability. It helps us build and maintain our social licence to operate, manage social risks, enhance our reputation, and improve employee recruitment and retention. It is guided by best practices from the International Finance Corporation, London Benchmarking Group and Imagine Canada.

We contribute to community organizations for many reasons. We support initiatives as a response to specific requests for assistance, to meet community development priorities and to enhance specific objectives related directly to our business. We have a long history of working with communities on community development and infrastructure projects and other community initiatives.

The geographic spread of our contributions can be categorized at a local, regional, provincial/state, country or global level. We understand that building and maintaining our community relationships is essential, not only to our success, but also to the sustainable future of communities. That’s why much of the focus of our community investment program is designed to support the many communities where we live and work.

Since 2012, we have worked to build a strategic framework for our community investment program that is aligned with our sustainability strategy and community investment policy. The program is designed to ensure that we achieve our community investment goals and report our contributions accurately each year. As part of this work, we have also developed a number of systems, processes, tools and guidance to ensure that our investments align with our program framework.

Our Approach

Our approach to community investment and working with communities is based on the knowledge we gain from the application of our HSEC Management Standards and SMART tools, including:

- Collecting and understanding our area of influence and social baseline information
- Mapping, prioritizing and directly engaging COIs strategically
- Understanding social impacts
- Identifying potential risks and opportunities
- Developing a strategic engagement plan linked to social risks in order to effectively engage with COIs
- Assessing and incorporating engagement and social baseline information into our community investment plan

Performance

Based on the target annual community investment budget of 1% of earnings before taxes on a rolling five-year average, our community investment for 2014 was $20 million.
Creating Economic Opportunities

Maximizing local hiring and procurement opportunities is a key contributor to delivering concrete and sustainable benefits to COIs. Promoting long-term employability and economic resilience will help support the sustainability of COIs post-closure and ensure that we leave a positive legacy. Sourcing local goods and services and hiring people locally helps gain community support for our activities, enhances our local knowledge, and mitigates business and social risks.

Local Hiring

As one of our 2015 sustainability goals, operations are enhancing local employment and procurement opportunities. Over the last two years, we took steps to ensure that the COIs most directly affected by our activities benefit through their interactions with us by developing a consistent approach to the definition of “local” at each site. Table 22 in Appendix A provides a breakdown of local hiring at our operations. Approximately 82% of employees in senior management roles are local; for the percentage of each operation, see Table 24 in Appendix A.

Local Procurement

Most of our purchasing is decentralized, and much of the responsibility for sourcing goods and services lies with individual sites. Whenever possible, we look for opportunities to utilize local suppliers, providing that they meet our standards and provide cost-competitive goods and services. At some of our sites, local suppliers include suppliers who self-identify as Indigenous.

Table 25 in Appendix A shows the percentage of local procurement by each operation. Increases and decreases in local procurement are influenced primarily by site-level construction and maintenance activity, as well as by the availability of suppliers in the local area.

Procurement from Indigenous Peoples Suppliers

In 2014, our operations spent approximately $161 million on suppliers who self-identified as Indigenous; this represents an overall increase of 21%, or nearly $34 million over the prior year, and amounts to 16% of our total spend. The vast majority of this spending is at our Red Dog Operations, where Indigenous Peoples’ procurement is a cornerstone of our operating agreement, which governs the operation and development of the mine. In 2014, 47% of Red Dog’s spending was with Indigenous suppliers.

We are implementing programs to increase our percentage of spending on Indigenous suppliers at other sites by developing tools and processes, including business development support, Indigenous procurement processes and tracking systems. For example, where we have formal agreements with Indigenous Peoples, we identify local Indigenous suppliers and develop processes to share information on procurement opportunities and our supplier qualification requirements. In some situations, we work directly with Indigenous suppliers to help them meet our qualifications, or provide them with training and business development support. Despite our commitment to working with Indigenous suppliers, challenging market conditions and a focus on cost containment led to a lower proportion of our total spend being on Indigenous suppliers in 2014 at several of our operations. However, Indigenous supplier spending at Highland Valley Copper increased by 48% in 2014 and now represents 17.6% of the total spend.

<table>
<thead>
<tr>
<th>Operation</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carmen de Andacollo</td>
<td>2,157,000</td>
<td>2,217,000</td>
<td>1,888,000</td>
</tr>
<tr>
<td>Coal operations(1)</td>
<td>1,970,000</td>
<td>1,654,000</td>
<td>1,716,000</td>
</tr>
<tr>
<td>Duck Pond</td>
<td>297,000</td>
<td>468,000</td>
<td>171,000</td>
</tr>
<tr>
<td>Highland Valley Copper</td>
<td>579,000</td>
<td>663,000</td>
<td>716,000</td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>8,000</td>
<td>36,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Quebrada Blanca</td>
<td>623,000</td>
<td>532,000</td>
<td>586,000</td>
</tr>
<tr>
<td>Red Dog(2)</td>
<td>488,000</td>
<td>586,000</td>
<td>638,000</td>
</tr>
<tr>
<td>Trail Operations</td>
<td>334,000</td>
<td>370,000</td>
<td>403,000</td>
</tr>
<tr>
<td>Corporate Offices and Projects(3)</td>
<td>13,274,000</td>
<td>15,795,000</td>
<td>16,912,000</td>
</tr>
<tr>
<td>Exploration</td>
<td>69,000</td>
<td>212,000</td>
<td>204,000</td>
</tr>
</tbody>
</table>

(1) Steelmaking coal operations include: Cardinal River, Coal Mountain, Elkview, Greenhills, Fording River and Line Creek Operations.
(2) The 2012-2014 Red Dog numbers were recalculated to include investments that Vancouver Head Office made in the Northwest Arctic Borough.
(3) Includes Calgary, Santiago, Spokane, Toronto and Vancouver offices as well as resource development projects.
Respecting Human Rights

We are committed to supporting human rights – as embodied in the Universal Declaration of Human Rights and other related international legal instruments. As part of our efforts to fulfill our duties under the UN Protect, Respect and Remedy Framework, we are working to apply the UN Guiding Principles on Business and Human Rights (Guiding Principles). These require us to respect human rights and, where relevant, address human rights grievances. This includes the carrying out of due diligence with respect to those potential and actual adverse human rights impacts relating both to our own business activities and to our business relationships.

In addition, we are committed to Principles 1 and 2 of the UN Global Compact, meaning we actively support and respect the protection of human rights and avoid complicity in human rights abuses.

Figure 9

Human Rights in the Context of Business

Our Approach

We operate primarily in relatively low risk jurisdictions. Low risk jurisdictions are characterized by stable political and economic conditions, as well as by high standards for legislation and regulation. This means our risk of violating Human Rights may be lower than that of certain other global mining companies. Despite operating in relatively low risk jurisdictions, we take our various human rights commitments seriously.

We have been assessing elements of human rights risks for many years. As part of our regular risk processes, we conduct assessments for a range of social risks. Social risk assessments identify potential and actual risks and opportunities that companies and communities can pose on one another. Our operations complete risk registers, which take into account considerations of communities. Social risk assessments have been completed at each of our operations. They include analysis of the risk of potential regulatory delay due to social risk. They also evaluate our performance to date on sharing benefits with COIs relevant to our operations. These can include the assessment of risks relating to:

- Lost opportunity to hire locally (women/Indigenous Peoples)
- Erosion of community trust, due to increased environmental incidents
- Community rights around water, land and biodiversity
- Indigenous rights and permitting delays

1 Often known as the 'Ruggie Framework'
Human Rights Assessment

Risks and Opportunities
We have also carried out Human Rights Assessments (HRAs) at our 13 operations to identify and analyze where there may be human rights risks and, if risks were present, their associated impacts. Assessments were first piloted in 2013 at our Carmen de Andacollo Operations in Chile and at our Frontier project in Alberta. We subsequently conducted a total of 13 HRAs in 2014. The process was based on the engagement of multi-disciplinary groups at each operation, including those drawn from Environment, Procurement, Communities and Human Resources.

The HRA process found that:
• Due to the regulatory context of our operations, there are laws to specifically protect a number of human rights. For example, employees’ rights to unionize are well entrenched in Canadian, American and Chilean law.
• Our operations have a number of processes in place that protect the human rights of our employees, our communities and our suppliers. These include feedback mechanisms at each of our operations and a Doing What’s Right hotline that confidentially collects data related to employee and supplier concerns.
• Concerns around impacts to the environment, water quality and conservation issues are being heard, and responded to, by our operations-based community feedback mechanisms.
• None of our operations identified significant negative human rights risks; however, opportunities to further enhance our performance in this area, such as implementing diversity initiatives to improve attraction and retention of local Indigenous Peoples, were identified.

We plan to continue our work to monitor and mitigate human rights issues associated with our operations.

Projects
Our approval process for new projects and major investments integrates human rights considerations from the start. As a result, human rights issues have a direct influence on project design, evaluation and decision making.

Joint Ventures
The majority of our operations and projects are located in Canada, Chile and the United States, all of which are politically stable countries with relatively low human rights risks. However, Peru (the location of our Antamina joint venture) poses higher human rights risks. In 2013, our joint venture partners in Peru undertook an audit of their procedures and practices relating to HSEC, which included management of human rights. This identified key areas for improvement with respect to their implementation of the Human Rights Policy and the related grievance mechanism. We have subsequently engaged with Compañía Minera Antamina to help them address these issues.

Supply Chain
We set out a clear set of expectations with respect to the human rights performance of our suppliers and service providers. These are set out in our Recommended Protocols for Suppliers and Service Providers, which were established in 2012 and have since been communicated to suppliers. In addition to addressing issues relating to ethics, health and safety, and environmental stewardship, the Protocols integrate expectations relating to the abolition of child labour, fair working conditions, and non-discrimination.

As part of our commitment to fostering ethical practices in our supply chain, we are undertaking pilot activities to assess primary suppliers’ compliance with those expectations as set out in the Protocols. We are conducting initial evaluations and, where we identify potential risks, we gather additional information on the supplier to support any subsequent management actions. See page 133 for more details on how we manage sustainability, including human rights, in our supply chain.
Table 26 in Appendix A shows our 2014 progress towards implementing the United Nations Guiding Principles on Business and Human Rights goals.
Our People

Pictured above: Claude Bernier and Lance Chorneyko in the shop at Line Creek Operations in B.C., Canada
Safety incidents have the potential to result in injuries that can cause significant harm, reduced quality of life or loss of life. Strong safety performance can have a positive impact on employee morale, recruitment and retention. Safety is our core value, and we are building a workplace where all levels of employees and contractors are empowered to be safety leaders who help create and sustain a culture of safety.

Skilled workers are fundamental to running our business. Risks associated with worker shortage include operational delays, increased risk for safety incidents, reduced production and increased costs. Over one-third of our current North American workforce is over the age of 50, and we estimate that over 150 of our current front-line leaders will retire in the next five years. We need to both accelerate the development of our current workforce and attract new talent to replace our retiring employees and to fill new positions. Considering an anticipated skilled worker shortage, this also means expanding the scope of our search practices to include non-traditional workers.

The key themes and issues identified in 2014 related to Our People were:

- Theme: Operating in a Safe Way
  - Material Issue: Strengthening our Safety Culture
- Theme: Providing High-Quality Employment
  - Material Issue: Building our Workforce

Vision: We attract, engage and develop people whose passion, skills and motivation lead our journey to a successful and sustainable future.
Theme:

Operating in a Safe Way
Why is this theme important?
Mining and processing involves the handling of large volumes of materials, the use of heavy equipment, and potentially hazardous production processes. It also has the potential to expose employees and contractors to chemical, physical and biological health hazards.

The mining industry has a responsibility to ensure that hazards associated with operations are controlled to ensure the safety of workers.

What does it mean for Teck?
We take the well-being of our workforce seriously as nothing is more important to us than the safety of our people. As a company, we recognize our responsibility to ensure that precautions are taken to minimize health and safety risks as we work to achieve our vision of everyone going home safe and healthy every day.

We actively work to limit worker exposure to harmful substances and other sources of occupationally-related illness or disease related to exposures to dust, noise, vibration and hazardous materials.

We also believe that we cannot reach our objectives of operational excellence if we are failing at managing health and safety risks. Furthermore, we believe that a safe operation is an efficient operation. By applying strong operating standards, we optimize production and avoid potential injuries, accidents, property damage and operational disruption.

Why is this important to our communities of interest?
Everyone deserves to feel safe in their workplace. Employees and contractors have the right to go to work without putting themselves at risk of injury or illness. This is not only due to the need to preserve their own well-being, but also the well-being of their families and loved ones.
**Strengthening our Safety Culture**

Health and safety is a core value at Teck, and we continued our focus on health and safety performance in 2014. The frequency of high-potential incidents (HPIs) reduced compared to 2013 and total reportable injury frequency was 25% lower; however, our lost-time injury frequency increased by 10%. While overall improvements were made, we were deeply saddened by the loss of two of our team members during the year.

We introduced the Disabling Injury classification in 2014 to better understand the number of injuries in which our team members were unable to perform their full range of regular work duties on their next scheduled shift.

### Safety Performance\(^{(1)(2)}\)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Recordable Injury Frequency</td>
<td>1.01</td>
<td>1.26</td>
<td>1.33</td>
</tr>
<tr>
<td>Lost-Time Injury Frequency</td>
<td>0.40</td>
<td>0.34</td>
<td>0.46</td>
</tr>
<tr>
<td>Disabling Injury Frequency</td>
<td>0.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Severity</td>
<td>80(^{(3)})</td>
<td>19</td>
<td>17</td>
</tr>
<tr>
<td>Number of Fatalities</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Our safety statistics include both employees and contractors at all of our locations (operations, projects, exploration sites and offices). For sites where Teck owns more than 50%, safety statistics are weighted 100%; for sites where Teck owns 50% or less, safety statistics are weighted according to Teck’s ownership of the operation. This includes the Antamina mine, in which we have a 22.5% interest. We define incidents according to the requirements of the U.S. Department of Labor’s Mine Safety and Health Administration. Frequencies are based on 200,000 hours worked. Severity is calculated as the number of days missed due to lost-time injuries per 200,000 hours worked. New information or a reclassification of injuries may cause a change in historical data.

\(^{(2)}\) See our Glossary on pages 158–161 for definitions of these safety indicators.

\(^{(3)}\) Increase in severity in 2014 is a consequence of the fatalities, which are automatically counted as 6,000 lost days.

### Fatalities

Despite our progress in safety, we are deeply saddened to report that we had two fatalities in 2014. On March 16, 2014, an incident occurred at our Coal Mountain Operations in southeastern B.C. that took the life of Miles Lorenz, a serviceman and a long-time employee. A separate incident led to the death of Heriberto Rojas in November on an exploration project in Chile. These are tragic incidents and we extend our condolences to their families, friends and co-workers.

The loss of Miles and Heriberto is a critical reminder of the need to constantly improve our management of safety hazards and risks at all levels of our organization. We have comprehensively investigated each incident and are implementing actions to prevent a reoccurrence.

**Our Commitment**

We believe that all incidents that could cause serious harm to our employees or contractors are preventable. We are responsible for providing a safe workplace by effectively managing workplace risk. We are also committed to providing leadership and resources for managing health and safety to ensure that all employees and contractors have the knowledge and ability to safely perform their duties.

We identify and manage occupational health and hygiene exposures for the protection of longer-term health. We also 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 health and safety through identification of hazards and the elimination and control of high-potential risk. We all share in the responsibility for our safety and that of our co-workers. Working together, we believe we can eliminate fatalities and serious injuries in the workplace.
Our Approach
The health and safety of our people is paramount. We have a three-pillar approach – embedding a culture of safety, learning from HPIs and sharing best practices, and operating with excellence – that drives continual improvement and supports our vision of everyone going home safe and healthy every day. Our strategy is to continue to strengthen and achieve a balance between the cultural and technical aspects of our health and safety program – and to ensure that these two streams are complementary with one another.

Figure 11

Three-Pillar Approach

Safety Culture
We believe that employee engagement through leadership and commitment is the key to achieving our health and safety vision, and we have developed two major initiatives to foster a culture of safety at Teck. Courageous Safety Leadership (CSL) focuses on challenging existing values, beliefs and attitudes towards safety, and builds commitment from individuals to work safely and foster safe practices at our operations. CSL requires personal leadership and emotional connections from both employees and contractors to drive change, and the program seeks to empower every employee to be a safety leader by playing an active role in their own safety as well as the safety of those around them. Building on the success of the program, we are currently revising and updating the CSL program to align with our High-Potential Risk Control Strategy, and we are developing the next stage of the initiative, which will be rolled out across the company in 2016.

Visible, Felt Leadership (VFL) is another key program designed to foster and demonstrate strong management commitment to safety, and to reinforce our safety principles and expectations, by having management actively engage in meaningful safety discussions with employees and contractors. This program has been designed to encourage management teams across our business units and operations to interact and engage with our workforce on a regular basis to foster relationships and gain mutual understanding of the issues the workforce may be facing, particularly with regard to working in a safe way. Management teams are required to complete a number of site tours each week in order to interact with employees and contractors directly. Given our approach of continuous improvement, progress was made in 2014 to improve the VFL program, including developing a requirements and guidance document to assist our sites with their implementation of the program. In 2015, this guidance document will be rolled out to each of our sites.
An Organization that Learns and Responds

We foster a culture of continuous learning and improvement in safety performance by analyzing HPIs, sharing best practices in safety through employee training and development, and participating with our peers in mine safety working groups, including the Mining Safety Roundtable and the International Council on Mining and Metals.

We aim to continuously improve injury reduction efforts and to improve our ability to identify, control and verify the effectiveness of fatal risk reduction efforts. In 2010, we began tracking HPIs and, in 2012, we recognized the need to standardize our process for identifying their root causes and key contributing factors. In 2013, we evaluated three incident investigation methodologies and selected the Incident Cause Analysis Method (ICAM), which was rolled out across the company in 2014.

We track all safety incidents and classify significant incidents as HPIs, serious HPIs or potentially fatal occurrences (PFOs). Analyzing and learning from these incidents allows us to identify and target actions for high-risk tasks and areas. Once we identify the root causes of PFOs, our operations also conduct a gap analysis and implement corrective actions to help prevent incidents from reoccurring.

High-potential Risk Control

In 2014, we developed and began implementing a new High-Potential Risk Control (HPRC) Strategy at all business units and operations across our company. The HPRC strategy aims to continue to build our safety culture by focusing our efforts and resources on those events that have the greatest ability to seriously or fatally injure our team. At the heart of the strategy is the evaluation of the procedural, physical and behavioural controls that are in place to prevent serious injuries and fatalities. Based on our safety performance history, we have analyzed those scenarios that pose the highest potential risk to understand where mitigation efforts should be focused.

As part of our emphasis on reducing HPIs, in 2014 we continued to develop and roll out requirements that establish minimum controls for various areas that may result in HPIs, including specific procedures for the following:

• Energy isolation and lockout
• Heavy mobile equipment and other vehicle interaction
• Working at heights
• Barricading

Performance

Since tracking of HPIs commenced in 2010, we have seen an overall decrease in HPI frequency (Figure 12). This improvement has been driven by our focus on HPIs and PFOs, on learning from past incidents, and on sharing lessons learned and associated best practices across our company. Equally, while HPI frequency has declined, our operations continue to generate HPIs every year that could have seriously or fatally injured one or more of our employees or contractors, and we continue to focus on improving performance.

![High-Potential Incident Frequency](image-url)

Figure 12

We are committed to investigating all HPIs to comprehensively understand root causes and key contributing factors, and we take actions to prevent HPI recurrences. Using ICAM, we consider the contributing factors at the individual, team and organizational levels that led to each incident. The ICAM approach to incident investigation emphasizes the following:

• Establish the facts
• Identify root causes and key contributing factors
• Review the adequacy of existing controls and procedures
• Recommend corrective actions that can reduce risk and prevent reoccurrence
• Detect organizational factors that can be analyzed to identify specific or recurring problems
• Identify and report on key learnings

Throughout 2014, we continued to provide ICAM participant and facilitator training courses to increase our pool of investigator capacity and capability, as well as ongoing coaching to trained personnel on executing quality investigations. Training and refreshers will continue in 2015 to ensure prompt and effective completion of incident investigations. We are pleased that we have met our commitment to train over
950 personnel in ICAM investigation methodology, and our focus has now shifted to maintaining our pool of capable investigators.

In 2014, we also developed and rolled out requirement and guidance documents to all our operations on the following reporting and investigative tools:

- HPI Classification model
- HPI Incident Reporting and Investigation Requirements
- ICAM flowchart

In 2014, there were eight PFOs, all of which were investigated using ICAM, and corrective actions were developed. The ICAM results are shared with all of our operations in order to facilitate a local gap analysis against the findings to prevent similar occurrences.

**Operating with Excellence**

Operating with excellence in safety means that we focus on managing high-potential risks by implementing supporting systems that build our culture of safety. These include the identification of fatal risks and associated critical controls, as well as standards, auditing, reporting on leading and lagging indicators, technological tools, and ongoing communications and training.

Our Health and Safety Policy defines our corporate commitment to providing leadership and resources for entrenching core values of health and safety across our company. In 2014, the policy was updated to reflect the greater focus we have today on identifying and controlling high-potential risks, as well as a greater emphasis on the management of occupational health and hygiene for the benefit of longer-term health. Our full Health and Safety Policy is posted on www.teck.com.

Accountability and oversight of health and safety performance rests at the highest level of our company. Health and safety incidents are reported on a quarterly basis to the Health, Safety, Environment and Community Risk Management Committee, which is made up of several members of our executive management team. The Safety and Sustainability Committee of the Board also plays an oversight and governance role in monitoring health and safety at Teck. In 2014, we also formed an executive Health and Safety Steering Committee to provide additional oversight of performance and to evaluate emerging health and safety improvement initiatives.

**Health and Safety at Exploration Sites**

Exploration activities often occur in remote and rugged locations, and we take special precautions to ensure that our workforce is healthy and safe within these work environments. At each of our exploration offices and project sites, Field Level Risk Assessments (FLRAs) and Job Safety Analyses (JSAs) are conducted to inform our understanding of location-specific health and safety hazards. These inform the development of appropriate management programs, including Emergency Response Plans (ERPs). ERPs are tested periodically, with certain projects running full emergency simulations. We also conduct exploration-specific health and safety training, such as off-road vehicle operations, advanced security training and wilderness first aid.

**Occupational Health and Employee Wellness**

The occupational health systems and procedures at our operations help prevent occupational illness. These systems and procedures are designed to limit worker exposure to harmful substances and other sources of occupationally related illness or disease. This includes exposure to dust, noise, vibration and hazardous materials. Where appropriate, our operations have education, training, counseling, prevention and risk control programs, as well as committees for managing and minimizing potential occupational exposures and diseases. We will continue to develop our occupational health and hygiene strategy to identify and minimize exposure of employees and contractors to chemical, physical and biological health hazards.

Aligned with our vision statement of everyone going home safe and healthy every day, we are raising the profile of occupational health and hygiene. In 2014, an Occupational Health and Hygiene Committee, consisting of corporate and business unit health and safety representatives, was formed to assist in the development of Teck Occupational Health and Hygiene Principles and to inform strategy development beyond 2015.

In 2013 and into 2014, we developed a company-wide Health and Wellness strategy that focuses on improving physical and mental well-being. The strategy brings together initiatives and resources across the company and builds on work already underway at sites and offices.

In 2014, in addition to conducting several on-site flu vaccination clinics, we continued a voluntary health testing initiative called Know Your Numbers at a number of operations. The value of this program continues to be apparent, as 371 personnel received key data to help them understand their unique health status, which often catalyzes actions to improve personal health.

**Building on our Health and Safety Performance**

In 2015, we will continue our focus on attaining our Health and Safety objectives. We will continue to implement our HPRC strategy across our business and continue to improve PFO investigation quality. Our goal is to have no repeat PFOs in 2015. Our plans in 2015 include developing leading indicators for health and safety, and augmenting existing efforts by placing a greater emphasis on occupational health and hygiene.
At Teck, nothing is more important than everyone going home safe and healthy every day. In 2014, for example, we reduced our high-potential incident (HPI) frequency rate by 22% compared to 2013, and attained a 25% lower reportable injury frequency than in 2013.

Despite these successes, we still have work to do before we achieve our vision of everyone going home safe and healthy every day. In 2014 we had two fatalities: one at our Coal Mountain Operations in British Columbia and another at our Tequila exploration project camp in Chile.

“These tragic incidents reinforce the importance of remaining ever vigilant,” said Bob Kelly, Vice President, Health and Safety. “They also prompted us to develop a High-Potential Risk Control (HPRC) Strategy, the guiding principle of which is that it is unacceptable to have serious injuries and fatalities in our workplace.”

The HPRC strategy is the result of a conscious decision we made to direct our safety efforts and resources towards those events that have the greatest ability to seriously or fatally injure any member of our team.

What does it mean to “control” a risk? Put simply, it means putting in place measures to effectively manage a safety risk. Going further, “critical controls” are measures that, when implemented, are most effective in preventing the unwanted event. A tenet of our HPRC strategy is ensuring that the procedural, physical and behavioural controls we have put in place at Teck to prevent fatalities are working as intended.

It is also important that any safety strategy achieve a balance between the cultural and technical elements. In this case, our HPRC strategy – the technical element – must work in tandem with and support the cultural element, our Courageous Safety Leadership (CSL) philosophy.

Our HPRC strategy aligns with our CSL philosophy, in that our people – acting as courageous safety leaders – are at the heart of our safety journey. Throughout the development of the HPRC strategy, we learned that, although a number of critical controls may exist to manage a risk, it is individual employees who are the key to implementing them. It is the men and women on the job every day who have to understand the risks associated with each task, so they can ensure the right controls are in place to stay safe.

We can look back at incidents that have already happened to identify many of our high-potential risks. But that does not provide us with insight into other risks that may exist but that have not yet generated an incident or fatality.

To help close this gap, we find that both individual and team-based risk assessments have an important role to play. One example of an individual risk assessment is our Take 5 personal safety planning tool in our coal business. For this initiative, we produced a pocket-size booklet to help employees form the habit of taking the time to assess workplace risks before they begin a task. Our Work Team Risk Assessments take place at our sites, where teams gather together and walk and talk through an everyday activity, asking the question: when I do this activity, what could potentially seriously or fatally injure me?

For those tasks that have a high-potential risk, we then ask what current and additional controls can be put in place and how we can review the effectiveness of these controls over time. We record the outcomes of the analysis and implement an action plan to close the gaps. These plans are then formally tracked.

We continue to track HPIs at our operations in order to learn from them. It is our goal to ensure that every one of the more than 10,000 employees and contractors across Teck adopts the principles of Courageous Safety Leadership and our HPRC strategy. By doing so, we will be able to achieve our vision of everyone going home safe and healthy every day.
Risk Checking/Validation

Teck Corporate Assurance
• Risk-based audits

Work Team Risk Assessments
• Identification of effectiveness processes

Operations Assurance
• Based on identified High Potential Risk

Risk Control

HPRC Requirements Documents
• Developed for Teck-wide common risks

Work Team Risk Assessments
• Critical control identification & action plans

HPRC Risk Identification

Performance History
• Review of fatalities & HPIs

Work Team Risk Assessments
• Activity-based review by work teams

Risk Assessment

Field Level Risk Assessments (or equivalent)
• Individual in advance of tasks

Job Safety Analyses (or equivalent)
• Team—non-routine tasks

Work Team Risk Assessments
Theme:

Providing High-Quality Employment

Pictured above: Welder Pete Kliment repairs a shovel bucket at Fording River Operations in B.C., Canada
Why is this theme important?

The generation of high-quality employment is one of the most important benefits we provide to the communities where we operate. This is not only due to the economic benefits that we distribute, in the form of salaries and local spending, but also because of the valuable skills and experience that our employees are able to accumulate through their work and training.

As employers, it is essential that we act fairly and responsibly towards those who work for us. This includes:

- Engaging openly and constructively with our employees and their representatives
- Respecting employees’ labour rights and complying with all relevant labour regulations
- Embracing diversity within our workforce

What does it mean for Teck?

Our vision is to attract, engage and develop people whose passion, skills and motivation lead our journey to a successful and sustainable future.

Like any business, our people are essential to our success. This is particularly important in the mining industry operating in North America, which is facing a significant demographic challenge in the form of an aging workforce. As a result, relevant technical skills and experience are likely to become harder to access in the future. For example, more than one-third of our workforce in Canada and the United States is over the age of 50, with a significant proportion of key personnel due to retire within the next five to 10 years. Any failure to continue to access required skills and experience will increase costs, contribute to operational disruption, and potentially lower production, and increase the risk of project delays. As a result, it is vital for us to develop our existing employees through training, education and work experience opportunities. It is also important for us to maintain our long-term talent pipeline through the attraction of new high-potential individuals.

We also work to maximize and demonstrate to local communities the value of having our operations in their vicinity. This includes benefits such as local employment and purchasing. We also recognize that many of our employees live in the areas where they work, which helps to ensure that the interests of our operations and local communities are closely aligned, which provides a solid foundation for constructive and cooperative relations based on mutual interests.

Why is this important to our communities of interest?

Wherever we operate, there is strong demand for high-quality employment and enhanced economic opportunities. As a major mine operator with long-term mineral assets located outside major economic centres, we are in a particularly strong position to deliver both.

Gaining employment at our operations can, for example, create important and lasting benefits for individuals. These include competitive compensation, training, experience and long-term career development and, by extension, long-term financial security for the families of our employees. In addition, employment at our operations provides additional economic benefits to the communities where we operate, due to the increased purchasing power of employees and our efforts to stimulate the local economy through local procurement.
Building our Workforce

People are the foundation of any successful business, and our employees are a core component of building value for our company, our investors and our communities of interest. Our approach to providing high-quality employment begins with providing a safe and healthy work environment. We focus on being a globally trusted company that is recognized as an employer of choice, and our goal is to provide rewarding careers and employee development opportunities that allow us to attract and retain the best people. Our human resources (HR) strategy focuses on:

- Attracting the right people, with the right skills when needed
- Ensuring that our people are fully engaged and have the capacity, competency and opportunity to grow individually and contribute to our success
- Building HR capability in order to ensure that we have the right skills and tools to support the needs of the business

Our Global Workforce Profile

At the end of 2014, there were 10,357 employees\(^2\) working at Teck-operated mining and metallurgical operations and offices. Figures 14 to 16 and Tables 10 and 11 present data on our workforce, broken down by age, gender, geographic location and employment type.

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\(^2\)Historical human resources-related data throughout this report has been restated due to continual enhancement of human resource reporting systems to improve data integrity and the implementation of standard definitions.
Non-Discrimination

Discriminatory practices are unacceptable and are not tolerated in our company. We are committed to the proper treatment of employees and to providing a procedure for employees to report incidents of discrimination or harassment, whether they involve a co-worker, a supervisor or any other person. We comply with all local laws that address discrimination and harassment, and we investigate all allegations. In 2014, we implemented our Violence, Bullying and Harassment in the Workplace Policy and delivered training directly to employees.

In 2014, we did not receive any allegations of discrimination through our whistle-blower hotline (see our Business Ethics section on page 37 for more information on our Doing What’s Right program).
Workforce Diversity

We believe that diversity in our workforce is important, and that a range of backgrounds and perspectives builds a stronger, more resilient company. While we have made progress in workforce diversity, there is much more to do. To address diversity at Teck, our CEO appointed a committee of senior executives to oversee our diversity-related initiatives in early 2015.

In addition to the site-specific strategies already in place to improve workforce diversity, we have also adopted a set of objectives that will help guide the development of a diversity strategy, and we are implementing a number of specific measures aimed at attracting and retaining a diverse workforce. These include:

• Developing education and training programs about why inclusion and diversity are important to our success. Our first program will be inclusion awareness training for the senior leadership team. We will also develop education materials to profile female role models in our company.

• Developing and rolling out a Diversity Policy; we will also formally roll out and train people on our gender guidance tool, part of our SMART (Social Management and Responsibility at Teck) program.

• Strengthening our recruitment process by implementing gender-sensitive recruitment and retention practices, as well as developing flexible working programs.

• Strengthening our talent process by proactively sponsoring individuals for leadership training programs and encouraging them to apply for more senior roles.

• Reaffirming a zero-tolerance policy towards all forms of violence at work, including verbal and/or physical abuse, and preventing sexual harassment through our new Violence, Bullying and Harassment in the Workplace Policy.

• Integrating our Human Rights Policy into recruitment and procurement practices.

We want our workforce to reflect the diversity of the communities in which we operate. Our current focus in respect to diversity efforts is working to attract more women and Indigenous Peoples to our workforce.

While some companies may set numerical targets related to the diversity of their workforce, we have chosen not to do so, on the grounds that appropriate skills and experience must remain the primary criteria for employment with our company. We believe this approach will also help avoid the perception that individuals have been selected for employment or advancement on the basis of their gender, rather than their qualifications. As we take steps to enhance diversity, including increasing the number of women who work at our company, we will pursue additional measures in support of our diversity strategy and our commitment to equality of opportunity.

Women are currently under-represented within our company and within the mining industry as a whole, and a key focus in building our workforce diversity is identifying strategies to increase the number of women working at our company. With approximately 70% of our employees working in operations, the greatest challenge in attracting women to these roles is changing the perceptions on the role of gender in these positions and generally in the mining industry.

Women are considerably under-represented in skilled trades – defined broadly as an occupation that requires specialized skills and knowledge as well as apprenticeship training and certification – at a time when these workers are more in demand than ever. Men accounted for 93% of all trades workers in Canada in 2011, with this proportion not having changed materially over the past two decades. Overcoming outdated perceptions and gender stereotypes is something that we seek to take leadership on in our industry, including demonstrating that women are capable of achieving leadership positions across the company. See Table 28 for the distribution of women at Teck by position type.

Since 2010, we have increased the number of women in operations and technical roles by 58%. See Table 12 for details. Operational and technical positions include: equipment operators, tradespersons, geologists and engineers. This data only includes full-time active regular employees.
### Table 12

#### Women in Operational or Technical Positions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Labourer, Operator, Loss Prevention</td>
<td>77</td>
<td>339</td>
<td>327</td>
<td>278</td>
<td>235</td>
<td>191</td>
</tr>
<tr>
<td>Technical</td>
<td>33</td>
<td>174</td>
<td>183</td>
<td>166</td>
<td>153</td>
<td>131</td>
</tr>
<tr>
<td>EIT</td>
<td>50</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Engineer</td>
<td>92</td>
<td>71</td>
<td>72</td>
<td>72</td>
<td>49</td>
<td>37</td>
</tr>
<tr>
<td>Geoscience</td>
<td>36</td>
<td>49</td>
<td>51</td>
<td>56</td>
<td>48</td>
<td>36</td>
</tr>
<tr>
<td>Apprentice</td>
<td>-28</td>
<td>10</td>
<td>12</td>
<td>11</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Trade</td>
<td>35</td>
<td>27</td>
<td>25</td>
<td>20</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>Superintendent</td>
<td>180</td>
<td>14</td>
<td>13</td>
<td>9</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Supervisor</td>
<td>67</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>58</td>
<td>692</td>
<td>691</td>
<td>619</td>
<td>533</td>
<td>439</td>
</tr>
<tr>
<td>As a percentage of all employees in operational or technical roles (%)</td>
<td>–</td>
<td>6.4</td>
<td>6.2</td>
<td>5.6</td>
<td>4.9</td>
<td>4.5</td>
</tr>
</tbody>
</table>

### Table 13

#### Women in Operational or Technical Leadership Positions

<table>
<thead>
<tr>
<th>Percentage Change Since 2010 (%)</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership positions within the above</td>
<td>136</td>
<td>111</td>
<td>96</td>
<td>78</td>
<td>67</td>
</tr>
<tr>
<td>Percentage of women in operational or technical leadership positions (%)</td>
<td>49</td>
<td>16</td>
<td>13.9</td>
<td>12.6</td>
<td>12.6</td>
</tr>
</tbody>
</table>

### Hiring Indigenous Peoples

Local hiring of Indigenous Peoples is an element of diversity that is important to us because of the areas where we operate and the agreements with Indigenous Peoples that we make. In Canada, the provision of information on Indigenous status is on a voluntary basis only. Indigenous Peoples do have the opportunity to self-identify during on-boarding processes. Therefore, tracking Indigenous Peoples in the workforce is a challenge, but we are developing ways to include this indicator across the company more broadly in the future. We currently track Indigenous Peoples at our Highland Valley Copper, Red Dog and Pend Oreille operations.

Our Red Dog Operations, which has a target of 100% of its employees being NANA shareholders, is currently our only site with a formal tracking system for Indigenous employees. This target was established as part of our operating agreement with NANA. The percentage of NANA employees currently stands at 51%.

Our Highland Valley Copper and Elk Valley coal operations have begun to develop systems and processes to support the Indigenous employment commitments that we have made in formalized agreements as well as informally with local First Nations communities. For example, our joint working committees with First Nations have developed recruitment practices, training programs and other tools to support Indigenous hiring and employment. In 2014, our efforts to contain costs prohibited any increases in hiring across the company. Highland Valley Copper Operations, however, maintained their hiring of self-identified Indigenous Peoples.
Employee Turnover and Reductions

Our workforce is vital to our business but 2014 represented a difficult year, with reductions to our team. Throughout 2014, we continued our cost reduction program, with an ongoing focus on efficiency as we faced challenging market conditions for the commodities we produce. This included employee reductions in order to maintain our competitiveness. As part of our cost reduction program, we reduced our global workforce by approximately 5%, which meant the elimination of approximately 600 positions. Wherever possible, these reductions were achieved through attrition.

We recognize that this is challenging for the individuals involved and we made great efforts to ensure that employees and their families were supported during this transition, by providing exit packages that included personal counselling and coaching, assistance with career transition, and help with understanding opportunities available in the wider economy, in addition to financial compensation. Wherever possible, personnel were directed to other opportunities available at Teck.

For overall understanding of workforce dynamics and changes, we track employee turnover, including voluntary resignations, involuntary layoffs and retirements. Figure 32 in Appendix A outlines voluntary and total turnover numbers, and rates by gender and age group across the regions in which we operate.

Voluntary Turnover by Region and Gender

<table>
<thead>
<tr>
<th>Region</th>
<th>Female Turnover</th>
<th>Male Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>1.33%</td>
<td>8.25%</td>
</tr>
<tr>
<td>South America</td>
<td>0.38%</td>
<td>2.38%</td>
</tr>
<tr>
<td>Other</td>
<td>0.01%</td>
<td>0.08%</td>
</tr>
</tbody>
</table>

Building Positive and Productive Labour and Management Relations

Building positive employee relations is a key objective for us. Mining has traditionally been a heavily unionized industry, and we continue to develop and improve our relationship with unions and our unionized employees, at both the local and national levels.

Approximately 58% of our workforce is unionized. We fully recognize the rights of employees to freely associate and join trade unions, and we have embedded the principle in our Health, Safety, Environment and Community Management Standards. All operations have employee committees covering various matters. For example, all locations have an Occupational Health and Safety Committee to deal with safety issues. Examples of other committees found at our operations include: Labour/Management, Training, Apprenticeship, Grievance, and Contracting Out committees. We ensure that our minimum notice periods meet or exceed those stipulated by applicable employment standards. Minimum notice periods may also be specified in collective agreements. Whenever possible, we work collaboratively with unions to engage our hourly employees.
In 2014, there were no strikes or lockouts at any of our operations. Collective agreements expired at Line Creek and Coal Mountain operations on May 31 and December 31, respectively. Negotiations at both operations have carried over into 2015.

**Developing our People**

Our people are our greatest asset, and we invest in developing the skills and leadership qualities of our employees. Faced with challenging market conditions in 2014, we considered the best way to maintain momentum in advancing our workforce’s abilities while, at the same time, considering our objectives of cost containment. Programs for operations personnel were a priority, but in order to be fiscally responsible and to contribute to the economic sustainability of the business, the rate of development program delivery in 2014 was reduced in some cases.

To date, 1,200 front-line supervisors and managers, or about 63% of eligible employees, have participated in our Leading for the Future (LFF) and Leading for Excellence (LFX) leadership development programs. In 2014, the Leadership Challenge was launched, building on the impact and success of LFF and LFX. As a follow-on program, it brings together past participants from LFF and LFX, in site-based cohorts, to continue to raise the bar and create future leaders.

In partnership with Simon Fraser University, our Business Education Program has allowed employees the opportunity to enhance their education by attaining a Master of Business Administration (MBA) and/or a Graduate Diploma in Business Administration (GDBA). In May 2014, these programs were also placed on hold, except for those participants who were within one course of completion. To date, 310 employees have completed one or more GDBA courses and 100 employees have completed the GDBA program, with 50 employees completing the MBA program.

Operations-based employees are provided with training in various forms, including comprehensive multi-day on-boarding programs. To introduce employees to important information about working safely, on-the-job training is provided to support high levels of operator competency, as well as apprenticeship and employee training in safe work practices and procedures, including mine rescue. In 2014, there were over 250 apprentices across our operations.

**Performance Review**

As at year-end 2014, we had a total employee workforce of 10,357 people, of whom 4,433 were regular salaried employees and 5,924 hourly employees were largely in operational roles. Over 90% of our regular full-time, active salaried employees received formal performance development and career reviews in 2014. In addition, we are in various stages of implementation and execution of annual performance and development reviews, including career conversations, for our hourly employees.

**Employee Remuneration**

Our global compensation philosophy is to provide total compensation that is both externally competitive and internally equitable, and that is consistent with the company’s ability to pay. In all locations, our objective is to offer competitive total rewards programs that will attract and retain the calibre of employees that will help the business succeed.

Most salaried employees are also eligible to participate in the Teck Bonus Plan. This is a variable program with payouts based on company, business unit and individual performance. Key metrics for the company and business unit/site performance include return on capital employed, safety, production, cost and sustainability. Sustainability performance is measured on the site’s implementation of sustainability goals for our biodiversity, water, energy and community focus areas. Compensation for most hourly employees is governed by collective bargaining agreements. Hourly rates, which are determined regardless of gender, are based on factors such as job grade and time on the job.
Case Study: Developing a Highly Skilled Workforce

At Teck, our vision for Our People is to attract, engage and develop employees whose passion, skills and motivation lead our journey to a successful and sustainable future. Skilled tradespeople – such as heavy duty mechanics and industrial electricians – play a key role at mining operations. One of the ways we recruit for skilled tradespeople in our coal business unit is through our participation in the College of the Rockies (COTR) Mining Apprenticeship Program (MAP). We also have an internal apprenticeship program whereby we identify current employees who are looking to move into a tradesperson role and we help facilitate that transition.
Our apprenticeship program is important because Canada’s labour market already suffers from an acute shortage of skilled workers. A recent report by CIBC suggests that as much as one-fifth of the labour market does not have enough qualified workers. In the mining industry, it is expected that we will need to find 81,000 new workers over the next decade.

Our apprenticeship program links to several of our short-term sustainability goals for Our People, including retaining existing employees and skills, and increasing employee training and development opportunities.

In the COTR MAP, prospective apprentices enter the program to learn a trade. Depending on the trade, the prospective apprentices enter a three- to four-year program, and take six to 10 weeks of classes at the COTR, with the remainder of the year spent at our steelmaking coal mines in the Elk Valley for on-the-job training. Successful candidates from the program are employed by the COTR. The intent is that, at the end of the three- to four-year apprenticeship, we have helped create a qualified candidate to fill a tradesperson role in the mining industry.

Darren Sorenson and Gene von Matt, who are Senior Training Coordinators at our Fording River and Elkview operations, respectively, are responsible for coordinating the MAP at their sites.

“The COTR starts the process by selecting candidates, and then representatives from the COTR invite us to participate in interviews to select the best fit for the particular trade we need at our site,” said Sorenson.

“We look for men and women who are safety-conscious, who have positive attitudes and a good work ethic, and who are eager to learn and make their home long term in the Elk Valley,” he added.

Sorenson and von Matt work closely with the staff at the COTR and oversee all the work placements at Teck, making sure the apprentices are able to move around from area to area to gain a wide variety of skills. For example, one rotation might be a six-month stint in the maintenance shop and six months in the field working on our shovels and drills, learning from an experienced heavy duty mechanic. The apprentices get to work on their own when they are trained to a certain level, but a certified tradesperson is always nearby to assist or answer questions if necessary.

“Our goal is to provide a well-rounded training experience, where the apprentices can work with and learn from our experienced tradespeople on our current mining equipment,” said von Matt.

The COTR has 11 apprentices due to complete the MAP in 2015, and following graduation and the successful passing of provincial and interprovincial Red Seal exams, we will offer jobs to a high percentage of the graduating class.

Our apprenticeship program in the coal business unit is an internal program where we identify current employees – haul truck drivers, for example – who have the commitment and ability to develop their skills further and to move into a tradesperson position.

At Elkview Operations, we currently have 44 apprentices on-site, the majority of which were already Teck employees. To recruit internal candidates, we post opportunities internally, and then work with the COTR to test the successful candidates’ math, grammar and spatial abilities, as needed for the applicable trade. When the employees pass the exam, they complete a detailed information package, outlining their education and prior practical experience, which will be reviewed and scored by the apprenticeship selection committee. This selection committee is made up of Elkview staff and union representatives familiar with the applied-for trade.

Our apprenticeship program benefits both our employees and prospective employees by providing them with an opportunity to take their careers to the next level.

And we benefit from a skilled workforce that will help us achieve our business goals throughout the coming decades. When we train certified trades through our apprenticeship program, we know they have the necessary skills, as well as a good understanding of our sites, equipment, procedures and people.

We have had tremendous success with the COTR MAP and our apprenticeship program to date, and look forward to continuing to nurture the transformation from apprentice to tradesperson – the next generation of Teck employees.
Water

Pictured above: river near Fording River Operations in B.C., Canada
Water is one of Teck’s most material sustainability issues. We are affected by, and we can affect, the availability and quality of water. Being able to use water efficiently, maintain water quality and ensure the fair allocation of water resources is essential for us to maintain access to water. Given the global trends in water scarcity and deteriorating water quality, we are working to address key issues, including increased competition for water, restricted water use, more stringent limits on discharge water quality and quantity, increased monitoring and reporting requirements, and the development of more innovative solutions for water treatment and conservation.

We want to be a leader in water stewardship, helping to ensure our continued access to water and setting the foundation for strong relationships with communities and other water users in our areas of influence.

The key themes and issues of 2014 related to our Water focus area were:

- Theme: Implementing Responsible Water Stewardship
- Material Issue: Protecting and Conserving Water
- Material Issue: Managing Tailings Responsibly

**Vision:** We contribute to the ability of present and future generations to enjoy a balance between the social, economic, recreational and cultural benefits of water resources, within ecologically sustainable limits.
Theme:

Implementing Responsible Water Stewardship

Pictured above: Victoria Gehue, Environmental Officer, takes water samples at Fording River Operations in B.C., Canada
Why is this topic important?

Water is essential to life on earth, and the protection of water resources is of importance across all sectors of the economy. In the mining industry, water management has emerged as a central issue because mining typically uses large volumes of water and can potentially affect water quality, which can impact other water users in their immediate areas of influence when water is returned to the environment. As a result, the industry can affect, and is affected by, issues of water availability and quality. Mine operations must demonstrate leadership in water stewardship by using water efficiently, by maintaining water quality and by engaging with communities to collaboratively manage a shared water resource.

What does it mean for Teck?

Water is our most material sustainability issue and is likely to remain so in the future. Without adequate access to water, our operations could not operate. Beyond the operational constraints, responsible water management is also fundamental to our social licence to operate and to gaining the trust of our communities of interest in our ability to manage water impacts.

Our vision is to contribute to the ability to enjoy a balance between the social, economic, recreational and cultural benefits of water resources, within ecologically sustainable limits. We aim to be a leader in water stewardship by improving our understanding of the quantity and quality of water used at all our mining operations, by achieving measurable improvements in water use and quality, and by engaging with other water users in our areas of influence.

Why is this important to our communities of interest?

 Communities near our operations or with whom we share watersheds care about access to sufficient quantities of clean water for physical and spiritual health, quality of life, economic well-being and the maintenance of the local environment.

At a global level, Teck has endorsed the UN Global Compact CEO Water Mandate. This means we have a commitment to adopt and implement the Mandate’s strategic framework and its six core elements for water management, and to publicly report on progress annually.
We aim to be a leader in water stewardship by moving beyond compliance, towards collaborative water management practices that focus on sustaining and restoring water resources. Our approach to water management is based on three key elements: maintaining water quality, collaborating with our communities of interest to ensure the fair allocation of water, and using water efficiently.

Our commitment to water stewardship is embodied in our HSEC Management Standards and our sustainability strategy. Our Water, Ecosystems and Biodiversity management standard defines our company-wide approach to managing water, including the following basic elements:

- Engaging with communities to identify diverse watershed interests and concerns
- Developing and implementing water management plans and water balances and site-specific water management plans
- Training employees in water management
- Collaborating with local and international organizations to contribute to effective water management

In 2013, each of our operations completed integrated water management plans (IWMPs) and site-wide water balances, which are central components of our water management strategy. IWMPs are updated annually in conjunction with the update of each operation’s water balance. Each plan also describes how the operation fits into the local watershed and its associated regulatory context.

IWMPs, which were developed as the framework to guide water management activities at each of our operations, describe how water is managed now and in the future. They help us work towards operation-specific objectives and performance, as well as our company-wide 2015 water goals. Specifically, they describe how water will be managed, in order to:

- Contribute to meeting our sustainability goals
- Provide direction and strategy to address water management risks and challenges
- Establish how water management infrastructure performance will be monitored and reviewed
- Determine staffing resources that are required for water management

Site-wide water balances provide an understanding of water inputs, of consumption, and of reuse/recycle and discharge volumes at each operation. Water balances are used as a decision making tool to assess water management alternatives, to evaluate an operation’s water management performance and to provide water data for our company-wide reporting.

In 2014, we continued to make progress towards our 2015 water goals. Our operations have identified their site-specific 2015 water targets, and are working towards implementing projects and/or initiatives to meet these targets. Performance of these projects and/or initiatives will be assessed at the end of 2015. Our targets include water quality targets to reduce long-term risks related to water quality through improved water management practices or new treatment facilities, as well as water quantity targets to increase the volumes of water reused.

Protecting Water Quality

Protecting water quality is a key part of our sustainability strategy. Our efforts are focused on keeping clean water clean through a strategy that avoids affecting water quality whenever possible. In order to ensure compliance with applicable standards, regulations and permits, we monitor the quality of water that is discharged from our operations and returned to the environment.

Managing Selenium in the Elk Valley

We are committed to managing water quality constituents related to our mining activity to ensure the health of the Elk Valley watershed near five of our steelmaking coal operations in southeast British Columbia.

The mining process generates large quantities of waste rock that contains naturally occurring substances, such as selenium. Water from both precipitation and runoff flows through these rock piles and carries selenium and other substances into the local watershed. While selenium is an essential element for human and animal health in small amounts, it can potentially impact aquatic health in higher quantities. We are implementing solutions to stabilize and reverse the increasing trend of selenium and other substances in the Elk Valley to ensure the ongoing health of the watershed, while at the same time allowing for continued sustainable mining in the region.

Beginning in the spring of 2013, Teck led a ground-breaking process to develop an area-based management plan to address water quality challenges in the Elk Valley – the Elk Valley Water Quality Plan. The Plan was developed with input from the public, First Nations, governments, technical experts and numerous other stakeholders. Feedback was collected through an extensive three-phase consultation process with the public, Ktunaxa Nation and other interested parties that
generated over 160 written feedback submissions. In addition, a Technical Advisory Committee (TAC) provided close to 700 pieces of science-based advice to Teck on the Plan development. The TAC included representation from the Ktunaxa Nation Council, the provincial government, the government of Montana, the Canadian and U.S. governments, and a third-party independent scientist.

The Plan is based on detailed research and study into aquatic health in the Elk Valley and consideration of current and future mining activity, conducted by a world-class team of over 45 Teck staff and expert consultants. We also conducted a comprehensive evaluation of potential effects of selenium on human health and groundwater, which concluded that current concentrations of constituents in water, sediment or fish do not present unacceptable human health risks for these activities.

The Plan sets out short-, medium- and long-term water quality targets for selenium, nitrate, sulphate and cadmium to protect human and aquatic health and our approach to achieving them. This includes a process for ongoing monitoring of the ecological health in the Elk Valley and the effectiveness of the water management options employed. An adaptive management approach will ensure that implementation evolves in step with changing circumstances, monitoring results, and the outcomes of Teck’s R&D program, as well as advances in the science and technology available to manage water quality.

The Plan was submitted to the B.C. Ministry of Environment in July 2014 and was approved by the B.C. government in November 2014 as a guide to future regulatory decision making regarding water quality and mining in the Elk Valley.

Key components of the Plan are:

- **Water treatment facilities** to remove selenium and other constituents from mine process water before we discharge the water back into the watershed. Our first water treatment facility has been constructed at our Line Creek Operations and is going through start-up in 2015.
- **Water diversions** to divert water around waste rock dumps to prevent it from picking up unwanted substances; three water diversions have been built to date at our operations (keeping ‘clean water clean’)
- **Research and development** to improve water quality management technologies and techniques
- **Monitoring** to assess the effectiveness of our strategy, so we can adapt as needed

The implementation of the Plan will initially involve the construction of three active water treatment facilities and diversions to reduce selenium and nitrates in the receiving environment. Previous cost estimates for water quality management contemplated total capital spending of approximately $600 million over a five-year period, including the $120 million already invested to build the facility at Line Creek Operations. In light of the approval of the Elk Valley Water Quality Plan, we expect capital spending over that period to remain in this range.

**Promoting the Fair Use of Water**

Access to clean and sufficient water by users in our areas of influence is important to us and to our communities of interest. When implementing our water management practices, we consider and engage with other water users in the watersheds where we operate.

We promote the fair use of water at all of our operations. Two of our operations are located in regions where water is scarce, and it has been particularly important for us to consider our neighbours’ water needs at these locations. We are implementing various strategies to manage our impacts on local water availability at our Carmen de Andacollo Operation, and at Quebrada Blanca Operations and the associated Quebrada Blanca Phase 2 project.

Looking ahead, we recognize that competing demands in these water scarce regions could result in water resources becoming less available or more costly over time, which could increase operating costs and intensify COI concerns related to water. To manage these risks, we have been developing and utilizing alternative water sources such as seawater and municipal wastewater, and we are engaging with our COIs to collaborate with them on fair water allocation.

We continue to make progress towards reducing our water needs in these water-stressed regions. Our Quebrada Blanca and Carmen de Andacollo operations are maximizing water reuse: 86% of the water used at these sites is from recycled or reused sources, while the remaining 14% of the water used at these sites is from new water. In addition, we are planning to use desalinated seawater for our Quebrada Blanca Phase 2 project in order to protect and conserve local water sources. This water will be pumped approximately 170 kilometres from the coast via pipeline to Quebrada Blanca.
Improving Water Efficiency

We continuously work on optimizing our water use and minimizing our impact. In 2013, we developed site-specific water balances at each of our operations and reported on our company-wide water balance for the first time. Our water balances consist of data on the volume of water input, use, reuse, recycling and outputs at each operation. The company-wide water balance is complex, due to the variability of natural factors such as rainfall, snowmelt and the diversity of the climate where we have our operations. These factors can affect the flows within aquifers and surface water. Understanding our water balance is key to improving water management practices and enabling better decision making.

Our company-wide water balance for 2014 is shown in Figure 19.

Water Used, Reused and Recycled

We used a total of 334.1 million cubic metres (m$^3$) of water in 2014, of which 128.7 million m$^3$ was new water, and 205.4 million m$^3$ was reused or recycled water. This was similar to 2013, when we used 329.6 million m$^3$ of water, of which 132.3 million m$^3$ was new water, and 197.3 million m$^3$ was reused or recycled water.

We track our water data at both the company-wide and operational levels. Water reused and recycled, expressed as a percentage of new water use, was 160% across the company. At our mining operations only, this percentage was 407%. This means that our mining operations recycled and reused the same water just over four times on average before returning that water to the environment.

Our zinc and lead smelting and refining facility at our Trail Operations accounts for approximately 28.5% of our total water use and 63.4% of our new water use. This water is primarily used for cooling purposes, meaning that it does not come into contact with chemicals or reagents, and the only change it undergoes is a slight increase in temperature before being returned to the environment. Therefore, we track this water separately from the data for our mining operations.

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Figure 19

Company-Wide 2014 Water Balance in million cubic metres (m$^3$)$^{1\text{st}}$

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Water Inputs</td>
<td>392.6 m$^3$</td>
</tr>
<tr>
<td>New Water Used</td>
<td>128.7 m$^3$</td>
</tr>
<tr>
<td>Reused and Recycled Water</td>
<td>205.4 m$^3$</td>
</tr>
<tr>
<td>Water Inputs Discharged Without Use</td>
<td>263.9 m$^3$</td>
</tr>
<tr>
<td>Third-Party Water</td>
<td>0.003 m$^3$</td>
</tr>
<tr>
<td>Surface Water</td>
<td>357.1 m$^3$</td>
</tr>
<tr>
<td>Groundwater</td>
<td>35.5 m$^3$</td>
</tr>
<tr>
<td>Other</td>
<td>55.2 m$^3$</td>
</tr>
<tr>
<td>Groundwater</td>
<td>44.6 m$^3$</td>
</tr>
<tr>
<td>Third-Party Water</td>
<td>1.8 m$^3$</td>
</tr>
<tr>
<td>Seawater</td>
<td>0.1 m$^3$</td>
</tr>
<tr>
<td>Total Water Outputs</td>
<td>388.6 m$^3$</td>
</tr>
</tbody>
</table>

$^{1\text{st}}$Numbers may not add up due to rounding.
How to Read a Water Balance

**Water inputs:** Water that is received, extracted or managed (i.e., collected and conveyed through an operation’s infrastructure). Water inputs can come from:

- Surface water
- Groundwater
- Seawater
- Third-party sources

Water inputs exclude water diverted away from operational areas.

**Water use:** Water used for mining or operational processes, such as for mineral processing, cooling, dust control or truck washing. Water use includes:

- New water – water that is used for the first time
- Reused water – water that is reused without being treated between uses
- Recycled water – water that is reused and is treated prior to reuse

**Water discharged without use**

**Water outputs:** Water that is returned to the environment or is not available for further use after it has been collected, used, treated or stored. The destinations for water outputs include:

- Surface water
- Groundwater
- Seawater
- Third-party entities
- Other

**Water accumulated:** The difference between water inputs and water outputs. This is indicative of the change in the stored water volume at our operations.

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(1) Surface water includes water from precipitation and runoff that is not diverted around the operation, and water inputs from surface waterbodies that may or may not be within the boundaries of our operations. We do not directly collect rainwater for use in our operations.

(2) Third-party water is water supplied by an entity external to the operation, such as from a municipality. We do not use wastewater from other organizations.

(3) Other includes water that has evaporated and is not recoverable (e.g., entrained in the ore concentrate or tailings).

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**New Water Intensity**

We benchmark our water performance on the basis of new water use intensity, as shown in Table 15. Our new water use intensity is defined as the annual volume of new water used per unit of material processed for our coal, milling and flotation operations. These water metrics allow us to more consistently evaluate our water performance independent of variations in annual precipitation and ore grades. In addition, these metrics will allow us to establish new water use efficiency targets that will inform water management decisions and improvement projects at our operations.
Our 2014 new water use intensity metrics showed an improvement for our coal operations and our milling and flotation operations relative to 2013. The improvements at our coal operations are largely attributable to Fording River, where a water supply source was changed to a tailings pond, effectively maximizing water reuse. The improvements at our milling and flotation operations are largely attributable to Highland Valley Copper Operations (HVC). In 2014, an increase in water use was required at HVC to support an increase in production throughput. This water was mainly sourced from the tailings storage facility, which is primarily reused water; as a consequence, the quantity of new water used at HVC remained relatively constant in 2013 and 2014.

For Quebrada Blanca Operations and Trail Operations, an intensity metric for new water is not meaningful because the volume of new water used at both operations is largely independent of the quantity of material processed or produced. Therefore, we assess our water performance at Quebrada Blanca Operations and Trail Operations based on the absolute amount of new water used. In 2014, Quebrada Blanca Operations used 1.8 million m$^3$ of new water, a minor decrease from 2013, when 1.9 million m$^3$ of new water was used. In 2014, Trail Operations used 81.6 million m$^3$ of new water, a decrease from 2013, when 83.3 million m$^3$ of new water was used.

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### 2014 New Water Use Intensity

<table>
<thead>
<tr>
<th></th>
<th>Coal Operations (1)</th>
<th>Milling and Flotation Operations (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New water use, in million cubic metres (m$^3$)</td>
<td>15.6</td>
<td>29.4</td>
</tr>
<tr>
<td>Quantity processed or produced</td>
<td>40,424,000 tonnes of raw coal processed</td>
<td>72,565,000 tonnes of ore processed</td>
</tr>
<tr>
<td>New water use intensity</td>
<td>0.39 m$^3$/tonne of raw coal processed</td>
<td>0.41 m$^3$/tonne of ore processed</td>
</tr>
</tbody>
</table>

(1) Includes Cardinal River, Coal Mountain, Elkview, Fording River, Greenhills and Line Creek operations.
(2) Includes Red Dog, Highland Valley Copper, Duck Pond and Carmen de Andacollo operations.

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New water volumes in 2013 at Trail Operations have been updated because of a recalculation of this data.
In 2011, Lee-Anne Walker, a 32-year resident of the Elk Valley, gathered a group of friends, neighbours and other citizens at a coffee shop in Fernie, British Columbia to talk about water quality in the Elk River watershed.

The Fernie Flow (Friends Living on Water) Conversation was intended to connect local residents interested in promoting the health of the Elk River watershed, and to engage them in educational and conservation activities to support that goal.

That modest gathering four years ago grew to become the Elk River Alliance (ERA), an organization that brings together individual citizens, local governments, companies and community groups, with the shared purpose of keeping the Elk River watershed healthy – fishable, drinkable and swimmable – for future generations.

Membership in the ERA includes Teck and local organizations such as Wildsight, the Sparwood Fish and Wildlife Association, and citizens with an interest in river recreation, raft guiding and fly fishing, among other endeavours.

Teck is involved with the ERA because protecting water quality, improving water efficiency and promoting the fair use of water is important. Our focus as a company is on ensuring that we avoid or adequately mitigate effects, and that we avoid impacts on other water users who rely on shared water resources. It is for these reasons – in addition to being the right thing to do as a good neighbour in the Elk Valley – that we are an active participant in the ERA.

Carla Fraser, Manager of Environmental Compliance for our coal business unit, has served on the ERA Board of Directors as an industry representative since its inception. “Understanding and appreciating water quality issues in the Elk Valley is important to Teck, and participating in the ERA helps us do both,” she said. “As a member, we attend board meetings and events to share information and to participate in conversations about community views related to water quality. We also share water quality data that we have collected at our sites to help inform the discussion.”

From 2011 to 2014, Teck contributed approximately $100,000 in funds and in-kind contributions to ERA for mapping support, including use of Teck’s imaging technology and data for assessing ecosystem health in local valleys. In 2014, we provided $20,000 in support of their programming, their camps and their work in the watershed.

ERA members, including Teck, believe that well-managed human activities can ensure both a healthy ecosystem and a robust economy. The ERA uses education to raise awareness and water literacy. Knowing where water comes from and how it is used along with being aware of issues affecting water and stewardship solutions can inform decisions made at the local level to protect and nurture the watershed. The ERA has been instrumental in facilitating community dialogue about water quality in the Elk Valley. This included hosting watershed stewardship summer camps for youth, co-sponsoring Mining Week with Teck in local schools, and sponsoring the annual Elk River Great Canadian Shoreline Cleanup.

“ERA appreciates our open and honest relationship with Teck and the ability to discuss issues, propose solutions and be respectfully heard. Mining has an impact on the watershed but I feel that Teck is committed to doing what they can to minimize this impact through the use of sustainable mining best practices,” said Lee-Anne Walker, Founder and Executive Director, ERA.

For more information on our progress on water quality, visit www.teckelkvalley.com. For more information on the Elk River Alliance, visit www.elkriveralliance.ca.
Selenium, which is an element that is essential for human and animal health in small amounts, can, in high enough quantities, potentially affect aquatic health.

Managing the release of selenium from waste rock is a priority for our steelmaking coal operations. We are committed to managing selenium to ensure the health of watersheds near our operations in order to support continued sustainable mining in these regions.

Case Study: Selenium Management Successes at Cardinal River Operations

One example of a selenium management action at a legacy site was the 2013 commissioning of a pipeline to transport water with elevated selenium concentrations from our B6 Pit to our coal processing plant for use as process water. This system, which went into operation in 2014, is a good example of how we can reuse water to help reduce the release of selenium downstream of our operations.

We also continue to maintain a biochemical reactor (BCR) treatment facility on Leyland Pond for capturing and passively treating selenium prior to release into the watershed. The BCR works by using naturally occurring organisms to reduce the mobility of selenium. The Leyland Pond BCR has become our coal business unit’s benchmark for measuring the success of this passive water treatment technology on a pilot scale application, and it could inform future selenium management at other sites.

In 2014, CRO also began examining the effectiveness of managing selenium through use of saturated waste rock fills. These are mined-out coal pits that have been filled with waste rock and allowed to saturate with water. Saturated waste rock fills show potential as a technique for managing selenium release. The work underway at CRO is an important component of our overall selenium research and development program.

Aside from specific capital projects, selenium management at CRO is integrated into our cost of doing business, and the results of our surface and groundwater monitoring in 2014 indicate that Cardinal River’s selenium management plan is having a positive impact on water quality in the McLeod River.

“We set objectives to address selenium during all three phases of our mining business, and we take selenium into consideration with every decision we make,” said Marc Symbaluk, Superintendent, Environment, CRO. “Our actions will continue to have a positive influence on water quality in the McLeod River watershed, ensuring its long-term health and supporting continued sustainable mining in the region.”

Since 2011, each of our steelmaking coal operations has been required to submit an annual selenium management plan to our coal business unit. These plans are an important component of our sustainability commitment to address water quality, namely keeping clean water clean, minimizing water quality deterioration and restoring affected water resources. To manage selenium, we use an ecological risk-based approach that engages stakeholders, including community members, industry, and provincial and federal agencies.

Our Cardinal River Operations (CRO) in west-central Alberta has made strong progress in implementing options to reduce and control selenium, with the goal of protecting the McLeod River watershed. Our strategy to reduce selenium includes management actions across the three phases of a mine’s life: planning, operation and reclamation; however, we made a conscious decision to prioritize selenium management for reclamation and legacy sites at CRO. We came to this decision after a site-specific ecological risk assessment showed that managing selenium at these sites would have the greatest overall benefit for our selenium reduction efforts.
Managing Tailings Responsibly

External Developments in 2014

Tailings management
The August 2014 breach of the Mount Polley copper and gold mine tailings storage facility (TSF) in British Columbia (B.C.) resulted in the release of tailings and water into Polley Lake and its surrounding water systems. While this was a non-Teck mining operation, the significance to the entire mining industry was obvious. A subsequent investigation by an independent review panel found that the breach was caused by a zone of weakness in the foundations of the perimeter dam (which had not been properly accounted for during its original design).

Implications
The event at Mount Polley raised public concerns about the integrity of TSFs in B.C. and in the mining sector more broadly. In August 2014, approximately two weeks following the event, B.C.’s Minister of Energy and Mines ordered all TSFs in the province to have a Dam Safety Inspection (DSI) with verified third-party approval of the inspection findings. These DSIs were required by the end of 2014. In December 2014, we completed and submitted DSIs for all of our TSFs in B.C., along with the third-party engineering review of each DSI and an outline of our response to inspection recommendations. These DSIs confirmed that there were no serious safety or stability issues at our operations or closed facilities in the province, and that all of our dams are safe and in good condition.

In January 2015, the Mount Polley Independent Expert Engineering Investigation and Review Panel (the Panel) delivered its final report. The report included a number of recommendations regarding items such as the use of best available technology and best available practices, governance, and increased use of tailings review boards.

Following release of the report, the government of B.C. augmented their August 2014 order to include:
• Ordering all operating mines to identify whether they had foundation materials similar to those found at Mount Polley – and, if so, to confirm (1) whether sufficient testing had been carried out to determine the strength of these foundation materials, and (2) whether their TSFs were designed to address the nature of these foundation materials
• Requiring all operating mines to establish independent TSF review boards
• Initiating a review of the Mining Code on how best to implement recommendations regarding best available practices and best available technology

The order also noted that the Province would review how best to implement the remaining recommendations of the Panel.

We are confident in the integrity of our existing TSFs. Nonetheless, we recognize the need for the mining sector as a whole to provide assurance and to protect its social and political licence to operate. We will continue to monitor and respond to this issue as further steps are taken by the government of B.C.
We are committed to the safe and environmentally responsible development, operation and management of tailings storage facilities. Planning, design, construction, operation, decommissioning and closure are carried out in a manner such that:

- Structures are stable
- Solids and water are managed within designated areas
- Facilities comply with regulatory requirements
- Facilities conform to applicable standards, internal policies and the technical guidelines of the jurisdictions in which we operate

Our internal guidelines for tailings management are based on regulatory requirements, industry best practice and our internal criteria of excellence. The effective planning, design, construction, monitoring and maintenance of our tailings facilities is built on good corporate governance, technology, systems and procedures, inspections and reviews, COI engagement, and reporting. At all times, complacency is challenged through the use of multiple layers of system protection, as identified in our internal policies and guidelines.

We maintain site-specific Tailings Management Systems that conform to or exceed industry standards of practice, that demonstrate responsibility and leadership through the commitment and actions of our employees, and that are developed through consultation with COIs.

Our management programs include rigorous monitoring and inspection, internal and external audits, and third-party reviews. We monitor parameters related to dam safety through specialized instrumentation, and trained operators at all of our operations implement site-specific OMS Manuals. Operators inspect facilities daily, specially qualified site personnel visually inspect the facilities at least weekly, and technical specialists from our corporate head office inspect facilities regularly. Engineers/Designers of Record, who are involved throughout all design updates and construction works, also do documented annual inspections. Third-party qualified engineers also do periodic reviews, with timing dependent upon the consequence classification of the facility.

**Tailings Review Boards**

The purpose of Tailings Review Boards (TRBs) is to solicit independent review and scrutiny of the technical aspects related to the design, construction, operation and closure planning of tailings facilities. Highland Valley Copper, Red Dog, Antamina, Carmen de Andacollo, Quebrada Blanca Phase 2, and Frontier all have TRBs. The need for TRBs is considered on a case-by-case basis, depending on the consequence classification of the facility. TRBs include recognized experts from relevant fields such as geotechnical, hydrogeological, hydrotechnical and geochemical.

**Reflecting on the Mount Polley Tailings Dam Incident**

Particular emphasis and attention has been put on the integrity of tailings dams in Canada in the wake of the Mount Polley tailings dam incident, which raised many questions at both the industry and organizational level. While this did not occur at our operations, we have spent considerable amounts of time reviewing our tailings facilities and remain confident that they are safe. Additional detail on this event is covered on page 101.

Following this incident, our dam consequence classification scoring system was reviewed to demonstrate how tailing dams are classified based on risk. Our tailings dam facilities scores were also reviewed, as well as potential inundation impacts, and surveillance and monitoring practices. No gaps in either regard were identified at our company. A company-wide Tailings Database, which contains key information for our facilities, was updated and will be reviewed annually. Following the incident, we also increased COI engagement activities, and we inform COIs about our tailings management practices and about our emergency response and evacuation procedures.

In addition to internal assessments of performance against our own guidelines and practices, we assess our tailings management practices under the Mining Association of Canada (MAC) Towards Sustainable Mining (TSM) Tailings Management Protocol. Achieving a minimum of a Level A under TSM is a requirement of our HSEC Management Standards. A Level A indicates that tailings management practices that meet industry best practice, as defined by the MAC Tailings Guidelines, have been developed and implemented. The majority of our Canadian operations reach Level A, and several reach Level AAA, which indicates that excellence and leadership are demonstrated through validation by external, independent audit or assessment.

As the need for updating the TSM indicators is being evaluated and the call for industry to re-evaluate its practices is being heeded, we provided substantial support and input to the Mining Association of Canada; the Mining Association of BC; the Canadian Institute of Mining, Metallurgy and Petroleum; and the International Council of Mining and Metals in related discussions. We have played, and will continue to play, an active role in promoting best practices for tailings facility management, both in our own operations and across the mining industry.
Overview of Tailings Management at Teck

Plan
- Expertise, experience and track record
- International best practices
- Best Available Technology
- COI engagement
- Development of a site-specific:
  - Tailings Management System
  - Operations, Maintenance and Surveillance Manual
  - Emergency Preparedness and Response Plan

Implement
- Application of Best Available Technology for the design, construction and operation of tailings facility
- The Tailings Management System, including the Operations, Maintenance, and Surveillance Manual, is integrated into operations and daily activities
- Emergency Preparedness and Response Plan is implemented and readiness maintained

Review
- Results of monitoring and inspection are analyzed, communicated and addressed
- Opportunities for improvement are considered and pursued
- Company-wide sharing of learnings from individual operations

Monitor and Inspect
- Multiple levels of monitoring and inspection to ensure control systems are implemented and maintained
  - Continuous information from monitoring instrumentation
  - Daily visual inspections by operators
  - Weekly inspections by site technical staff
  - Regular inspections by expert corporate technical staff
  - Annual Dam Safety Inspections (DSIs)
  - Periodic reviews by third-party qualified engineers
  - Tailings Review Boards (for major facilities)
Biodiversity

Pictured above: a burrowing owl near Carmen de Andacollo Operations, Chile
Our activities have the potential to impact biodiversity and to alter ecosystems in a significant and highly visible way. Our activities can also impair the provision of critical ecosystem services that communities rely on. It is therefore essential for us to operate in a manner that minimizes and mitigates our impacts on these areas.

We have an opportunity to demonstrate a strong commitment to protecting biodiversity by using our core competencies in environmental management to achieve a net positive impact on biodiversity, ultimately maintaining our ability to operate and to create value for the communities where we operate and for our shareholders.

The key theme and issues in 2014 related to our Biodiversity focus area were:

- Theme: Working to Achieve a Net Positive Impact
- Material Issue: Protecting and Conserving Biodiversity
- Material Issue: Planning for Closure
Theme:

Working to Achieve a Net Positive Impact

Pictured above: caribou herd near Red Dog Operations in Alaska
Why is this theme important?
Protecting and enhancing biodiversity, which is the abundance and variety of living organisms and ecosystems in nature, is integral to sustainability. Many of the world’s ecosystems are being altered, and the loss of biodiversity is a growing global concern. There is increasing evidence that ecosystems will be challenged over the long term to continue providing essential services such as food provision, soil formation and climate regulation.

What does it mean for Teck?
We operate in regions that have high biodiversity value, including tropical and arctic areas, boreal forests and deserts. Some of these regions support a portion of the world’s largest remaining intact areas of natural habitat. Mining activities can have negative impacts on plants, animals and their habitats, both directly and indirectly. Direct impacts can result from any mining activity that involves land disturbance or discharges to waterbodies or the air. Indirect impacts can result from social or environmental changes that are induced by mining operations, particularly when mining opens up an area for other economic activities and increased habitation by people. In cases where mines are developed in landscapes where other pressures on biodiversity are present, the potential for cumulative impacts must also be considered.

Why is this important to our communities of interest?
Communities near our operations depend on the land, plants and animals around them for their quality of life, livelihoods and leisure activities. Indigenous Peoples also rely on the land to maintain traditional ways of life. Governments and non-governmental organizations (NGOs) work to protect and conserve critical habitats and ecosystem services. Our COIs expect us to contribute to the conservation of biodiversity and to work collaboratively with them to develop integrated approaches to land use.

Pictured above: a marmot at Highland Valley Copper Operations in B.C., Canada
Protecting and Conserving Biodiversity

Our vision is to achieve a net positive impact on biodiversity by maintaining or re-establishing self-sustaining landscapes and ecosystems that lead to viable long-term and diverse land uses in the areas in which we operate. We recognize that our activities have the potential to impact biodiversity and to alter ecosystems in a significant way in the regions where we operate, which can affect both individual species and the provision of critical ecosystem services that communities of all species rely on. It is therefore important for us to operate in a manner that minimizes and mitigates our impacts on biodiversity.

Our Approach
We work to minimize our footprint, mitigate our impacts, reclaim our lands for the use of future generations, and continually research and monitor our environments. The actions we use to achieve these goals include progressive reclamation, the use of native vegetation species (with seed from local sources where feasible), and using the most recent research and techniques.

In line with our sustainability strategy and our 2015 goals, our approach is to carefully assess how our activities can impact biodiversity prior to disturbance, to develop a biodiversity baseline, and to implement site-specific plans that minimize our impacts, from exploration through to closure. Implementing our biodiversity mitigation hierarchy also requires the consideration of cumulative effects to ecosystems caused by past, present and reasonably foreseeable future activities; furthermore, assessing and managing cumulative biodiversity effects form an important part of our approach. We plan and implement protective or restorative actions based on our expected contributions to cumulative effects, and we adjust our actions based on the results of ongoing monitoring and scientific studies.

Through engagement with our COIs, we integrate interests and partner with NGOs and government to inform our approach to biodiversity conservation. Biodiversity is considered throughout all stages of our business; we put this into practice through comprehensive environmental management systems and tools such as our HSEC Management Standards, which call for specific action with respect to biodiversity, land and water.

Respecting Protected and High Biodiversity Areas
Protected areas include those protected by national or regional law or designated by international organizations, including United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Sites and International Union for Conservation of Nature (IUCN) category Ia, Ib, II, III or IV protected areas. As a member of the International Council on Mining and Metals, we are committed to not explore or develop in UNESCO World Heritage Sites. Currently, none of our operations or projects are located within areas protected by UNESCO or IUCN; however, the road between Red Dog Operations and its port facility passes through the Cape Krusenstern National Monument, an IUCN category III protected area.

High biodiversity areas have features that provide essential ecosystem services relied on by humans and animals, areas with an abundance of species, or large areas of natural habitat. Using a combination of databases to identify global conservation priorities and geographic information systems, we have identified protected areas, areas of high biodiversity value, and species at risk that occur within 25 kilometres of our operations and major development projects. We determined that these characteristics exist within or adjacent to all of our operations; this information is an important input into the development of biodiversity management plans for each operation.

Each of our operations has occurrences of species at risk within and adjacent to the operation. Some examples include the olive-sided flycatcher (a local bird) at all of our Canadian operations, whitebark pine at many of our southeastern B.C. steelmaking coal operations, and the guanaco (related to the llama) at some of our Chilean sites.

Achieving a Net Positive Impact
As a responsible resource company, we create significant opportunities to achieve positive impacts on biodiversity, and on peoples’ ability to benefit from and enjoy nature. Our vision for biodiversity management is to achieve a net positive impact (NPI) on biodiversity by maintaining or re-establishing self-sustaining landscapes and ecosystems that lead to viable long-term and diverse uses in the areas in which we operate.

At our sites, we implement the mitigation hierarchy, a key framework that we use to achieve our vision of NPI on biodiversity (Figure 21). To track and demonstrate our net positive impacts, we develop a “ledger” to account for negative and positive impacts on biodiversity. We reduce our impacts on biodiversity through avoidance, minimization and rehabilitation. We then aim to achieve a net positive impact through the use of offsets.

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*The IUCN categories are the global standard for classifying protected areas, with category Ia being the most strictly protected area (e.g., a nature reserve).
Implementing our Biodiversity Mitigation Hierarchy to Achieve a Net Positive Impact

Biodiversity Mitigation Hierarchy

**Offset any residual impacts** – Even with the best reclamation practices, there are limits to what can be achieved, and it may not be possible to replace all of the important biodiversity features that our mines impact. For these features, we design and implement biodiversity offsets to move towards a net positive impact on biodiversity.

**Rehabilitate affected areas** – On a progressive basis, we rehabilitate areas in order to re-create biodiversity values. Rehabilitating the land means returning it to a stable ecological state that does not contribute substantially to environmental deterioration. Reclamation practices can replace much or most of the diversity of the natural habitats that existed prior to mining.

**Minimize impacts that are unavoidable** – At all times, we minimize impacts that are unavoidable, adopting best practices in mine operations in order to reduce the severity of our impacts.

**Avoid impacts where possible** – Whenever possible, we avoid biodiversity impacts. There are some biodiversity features that are so important that they require a change in our plans in order to protect critical areas.
We have developed an Ecosystems and Biodiversity Road Map to define the steps required to achieve our short-term (2015) sustainability goals related to ecosystems and biodiversity. This road map divides the implementation of our short-term goals into four stages:

1. Develop comprehensive biodiversity management plans at all operations
2. Develop plans at operations to offset ecosystem impacts
3. Enhance contributions to biodiversity knowledge
4. Implement biodiversity improvement and conservation opportunities to create a net positive impact

**Timeline of Management Activities**

<table>
<thead>
<tr>
<th>Year</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>Set Strategy&lt;br&gt;Develop Strategy (Vision and Goals)&lt;br&gt;Complete High-Level Guidance Manual</td>
</tr>
<tr>
<td>2012</td>
<td>Develop and Pilot Detailed Approach&lt;br&gt;Company-Wide Scan and Prioritization of Sites&lt;br&gt;Define Net Positive Impact Strategy and Targets&lt;br&gt;Develop Draft Planning Workbook and Pilot Test at Two Selected Sites</td>
</tr>
<tr>
<td>2013–2015</td>
<td>Implement Approach and Develop Additional Guidance&lt;br&gt;Complete Planning Workbook and Guidance Manual&lt;br&gt;Provide Support to Sites in Implementing Approach&lt;br&gt;Develop Additional Guidance as Needed</td>
</tr>
</tbody>
</table>

**Biodiversity Management Plans**

Our operations are committed to developing biodiversity management plans by the end of 2015 that set out how a NPI may be achieved, on the basis of information that has been gathered and assessed to date. Specifically, our Biodiversity Management Plans (BMPs) will include:

- A list of ecosystems and biodiversity elements at the site
- A summary of the risks and impacts that the site and its activities pose to these elements
- A plan, developed using the biodiversity mitigation hierarchy, that demonstrates how the site will manage its impacts to achieve NPI for each element
- A list of activities and resources required to implement the plan

In addition to meeting the commitments in our sustainability strategy, our biodiversity management plans also serve to meet aspects of our internal Health, Safety, Environment and Community (HSEC) Management Standards and the Mining Association of Canada’s Towards Sustainable Mining Biodiversity Conservation Management Protocol.

To create the BMPs, operations and advanced projects collect biodiversity information, conduct a preliminary identification of risks and existing mitigation actions, conduct gap analyses and create work plans. We address the protection of species at risk and we consider those that may be more common, especially those that are highly valued due to other factors, such as subsistence use by Indigenous Peoples.

In 2013, we developed a BMP workbook and guidance document that provided sites with the tools that they need to develop site-specific BMPs. In 2014, the workbook and guidance document were rolled out to all sites; eight operations have completed their site-specific BMPs to date, contributing to the achievement of our 2015 goals.
**Reclamation**

Responsibly closing our sites and managing our legacy properties plays an important role in protecting biodiversity and the lands where mining once took place. Through exemplary reclamation practices, we can replace much or most of the structural and compositional diversity of the natural habitats that existed before we developed our mines. As such, our reclamation activities are making a contribution towards achieving a net positive impact on biodiversity.

While we are still operating at a site, we progressively reclaim portions of our mine sites that are no longer required for mining purposes. We implement world-class reclamation practices and have created an internal community of practice to share knowledge across our operations. We apply the principle of “equivalent land capability” to reclaim land to the equivalent capability that will support species that live in the area, according to reclamation and land use objectives. We have also implemented research programs to help ensure that we adopt best practices. Our reclamation activities focus on conserving biodiversity and include the development of diverse wildlife habitats, annual wildlife surveys, documentation of wildlife using trail cameras, aerial seeding in mined-out pits, and the development of tracking databases to monitor rare and unusual wildlife sightings.

To plan for these future reclamation obligations, we ensure that we allocate sufficient resources for reclamation in our mine budgets. In 2014, a total area of 657 hectares (ha) was disturbed by activities at our operations, and a total area of 101 ha was reclaimed. See our Performance Overview Table on pages 136–137 for additional information.
Planning for Closure

Closure planning focuses on responsibly ending mining operations while developing viable, long-term and appropriately diverse post-closure land uses in collaboration with our COIs. Given the long life of many of our mines, and to ensure that closure plans are relevant at the time that an operation ultimately closes, closure planning is a phased activity at Teck. Closure planning begins with developing a conceptual closure plan relevant to the particular operation. This plan is periodically updated over the life of the operation, and research into reclamation and other closure issues is carried out. Closure planning intensifies as a mine begins to near the end of its life, when all conditions of the operation and its effect on local economies and government are known.

Closure plans are developed in consultation with communities and designed to mitigate social impacts, such as economic losses resulting from closures. At the closure phase, we return the remaining disturbed land to a stable state for post-mining land uses. Where applicable, we conduct activities such as:

- Removing, relocating or demolishing buildings and physical infrastructure
- Closing pits and shafts
- Stabilizing underground workings
- Managing water
- Sloping and contouring waste rock dumps as necessary
- Capping or covering and vegetating waste rock dumps and tailings impoundments

All of our operations are in various stages of closure planning. Closure costs have been estimated for all of our operations. Reclamation plans are also in place for all of our operations. Four operations (33%) have comprehensive closure plans, with the remaining operations working through the phases of closure planning as appropriate to mine life. In 2014, Elkview Operations began the development of a comprehensive closure plan for the site as part of an environmental assessment process.

While we did not close any of our operating mines in 2014, we announced that our Duck Pond Operations will close in 2015. We are currently working with our COIs to mitigate impacts associated with that closure, and social metrics were developed in 2014 to measure impacts on society and to monitor our performance as we move into mine closure. Various considerations have been integrated into our closure plan at Duck Pond, including:

- Strategies for employees, to soften the loss of jobs and benefits
- Strategies for our suppliers, to ease the downturn in business
- Strategies for governments, to mitigate loss of tax and royalty revenues
- Strategies to moderate the ending of community investment programs and donations, represented by the creation of a four-year community investment plan (which will trail off in the later years)
- Development of subcommittees that manage reclamation and closure, community engagement and asset removal
- Strategies to identify and diminish other social risks associated with closure

Quarterly community update meetings are held, and closure updates are provided regularly to the provincial government. In 2014, the Newfoundland Department of Environment and Conservation toured the site, and the Department of Natural Resources met with Duck Pond Operations to discuss mine closure activities.

The decommissioning stage of the Sa Dena Hes (SDH) site was completed in 2014, and we received an award from the Yukon Government for Excellence in Environmental Performance based upon closure activities there. Under the mine’s licences, reclamation needs to be complete by the end of 2015; the bulk of construction activities were completed in 2014 to prepare for the final reclamation activities. Concerns surrounding possible lead exposure of contract workers from the purchasing company of the SDH processing plant were raised in 2014. Monitoring of airborne dust indicated that the lead levels to which site reclamation workers were exposed were well below pertinent health and safety guidelines.

The closure plan for the SDH site addresses the socio-economic expectations of maximizing the use of local resources to complete the project and promoting economic benefits to the region. One of the main project priorities was to involve First Nations personnel; in 2014, over 50% of all Teck-contracted hours worked on-site were by First Nations personnel. The final stages of the SDH Mine Decommissioning and Reclamation Project will be executed in 2015, and a similar implementation approach will continue to be used during the final reclamation activities to ensure that the objective of engaging First Nations personnel is maintained.

*Calculation is based on our 12 mine operations, and excludes our Trail smelting operations.*
**Decommissioning and Restoration Provisions**

The decommissioning and restoration provision represents the present value of estimated costs for required future decommissioning and other site restoration activities. The majority of the decommissioning and site restoration expenditures occur at the end of the life of the related operation. The remaining lives of mines and infrastructure range from less than a year to over 100 years. Therefore, it is anticipated that a portion of these costs will be incurred over a period in excess of 100 years. The total decommissioning and restoration provision was $865 million in 2014; this includes a provision of $102 million for closed operations.

**Post-Closure Monitoring**

Once our operating sites are closed, they are monitored and managed on a long-term basis as needed to ensure that our closure actions remain successful in achieving key objectives, which include habitat rehabilitation, public safety, and water quality protection. The actions we take to ensure continued responsible closure of our mines include monitoring of structures such as dams and waste dumps, water treatment, and access controls over portions of the site.

In addition to monitoring sites closed in recent years, we continually assess and manage conditions at older mining and industrial operations that were operated by and remain under the stewardship of Teck or its predecessors. Given the more than 100-year history of our company, some of our historical properties were closed during eras when the long-term risks associated with mining and industrial sites were not well understood. Consequently, the closure methods used at these sites may not always conform to currently accepted practices. As such, we have developed a centralized legacy asset database for dormant and closed properties that helps us to better understand, prioritize and manage these sites. We assign priorities for assessment and management and, in many cases, we implement closure practices at these properties according to current practices. Our activities can range from large-scale remediation projects to ongoing monitoring and assessment. We conduct these activities as part of regulatory compliance, and in many cases, we go beyond regulatory requirements and undertake actions to ensure public safety and the protection of the environment.
Reclaiming mine sites to establish diverse and self-sustaining landscapes after mining has finished is an important component of our commitment to sustainable resource development. Our reclamation activities, which are managed by environmental officers at each operation, focus on conserving biodiversity. This work can include the development of diverse wildlife habitats, annual wildlife surveys and aerial seeding in mined-out areas. Our goal is to replace much or most of the structural and compositional diversity of the natural habitats that existed before we developed our mines, creating a positive legacy for the environment and nearby communities.

One important component of the work that goes into reclamation is securing the cover soil necessary to revegetate impacted areas. One way we do this is by collecting and storing soil as areas are mined. The West Spoil Soil Salvage Project at our Greenhills steelmaking coal operation in south-central British Columbia is one such project.

“Every area we mine, we do so knowing that in the future, we’ll need to reclaim it back to a more natural state. Salvaging soils is an important part of that long-term process,” said Dan Charest, Environmental Officer, Greenhills Operations.

A soil salvage plan was developed whereby we would salvage soil from the proposed West Spoil area at a depth of nearly 1 metre and stockpile it for use in reclamation activities. Over three months beginning September 2014, we were able to salvage and stockpile approximately 700,000 cubic metres of soil – an investment of approximately $4.5 million in that year alone.

“To maximize soil salvage productivity, we had 16 mulchers working simultaneously, mulching up woody debris, incorporating stumps and mixing it all into the soil,” said Charest. “Once the project is complete in 2015, we will have recovered close to 1 million cubic metres of soil for use in reclamation – the largest such project ever done in the Elk Valley.”

The soil is currently being stockpiled outside the footprint of the West Spoil area and will remain there until the first lift – or layer – of the West Spoil is finished in 2016. The stockpiled soil will be used to cover the bottom four lifts of the West Spoil, which will be progressively reclaimed from 2016 to 2035.

During the soil salvage project, it was critical to minimize any potential impacts on migratory birds in the area. We had a dedicated migratory bird management plan in place, which included having two bird experts on-site every day during the mulching phase. Wherever a nest was identified or suspected, we did not work in that area until it was confirmed that the bird was no longer present.

The use of salvaged soil also presents an opportunity to benefit water quality. Through our applied research and development, the use of soil covers will help reduce the release of selenium from the waste rock pile, and minimize the impact to the watershed.

We learned valuable soil salvage and placement lessons throughout the course of the project – including that the cost of salvaging soil is less than originally expected – and we are integrating this information into our ongoing mine planning processes.

The West Spoil Soil Salvage Project will help us meet our biodiversity targets, ensure we minimize the impact of our mining activities on the land, and allow us to maintain our social licence to mine in the region for years to come.
The Klinse-Za caribou herd in northeastern British Columbia, whose current range resides approximately 110 kilometres northwest of our former Quintette Operations, has only about two dozen individuals left in the population due to decades of excessive predation and other factors. The most critical window for survival and proliferation of the herd is the spring when caribou females, known as cows, give birth.

To encourage the recovery of this culturally significant herd we, alongside other regional industry proponents, partnered with West Moberly First Nations, Saulteau First Nations, Wildlife Infometrics and West Fraser Integrated Forestry to launch the Klinse-Za maternal penning project in March 2014.

The maternal penning program is guided by an advisory team that includes First Nations leaders and staff members, representatives from other caribou penning programs in B.C., a wildlife ecology and nutrition professor from the University of Northern British Columbia, game farm owners and representatives from the Province of British Columbia. There is also a technical team made up of First Nations traditional knowledge holders, regional wildlife biologists, veterinarians and First Nations shepherds.

Following an extensive population analysis, the team selected a group of cows in their third trimester of pregnancy and safely collected and transported them via helicopter to a remote, secure penning site. Once at the site, a team of shepherds protected the cows from predators, and cared for them during the term of their pregnancy and for four to six weeks after giving birth. The shepherds assisted with the animals’ nutrition, and wildlife biologists outfitted the new calves with radio collars, allowing them to monitor the calves’ location and general well-being. From start to finish, the first installment of the maternal penning project was only four months long, but it was a critical time for the survival of the important Klinse-Za herd.

The Klinse-Za maternal penning project, which is the first of two penning projects tested in B.C. – the second occurred simultaneously in Revelstoke – has been carried out with the recommendation of the provincial government in support of ongoing caribou management in the region. The project is funded in part by both First Nations, with additional financial support from the government and industry sponsors, including Teck.

Our involvement in the maternal penning program started in 2011 when we met with the Saulteau First Nations to discuss a regional multi-stakeholder initiative to address the issue of declining caribou populations. During a series of workshops in 2012, the Peace Northern Caribou Committee (PNCC) was formed and its members identified maternal penning as a priority action.

In 2013, the maternal penning program team conducted research and planning for the first year of maternal penning. After months of care, the maternal penning team successfully released 10 cows and nine calves into the wild on July 7, 2014.

“Teck is proud to support the Saulteau First Nations and the West Moberly First Nations in their maternal penning program,” said Ray Proulx, Senior Coordinator, Community and Aboriginal Affairs, Teck. “By protecting pregnant cows and calves from excessive predation during the 2014 calving season, their team has demonstrated the viability of maternal penning to help bolster other vulnerable caribou populations in the South Peace region.”

The second year of the maternal penning program started in March 2015 and is currently underway, with 11 healthy cows in an 8-hectare pen.
Energy

Pictured above: two employees discuss the Fort Hills oil sands project in Alberta, Canada
Energy costs are one of Teck’s most significant operational expenditures and the rising cost of carbon presents a key risk for us to monitor and manage. In addition, climate change has the potential to impact our business in a variety of ways, including changing weather patterns, more frequent and severe weather events, and changes to rainfall, snowpack, and temperature. On a global level, climate change has the potential to impact economies and society. These potential impacts include rising and warming oceans, altered hydrology patterns, alteration of food production systems, alteration of habitats and continued decline in biodiversity values, desertification, and associated social, political, and economic stress.

We are continually working to improve our energy efficiency and reduce our GHG emissions, while recognizing we will also need to adapt to the challenges that climate change presents. We have the opportunity to optimize our use of energy and to promote the use of renewable energies.

The key theme and issue in 2014 related to our Energy focus area were:

- Theme: Managing Energy and Climate Risks
- Material Issue: Using Energy Efficiently and Reducing Emissions
Theme:

Managing Energy and Climate Risks

Pictured above: Wintering Hills Wind Power Facility near Dumheller, Alberta, Canada
**Why is this theme important?**

Energy is critical for human development, including the provision of shelter, transportation, lighting, cooking, heating and refrigeration. Around the world, people depend on access to affordable energy to improve their quality of life. Global demand for energy is increasing, driven by population growth, increasing urbanization and economic development. This can result in potentially higher energy costs and, in some areas, a lack of supply. Fossil fuel combustion, which accounts for the majority of the world’s energy consumption, represents the largest human-generated source of GHG emissions. Mining operations require large amounts of energy to produce and transport products. Energy powers mine sites by providing the electricity to run plants and equipment, producing heat and lighting for buildings, and providing the gasoline and diesel that vehicles need.

**What does it mean for Teck?**

Energy costs are one of Teck’s most significant operational expenditures. As mineral resources become scarcer, it is also likely that new projects will be in remote locations, with lower grade ore that is more challenging to extract and process. These factors all suggest that mining is likely to become more energy intensive. This will make it increasingly challenging to reduce our energy intensity and GHG emissions.

The effects of climate change also have the potential to impact our business and the communities where we operate. We believe that industries have an important role to play in taking steps to reduce greenhouse gas emissions and supporting efforts to find solutions to this global challenge.

In addition, the rising cost of carbon presents a key risk for us to monitor and manage. New policies and regulations aimed at reducing GHG emissions may impact our production costs and introduce other business risks. As a result, we are continually working to improve our energy efficiency and reduce our GHG emissions. We have the opportunity to optimize our use of energy and to promote the use of renewable energies.

**Why is this important to our communities of interest?**

We recognize that the impacts of climate change pose a major challenge and a significant concern for many of our COIs, who are interested in knowing how Teck is managing emissions and improving energy efficiency. In addition, the majority of our operations are located in jurisdictions that are heavily regulated with regards to GHG emissions, energy supply and transportation. The security and reliability of energy can affect us as well as our energy suppliers. We work with our suppliers to consider alternative energy sources, investments in renewable energy projects or power purchase agreements. Other COIs are looking for us to manage our energy efficiency and reduce our GHG emissions, from both a cost reduction perspective for our shareholders and a perceived environmental impacts perspective for non-governmental organizations and special interest groups.

Pictured above: an employee works on environmental monitoring equipment at the Fort Hills oil sands project in Alberta, Canada
External Developments in 2014

Impact of Lower Oil Prices

Over the course of 2014, oil prices declined significantly from around US$105 a barrel mid-year to around US$50 a barrel at the end of the year. The changing price environment for oil has had a number of impacts on the resource industry. Lower oil prices can impact the economic viability of marginal projects that face high costs of production and, as a result, there has been a sharp decline in drilling activity. At the same time, mining operations require large amounts of energy to produce and transport products, and a decline in oil prices can reduce operational costs for diesel and gasoline.

At Teck, we are building an energy business unit that builds on our core mining competencies and will further diversify our resource portfolio in stable jurisdictions to generate significant long-term value. We have a 20% share in the Fort Hills oil sands project in Alberta, which is under construction. In 2013, we committed $2.9 billion for our 20% share to complete the project, of which approximately $680 million has already been spent to the end of 2014. The project has proved and probable reserves attributable to Teck of 614 million barrels of bitumen before deduction of royalties, and is forecast to produce around 180,000 barrels of bitumen per day (100% basis) over a 50-year life.

The Fort Hills oil sands project enjoys strong economics and it is forecast to generate significant free cash flow over a range of oil prices and exchange rate scenarios. Unlike shale oil projects, oil sands projects tend to have a relatively long life and can therefore generate returns over several commodity price cycles. Fort Hills’ operating costs, including sustaining capital, are expected to average under $25 per barrel of bitumen over the life of the project.

We believe that the long-term fundamentals for oil remain positive, with demand growing each year. The International Energy Agency predicts that world energy consumption will grow by one-third by 2035. Current forecasts also indicate that 75% of this demand will be met in 2040 by fossil fuels, with the remaining 25% met by low-carbon or renewable energy sources.\(^6\)

The current construction phase at Fort Hills has been somewhat assisted by the current market downturn, due to the increased availability of skilled labour and contractors, as well as the increased availability of fabricators for major equipment.

In addition, the lower oil price positively impacts operating costs across three other business units at our existing operations. In 2014, we saw an approximate $5 million increase in EBITDA for every US$1 decrease in the price of oil.

Climate and Carbon Regulation

In 2014, there was further strengthening of long-term carbon regulation in a number of jurisdictions, which impacts our operations and products beyond our energy business.

Canada is aiming to reduce its emissions to 611 million tonnes a year by 2020, but is currently forecast to emit 727 million tonnes.\(^7\) This may drive further national and/or provincial carbon regulation – new national restrictions on coal-fired power plants in Canada are already due to come into effect in mid-2015.

China has committed to stopping the growth of its carbon emissions by 2030. Beijing has already started closing or overhauling small coal-fired power plants as part of its efforts to reduce its emissions. This is happening in parallel with government efforts to rationalize its high-emission steelmaking plants. Furthermore, China is in the process of drawing up its 13th Five-Year Plan, covering the years 2016–2020, and it is widely expected that the plan will place particular emphasis on improving the country’s carbon emissions performance.


Similarly, in September 2014, Chile became the first country in South America to enact a carbon tax. The new tax is targeted at non-biomass thermal power plants with a generation capacity of 50 megawatts or more. Each of these power plants will be required to pay US$5 for every tonne of carbon dioxide-equivalent ($CO_2e$) they emit, which will ultimately raise the cost of power from these plants for consumers. The tax forms part of the Chilean government’s broader efforts to meet its voluntary target of cutting its carbon emissions by 20% by 2020 (against a 2007 baseline).

We recognize that current and future regulations may affect our business by placing direct costs on our operations, and increase the costs of production. We already incur carbon costs in Canada as a result of provincial regulations in British Columbia (B.C.) and Alberta. It is likely that such costs, both in Canada and in other jurisdictions, will increase over time.

While the transition to a low-carbon economy is necessary, it will likely take a substantial period of time. The impacts of an increased focus on greenhouse gas reductions will impact our business in a variety of ways over time, extending beyond the anticipated increasing costs associated with carbon and with changing supply and demand fundamentals for our products. This belief is now being factored into our long-term business forecasting and sustainability planning.
We recognize the significance of climate change. Teck and industry in general have an important role to play in terms of limiting GHG emissions, advancing renewable energy, and influencing business and government to take appropriate steps that move society towards lower carbon economies. Furthermore, we believe that governments have a role in creating policy that incentivizes a transition to a low-carbon energy future, and we support equitable and effective policies to reduce emissions that extend across jurisdictions and sectors.

We have established short- and long-term energy and GHG targets to drive improvements in energy efficiency and to reduce our GHG emissions. We are implementing energy and GHG reduction projects and sharing best practices in energy management among our operations to achieve our goals and contribute to global efforts to reduce emissions. We have also set goals that drive investment in alternative energy generation, including investments that ultimately contribute to the transition to a lower carbon energy future.

Factors Affecting Energy Use in the Mining Industry

The amount of energy used at each of our operations can vary due to three primary factors: the amount of minerals and metals that the operation produces, the nature of the processes implemented to produce the minerals and metals, and the ore grade.

Production has a direct impact on the amount of energy that we use. Generally speaking, the more we produce, the more energy we use.

The operation of the mine itself and the processes implemented at an operation also impact energy use. For example, the distances that haul trucks travel are a key determinant of their fuel usage. Mining typically begins by extracting the resources that are closest to the surface. As these resources are extracted, we must mine at increasing depths and distances. Deeper pits result in longer, uphill hauls for trucks to move materials around the mine site, increasing diesel consumption, which in turn results in greater energy consumption and GHG emissions.

Finally, the ore grade has an impact on the amount of material that must be moved and processed to produce the final product. To enhance project economics, higher grade ore is commonly processed early in the mine life, followed by lower grades in later years. Decreasing ore grades mean that greater amounts of material must be moved and processed to achieve the same quantity of final product. This combination of increased haul distances and decreasing ore grades increases the energy consumption as well as the GHG emissions required to produce each tonne of product over the life of a mine.

Implementing Energy and Greenhouse Gas Emissions Improvements

We established short- and long-term energy and GHG targets in 2011 as part of our sustainability goals, creating an incentive to further improve energy efficiency and reduce GHG emissions. We track energy and GHG reduction projects and have a continued focus on sharing best practices in energy management throughout our operations. Although we are operating today in a market that is challenging for many commodities, we remained committed to improving our energy efficiency, because we know it has the potential to both advance our sustainability goals and reduce our costs.

We implemented several energy and GHG reduction projects that contributed to our energy goals in 2014. We also identified reduction projects that were successful at a number of our sites, and worked to implement them at our other operations. These included optimizing blasting efficiency to increase grinding efficiency, the continued installation of lightweight truck boxes, installing variable-speed drive technology on ventilation and dryer fan motors, using more efficient fan designs, and using more energy-efficient lighting, among other projects. Collectively, projects implemented in 2014 have reduced annual energy consumption at our B.C. operations by 290 gigawatt hours (400 terajoules) – enough power for 3,800 homes. Since 2011, our efforts have resulted in reduction projects totalling 1,050 terajoules (TJ), meeting and exceeding – a year early – our 2015 goal of implementing reduction projects that reduce energy consumption by 1,000 TJ. We have also surpassed our 2015 GHG reduction target of 75,000 tonnes of CO₂e emissions, with reductions estimated at approximately 170,000 tonnes of CO₂e emissions at the end of 2014. Moreover, this has also produced savings for the bottom line. For example, the effort at our Red Dog mine to enhance the utilization of waste heat for building heating alone saved approximately $240,000 in 2014.

In 2015, we will continue to implement steps to further improve the efficient use of energy and to reduce emissions across our operations and in our plans for new projects.
Low Carbon Energy

As a company committed to strong sustainability performance, one of our key focuses is to produce products with low-carbon intensities. While we continue to implement projects that reduce our energy consumption and GHG emissions, our operations require the procurement of electricity from third parties. Although approximately 33% of our energy consumption is from electricity consumption, because of where we operate, we enjoy significant access to low-carbon sources of energy.

In B.C., Canada, where several of our operations are located, 93% of grid electricity is clean and renewable energy, and is almost entirely generated from hydro. Hydroelectric power, which is a non-carbon-emitting source of power, provides almost one-fifth of the world’s electricity.

Our Trail Operations, also located in B.C., includes one of the largest fully integrated zinc and lead smelting and refining complexes in the world, and is our largest consumer of electricity, consuming 43% of our company’s total electricity consumption. The electricity consumed at Trail Operations is powered by the Waneta hydroelectric dam and transmission system. This enables Trail Operations to produce refined zinc and lead at a lower GHG intensity compared to electricity produced by fossil-fuel based power grids. Teck holds a two-thirds interest in the Waneta hydroelectric dam, as well as ownership of the related transmission system.

In the past several years, approximately 25% of our energy requirements (i.e., electricity and fuels) were supplied by non-carbon-emitting sources, largely due to our access to hydroelectricity. Of our total electricity consumption in 2014, 80%, or 11,358 TJ, was hydroelectricity.

In some of the other jurisdictions where we operate – such as Alberta and Chile – the electricity grids are more heavily based on fossil fuels. Recognizing this, one of our sustainability goals is to invest in renewable energy sources.

Alternative Energy

We set a 2015 goal of 30 megawatts (MW) of alternative energy generation, and set a 2030 goal to expand that portfolio to 100 MW. To meet our targets, we have been exploring opportunities for the procurement of alternative energy sources. As of the end of 2014, 16.8 MW of alternative energy generation are in operation, all of which contribute towards our 2015 goal of 30 MW.

The Wintering Hills Wind Power Facility, our first major investment into renewable energy, has contributed strong energy generation performance. Effective January 1, 2015, we exercised our option to increase our ownership in Wintering Hills from 30% to 49%.

During 2014, our share of the power generation from Wintering Hills was 83 GWh, and our share of the offsets generated was 53,964 tonnes of CO2e. In addition, Alberta’s electricity grid is heavily coal based, and generation from Wintering Hills decreases our third-party GHG emissions. Expected power generation in 2015 is dependent on weather conditions. We anticipate that our share of power generation will be approximately 135 GWhs, which will result in approximately 87,000 tonnes of CO2e offsets.

Our investment in Wintering Hills provides an opportunity to develop our understanding of wind power generation, which facilitates evaluation of other opportunities to develop wind farms around our operations.
Carbon Regulations and Economics
Over the past decade, carbon regulations have emerged across the globe. Our expectation is that this trend will continue, with new regulations being implemented and carbon pricing pressure increasing over time. We pay costs directly attributable to carbon regulations in two jurisdictions where we operate: B.C. and Alberta. We may, in the future, face similar taxation in other jurisdictions.

The Province of B.C. introduced a carbon tax on fossil fuels in 2008. The tax is imposed on various fossil fuels used in B.C. For 2014, our seven B.C.-based operations incurred $51 million in provincial carbon tax, primarily from our use of coal, diesel fuel and natural gas. We expect to pay a similar amount in 2015. Our Cardinal River Operations (CRO) meets Alberta GHG compliance requirements through efficiency improvements and the use of offsets generated from the Wintering Hills Wind Power Facility. In 2014, CRO used approximately 33,000 tonnes of offsets.

The rising cost of carbon affects our overall production costs and is a consideration for our future operations. There is a great deal of uncertainty in determining possible future financial implications of carbon regulations. In response, we have developed a suite of tools to manage our regulatory risks and their financial implications.

Carbon pricing is integrated at multiple levels of decision making, ranging from annual operating budgets developed at the site level to corporate decision making for large capital investments. We currently incorporate a carbon price into our capital and risk decision processes, and calculate and consider our carbon exposure in terms of absolute costs incurred on an annual basis and projected out to at least 2020. Where a clear and certain carbon price is present, we incorporate that price and any known and/or planned changes to the carbon price. Where uncertainty exists, we may conduct sensitivity analyses to better understand what our exposure and risk are under different carbon pricing and regulatory scenarios.

For example, current forecasting using a variety of scenarios demonstrates an exposure in 2020 ranging from $30 million to $60 million for our B.C. operations. In Alberta, based on scenarios that include reduction requirements ranging from 12% to 40%, and carbon costs ranging from $15 to $40 per tonne of CO₂e emissions, we estimate that our compliance costs might be $0.5 million to $4.5 million per year for our Cardinal River Operations. Assessing the same scenarios for our Fort Hills and Frontier projects, compliance costs could range from $10 million to $75 million per year.

More details can be found in our response to the Carbon Disclosure Project (CDP) on the CDP website at www.cdproject.net.

Monitoring Energy and Greenhouse Gas Performance
Our operations require energy for the recovery and production of our products, and energy is one of our most significant expenses. As a result of both environmental and economic motivations, we are focused on continually identifying opportunities to improve our energy efficiency.

Energy Use
In 2014, we consumed a total of 45,336 TJ of energy (i.e., electricity and fuels), as compared to 45,556 TJ in 2013. Trends in fuel (diesel, gasoline, coal, natural gas, coke, petroleum coke and other fuels) and electricity consumption for the past three years are shown in Figure 24. In 2014, five of our operations reduced their absolute energy consumption from 2013.

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Figure 24

Energy Consumption by Type 2012–2014(1)

(1) Other includes propane, waste oil, fuel oils and other process fuels.
Energy and Carbon Intensity for Zinc and Lead Production 2012–2014

Figure 26

Energy and carbon intensity for the production of zinc and lead decreased (improved) significantly between 2013 and 2014 (Figure 26). This is primarily attributed to increased production and a continued focus on energy reductions in processing at our Red Dog Operations.

In 2014, overall emissions intensity for copper decreased, while energy intensity increased (Figure 27). The decrease in emissions intensity is primarily attributed to the increased proportion of our total copper production coming from Highland Valley Copper, which is our lowest GHG-intensity copper operation. The increase in energy intensity is attributed to decreased overall production, compared to 2013.

Energy and Carbon Intensity for Steelmaking Coal Production 2012–2014

Figure 25

Energy and carbon intensity for the production of steelmaking coal continued to decrease (improve) in 2014 (Figure 25). This change is due to productivity improvements in mining, maintenance and processing operations.

In Figures 25 to 27, we outline our energy intensity, or the amount of energy used per tonne of product, which is a measure of efficiency that helps us to better manage our performance. The variability found in the data for these figures falls within the normal parameters of mining operations.

Primary Uses of Energy at our Operations

<table>
<thead>
<tr>
<th>Fuel Type</th>
<th>Primary Uses</th>
</tr>
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<tbody>
<tr>
<td>Electricity</td>
<td>• Powers processing at our metal mines (e.g., milling) and the smelter facility at Trail Operations</td>
</tr>
<tr>
<td>Coke, Petroleum Coke, Natural Gas and Coal</td>
<td>• Provides the primary process and combustion fuels at Trail Operations</td>
</tr>
<tr>
<td>Natural Gas and Coal</td>
<td>• Used primarily for drying our coal product</td>
</tr>
<tr>
<td>Diesel</td>
<td>• Fuels haul trucks to move material (e.g., waste rock, ore, coal)</td>
</tr>
</tbody>
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Energy Intensity

Energy and carbon intensity for the production of zinc and lead decreased (improved) significantly between 2013 and 2014 (Figure 26). This is primarily attributed to increased production and a continued focus on energy reductions in processing at our Red Dog Operations.

Energy and carbon intensity for the production of steelmaking coal continued to decrease (improve) in 2014 (Figure 25). This change is due to productivity improvements in mining, maintenance and processing operations.

Table 16

Primary Uses of Energy at our Operations

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<thead>
<tr>
<th>Fuel Type</th>
<th>Primary Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>• Powers processing at our metal mines (e.g., milling) and the smelter facility at Trail Operations</td>
</tr>
<tr>
<td>Coke, Petroleum Coke, Natural Gas and Coal</td>
<td>• Provides the primary process and combustion fuels at Trail Operations</td>
</tr>
<tr>
<td>Natural Gas and Coal</td>
<td>• Used primarily for drying our coal product</td>
</tr>
<tr>
<td>Diesel</td>
<td>• Fuels haul trucks to move material (e.g., waste rock, ore, coal)</td>
</tr>
</tbody>
</table>
Greenhouse Gas Emissions

In 2014, our total GHG emissions, as CO₂e, were 3,066 kilotonnes (kt), compared to 3,089 kt in 2013. Of those totals, our direct GHG emissions8 were 2,723 kt in 2014, compared to 2,722 kt in 2013. Figure 28 shows a detailed breakdown of our emissions by fuel type.

The key sources for direct GHG emissions vary significantly by operation. For example, at our steelmaking coal operations, the drying of coal, our mobile equipment, and the methane gas released from coal seams during mining each account for roughly one-third of total emissions. Emissions from Trail Operations are dominated by the use of coal in the furnaces and the use of natural gas to produce steam for heating process solutions. At Red Dog Operations, the diesel used to produce electricity and fuel for mobile equipment is the key source of GHG emissions. The primary source at Highland Valley Copper Operations, which receives electricity from the grid, is the use of diesel for our mobile equipment. As such, the options for reducing emissions vary significantly across our different operations. In 2014, six of our operations reduced their GHG emissions.

We estimate our indirect GHG emissions associated with electricity use for 2014 to be 343 kt, or approximately 12% of our total emissions. These emissions are associated primarily with our Cardinal River, Carmen de Andacollo and Quebrada Blanca operations, as their electricity power grids are based heavily on fossil fuels. Elsewhere, our indirect emissions were relatively small, as operations in B.C. and Newfoundland obtain a significant proportion of their electricity from hydroelectric generation.

Scope 3 Emissions

While scope 1 (direct) emissions occur from energy sources controlled by the company and scope 2 (indirect) emissions occur from the generation of purchased electricity consumed by the company, scope 3 emissions are other emissions that arise from sources owned or controlled by other entities within our value chain. For example, scope 3 emissions include those arising from business travel by employees, the use of our products, and the transportation of materials that we purchase and sell. Consequently, scope 3 emissions cover a wide spectrum. Our approach is to identify and quantify those that are material to Teck.

Our most material scope 3 emissions are from the use of our steelmaking coal product by our customers. Unlike the vast majority of coal, which is burned to generate electricity, steelmaking coal has special properties that make it a suitable input for manufacturing steel. Based on our 2014 sales volumes, scope 3 emissions from the use of our steelmaking coal are approximately 74,000 kt of CO₂e.

8 Fugitive emissions from our coal operations (i.e., estimated methane release) are captured as direct emissions.
The future is bright for the city of Kimberley, located in southeastern British Columbia. On July 7, 2014, the City began construction on the $5.3 million SunMine solar project, Western Canada’s largest solar-powered development, being built on the site of the former Sullivan mine with support from Teck.

**Case Study: SunMine Solar Farm Project at the Sullivan Site**

A 1.05 megawatt solar power plant, SunMine will have more than 4,000 solar-cell modules mounted on 96 solar trackers that follow the sun’s movement, maximizing solar exposure. Once complete, it will be the first solar project in British Columbia to sell power to the BC Hydro grid.

SunMine is located on the site of Teck’s former Sullivan mine, which closed after more than 100 years of operations and has since been fully reclaimed. During its time, Sullivan mine was one of the world’s largest producers of zinc, lead and silver. In 2003, the British Columbia Technical and Research Committee on Reclamation recognized Sullivan mine with a Metal Mining Citation for outstanding achievement in mine reclamation.

SunMine is community-owned and capitalizes on Kimberley’s clear and sunny conditions.

“The City of Kimberley is proud to achieve a number of firsts with this project; the interest and expectation from the community is high,” said City of Kimberley Mayor Don McCormick. “Once the SunMine confirms viability, a future expansion will drive opportunities beyond simply selling power to the BC Hydro grid.”

As part of our ongoing work to support the growth of Kimberley post-mining, Teck provided the land and site infrastructure for the project and contributed $2 million towards its construction. The Vancouver-based EcoSmart Foundation conceived and supported the project; other funding partners include British Columbia’s Innovative Clean Energy Fund, which provided $1 million, the Columbia Basin Trust, and Southern Interior Development Initiative Trust.

Upon completion, SunMine will be the largest solar facility west of Ontario, the first redevelopment of a reclaimed mine site into a solar farm in Canada, and the first utility-scale solar facility that is developed, owned and operated by a Canadian municipality.

“SunMine is an innovative use of a former mine site and an excellent example of a collaborative partnership supporting sustainable, vibrant communities,” said Don Lindsay, President and CEO, Teck. “Our interest in SunMine also reflects Teck’s commitment to alternative sources of energy.”

The SunMine project was constructed over the summer and fall months of 2014.

Learn more about SunMine at www.sunmine.ca.

Pictured above: ground-breaking ceremony with Don Lindsay, Teck President & CEO, at the SunMine solar power project in Kimberley, B.C., Canada.
Materials Stewardship

Pictured above: a truck carrying concentrate from our Red Dog Operations in Alaska
We understand that we do not operate in isolation from the rest of the economy, and that our influence and impact extend beyond the boundaries of our operations. Understanding the characteristics of our value chain and its different contributors is significant when considering the impacts of our business. This includes the full scope of inputs and outputs in terms of products and services.

Customers, suppliers, governments and transportation providers want to ensure they fully understand the actual and potential product risks associated with the handling and use of our products. Among consumers, there is a growing demand for, and an interest in, responsibly produced and managed products. Also, communities that are near or along transportation routes for our products and supplies expect us to manage risks associated with the transportation of products.

The key themes and issues in 2014 related to our Materials Stewardship focus area were:

- Theme: Fostering Sustainability in our Value Chain
  - Material Issue: Minimizing Product Impacts
  - Material Issue: Managing our Supply Chain
Theme:

Fostering Sustainability in our Value Chain

Pictured above: zinc ingots stacked at Trail Operations in B.C., Canada
Why is this theme important?
Materials stewardship is about managing the impacts and benefits of materials across their life cycles, from production through to recycling, reuse and end of life. There is growing concern over the impacts that materials and their production can have on people and on the environment through waste, emissions and the accumulation of hazardous byproducts. Society continues to expect producers to take responsibility for their products, making it more important than ever for producers and users to fully understand product life cycles, in order to maximize value while minimizing impacts.

Producing materials is becoming more challenging as global demand for materials increases and depleted mineral resources result in lower grades of ore being mined in more remote locations. In the mining industry, there is a growing recognition of shared responsibility across the supply chain for the sustainable production, use, reuse, recycling and disposal of minerals and metals.

What does it mean for Teck?
Maximizing the value of our products involves using our technology and expertise to support and advocate for the continued reuse and recirculation of metals, as well as looking for new and innovative product uses. For example, we promote the use of zinc to improve human health and to increase crop yield.

Managing the impacts of our products requires a thorough understanding of the properties of our products and our supply chain, which allows us to more effectively minimize impacts, engage with our communities of interest, and gain market access.

Why is this important to our communities of interest?
All of our COIs are consumers of mineral products. Governments, customers, suppliers and transportation providers want to ensure that they fully understand the actual and potential product risks associated with the handling and use of our products. Among consumers, there is a growing demand for, and an interest in, responsibly produced and managed products. Also, communities that are near or along transportation routes for our products and supplies expect us to manage risks.

Our Approach
We employ life cycle thinking to understand the potential risks and impacts of our products, beginning with the extraction of raw material from the earth, through to processing, transportation and customer use.

Our Materials Stewardship Committee (MSC) defines and oversees our efforts and is responsible for:
- Understanding the actual and potential risks and impacts of our products
- Making recommendations on approving new product applications
- Managing labelling and packaging requirements
- Monitoring product regulations and technical, transportation and legal issues
- Establishing policies and procedures related to materials stewardship
Minimizing Product Impacts

There is growing concern over the impacts that materials and their production can have on people and on the environment through waste, emissions and the accumulation of hazardous byproducts. Society continues to expect producers to take responsibility for their products, making it more important than ever for producers and users to fully understand product life cycles in order to maximize value while minimizing impacts. Responding to this expectation, there is a growing recognition of shared responsibility in the mining industry and across the mining supply chain for the sustainable production, use, reuse, recycling and disposal of minerals and metals.

Products can have naturally occurring deleterious impurities associated with them, as well as valuable co-products like lead, cadmium and indium. From a stewardship perspective, industry is obliged to ensure these impurities and products are safely managed for workers, for communities and for the general population.

Our Approach

Managing the impacts of our products requires a thorough understanding of the properties of our products and our supply chain, which allows us to more effectively minimize impacts, engage with our communities of interest and gain market access. We seek to maximize the value of our products by using our technology and expertise to support and advocate for the responsible use, reuse, recycling, recovery and disposal of materials. This is an important principle of our work in materials stewardship and in the management of impacts and benefits of materials across their life cycles. We engage with manufacturers and users, as well as governments, in the responsible use of our products to promote effective, efficient and economic recycling of metals.

We employ life cycle thinking to understand the potential risks and impacts of our products, beginning with the extraction of raw material from the earth, through to processing, transportation and customer use. We draw on ecotoxicity expertise developed by the various commodity associations to bring sound science into our management approaches and decisions, and our materials stewardship program is actively engaged with collective industry efforts, including those of the International Council on Mining and Metals, towards continuously improving materials stewardship.

Recycling is an important aspect of our everyday lives, as it conserves scarce natural resources, reduces the amount of waste that must be burned or buried, and helps to sustain the environment for future generations. Our recycling occurs on many levels; we recycle in accordance with international, national, provincial and local requirements, and we look to exceed these requirements. Today, we work to continually improve recycling at our operations by identifying and sharing best practices throughout the company. This includes conducting ongoing assessments of our recycling and reuse practices.

Built upon our long and successful history in product stewardship, our materials stewardship efforts have expanded since 2010 to meet growing regulatory pressures on mineral concentrates. Our Materials Stewardship Committee defines and oversees our efforts and is responsible for:

- Understanding the actual and potential risks and impacts of our products
- Making recommendations on approving new product applications
- Managing labelling and packaging requirements
- Monitoring product regulations and technical, transportation and legal issues
- Establishing policies and procedures related to materials stewardship

An example of how life cycle thinking is influencing our actions and decisions is the Deleterious Elements Require Thought (DERT) project that is ongoing with our Exploration department. The DERT program helps flag, in the exploration phase, above-normal levels of deleterious elements that may impact the value of the products from the ore body. This program helps ensure that information on deleterious elements is incorporated into project assessments.
Managing our Supply Chain

We have made considerable efforts towards understanding the impacts of our outputs. In 2014, we put greater emphasis on understanding the supply chain characteristics of our inputs and began developing a Supply Chain Risk Management Strategy.

**Our Approach**

As part of our strategy to operate in low risk jurisdictions that have strong legal frameworks and high standards of performance, we have a good baseline level of assurance that our suppliers’ and contractors’ business conduct is aligned with environmental and labour legislation and regulation. However, we want to use our size and influence to catalyze our business partners to continuously improve their sustainability practices by ensuring effective compliance systems are in place and that best practices are integrated in their business where feasible.

We established our Recommended Protocols for Suppliers and Service Providers in 2012, communicated the expectations contained within these Protocols to major suppliers, and integrated the Protocols into our procurement and contract processes. The Protocols include expectations to address issues relating to ethics, health and safety, environmental stewardship, and human rights, including numerous labour law requirements. To strengthen the utility and impact of the Protocols, as well as inform the development of our Supply Chain Risk Management Strategy, we have begun deeper engagement with a selection of our major suppliers to create greater mutual understanding of expectations and performance.

Our Supply Chain Risk Management Strategy seeks to better integrate supply chain risks into our established risk management processes, which will provide a framework for making decisions to mitigate or avoid sustainability risks in, and impacts to, our supply chain. A subset of our suppliers was selected to work with us to ensure conformance with the Protocols. As a first step, these suppliers were asked to self-assess their performance against the focus areas set out in the Protocols. The objective of this request was to help us understand each company’s sustainability management, to determine how it aligned with our guidelines, and to identify specific areas for improvement. Our intention is to continue to work in partnership with each company to address the areas that may require improvement.

In 2015, we plan to complete a Supply Chain Risk Assessment at each operation, with the outcomes feeding into operational risk registers.

In the case of formal tender processes for certain large contracts, our Request for Information and Request for Proposal process allows us to evaluate suppliers on their HSEC and labour policies and practices as part of the selection process. We evaluate selected suppliers in accordance with ongoing risk management practices. In addition, as we are heavily reliant on third parties to transport our products, we conduct a risk-based screening of our transportation providers, based on the volume and commodity transported, in order to select those who will handle our products safely and who share our commitment to safe and responsible supply chain management.

Also in 2015, we initiated the Supply Management Best Practices Implementation Program to define and implement supply management best practices across our company. The implementation of best practices will support improvements with our suppliers and service providers toward achieving expectations for sustainability performance and responsible business practices.
Case Study: ZincNyx Renewable Battery Development

Around the world, there are thousands of communities without access to stable energy sources. In B.C. alone, there are close to 70 remote communities that are not connected to the major natural gas or electricity grid. Typically, these isolated communities rely on diesel generators that are costly to operate and produce emissions. Renewable energy sources, such as wind or solar power, are attractive alternatives, but these can’t be counted on to provide firm, reliable power throughout the year.
To try and overcome this challenge with renewable power, several companies have developed prototype energy storage systems such as lithium-ion batteries but have faced challenges such as high costs and limited operating conditions. However, a different kind of technology called flow batteries has the potential to overcome these challenges.

A flow battery is a rechargeable fuel cell in which an electrolyte containing one or more dissolved electroactive elements flows through an electrochemical cell that reversibly converts chemical energy to electricity. Additional electrolyte is stored externally in tanks, and is pumped through the cells of the reactor. The total amount of electricity that can be generated depends on the size of the storage tanks.

Flow batteries are modular, stable and portable, and have no emissions. From installation in remote communities to integration within existing power grids, flow batteries have the potential to provide long-term, on-demand and cost-effective energy storage.

With our focus on supporting renewable energy, Teck is the primary investor in the development of clean battery technology through ZincNyx Energy Solutions, a Vancouver-based start-up that is working to develop and commercialize zinc-air flow batteries. For Teck, this represents an opportunity to facilitate the development of a technology that could have broad implications for the way energy is generated and used.

Since 2012, ZincNyx has been developing a modular energy storage system designed to deliver backup power in the range of 5 to 100 kilowatts over extended periods of time using zinc oxide. To advance their research, ZincNyx has formed strategic partnerships with University of British Columbia, Simon Fraser University, Canetique and the National Research Council of Canada. In 2014, ZincNyx released a prototype, and secured further funding from Sustainable Development Technology Canada.

Using zinc oxide technology for flow batteries has several advantages. Both oxygen and zinc are abundant elements and cost-effective for use in energy storage, and zinc provides high-energy density, chemical stability and reversibility.

Flow batteries – such as the zinc-air battery developed by ZincNyx, with its flexible and low-cost scaling, long-term storage properties and the ability to separate the energy storage function from the power generation source – could provide a more efficient alternative for large-scale energy storage. For example, the flow battery could be charged during the day using solar panels, and then provide power to a remote community during the night.

“With our zinc-air flow battery, you can store energy and use it later. This system can give consistent power to remote communities where there’s no grid. It’s one of the areas we want to focus on moving forward,” said Suresh Singh, CEO, ZincNyx.

Learn more about ZincNyx at www.zincnyx.com.
### Performance Overview Table (1)

<table>
<thead>
<tr>
<th>Category</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health and Safety(2)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Recordable Injury Frequency (TRIF)</td>
<td>1.01</td>
<td>1.26</td>
<td>1.33</td>
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<tr>
<td>Fatalities</td>
<td>2</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Lost-Time Injury (LTI)</td>
<td>74</td>
<td>69</td>
<td>94</td>
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<tr>
<td>LTI Frequency (LTIF)</td>
<td>0.40</td>
<td>0.34</td>
<td>0.46</td>
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<tr>
<td>Severity</td>
<td>80</td>
<td>19</td>
<td>17</td>
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<tr>
<td><strong>Energy and Greenhouse Gas (GHG) Emissions(3)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy — fuel (TJ)</td>
<td>31,330</td>
<td>31,399</td>
<td>33,016</td>
</tr>
<tr>
<td>Energy — electricity (TJ)</td>
<td>14,037</td>
<td>14,158</td>
<td>13,977</td>
</tr>
<tr>
<td>Total energy use (TJ)</td>
<td>45,336</td>
<td>45,556</td>
<td>46,993</td>
</tr>
<tr>
<td>GHG emissions — direct CO₂e (kt)</td>
<td>2,723</td>
<td>2,722</td>
<td>2,889</td>
</tr>
<tr>
<td>GHG emissions — indirect CO₂e (kt)</td>
<td>343</td>
<td>367</td>
<td>294</td>
</tr>
<tr>
<td>GHG emissions — total CO₂e (kt)</td>
<td>3,066</td>
<td>3,089</td>
<td>3,183</td>
</tr>
<tr>
<td><strong>Materials</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste rock (kt)</td>
<td>828,634</td>
<td>784,520</td>
<td>778,654</td>
</tr>
<tr>
<td>Tailings (dry kt)</td>
<td>72,664</td>
<td>67,388</td>
<td>66,035</td>
</tr>
<tr>
<td>Coarse coal refuse (kt)(4)</td>
<td>11,109</td>
<td>10,307</td>
<td>10,348</td>
</tr>
<tr>
<td><strong>Environmental Compliance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permit non-compliance</td>
<td>100</td>
<td>79</td>
<td>81</td>
</tr>
<tr>
<td>Regulatory non-compliance</td>
<td>6</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td><strong>Significant Spills</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Significant Spills</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Biodiversity(5)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Area reclaimed during the current year (ha)</td>
<td>101</td>
<td>434</td>
<td>163</td>
</tr>
<tr>
<td>Area disturbed during the current year (ha)</td>
<td>657</td>
<td>310</td>
<td>478</td>
</tr>
<tr>
<td>Area of land yet to be reclaimed (ha)</td>
<td>22,462</td>
<td>22,087</td>
<td>19,163</td>
</tr>
<tr>
<td>Total area of land reclaimed</td>
<td>6,932</td>
<td>6,897</td>
<td>9,447</td>
</tr>
<tr>
<td>Total footprint (ha)(6)</td>
<td>29,394</td>
<td>28,772(6)</td>
<td>28,610</td>
</tr>
<tr>
<td><strong>Waste Management and Recycling(7)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hazardous waste sent off-site but not recycled (t)</td>
<td>15,257</td>
<td>10,087</td>
<td>2,029</td>
</tr>
<tr>
<td>Hazardous waste treated/disposed of on-site (t)</td>
<td>37,309</td>
<td>22,659</td>
<td>15,310</td>
</tr>
<tr>
<td>Hazardous waste recycled (t)</td>
<td>12,523</td>
<td>44,559</td>
<td>22,418</td>
</tr>
<tr>
<td>Non-hazardous waste sent off-site but not recycled (t)</td>
<td>4,797</td>
<td>12,863</td>
<td>1,620</td>
</tr>
<tr>
<td>Non-hazardous waste treated/disposed of on-site (t)</td>
<td>27,286</td>
<td>100,798</td>
<td>155,872</td>
</tr>
<tr>
<td>Non-hazardous waste recycled (t)</td>
<td>25,274</td>
<td>28,711</td>
<td>26,103</td>
</tr>
<tr>
<td><strong>Water(8)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total water inputs (m³)</td>
<td>392,623,000</td>
<td>442,839,000</td>
<td>n/a</td>
</tr>
<tr>
<td>Total water outputs (m³)</td>
<td>388,550,000</td>
<td>431,069,000</td>
<td>n/a</td>
</tr>
<tr>
<td>New water use (m³)(9)</td>
<td>128,721,000</td>
<td>132,261,000</td>
<td>118,156,000</td>
</tr>
<tr>
<td>Water reused/recycled (m³)</td>
<td>205,389,000</td>
<td>197,294,000</td>
<td>212,186,000</td>
</tr>
<tr>
<td>Water reused/recycled (%)</td>
<td>160</td>
<td>153</td>
<td>180</td>
</tr>
</tbody>
</table>
Data in this table is accurate as of June 19, 2015. Historical data is reported based on the scope of the report for the respective year. The scope of the report can change year to year, depending on acquisitions or sales of assets. In our efforts to continually improve and standardize our annual reporting process, the interpretation of data from year to year can often change. Certain comparative amounts for 2013 and 2012 have been reclassified or restated to conform to the presentation adopted for 2014.

Our safety statistics include both employees and contractors at all of our locations (operations, projects, exploration sites and offices). For sites where Teck owns more than 50%, safety statistics are weighted 100%; for sites where Teck owns 50% or less, safety statistics are weighted according to Teck’s ownership of the operation. This includes the Antamina mine, in which we have a 22.5% interest. We define incidents according to the requirements of the U.S. Department of Labor’s Mine Safety and Health Administration. Frequencies are based on 200,000 hours worked. Severity is calculated as the number of days missed due to lost-time injuries per 200,000 hours worked. New information or a reclassification of injuries may cause a change in historical data.

See our Carbon Disclosure Project report response, available on www.cdp.net, for further information on how we compile our GHG and Emissions data.

Includes dewatered fine coal refuse from Line Creek and Coal Mountain operations.

The area of land disturbed in the current year may include land that was previously reclaimed and has been re-disturbed. The area of land reclaimed during the current year may include land that was previously reclaimed but subsequently disturbed. The area of land reclaimed may decrease in a year due to unsuccessful reclamation attempts or the mining of a previously reclaimed area. Total Footprint is the sum of total area of land yet to be reclaimed and total area of land reclaimed.

Data has been restated due to changes in our accounting approach for our footprint.

Recycled waste includes waste that is diverted from the landfill through recycling and reuse. Waste sent off-site but not recycled includes waste disposed of at appropriate facilities, landfills and deep-well injections.

In 2013, we improved our water reporting methodology and, as a result, total water inputs and total water outputs for prior years are not available. We provide data for total water withdrawals and total water discharges for prior years in the 2012 Sustainability Report. See page 96 for definitions of water inputs and outputs and for more detailed water data.

New water use was reported as total water withdrawals in years prior to 2013.

The percentage calculation is based on the total volume of water reused/recycled divided by the total volume of freshwater use.
Independent Assurance Report

To the Board of Directors and management of Teck Resources Limited:

External Developments in 2014

Deloitte was engaged by Teck Resources Limited (Teck) to provide limited assurance on selected sustainability subject matter areas presented within the Teck 2014 Sustainability Report (the Report) for the year ended 31 December 2014.

Selected subject matter

- Teck’s assertion that it has incorporated the requirements of the 10 Sustainable development principles of the International Council on Mining and Metals (ICMM Subject Matter 1) into its own policies, strategies and standards
- Teck’s assertions regarding the approach that it has adopted to identify and prioritize its material sustainable development risks and opportunities (ICMM Subject Matter 2)
- Teck’s assertions regarding the existence and status of implementation of systems and approaches used to manage the following selected sustainable development risk areas (ICMM Subject Matter 3):
  - Health and safety;
  - Energy and climate change;
  - Water;
  - Community and indigenous peoples;
  - Biodiversity;
  - Emergency preparedness; and
  - Materials stewardship.
- Teck’s company-wide reported performance data for sustainable development risk areas identified under ICMM Subject Matter 3 (such reported performance data is referred to as ICMM Subject Matter 4); data for reviewed performance measures, listed below, is included in the addendum: “selected performance measures reviewed”:
  - Number of work-related fatalities, number of lost-time injuries, and lost-time injury frequency;
  - Direct, indirect and total greenhouse gas (GHG) emissions by weight;
  - Total new water use (including groundwater, surface water and other sources);
  - Total number of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples;
  - Area reclaimed during the current year, total disturbance to date; and
  - Programs and progress relating to materials stewardship.
- Teck’s self-declaration of reporting in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines

Reporting criteria

Teck has described its approach to reporting material sustainability issues, performance measures, statements and claims related to the subject matter in the “About our Report” section of the Sustainability Report. The subject matter areas above have been assessed against the definitions and approaches contained in the following standards and principles:

- ICMM principles and mandatory requirements set out in ICMM Position Statements; and

Responsibilities

Deloitte LLP

Our responsibility is to express a conclusion on Teck’s approach and reported assertions detailed in the description of the subject matter areas.

Teck Resources Limited

The report has been prepared by management of Teck who are responsible for the collection and presentation of the subject matter in accordance with the Reporting criteria. Teck is a member of the ICMM and is therefore committed to obtaining assurance over specified subject matter in its Report in line with ICMM’s Sustainable Development Framework: Assurance Procedure (the Framework).

What we did: Approach

Our limited assurance engagement has been planned and performed in accordance with the International Federation of Accountants’ International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000) and ICMM’s Sustainable Development Framework Assurance Procedure.

Primary procedures performed

- Making enquiries of relevant management of Teck;
- Evaluating the design of the key processes and controls for managing and reporting the performance data within the selected subject matter;
Testing performance data, on a selective basis, substantively at both an operational and corporate level;

- Undertaking analytical procedures over the performance data; and

- Reviewing a sample of relevant management information and documentation supporting assertions made in the selected subject matter.

**Limited assurance**

This engagement is aimed at obtaining limited assurance for our conclusions. As a limited assurance engagement is restricted primarily to enquiries and analytical procedures and the work is substantially less detailed than that undertaken for a reasonable assurance engagement, the level of assurance is lower than would be obtained in a reasonable assurance engagement.

**Inherent limitations**

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

**Addendum — Selected Performance Measures Reviewed**

The following corporate-wide performance measures were included in Deloitte’s review of selected sustainability subject matter areas within Teck's Sustainability Report for the year ended December 31, 2014.

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of fatalities</td>
<td>2</td>
</tr>
<tr>
<td>Number of lost-time injuries (LTI)</td>
<td>74</td>
</tr>
<tr>
<td>Lost-time injury frequency (LTIF)</td>
<td>0.40</td>
</tr>
<tr>
<td>GHG emissions – direct (CO₂e kt)</td>
<td>2723</td>
</tr>
<tr>
<td>GHG emissions – indirect (CO₂e kt)</td>
<td>343</td>
</tr>
<tr>
<td>GHG emissions – total (CO₂e kt)</td>
<td>3,066</td>
</tr>
<tr>
<td>New water use (m³)</td>
<td>128,721,300</td>
</tr>
<tr>
<td>Area reclaimed during the current year (ha)</td>
<td>101</td>
</tr>
<tr>
<td>Total disturbance to date (ha)</td>
<td>29,394</td>
</tr>
<tr>
<td>Total number of significant disputes relating to land use and the customary rights of local communities and Indigenous Peoples</td>
<td>2</td>
</tr>
</tbody>
</table>

**Restriction on use**

Our responsibility in performing our limited assurance activities is to the management of Teck only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the Report is entirely at its own risk.

**What we found: Assurance conclusions**

Based on the work described above, nothing has come to our attention that causes us to believe that the selected subject matter for the year ended December 31, 2014 has not been prepared, in all material respects, in accordance with the Reporting criteria.

Deloitte LLP
Chartered Accountants
Vancouver, B.C.
June 12, 2015
Table 17

Boundaries of Material Issues

<table>
<thead>
<tr>
<th>Material Issue</th>
<th>Issue Boundary (Internal/External)</th>
<th>Stakeholders to Whom the Issue is Most Material</th>
<th>Where Issue is Most Material</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengthening our Safety Culture</td>
<td>Internal/External</td>
<td>Employees</td>
<td>All Teck assets (i.e., production, processing, project and exploration)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contractors</td>
<td>Contractor selection and management</td>
</tr>
<tr>
<td>Preparing for Emergencies</td>
<td>Internal</td>
<td>Employees</td>
<td>All Teck assets</td>
</tr>
<tr>
<td>Protecting and Conserving Water</td>
<td>Internal</td>
<td>Employees</td>
<td>Teck production and processing assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shareholders</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contractors</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local communities</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulators</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Society</td>
<td></td>
</tr>
<tr>
<td>Managing Environmental Performance</td>
<td>Internal/External</td>
<td>Employees</td>
<td>All Teck assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local communities</td>
<td>Contractor selection/management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulators</td>
<td>Supplier selection</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Society</td>
<td></td>
</tr>
<tr>
<td>Using Energy Efficiently and Reducing Emissions</td>
<td>Internal/External</td>
<td>Shareholders</td>
<td>Teck production and processing assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local communities</td>
<td>Power providers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulators</td>
<td>Service providers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Society</td>
<td>Steelmaking coal customers</td>
</tr>
<tr>
<td>Protecting and Conserving Biodiversity</td>
<td>Internal</td>
<td>Local communities</td>
<td>All Teck assets</td>
</tr>
<tr>
<td>Planning for Closure</td>
<td>Internal</td>
<td>Shareholders</td>
<td>Teck mature and end-of-life production and processing assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employees</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local communities</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contractors and suppliers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulators</td>
<td></td>
</tr>
<tr>
<td>Minimizing Product Impacts</td>
<td>Internal/External</td>
<td>Customers</td>
<td>Teck production and processing assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulators</td>
<td>Transport</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Society</td>
<td>Customers and end users</td>
</tr>
<tr>
<td>Material Issue</td>
<td>Issue Boundary (Internal/External)</td>
<td>Stakeholders to Whom the Issue is Most Material</td>
<td>Where Issue is Most Material</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>-----------------------------------</td>
<td>-------------------------------------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>Building our Workforce</td>
<td>Internal</td>
<td>Employees</td>
<td>All Teck assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local communities</td>
<td>Direct and indirect impact</td>
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<tr>
<td>Achieving Community Support</td>
<td>Internal/External</td>
<td>Shareholders</td>
<td>All Teck assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employees</td>
<td>Contractor selection/</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contractors</td>
<td>management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Suppliers</td>
<td>Supplier selection</td>
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<td></td>
<td></td>
<td>Regulators</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Society</td>
<td></td>
</tr>
<tr>
<td>Working with Indigenous Peoples</td>
<td>Internal</td>
<td>Indigenous Peoples</td>
<td>All Teck assets with Indigenous peoples in the vicinity</td>
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<tr>
<td></td>
<td></td>
<td>Regulators</td>
<td></td>
</tr>
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<td></td>
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<td>Society</td>
<td></td>
</tr>
<tr>
<td>Ensuring Integrity and Compliance</td>
<td>Internal/External</td>
<td>Shareholders</td>
<td>All Teck assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employees</td>
<td>Contractors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local communities</td>
<td></td>
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<td></td>
<td></td>
<td>Regulators</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Government officials</td>
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</tr>
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<td></td>
<td></td>
<td>Society</td>
<td></td>
</tr>
<tr>
<td>Optimizing Economic Contributions</td>
<td>Internal/External</td>
<td>Shareholders</td>
<td>All Teck assets</td>
</tr>
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<td></td>
<td></td>
<td>Local communities</td>
<td>Contractor and supplier selection</td>
</tr>
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<td></td>
<td></td>
<td>Regulators</td>
<td>Direct and indirect impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Society</td>
<td>communities</td>
</tr>
<tr>
<td>Respecting Human Rights</td>
<td>Internal/External</td>
<td>Shareholders</td>
<td>All Teck assets</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employees</td>
<td>Contractor selection/</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local communities</td>
<td>management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regulators</td>
<td>Supplier selection</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Society</td>
<td></td>
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</tbody>
</table>
## 2014 Sustainability Issues Overview

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Asset Name</th>
<th>Asset Type</th>
<th>Location</th>
<th>Issues of Interest</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Steelmaking coal</strong></td>
<td><strong>Cardinal River</strong></td>
<td>Mine</td>
<td>Canada (Alberta)</td>
<td>• Integrated water management</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Biodiversity management</td>
<td>105</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Indigenous engagement and Impact Benefit Agreements</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td><strong>Fording River</strong></td>
<td>Mine</td>
<td>Canada (British Columbia)</td>
<td>• Integrated water management (Elk Valley Water Quality Plan)</td>
<td>94</td>
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<tr>
<td></td>
<td><strong>Greenhills</strong></td>
<td></td>
<td></td>
<td>• Permitting and community engagement and consultation</td>
<td>42, 45</td>
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<tr>
<td></td>
<td><strong>Line Creek</strong></td>
<td></td>
<td></td>
<td>• Employee fatality in March 2014</td>
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<tr>
<td></td>
<td><strong>Elkview</strong></td>
<td></td>
<td></td>
<td>• Indigenous engagement and Impact Benefit Agreements</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td><strong>Coal Mountain</strong></td>
<td></td>
<td></td>
<td>• Biodiversity management, including land conservation efforts, through multi COI engagement, including Indigenous groups</td>
<td>105</td>
</tr>
<tr>
<td><strong>Quintette</strong></td>
<td><strong>Former mine</strong></td>
<td></td>
<td>Canada (British Columbia)</td>
<td>• Biodiversity management</td>
<td>105</td>
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<tr>
<td></td>
<td>that was set to re-open, now on care and maintenance</td>
<td>Mine</td>
<td></td>
<td></td>
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<tr>
<td><strong>Copper</strong></td>
<td><strong>Antamina</strong></td>
<td>Mine</td>
<td>Peru</td>
<td>• Local employment and procurement</td>
<td>66</td>
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<tr>
<td></td>
<td>(Teck is not the operator)</td>
<td></td>
<td></td>
<td>• Community concerns about regional economic benefits</td>
<td></td>
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<tr>
<td></td>
<td><strong>Carmen de Andacollo</strong></td>
<td>Mine</td>
<td>Chile</td>
<td>• Integrated water management in an arid region</td>
<td>94</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Managing dust impacts on the local community</td>
<td>53, 55</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Community engagement on economic development</td>
<td>45</td>
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<tr>
<td></td>
<td><strong>Duck Pond</strong></td>
<td>Mine</td>
<td>Canada (Newfoundland)</td>
<td>• Social and environmental aspects of mine closure</td>
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<td></td>
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<tr>
<td></td>
<td><strong>Highland Valley Copper</strong></td>
<td>Mine</td>
<td>Canada (British Columbia)</td>
<td>• Implementation of Impact Benefit Agreements, including Indigenous employment and procurement</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Managing dust impacts on local communities</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td><strong>Quebrada Blanca</strong></td>
<td>Mine</td>
<td>Chile</td>
<td>• Integrated water management in an arid region</td>
<td>95</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Engagement of community and Indigenous Peoples for future development</td>
<td>45</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Updating operating permits</td>
<td>42</td>
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<tr>
<td></td>
<td><strong>Galore Creek</strong></td>
<td>Project</td>
<td>Canada (British Columbia)</td>
<td>• Indigenous employment and procurement</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td><strong>Mesaba</strong></td>
<td>Project</td>
<td>United States</td>
<td>• Integrated water management</td>
<td>94</td>
</tr>
<tr>
<td>Business Unit</td>
<td>Asset Name</td>
<td>Asset Type</td>
<td>Location</td>
<td>Issues of Interest</td>
<td>Page</td>
</tr>
<tr>
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<td>-----------------</td>
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<td>-------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Copper</td>
<td>Relincho (continued)</td>
<td>Project</td>
<td>Chile</td>
<td>• Integrated water management in an arid region</td>
<td>95</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Engagement of community and Indigenous Peoples for future development</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Artisanal and small-scale mining</td>
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<tr>
<td>Zinc</td>
<td>Pend Oreille</td>
<td>Mine</td>
<td>United States (Washington State)</td>
<td>• Production restart</td>
<td>3</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Community engagement and local employment</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td>Red Dog</td>
<td>Mine</td>
<td>United States (Alaska)</td>
<td>• Indigenous operating agreement</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Integrated water management</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Biodiversity management</td>
<td>105</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Safe and effective logistics in Arctic conditions</td>
<td>60</td>
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<tr>
<td></td>
<td>Trail Operations</td>
<td>Metallurgical complex</td>
<td>Canada (British Columbia)</td>
<td>• Integrated water management including Groundwater Remediation Plan</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Transboundary environmental litigation</td>
<td>42</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>• Renewable energy generation/use</td>
<td>123</td>
</tr>
<tr>
<td>Energy</td>
<td>Frontier</td>
<td>Oil sands project</td>
<td>Canada (Alberta)</td>
<td>• Application of sustainable and innovative technology and techniques to oil sands development</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>Fort Hills (Teck is not the operator)</td>
<td>Oil sands project</td>
<td>Canada (Alberta)</td>
<td>• Consultation with Indigenous communities</td>
<td>57</td>
</tr>
<tr>
<td></td>
<td>Wintering Hills</td>
<td>Wind power facility</td>
<td>Canada (Alberta)</td>
<td>• Generation of carbon offsets</td>
<td>123</td>
</tr>
</tbody>
</table>
### Our Sustainability Strategy

**Our Communities of Interest**

<table>
<thead>
<tr>
<th>COI Category</th>
<th>Sub-Category and Description</th>
<th>Description</th>
<th>Priority Engagement Topics in 2014</th>
</tr>
</thead>
</table>
| Employees    | Teck employees               | Union, non-union, full-time employees, part-time employees and contractors | • Cost containment  
• Economic conditions and company updates  
• Employee retrenchments  
• Environment and sustainability  
• Health and well-being  
• Incorporating safety and sustainability into performance incentives  
• Safety strategies and systems |
| Public       | Community residents          | Includes Indigenous and non-Indigenous communities | • Air quality  
• Community investment  
• Elk Valley Water Quality Plan  
• Environment  
• Health and safety  
• Indigenous rights and title  
• Land and resource use  
• Mining practices and activities |
| General public | Includes those outside of project/site-affected communities, but have an interest in our activities | | • Coal exports  
• Dusting  
• Emergency preparedness  
• Environment  
• Tailings management  
• Water quality |
| Special Interest Groups | Community organizations | Community based institutions (e.g., schools and health centres), charitable and development organizations | • Community investment opportunities |
| Non-governmental organizations (NGOs) and multinational organizations | Includes organizations that are focused primarily on advocacy and are local, national and international in scope | | • Community investment opportunities  
• Global topics of interest (e.g., water, climate change, human rights and zinc deficiency)  
• Resource revenue transparency (e.g., payments to government)  
• Site-specific topics |
| Public/private institutions | Academic and research | Academic institutions and research organizations | • Research partnerships  
• Training programs |
| Government   | Local/community               | Local government body or institution (e.g., town council, mayor’s office) | • Community investment opportunities  
• Environment  
• Local hiring and procurement  
• Social issues |
| Regional     | Government body or institution below the sub-national (e.g., within a state or province) level | | • Environment  
• Regional hiring and procurement  
• Social issues |
<table>
<thead>
<tr>
<th>COI Category and Description</th>
<th>Description</th>
<th>Priority Engagement Topics in 2014</th>
</tr>
</thead>
</table>
| **Sub-National** (State/Provincial) | Sub-national government body or institution (e.g., state, province, territory and region) | • First Nations Treaties  
• Infrastructure  
• Permits and certificates  
• Skills training  
• Tailings management  
• Water quality |
| **National/Federal** | National-level (federal) government body or institution | • Corporate social responsibility  
• Legislation and regulation  
• Skills training  
• Trade |
| **International** | Intra-governmental bodies and foreign organizations | • Regulations affecting transportation and product classification and handling |
| **Indigenous Peoples** | Agencies representing an Indigenous group (such as councils or leadership, cultural representatives), organizations run by/for an Indigenous group (includes health, education, environmental), Indigenous controlled goods and service providers and traditional land users | • Agreements (e.g., impact benefit agreements, engagement protocols, exploration agreements, etc.)  
• Elk Valley Water Quality Plan  
• Community investment opportunities  
• Environment  
• Indigenous rights and title  
• Protection of heritage sites  
• Regulatory approvals  
• Traditional land use |
| **Commercial or Business Interests** | Includes joint ventures, large contractors and customers | • Commercial, operational and financial matters  
• Commercial matters  
• Logistics and transportation  
• Materials stewardship  
• Potential human rights issues in the supply chain |
| **Industry associations or business groups** | Associations, groups or consortia representing businesses (e.g., mining associations, sustainable business organizations) and Indigenous business associations | • Regulatory issues  
• Social issues  
• Sustainability |
| **Investors** | Institutional investors, other equity holders, debt holders and banks | • Environment  
• Financial performance and state of the company |
<table>
<thead>
<tr>
<th>COI Category and Description</th>
<th>Description</th>
<th>Priority Engagement Topics in 2014</th>
</tr>
</thead>
</table>
| **Lands, Resources and Property Interests** | Land user (tenured/licensed) | Includes licences to use an area of land and/or its resources, including hunting/guiding licences, commercial recreation licences (e.g., backcountry hiking, heli-skiing), commercial fishing licences, mining/exploration licences, forest harvest licences, trapping licences, oil and gas licences, grazing licences, etc.; also includes those with right-of-ways, easements, and other non-ownership land tenures | • Commercial use  
• Easements  
• Land access  
• Public safety  
• Recreational access |
| Land users (untenured) | Known land users, though they may not own or have formal licence for an area. Includes recreational users (e.g., hikers, snowmobilers, boaters, etc.), and subsistence users (e.g., hunting, gathering, fishing, etc.) | • Biodiversity  
• Recreational access |
| Private land owner | Manages private land for residential, commercial or conservation (e.g. land trust) purposes | • Land use |
| Water user | Includes those with a licence for water use or extraction | • Water access, quality and allocation  
• Water monitoring |
## Actual and Potential Impacts from our Activities

<table>
<thead>
<tr>
<th>Actual or Potential Impacts on Communities from our Activities</th>
<th>Site(s)</th>
<th>Our Approach to Addressing These Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental: Perceived risks to drinking water from mine water discharge</td>
<td>Red Dog Operations</td>
<td>• Engaging with COIs about Teck’s water stewardship activities, participatory monitoring with COIs and Subsistence Committee members, and communicating those results to raise awareness that discharges to rivers meet water quality standards and are protective of human health</td>
</tr>
<tr>
<td>Socio-economic: Increase in demand for accommodation and lack of supply has led to affordable housing challenges</td>
<td>Coal operations in the Elk Valley of British Columbia</td>
<td>• Facilitating a housing study that highlights the need for additional affordable housing and is an input into the local government’s Official Community Plan. We are also continuing existing employee housing initiatives</td>
</tr>
<tr>
<td>Environmental: Potential impacts on aquatic or human health from selenium levels</td>
<td>Coal operations in the Elk Valley of British Columbia</td>
<td>• Engaging with several COIs, ranging from public consultation to active participation in the development of an Elk Valley Water Quality Plan. See the case study on page 99 for more information</td>
</tr>
<tr>
<td>Environmental/socio-economic: Actual and potential impacts on traditional livelihoods due to dust from the operations</td>
<td>Highland Valley Copper</td>
<td>• Initiating a study, together with local Nlaka’pamux communities, to evaluate the presence and extent of dust from the operation, and developing a plan to assess the potential effects on traditional foods</td>
</tr>
<tr>
<td>Environmental/socio-economic: Actual and potential impacts on agricultural livelihoods and community well-being due to dust from blasting</td>
<td>Carmen de Andacollo Operations</td>
<td>• Adding new monitoring stations around the operation. Implementing advanced weather monitoring systems and developing new procedures to reduce the possibility of dusting caused by blasting</td>
</tr>
<tr>
<td>Economic/human rights: Balancing land use and access with the right to a livelihood from artisanal and small-scale mining (ASM)</td>
<td>Carmen de Andacollo and Quebrada Blanca operations, and the Relincho resource development project</td>
<td>• Supporting artisanal and small-scale miners within Carmen de Andacollo’s property by working with regional government and local unions to provide lease agreements and safety inspections to the ASMs • Engaging with miners to assess their need for access to mineral resources on Quebrada Blanca and Relincho mine property on or near our property</td>
</tr>
<tr>
<td>Cultural: Impacts on Indigenous cultural heritage, such as archeological finds or access to sacred sites</td>
<td>Exploration Canada</td>
<td>• Working with First Nations communities at our Yukon exploration sites to identify potential cultural heritage and archeological impacts • Working with communities to address interests and concerns, including minimizing potential impacts to cultural heritage and the environment by conducting pre-drill cultural surveys and post-drill reclamation site visits • Continuing to develop archeological chance find procedures and ensuring that practices are in place to address cultural concerns</td>
</tr>
<tr>
<td>Quebrada Blanca</td>
<td>• Working with Indigenous communities to identify potential cultural heritage and archeological impacts associated with field work for the Quebrada Blanca Phase 2 Project • Conducting cultural surveys, providing cultural awareness training for our contractors, active participation by our community relations staff in the work, and post-activity site visits and follow-ups with the communities are all part of our approach to build trust and involve communities in our work</td>
<td></td>
</tr>
<tr>
<td>Environmental: Impacts on water sources, such as contamination risk, due to our exploration activities</td>
<td>Exploration Turkey</td>
<td>• Conducting collaborative work with local COIs to analyze and monitor water quality impacts before and after all seasonal drilling activities • Ensuring that best practices were applied at our drill sites with regards to water management. Maintaining ongoing engagement and dialogue with stakeholders to build trust and share information on our activities and impact mitigation practices</td>
</tr>
</tbody>
</table>
Figure 29

2014 Total Feedback Received by Communities of Interest by Topic Category

- Transportation and Utilities: 3%
- Social and Communities: 22%
- Mining Practices and Activities: 15%
- Land and Resource Use: 5%
- Environment: 16%
- Health and Safety: 2%
- Indigenous Related: 18%
- Community Investment: 13%
- Economic Opportunities: 8%
- Environment: 3%

Figure 30

Total 2014 Significant Feedback Received by Communities of Interest by Topic Category

- Transportation and Utilities: 3%
- Social and Communities: 11%
- Mining Practices and Activities: 10%
- Land and Resource Use: 5%
- Indigenous Related: 9%
- Health and Safety: 2%
- Community Investment: 3%
- Economic Opportunities: 3%
- Environment: 54%

Table 21

2014 Air Emissions to Air by Type (Tonnes)\(^{(1)(2)(3)(4)(5)}\)

<table>
<thead>
<tr>
<th>Operation</th>
<th>Particulate Matter (less than 10 microns)</th>
<th>Particulate Matter (less than 2.5 microns)</th>
<th>Sulphur Oxides (SOx)</th>
<th>Nitrogen Oxides (NOx)</th>
<th>Carbon Monoxide (CO)</th>
<th>Volatile Organic Compounds</th>
<th>Mercury (Hg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardinal River</td>
<td>216</td>
<td>16</td>
<td>7.5</td>
<td>171</td>
<td>2.9</td>
<td>0.1</td>
<td>n/m</td>
</tr>
<tr>
<td>Carmen de Andacollo</td>
<td>422</td>
<td>61</td>
<td>n/m</td>
<td>n/m</td>
<td>n/m</td>
<td>n/m</td>
<td>n/m</td>
</tr>
<tr>
<td>Coal Mountain</td>
<td>317</td>
<td>34</td>
<td>0.1</td>
<td>28</td>
<td>17</td>
<td>1.0</td>
<td>n/m</td>
</tr>
<tr>
<td>Duck Pond</td>
<td>13</td>
<td>1.3</td>
<td>0.4</td>
<td>3.7</td>
<td>15</td>
<td>n/m</td>
<td>n/m</td>
</tr>
<tr>
<td>Elkview</td>
<td>2,671</td>
<td>248</td>
<td>0.1</td>
<td>82</td>
<td>66</td>
<td>4.3</td>
<td>0.0006</td>
</tr>
<tr>
<td>Fording River</td>
<td>3,772</td>
<td>363</td>
<td>2.3</td>
<td>19</td>
<td>45</td>
<td>3.0</td>
<td>0.0004</td>
</tr>
<tr>
<td>Greenhills</td>
<td>2,099</td>
<td>227</td>
<td>37</td>
<td>342</td>
<td>43</td>
<td>11</td>
<td>0.0000</td>
</tr>
<tr>
<td>Highland Valley Copper</td>
<td>8,207</td>
<td>2,912</td>
<td>37</td>
<td>310</td>
<td>1,261</td>
<td>37</td>
<td>n/m</td>
</tr>
<tr>
<td>Line Creek</td>
<td>2,947</td>
<td>191</td>
<td>0.3</td>
<td>3.9</td>
<td>16</td>
<td>1.1</td>
<td>n/m</td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>n/m</td>
<td>n/m</td>
<td>n/m</td>
<td>16</td>
<td>5.7</td>
<td>1.4</td>
<td>n/m</td>
</tr>
<tr>
<td>Quebrada Blanca</td>
<td>73</td>
<td>1.2</td>
<td>178</td>
<td>738</td>
<td>2.8</td>
<td>0.4</td>
<td>n/m</td>
</tr>
<tr>
<td>Red Dog</td>
<td>450</td>
<td>n/m</td>
<td>1.7</td>
<td>2,778</td>
<td>249</td>
<td>140</td>
<td>n/m</td>
</tr>
<tr>
<td>Trail Operations</td>
<td>114</td>
<td>85</td>
<td>3,924</td>
<td>294</td>
<td>71</td>
<td>13</td>
<td>0.0470</td>
</tr>
</tbody>
</table>

\(^{(1)}\)Requirements and methods for determining air emissions can vary widely. In most cases, measured emissions from point sources such as stacks are included, while other operations estimate diffuse (i.e., fugitive) emissions from sources such as stockpiles and roads. Not all sites have monitoring equipment in place to measure releases from all sources and activities, and not all sites estimate fugitive emissions.

\(^{(2)}\)“n/m” stands for not measured.

\(^{(3)}\)Our Canadian sites report annually to the National Pollutant Release Inventory. Our Red Dog operations also report a different scope of air emissions data to the Toxic Release Inventory, which contains different reporting requirements and, in some cases, alternative calculation methods. Both the NPRI and TRI contain information on chemical releases and waste management activities reported annually by certain facilities.

\(^{(4)}\)Particulate emissions (i.e., dust) vary significantly by operation due to a number of factors, including weather conditions, location and size of stockpiles, terrain and volume of materials moved.

\(^{(5)}\)Air emissions types not included in the table, such as persistent organic pollutants, are not required to be reported by permit or legislation and are not material.
### Numbers and Percentage of Local Employees\(^{(1)(2)}\)

<table>
<thead>
<tr>
<th>Operation</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>Definition of Local</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cardinal River</strong></td>
<td>304</td>
<td>419</td>
<td>413</td>
<td>Regional</td>
</tr>
<tr>
<td><strong>Carmen de Andacollo(^{(3)})</strong></td>
<td>425</td>
<td>841</td>
<td>848</td>
<td>Regional</td>
</tr>
<tr>
<td><strong>Coal Mountain</strong></td>
<td>222</td>
<td>325</td>
<td>247</td>
<td>Regional</td>
</tr>
<tr>
<td><strong>Duck Pond(^{(4)})</strong></td>
<td>208</td>
<td>283</td>
<td>259</td>
<td>Province-wide</td>
</tr>
<tr>
<td><strong>Elkview</strong></td>
<td>699</td>
<td>1,108</td>
<td>671</td>
<td>Regional</td>
</tr>
<tr>
<td><strong>Fording River</strong></td>
<td>774</td>
<td>1,202</td>
<td>800</td>
<td>Regional</td>
</tr>
<tr>
<td><strong>Greenhills</strong></td>
<td>422</td>
<td>600</td>
<td>441</td>
<td>Regional</td>
</tr>
<tr>
<td><strong>Highland Valley Copper</strong></td>
<td>1,286</td>
<td>1,381</td>
<td>1,221</td>
<td>Regional</td>
</tr>
<tr>
<td><strong>Line Creek</strong></td>
<td>339</td>
<td>509</td>
<td>362</td>
<td>Regional</td>
</tr>
<tr>
<td><strong>Pend Oreille</strong></td>
<td>136</td>
<td>80</td>
<td>61</td>
<td>Regional</td>
</tr>
<tr>
<td><strong>Quebrada Blanca</strong></td>
<td>353</td>
<td>681</td>
<td>418</td>
<td>Regional</td>
</tr>
<tr>
<td><strong>Red Dog</strong></td>
<td>336</td>
<td>468</td>
<td>369</td>
<td>State-wide</td>
</tr>
<tr>
<td><strong>Trail Operations</strong></td>
<td>1,490</td>
<td>1,544</td>
<td>1,590</td>
<td>Regional</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td>6,994</td>
<td>9,441</td>
<td>7,770</td>
<td>As above</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Operational data is not directly comparable as there are differences in how each operation defines “local” and tracks data.

\(^{(2)}\) Historical human resources-related data can change based on the date a report is generated. Since we are continually improving the data integrity of our reporting systems, historical data can change and the percentages of local employees calculated here may be based on a different employee total than that reported in our global workforce total on page 82.

\(^{(3)}\) Carmen de Andacollo Operations expanded its definition of local to include the cities of La Serena and Coquimbo in 2012.

\(^{(4)}\) Duck Pond Operations expanded its definition of local from regional to province-wide in 2012.

### Formal Agreements with Indigenous Groups at our Operations

<table>
<thead>
<tr>
<th>Operations Within or Adjacent to Indigenous Peoples’ Territory</th>
<th>Name of Indigenous Group</th>
<th>Formal Agreements with Indigenous Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elk Valley</td>
<td>Ktunaxa Nation Council</td>
<td>Working Protocol Agreement</td>
</tr>
<tr>
<td></td>
<td>Shuswap Indian Band</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>Cardinal River</td>
<td>Alexis Nakota Sioux</td>
<td>Impact Benefit Agreement</td>
</tr>
<tr>
<td>Highland Valley Copper</td>
<td>Nlaka’pamux Nation Tribal Council (NNTC)</td>
<td>Joint Relationship Agreement</td>
</tr>
<tr>
<td></td>
<td>Nlaka’pamux Participating Bands (CNA)</td>
<td>Participation Agreement</td>
</tr>
<tr>
<td></td>
<td>Lower Nicola Indian Band</td>
<td>Negotiation Agreement</td>
</tr>
<tr>
<td>Quebrada Blanca Phase 1 and Phase 2</td>
<td>Matilla Indigenous Community</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td></td>
<td>Members of the Tamentica and Copaquire Communities</td>
<td>Memorandum of Understanding</td>
</tr>
<tr>
<td>Red Dog</td>
<td>Iñupiat of Northwest Alaska</td>
<td>Development and Operating Agreement</td>
</tr>
</tbody>
</table>

Appendices 149
### Table 24

**Percentage of Senior Management Roles filled by Locals**

<table>
<thead>
<tr>
<th>Operation</th>
<th>2014 (%)</th>
<th>2013 (%)</th>
<th>2012 (%)</th>
<th>Definition of Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardinal River</td>
<td>92</td>
<td>100</td>
<td>100</td>
<td>Regional</td>
</tr>
<tr>
<td>Carmen de Andacollo</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>Regional</td>
</tr>
<tr>
<td>Coal Mountain</td>
<td>100</td>
<td>100</td>
<td>78</td>
<td>Regional</td>
</tr>
<tr>
<td>Duck Pond</td>
<td>88</td>
<td>73</td>
<td>47</td>
<td>Regional</td>
</tr>
<tr>
<td>Elkview</td>
<td>88</td>
<td>83</td>
<td>82</td>
<td>Regional</td>
</tr>
<tr>
<td>Fording River</td>
<td>89</td>
<td>93</td>
<td>92</td>
<td>Regional</td>
</tr>
<tr>
<td>Greenhills</td>
<td>95</td>
<td>100</td>
<td>100</td>
<td>Regional</td>
</tr>
<tr>
<td>Highland Valley Copper</td>
<td>100</td>
<td>100</td>
<td>62</td>
<td>Regional</td>
</tr>
<tr>
<td>Line Creek</td>
<td>94</td>
<td>94</td>
<td>94</td>
<td>Regional</td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>63</td>
<td>57</td>
<td>80</td>
<td>Regional</td>
</tr>
<tr>
<td>Quebrada Blanca</td>
<td>22</td>
<td>39</td>
<td>42</td>
<td>Regional</td>
</tr>
<tr>
<td>Red Dog</td>
<td>35</td>
<td>63</td>
<td>67</td>
<td>State-wide</td>
</tr>
<tr>
<td>Trail Operations</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>Regional</td>
</tr>
</tbody>
</table>

**Note:** Senior management is defined as employees in band ten and above.

### Table 25

**Percentage of Spending on Locally Based Suppliers**

<table>
<thead>
<tr>
<th>Operation</th>
<th>2014 (%)</th>
<th>2013 (%)</th>
<th>2012 (%)</th>
<th>Definition of Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardinal River</td>
<td>8</td>
<td>6</td>
<td>8</td>
<td>Regional</td>
</tr>
<tr>
<td>Carmen de Andacollo</td>
<td>9</td>
<td>14</td>
<td>10</td>
<td>Regional</td>
</tr>
<tr>
<td>Coal operations Elk Valley</td>
<td>19</td>
<td>30</td>
<td>38</td>
<td>Regional</td>
</tr>
<tr>
<td>Duck Pond</td>
<td>58</td>
<td>59</td>
<td>53</td>
<td>Province-wide</td>
</tr>
<tr>
<td>Highland Valley Copper</td>
<td>27</td>
<td>26</td>
<td>26</td>
<td>Regional</td>
</tr>
<tr>
<td>Pend Oreille</td>
<td>13</td>
<td>25</td>
<td>21</td>
<td>Regional</td>
</tr>
<tr>
<td>Quebrada Blanca</td>
<td>18</td>
<td>13</td>
<td>13</td>
<td>Regional</td>
</tr>
<tr>
<td>Red Dog</td>
<td>59</td>
<td>60</td>
<td>51</td>
<td>State-wide</td>
</tr>
<tr>
<td>Trail Operations</td>
<td>33</td>
<td>29</td>
<td>34</td>
<td>Regional</td>
</tr>
<tr>
<td>Overall</td>
<td>27</td>
<td>29</td>
<td>28</td>
<td></td>
</tr>
</tbody>
</table>
### Progress Towards Implementing the United Nations Guiding Principles on Business and Human Rights

<table>
<thead>
<tr>
<th>Guiding Principle</th>
<th>Teck’s Performance in 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>A policy commitment to meet the responsibility to respect human rights</td>
<td>Human Rights Policy endorsed by the Board of Directors and released in 2012. Human Rights Working Group (HRWG) struck, with defined mandate and objectives to implement Human Rights Policy. HRWG made up of representatives from different internal subject matter areas (including senior involvement of Risk, Project Development Group, Operating Excellence, Communities, Legal, Operations and Human Resources).</td>
</tr>
<tr>
<td>A human rights due diligence process to identify, prevent, mitigate and account for how businesses address their impacts on human rights</td>
<td>A due diligence process was undertaken to assess our current operations against the likely areas of interaction between our mines and human rights. The findings of these assessments will be reviewed, and mitigation developed and monitored by the HRWG. A similar due diligence process will be completed against VHOs processes and procedures and our interactions with Human Rights. The findings from the operations assessments will inform this process. We presented the findings to our COI Panel in Vancouver in 2015. We engage with our COIs on the topics that are important to them, consistent with the manner in which they frame and approach those topics. Not all COIs approach concerns from a human rights perspective, and therefore may not expressly identify a human rights issue or concern. Where our COIs engage with us on their Human Rights specifically we will make special effort to ensure we are addressing their concerns. Our findings related to the due diligence process at our Operations had findings related to barriers to female/Indigenous employment, uncertainty around disability hiring, complaints related to environmental impacts and the resultant impact on livelihoods, and lack of detailed information related to supply chain risk.</td>
</tr>
<tr>
<td>Processes to enable the remediation of any adverse human rights impacts that businesses cause or contribute to</td>
<td>Community feedback mechanisms exist at all operations, in addition to our Employee <em>Doing What’s Right</em> Hotline. These two processes were considered key proxies for effective human rights management when it comes to operating in low human rights risks jurisdictions.</td>
</tr>
</tbody>
</table>
Our People

Figure 31

Executives and Senior Management by Gender and Age Distribution

![Bar chart showing gender distribution by age group for executives and senior management.]

Table 27

Global Workforce by Site

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Operations</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cardinal River Operations</td>
<td>345</td>
<td>420</td>
<td>459</td>
</tr>
<tr>
<td></td>
<td>Coal Mountain Operations</td>
<td>291</td>
<td>314</td>
<td>315</td>
</tr>
<tr>
<td></td>
<td>Elkview Operations</td>
<td>1045</td>
<td>1086</td>
<td>1067</td>
</tr>
<tr>
<td></td>
<td>Fording River Operations</td>
<td>1223</td>
<td>1197</td>
<td>1184</td>
</tr>
<tr>
<td></td>
<td>Greenhills Operations</td>
<td>611</td>
<td>597</td>
<td>587</td>
</tr>
<tr>
<td></td>
<td>Line Creek Operations</td>
<td>503</td>
<td>498</td>
<td>501</td>
</tr>
<tr>
<td></td>
<td>Quintette Project</td>
<td>6</td>
<td>83</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>Coal Other(1)</td>
<td>320</td>
<td>331</td>
<td>313</td>
</tr>
<tr>
<td><strong>Copper</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Carmen de Andacollo Operations</td>
<td>742</td>
<td>802</td>
<td>785</td>
</tr>
<tr>
<td></td>
<td>Duck Pond Operations</td>
<td>222</td>
<td>284</td>
<td>275</td>
</tr>
<tr>
<td></td>
<td>Highland Valley Copper Operations</td>
<td>1368</td>
<td>1405</td>
<td>1320</td>
</tr>
<tr>
<td></td>
<td>Quebrada Blanca Operations</td>
<td>682</td>
<td>682</td>
<td>756</td>
</tr>
<tr>
<td></td>
<td>Chile Other(2)</td>
<td>91</td>
<td>111</td>
<td>92</td>
</tr>
<tr>
<td><strong>Zinc</strong></td>
<td>Pend Oreille Operations</td>
<td>201</td>
<td>81</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Red Dog Operations</td>
<td>432</td>
<td>462</td>
<td>439</td>
</tr>
<tr>
<td></td>
<td>Trail Operations</td>
<td>1465</td>
<td>1517</td>
<td>1542</td>
</tr>
<tr>
<td></td>
<td>Zinc Other</td>
<td>57</td>
<td>63</td>
<td>60</td>
</tr>
<tr>
<td><strong>Energy</strong></td>
<td>Energy</td>
<td>42</td>
<td>39</td>
<td>27</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>Corporate</td>
<td>440</td>
<td>445</td>
<td>395</td>
</tr>
<tr>
<td></td>
<td>Exploration</td>
<td>167</td>
<td>177</td>
<td>194</td>
</tr>
<tr>
<td></td>
<td>Projects</td>
<td>104</td>
<td>116</td>
<td>118</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td>10357</td>
<td>10710</td>
<td>10547</td>
</tr>
</tbody>
</table>

(1) Coal Other includes personnel at Westshore Terminals and those supporting the coal business unit in offices throughout the world.

(2) Chile Other includes personnel working in the Chile corporate office and in Carmen de Andacollo administration.
Table 28

**Gender Distribution of Women by Position Type**

<table>
<thead>
<tr>
<th>Position Type</th>
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Figure 32

**Hires and Terminations by Age Group and Gender**

[Bar chart showing hires and terminations by age group and gender]
Appendix B – Our Memberships, External Standards and Commitments

We are members of numerous industry associations and are involved in organizations that provide a platform for advancing sustainability. As we implement our sustainability strategy, our involvement with these organizations provides us with guidance and opportunities to share best practices and contribute to industry standards, enabling us to evolve with the best sustainability practices in our industry.

Extractive Industry Associations

**Canadian Association of Petroleum Producers (CAPP)**
CAPP represents companies that explore for, develop and produce natural gas and crude oil throughout Canada. CAPP is focused on enhancing the economic sustainability of the Canadian upstream petroleum industry. CAPP’s member companies produce about 90% of Canada’s natural gas and crude oil.

**Canada’s Oil Sands Innovation Alliance (COSIA)**
COSIA is an alliance of oil sands producers focused on accelerating the pace of improvement in environmental performance in Canada’s oil sands through collaborative action and innovation.

**International Copper Association (ICA)**
The ICA’s mission is to defend and grow markets for copper, based on its superior technical performance and its contribution to a higher quality of life worldwide.

**International Council on Mining and Metals (ICMM)**
ICMM is a global industry association that represents leading international mining and metals companies. Member companies are required to implement the 10 Sustainable Development Framework Principles to produce an externally verified sustainability report at the Global Reporting Initiative (GRI) A+ level, as well as to adopt the ICMM Assurance Procedure.

**International Lead Association (ILA)**
The ILA is dedicated to encouraging the responsible use of lead and its compounds. Representing lead producers from all over the world, ILA is the umbrella global organization that interfaces with regional organizations.

**International Zinc Association (IZA)**
IZA is a non-profit organization that promotes the role that zinc plays in product applications, human health and crop nutrition. Representing the global zinc industry, the IZA highlights zinc’s contribution to sustainable development. Teck supports Zinc Saves Kids, a program created through a partnership between the IZA and the United Nations Children’s Fund (UNICEF) to provide inexpensive zinc supplements to children.

**Mining Association of British Columbia (MABC)**
MABC represents the collective needs and interests of B.C.’s mining industry. MABC promotes the economic and social value of mining by liaising with government, regulators and the industry. We are active in MABC committees and work with MABC members to discuss issues of common concern.

**Mining Association of Canada (MAC)**
MAC promotes the growth and development of Canada’s mining and mineral-processing industry for the benefit of all Canadians. Through MAC, we are required to implement the Towards Sustainable Mining (TSM) program, which aids in improving industry performance through the alignment of actions with the priorities and values of Canadians. As a MAC member, we conduct self-audits at our operations and are subject to third-party verification audits in accordance with TSM standards for social and environmental responsibility.

**National Mining Association (NMA)**
The NMA is an American trade organization that represents the interests of mining before Congress, the administration, federal agencies, the judiciary and the media. NMA’s mission is to build support for public policies that will help America fully and responsibly utilize its coal and mineral resources.
Prospectors and Developers Association of Canada (PDAC)
The PDAC represents the interests of the Canadian mineral exploration and development industry, providing advocacy, information and networking. PDAC developed the Environmental Excellence in Exploration (e3 Plus), a framework for responsible exploration that integrates exploration with social responsibility and environmental stewardship, as well as health and safety. We incorporated the PDAC framework into the development of our Health, Safety, Environment and Community (HSEC) Management Standards and into the Social Management and Responsibility at Teck (SMART) Exploration Tool.

Sociedad Nacional de Minera (SONAMI)
SONAMI is a trade association that brings together and represents large-, medium- and small-scale metallic and non-metallic mining companies in Chile. SONAMI makes significant contributions to the development of private mining institutions and mining legislation, as well as the training and professional development of workers in the mining sector.

Other Associations

Business for Social Responsibility (BSR)
BSR is a multi-sector membership association that works with members to catalyze change within business by integrating sustainability into strategy and operations, and to promote collaboration among companies and their stakeholders for systemic progress toward a just and sustainable world.

Mining Industry Human Resources Council (MiHR)
MiHR is the council for the Canadian minerals and metals industry. A recognized leader in the development and implementation of national human resources solutions, MiHR contributes to the strength, competitiveness and sustainability of the Canadian mining sector. Their products and services supporting their endeavours are based on sound research into the skills and labour market issues that matter most to the Canadian mining industry.

Network for Business Sustainability (NBS)
Teck is part of the Leadership Council of the NBS. The Leadership Council, formed by industry leaders from key economic sectors, collaborates with the federal government and representatives from non-governmental organizations to address pertinent sustainability issues and challenges.

United Nations Global Compact (UNGC)
The UNGC provides a framework for businesses committed to aligning their operations and strategies with 10 principles spanning human rights, labour, the environment and anti-corruption. We became a participating company in April 2007. In early 2011, our participation in the UNGC extended to include Global Compact LEAD, which challenges leading companies to pave the way for new efforts aimed at improving sustainability performance to meet today’s challenges in human rights, labour, the environment and anti-corruption. Participating companies are required to submit annual communication on progress towards incorporating the UNGC goals and principles.

World Economic Forum (WEF)
WEF, established in 1971, is an international institution committed to improving the state of the world through public-private cooperation. WEF engages political, business, academic and other leaders of society in collaborative efforts to shape global, regional and industry agendas. WEF is independent, impartial and not tied to any special interest, working in close cooperation with all major international organizations.
External Standards and Commitments

**AccountAbility (AA) 1000 Standards**
AccountAbility’s standards, the AA1000 Series, are principles-based standards that provide the basis for improving sustainability performance. We follow AA1000 standards to guide our process of our corporation-wide stakeholder engagement program and sustainability reporting.

**Carbon Disclosure Project (CDP)**
The CDP is an independent not-for-profit organization working to drive greenhouse gas (GHG) emissions reduction and sustainable water use by businesses and cities. 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 their GHG data. Since 2006, we have responded to CDP, and starting in 2011, we also began submitting a response to CDP Water Disclosure. Our response can be found on the CDP website.

**Extractive Industries Transparency Initiative (EITI)**
The EITI aims to strengthen governance by improving transparency and accountability in the extractive sector. The only EITI-implementing country where we currently have operations is Peru, and payments from the Antamina mine in that country to government are publicly disclosed in accordance with EITI standards.

**Global Reporting Initiative (GRI)**
The GRI pioneered what is now the world’s most widely used sustainability reporting framework, based on a balance of economic, environmental and social issues. We apply GRI’s G3 Guidelines and the Mining and Metals Sector Supplement to ensure that our sustainability report presents a complete and accurate picture of our operations.

**Greenhouse Gas (GHG) Protocol for Calculating Emissions**
Our energy and carbon accounting practices follow rigorous standards set by regulators in the United States, British Columbia and Alberta, and across the rest of Canada. The most significant of these is the verification of our greenhouse gas (GHG) emissions required by regulation to a “reasonable level of assurance”. In BC, this applies to facilities emitting greater than 25,000 tonnes of carbon dioxide-equivalent (CO₂e) per annum under the provincial Greenhouse Gas Reduction (Cap and Trade) Act (GGRCTA) Reporting Regulation. In Alberta, this applies to our Cardinal River Operations under the Specified Gas Emitters Regulation.

**Imagine Canada**
Imagine Canada is a national charitable organization whose cause is Canada’s charities. Their three broad goals are to strengthen the sector’s collective voice, create opportunities to connect and learn from each other, and build the sector’s capacity to succeed.

**International Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability**
IFC applies social and environmental performance standards to all projects financed by the IFC and by Equator Principles Financial Institutions in order to minimize impacts on the environment and on affected communities. Where appropriate, the Performance Standards are incorporated into our management standards or associated guidance documents.

**International Integrated Reporting Council (IIRC)**
The IIRC is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs. The coalition is promoting communication about value creation as the next step in the evolution of corporate reporting. The coalition created a Framework for Integrated Reporting, which establishes Guiding Principles and Content Elements that govern the overall content of an integrated report, and explains the fundamental concepts that underpin them.

**International Labour Organization (ILO)**
The ILO is a tripartite United Nations (UN) agency uniting member governments, employers and workers in common pursuit of social justice and internationally recognized human and labour rights. We incorporate several ILO standards (e.g., child/forced labour, Indigenous and Tribal Peoples’ issues, minimum wage, overtime and working ages) into our labour standards and practices.

**International Organization for Standardization (ISO) 14000**
The ISO 14000 environmental management standards exist to help organizations manage impacts on air, water or land.

**International Organization for Standardization (ISO) 26000**
ISO 26000 is designed to establish common guidance on corporate social responsibility concepts, as well as definitions and methods of evaluation for voluntary use by organizations in both developed and developing areas of the world. The standards help define our social responsibility strategies.
London Benchmarking Group (LBG) Model
The LBG model, an internationally recognized framework, helps companies measure, manage, assess and report on the value and achievements of community investment. The model is used by companies around the world to assess the value and impact of their community investment to both business and society. We are using the model to help us better understand and report on our community investments.

Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
These voluntary principles and standards for responsible business conduct address a variety of issues including employment and industrial relations, human rights, environment, information disclosure, combatting bribery, consumer interests, science and technology, competition and taxation. We apply the OECD Guidelines to inform our research on international best practices.

United Nations Declaration of Human Rights
Thirty articles outline the view of the General Assembly on human rights for all people, which we publicly support and apply to guide our business practices. This informed the development of our Human Rights Management Standard in the Health, Safety, Environment and Community (HSEC) Management Standards.

United Nations Guiding Principles on Business and Human Rights
Endorsed by the United Nations Human Rights Council in 2011, the United Nations Guiding Principles (UNGPs) on Business and Human Rights are internationally recognized guidelines setting out the roles of businesses and governments in preventing and addressing adverse impacts on human rights linked to business activity.

United Nations Millennium Development Goals (MDGs)
Targeted for 2015, eight different MDGs range from halving extreme poverty to halting the spread of HIV/AIDS to providing universal primary education. The goals form a blueprint agreed to by all United Nations Member States and the world’s leading development institutions. We use the MDGs as a guide for our sustainable development vision and have tied our community investment program to measurable progress on MDGs.
Glossary

**Area of Influence:** The range or extent of contractual, political, economic or other relationships through which an organization has the ability to materially impact others.

**Artisanal and Small-Scale Mining (ASM):** Artisanal mining may involve individuals or families using pre-industrial techniques, compared to small-scale mining, which may be more extensive and more mechanized. However, both are labour intensive, explore small or marginal deposits, and are characterized by poor access to markets, lack of standards for health and safety, and low capital input. ASM, which ranges from informal subsistence mining by individuals to small formal commercial mining operations, can provide a key source of income in many communities.

**Biodiversity:** An abbreviation for “biological diversity”, biodiversity refers to the variety of life on earth: the different animals, plants and micro-organisms, and the ecosystems of which they are a part.

**Cap and Trade System:** A mechanism designed to limit and reduce greenhouse gas (GHG) emissions by setting a decreasing limit on their emissions (the cap) and by allowing entities within the system to trade their excess/debt to meet the overall reduction target.

**Carbon Accounting:** The practice of measuring and quantifying GHG emissions, accounting for both emitting sources (e.g., fossil fuel combustion) and “sinks” that remove GHG from the atmosphere (e.g., forests).

**Carbon Dioxide Equivalent Emissions (CO₂e):** A unit of measure that converts the emissions of different greenhouse gases into their carbon dioxide equivalent. This allows easier comparison of GHG emissions by using carbon dioxide as a standard unit of reference.

**Charter of Corporate Responsibility:** A set of principles related to business ethics, environment, safety, health and community that governs all of our operating practices and provides overarching sustainability governance commitments.

**Closure Plan:** A plan that establishes considerations for the closure of an operation under social, economic and environmental parameters that may change over generations. It requires community engagement throughout the mining life cycle.

**Code of Ethics:** This sets out our company’s dedication to upholding high moral and ethical standards, and specifies basic business conduct and behaviour.

**Code of Sustainable Conduct:** Outlines our commitments to sustainable development.

**Communities of Interest (COIs):** Any individuals or groups that may be affected by, have an interest in, or have the ability to influence our activities. These include academic and thought leaders, employees, government and regulatory staff, Indigenous Peoples, industry associations, investment communities, local communities, non-governmental organizations, peers, and business partners and suppliers. See Appendix A on pages 144–145 for a more detailed description of our COIs.

**Community Investment:** A voluntary action or contribution by a company, beyond the scope of their normal business operations, intended to benefit communities of interest in ways that are sustainable and support business objectives.

**Concentrates:** A product containing valuable minerals from which most of the waste minerals in the ore have been eliminated in a mill or concentrator.

**Electronic Waste (E-waste) Recycling:** The process of recycling end-of-life electronics, also known as e-waste, to recover valuable metals that are then reused in new products. E-waste recycling diverts recyclable materials from landfills and extends the life of our natural resources by utilizing what has already been mined.

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

**Financial Capital:** The pool of funds that is available to an organization for use in the production of goods or the provision of services; and is obtained through financing, such as debt, equity or grants, or generated through operations or investments.

**Greenhouse Gas (GHG) Emissions:** The major GHGs accounted for within this report and as identified under the Kyoto Protocol are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF₆).

**Grievance/Feedback Mechanism:** A process that allows us to receive, and effectively organize our response to, feedback from COIs on matters of interest to them related to our activities. Feedback may include questions, issues, ideas, concerns or complaints from COIs.

**Global Reporting Initiative (GRI):** The world’s most widely used sustainability reporting framework, consisting of principles, guidelines and indicators to measure and report on an organization’s economic, environmental and social performance.

**G4 Guidelines:** The fourth generation of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines.
Health, Safety, Environment and Community (HSEC) Management Standards: A set of standards that provide a consistent and systematic framework for identifying HSEC issues and helps ensure that HSEC risks are properly and efficiently managed.

High-Potential Incident: Those events that have the greatest ability to seriously or fatally injure our workforce.

Human Capital: The International Integrated Reporting Council (IIRC) defines human capital as people’s competencies, capabilities and experience, and their motivations to innovate, including their: (1) alignment with and support for an organization’s governance framework, risk management approach, and ethical values; (2) ability to understand, develop and implement an organization’s strategy; and (3) loyalties and motivations for improving processes, goods and services, including their ability to lead, manage and collaborate.

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. Human rights covers many issues relevant to a mining company, including health and safety, discrimination, poverty alleviation, Indigenous rights, access to natural resources, and human health. As such, companies have the potential to affect human rights through their relationship with employees, the environment and communities.

Impact (in terms of health, safety, environment and community): Any change to the environment or to the health, safety and well-being of people, whether adverse or beneficial, wholly or partially resulting from our activities or products.

Impact Benefit Agreement: An agreement typically made with Aboriginal or Indigenous Peoples that outlines the projected impacts of the project, the commitment and responsibilities to mitigate these impacts, and the economic and other benefits that will be shared with the Aboriginal or Indigenous party.

Impact Assessments: A study that evaluates the actual or potential impacts (positive or negative) that a site may have on its communities of interest.

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, they may be vulnerable to current social and economic systems. Indigenous Peoples is the globally used term and Aboriginal People is the term used in Canada. There are three Aboriginal groups in Canada: First Nations, Inuit and Métis. Indigenous Peoples are one of our COIs.

Indirect Economic Impacts: As defined by GRI Economic Indicator Protocol Set, they are the result (often non-monetary) of direct economic impacts (the transactions between an 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).

International Integrated Reporting Council: A global coalition of regulators, investors, companies, and standard setters, the accounting profession and NGOs. The coalition is promoting communication about value creation as the next step in the evolution of corporate reporting. The IIRC’s vision is to align capital allocation and corporate behaviour to wider goals of financial stability and sustainable development through the cycle of integrated reporting and thinking.

International Labour Organization’s Indigenous and Tribal Peoples Convention (ILO-169): Convention No.169 is a legally binding international instrument open to ratification, which deals specifically with the rights of indigenous and tribal peoples. Today, it has been ratified by 20 countries. Once it ratifies the Convention, a country has one year to align legislation, policies and programmes to the Convention before it becomes legally binding. Countries that have ratified the Convention are subject to supervision with regards to its implementation.

International Organization for Standardization (ISO) 14000: The family of ISO standards that addresses various aspects of environmental management. It enables an organization of any size or type to identify and control the environmental impact of its activities, products or services, and helps organizations continuously improve their environmental performance and implement systematic approaches to setting their environmental objectives and targets.

International Organization for Standardization (ISO) 14001: Provides a framework for a strategic approach to an organization’s environmental policy plans and actions, outlining the requirements for environmental management systems that are environmentally sustainable.

Job Safety Analysis (JSA): A Job Safety Analysis is a technique that focuses on job tasks as a way to identify hazards before they occur in order to eliminate or reduce the hazards to an acceptable level of risk. It focuses on the relationship between the worker, the task, the tools, and the work environment.

Joint Venture: A business agreement in which the parties agree to develop, for a finite time, a new entity and new assets by contributing equity.

Life Cycle Analysis: A full assessment of a product’s impact at every stage of its lifespan, from mining the product, to process and function, to sales and distribution, and appropriate end-of-life management.

Local Content: Refers to local procurement and employment at a given site.

Lost-Time Injury: An injury resulting in the individual being unable to perform his/her duties on the next scheduled work shift following the initial date of the injury. Lost time is days lost beyond the day of the injury.
Materiality: For the purposes of this report, we regard our material topics and interests as those that may affect the long-term success of our business, including our ability to create and preserve economic, environmental and social value. Material topics and interests include those that have the potential to influence the perception of COIs, including those who intend to make decisions and assessments about our commitment to sustainability. Materiality, in this context, is the threshold at which an issue or interest becomes sufficiently important that it should be reported.

Natural Capital: The International Integrated Reporting Council (IIRC) defines natural capital as all renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current or future prosperity of an organization. It includes: air, water, land, minerals and forests, biodiversity, and ecosystem health.

Non-Governmental Organization (NGO): A non-profit group largely funded by private contributions and operated outside of institutionalized government or political structures. NGOs focus on environmental and social issues at local, regional, national and international levels.

Occupational Health and Safety Assessment Series (OHSAS) 18001: An international occupational health and safety management system specification.

Oil Sands: A petroleum deposit containing a mixture of water, clay, sand and a dense form of petroleum called bitumen. Bitumen is processed and upgraded to resemble light crude oil. Surface mining removes bitumen deposits close to the surface and in situ production recovers underground deposits.

Ore Deposit: Naturally occurring material from which minerals of economic value can be extracted at a reasonable profit.

Potentially Fatal Occurrence (PFO): A PFO is an undesired, high-potential occurrence with the reasonable likelihood to have, under slightly different circumstances, resulted in a fatal injury to an employee or contractor.

Reclamation: The restoration of a site after mining or exploration activity is completed. Reclamation initiatives are used to create diverse environments that are similar to the pre-mining landscape. These landscapes are meant to attract a variety of wildlife species and to function in ways that will sustain biodiversity over time.

Resource Development Project: A project that satisfies a set of predefined characteristics, such as its degree of current development, and has as its ultimate aim the development of a subsurface mineral or energy resource into a revenue-generating operation.

Safety and Health Policy: Our company policy that fortifies a corporate commitment to providing leadership and resources for entrenching core values of safety and health.

Safety and Sustainability Committee: A committee of our Board of Directors that oversees management’s implementation of safety and sustainability practices throughout the company.

Scope 1 (Direct) Greenhouse Gas Emissions: Emissions that occur from energy sources that are owned or controlled by the company.

Scope 2 (Indirect) Greenhouse Gas Emissions: Emissions that occur from the generation of purchased electricity consumed by the company. Scope 2 emissions physically occur at the facility where electricity is generated.

Scope 3 (Other Indirect) Greenhouse Gas Emissions: Other indirect emissions not covered in scope 1 or 2, such as emissions that arise from sources owned or controlled by other companies within the value chain of a company. For example, emissions arising from business travel by employees, the use of our products, and the transportation of materials that we purchase and sell.

Severity: A measure of safety performance that illustrates the number of days lost due to injuries. Severity is a frequency measure based on every 200,000 hours worked and is calculated as follows: (number of days missed due to lost-time injuries x 200,000) divided by actual number of hours worked. A fatality is calculated as 6,000 days lost.

Site: A location under the management control of Teck. For example, these include exploration sites, facilities and operations.

Social and Environmental Impact Assessment (SEIA): An input to decision making that seeks to evaluate the significant issues associated with a proposed undertaking (e.g., a resource development project) in order to predict and assess its likely positive and negative impacts. Depending on the scope of the SEIA, the examination of issues may extend to cumulative, trans-boundary, or global impacts, as appropriate. Impact assessment typically includes establishing baseline data, analysis of alternatives and determination of a management program to mitigate predicted impacts.

Social Baseline: A study to understand the current socio-economic or human environment around a proposed project, mine or associated infrastructure.

Social Capital: The International Integrated Reporting Council (IIRC) defines social and relationship capital as the institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being. Social and relationship capital includes: shared norms, and common value and behaviours; key stakeholder relationships, and the trust and willingness to engage that an organization has developed and strives to build and protect with external stakeholders; and intangibles associated with the brand and reputation that an organization has developed.
Social Management: A management approach that identifies and manages social impacts, which are any positive or adverse consequences experienced by COIs resulting from the existence of, or changes to, our activities. Aspects of social management include our practices, capacity building, structures and systems.

Socially Responsible Investing: An investment strategy that assesses an organization’s financial, environmental, social and governance performance.

Tailings: Ground rock that has no economically recoverable mineral content. Tailings are materials rejected from a mill after recoverable valuable minerals have been extracted.

Tailings Storage Facility (TSF): The collective structures, components and equipment pertaining to tailings impoundment and management including, but not limited to, dams and reservoirs, pipelines, spillways, drains, chutes, gates, intake towers, decant structures, tunnels, canals, low-level outlets, water treatment, control and release facilities, monitoring and surveillance installations, mechanical and electrical controls, power supply, and other appurtenances.

Total Recordable Injury Frequency (TRIF): A key measure of safety performance that demonstrates the total number of recordable injuries per 200,000 hours worked. Recordable injuries include fatalities, lost-time injuries and injuries requiring medical aid. The types of incidents not included in the TRIF calculation include first aid injuries, high-potential incidents, non-injury property damage, and non-injury mobile equipment events. TRIF is calculated as follows: TRIF = (number of medical aid injuries + number of lost-time injuries + number of fatal injuries x 200,000) divided by total number of hours worked. The factor of 200,000 is derived from the average number of hours worked by 100 people in a one-year period (50 working weeks x 40 hours per week x 100 people). This factor is frequently used in North America.


United Nations Declaration on the Rights of Indigenous Peoples: A declaration adopted by United Nations General Assembly, describing that Indigenous peoples have the right to maintain and strengthen their distinct political, legal, economic, social and cultural institutions, while retaining their right to participate fully, if they so choose, in the political, economic, social and cultural life of the State.
Global Reporting Initiative Finder

We are a member of the International Council of Mining and Metals (ICMM) and report according to their Sustainable Development Framework. We are also a United Nations Global Compact (UNGC) LEAD member and have incorporated reporting requirements for the UNGC principles and the Advanced Criteria in this report. We have reported to the ‘Core’ level of accordance under the GRI G4 guidelines. The GRI Finder below shows where you can find more information on each GRI indicator, as well as how the indicators relate to the ICMM, UNGC principles, and UNGC Advanced Criteria. In some instances, reference is made to our 2014 Annual Report, 2015 Annual Information Form and 2015 Management Proxy Circular.

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<tr>
<th>GRI Indicator</th>
<th>Where to Find: Page(s)</th>
<th>Level of Reporting</th>
<th>Externally Assured</th>
<th>ICMM Principle</th>
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<th>UNGC Advanced Criteria</th>
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<td>G4–1 Statement from the most senior decision maker.</td>
<td>Page 2–4, Annual Report: 4–7</td>
<td>☐</td>
<td>2, 10</td>
<td>1, 19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G4–2 Description of key impacts, risks and opportunities.</td>
<td>Page 2–4, 18–25, 26–31, 142–143, 147</td>
<td>☐</td>
<td>4</td>
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<td>G4–3 Name of the organization.</td>
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<td>G4–4 Primary brands, products and/or services.</td>
<td>Pages 8–9, 14–15, Annual Report: 8–9, Annual Information Form: 14–77</td>
<td>☐</td>
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<tr>
<td>G4–5 Location of organization's headquarters.</td>
<td>Page 12</td>
<td>☐</td>
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<td>G4–6 Number and names of countries where the organization operates.</td>
<td>Page 12–13, Annual Information Form: 14, Annual Report: page 1</td>
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<td>Annual Information Form: 9</td>
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<td>G4–10 Details of workforce.</td>
<td>Pages 82–86, 152–153</td>
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<td>G4–11 Percentage of employees covered by collective bargaining agreements.</td>
<td>Page 86</td>
<td>☐</td>
<td></td>
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<td>G4–12 Description of the organization's supply chain.</td>
<td>Page 16–17</td>
<td>☐</td>
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<td>G4–13 Significant changes during the reporting period regarding size, structure, ownership, or its supply chain, including the location of or changes in operations.</td>
<td>Page 5–6</td>
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<td><strong>Organizational Profile (continued)</strong></td>
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<td>G4–14 Whether and how the precautionary principle is addressed by the organization.</td>
<td>Pages 18–25</td>
<td>2</td>
<td>7</td>
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<td>G4–15 Externally developed charters, principles, or other initiatives to which the organization subscribes or endorses.</td>
<td>Pages 4, 23, 24, 36, 37, 154–157</td>
<td>2</td>
<td>9</td>
<td></td>
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<tr>
<td>G4–16 Memberships of associations and national or international advocacy organizations.</td>
<td>Pages 4, 23, 24, 36, 37, 154–157</td>
<td>2</td>
<td>18</td>
<td></td>
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<tr>
<td><strong>Material Aspects and Boundaries</strong></td>
<td></td>
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<tr>
<td>G4–17 All entities included in the consolidated financial statements and whether any entity is not covered by the report.</td>
<td>Page 6</td>
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</tr>
<tr>
<td>G4–18 Process for defining report content and boundaries.</td>
<td>Pages 6, 20–25</td>
<td></td>
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<tr>
<td>G4–19 All material Aspects identified in the process for defining report content.</td>
<td>Page 22, 140–141 Refer to this GRI Finder for a complete list of the Aspects identified as material.</td>
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<td>G4–20 Report the Aspect Boundary within the organization.</td>
<td>Page 140–141</td>
<td></td>
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<td>G4–21 Report the Aspect Boundary outside the organization.</td>
<td>Page 140–141</td>
<td></td>
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<tr>
<td>G4–22 The effect of any restatements of information provided in previous reports, and the reasons for such restatements.</td>
<td>Page 137</td>
<td></td>
<td></td>
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<td>G4–23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries.</td>
<td>Page 6</td>
<td></td>
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<td><strong>Stakeholder Engagement</strong></td>
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<td>G4–24 Stakeholder groups engaged by the organization.</td>
<td>Pages 20–25, 144–146</td>
<td>10</td>
<td>21</td>
<td></td>
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<tr>
<td>G4–25 The basis for identification and selection of stakeholders.</td>
<td>Pages 20–25, 48–50, 144–146</td>
<td>10</td>
<td>21</td>
<td></td>
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<td>G4–27 Key topics and concerns raised through stakeholder engagement.</td>
<td>Page 25, 142–146</td>
<td>10</td>
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<td>G4–28 Reporting Period for information provided.</td>
<td>Pages 6</td>
<td>●</td>
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<td>G4–29 Date of most recent report.</td>
<td>Page 6</td>
<td>●</td>
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<td>G4–30 Reporting cycle.</td>
<td>Pages 6</td>
<td>●</td>
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<td>G4–31 Contact point for questions.</td>
<td>Page 6</td>
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<td>G4–32 Report the ‘in accordance’ option chosen, content index, and external assurance report.</td>
<td>Page 6</td>
<td>●</td>
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<td>G4–33 The organization’s policy and current practice with external assurance of the report, as well scope and basis of external assurance provided.</td>
<td>Page 6</td>
<td>●</td>
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<td>Governance</td>
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<td>G4–35 Process for delegating authority for sustainability topics from the board to senior executives and other employees.</td>
<td>Pages 32–34</td>
<td>●</td>
<td></td>
<td>1, 2, 4</td>
<td>1, 20</td>
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<td>G4–36 Whether the organization has appointed an executive-level position or positions with responsibility for sustainability topics, and whether this position reports directly to the board.</td>
<td>Page 34 Annual Report: 117</td>
<td>●</td>
<td></td>
<td>1, 2, 4</td>
<td>1, 20</td>
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<td>G4–38 The composition of the board and its committees.</td>
<td>Pages 33</td>
<td>●</td>
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<td>G4–39 Whether the chair of the board is also an executive officer.</td>
<td>The chair of the board is not also an executive officer. Annual Report: 117</td>
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<td>G4–41 Processes in place for the board to ensure conflicts of interest are avoided.</td>
<td>Page 33–34 Management Proxy Circular: 26–27</td>
<td>●</td>
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<tr>
<td>G4–42 The board’s and senior executives’ roles in the development, approval, and updating of the organization’s purpose, value or mission statements, strategies, policies, and goals related to sustainability impacts.</td>
<td>Pages 19, 33–35</td>
<td>●</td>
<td></td>
<td>1, 2, 4</td>
<td>1, 7, 8</td>
<td>1, 19, 20</td>
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The Safety and Sustainability Committee of the Board met 3 times in 2014.

A management committee reviews and approves the report, which includes our Chief Executive Officer; Senior Vice President, Sustainability and External Affairs; Senior Vice President, Finance and CFO; and Senior Vice President, Commercial and Legal Affairs.

In addition to a corporate COI feedback mechanism, feedback mechanisms have been implemented at all of our operations and significant projects. Feedback is reviewed by the Safety and Sustainability Committee of the Board, as well as by the Health, Safety, Environment, and Community Risk Management Committee on a quarterly basis. Feedback is rated on a scale of seriousness and critical concerns are flagged.

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<th>UNGC Advanced Criteria</th>
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<tr>
<td>G4–46</td>
<td>Page 33–35</td>
<td>●</td>
<td>1, 2, 4</td>
<td>1, 2, 7, 8, 9, 10</td>
<td>1, 20</td>
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<td>G4–47</td>
<td>Page 33</td>
<td>●</td>
<td>1, 2, 4</td>
<td>1, 2, 7, 8, 9, 10</td>
<td>1, 20</td>
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<td>G4–48</td>
<td>A management committee reviews and approves the report, which includes our Chief Executive Officer; Senior Vice President, Sustainability and External Affairs; Senior Vice President, Finance and CFO; and Senior Vice President, Commercial and Legal Affairs.</td>
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<td>G4–49</td>
<td>In addition to a corporate COI feedback mechanism, feedback mechanisms have been implemented at all of our operations and significant projects. Feedback is reviewed by the Safety and Sustainability Committee of our Board of Directors, as well as by the Health, Safety, Environment, and Community Risk Management Committee on a quarterly basis. Feedback is rated on a scale of seriousness and critical concerns are flagged.</td>
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<td>G4–50</td>
<td>Pages See above.</td>
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<td>1, 2, 4, 10</td>
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<td>G4–51</td>
<td>Page 33–34 Management Proxy Circular: 39–82</td>
<td>●</td>
<td>1, 2</td>
<td>10</td>
<td>19</td>
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<td><strong>Ethics and Integrity</strong></td>
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<td>G4–56 The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.</td>
<td>Pages 35–37</td>
<td>●</td>
<td>1, 2, 4</td>
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<td>G4–57 The internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity.</td>
<td>Pages 37–38</td>
<td>●</td>
<td>1, 2, 4</td>
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<tr>
<td>G4–58 Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity.</td>
<td>Page 37–38</td>
<td>●</td>
<td>1, 2, 4</td>
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<td><strong>Economic</strong></td>
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<td>Disclosure on management approach, including economic performance, goals, policies and other contextual information.</td>
<td>Pages 7–9, 14–17, 18–19, 37–38, 45–47, 63–66, 81, 85, 119–126 Annual Report</td>
<td>●</td>
<td>2, 4, 9</td>
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<td><strong>Material Aspect: Economic Performance</strong></td>
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<td>G4–EC1 Direct economic value generated and distributed.</td>
<td>Page 64 Annual Report Peru is compliant with the Extractive Industries Transparency Initiative (EITI). Canada and Chile are not candidate or compliant to the EITI, but are monitoring the initiative for consideration of participation. See our website for further information.</td>
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<td><strong>Material Aspect: Market Presence</strong></td>
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<td>G4–EC6 Local hiring – proportion of senior management and total workforce hired from local communities at operations.</td>
<td>Pages 66, 149–150</td>
<td>●</td>
<td>2, 9</td>
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<tr>
<td><strong>Material Aspect: Indirect Economic Impacts</strong></td>
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<tr>
<td>Aspect-Specific Disclosures on Management Approach</td>
<td>Pages 14–17, 21, 24, 38, 47, 54, 64–66, 68, 81, 85, 129–133</td>
<td>●</td>
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<td>G4–EC8 Significant indirect economic impacts.</td>
<td>Pages 14–17, 21, 24, 38, 47, 54, 64–66, 68, 81, 85, 129–133</td>
<td>●</td>
<td>2, 9</td>
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<td><strong>Material Aspect: Procurement Practices</strong></td>
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<td>Aspect-Specific Disclosures on Management Approach</td>
<td>Pages 129–133</td>
<td>●</td>
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<td>G4–EC9 Proportion of spending on locally based suppliers.</td>
<td>Pages 66, 150</td>
<td>●</td>
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<th>UNGC Advanced Criteria</th>
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<td>Disclosure on the management approach, including goals and performance, policy and other contextual information.</td>
<td>Pages 18–31, 35–36, 40–43, 56–57, 90–133</td>
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<td>1, 2, 4, 6, 7, 8, 10</td>
<td>7, 8, 9</td>
<td>1, 2, 9, 10, 11, 13, 20</td>
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<td><strong>Non–Material Aspect: Materials</strong></td>
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<td>G4–EN1 Materials used by weight or volume.</td>
<td>Page 43</td>
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<td><strong>Material Aspect: Energy</strong></td>
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<td>Aspect-Specific Disclosures on Management Approach</td>
<td>Pages 116–127</td>
<td></td>
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<td>G4–EN3 Energy consumption within the organization.</td>
<td>Pages 124, 136 Energy use is not categorized as heating, cooling, or steam consumption, as this does not add value to our reporting.</td>
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<td>G4–EN5 Energy intensity.</td>
<td>Pages 125–126</td>
<td></td>
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<tr>
<td>G4–EN6 Reduction of energy consumption.</td>
<td>Pages 122, 124, 136</td>
<td></td>
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<td><strong>Material Aspect: Water</strong></td>
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<td>G4–EN8 Total water withdrawal by source.</td>
<td>Pages 96, 136</td>
<td></td>
<td>6</td>
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<tr>
<td>G4–EN10 Percentage and total volume of water recycled and reused.</td>
<td>Pages 96, 136</td>
<td></td>
<td>6, 8</td>
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<tr>
<td><strong>Material Aspect: Biodiversity</strong></td>
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<tr>
<td>Aspect-Specific Disclosures on Management Approach</td>
<td>Pages 104–115</td>
<td></td>
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<tr>
<td>G4–MM1 Amount of land disturbed or rehabilitated.</td>
<td>Pages 111, 136</td>
<td></td>
<td>✓</td>
<td>6, 7</td>
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<td>G4–MM2 The number and percentage of sites requiring biodiversity management plans, and the number with plans in place.</td>
<td>Pages 110</td>
<td></td>
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<tr>
<td>G4–EN11 Location and size of land adjacent to protected areas and areas of high biodiversity value.</td>
<td>Pages 108</td>
<td></td>
<td></td>
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<td>G4–EN12 Significant impacts on protected areas and areas of high biodiversity value.</td>
<td>Pages 108</td>
<td></td>
<td></td>
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<td>G4–EN14 Number of IUCN Red List species and national conservation list species with habitats affected by our operations.</td>
<td>Page 108</td>
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<td><strong>Material Aspect: Emissions (continued)</strong></td>
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<td>G4-EN15 Direct greenhouse gas (GHG) emissions.</td>
<td>Pages 126, 136</td>
<td></td>
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<td>For our greenhouse gas emissions accounting methodology, see the “Emissions Methodology” section of our Carbon Disclosure Project response, available on <a href="http://www.cdp.net">www.cdp.net</a></td>
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<td>G4-EN16 Indirect greenhouse gas (GHG) emissions.</td>
<td>Pages 126, 136</td>
<td></td>
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<td>G4-EN18 Greenhouse gas (GHG) emissions intensity.</td>
<td>Pages 125–126</td>
<td></td>
<td></td>
<td>6</td>
<td>8</td>
<td>9</td>
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<tr>
<td>G4-EN19 Reduction of greenhouse gas (GHG) emissions.</td>
<td>Pages 122–123, 126, 136</td>
<td></td>
<td></td>
<td>6</td>
<td>8</td>
<td>7, 8, 9</td>
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<tr>
<td>G4-EN21 NO, SO, and other significant air emissions by type and weight.</td>
<td>Pages 148</td>
<td></td>
<td></td>
<td>6</td>
<td>8</td>
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</tr>
<tr>
<td><strong>Material Aspect: Effluents and Waste</strong></td>
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<td>G4-EN22 Total water discharge by quality and destination.</td>
<td>Pages 96, 136</td>
<td></td>
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<td>All water discharge destinations are surface water. We have yet to determine an accurate way to summarize and report on total water quality at the corporate level.</td>
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<td>G4-EN23 Total weight of waste by type and disposal method.</td>
<td>Pages 42–43, 136</td>
<td></td>
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<td>6</td>
<td>8</td>
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<td>G4-EN24 Total number and volume of significant spills.</td>
<td>Pages 41–42, 136</td>
<td></td>
<td></td>
<td>4</td>
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<td>8</td>
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<td>G4-MM3 Total amount of overburden, rock, tailings, sludges, and their associated risks.</td>
<td>Pages 42–43, 136</td>
<td></td>
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<td>6</td>
<td>8</td>
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<tr>
<td><strong>Material Aspect: Products and Services</strong></td>
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<tr>
<td>G4-EN27 Mitigation of environmental impacts of products and services.</td>
<td>Pages 128–135</td>
<td></td>
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<td>6</td>
<td>8</td>
<td>7, 8, 9</td>
</tr>
<tr>
<td>Information on environmental and health risks associated with our products is provided in our Materials Safety Data Sheets. Potential customers of new products are assessed regarding their ability to handle such materials and their by-products in an environmentally sound manner.</td>
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<tr>
<td><strong>Material Aspect: Compliance</strong></td>
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<tr>
<td>G4-EN29 Monetary value of significant fines, and non-monetary sanctions.</td>
<td>Pages 41–42</td>
<td></td>
<td></td>
<td>1</td>
<td>6</td>
<td>8</td>
</tr>
</tbody>
</table>

* Indicator fully reported  ● Indicator partially reported
### Environmental (continued)

#### Material Aspect: Transport

| G4–EN30 | Significant environmental impacts of transporting products and other goods and materials. | Pages 40, 50, 53, 55, 56, 128–135 | 6 | 8 |

#### Material Aspect: Overall

| G4–EN31 | Total environmental protection expenditures and investments by type. | Environmental costs are reported in our Annual Report under Operating Costs on page 75. Expenditures on material environmental risks are reported (e.g. water, reclamation, renewable energy). Expenditures related to legal compliance and the routine operational activities are not reported separately. Environmental expenditures are an integral part of operating costs and are not accounted for separately. | 6 | 8, 9 |

#### Material Aspect: Supplier Environmental Assessment

| Aspect-Specific Disclosures on Management Approach | Pages 128–135 | 6 |

| G4–EN32 | Percentage of new suppliers that were screened using environmental criteria. | Pages 128–135 | 1, 2, 4 | 8 |

| G4–EN33 | Significant actual and potential environmental impacts in the supply chain and actions taken. | Pages 40, 50, 53, 55, 56, 128–135 | 1, 2, 4, 6 | 8 |

### Social

#### Disclosure on the management approach, including goals and performance, policy and other contextual information.

| Pages 18–25, 26–31, 35, 44–89, 128–133 | 1, 2, 3, 4, 5, 10 | 1, 2, 3, 4, 5, 6, 10 | 1, 2, 3, 4, 5, 6, 7, 8, 12, 13, 14, 21 |

### Sub-Category: Social

#### Material Aspect: Employment

| Aspect-Specific Disclosures on Management Approach | Pages 67–78, 128–133 | 6 |

| G4–MM4 | Number of strikes and lock-outs exceeding one week’s duration, by country. | Page 87 | 3 | 3 |

| G4–LA1 | Total number and rates of new employee hires and employee turnover by age group, gender and region. | Pages 86, 152–153 | 3 | 6 |

#### Material Aspect: Labor/Management Relations

| G4–LA4 | Minimum notice periods regarding operational changes, including whether these are specified in collective agreements. | Page 86 | 3 | 3 | 7, 8 |
### Material Aspect: Occupational Health and Safety

**Aspect-Specific Disclosures on Management Approach**

<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Where to Find: Page(s)</th>
<th>Level of Reporting</th>
<th>Externally Assured</th>
<th>ICMM Principle</th>
<th>UNGC Principle</th>
<th>UNGC Advanced Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>G4–LA5</td>
<td>Percentage of total workforce represented in formal joint management–worker health and safety committees.</td>
<td>Page 86</td>
<td>😡</td>
<td>3</td>
<td>1, 3</td>
<td>7, 8</td>
</tr>
<tr>
<td>G4–LA6</td>
<td>Type and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work–related fatalities, by region and by gender.</td>
<td>Pages 2, 74, 76–77, 136</td>
<td>😡</td>
<td>5</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>G4–LA7</td>
<td>Workers with high incidence or high risk of diseases related to their occupation.</td>
<td>Page 77</td>
<td>😡</td>
<td>5</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>G4–LA8</td>
<td>Health and safety topics covered in formal agreements with trade unions.</td>
<td>Page 86</td>
<td>😡</td>
<td>5</td>
<td>3, 6</td>
<td>7, 8</td>
</tr>
</tbody>
</table>

### Material Aspect: Training and Education

| G4–LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | Pages 87–89 | 😡 | 9 | |
| G4–LA11 | Percentage of employees receiving regular performance and career development reviews. | Page 87 | 😡 | 9 | |

### Material Issue: Diversity and Equal Opportunity

| G4–LA12 | Composition of governance bodies and breakdown of employees by category. | Pages 33–34, 82–86, 152–153 | 😡 | 1, 3, 4 | 1, 6 | |

### Sub–Category: Human Rights

<p>| G4–HR3 | Total number of incidents of discrimination and corrective actions taken. | Page 83 | 😡 | 1, 3 | 1, 2, 6 | 3, 4 |</p>
<table>
<thead>
<tr>
<th>GRI Indicator</th>
<th>Where to Find: Page(s)</th>
<th>Level of Reporting</th>
<th>Externally Assured</th>
<th>ICMM Principle</th>
<th>UNGC Principle</th>
<th>UNGC Advanced Criteria</th>
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</thead>
<tbody>
<tr>
<td><strong>Social (continued)</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Material Aspect: Indigenous Rights</strong></td>
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<tr>
<td>G4–MM5</td>
<td>Total number of operations taking place in or adjacent to Indigenous Peoples’ territories, and number and percentage of operations or sites where there are formal agreements in place.</td>
<td>Pages 57–59, 149</td>
<td></td>
<td>2, 3, 9</td>
<td>1, 2</td>
<td>3, 4</td>
</tr>
<tr>
<td>G4–HR8</td>
<td>Total number of incidents of violations involving rights of Indigenous Peoples and actions taken.</td>
<td>Page 59</td>
<td></td>
<td>2, 3</td>
<td>1, 2</td>
<td>3, 4</td>
</tr>
<tr>
<td><strong>Material Aspect: Assessment</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>H4–HR9</td>
<td>Number and percentage of operations that have been subject to human rights reviews or impacts assessments.</td>
<td>Pages 67–69</td>
<td></td>
<td>1, 3, 4, 9</td>
<td>1, 2</td>
<td>4, 5</td>
</tr>
<tr>
<td><strong>Sub–Category: Society</strong></td>
<td></td>
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<tr>
<td><strong>Material Issue: Local Communities</strong></td>
<td></td>
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<tr>
<td><strong>Aspect-Specific Disclosures on Management Approach</strong></td>
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<tr>
<td>G4–MM6</td>
<td>Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.</td>
<td>Pages 51, 59, 148</td>
<td></td>
<td>2, 3, 4, 9, 10</td>
<td>1, 2</td>
<td>3, 4, 10, 21</td>
</tr>
<tr>
<td>G4–MM7</td>
<td>The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes.</td>
<td>Pages 51, 59, 148</td>
<td></td>
<td>10</td>
<td>1, 2</td>
<td>4, 10, 21</td>
</tr>
<tr>
<td>G4–SO1</td>
<td>Percentage of operations with implemented local community engagement, impact assessments, and development programs.</td>
<td>Pages 18–26, 35, 44–51, 57–59, 62–69</td>
<td></td>
<td>2, 9, 10</td>
<td></td>
<td>21</td>
</tr>
<tr>
<td>G4–SO2</td>
<td>Operations with significant actual and potential negative impacts on local communities.</td>
<td>Pages 50–53, 55–56, 94–95, 100</td>
<td></td>
<td>2, 4, 9</td>
<td>2, 8</td>
<td>4, 10</td>
</tr>
<tr>
<td>GRI Indicator</td>
<td>Where to Find: Page(s)</td>
<td>Level of Reporting</td>
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<td><strong>Material Aspect: Anti-Corruption</strong></td>
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<tr>
<td>Aspect-Specific Disclosures on Management Approach</td>
<td>Pages 37–38</td>
<td></td>
<td></td>
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<tr>
<td>G4–SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.</td>
<td>Pages 37–38, 67–68</td>
<td></td>
<td></td>
<td>1, 2, 4</td>
<td>10</td>
<td>12, 13, 14</td>
</tr>
<tr>
<td>G4–SO4 Communication and training on anti-corruption policies and procedures.</td>
<td>Pages 37–38</td>
<td></td>
<td></td>
<td>1, 2, 4</td>
<td>10</td>
<td>12, 13, 14</td>
</tr>
<tr>
<td><strong>Material Aspect: Public Policy</strong></td>
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<tr>
<td>Aspect-Specific Disclosures on Management Approach</td>
<td>Page 38</td>
<td></td>
<td></td>
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<tr>
<td>G4–SO6 Total value of political contributions by country and recipient/beneficiary.</td>
<td>Page 38</td>
<td></td>
<td></td>
<td>1</td>
<td>10</td>
<td>17</td>
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<tr>
<td><strong>Material Aspect: Compliance</strong></td>
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<td>G4–SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance.</td>
<td>Pages 41–42</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
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<tr>
<td><strong>Material Aspect: Grievance Mechanisms for Impacts on Society</strong></td>
<td></td>
<td></td>
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<tr>
<td>Aspect-Specific Disclosures on Management Approach</td>
<td>Pages 49–51</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>G4–SO11 Number of grievances about impacts on society.</td>
<td>Pages 49–51, 148</td>
<td></td>
<td></td>
<td>10</td>
<td>1, 2</td>
<td>4, 7, 10, 13</td>
</tr>
<tr>
<td><strong>Material Aspect: Closure Planning</strong></td>
<td></td>
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<tr>
<td>G4–MM10 Number and percentage of operations with closure plans.</td>
<td>Pages 112</td>
<td></td>
<td></td>
<td>2, 6, 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Material Aspect: Emergency Preparedness</strong></td>
<td></td>
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<tr>
<td>G4–DMA Existence of emergency plans and how these plans are prepared and maintained.</td>
<td>Pages 39</td>
<td></td>
<td></td>
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</tbody>
</table>
GRI Indicator | Where to Find: Page(s) | Level of Reporting | Externally Assured | ICMM Principle | UNGC Principle | UNGC Advanced Criteria
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Social (continued)

Sub–Category: Product Responsibility

Material Aspect: Compliance

| G4–PR9 | Monetary value of significant fines for non-compliance concerning the provision and use of products and services. | None. | ⬤ | 1 | 8 |  

Material Aspect: Materials Stewardship

| G4–DMA | Programs and progress related to materials stewardship. | Pages 128–133 | ⬤ | | 8 |  

Cautionary Note on Forward-Looking Statements

Certain statements contained in this report constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of the Securities Act (Ontario) and comparable legislation in other provinces (collectively, “forward-looking statements”), concerning our business, goals, operations and strategy. Some forward-looking statements may be identified by words like “expects”, “anticipates”, “focuses” and similar expressions. Forward-looking statements in this report include, but are not limited to, statements relating to our sustainability goals and plans and our expectations regarding those goals and plans, as well as statements regarding the life of certain of our operations. The forward-looking statements in this report are based on current estimates, projections, beliefs, estimates and assumptions of the management team and are believed to be reasonable, though inherently uncertain and difficult to predict. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance, experience or achievements of Teck to be materially different from those expressed or implied by the forward-looking statements. Risks and uncertainties that could influence actual results include, but are not limited to: operational problems, regulatory action, changes in laws and governmental regulations, development and use of new technology, natural disasters and adverse weather conditions, changes in commodity prices, general business and economic conditions, and the future operation and financial performance of the company generally. Certain of these risks and other additional risk factors are described in more detail in Teck’s annual information form and its management’s discussion and analysis and other documents available at www.sedar.com and in public filings with the United States Securities and Exchange Commission. Teck does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.